

PSC NO: 1 GAS LEAF: 217
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
INITIAL EFFECTIVE DATE: 01/01/04 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with order in Case 02-M-0515 dated 12/03/03

SERVICE CLASSIFICATION No. 17 (continued)
(Rate Codes: 340, 350, 360)

- (c) Prior to receiving gas service under this service classification, Customers shall be required to certify to the Company that installed cogeneration equipment would meet the requirements for qualification under Part 292 of title 18 of the Code of Federal Regulations or as a "cogeneration facility" as defined in Section 2 of the New York Public Service Law.
- (d) The Company reserves the right to accept only such applications under this service classification as will, in the Company's sole judgement, permit it to sell gas it has available for sale without requiring an unreasonable or uneconomic extension of facilities.
- (e) For purposes of this Schedule for Gas Service, the rates as set by the Company on January 1, 2004 shall remain unchanged for a minimum of three years.
- (f) The Customer agrees to permit access by the Company's employees or representatives, at all reasonable times, to the Customer's premises for the purpose of determining that the operation of installed cogeneration equipment and related facilities is in compliance with all terms and conditions for service required under this service classification.
- (g) A Customer with less than two years on this service and who received extension of facilities without charge or received a cash incentive, will be required to conform to Rule II.2B.1.2. for purposes of transferring to an interruptible type service.
- (h) Customers equal to or larger than 5MW must install, pay, and maintain automatic meter reading equipment capable of demand billing and a dedicated phone line. Customers will also be responsible for other monitoring equipment as required by the Company.
- (i) Customers equal to or larger than 1MW are responsible for all meter set costs (excluding the meter) and must be paid upfront at the time of installation.
- (j) The Company shall recalculate each customer's load factor, using the formula described under the applicability language herein, the customer's previous actual 12 months' usage data once a year beginning on the anniversary of the commercial operation of the customer's DG unit. If the customer's average annual load factor is not at least 50%, the customer will be placed on the otherwise applicable rate for one year unless there are mitigating circumstances, which in the Company's sole discretion, supports allowing the customer to remain on this service classification.
- (k) Except as otherwise provided for elsewhere in this service classification, customers taking service under this service classification will be subject to the rights and responsibilities as those under otherwise applicable firm rates.

Additional Charge:

Customers whose use of gas exceeds the permissible quantities set forth in accordance with provisions of Rule II.7B.5. will be subject to an additional charge of nine (9) times the charge indicated in the terminal (lowest) block including the applicable increases as explained in Section III.2. The imposition of such additional charge shall not limit any rights of the Company to terminate gas service provided for in this schedule for gas service.

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