

..DID: 7567
..TXT: PSC NO: 1 GAS LEAF: 103
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**IV. Forms for Gas Service (continued):****.1 Application and Contract (continued):****G. Seller Service Agreement (continued):**

Seller understands and agrees as follows:

- (i) Seller will deliver natural gas to "Brooklyn Union" on behalf of a Customer or Customers that "Brooklyn Union" has determined may receive service in accordance with Service Classification No. 5.
- (ii) Seller is bound by the terms and conditions of Service Classification No. 8 and the applicable terms and conditions of Service Classification No. 5 in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York.
- (iii) Seller warrants that all information provided to "Brooklyn Union" for the purpose of qualifying for service under Service Classification No. 8 is true and accurate and Seller acknowledges that such information has been provided to "Brooklyn Union" for the purpose of inducing "Brooklyn Union" to provide service pursuant to Service Classification No. 8.
- (iv) Seller has satisfied the credit criteria for Sellers pursuant to Service Classification No. 8 and is a qualified Seller without providing security to "Brooklyn Union", or has provided "Brooklyn Union" with an advance deposit, or a standby irrevocable letter of credit, a security interest in collateral, or a guarantee of payment by another person or entity, acceptable to "Brooklyn Union", as Security to ensure performance pursuant to Service Classification No. 8. The amount of security required to ensure performance will be periodically reviewed by "Brooklyn Union" and Sellers agree to increase or reduce such security as "Brooklyn Union" determines is necessary to reflect increases or decreases in the DTQ's of Customers that are supplied natural gas by Seller. "Brooklyn Union" will respond within ten days to a grievance filed by a Seller that is denied service under Service Classification No. 8 for failure to satisfy the credit criteria.
- (v) Seller hereby acknowledges that its obligations to deliver natural gas to "Brooklyn Union" under Service Classification Nos. 5 and 8 and pursuant to an executed Service Agreement under Service Classification No. 5 will not be abated by any circumstance, including a breach of the obligations by any Customer to the Seller, except for events of Force Majeure as specified under Service Classification No. 8 or actions by "Brooklyn Union" that prevent performance by Seller.
- (vi) If any provision herein is construed to be inconsistent with Service Classification Nos. 5 or 8, Seller acknowledges that the provisions of Service Classification Nos. 5 or 8 as modified and approved by the New York State Public Service Commission shall govern.
- (vii) "Brooklyn Union's" waiver or Seller's waiver of any one or more of the provisions of this Service Agreement and/or Service Classification Nos. 5 and 8 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.

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