

PSC NO: 1 GAS LEAF: 184
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
INITIAL EFFECTIVE DATE: 04/01/06 SUPERSEDING REVISION: 2
STAMPS: Issued in compliance with Order in C. 03-G-1395 dated November 23, 2005

SERVICE CLASSIFICATION NO. 14

NON-CORE TRANSPORTATION SERVICE FOR ELECTRIC GENERATION

DEFINITIONS

Actual Monthly ICOG - The actual monthly incremental cost of gas including demand charges incurred by the Company. The Actual Monthly ICOG will be included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day of the following month.

Actual Value Added Charge – The Value Added Charges that the Customer would have been billed during the Effective Period if the Value Added Charge had been calculated based on the actual Spark Spreads during the Effective Period. The Actual Value Added Charge takes into account prior period Reconciliation Charges.

Annual Minimum Bill Obligation – The Annual Minimum Bill Obligation is defined in the Customer's Gas Transportation Agreement.

Annual Total Value Added Charge: The sum of the Monthly Total Value Added Charges for the twelve months in the Test Year, as adjusted by the Reconciliation Charge in the Calendar Year.

Base Year – The first full year of the operation of the NYISO starting December 1, 1999.

Base Year Spark Spread - The simple average of the Spark Spread for all 8,784 hours of the Base Year.

Calendar Year - January 1st – December 31st of the year prior to the first day of the Effective Period.

Customer's Heat Rate – The Heat Rate expressed in mmBtu/Mwh in the Heat Tier Level that applies to Customer's equipment.

Daily Commodity Cost of Gas - The Company's daily commodity cost per therm of gas delivered to the city gate from the Company's suppliers on such day. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

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