

..DID: 20097

..TXT: PSC NO: 1 GAS STATEMENT TYPE: IRS

COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF STATEMENT NO: 40

INITIAL EFFECTIVE DATE: 08/01/02

STAMPS:

Cancelled by Statement IRS Number 41 Effective 09/01/2002

RECEIVED: 07/30/02 STATUS: Cancelled EFFECTIVE: 08/01/02

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 + \$.568) (\$ per therm) | 0.740 |
| 2. | **Effective Rate (\$ per therm):
Category A
Category B
Category C
Category D
Category DSRS | 0.470
0.460
0.470
0.465
0.450 |
| 3. | Minimum Price:
The Average cost of gas purchased for
Interruptible service defined in Rule 111.1D
plus (\$.332 + \$.010) (\$ per therm) | 0.342 |

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 | 0.138 |
| | Category B | 0.128 |
| | Category C | 0.138 |
| | Category D | 0.133 |
| | Category DSRS | 0.118 |

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