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COMPANY: KEYSPAN GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0 INITIAL EFFECTIVE DATE: 03/18/99 SUPERSEDING REVISION:

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SERVICE CLASSIFICATION NO. 5 Firm Transportation Service (continued) (Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257)

Availability and Applicability of Service (continued):

Service under this Service Classification will be available beginning April 1, 1996 and will commence on the first day of the month for the second calendar month following the date of notification provided that "Brooklyn Union" is in receipt of all applicable Agreements.

Character of Service:

Transportation service under this Service Classification shall be on a firm basis. In providing service under this Service Classification, the Company will transport and control the dispatch of the customer-owned natural gas from the City Gate to the customer's metered facilities.

Service under this Service Classification shall consist of transportation of natural gas of a Btu content of not less than 950 Btu per cubic foot (dry basis) on a monthly average, supplied at pressures within the limits prescribed by the Public Service Commission.

Monthly and Daily Transportation Quantities:

At the beginning of the applicable twelve-month period, the Company will determine each customer's Monthly Delivered Quantity (MDQ) and Daily Delivered Quantity (DDQ) for each month of the upcoming year.

A customer's MDQ will be based on that customer's weather-normalized historical consumption. The Company may adjust a customer's MDQ as necessary during the year to reflect changes in a customer's gas equipment or pattern of consumption. If inadequate historical consumption data exists, the Company may estimate a customer's MDQ based on, among other things, the rating of a customer's gas equipment and the expected utilization of such equipment.

A customer's DDQ will be calculated by dividing a customer's MDQ by the total number of days for each calendar month.

Each month, the Company will calculate a customer's Daily Transportation Quantity (DTQ). The DTQ is calculated by adjusting the customer's DDQ to reflect the customer's usage during the latest available calendar month and by multiplying the adjusted DDQ by 1.04 as an allowance for losses incurred in the process of delivery between the City Gate and the customer's metered facilities. If a customer's usage exceeded its DDQ in the latest available calendar month, the customer's DTQ will be increased to make up the volumes previously supplied by the Company and consumed by the Customer in the prior period. If a customer's usage was below its DDQ in the latest available calendar month, the customer's DTQ will be reduced so that the customer's future usage will consist in part of volumes delivered to the Company in prior months.

If a customer elects to take "Brooklyn Union's" Seasonal Delivery Service, a customer's DTQs will be adjusted to reflect the customer's deliveries and receipts under such service.

By the first business day following the 9th of each month, the Company shall provide to the Seller notice of each customer's DTQ and, in the case of a Seller that supplies gas to more than one Customer, the customers' Aggregated Daily Transportation Quantity (ADTQ) for the succeeding calendar month.

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