PSC NO: 1 GAS LEAF: 174 COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3 INITIAL EFFECTIVE DATE: 10/29/04 SUPERSEDING REVISION: 2 STAMPS: Issued in compliance with order in Case 04-G-0944 dated 10/21/04

## Service Classification No. 12 Temperature-Controlled Service - Non-Residential (continued) (Rate Codes: 330, 331, 332)

## Special Provisions (continued):

- b. If the Company is unable to determine the precise amount of unauthorized gas taken during the period of interruption from the remote reading device, the Company will estimate the amount of gas used during the unauthorized period. The method of estimation shall be based on either:
- 1) the normal average daily consumption, and if applicable, adjusted for degree days, or
- 2) other reasonable methods.
- c. The imposition of an additional charge should not limit any rights of the Company to terminate gas service in accordance with provisions of the Company's Rate Schedule or otherwise.

## 9. Customer Failure

During each winter season, a customer that does not interrupt gas service when required to do so, for any two occurrences (consecutive or non-consecutive), will be notified that they have violated the service requirements of the `interruptible tariff. A winter season is defined as October through March. Effective with the next billing period, customers with two violations will be transferred to the equivalent firm service classification unless the Company has been notified in writing that the customer has chosen to terminate gas service. Customers transferred from interruptible to firm service are required to remain on firm service for the remainder of that winter season through the end of the next winter season. After that time a customer becomes eligible to re-apply for interruptible service.

A "warning letter" will be sent to customers after their first violation of the winter season. Failure to comply during the first system-wide test of the season, or any follow-up tests, is considered a violation.

There is an amnesty clause available to customers that experience an equipment failure. Should a customer's equipment fail to switch, it must notify the Company within one hour of the failure, and provide proof within two days that the equipment has been repaired and is operable. If a customer can demonstrate that it was unable to obtain and install the necessary equipment within two days, the customer shall have five more days to remedy the situation. The customer shall also provide proof that it has installed the necessary equipment. If a customer meets this criteria, the violation will be waived. If the customer cannot obtain and/or install the necessary equipment within seven days, the equipment failure will be considered a violation. However, there will be only one waiver of a violation allowed per winter season. Such waiver does not exempt the customer from having to pay any related overrun or unauthorized use charges.

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