

PSC NO: 1 GAS LEAF: 174.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 02/01/12 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in C. 11-G-0412 dated 01/10/12

Service Classification No. 12
Temperature-Controlled Service - Non-Residential (continued)
(Rate Codes: 330, 331, 332)

Unauthorized Use Charge:

Beginning two hours after a Company-initiated interruption and continuing for the duration of the interruption period, any gas consumed by a Customer in excess of two therms per hour without the express written authorization of the Company will be subject to an additional per therm charge of either (i) two times the sum of the Market Price for natural gas delivered to the Company's city gate on the day of violation plus the transportation rate the Customer would be subject to if it were a transportation Customer, or (ii) nine times the applicable sales rate, whichever is higher. Market Price is defined as the highest city gate delivered price of natural gas at Transco Zone 6 NY, Texas Eastern M3 or Iroquois Zone 2 on the days of interruption, as quoted by Platts' "Gas Daily" report. A limited exception to the foregoing will apply if the Customer's failure to interrupt during a Company initiated interruption is due to a failure of Company-owned equipment that is not attributable to Customer. In such event, the Unauthorized Use Charge will only apply if the Customer fails to switch after the Company notifies the Customer to switch to its alternate fuel manually. The Customer will be subject to the Unauthorized Use Charge if the Company becomes aware that the Customer failed to interrupt gas service when required to do so because the Customer interfered with Company-owned equipment. In the event of consumption of gas during such periods, the Company will have the right to estimate the amount of such consumption for the purpose of imposing the additional charge. Such estimate may be based upon the average daily consumption during periods of authorized consumption or upon any other reasonable method including, but not limited to, the use of telemetering equipment.

Where a condition is experienced by the Customer that prevents the required switch over from gas, the Customer agrees to immediately notify the Company and to take immediate action to correct such condition, and to notify the Company when such condition has been corrected.

Non-Compliance Charges for Equipment Failure and/or Inadequate Fuel on Hand:

Whenever the Company becomes aware that the Customer's equipment is incapable of switching to an alternate fuel and/or that the Customer does not have a reasonable amount of fuel on hand considering the time in the heating season, the Company will notify the Customer within forty-eight (48) hours that the violation must be corrected within ten (10) calendar days. It will be the responsibility of the Customer to contact the Company and provide proof that the violation has been corrected. Any such violation will not trigger penalties if the Customer has previously stipulated in writing that the Customer is willing and able to shut down during periods of interruption.

Customers that receive notice from the Company regarding inadequate standby fuel and/or equipment failure that fail to supply the Company with proof that the violation has been corrected will be subject to a non-compliance charge per therm equal to the greater of 130% of the No. 2 oil gas equivalent price (as published in the Journal of Commerce NY barge consumer No. 2 oil) or 130% of their otherwise applicable variable sales rate. For Customers taking Temperature Controlled Transportation service, the non-compliance charges will be 130% of the applicable month's posted Temperature Controlled Transportation Rate, SC 13. Such non-compliance charge, which will be subject to all applicable utility taxes and surcharges, will be in lieu of the otherwise applicable variable rate and will be effective for the billing period during which non-compliance becomes known, and for any subsequent periods until the Customer provides the Company with satisfactory proof that the violation has been corrected. Customers subject to this higher variable rate continue to be subject to all terms and conditions of this Service Classification. If a Customer's action during a specific interruption results in both non-compliance and Unauthorized Use charges being warranted, only the Unauthorized Use charges will be billed.

Issued by: William J. Akley, President, Hicksville, NY