

PSC NO: 1 GAS LEAF: 136
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 01/01/04 SUPERSEDING REVISION: 4
STAMPS: Issued in compliance with order in Case 02-M-0515 dated 12/03/03

SERVICE CLASSIFICATION NO. 5

Firm Transportation Service (continued)

(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257, 267, 277, 347, 357, 367)

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.

Release of the Company's Upstream Transportation Option:

As an alternative to acquiring its own upstream transportation, a Seller may choose to deliver at the City Gate the customer's DDQ or, in the case of more than one Customer, the Customers' ADDQ by becoming pre-arranged replacement shippers of the Company's released upstream interstate pipeline capacity.

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