

PSC NO: 1 GAS LEAF: 119.16
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
INITIAL EFFECTIVE DATE: 02/03/04 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with order in Cs. 98-M-1343, 99-M-0631 & 03-M-0117 dated 12/5/03

GENERAL INFORMATION (Cont.)

3. Application of Payments

For application of payments, please refer to Uniform Business Practices for Retail Access Section 9.J.4.

4. Failure to Make Payment

Upon failure of the ESCO/Marketer/Direct Customer to make any payment when due, the Company may draw down on any security that may be available (as described in the Creditworthiness section).

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