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COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
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GENERAL INFORMATION (Cont.)

IX. BILLING AGENCY ARRANGEMENTS

- A. ESCOs/Marketers and the Company may elect to offer customers a "Billing Agency" arrangement in which the customer will authorize an ESCO/Marketer to act as a Billing Agent, hereafter ESCO/Marketer/Billing Agent, to receive the customers' bills from the Company, consolidate them with the ESCO/Marketer/Billing Agent's charges, rebill the entire amount to the customer, receive payments from the customer, and then remit payments to the Company for its services, with the balance being retained by or transmitted to the ESCO/Marketer. The customer must choose the Billing Agency arrangement before it may be used as the mechanism to bill the customer. If the ESCO/Marketer/Billing Agent and the customer use such an arrangement, the ESCO/Marketer/Billing Agent must comply with the conditions listed below.
1. The ESCO/Marketer/Billing Agent must apply all customer payments, unless otherwise directed by the customer, first to the Company's charges, past due and current, then to ESCO/Marketer/Billing Agent charges, past due and current. If the customer has entered into a deferred payment agreement with the Company, customer payments shall be applied, first to current Company charges, including the agreed upon installment payment under the deferred payment agreement, then to ESCO/Marketer/Billing Agent charges, past due and current. If a customer with a deferred payment agreement pays more than the current bill and agreed upon installment payment charges, payments should be allocated first to all current plus agreed upon deferred charges and the balance first to the Company and then to the ESCO/Marketer/Billing Agent account, unless otherwise directed by the customer.
 - 1A. However, an ESCO/Marketer/Billing Agent shall have the additional option of receiving pro rata sharing of customer payments in partial payment situation (where payments are less than the current amount due) if the ESCO/Marketer/Billing Agent agrees contractually with the utility to abide by the same due dates, requirements of notice of termination and final notice, the availability of deferred payment agreements (DPAs) for delinquent customers (but not previously disconnected customers), and late charge limits as if the Marketer's charges were utility charges.

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY