

PSC NO: 1 GAS LEAF: 64.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: 11/01/07 SUPERSEDING REVISION:
STAMPS: Issued in compliance with order in Case No. 06-G-0059 dated 8/23/07

GENERAL INFORMATION

II. Rules and Regulations (continued):

- .1.3 The Company will explore all options prior to implementing a curtailment. These options will include, but not be limited to, mutual aid, contractual and other non-curtailment supply management tools, OFOs, interruption of contractually-interruptible load and supply acquisition. In addition, the Company may initially seek voluntary curtailment(s) to alleviate an emergency situation.
- .1.4 When necessary to meet high-priority customer demand, the Company will acquire gas intended for lower priority customers at the citygate and may divert it to higher priority customers. ESCOs/Direct Customers whose gas is diverted by the Company will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation, unless upstream force majeure interruptions or curtailments prevent the ESCOs/Direct Customers from securing or delivering such supplies.
- .1.5 Compensation for Gas Diverted: If gas is diverted from an ESCO/Direct Customer, compensation will be at the average of the high and low prices for Transco Zone 6 gas on the day(s) of such diversion. The affected ESCO/Direct Customer will be compensated pursuant to the foregoing market price, unless it can demonstrate to the Company's satisfaction that its contract price for the gas diverted exceeded such market price.
- .2 "Brooklyn Union's" Priority Order for Curtailments of Customer Service is as follows:
 - .2.1 Electric Generation Customers:

Customers whose gas used for fuel is non-essential to their generation of electricity.
 - .2.2 Cogeneration and Special Contract Customers:

Customers who use gas as one energy type for boiler fuel to generate electric and/or thermal energy, or Cogeneration Customers with special contracts, who do not have dual-fuel options, but who agree to curtail their gas use.
 - .2.3 Interruptible Customers:

Customers, both sales and transportation, who agree to take service on an interruptible basis on 4-hour notice or 1-hour notice in the case of system emergency under Service Classification Nos. 4 and 7.

Issued by: Joseph F. Bodanza, Senior Vice President, Hicksville, NY