

PSC NO: 1 GAS LEAF: 57
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
 INITIAL EFFECTIVE DATE: 09/03/03 SUPERSEDING REVISION: 1
 STAMPS: Issued in compliance - C.99-M-0631 and C.03-M-0117 dted 6/20/03

GENERAL INFORMATION

II. Rules and Regulations (continued):

4--Company-Initiated Discontinuance of Service and Complaint Procedure
 (continued):

E. Deferred Payment Agreement (continued):

- b) a downpayment up to 15 percent of the amount covered by the deferred payment agreement or the cost of one-half of one month's average usage, whichever is greater; and monthly installments up to the cost of one-half of one month's average usage or one-tenth of the balance, whichever is greater. The cost of one month's average usage shall be calculated based upon the prior 12 months usage cost.

.1.4 Broken Agreements:

.1.4.1 If a customer fails to make timely payment in accordance with a deferred payment agreement, the Company will send a reminder notice at least eight calendar days prior to the day when a final notice of termination will be sent, stating in conspicuous bold type that:

- a) the customer must meet the terms of the existing deferred payment agreement by making the necessary payment within 20 calendar days of the date payment was due or a final termination notice may be issued;
- b) if the customer can demonstrate that he or she is unable to make payment under the terms of the payment agreement because his or her financial circumstances have changed significantly because of conditions beyond his or her control, the customer should immediately contact the utility at a specified telephone number because a new deferred payment agreement may be available.

.1.4.2 If by the 20th calendar day after payment was due, the Company has neither received payment nor negotiated a new deferred payment agreement, the Company may demand full payment of the total outstanding charges and send a final termination notice in accordance with 16 NYCRR Part 11.4 and 11.10 and contained herein in Rule 4B.1. If Billing Agency arrangement exists refer to Uniform Business Practices for Retail Access in Section IX.B.5.

.1.4.3 Any final termination notice sent because the customer has broken an agreement negotiated pursuant to Rule 4E.1.1.1 and which required payment over a shorter period than the standard agreement (Rule 4E.1.3.2(b)) for that customer would allow, will also be accompanied by a written offer of a new deferred payment agreement to pay the outstanding balance in monthly installments calculated in accordance with Rule 4E.1.3.2(b).

.1.5 Entering into the Agreement:

.1.5.1 The copy of the written agreement must be signed by the customer and returned to the Company in order to be valid and enforceable. In the case of the customers who are subject to a final notice of termination, the signed agreement must be returned to the Company by the day before the earliest day on which termination may occur in order to avoid termination. If the agreement is not signed and returned, the Company reserves the right to terminate service.

Issued by Alfred C. Bereche, Asst. General Counsel and Secretary, Hicksville, NY