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

II. Rules and Regulations (continued):

6--Leakage: The customer is required to give immediate notice at the Company's office of any interruption in the supply of gas or if any leakage or escape of gas be discovered. Such notice is required not only as a matter of safety but also because no deductions will be made from bills rendered for gas registered by the meter on the customer's premises unless the leakage occurs in the meter or its connections.

7--Restrictions and Limitations

A. Operational Flow Orders:

The Company shall have the right to issue Operational Flow Orders (OFOS) in order to maintain system integrity or to ensure Company's continued ability to provide service to its firm customers.

The use and issuance of OFOS are set forth in the Company's Gas Transportation Operating Procedures Manual, Section VIII, as filed with the Public Service Commission.

B. Gas Service Curtailment:

.1 Short-term Curtailment:

- .1.1 On December 3, 1996, the State of New York Public Service Commission issued an Order in Case 93-G-0932 establishing guidelines for short-term curtailment. Pursuant to such guidelines, the needs of core Customers, sales or firm transportation, will be met first in the event of short-term interruption or force-majeure curtailment.
- .1.2 Replacement Cost of Fuel: In the event gas is diverted from non-core Customers to core Customers, non-core Customers will be compensated by the following: (i) if the Customer must switch to an alternate fuel, the replacement cost is the market value of the equivalent volume of the alternate fuel; or (ii) if the Customer does not use an alternate fuel, it will be the market value of the displaced gas.

.2 Long-Term Curtailment

- .2.1 "Brooklyn Union's" Priority Order of Long-Term Curtailments of Customer Service is as follows:

.2.1.1 Electric Generation Customers:

Customers whose gas used for fuel is non-essential to their generation of electricity.

.2.1.2 Cogeneration and Special Contract Customers:

Customers who use gas as one energy type for boiler fuel to generate electric and/or thermal energy, or Cogeneration Customers with special contracts, who do not have dual-fuel options, but who agree to curtail their gas use.

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