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GENERAL INFORMATION

II. Rules and Regulations (continued):

1--Definition of Terms (continued):

A (continued)

Arrears: Unpaid charges on Customers' bills for more than 20 days.

B

Back-up Services: The provision of company-owned natural gas to satisfy the customer's daily usage requirements to the extent that any portion of the customer's Daily Transportation Quantity is not delivered to the Company on the customer's behalf.

Balancing Services: The Company's managing of a customer's natural gas supply to enable the Customer to match the customer's daily usage requirements to the amount of natural gas delivered on the customer's behalf to the Company's City Gate less four (4) percent to reflect fuel use and losses in the process of transportation and delivery. Balancing Services include storage of the customer-owned natural gas if the customer's usage requirement on any day is less than the customer's gas delivery as adjusted as well as the provision of company-owned natural gas if the customer's usage requirement on any day exceeds the customer's gas delivery as adjusted.

Backbill: Charges not previously billed for service delivered to Customers prior to the current billing cycle.

Business Day: Any weekday when the Company's business offices are open.

C

Capacity Release Service Adjustment (“CRSA”): The Statement of Gas Costs and Adjustments for customers served under Service Classification Nos. 1, 2, 3, 15, 16 and 17 shall include the CRSA. The CRSA shall be set annually as of November 1st and will reconcile the difference, positive or negative, between the Company’s WACOC and the average price of capacity released to marketers serving transportation customers under Service Classification No. 5. The Company will estimate the CRSA in advance of each year by determining the unit cost difference between its estimated WACOC and estimated average price of pipeline capacity released under the Marketer Capacity Program. The unit cost is multiplied by the annual volume of capacity released, and a per therm rate is determined by dividing this annual cost difference by the Company’s Annual Forecasted Firm Sales. In its Annual Reconciliation Filing, the Company will reconcile its initial estimate of the CRSA actual release rates, actual volume of capacity released, and actual Customer use in therms.

Issued by: Nick Stavropoulos, Executive Vice President, Hicksville, NY

Cancelled by 5 Rev. Leaf No. 12 Effective 08/01/2009