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 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4
 INITIAL EFFECTIVE DATE: 01/09/02 SUPERSEDING REVISION: 3
 STAMPS:
 EFFECTIVE under authority of PSC 00-G-0996 made 11/30/01
 Cancelled by 5 Rev. Leaf No. 150 Effective 09/01/2002
 RECEIVED: 10/09/01 STATUS: Cancelled EFFECTIVE: 12/01/01

SERVICE CLASSIFICATION No. 7
Interruptible Transportation Service (Continued)
(Rate Codes: 710, 710A, 711, 720, 721)

Receipt and Delivery of Customer-Owned Gas:

A Customer's Interruptible Daily Quantity (IDQ) under this Service Classification will be based upon the Customer's weather normalized historical load profile and/or estimate of consumption and the Customer shall be obligated to deliver this amount each day, with a provisions for twice monthly changes, unless otherwise notified by the Company. By the first business day following the 14th day of each month, the Customer or Supplier shall provide to the Company written notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for the succeeding month for the Customer's account. The Customer may elect to vary his deliveries (IDQ) twice during a given month. Changes will be permitted on the tenth (10th) and twentieth (20th) of each month. Delivery changes cannot vary (plus or minus) by more than 20% from the initial IDQ and must remain constant until the next allowable change date. The Customer or Supplier must not deliver or cause to be delivered at the City Gate more than the Maximum Interruptible Daily Quantity (IDQ). Unless interrupted on the Company's system, the Company will deliver to the Customer the Customer's daily usage requirements.

The Company may not accept the Customer's nominations to the Company's City Gate if the Company has interrupted service to the Customer's facilities.

Imbalances in Customer's Account:

The Customer shall schedule deliveries to the Receipt Point so to include **3.3%** to reflect fuel use and losses in the process of transportation and delivery.

At the end of each month, the Company shall determine the net surplus or deficiency in deliveries of gas to the Seller's aggregate pool above or below the volume of gas transported to the Receipt Point adjusted for fuel use and losses.

If the Seller delivered more gas to the Company for its pool than it consumed, the excess shall be purchased by the Company at the Company's Monthly Average Commodity Cost of Gas for the same period. If the Seller's aggregate pool consumed more gas than delivered to the Company for its account, the excess shall be deemed purchased by the Seller at the Company's Actual Monthly ICOG, including demand charges, for the same period and shall be reflected as a charge on the Seller's next monthly invoice.

Meter Information

On a weekly basis, the Company shall provide to each interruptible transportation marketer a listing of each of their Customers' consumption for the previous week. There will be a one-time charge of \$25 per account to cover administrative costs. This charge must be paid prior to the information being made available. The Company shall not be liable for any inaccuracies in the consumption reported if they resulted from malfunctioning telemetering equipment, telephone line problems, Customer failure to maintain equipment or any other reason outside the control of the Company.

Charges for Failure to Deliver Daily Transportation Quantities:

For amounts delivered by the Seller to the Company's City Gate that are below the applicable DTQ or ADTQ, except due to reasons of Force Majeure or reasons attributable to the actions of the Company, the Company will charge the Seller the following:

- (i) One hundred (100) percent of the highest weekly gas price posted in Natural Gas Week for Transcontinental Gas Pipeline for Zone 3 of the applicable month plus Transcontinental Gas Pipeline's FT variable transportation costs and surcharges and equivalent fuel costs from Zone 3 to Zone 6 for underdeliveries up to or equal to two (2) percent of the applicable DTQ or ADTQ;
- (ii) \$10.00 per DTHM for under-deliveries in excess of two (2) percent of the applicable DTQ or ADTQ except on critical days; and
- (iii) \$25.00 per DTHM for under-deliveries in excess of two (2) percent of the applicable DTQ or ADTQ on critical days for gas supply.

Issued by Robert D. Ekholm, Corp. Secretary's Office, Hicksville, NY