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 ..TXT: PSC NO: 1 GAS LEAF: 150
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
 INITIAL EFFECTIVE DATE: 11/22/02 SUPERSEDING REVISION: 6
 STAMPS:
 RECEIVED: 10/10/02 STATUS: Effective EFFECTIVE: 11/22/02

SERVICE CLASSIFICATION No. 7
Interruptible Transportation Service (Continued)
(Rate Codes: 710, 711, 720, 721)

Receipt and Delivery of Customer-Owned Gas:

A Customer's Interruptible Daily Quantity (IDQ) under this Service Classification will be based upon the Customer's previous day's telemetered consumption. The Seller and/or Customer shall deliver an amount each day, made at its own discretion. Deliveries are expected to be load following on any given day. Unless interrupted on the Company's system, the Company will deliver to the Customer the customer's daily usage requirements.

Seller and/or Customer will nominate daily. Nominations will be based on a gas day 10am - 10am.

The Company may not accept the customer's nominations to the Company's City Gate if the Company has interrupted service to the customer's facilities.

Imbalances in Customer's Account:

The Customer shall schedule deliveries to the Receipt Point so to include 3.3 percent to reflect fuel use and losses in the process of transportation and delivery.

At the end of each gas day, the Company shall determine the net surplus or deficiency in deliveries of gas to the Seller's aggregate pool above or below the volume of gas transported to the Receipt Point adjusted for fuel use and losses. This will be accomplished by comparing the customer's usage to his deliveries, resulting in a net over or under delivery.

Although each Seller's pool will be balanced daily, Seller will be billed monthly. Daily imbalances will be cashed out as follows:

Underdeliveries:

0 - 10% = Gas Daily New York Transco Zone 6 Midpoint
 >10 - 20% = 120% of Gas Daily Transco Zone 6 Midpoint
 >20% = 150% of Gas Daily Transco Zone 6 Midpoint + \$10 dth

Overdeliveries:

0 - 10% = Weighted Average Commodity Cost of Gas
 >10 - 20% = 80% Weighted Average Commodity Cost of Gas
 >20% = 50% Weighted Average Commodity Cost of Gas

Meter Information

On a daily basis, the Company shall make available to each interruptible transportation marketer their interruptible transportation pool consumption for the previous gas day. The Company shall also make available each customers consumption with that gas pool. If there is a Company failure of telemetering equipment, the Company will waive the penalty imbalance charge for the period (10 - 20%). If there is a Customer failure of telecommunications associated with the telemetering equipment, the Marketer will incur the normal imbalance charges. If there is an inactive telephone line, the customer will have eight (8) weeks to remedy. In the event of any equipment malfunctions, the previous day's actual read will be deemed to be the daily actual read until the situation is corrected. If the malfunction is due to customer reasons and is not remedied after eight (8) weeks, the Customer will be returned to the applicable sales service for a minimum of twelve (12) months. The Company shall not be liable for any inaccuracies in the consumption reported if they resulted from malfunctioning telemetering equipment, telephone line problems, customer failure to maintain equipment or any other reason outside the control of the Company.

Issued by Robert D. Ekholm, Corp. Secretary's Office, Hicksville, NY