

PSC NO: 1 GAS**STATEMENT TYPE: IRS**

COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I.

STATEMENT NO: 55

INITIAL EFFECTIVE DATE: 07/01/03

STATEMENT OF RATES AND CHARGES FOR INTERRUPTIBLE SERVICEApplicable to Billings as explained on Leaf Nos. 74, 75, 128 - 132, and 150
of the Schedule for Gas Service

Applicable to Service Classification No 4: (formerly No. 3)

Interruptible Sales Rate:

| | | |
|----|---|------|
| 1. | Maximum Price: Tail Block for S.C. No. 3 plus current Gas Cost Adjustment (\$.172 + \$.788) (\$ per therm) | .960 |
| 2. | **Effective Rate (\$ per therm): | |
| | Category A | .705 |
| | Category B | .695 |
| | Category C | .715 |
| | Category D | .710 |
| | Category DSRS | .685 |
| 3. | Minimum Price: The Average cost of gas purchased for Interruptible service defined in Rule 111.1D plus (\$.570 + \$.010) (\$ per therm) | .580 |

Applicable to Service Classification No 7:

Interruptible Transportation Rate:

| | | |
|----|--|----------|
| 1. | Applicable to customers whose character of service meets the criteria of S.C. No. 4. (\$ per therm) | Variable |
| | Category A | 0.135 |
| | Category B | 0.125 |
| | Category C | 0.145 |
| | Category D | 0.140 |
| | Category DSRS | 0.115 |

Note: Customer categories are defined as:

| | |
|-----------------|---|
| Category A - | Customers exempt from the Petroleum Business Tax (PBT) with annual thermal energy requirements less than 100,000 dth |
| Category B - | Customers exempt from the PBT with annual thermal energy requirements equal to or greater than 100,000 dth |
| Category C - | Customers non-exempt from the PBT with annual thermal energy requirements less than 55,000 dth |
| Category D - | Customers non-exempt from the PBT with annual thermal energy requirements equal to or greater than 55,000 dth |
| Category DSRS - | Customers whose geographic location on the Company's distribution system prevents the Company from providing a higher level of service. |

Issued by Robert D. Ekholm, Manager, Corporate Secretary's Office, Hicksville, New York