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COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 03/18/99 SUPERSEDING REVISION:
STAMPS:
Effective date postponed to 07/01/99. See Supplement No. 2, 1, 1
RECEIVED: 02/16/99 STATUS: Effective EFFECTIVE: 07/01/99

GENERAL INFORMATION

II. Rules and Regulations (continued):

3--Billing and Payment of Bills (continued):

C. Deposits and Advanced Payments: A deposit may be required as security for the payment of unpaid bills or other claims of the Company against the customer upon termination of service. An advance payment may be required from residential customers applying for seasonal service.

.1 Deposits - Residential Customers:

.1.1 The deposit shall be determined as follows:

.1.1.1 Residential customers shall be two times the estimated average monthly bill for a calendar year;

.1.1.2 Residential gas heating customers shall be two times the estimated average monthly bill for the heating season.

.1.2 When the Company intends to require a deposit it shall provide a written notice, at least 20 days before the deposit is assessed, that the failure to make timely payment will permit the Company to require a deposit from such customer. A deposit is required from a current residential customer who is delinquent as defined in Rule 3C.1.3, by virtue of his or her failure to make a reasonable payment of arrears, and the Company shall permit such customer to pay the deposit in installments over a period not to exceed 12 months.

.1.2.1 The Company shall allow to each such depositor simple interest at a rate per annum prescribed by the Public Service Commission on the amount deposited. Interest to customers shall be paid upon the return of the deposit, or where the deposit has been held for a period of one year, the interest shall be credited to the customer on the first billing for utility service rendered after the end of such period or each October, providing such period does not exceed one year. If a residential customer is not delinquent in the payment of bills, during the one year period from the payment of the deposit, the deposit shall be refunded promptly without prejudice to the Company's right to require a future deposit in the event that the customer thereafter becomes delinquent.

.1.3 An existing residential customer is delinquent for the purpose of a deposit assessment if such customer:

.1.3.1 accumulates two consecutive months of arrears without making reasonable payment, defined as one-half of the total arrears, of such charges before the time that a late payment charge would become applicable, or fails to make a reasonable payment on a bimonthly bill within 50 days after the bill is due; provided that the Company requests such deposit within two months of such failure to pay; or

.1.3.2 had utility service terminated for nonpayment during the preceding six months.

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY