

PSC NO: 1 GAS LEAF: 135
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 6
INITIAL EFFECTIVE DATE: 10/01/04 SUPERSEDING REVISION: 5
STAMPS:

SERVICE CLASSIFICATION NO. 5
Firm Transportation Service (continued)
(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257, 267, 277, 347, 357, 367)

Availability and Applicability of Service (continued):

Service under this Service Classification will commence on the first day of the month provided that the Company is in receipt of all applications by the fifteenth day of each month.

Character of Service:

Transportation service under this Service Classification shall be on a firm basis. In providing service under this Service Classification, the Company will transport and control the dispatch of the natural gas from the City Gate to the customer's metered facilities.

Service under this Service Classification shall consist of transportation of natural gas of a Btu content of not less than 950 Btu per cubic foot (dry basis) on a monthly average, supplied at pressures within the limits prescribed by the Public Service Commission.

Non-Utility Capacity:

A Seller that delivers or causes to be delivered at the City Gate the applicable Customer's Daily Delivery Quantity (DDQ) or, in the case of more than one Customer, the Customers' Aggregate Daily Delivery Quantity (ADDQ) for each day of the month based on the Customers=Projected Use Profile. A Seller must acquire its own upstream transportation.

Daily Swing Service Rates and Charges:

The Company will utilize upstream assets and gas supply required to accommodate variations in the Customer's daily account balance between the Customer's deliveries and actual consumption. The rates and charges associated with this service are as follows:

Daily Swing Service Monthly Demand Charge:

Customer shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average Load Factor allocation and then multiplying that product by 1/12 of the Customer's annual normalized consumption.

Daily Swing Service Monthly Imbalance Charge:

The Company shall balance the Customer's account after each meter reading to zero. This shall be done by comparing the sum of the Customer's normalized deliveries to the Company for the month to the Customer's usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the Seller at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the Seller at the Company's Monthly Cash Out Price for the same period.

Monthly Cash Out Price is set based on the Market Center Spot-gas Price, Northeast, Transco Zone 6 Index. This price is posted as set forth in the publication entitled "Inside FERC's Gas Market Report," for the applicable month.

Issued by Joseph F. Bodanza, Senior Vice President and Chief Accounting Officer, Hicksville, NY