



**GAS TRANSPORTATION OPERATING
PROCEDURE MANUAL**

FOR

**THE BROOKLYN UNION GAS COMPANY
D/B/A NATIONAL GRID NY (KEDNY) AND
KEYSPAN GAS EAST CORPORATION D/B/A
NATIONAL GRID (KEDLI)**

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I. INTRODUCTION

A. Brief Description of Manual Contents

Pursuant to the New York Public Service Commission’s direction, these operating procedures are intended to provide both ESCOs and Direct Customers using gas transportation service in National Grid’s service territories, with a guide to the general rules, regulations, terms and conditions for eligibility and utilization of gas transportation service in their service territories. “National Grid” (or the “Company”) includes:

The Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a KeySpan Energy Delivery New York (KEDNY)), hereinafter referred to as “Brooklyn Union Gas” or “KEDNY.” KeySpan Gas East Corporation d/b/a National Grid (formerly d/b/a/ KeySpan Energy Delivery Long Island (KEDLI)), hereinafter referred to as “KeySpan Gas East” or “KEDLI.”

National Grid’s Gas Transportation Operating Procedure Manual is subject to periodic update and change. The manual will be available on National Grid’s website, www.nationalgrid.com, which should be visited for the latest downloadable version.

This manual should be used in conjunction with the Brooklyn Union Gas Company and KeySpan Gas East Corporation, gas tariffs. It is not intended to supersede any of the existing tariffs.

New York State Public Service Commission information and requirements may be obtained by visiting its web site at: www.dps.state.ny.us

~~Deleted: KeySpan Energy Delivery Companies~~

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II. OVERVIEW OF NATIONAL GRID

A. Corporate Structure

National Grid

National Grid is an international electricity and gas company and one of the largest investor-owned utilities in the world.

National Grid is the largest utility in the United Kingdom and the second largest utility in the United States, focused on delivering energy safely, reliably and efficiently. National Grid owns the high-voltage electricity system in England and Wales and operates the system across Great Britain. National Grid also owns and operates the high pressure gas transmission system in Britain, and our distribution networks deliver gas to 11 million homes and businesses in Britain.

In the northeastern United States, National Grid has electricity transmission systems and distribution networks that deliver electricity to 3.3 million customers. In addition, National Grid owns and operates generation stations with a total capacity of 4,100 MW and provides services to the 1.1 million electricity customers of the Long Island Power Authority. National Grid owns gas storage facilities and provides natural gas to approximately 3.4 million customers.

National Grid also has a number of businesses operating in related areas such as LNG importation, land remediation, metering and interconnectors.

All our networks are highly complex – requiring a unique mixture of skills, experience and planned investment.

Further detailed information on National Grid's business can be found on the National Grid web site: www.nationalgrid.com.

Customer Choice Department

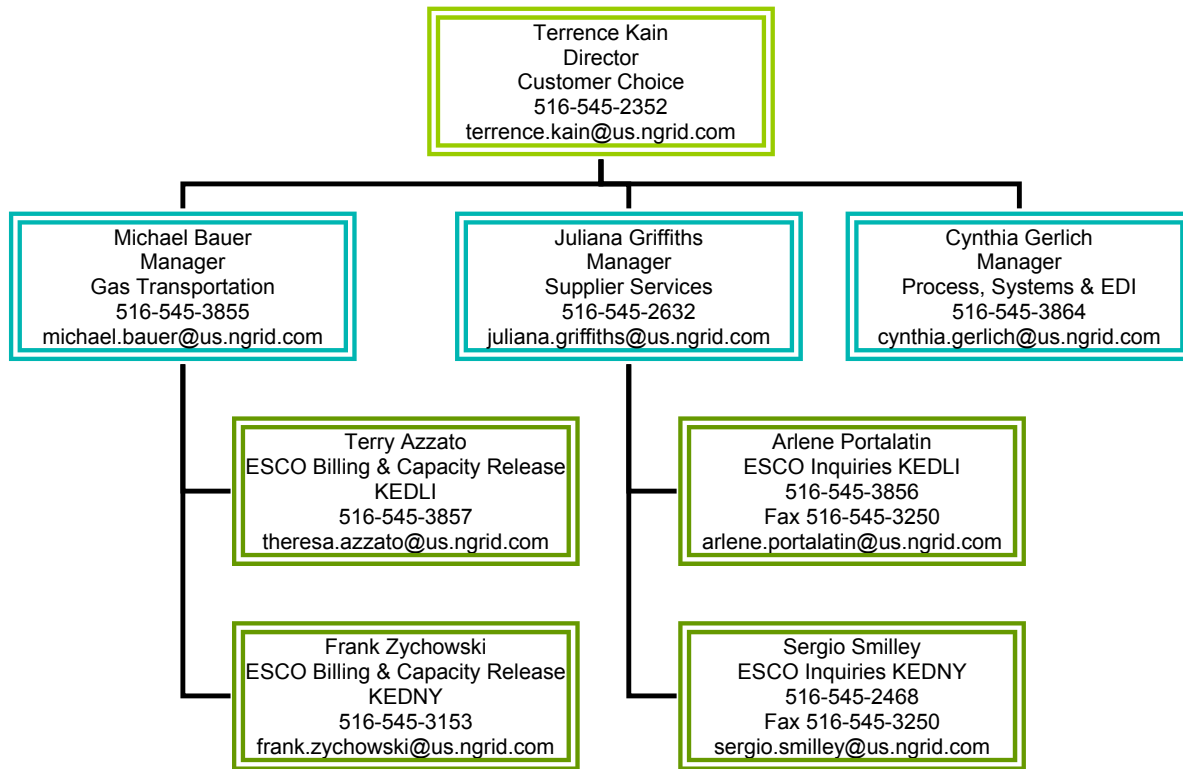
National Grid customers have the option to purchase their gas and electric commodity from eligible entities other than National Grid. These entities are called Energy Service Companies or ESCOs. The Customer Choice Department manages all aspects of the relationship between National Grid and the ESCOs under the guidelines of the New York State Public Service Commission (PSC). The Customer Choice Department is comprised of the following sections:

Gas Transportation Services is responsible for ESCO gas delivery and balancing requirements, ensuring pipeline capacity, as well as all aspects of ESCO billing, by working very closely with Gas Supply, Gas Control and Energy Trading areas.

Process and Systems is responsible for documentation of all processes for each region with the objective of streamlining and improving operations and ensuring one process, one way wherever feasible. Process and Systems is responsible for department compliance with

Sarbanes Oxley and in conjunction with the other sections, the development of projects pursuant to PSC Orders as well as IS Investment Plan and EDI processes and standards.

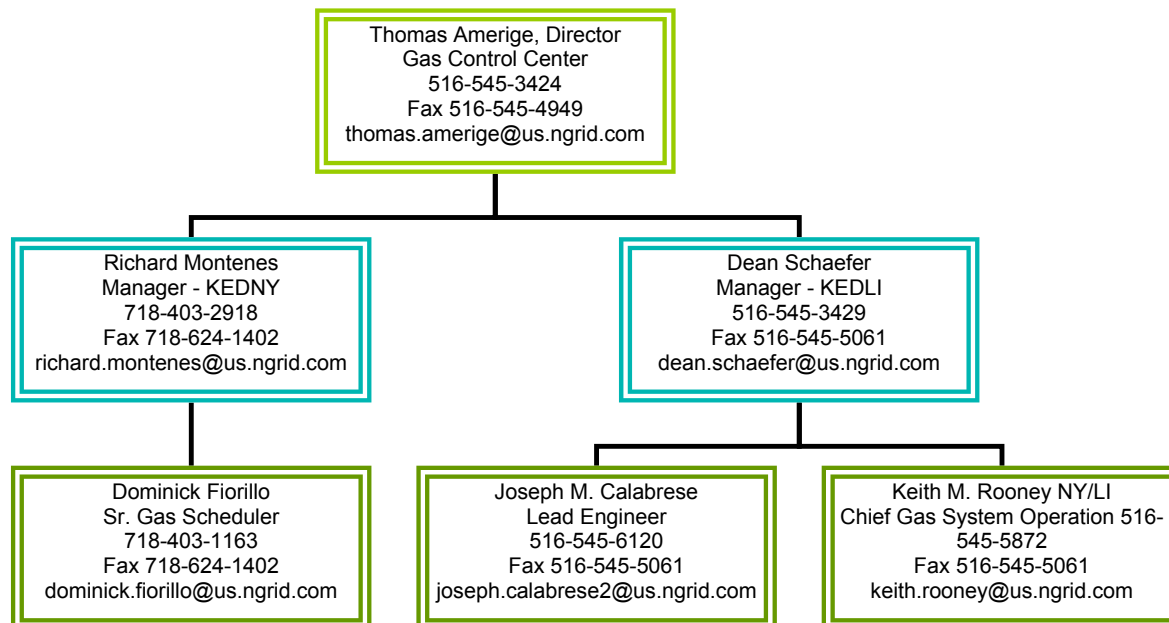
Supplier Services is responsible for the enrollment and return of customers between National Grid and the ESCOs, as well as load capacity and migration reporting. Most importantly, Supplier Services is responsible for maintaining open communication and strong relationships between National Grid and the ESCOs. ESCOs are provided a premier service for all inquiries through a dedicated mailbox LI-NYSupplierServices@us.ngrid.com. Individual customers should contact KEDLI Customer Assistance Center at 1-800-490-0025 and KEDNY Customer Assistance Center at 1-718-643-4050.



Gas Control

Gas Control is responsible for the day-to-day operation of the National Grid gas transportation and distribution system. Gas Control handles all work impacting the movement of gas throughout the system and coordinates all construction and maintenance work which may impact gas delivery. Gas Control also provides city gate allocations and the availability of capacity at National Grid's city gates.

Interfacing with the gas pipelines on deliveries and maintenance work, Gas Control is also responsible for issuing and controlling System Alerts, Operational Flow Orders and Curtailments. Gas Control is the central hub of communication between pipelines and ESCOs and for National Grid's gas transportation and distribution activities. As such, Gas Control verifies daily system requirements and confirms all gas deliveries for the Company and third parties through the Company's Electronic Bulletin Board. The 24/7 phone numbers for Gas Control for KEDLI are 516-545-4272; 4696; 8125; 8127, and E-mail: GSO_list@keyspanenergy.com or GSO2_list@keyspanenergy.com and for KEDNY 718-403-2922; 2923, and E-mail: scc@keyspanenergy.com.



B. Affiliate Transaction Standards

Set forth below are the Company's affiliate transaction standards that were adopted as part of the Merger & Gas Revenue Requirement Joint Proposal that the Public Service Commission approved in 2007 in Case No. 06-M-0878 when it authorized KeySpan Corporation to merge with National Grid plc.

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(the Agreement)

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Company

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Company

1. Definitions

Corporate and Administrative Services – means all services performed by KeySpan Corporate Services LLC and KeySpan Utility Services LLC, as well as any services performed by ServiceCo or not otherwise prohibited from being performed by ServiceCo. Corporate and Administrative Services will include, without limitation, all administrative and office support for the benefit of US HoldCo and any of its subsidiaries.

Customer Information - means any of the following information about an individual customer or any aggregation of individual customers collected or compiled by KEDNY or KEDLI: name, address, telephone number, identifying information, consumption history, individual usage characteristics, payment history, complaint history and the contents of any application for service.

National Grid Other Affiliates-- means affiliates of HoldCo, including affiliates in the United States and throughout the world, but excluding ServiceCo, KEDNY, KEDLI, Unregulated Competitive Energy Affiliates and Regulated Affiliates.

Personal Property—means any and all property that is not real property, including leases and all other property not deemed to be "real property."

Regulated Affiliates – means the subsidiaries (other than KEDNY and KEDLI) of US HoldCo, including future subsidiaries, that provide the full range of regulated gas and/or electric transmission or distribution services, including Niagara Mohawk Power Corporation, New England Power Company, Massachusetts Electric Company, New England Electric Transmission Corporation, Nantucket Electric Company, Granite State Electric Company, The Narragansett Electric Company, Boston Gas Company, Essex Gas Company, Colonial Gas Company, EnergyNorth Gas Company, New England Hydro-Transmission Corporation, New England Hydro-Transmission Electric Company, Inc., and each of their successors, and any affiliate to the extent that such affiliate provides services to LIPA pursuant to the LIPA Agreements.

ServiceCo — means National Grid USA Service Company, Inc., KeySpan Corporate Services LLC, and/or KeySpan Utility Services LLC, or any successors thereto, which provide a variety of traditional corporate and administrative services for the National Grid USA system, and to LIPA pursuant to the LIPA Agreements.

System Information — means non-public information or data regarding the operation of or capacity constraints on and/or expansion plans relating to the energy delivery system of KEDNY or KEDLI.

Unregulated Affiliate — means any affiliate of HoldCo other than KEDNY, KEDLI, or any Regulated Affiliate.

Unregulated Competitive Energy Affiliate — means any of US HoldCo's current or future affiliates that directly provides competitive electric or gas commodity sales or service or heating, ventilation and air conditioning ("HVAC") sales or service in New York State, *i.e.*, KeySpan Energy Services and KeySpan Home Energy Services.

UK HoldCo — means National Grid plc or its successor as the highest level holding company in the National Grid group.

US HoldCo — means National Grid USA or its successor as the immediate parent and holding company for National Grid plc's United States utility operations. Immediate wholly-owned subsidiaries of National Grid USA will, upon completion of the Merger, include KeySpan, Niagara Mohawk Holdings, Inc., National Grid USA Service Company, Inc., and National Grid's New England utility affiliates.

Where the term "HoldCo" is used, it refers to either or both of UK HoldCo and US HoldCo. Where explicit reference to one of the HoldCos is required, the term "UK HoldCo" or "US HoldCo" are used in full. Other capitalized terms have the meaning assigned to them in the Joint Proposal.

2. Corporate Structure Following the Merger

Following the Merger, National Grid plc, a public limited company incorporated under the laws of England and Wales, through its wholly-owned subsidiary, National Grid USA, will merge a merger subsidiary with and into KeySpan Corporation, leaving KeySpan Corporation as the surviving corporation, a wholly owned subsidiary of National Grid USA. None of KeySpan's current subsidiaries will be affected by the Merger, and, following the Merger, all will exist as the separate corporate entities they are today. However, at some point following the Merger, all corporate and administrative services in the National Grid USA holding company system, including those now provided by KeySpan Corporate Services LLC and KeySpan Utility Services LLC, may be provided by ServiceCo, defined below, using the cost allocation methodology set forth in section 4.2, below.

Specifically, National Grid USA intends to combine or reorganize the existing service company subsidiaries of National Grid and KeySpan. National Grid USA also intends to adopt the KeySpan allocations for ServiceCo costs that are not otherwise charged directly to affiliates. The combination of service companies and the change in allocation method will occur when they can be implemented most effectively following the receipt of necessary regulatory approvals and the completion of necessary system modifications:

3. Accounting Issues

Under United States Generally Accepted Accounting Principles (US GAAP) for purchase accounting, the total acquisition price, together with transaction costs, in excess of the fair market value assigned to the assets and liabilities of the acquired company are recorded as goodwill on the acquired company's accounts. National Grid plans to "push down" and allocate the excess among KeySpan Corporation and its subsidiaries. This approach is fully consistent with US GAAP and with the practice adopted in the National Grid acquisition of Niagara Mohawk Holdings and

its other US acquisitions. Under FASB standards for accounting for goodwill, goodwill is not amortized against earnings. Instead, goodwill is reviewed for impairment and written down and expensed only in a period in which the goodwill's recorded value exceeds its fair value. As set forth in section 1 of Appendix 5, no goodwill will be recorded on KEDNY's or KEDLI's regulatory accounts that are subject to the jurisdiction of the Commission. As a result, there will be no ratemaking effects associated with recording goodwill under GAAP US for KEDNY and KEDLI.

The Commission's approval of the KEDNY and KEDLI Merger Rate Plans signifies that such Rate Plans meet the accounting requirements of Statement of Financial Accounting Standards No. 71 and will do so throughout their terms.

As of the Rate Effective Date, KEDNY's and KEDLI's fiscal year will be changed to a year ending March 31st. In any calendar year, KEDNY and KEDLI will limit the dividends paid to US HoldCo in accordance with section 2 of Appendix 5.

4. Rules Governing Affiliate Transactions

4.1 Separation and Location: HoldCo, KEDNY, KEDLI, and all affiliates will each be operated as separate entities and will maintain separate books and records of account. KEDNY, KEDLI, HoldCo, ServiceCo, Regulated Affiliates, and National Grid Other Affiliates may occupy the same building. An Unregulated Competitive Energy Affiliate may share a building with KEDNY or KEDLI for no longer than 180 days after its formation.

4.2 Cost Allocation Procedures: Cost allocation procedures will assure an appropriate allocation on a fully distributed basis to HoldCo, KEDNY, KEDLI, and each Affiliate of the costs of any HoldCo or ServiceCo personnel, property, or services used by them. HoldCo will implement ServiceCo cost allocations for its HoldCo subsidiaries that reflect the methodology approved for use by KeySpan, when this conversion can be implemented efficiently and following receipt of required regulatory approvals. Specifically, rather than using operation and maintenance (O&M) expenses as the basis for the general allocation of ServiceCo expenses, the three-part allocator currently used by KeySpan Corporate Services LLC, based on revenues, O&M expenses, and assets, will be used by ServiceCo. This change, which will only affect the pre-merger National Grid USA companies, may require approval of the regulatory commissions having jurisdiction over the rates of the Regulated Affiliates, and is conditioned on the receipt of such regulatory approvals. Following consummation of the Merger, the receipt of required approvals, and the implementation of necessary accounting systems and controls, KeySpan's allocation methods will be adopted and KeySpan's service companies, KeySpan Corporate Services LLC and KeySpan Utility Services LLC, will be phased out and consolidated with ServiceCo to the extent permissible and when this conversion can be implemented efficiently.

4.3 Revisions of Methodology and Audits: Any future revisions to the cost allocation methodology will be filed with the Commission's Director of Finance and Accounting and, assuming adequate support is provided for such revisions, will become effective after 60 days, unless an objection is raised.

Staff will have the right to audit ServiceCo, including the examination of authorized cost allocation calculations and review of internal audit policies, procedures, and

reports, to receive assurance that applicable transactions and /or allocations are being carried out properly.

4.4 ServiceCo Services: Following the close of the Merger, ServiceCo will be authorized to perform Corporate and Administrative Services to KEDNY, KEDLI, Regulated Affiliates, Unregulated Competitive Energy Affiliates and National Grid Other Affiliates. In the course of providing such Corporate and Administrative Services, ServiceCo employees will not disclose Customer Information or System Information to any Unregulated Competitive Energy Affiliate or act as a conduit for such Information, excepting disclosures that are in compliance with these rules, Commission orders, rules or regulations. While ServiceCo may perform call center operations for any US HoldCo subsidiary, ServiceCo will establish policies and procedures, including technological safeguards, to ensure that Unregulated Competitive Energy Affiliates and National Grid Other Affiliates do not have access to and do not receive Customer Information or System Information.

4.5 Provision of Services: (a) In accordance with section VI of the Joint Proposal, the service companies of KeySpan and National Grid may continue to provide the services currently provided to US HoldCo, any US HoldCo subsidiary, KeySpan and any KeySpan subsidiary, and to LIPA pursuant to the LIPA Agreements for a transition period pending the assumption of such services by ServiceCo or in the event that the necessary approvals are not received; (b) KEDNY and KEDLI may provide any affiliate with regulated utility services pursuant to the applicable tariff; (c) Non-tariffed services provided between and among KEDNY, KEDLI, Regulated Affiliates, ServiceCo, HoldCo, KeySpan Utility Services LLC and KeySpan Corporate Services LLC will be priced on a fully-loaded cost basis; (d) Non-tariffed services provided by KEDNY or KEDLI to affiliates not identified in part (c) will be priced at the higher of fair market value or fully-loaded cost; and (e) Any services provided to KEDNY or KEDLI by an affiliate other than one another, Regulated Affiliates, ServiceCo, HoldCo, KeySpan Utility Services LLC and Key Span Corporate Services LLC will be priced at the lesser of fair market value or fully-loaded cost.

Contracts or other documentation will be required for any services identified in parts (d) and (e) that are expected to exceed \$5 million over any 12 month period.

4.6 June 2001 Niagara Mohawk Policy Statement: Affiliate transactions involving Niagara Mohawk are currently governed by a document titled "June 2001 Policies and Procedures for Affiliate Transactions." National Grid will file with the Director of Accounting, Finance and Economics of the Department of Public Service revised policies, procedures, and agreements pertaining to transactions among affiliates and for Niagara Mohawk, KEDNY, and KEDLI prior to the consolidation of the service companies under section 4.4 above. That filing will be included as a Merger Reserved Issue in the Joint Proposal. Any disagreement associated with the filing shall be referred to the Commission for decision.

5. Rules Governing Human Resources

5.1 Separation of Employees and Officers: KEDNY, KEDLI, and the Unregulated Competitive Energy Affiliates will have separate operating employees, which restriction will not be deemed to preclude shared Corporate and

Administrative Services. The Secretary and/or Treasurer of KEDNY or KEDLI may serve in the equivalent position for HoldCo or any affiliate, but no other officer of KEDNY or KEDLI may serve as an officer of an Unregulated Competitive Energy Affiliate.

5.2 Employee Transfers: Employees may be transferred from KEDNY or KEDLI to an Unregulated Competitive Energy Affiliate. Such transferred employees will be required to resign from KEDNY or KEDLI unless there is a conflict with the collective bargaining agreement, in which case the collective bargaining agreement would control. Transferred employees may not be reemployed by KEDNY or KEDLI for a minimum of one year. Employees returning to KEDNY or KEDLI may not be transferred back to the Unregulated Competitive Energy Affiliate for a minimum of one year. Similarly, employees may be transferred from an Unregulated Competitive Energy Affiliate to KEDNY or KEDLI. Such transferred employees will be required to resign from the Unregulated Competitive Energy Affiliate unless there is a conflict with the collective bargaining agreement, in which case the collective bargaining agreement would control. Transferred employees may not be reemployed by the Unregulated Competitive Energy Affiliate for a minimum of one year after transfer. Employees returning to the Unregulated Competitive Energy Affiliate may not be transferred back to KEDNY or KEDLI for a minimum of one year. Any transferred employee will be prohibited from sharing, copying or taking any Customer Information or System Information from KEDNY or KEDLI. Otherwise, employees may be transferred between KEDNY or KEDLI and HoldCo and any of its subsidiaries without restriction.

KEDNY's and KEDLI' s annual reports to the Commission will show employee transfers between them and Unregulated Competitive Energy Affiliates.

5.3 Emergency Access to Employees: The foregoing provisions will not restrict HoldCo or any of its subsidiaries from making its employees available to KEDNY or KEDLI to assist in an emergency that threatens the safety or reliability of service to KEDNY or KEDLI customers. In such event, KEDNY or KEDLI will pay the fully-loaded costs for the services of such employees.

5.4 Compensation for Transfers to other than HoldCo or a Regulated Affiliate: An employee transfer credit equal to 25% of the employee's annual base salary will be applied to KEDNY's or KEDLI' s respective Balancing Account for all transfers from KEDNY or KEDLI to an Unregulated Competitive Energy Affiliate. The requirement to pay such transfer credit will be waived for a period of four years immediately following the close of the Merger.

5.5 Employee Compensation and Benefits: The compensation of KEDNY and KEDLI employees and officers may not be tied to the financial and/or stock performance of any Unregulated Competitive Energy Affiliate or National Grid Other Affiliate, but may be tied to the financial performance of Holdco and stock performance of UKHoldCo.

Employees of HoldCo and all or any subset of its subsidiaries may participate in common pension and benefit plans, and the costs of such common plans will be equitably allocated in accordance with the approved cost allocation procedures.

6. Access to Books, Records and Reports

Staff will have full access, on reasonable notice, and subject to resolution of issues relative to confidentiality and privilege (e.g., attorney client, attorney work product, self critical), to: i) the books and records of HoldCo and its majority-owned subsidiaries; and ii) the books and records of all other HoldCo subsidiaries or affiliates, in English, to the extent necessary to audit and monitor any transactions that have occurred between KEDNY or KEDLI and such subsidiaries or affiliates. Such access to books and records will be provided at KEDNY's or KEDLI's New York headquarters; provided, however, that if such access is not practicable, access will be provided at another location in KEDNY's or KEDLI's service territory at the Company's expense.

7. Standards of Competitive Conduct

7.1 Use of Corporate Name and Royalties: These Standards of Conduct will be in lieu of any and all royalty payments that could or might be asserted to be payable by HoldCo or any HoldCo subsidiary or imputed to KEDNY or KEDLI or credited to their customers at any time. No provision herein will be deemed to restrict any HoldCo subsidiary from using the same name, trade names, trademarks, service names, service marks or a derivative of a name of HoldCo, KEDNY or KEDLI, or in identifying itself as being affiliated with the HoldCo, KEDNY, KEDLI or any other affiliate. Promotional material may identify any HoldCo subsidiary as being affiliated with KEDNY, KEDLI or HoldCo.

7.2 Sales Leads: Except as set forth in this Appendix 4, or as otherwise approved by the Commission, KEDNY and KEDLI will not provide sales leads involving customers in its service territory to any Unregulated Affiliate.

7.3 Customer Inquiries: KEDNY and KEDLI will respond to customer inquiries as to non-utility services in conformance with the following Standards of Competitive Conduct:

-If a customer requests information from KEDNY or KEDLI about securing commodity sales service from an ESCO, KEDNY or KEDLI will provide a list of all ESCOs authorized to do business in its service territory.

-If a customer requests information from KEDNY or KEDLI about oil-to-gas heating system conversions, KEDNY or KEDLI will provide contact information of licensed contractors pursuant to a program substantially the same as KEDNY's and KEDLI's ValuePlus Program.

-If a customer requests information from KEDNY or KEDLI about appliance service contracts, KEDNY or KEDLI will provide, on a rotational basis, contact information of licensed contractors offering service contracts in the customer's vicinity.

-If a customer requests information from KEDNY or KEDLI about gas-to-gas equipment replacement, KEDNY or KEDLI will provide, on a rotational basis, contact information of licensed contractors performing such services in the customer's vicinity.

KEDNY and KEDLI may only provide customers information about competitive affiliates operating in the business areas identified above as part of a response to a customer inquiry or as part of a wider dissemination of information to the public about these topics. In either situation, the information provided about any

HoldCo subsidiary, including Unregulated Affiliates, may not in any way be discriminatory to other competitors.

All information made available pursuant to the foregoing will also be made available on KEDNY's and KEDLI's website.

7.4 No Advantage Gained by Dealing with Affiliate: KEDNY and KEDLI will refrain from giving any appearance that they speak on behalf of an Unregulated Affiliate or that an Unregulated Affiliate speaks on behalf of them. KEDNY and KEDLI will not engage in any joint promotion or joint marketing with its Unregulated Competitive Energy Affiliates, provided, however, that this will not prohibit the use of a common corporate web site that delineates regulated and unregulated entities and services.

KEDNY and KEDLI will not represent to any customer, supplier or third party that an advantage may accrue to such customer, supplier or third party in the use of their services as a result of that customer, supplier or third party transacting with any US HoldCo subsidiary.

US HoldCo subsidiaries will not represent to any customer, supplier or third party that an advantage may accrue to such customer, supplier or third party in the use of KEDNY's or KEDLI's services as a result of that customer, supplier or third party transacting with such subsidiary.

7.5 No Rate Discrimination: All similarly situated customers will pay the same rates for the same tariffed services provided by KEDNY or KEDLI. If there is discretion in the application of any tariff provision, KEDNY and KEDLI will not offer any affiliate more favorable terms and conditions than it offers to all similarly situated competitors of the affiliate.

7.6 Complaint Procedures: Any competitor or customer of KEDNY or KEDLI or any affiliate who believes that KEDNY or KEDLI or an affiliate has violated these Standards of Conduct may file a written complaint with KEDNY or KEDLI or the subject affiliate, which will respond in writing within fourteen business days. Thereafter, the complainant and KEDNY or KEDLI or the affiliate will meet to resolve the complaint informally. If no resolution can be reached within thirty days following the complainant's receipt of KEDNY's or KEDLI's or the affiliate's response, either party may request the assistance of Staff. If Staff is unable to assist the parties in resolving the complaint within a reasonable time, either party may seek resolution by the Commission.

If the Commission determines, at any time, whether as a result of the procedure outlined above or otherwise, that KEDNY or KEDLI or an affiliate has violated these Standards of Conduct, it will provide KEDNY or KEDLI or the affiliate an opportunity to remedy such conduct or explain why such conduct is not a violation. If KEDNY or KEDLI or the affiliate fails to remedy such conduct within a reasonable time after receiving such notice, the Commission may take such remedial action as is warranted and for which it has authority under the Public Service Law.

8. Transfers and Leases of Property

8.1 Personal Property: Transfers of Personal Property (or rights to use such property) from KEDNY or KEDLI to an Unregulated Competitive Energy Affiliate or

any National Grid Other Affiliate will be priced at the higher of book value or fair market value. Any direct or indirect transfer of Personal Property to KEDNY or KEDLI from an unregulated affiliate shall be at the lower of book value or fair market value.

Transfers of Personal Property (or rights to use such property) from KeySpan Corporate Services LLC or KeySpan Utility Services LLC to KEDNY, KEDLI, Regulated Affiliates, ServiceCo, or HoldCo to KEDNY or KEDLI will be priced at book value.

Transfers of Personal Property (or rights to use such property) between and among KEDNY, KEDLI, Regulated Affiliates, ServiceCo, and HoldCo will be priced at book value or cost.

Gains associated with the transfer or lease of Personal Property in KEDNY's or KEDLI's rate base will be credited to the applicable depreciation reserve. KEDNY or KEDLI will have the opportunity to file a fully supported petition seeking recovery of any loss associated with the transfer or lease of Personal Property in KEDNY's or KEDLI's rate base. KEDNY and KEDLI will retain gains or losses on the transfer or lease of Personal Property not included in their respective rate base.

Based on KEDNY's and KEDLI's adherence to the foregoing parameters and if the property is not needed for providing regulated utility service, the Commission's consent pursuant to PSL §§ 69 or 70 is granted as being in the public interest if the transfer or lease of Personal Property is for \$3 million or less. KEDNY or KEDLI will petition the Commission for its consent pursuant to §§69 or 70 for the transfer or lease of Personal Property that exceeds \$3 million. The provisions governing transfers of Personal Property to KEDNY and KEDLI in this section do not assure the future rate recovery of these amounts.

8.2 Real Property: If and when a facility is no longer needed to provide regulated gas services, KEDNY or KEDLI will evaluate commercially reasonable disposition alternatives for the facility, including, but not limited to, sale to an affiliate or sale or lease to a third party. In the event it decides to sell or lease a facility, KEDNY or KEDLI will use commercially reasonable efforts to obtain fair market value for the facility based on independent appraisals and market conditions. KEDNY and KEDLI may utilize brokers or other service providers to identify prospective buyers or tenants, or may utilize other means designed to realize fair market value from the sale or lease.

Gains associated with the sale of real property in KEDNY's or KEDLI's rate base will be credited to the applicable Balancing Account. KEDNY or KEDLI will have the opportunity to file a fully supported petition seeking recovery of any loss associated with the sale of real property in KEDNY's or KEDLI's rate base. KEDNY and KEDLI will retain gains or losses on the sale of real property not included in their respective rate base. Under no circumstances will the sale or lease of a facility prevent KEDNY or KEDLI from providing gas services to its customers, or from otherwise being able to discharge its public service responsibilities. Moreover, any sale-leaseback transaction involving a KEDNY or KEDLI facility will not increase KEDNY's or KEDLI's annual cost of occupying or utilizing the subject property.

All contract documents relative to the sale of facilities will include provisions limiting, to the extent commercially practicable, KEDNY's or KEDLI's liabilities, including environmental liabilities. In the case of lease transactions, tenants will be required, inter alia, to maintain commercially reasonable insurance coverage to

protect the leased property, and to observe KEDNY's or KEDLI's requirements regarding the use of the premises. Any initial lease term will not exceed five (5) years.

Based on KEDNY's and KEDLI's adherence to the foregoing parameters, to the extent that efficient management of KEDNY's or KEDLI's property portfolio warrants the sale or lease of a facility subject to the Commission's consent pursuant to PSL §§69 or 70, that consent is granted as being in the public interest if the sale or lease or sale/leaseback of facilities is for \$3 million or less. KEDNY or KEDLI will petition the Commission for its consent pursuant to §§69 or 70 for facility sales, leases, or sales/leasebacks for over \$3 million.

9. Miscellaneous Provisions

9.1 Annual Meeting: Senior management of KEDNY, KEDLI, and US HoldCo will meet annually with Senior Staff to discuss their plans related to capital attraction and financial performance.

9.2 Reporting Requirements: To further the Commission's ability to efficiently assess compliance with the terms of the Appendix 4, KEDNY, KEDLI and HOLDCO shall file a report summarizing asset transfers, employee transfers, cost allocations, affiliate transactions, and competitor/customer complaints prior to each year's Annual Meeting.

9.3 Adherence to Standards: If the Commission at any time makes a finding that compliance with these Rules Governing Affiliate Transactions has been lacking, the Commission may order an independent audit of all applicable transactions, at KEDNY's or KEDLI's expense.

9.4 Insurance: KEDNY, KEDLI and HoldCo subsidiaries may be covered by common property/casualty and other business insurance policies. The costs of such policies will be equitably allocated in accordance with the approved cost allocation procedures.

9.5 Research and Development: KEDNY and KEDLI may invest in the commercialization of research and development products and technologies that they have developed consistent with these Standards of Competitive Conduct. If an affiliate elects to invest in the same, it will fairly compensate KEDNY and/or KEDLI based, among other things, on the expected future benefits of the investments, assume the applicable business risks, and will be entitled to the benefits associated with that investment to the extent approved by the Commission.

In the event a situation arises where these standards are not being complied with, please contact National Grid's Ethical Business Conduct Advice Team at (315) 428-6341.

Deleted: <#>Definitions:

¶
<#>"Accounting Instruction" means the cost allocation methodology collaboratively developed by the Signatory Parties and attached hereto as Appendix "B" made a part hereof.¶

¶
<#>"Affiliate" means HoldCo and any Subsidiary of HoldCo.¶

¶
<#>"Affiliate Transaction" means any interaction between either of the Jurisdictional Subsidiaries and an Affiliate by which an item of value, whether tangible or intangible, is transferred.¶

¶
<#>"Annual Report" means the report that will be served on the parties within ninety (90) days after the end of each calendar year during the term of this Agreement, beginning with the first full calendar year following the Consummation Date, which will contain the information detailed in various sections of this Agreement.¶

¶
<#>"Approval Order" means the Commission order approving this Agreement on terms and conditions acceptable to the Companies and each other Signatory Party.¶

¶
<#>"August 1 Filing" means the annual filing of tariff leaves that may be made by LILCO by no later than August 1 of each year of the term of the LILCO Gas Rate Plan, which leaves will have a proposed effective date no earlier than December 1 of the same calendar year, and which leaves may reflect revisions to LILCO Core Service rates implementing changes contemplated by the LILCO Gas Rate Plan contained in this Agreement.¶

¶
<#>"Balancing Account" means the regulated accounts where certain deferred debits or credits arising out of the operation of this Agreement and the Brooklyn Union Rate Plan or the LILCO Gas Rate Plan will be recorded. The Balancing Account for Brooklyn Union is referred to in this Agreement as the "Brooklyn Union Balancing Account," and the Balancing Account for LILCO is referred to herein as the "LILCO Gas Balancing Account."¶

¶
<#>"Brooklyn Union" means TH ... [1]

Deleted: Market Penetration

¶
In the Annual Report, HoldCo will provide information that would allow assessment of the market penetration in each Jurisdictional Subsidiary's service territory by any ESCO Affiliate.

C. Territories

1. The Brooklyn Union Gas Company (KEDNY)

The City of New York comprising the Boroughs of Brooklyn, Queens (former Wards 2 and 4 only) and Staten Island. See territorial map below.

~~Deleted: KeySpan Energy Delivery - New York~~

KeySpan Gas East Corporation (KEDLI)

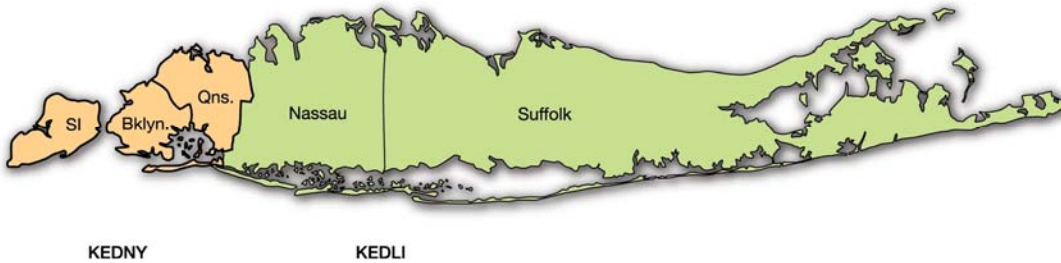
All of Nassau and Suffolk Counties and the Fifth Ward of the Borough of Queens. See territorial map below.

~~Deleted: KeySpan Energy Delivery - Long Island~~

2. Pipelines Serving the Franchise Areas with Designations of Receipt Points

<u>Pipeline</u>	<u>Receipt Point</u>
Iroquois	South Commack <u>Huntspoint</u>
Tennessee	White Plains
Transcontinental Gas Pipe Line	Manhattan (2 locations) Narrows
Texas Eastern	Long Beach Goethals

3. Territorial Map



D. Service Classifications

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>		
1A	Residential Non-Heating Service	080	First	3 therms or less	\$11.46
			Next	47 therms @	\$0.7288/therm
			All over	50 therms @	\$0.3428/therm
1B	Residential Heating Service	010 012	First	3 therms or less	\$13.03
			Next	47 therms @	\$0.5827/therm
			All over	50 therms @	\$0.2890/therm
1AR	Residential Non-Heating Reduced Rate Service (Low Income)	085	First	3 therms or less	\$8.96
			Next	47 therms @	\$0.7288/therm
			All over	50 therms @	\$0.3428/therm
1BI	3 to 5 Family Residential Heating Conversion Service (Intro)	018	First	3 therms or less	\$13.03
			Next	47 therms @	\$0.4201/therm
			All over	50 therms @	\$0.2069/therm
1BR	Residential Heating Reduced Rate Service (Low Income)	015			Summer (May-Winter Oct) (Nov-Apr) \$3.53 \$3.53
			First	3 therms or less	\$3.53
			Next	47 therms @	\$0.5827/therm
			All over	50 therms @	\$0.2890/therm
1B-DG	Residential Distributed Generation Service (Distributed Generation)	019	First	3 therms or less	\$32.93
			All over	3 therms @	\$0.136/therm
2	General Service (Non-Residential) Non-Heating	020 021 026 027 028 029	First	3 therms or less	\$18.28
			Next	87 therms @	\$0.4910/therm
			Next	2,910 therms @	\$0.2420/therm
			All over	3,000 therms @	\$0.1920/therm
	Heating	022 023 024	First	3 therms or less	\$18.28
			Next	87 therms @	\$0.4910/therm
			Next	2,910 therms @	\$0.2920/therm
			All over	3,000 therms @	\$0.2420/therm
3	Heating and/or Water Heating Service (Multi-Family Buildings)	030	First	3 therms or less	\$22.22
			Next	997 therms @	\$0.3133/therm
			All over	1,000 therms @	\$0.2000/therm

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>		
4A	High Load Factor Service (Cogeneration)	041	First	10 therms or less	\$120.33
4A-CNG	High Load Factor Service (Compressed Natural Gas Equipment)	045	Next	990 therms @	\$0.1657/therm
			All over	1,000 therms @	\$0.1550/therm
4B	Year-Round Air Conditioning Service (None-Residential)	040 046 049	First	1 therm or less	\$51.92
			Next	199 therms @	\$0.5875/therm
			All over	200 therms @	\$0.2854/therm
5A	On-System Large Volume Sales Service (Interruptible Gas)		Rates are determined every month and filed with the PSC. Please refer to the tariff for details.		
5B	Off-System Large Volume Sales Service (Firm or Interruptible Gas)		Rates are determined every month and filed with the PSC. Please refer to the tariff for details.		
6C	Temperature Controlled Service (Commercial/Industrial)	161 162 163 164 165 166 167	Rate 1	< 10,000dth	174 175 176 177 461 462 463
			First	10 therms or less	\$189.76 + revenue tax surcharge
			Rate 2	= or > 10,000dth	
			First	10 therms or less	\$294.71 + revenue tax surcharge
			Rate 3	Bulk Purchases	Rates are negotiated with customers shown on the service agreement. Please refer to the tariff for details.
6G	Temperature Controlled Service (Government Agencies)	261 262	Rate 1	< 10,000dth	
			First	10 therms or less	\$189.76 + revenue tax surcharge
			Rate 2	= or > 10,000dth	
			First	10 therms or less	\$294.71 + revenue tax surcharge
			Rate 3	Bulk Purchases	Rates are negotiated with customers shown on the service agreement. Please refer to the tariff for details.
6M	Temperature Controlled Service (Multi-Family Buildings)	361 362 363 56	Rate 1	< 3,500dth	
			First	10 therms or less	\$189.76 + revenue tax surcharge
			Rate 2	= 3,500dth but not > 8,999dth	
			First	10 therms or less	\$189.76 + revenue tax surcharge
			Rate 3	= 9,000dth but not > 25,999dth	
			First	10 therms or less	\$294.71 + revenue tax surcharge
			Rate 4	= or > 26,000dth	
			First	10 therms or less	\$294.71 + revenue tax surcharge
			Rate 5	Bulk Purchases	Rates are negotiated with customers shown on the service agreement. Please refer to the tariff for details.
7	Seasonal Off-Peak Service	070 071 072	First	3 therms or less	Apr-Nov \$20.37 Dec-Mar Please refer to the
			All over	3 therms @	\$0.2036/therm tariff for details.

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>
11	Transportation Service (for SC...) 2 Firm General Service Transportation		First 3 therms or less \$10.80 Next 47 therms @ \$0.621/therm delivered Next 200 therms @ \$0.508/therm delivered Next 250 therms @ \$0.488/therm delivered Next 500 therms @ \$0.434/therm delivered All over 1,000 therms @ \$0.360/therm delivered
	4A High Load Factor Service Transportation		First 4,200 therms or less \$856.47 All over 4,200 therms @ \$0.172/therm delivered
	4B Year Round Air Conditioning Service Transportation		First 4,200 therms or less \$1,456.10 All over 4,200 therms @ \$0.333/therm delivered
	5 Interruptible Service Transportation < 600,000dth		Minimum \$0.10 Maximum \$3.19
	= or > 600,000dth		First \$0.10 \$3.19 All over \$0.10 \$0.50
	5n Interruptible Service Transportation		Rates are negotiated with customers shown on the service service agreement. Please refer to the tariff for details.
	5LR Interruptible Load Retention Service Transportation		Rates are negotiated with customers shown on the service service agreement. Please refer to the tariff for details.
	6C, 6G & 6M Temperature Controlled Service Transportation		
	Rate 1		First 4,200 therms or less \$187.37 + 4,190 th * net margin/th
	Rate 2		All over 4,200 therms @ \$292.32 + 4,190 th * net margin/th
13	Balancing Service		Please refer to the tariff for details.
14	Natural Gas Vehicle (NGV) Service		Rates are determined every month and filed with the PSC. Please refer to the tariff for details.
15	Release of Interstate Pipeline Capacity Entitlements		Please refer to the tariff for details.
16	Cancelled		

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>
17	Core Transportation and Swing Service (for SC...)		
	1A Residential Non-Heating		First 3 therms or less \$11.46 Next 47 therms @ \$0.7288/therm All over 50 therms @ \$0.3428/therm
	1AR Residential Non-Heating Reduced Rate		First 3 therms or less \$8.96 Next 47 therms @ \$0.7288/therm All over 50 therms @ \$0.3428/therm
	1B Residential Heating		First 3 therms or less \$13.03 Next 47 therms @ \$0.5827/therm All over 50 therms @ \$0.2890/therm
	1BI Residential Heating Conversion		First 3 therms or less \$13.03 Next 47 therms @ \$0.4201/therm All over 50 therms @ \$0.2069/therm
	1BR Residential Heating Reduced Rate		Summer (May-Winter (Nov-Apr)) First 3 therms or less \$3.53 \$3.53 Next 47 therms @ \$0.5827/therm \$0.3181/therm All over 50 therms @ \$0.2890/therm \$0.2890/therm
	2 Firm General		
	Rate 1 Non-Heating		First 3 therms or less \$18.28 Next 87 therms @ \$0.4910/therm Next 2,910 therms @ \$0.2420/therm All over 3,000 therms @ \$0.1920/therm
	Rate 2 Heating		First 3 therms or less \$18.28 Next 87 therms @ \$0.4910/therm Next 2,910 therms @ \$0.2920/therm All over 3,000 therms @ \$0.2420/therm

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>
17 cont	3 Heating and/or Water Heating (Multi-Family Buildings)	First	3 therms or less \$22.22
		Next	997 therms @ \$0.3133/therm
		All over	1,000 therms @ \$0.2000/therm
4A & 4A-CNG High Load & CNG Equipment		First	10 therms or less \$120.33
		Next	990 therms @ \$0.1657/therm
		All over	1,000 therms @ \$0.1550/therm
4B Year Round Air Conditioning		First	1 therms or less \$51.92
		Next	199 therms @ \$0.5875/therm
		All over	1200 therms @ \$0.2854/therm
7 Seasonal Off Peak		First	3 therms or less \$20.37
		All over	3 therms @ \$0.2036/therm
21 Baseload Distributed Generation Rate 1 < 1MW		First	10 therms or less \$235.61
		All over	10 therms (Apr-Oct) \$0.094/therm
		All over	10 therms (Nov-Mar) \$0.120/therm
Rate 2 = or > 1MW but < 5MW		First	10 therms or less \$333.14
		All over	10 therms (Apr-Oct) \$0.094/therm
		All over	10 therms (Nov-Mar) \$0.120/therm
Rate 3 = or > 5MW but < 50MW		First	10 therms or less \$771.69
		All over	10 therms (Apr-Oct) \$0.023/therm
		All over	10 therms (Nov-Mar) \$0.032/therm

Service Classification NY
Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a Keyspan Energy Delivery NY (KEDNY))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>
18	Non-Core Transportation Service (for SC...) 5A On System Large Volume		Please refer to the tariff for details.
	6C & 6G Temperature Controlled Rate 1		First 10 therms or less \$187.37 All over 10 therms @ Please refer to the tariff for details.
	Rate 2		First 10 therms or less \$292.32 All over 10 therms @ Please refer to the tariff for details.
	6M Temperature Controlled Rate 1 & 2		First 10 therms or less \$187.37 All over 10 therms @ Please refer to the tariff for details.
	Rate 3 & 4		First 10 therms or less \$292.32 All over 10 therms @ Please refer to the tariff for details.
19	Transportation Aggregation Service		Please refer to the tariff for details.
20	Non-Core Transportation Service for Electric Generation		
	Rate 1		Contribution for fixed co \$0.10/dth Unitized long run margir \$0.10/dth
	Rate 2		Rates are negotiated with customers shown on the service service agreement. Please refer to the tariff for details.
21	Baseload Distributed Generation Sales Service		
	Rate 1 < 1MW		First 10 therms or less \$235.61 All over 10 therms (Apr-Oct) \$0.094/therm All over 10 therms (Nov-Mar) \$0.120/therm
	Rate 2 = or > 1MW but < 5MW		First 10 therms or less \$333.14 All over 10 therms (Apr-Oct) \$0.094/therm All over 10 therms (Nov-Mar) \$0.120/therm
	Rate 3 = or > 5MW but < 50MW		First 10 therms or less \$771.69 All over 10 therms (Apr-Oct) \$0.023/therm All over 10 therms (Nov-Mar) \$0.032/therm

*Not as important,
tend to use SC

Service Classification Long Island (LI)
Keyspan Gas East Corp. d/b/a National Grid (formerly d/b/a KeySpan Energy Delivery LI (KEDLI))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>				
1	Residential Service						
	1A General	120	First	3 therms or less	\$10.18		
	1A Water Heating	130	Next	47 therms @	\$0.959/therm		
			Excess of	50 therms @	\$0.3268/therm		
	1AR General Reduced Rate Non-Heating	120R	First	3 therms or less	\$7.68		
	1AR Water Heating Reduced Rate Non-Heating	130R	Next	47 therms @	\$0.9590/therm		
			All over	50 therms @	\$0.3268/therm		
	1B Space Heating	140	First	3 therms or less	\$11.38		
			Next	47 therms @	\$0.8339/therm		
			Excess of	50 therms @	\$0.3468/therm		
1BR Space Heating Reduced Rate Heating	140R	First	3 therms or less	\$1.88	Summer (May-Oct)	Winter (Nov-Apr)	
		Next	47 therms @	\$0.8339/therm	\$1.88	\$0.4717/therm	
		All over	50 therms @	\$0.3468/therm		\$0.3468/therm	
1DG Distributed Generation	150	First	3 therms or less	\$33.04			
		Excess of	3 therms @	\$0.1260/therm			
2	Non-Residential Service						
	2A General	250	First	3 therms or less	\$16.58		
	2A Water Heating	160	Next	87 therms @	\$1.1395/therm		
			Next	2,910 therms @	\$0.3325/therm		
			Excess of	3,000 therms @	\$0.2325/therm		
	2B Space Heating	170	First	3 therms or less	\$16.58		
			Next	87 therms @	\$1.1395/therm		
			Next	2,910 therms @	\$0.3825/therm		
			Excess of	3,000 therms @	\$0.2825/therm		
	3	Multiple Dwelling Service					
3A Water Heating		152	First	3 therms or less	\$34.58		
			Next	997 therms @	\$0.4208/therm		
			Excess of	1,000 therms @	\$0.2/therm		
3B Heating		151	First	3 therms or less	\$34.58		
	Next		997 therms @	\$0.4208/therm			
		Excess of	1,000 therms @	\$0.2/therm			

Service Classification Long Island (LI)
Keyspan Gas East Corp. d/b/a National Grid (formerly d/b/a KeySpan Energy Delivery LI (KEDLI))

<u>SC</u>	<u>Description</u>	<u>Rate</u>	<u>Rate (per</u>		
4	Interruptible Gas Service Category A	310	Rates are determined only by the Company at a level no less than its incremental cost of gas (interruptible floor price). Please refer to the tariff for details.		
	Category DSRS	310A			
	Category B	311			
	Category C	320			
	Category D	321			
5	Firm Transportation Service				
	Residential General (for 1A)	127	First	3 therms or less	\$10.18
	Residential Water Heating (for 1A)	137	Next	47 therms @	\$0.9590/therm
			Excess of	50 therms @	\$0.3268/therm
	Residential Space Heating (1B/1BR)	147	First	3 therms or less	\$11.38
			Next	47 therms @	\$0.8339/therm
			Excess of	50 therms @	\$0.3468/therm
	Commercial Water Heating (for 2A)	167	First	3 therms or less	\$16.58
	Commercial Heating (for 2A)	257	Next	87 therms @	\$1.1395/therm
			Next	2,910 therms @	\$0.3325/therm
			Excess of	3,000 therms @	\$0.2325/therm
	Commercial Space Heating (for 2B)	177	First	3 therms or less	\$16.58
			Next	87 therms @	\$1.1395/therm
			Next	2,910 therms @	\$0.3825/therm
			Excess of	3,000 therms @	\$0.2825/therm
	Multiple Dwelling Non-Heating (for 3A)	159	First	3 therms or less	\$34.58
			Next	997 therms @	\$0.4208/therm
			Excess of	1,000 therms @	\$0.2/therm
	Multiple Dwelling Heating (for 3B)	158	First	3 therms or less	\$34.58
			Next	997 therms @	\$0.4208/therm
			Excess of	1,000 therms @	\$0.2/therm
	Distributed Generation (for 15)	267	First	10 therms or less	\$153.35
			Excess of	10 therms @	\$0.130/therm
	Year-Round Space Conditioning (for 16)	277	First	3 therms or less	\$91.66
			Next	497 therms @	\$0.6776/therm
			Excess of	500 therms @	\$0.2570/therm
	Baseload Distributed Generation Rate 1 (for 17)	347	First	10 therms or less	\$180.16
			All over	10 therms	\$0.133/therm
			All over	10 therms	\$0.171/therm
	Rate 2 (for 17)	357	First	10 therms or less	\$328.22
			All over	10 therms	\$0.133/therm
			All over	10 therms (Nov-Mar)	\$0.171/therm

Service Classification Long Island (LI)
Keyspan Gas East Corp. d/b/a National Grid (formerly d/b/a KeySpan Energy Delivery LI (KEDLI))

<u>SC</u>	<u>Description</u>	<u>Rate</u>	<u>Rate (per</u>		
	Rate 3 (for 17)	367	First	10 therms or less	\$949.35
			All over	10 therms (Apr-Oct)	\$0.033/therm
			All over	10 therms	\$0.045/therm
	Uncompressed Natural Gas Vehicle (for 9)	807	First	3 therms or less	\$52.92
			Excess of	3 therms @	Effective rate
6	Large Volume Gas Bypass Transportation Service		Rates are negotiated individually with customers. The minimum rate will recover for the life of the service agreement a reasonable contribution to system costs over and above the incremental costs to serve that customer. Please refer to the tariff for details.		
7	Interruptible Transportation Service Category A	710	Rates from SC 4 less the TC floor price. The minimum rate is \$1,580.40, subject to increase in rates and charges. Please refer to the tariff for details		
	Category DSRS	710A			
	Category B	711			
	Category C	720			
	Category D	721			
8	Seller Service		Please refer to the tariff for details.		
9	Uncompressed Natural Gas Vehicle Full Service	800	First	3 therms or less	\$38.70
			Excess of	3 therms @	Effective rate
10	Compressed Natural Gas Vehicle Full Service	801	Rates are determined only by the Company. Please refer to the tariff for details.		
11	Uncompressed Natural Gas Vehicle Transportation Service	802	Please refer to the tariff for details.		
12	Temperature Controlled Service (Non-Residential)				
	Rate 1 - Small	330	First	3 therms or less	\$154
	Rate 2 - Large	331	Excess of	3 therms @	Rate is determined only by the Company. It will be set per them at a level no less than the TC floor price. Please refer to the tariff for details.
	Rate 3 - Large	332	Rates are negotiated individually with customers. The minimum rate will recover all costs incurred to serve the customer including a reasonable contribution to fixed costs, subject to increase in rates and charges. Please refer to the tariff for details.		

Service Classification Long Island (LI)
Keyspan Gas East Corp. d/b/a National Grid (formerly d/b/a KeySpan Energy Delivery LI (KEDLI))

<u>SC No.</u>	<u>Description</u>	<u>Rate Code</u>	<u>Rate (per month)</u>
13	Temperature Controlled Transportation Service		
	Rate 1	730	First 3 therms or less \$154
	Rate 2	731	Excess of 3 therms @ Rates from SC 12, rate 1&2.
	Rate 3	732	Rates are negotiated individually with customers. The minimum rate will recover all costs incurred to serve the customer including a reasonable contribution to fixed costs, subject to increase in rates and charges. Please refer to the tariff for details.
14	Non-Core Transportation Service for Electric 1 2		Please refer to the tariff for details.
15	High Load Factore Service	260	First 10 therms or less \$153.35 All over 10 therms @ \$0.130/therm
16	Year-Round Space Conditioning Service	270	First 3 therms or less \$91.66 Next 497 therms @ \$0.6776/therm All over 500 therms @ \$0.2570/therm
17	Baseload Distributed Generation Sales Service		
	Rate 1 < 1MW (per meter, per month)	340	First 10 therms or less \$180.61 All over 10 therms (Apr-Oct) \$0.133/therm All over 10 therms (Nov-Mar) \$0.171/therm
	Rate 2 = or > 1MW but < 5MW	350	First 10 therms or less \$328.22 All over 10 therms (Apr-Oct) \$0.133/therm All over 10 therms (Nov-mar) \$0.171/therm
	Rate 3 = or > 5MW but < 50MW	360	First 10 therms or less \$949.35 All over 10 therms (Apr-Oct) \$0.033/therm All over 10 therms (Nov-mar) \$0.045/therm

E. Customer Breakdown

The following statistics show a breakdown of KEDNY and KEDLI by customer segments. These statistics will be updated annually.

Customers and Annual Consumption as of June 2009:

Sales: KEDNY

	Customers	Annual DTH
<u>Residential</u>	<u>982,701</u>	<u>66,335,673</u>
<u>C/I</u>	<u>46,424</u>	<u>25,591,108</u>
<u>Interruptible</u>	<u>65</u>	<u>3,875,156</u>
<u>TC Interruptible</u>	<u>5,382</u>	<u>22,228,404</u>

Sales: KEDLI

	Customers	Annual DTH
<u>Residential</u>	<u>465,576</u>	<u>46,501,890</u>
<u>C/I</u>	<u>44,674</u>	<u>17,920,728</u>
<u>Interruptible</u>	<u>237</u>	<u>1,478,033</u>
<u>TC Interruptible</u>	<u>384</u>	<u>3,704,013</u>

Transportation: KEDNY

	Customers	Annual DTH
<u>Residential</u>	<u>170,232</u>	<u>11,969,793</u>
<u>C/I</u>	<u>13,777</u>	<u>19,868,638</u>
<u>Interruptible</u>	<u>3</u>	<u>39,264,158</u>
<u>TC Interruptible</u>	<u>233</u>	<u>2,422,644</u>

Transportation: KEDLI

	Customers	Annual DTH
<u>Residential</u>	<u>23,525</u>	<u>2,814,911</u>
<u>C/I</u>	<u>12,271</u>	<u>9,060,760</u>
<u>Interruptible</u>	<u>2</u>	<u>62,416</u>
<u>TC Interruptible</u>	<u>3</u>	<u>135,632</u>

III. UNIFORM BUSINESS PRACTICES GENERIC TO AGGREGATION AND LARGE VOLUME TRANSPORTATION CUSTOMERS

The Uniform Business Practices Case 98-M-1343 (UBP) set forth in this section were originally approved by the New York State Public Service Commission on January 22, 1999 and updated as of September 2009. For the entire the Uniform Business Practices see Appendix or www.dps.state.ny.us. If conflicts arise between this GTOP and the UBP, the UBP shall govern.

A. Creditworthiness

National Grid establishes unsecured credit limits for all entities, including Marketers, Gas Suppliers who act as Marketers, and customers to whom the Company makes sale of gas for resale, by applying on a consistent, non-discriminatory basis the same financial evaluation standard. Credit limits are reviewed regularly. If an entity is assigned an unsecured credit limit that is not sufficient to meet the requirements, these requirements may be met by providing security in a form that is acceptable to National Grid. Please refer to UBP, Section 3.

B. Customer Information

This section establishes practices for release of customer information by distribution utilities or Meter Data Service Provider (MDSP) to ESCOs and Direct Customers and identifies the content of information sets. The distribution utility or MDSP and an ESCO shall use EDI standards, to the extent developed, for transmittal of customer information and may transmit data, in addition to the minimum information required, via EDI or by means of an alternative system. Please refer to UBP, Section 4.

C. Billing, Collection Services and Charges

The process that an applicant is required to follow for a PSC finding of eligibility to sell natural gas or electricity as an ESCO, that an ESCO is required to follow to maintain eligibility, and that a distribution utility is required to follow for discontinuance of an ESCO's or Direct Customer's participation in a distribution utility's retail access program is detailed in UPB Section 2. For additional details and for failure to make a payment please refer to UBP, Section 2.

Procedures for invoices of charges for services provided by the distribution utility directly to an ESCO or Direct Customer are detailed in UPB Section 7. A distribution utility and ESCO or Direct Customer may agree to establish other arrangements and procedures for presentation and collection of invoices for services rendered. This section also describes billing questions and disputes and Charges to ESCOs from the Company. For additional details, please refer to UBP, Section 7.

Requirements for billing and payment processing options offered by a distribution utility and ESCO in a multi-retailer model are outlined in UPB Section 9. The Section does not establish requirements for billing and payment processing in a single retailer

model. A distribution utility and ESCO shall comply with the requirements established in Section 9, unless they agree upon modifications or other procedures for billing and payment processing in a Billing Services Agreement. For additional details, please refer to UBP, Section 9.

D. New Delivery Customer Requirements

UBP Section 5 establishes practices for receiving, processing and fulfilling requests for changing a customer's natural gas provider and for obtaining a customer's authorization for the change. A change in a provider includes transfer from (1) one ESCO to another; (2) an ESCO to a distribution utility; and (3) a distribution utility to an ESCO. This Section also establishes practices for: an ESCO's drop of a customer or a customer's drop of an ESCO, retention of an ESCO after a customer's relocation within a distribution utility's service area, assignment of a customer, and initiation or discontinuance of procurement of natural gas supplies by a Direct Customer. This Section does not establish practices for obtaining other energy-related services or changing billing options.

The process of changing a service provider is comprised of two steps. For enrollment with an ESCO, the first step is obtaining customer agreement to accept natural gas service, according to the terms and conditions of an offer. A sales agreement establishes the terms and conditions of the customer's business arrangement with the ESCO. The second step is enrollment and the distribution utility's modification of its records to list the customer's transfer to a provider on a specific date. This transaction is primarily between the ESCO and the distribution utility. For additional details, please refer to UBP, Section 5.

E. Switching Customers

An ESCO shall transmit an enrollment request to a distribution utility no later than 15 calendar days prior to the effective date of the enrollment. The enrollment request shall contain as a minimum, the information required for processing set forth in Attachment 4, Enrollment Request of the UBP. The distribution utility shall process enrollment requests in the order received. The distribution utility shall accept only one valid enrollment request for each commodity per customer during a switching cycle. If the distribution utility receives multiple enrollment requests for the same customer during a switching cycle, it shall accept the first valid enrollment request and reject subsequent requests. An ESCO shall submit an enrollment request after it provides the sales agreement to the customer and, for residential customers, after the expiration of the cancellation period. For additional details, please refer to UBP, Section 5.

F. Slamming Prevention (Unauthorized Customer Transfers)

A change of a customer to another energy provider without the customer's authorization, commonly known as slamming is not permitted. The distribution utility shall report slamming allegations to the Department on at least a monthly basis. For additional details, please refer to UBP, Section 5.

G. Discontinuance of Service

Customers returning to full utility service shall arrange to return to full utility service by contacting either the ESCO or the distribution utility in accordance with UPB Section 5 (H). An ESCO contacted by the customer shall, within two days, process the customer's request to return to full utility service. A utility contacted by a customer shall remind the customer to contact the ESCO about their returning to full utility service provided, however, that if the customer has already contacted the ESCO or wants to proceed without contacting the ESCO, the utility shall, within two days, process the customer's request to return to full utility service. If a change to full utility service results in restrictions on the customer's right to choose another supplier or application of a rate that is different than the one applicable to other full service customers, the distribution utility shall provide advance notice to the customer. For additional details, please refer to UPB, Section 5.

For involuntary discontinuance of an ESCO or Direct customer's participation, please refer to UPB Section 2.

H. Dispute Resolution

UPB Section 8 describes the process whereby disputes involving distribution utilities, ESCOs or Direct Customers shall be handled, including disputes alleging anti-competitive practices. The processes are not available to resolve disputes between retail customers and ESCOs or distribution utilities. They are also not applicable to matters that, in the opinion of the PSC Staff, should be submitted by formal petition to the PSC for its determination or are pending before a court, state or federal agency. The availability of the processes does not limit the rights of a distribution utility, ESCO or Direct Customer to submit any dispute to another body for resolution. For additional details, please Refer to UPB, Section 8.

I. Consolidated Billing

A distribution utility and ESCO shall establish in a billing services agreement (BSA) detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities. A distribution utility may use the bill ready or the rate ready method for issuing consolidated bills. An ESCO that offers consolidated billing shall use a bill ready method. For additional details, please refer to UPB Section 9.

J. Marketing Standards

The standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York are detailed in UPB Section 10. It specifies standards relative to training of marketing representatives and in-person and telephone contact with customers. ESCOS shall not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation or Order. ESCOs will maintain an internal process for handling customer

complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department. For additional details, please refer to UPB Section 10.

IV. GAS DELIVERY MANAGEMENT PROCEDURES FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS – FIRM TRANSPORTATION

A. Monthly Balancing Service

1. Become An Approved Gas Supplier

There are several requirements to become an approved gas supplier:

Step One:

Approval from the New York State Department of Public Service (PSC) and completion of their Energy Service Company Retail Access Application which can be obtained on the PSC website at www.dps.state.ny.us/escoapp.htm

Step Two:

Once an ESCO has been approved by the PSC, completion of the KEDLI and/or KEDNY tariff application form along with the Seller Service Agreement, NAESBE contract for the applicable territory and taxpayer Form W-9 which can be obtained at www.irs.gov/pub/irs-pdf/w9.pdf is required. An ESCO interested in consolidated billing services should complete the appropriate form along with the application.

Fax and mail originals of these documents to: National Grid, Supplier Services, 175 East Old Country Road, Hicksville, NY 11801 Attention: Arlene Portalatin, 516-545-3856; Sergio Smilley 516-545-2468; or Juliana Griffiths, 516-545-2632. The Fax number is 516-545-3250. Once these applications have been received, the approval process to determine creditworthiness will begin.

Step Three:

Once the application and creditworthiness requirement, as specified in the Uniform Business Practices Section III, are satisfied the ESCO must successfully complete Electronic Data Interchange (“EDI”), testing with both the Public Service Commission and KEDLI and/or KEDNY.

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Prior to beginning EDI testing with KEDLI and/or KEDNY, the ESCO will be required to post a cash deposit based on the level of testing required which will accrue interest, at the same rate as customer deposits, and be refunded at the time of commencing retail sales in the KEDLI and/or KEDNY service territories. If for any reason the ESCO fails to commence retail operations within three months of completing EDI testing, the deposit will be forfeited to the Company.

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EDI Core Transactions only: \$5,000
EDI Core Transaction and Single Bill Testing: \$10,000

The EDI Pre-Testing Request form must be completed and returned to the above-

mentioned personnel or e-mailed to them: Arlene.Portalatin@us.ngrid.com; Sergio.Smilley@us.ngrid.com; Juliana.Griffiths@us.ngrid.com. For additional information on EDI Data Dictionaries and Implementation Guides, please refer to the PSC website at www.dps.state.ny.us/98m0667_current.htm.

2. Customer Eligibility

Service is available under KEDLI SC 5 and KEDNY 17 SC for the transportation by KEDLI and/or KEDNY of customer-owned natural gas to:

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(i) a single Customer with a single facility or meter, that can demonstrate annual natural gas consumption of at least 3,500 DTHM at the single meter; (ii) a group of Customers that can demonstrate annual natural gas consumption of at least 5,000 DTHM; (iii) a single entity or firm with facilities at more than one location or having more than one meter that can demonstrate annual natural gas consumption of at least 3,500 DTHM at a single meter; and (iv) a single entity or firm with facilities at more than one location or having more than one meter that can demonstrate annual natural gas consumption of at least 5,000 DTHM.

Service to a single Customer will commence under these Service Classifications only after KEDLI and/or KEDNY has received documentable notice and agreement in addition to a Seller Agreement for service under this Service Classification executed by Seller for the applicable service period. Service to a group of Customers will commence under these Service Classifications only after KEDLI and/or KEDNY has received documentable notice and agreement and a Seller Agreement for service under these Service Classifications executed by Seller for the applicable service period.

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For a Seller Agreement to be effective under these Service Classifications, the Seller must be qualified in conformance with the provisions of Service Classifications No. 8 and/or 19.

Service under this Service Classification will commence on the first day of the month provided that the Company is in receipt of all applications by the fifteenth day of each month.

3. Enrollment Procedures

Enrollments are processed via EDI. Effective dates for enrollments will always be the first day of the following month. The deadlines to submit the ENROLL and DROP transactions will adhere to the Uniform Business Practices as amended from time to time.

Enrollments and Drops may be submitted fifteen calendar days prior to the start of the following month.

For Example: For an effective date of October 1, the enrollment or drop must be submitted between September 1 and September 15 (September has 30 days). The

transmittal must be received on September 15, to be effective for October 1.

4. Delivery Quantity Determination Procedures - Monthly and Daily Transportation Quantities

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

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MDQ Calculation

Customer

In order to establish the customer's profile and Monthly Delivery Quantity (MDQ) the Customer System calculates the daily therm usage based on the customer's two-year usage history. If two-year customer history is unavailable, the calculation is based on as much account history as is available. If no historical usage exists, a set schedule of projected usage based on the rate classification of the customer account is utilized.

The Customer System calculates a base factor for non-heat gas usage for summer by using daily usage from July 1st through August 31st. The base equals the summer therms divided by the number of summer days.

For heating rates, a slope is calculated by taking the sum of the total therms less the base multiplied by the number of days for the period divided by the actual degree days for the period.

The base and slope, if applicable, are used in conjunction with normal degree days to calculate the customer's MDQ.

ESCO

The ESCO's pool will display the MDQ for each customer in DTH. This usage is aggregated for the ESCO's entire pool and adjusted for unaccounted for gas (UFG).

The adjusted monthly quantity is divided by the number of days in the month and rounded to the nearest whole DTH. This is the Aggregated Daily Delivery Quantity (ADDQ) which is posted to the Electronic Bulletin Board (EBB) as the ESCO's daily requirement.

Therefore, a customer's MDQ will be based on that Customer's weather-normalized historical consumption. KEDLI and/or KEDNY may adjust a Customer's MDQ as necessary during the year to reflect changes in a customer's gas equipment or pattern of consumption. In addition, if inadequate historical consumption data exists, KEDLI and/or KEDNY 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.

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A Customer's DDQ will be calculated by dividing a customer's MDQ by the total

number of days for each calendar month. The DDQ is adjusted by 1.0281 for KEDLI and 1.0240 for KEDNY as an allowance for losses incurred in the process of delivery to the customer's metered facilities.

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By the first business day following the 21st of each month, KEDLI and/or KEDNY shall provide to the Seller notice of each Customer's DDQ and, in the case of a Seller that supplies gas to more than one Customer, the Customers' Aggregated Daily Delivery Quantity (ADDQ) for the succeeding calendar month.

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5. Capacity Assignment - Winter Capacity Program Options

Mandatory Capacity Program

Sellers must participate in the Company's Mandatory capacity Program subject to the terms and conditions of the KEDLI and KEDNY tariffs and this Gas Transportation Operational Procedures Manual. The Mandatory Capacity Program consists of three capacity tiers: 1) Tier 1 – Capacity Release; 2) Tier 2 – Bundled Winter Sales Service and 3) Tier 3 – Virtual Storage Service.

Capacity Release Option Tier 1

Subject to the conditions described below, KEDLI and/or KEDNY will release interstate pipeline capacity each month to the Seller or Seller's Agent for the 12-month period beginning November 1st of each year (the "Gas Year."). The amount of interstate capacity to be released known as the "Tier 1 Capacity Release Volume", will be set at 75% of estimated November Aggregated DDQ, grossed up for UFG, of the Seller's Customers at the start of the Gas Year. KEDLI and/or KEDNY will release interstate pipeline capacity on one or more of the pipelines named in the Pipeline and Receipt Point Section of this GTOP hereinafter referred to as the "Selected Pipelines", determined by the capacity and operational availability of the respective pipelines in an amount determined by the marketer's estimated November DDQ, not to exceed the Tier 1 Maximum Capacity Release Volume for that Marketer. KEDLI and/or KEDNY reserve the right to change the Selected Pipelines during the program to accommodate capacity or operational concerns or issues. On a monthly basis, KEDLI and/or KEDNY will recalculate the equivalent Aggregated DDQ, grossed up for UFG, of the Seller's customers to reflect an increase or decrease in the number or demand of Customers and adjust the Tier 1 Capacity Release Volume accordingly. If the Tier 1 Capacity Release Volume is insufficient to fully meet the requirements of the Seller's Customers during the summer months of May through October, KEDLI and/or KEDNY will increase the Tier 1 Capacity Release Volume each summer month, as required, to match the Aggregated DDQ of the Seller's Customers for that month, grossed up for UFG.

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The Tier 1 capacity released on the Selected Pipelines will be at the Selected Pipelines' maximum rates. The Seller or Seller's Agent is responsible for all fixed and variable costs associated with the released capacity.

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Tier 1 capacity during the May through October months will be set as the greater of 75% of the Marketer's estimated November Aggregated DDQ or the Aggregated DDQ

for the given month.

Marketers must deliver supply to KEDLI and/or KEDNY by means of the Tier 1 released capacity. The Marketer is obligated to deliver gas to KEDLI and/or KEDNY, for the Marketer's customers as required by tariffs. The Marketer is required to meet all obligations required by the Selected Pipelines under their respective tariffs.

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Capacity Release Option Tier 2 - Bundled Winter Sales

KEDLI and/or KEDNY will provide a Tier 2 Bundled Winter Sales Service from November through March (and April, as required) that is equal to the Marketer's Tier 2 Daily Delivery Quantity ("Tier 2 DDQ"). The Tier 2 DDQ will be set at 25% of the Marketer's estimated November Aggregated DDQ on a monthly basis, grossed up for UFG, of the Marketer's customers at the start of the Gas Year. As the year progresses, KEDLI and/or KEDNY will recalculate the equivalent November daily load to reflect any increase or decrease in the number or demand of customers in the Marketer's pool, and adjust the Marketer's Tier 2 DDQ accordingly.

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The Tier 2 winter bundled sales rate will be computed each month as shown in Appendix D. The Tier 2 winter bundled sales rate will be the sum of the weighted average Transco and Texas Eastern commodity prices (75% Transco, 25% Texas Eastern) and the weighted average cost of capacity for the appropriate National Grid company (KEDLI or KEDNY). The Transco commodity price will be the weighted average of the Transco Zone 1, Zone 2 and Zone 3 first of the month index prices from "Inside FERC," including Transco FT variable transportation and fuel charges to transport the gas from the selected pipeline receipt points to the KEDLI and/or KEDNY city gates. The Texas Eastern commodity price will be the weighted average of the Texas Eastern STX, WLA, ELA and ETX first of the month index prices from "Inside FERC," including Texas Eastern CDS variable transportation and fuel charges to transport the gas from the selected pipeline receipt points to the KEDLI and/or KEDNY city gates. The ACA surcharge will be applied to both the Transco and Texas Eastern commodity prices. The Tier 2 winter bundled sales rate will be included on the Statement of Seller Charges and Adjustments filed with the Commission by the fourth business day following the effective month.

Seller shall pay on a monthly basis the cost of the Tier 2 – Bundled Winter Sales Service, which will be computed by multiplying 1) the Tier 2 – Bundled Winter Sales Service per dekatherm price by 2) the Tier 2 DDQ by 3) the number of days each month.

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Marketers that do not meet the creditworthiness guidelines set forth in the Uniform Business Practices will be required to prepay for winter bundled sales service. The prepayment must be made via wire transfer or ACH payment by no later than three (3) business days prior to the last day of the month preceding the month in which the bundled sales are to be made. The prepayment will be calculated by taking the product of 0.9 times the estimated price of Tier 2 winter bundled sales for that month. The prepayment amount will be trued up when actual costs of the bundled sales are available and any adjustment will be made in the succeeding bill period. Marketers may

elect to make alternative security arrangements consistent with the Uniform Business Practice to secure credit for the purchase of bundled sales, provided that any such alternative security must be in place no less than 60 days before the November 1st start date of the bundled sales service period. Marketers participating in our Purchase of Receivables Program that have given KEDLI and/or KEDNY first priority interest in their receivables will be exempt from this requirement.

Capacity Release Option Tier 3 – Virtual Storage

KEDLI and/or KEDNY will provide a Tier 3 Virtual Storage Service Supply from December through March that is equal to the Marketer's Tier 3 Daily Delivered Quantity ("Tier 3 DDQ"). The Tier 3 DDQ will be set at the Daily Delivery requirement for any given month December through March less the November Aggregated DDQ of any Marketer/Direct Customer less any applicable Tier 3 grandfathered capacity. The Tier 3 DDQ will be reset each winter month based on the Marketer's incremental load requirements. Incremental load requirements, in this context, mean the delivery volume that exceeds the sum of the Marketer's Tier 1 Capacity Release Volume and Tier 2 DDQ.

KEDLI and/or KEDNY will compute the weighted average inventory price of gas injected into Tier 3 Virtual Storage Supply Service as shown in the Appendix D. The summer inventory price of the Tier 3 virtual storage will be computed assuming domestic US gas supply is injected on a pro-rata basis into storage throughout the summer injection season (May 1st through October 31st). The components of the summer inventory price include the monthly NYMEX settlement prices, National Grid's system average basis from points of purchase to the Henry Hub, and National Grid's system average variable transportation costs, injection costs and fuel losses which are incurred to inject gas into storage. Once the summer inventory price has been calculated, the weighted average inventory price is obtained as shown in Appendix D. The weighted average inventory price is a weighted average of the calculated summer inventory price and the actual April 30th National Grid storage inventory price. The weighted average percentage is based on how full National Grid' storage actually was on April 30th.

KEDLI and/or KEDNY require no payment from the Marketers prior to the start of the winter season for the gas available as Tier 3 Virtual Storage Service Supply. KEDLI and/or KEDNY will compute the per dekatherm price of the Tier 3 Virtual Storage Service Supply billed to the Marketers by taking the sum of 1) the weighted average inventory price as of the end of the injection season; 2) the weighted average variable withdrawal costs and fuel losses to withdraw gas from each of KEDLI and/or KEDNY storage services; 3) the weighted average variable transportation costs and fuel losses to transport storage gas on each of KEDLI and/or KEDNY storage transportation contracts to the city gates; plus 4) the KEDLI and/or KEDNY unitized demand cost of non-swing storage.

The cost of the Tier 3 – Virtual Storage Supply Service Marketer shall pay each month shall be computed by multiplying: 1) the Tier 3 Virtual Storage Service Supply per dekatherm price by 2) the Tier 3 DDQ by 3) the number of days each month.

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Marketers that do not meet the creditworthiness guidelines (as defined in the Uniform Business Practices) will be required to prepay for the virtual storage service prior to the month of the sale. The prepayment must be made by wire transfer or ACH payment no later than three (3) business days prior to the last day of the month proceeding the month for which the virtual storage service is to be purchased. The prepayment will be calculated by taking the product of 0.9 times the estimated delivered cost of the virtual storage as described above. The prepayment amount will be trued up when actual costs are available and any adjustment will be made in the succeeding bill period.

Marketers participating in our Purchase of Receivables Program that have given KEDLI and/or KEDNY first priority interest in their receivables will be exempt from this requirement.

6. Nominations Process (NAESB Standards & Gas Delivery Scheduling)

Direct Customers and ESCOs who have elected firm transportation service are required to make their own gas nomination to KEDLI/KEDNY Gas Transportation Electronic Bulletin Board and to the interstate pipelines in accordance with the procedures developed by the North American Energy Standard Board (NAESB) and adopted by the Federal Energy Regulatory Commission (FERC), effective April 2, 2009 in 18 C.F.R. Section 284.12, or as stated below. In general KEDLI/KEDNY will not confirm any gas that is nominated on an interstate pipeline without a corresponding nomination on the KEDLI/KEDNY Gas Transportation Electronic Bulletin Board (EBB). The acceptance of any gas without a corresponding nomination on the Gas Transportation EBB will be at the discretion of the KEDLI and/or KEDNY and may result in an imbalance penalty.

On a monthly basis, KEDLI and/or KEDNY will provide each ESCO and/or Direct Customer with the total daily monthly volume to be delivered to their city gate(s) in accordance with the capacity released on the Selected Pipelines for Tier 1 and the sales done for Tier 2 and Tier 3 where applicable.

The quantity of gas deemed received by KEDLI and/or KEDNY for the Direct Customer and/or ESCO at the Receipt Point(s) will equal the volume so scheduled by the Upstream Pipeline less the amount to be retained by KEDLI and/or KEDNY as an allowance for fuel losses.

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Deleted: If the total daily volume to be delivered is less than or equal to 1,000 Dth, the Direct Customer and/or ESCO will be allowed to deliver this volume in whole or part on one interstate pipeline (Transco, TETCO, Tennessee, or Iroquois).¶

¶

If the total daily volume to be delivered is greater than 1,000 Dth, the Direct Customer and/or ESCO will be required to diversify its portfolio delivery on Transco, TETCO, Tenn. and Iroquois according to the following percentage allocation. In an effort to provide as much flexibility as possible, the Company will allow Direct Customers and/or ESCOs to deliver volumes on a modified percentage allocation schedule provided, that the Direct Customer and /or ESCO has the Company's permission and the allocation does not result in a loss of system reliability and/or supply diversification. Should any of the City Gate(s) become constrained or exceed the Company's rights with respect to allocated capacity or system design, the Company reserves the right to redirect or reallocate the Direct Customer's and/or ESCO's deliveries to mitigate such constraints. On a periodic basis, the Company will review and may adjust the allocation percentages identified below. ¶

¶

KEDNY:¶

Delivering Pipeline	Percentage¶
Transco	Up To 100%¶
TETCO	Up To 50%¶
Tennessee	Up To 6%¶
Iroquois	Up To 30%¶

¶

KEDLI:¶

Delivering Pipeline	Percentage¶
Transco	Up To 100%¶
TETCO	Up To 50%¶
Tennessee	Up To 1%¶
Iroquois	Up To 30%¶

¶

All Direct Customers and/or ESCOs will be required to deliver transportation volumes in accordance with the above referenced allocation percentages.¶

¶

Nominations for the first Day of a Month shall be submitted to the Company by the first business day following the 25th of the month. ¶

¶

KEDLI/KEDNY has accepted the standard nomination deadlines and procedures as developed by the NAESB and adopted by the FERC, effective April 2, 2009 in 18 C.F.R. Section 284.12. As such, there are four distinct nomination cycles. Two cycles provide for gas deliveries before the Gas Day and two cycles provide for gas deliveries during the Gas Day. KEDLI/KEDNY will only accept nomination according to the schedule outlined below.

Deleted: that became effective November 1, 1998.

a. Time Line for Gas Nominations

(1) Timely Nominations

Timely Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Timely Nominations or by 1:30 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 4:30 pm EST.

(2) Evening Nominations

Evening Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Evening Nominations or by 8:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 10:00 pm EST.

(3) Intraday 1 Nominations

Intraday 1 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 1 Nominations or by 12:00 pm (noon) EST for gas to flow the same day at 6:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 2:00 pm EST. An Intraday 1 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

(4) Intraday 2 Nominations

Intraday 2 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 2 Nominations or by 7:00 pm EST for gas to flow the same day at 10:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 9:00 pm EST. An Intraday 2 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

b. Outlined below are the current monthly pipeline nomination deadlines and delivery points:

- (1) Iroquois Gas Transmission System South Commack Station - 11:00 AM EST on the last business day before the end of the month;
- (2) Texas Eastern Transmission Corporation - Goethals Station, Staten Island - 11:00 AM EST on the last business day before the end of the month;
- (3) Transcontinental Gas Pipe Line Corporation - Narrows Station, Central Manhattan Station, Manhattan Station and Long Beach Station - 11:00 AM on the last business day before the end of the month; and
- (4) Tennessee Gas Pipeline Corporation - White Plains Station - 11:00 AM EST on the last business day before the end of the month.

c. Information required:

- (1) Direct Customer and/or ESCO Name
- (2) Start of gas flow- date/time
- (3) End of gas flow- date/time
- (4) Delivering Pipeline
- (5) Volume to be delivered (includes losses) in Dth
- (6) Receipt point
- (7) Contract Number
- (8) Activity Number
- (9) Type of customer being supplied - Firm or Interruptible

d. Weekends and Holidays

Nomination changes in accordance with KEDNY/KEDLI Policies and Procedures may be made during hours other than normal business hours by contacting System Control personnel listed in the Communications Protocols Section of this manual.

Receipt and Delivery of Gas

The Seller must deliver or cause to be delivered at the City Gate the applicable Customer's DDQ or Customers' ADDQ, grossed up by the applicable UFG, for each day of the month. KEDLI and/or KEDNY will deliver to each Customer the Customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent such requirements differ from each Customer's DDQ.

By the last business day of each month, the Seller shall provide to KEDLI and/or KEDNY notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for each day based on NAESB guidelines. The scheduled nomination for each Customer must equal the Customer's DDQ. The scheduled nomination for a Seller with more than one Customer must equal the Customers' ADDQ.

KEDLI and/or KEDNY is not obligated to accept any volumes that have been nominated by the Seller to the extent that such volumes exceed a Seller's Customer's DDQ or the Seller's Customers' ADDQ.

7. Balancing, Tolerances, Reconciliation/True Ups, Penalties, Imbalance Trading

Sellers shall pay, after the utility issues a bill detailing applicable rates and charges, as set forth on the Statement of Seller Charges and Adjustments which shall be filed by KEDLI and/or KEDNY with the Commission not less than four business days following the last day of each month.

The Statement of Seller Charges and Adjustments shall contain the following charges:

Daily Swing Service Monthly Demand Charge

The Daily Swing Service Monthly Demand Charge is a per dekatherm charge of the cost of firm interstate pipeline transportation capacity, storage capacity and supply contracts KEDLI and/or KEDNY uses to provide daily swing service to Sellers.

Daily Cash Out Prices

The Daily Cash Out Price is the Transco Zone 6 NY mid point price for the date of flow published in Platt's Gas Daily Price Guide, Daily Price Survey and is reflected as a per dekatherm price.

City Gate Balancing Penalty Charge

The City Gate Balancing Penalty Charge is equal to \$10.00 per dekatherm and is charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ.

Operational Flow Order ("OFO") Penalty Charge

The Operational Flow Order Penalty Charge is equal to \$25.00 per dekatherm and is charged to Sellers on any day KEDLI and/or KEDNY issues an OFO and the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ.

Monthly Cash Out Price

The Monthly Cash Out Price is the Transco Zone 6 NY Index published at the start of each month in the Platt's Gas Daily Price Guide, market Center Spot Gas Prices for the Northeast and is reflected as a per dekatherm price.

Weighted Average Cost of Capacity ("WACOC")

The WACOC is a per dekatherm charge as described in the Appendix "Definitions."

Tier 2 – Bundled Winter Sales Price

The Tier 2 – Bundled Winter Sales Price is a per dekatherm price.

Tier 3 – Virtual Storage Price

The Tier 3 – Virtual Storage Price is a per dekatherm price.

Commodity-Related Credit and Collection Expenses

The Commodity-Related Credit and Collection Expenses is a per dekatherm charge applicable to Sellers who participate in the Company's Purchase of Receivables program, and the equivalent level of Commodity-Related Credit and Collection Expenses is included in the Merchant Function Charge applicable to each service classification.

Commodity-Related Credit and Collection Expenses Annual Imbalance Surcharge/Refund

The Commodity-Related Credit and Collection Expenses Annual Imbalance Surcharge or Refund is a per dekatherm surcharge to recover Commodity-Related Credit and Collection Expense undercollections or refund Commodity-Related Credit and Collection Expense overcollections each Gas Cost Year from Sellers participating in the KEDLI and/or KEDNY Purchase of Receivables (POR) program.

Unaccounted for Gas (UFG)

A percentage UFG described which is 1.0281 for KEDLI and 1.0240 for KEDNY.

Swing, Balancing and Cashout Provisions

Daily Swing Service

KEDLI and/or KEDNY will utilize upstream assets and gas supply to manage differences between the quantity of gas delivered each day by the Seller and the quantity of gas actually consumed each day by the Seller's Pool.

For KEDNY, effective until October 31, 2009, Sellers serving pools comprised of SC 17 customers shall pay a daily swing service monthly demand charge calculated by multiplying: 1) the per dekatherm Daily Swing Service Monthly Demand Charge in effect through October 31, 2009 as stated on the Statement of Seller Charges and Adjustments; by 2) the Pool's Load Profile Factor and then by 3) 1/12 of the Pool's annual normalized consumption. The Seller has the option of calculating the Daily Swing Service Monthly Demand Charge either separately or combined for residential service classifications 1A, 1AR, 1B, 1B1, 1BR and 3) and non-residential CTS 2, 4A, 4ACNG, 4B, 7 and 21) pool(s).

Effective as of November 1, 2009, Sellers shall pay a daily swing service monthly demand charge which is calculated by multiplying: 1) the Daily Swing Service Monthly Demand Charge set forth on the Statement of Seller Charges and Adjustments; by 2) 1/12 of the Pool's annual normalized consumption.

City Gate Balancing

Each day, Seller or Seller's Agent shall nominate and schedule deliveries of gas to KEDLI and/or KEDNY's city gate in an amount equal to the Seller's DDQ within a tolerance of plus or minus 2%.

In the event that the total quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, Seller shall pay a per therm amount equal to the Company's Daily Cash Out price plus a City Gate Balancing Penalty Charge of \$10.00 per dekatherm multiplied by the difference between 98% of the Seller's DDQ for such day and the total quantity of gas delivered by Seller to KEDLI and/or KEDNY on such day. However, when KEDLI and/or KEDNY issues an OFO, the Seller shall pay a per therm amount equal to the Company's Daily Cash Out Price plus an OFO Penalty Charge equal to \$25.00 per dekatherm.

In the event that the total quantity of gas delivered to the city gate is more than 102% of the Seller's DDQ, and KEDLI and/or KEDNY at its discretion accepts the gas, the Company shall pay Seller a per therm amount equal to the Company's Daily Cash Out Price multiplied by the difference between the quantity of gas delivered by Seller to the company on such day and 102% of Seller's DDQ for such day.

Monthly Cash Out

KEDLI and/or KEDNY shall balance the Seller's receipts and deliveries at the end of each month to zero. This shall be done by: 1) adjusting the monthly quantity of gas delivered by the Seller to the KEDLI and/or KEDNY city gate to reflect any quantities that were cashed out daily during the month and 2) comparing the adjusted monthly delivery quantity to the Pool's monthly consumption grossed up for UFG.

KEDLI and/or KEDNY shall adjust the monthly delivery quantity to reflect any quantities that were cashed out daily as follows:

On days in which the quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, the quantities cashed out shall be added to the Seller's monthly delivery quantity. On days in which the quantity of gas delivered to the city gate and accepted by KEDLI and/or KEDNY is greater than 102% of the Seller's DDQ, the quantity cashed out shall be subtracted from the Seller's monthly delivery quantity.

If the Pool's monthly consumption grossed up for UFG exceeds the adjusted monthly quantity of gas delivered by the Seller to the city gate, the shortfall shall be purchased by the Seller at the KEDLI and/or KEDNY's Monthly Cash Out Price.

If the Pool's monthly consumption grossed up for UFG is less than the adjusted monthly quantity of gas delivered by the Seller to the city gate, the excess shall be credited to the Seller at the KEDLI and/or KEDNY Monthly Cash Out Price.

The Billing Service Fee will be applied to ESCOs who are participating in POR, which is a charge per customer invoice.

Imbalance Trading

When it becomes available, pursuant to PSC Order in Cases 06G1185 and 06G1186, KEDLI and/or KEDNY will permit Sellers within the same Service Classification to trade city gate imbalances with other Sellers provided that: (1) all imbalance trading occurs on the same interstate pipeline (2) all imbalances being traded occur on the same day (3) KEDNY is notified by the parties of their intention to trade imbalances in writing no later than 48 hours following the day on which the imbalance trading occurs to and (4) trading parties consent to the imbalance trade. Any trades must move both parties to an improved imbalance position.

At the end of each month, an ESCO requiring a trade on their city gate imbalance is required to arrange this trade with another ESCO. Once trading ESCOs have agreed upon the trade volumes, each ESCO should inform KEDLI and/or KEDNY of the trade volumes by e-mailing KEDLI Gas Transportation at theresa.azzato@us.ngrid.com and/or KEDNY at frank.zychowski@usn.grid.com.

Termination of Service for Failure to Deliver Daily Transportation Quantities

The Company shall have the right to terminate service under this Service Classification to any seller that fails to deliver at least ninety (90) per cent of the applicable DDQ or ADDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

8. Meter Reading

Customers will have their meters read on their cycle billing dates. Off-cycle bills rendered to such customers may be based on the Company's estimate of the customer's usage.

Deleted: Customer shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average Load Factor allocation and then multiplying that product by 1/12 of the Customer's annual normalized consumption.¶

¶
**Daily Swing Service Monthly Imbalance Charge¶
Balancing¶**

¶
SC 5 & SC 17 Daily Swing Service Monthly Imbalance Cash Out (KEDNY & KEDLI)¶

¶
-----Section Break (Next Page)-----

The Company will balance the ESCO's account after each meter reading to zero. This will be done by comparing the ESCO's prorated deliveries for each month to the prorated pool usage for each month. If the ESCO's pool consumed more gas than delivered to the Company for his account, the excess shall be purchased by the ESCO at the Company's Monthly Cash Out Price for the same month the gas was consumed. If the ESCO's pool consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the ESCO at the Company's Monthly Cash Out Price for the same month the gas was consumed.¶

¶
SC 18 Monthly Balancing Cash Out (KEDNY)¶

¶
The Company will balance the ESCO's account at the end of each month to zero. This will be done by comparing the sum of the ESCO's deliveries for the month to the ESCO's pool actual usage for the same period. If the ESCO delivered more gas to the Company for its account than its pool consumed, the excess will be purchased by the Company at the Company's Monthly Average Commodity Cost of Gas for the same period. If the ESCO's pool consumed more gas than delivered to the Company for its account, the excess shall be deemed purchased by the ESCO at the Company's Actual Monthly ICOG for the same period, and will be reflected as a charge on the ESCO's next monthly invoice.¶

¶
KEDNY¶

¶
City Gate Balancing¶

¶
ESCO shall be responsible for delivering each day to the Company a quantity of gas equal to the AD... [4]

V. GAS DELIVERY NOMINATION PROCEDURES FOR LARGER COMMERCIAL AND INDUSTRIAL CUSTOMERS (NON-FIRM, INTERRUPTIBLE AND TEMPERATURE CONTROLLED)

A. Monthly & Daily Balancing Services

1. Become An Approved Gas Supplier

There are several requirements to become an approved gas supplier:

Step One:

Approval from the New York State Department of Public Service (PSC) and completion of their Energy Service Company Retail Access Application which can be obtained on the PSC website at www.dps.state.ny.us/escoapp.htm

Step Two:

Once an ESCO has been approved by the PSC, completion of the KEDLI and/or KEDNY tariff application form along with the Seller Service Agreement, NAESBE contract for the applicable territory and taxpayer Form W-9 which can be obtained at www.irs.gov/pub/irs-pdf/w9.pdf is required. An ESCO interested in consolidated billing services should complete the appropriate form along with the application.

Fax and mail originals of these documents to: National Grid, Supplier Services, 175 East Old Country Road, Hicksville, NY 11801 Attention: Arlene Portalatin, 516-545-3856; Sergio Smiley 516-545-2468; or Juliana Griffiths, 516-545-2632. The Fax number is 516-545-3250. Once these applications have been received, the approval process to determine creditworthiness will begin. Once these applications have been received, the approval process to determine creditworthiness, as specified under the Uniform Business Practices Section III, will begin.

2. Customer Eligibility

Any existing Non-Core customer who qualifies for service metered at a single delivery point and meets the terms and conditions for service provided for under the corresponding sales service classification as contained in KEDLI and/or KEDNY's gas tariffs:

- KEDLI SC 7 Interruptible Transportation Services (IT)
KEDLI SC 13 Temperature-Controlled Transportation Service (TC)
KEDNY SC 18 – SC 5A On-system Large Volume Sales Services & SC 5B Off-System Large Volume Gas Service (IT) and SC 6 KEDNY SC 6C Temperature-Controlled Service (TC).

Deleted: 10. Summary of Applicable Fees
Applicable Fees, Charges and Penalties
SC 17 - Daily Swing Service Monthly Demand Charge (KEDNY)
Section Break (Continuous)
The ESCO shall pay a daily swing service monthly demand charge which is calculated by multiplying the per term daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the ESCO's Load Profile Factor, and then multiplying that product by 1/12 of ESCO's annual normalized consumption. The Company has the option of calculating the Daily Swing Service Monthly Demand Charge either separately or combined for residential (CTS-1A, 1AR, 1B, 1BR, and 3) and non-residential (CTS-2, 4A, 4B, and 7) pool(s).
SC 5 & 8 - (KEDLI)
Daily Swing Service Rates and Charges:
The Company will utilize upstream assets and gas supply required to accommodate variations in the ESCO's daily account balance between the ESCO's deliveries and actual consumption. The rates and charges associated with this service are as follows:
Daily Swing Service Monthly Demand Charge:
The ESCO will pay a daily swing service monthly demand charge which is calculated by multiplying the per term daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average load factor allocation and then multiplying that product by 1/12 of the ESCO's annual normalized consumption.
Daily Swing Service Monthly Imbalance Charge:
As stated under the City Gate Balancing for KEDLI section.
d. Release of the Company's Upstream Transportation Option (KEDLI):
As an alternative to acquiring it ... [5]
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KEDLI Service is available to a single large volume non-residential Customer that can demonstrate annual natural gas consumption of at least 5,000 Dth (IT), 2,000 Dth (TC) at a single meter. KEDNY Service is available to on-system customers whose anticipated daily use for SC 18 (5A IT) is in excess of 200 Dth per day. For KEDNY SC 18 (SC 6 TC) service is available to a single large volume non-residential Customer that can demonstrate annual natural gas consumption of at least 5,000 Dth (TC) at a single meter.

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The provision of service under the KEDLI Service Classifications is conditioned on the Customer signing an Interruptible/Temperature Controlled Transportation Service Agreement which will provide the conditions of acceptable delivery.

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3. Enrollment Procedure

- a. ESCO/Direct Customer will submit the customer name, service address and account number via e-mail to the Supplier Services mailbox at LI-NYSupplierServices @us.ngrid.com.
- b. New customer enrollments will be accepted no later than 15 days preceding the first of the month.
- c. KEDLI and/or KEDNY will respond via e-mail that the enrollment has been processed.

4. Delivery Quantity Determination

For KEDLI, the Seller and/or Customer shall deliver an amount each day, made at its own discretion. Deliveries are expected to be load following on any given day. Unless interrupted on the KEDLI system, KEDLI will deliver to the Customer the Customer's daily usage requirements.

Seller and/or Customer will nominate daily. Nominations will be based on a gas day 10AM-10AM.

For KEDNY, at the beginning of the applicable twelve-month period a determination will be made of each customer's Monthly Delivered Quantity (MDQ) and Daily Delivered Quantity (DDQ) for each month of the upcoming year.

MDQ Calculation

Customer

In order to establish the customer's profile and Monthly Delivery Quantity MDQs, the Customer System calculates the daily therm usage based on the customer's two-year usage history. If two-year customer history is unavailable, the calculation is based on as much account history as is available. If no historical usage exists, a set schedule of

projected usage based on the rate classification of the customer account is utilized.

The Customer System calculates a base factor for non-heat gas usage for summer by using daily usage from July 1st through August 31st. The base equals the summer therms divided by the number of summer days.

For heating rates, a slope is calculated by taking the sum of the total therms less the base multiplied by the number of days for the period divided by the actual degree days for the period.

The base and slope, if applicable, are used in conjunction with normal degree days to calculate the customer's MDQ.

ESCO

The ESCO's pool will display the MDQ for each customer in DTH. This usage is aggregated for the ESCO's entire pool and adjusted for unaccounted for gas (UFG).

The adjusted monthly quantity is divided by the number of days in the month and rounded to the nearest whole DTH. This is the Aggregated Daily Delivery Quantity (ADDQ) which is posted to the Electronic Bulletin Board (EBB) as the ESCO's daily requirement.

A Customer's MDQ will be based on that Customer's weather-normalized historical consumption. KEDLI 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, KEDNY 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 and adjusted by 1.0240 as an allowance for losses incurred in the process of delivery to the customer's metered facilities.

Errors in calculating DDQ: A Seller that takes service under this Service Classification accepts KEDLI and/or KEDNY's calculation of the DDQ. KEDLI and/or KEDNY shall not be liable for errors in the calculation of the applicable DDQ.

By the first business day following the 21st of each month, KEDNY shall provide to the Seller notice of each Customer's DDQ and, in case of a Seller that supplies gas to more than one Customer, the Customers' Aggregated Daily Delivery Quantity (ADDQ) for the succeeding calendar month.

5. Nominations Process (NAESB Standards & Gas Delivery Scheduling)

Direct Customers and ESCOs who have elected non-firm transportation service are required to make their own gas nomination to the KEDLI/KEDNY Gas Transportation Electronic Bulletin Board. ESCOs/Direct Customer's are also required to make their

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¶<#>To develop a profile, up to 24 months of historical data is obtained for the customer account if available. If 24 months of data is not available, 12 months will be used.¶

¶<#>If an ESCO or Direct Customer serving an Independent Power Producer (IPP) has specific knowledge that the IPP's consumption will be different than anticipated, a change in DDQ or MDQ may be requested. If deemed appropriate, a corresponding change in the IPP's delivery schedule will be made.¶

¶Section Break (Continuous)¶

In Long Island, an ESCO's Interruptible Daily Quantity (IDQ) or Daily Delivery Quantity (DDQ) will be based upon the customer's previous day's telemetered consumption. The ESCO and/or Direct Customer shall deliver an amount each day, made at its own discretion. Deliveries are expected to be load following on any given day. ¶

¶In New York, an ESCO's/Direct Customer's Interruptible Daily Quantity (IDQ) under this Service Classification will be based upon the ESCO's/Direct Customer's 24 months historical usage. If 24 months historical usage is not available then 12 months will be used. The Interruptible Daily Quantity (IDQ) will remain the same for the month. Unless interrupted on the Company's system, the Company will deliver to the customer the customer's daily usage requirements ¶

¶The Company is not obligated to accept the ESCO's deliveries to the Company's City Gate to the extent that such deliveries exceeds the ESCO's nominations. In the event the ESCO tenders quantities in excess of the nomination IDQ, the Company may, at its discretion, transport such excess volumes if sufficient capacity is available on the Company's system.¶

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

nominations to the interstate pipelines in accordance with the procedures as developed by the North American Energy Standard Board (NAESB) and adopted by the Federal Energy Regulatory Commission (FERC), effective April 2, 2009 in 18 C.F.R. Section 284.12, or as stated below. In general KEDLI and/or KEDNY will not confirm any gas that is nominated on an interstate pipeline without a corresponding nomination on the KEDLI/KEDNY Gas Transportation Electronic Bulletin Board (EBB). The acceptance of any gas without a corresponding nomination on KEDLI and/or KEDNY's Gas Transportation EBB will be at the discretion of KEDLI and/or KEDNY and may result in an imbalance penalty.

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Direct Customers and/or ESCOs electing non-firm transportation service will have secondary rights through the City Gate(s). To the extent station capacity is not utilized to meet firm and TC sales and transportation service, gate capacity will be allocated to Direct Customers and/or ESCOs electing interruptible transportation service. To the extent an interruptible transportation customer (s) can create incremental capacity for the benefit of firm Direct Customers at a constrained City Gate station, KEDLI and/or KEDNY, in its sole discretion, will increase the interruptible Direct Customer's and/or ESCO's allocated capacity through the constrained station.

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For KEDLI a Direct Customer and/or ESCO's Interruptible Daily Quantity (IDQ) under this Service Classification will be based upon the Direct Customer's previous day's telemetered consumption. The ESCO and/or Direct Customer shall deliver an amount each day, at its discretion. Direct Customers and/or ESCOs who have negotiated gas transportation agreements are required to deliver gas in accordance with their agreements.

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For KEDNY a Direct Customer and/or ESCO's Interruptible Daily Quantity (IDQ) under this Service Classification will be based upon the Direct Customer's 24 months historical usage. If 24 months is not available then 12 months will be used. The Interruptible Daily Quantity (IDQ) will remain the same for the month.

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If the total daily volume to be delivered is less than or equal to 500 Dth, the Direct Customer and/or ESCO will be allowed to deliver this volume in whole or part on one interstate pipeline (Transco, TETCO, Tenn. or Iroquois).

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If the total daily volume to be delivered is greater than 500 Dth, the Direct Customer and/or ESCO will be required to diversify its portfolio delivery on Transco, TETCO, Tenn. and Iroquois according to the following percentage allocation. In an effort to provide as much flexibility as possible, KEDLI and/or KEDNY will allow Direct Customers and/or ESCOs to deliver volumes on a modified percentage allocation schedule provided that the Direct Customer and/or ESCO has KEDLI and/or KEDNY's permission and the allocation does not result in a loss of system reliability and/or supply diversification. Should any of the City Gate(s) become constrained or exceed KEDLI and/or KEDNY's rights with respect to allocated capacity or system design, KEDLI and/or KEDNY reserves the right to redirect or reallocate the Direct Customers and/or ESCOs deliveries to mitigate such constraints. On a periodic basis, KEDLI and/or KEDNY will review the allocation percentages identified below to insure that the percentages reflect KEDLI and/or KEDNY's allocation rights at its City Gate Stations

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and/or that the supply diversification continues to support the overall reliability of the KEDLI and/or KEDNY gas system.

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KEDNY and/or KEDLI

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Delivering Pipeline	Percentage
Transco	Up To 100%
TETCO	Up To 50%
Tennessee	Up To 6%
Iroquois	Up To 30%

All ESCOs will be required to deliver transportation volumes in accordance with the above referenced allocation percentages.

The quantity of gas deemed received by KEDLI and/or KEDNY for the ESCO and/or Direct Customer at the Receipt Point(s) will equal the volume scheduled by the Upstream Pipeline less the amount to be retained by KEDLI and/or KEDNY as an allowance for fuel losses.

Deleted: KeySpan Energy Delivery - Long Island:¶
 ¶
 Delivering Pipeline . . . Percentage¶
 Transco Up To 100%¶
 TETCO Up To 50%¶
 Tennessee Up To 1%¶
 Iroquois Up To 30%¶
 ¶

Deleted: Nominations for the first Day of a Month shall be submitted to the Company by the first business day following the 25th of the month. ¶

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Daily and Monthly Gas Flow

KEDLI and/or KEDNY have accepted the standard nomination deadlines and procedures developed by the NAESB and adopted by FERC, effective April 2, 2009 in 18 C.F.R. Section 284.12. As such KEDLI and/or KEDNY maintains four distinct nomination cycles. Two cycles provide for gas deliveries at the beginning of the Gas Day and two cycles provide for gas deliveries during the Gas Day. KEDLI and/or KEDNY will only accept nominations according to the schedule outlined below.

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If the total daily volume to be delivered is less than or equal to 500 Dth, the ESCO/Direct Customer will be allowed to nominate this volume in whole or part on one interstate pipeline (Transco, TETCO, Tennessee or Iroquois).

If the total daily volume to be delivered is greater than 500 Dth, the ESCO/Direct Customer will be required to diversify its portfolio delivery on Transco, TETCO, Tennessee and Iroquois in accordance with the percentages identified above. In an effort to provide as much flexibility as possible, KEDLI and/or KEDNY may allow ESCOs/Direct Customers to deliver volumes on a modified percentage allocation schedule provided, that the ESCO/Direct Customer has KEDLI and/or KEDNY's written permission and the allocation does not result in a loss of system reliability and/or supply diversification. Should any of the City Gate(s) become constrained or exceed KEDLI and/or KEDNY's rights with respect to allocated capacity or system design, KEDLI and/or KEDNY reserves the right to reallocate the ESCO's/Direct Customer's deliveries to mitigate such constraints.

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KEDLI/KEDNY has accepted the standard nomination deadlines and procedures as developed by the NAESB and adopted by FERC, effective April 2, 2009 in 18 C.F.R.

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Section 284.12. As such, there are four distinct nomination cycles. Two cycles provide for gas deliveries at the beginning of the Gas Day and two cycles provide for gas deliveries during the Gas Day. KEDLI/KEDNY will only accept nomination according to the schedule outlined below.

a. Time Line for Gas Nominations

(1) Timely Nominations

Timely Nominations are due to KEDLI and/or KEDNY one (1) hour after the NAESB pipeline nomination deadline for Timely Nominations or by 1:30 pm EST for gas to flow the following morning at 10:00 am EST. KEDLI and/or KEDNY will confirm its acceptance of the ESCO's nominated delivery volumes by 4:30 pm EST.

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(2) Evening Nominations

Evening Nominations are due to KEDLI and/or KEDNY one (1) hour after the NAESB pipeline nomination deadline for Evening Nominations or by 8:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDLI and/or KEDNY will confirm its acceptance of the ESCO's nominated delivery volumes by 10:00 pm EST.

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(3) Intraday 1 Nominations

Intraday 1 Nominations are due to KEDLI and/or KEDNY one (1) hour after the NAESB pipeline nomination deadline for Intraday 1 Nominations or by 12:00 pm (noon) EST for gas to flow the same day at 6:00 pm EST. Gas Flow will be prorated over the remaining hours in the current Gas Day assuming uniform hourly flow pattern of 1/24. KEDLI and/or KEDNY will confirm its acceptance of the ESCO's nominated delivery volumes by 2:00 pm EST. An Intraday 1 Nomination may not cause a previously scheduled and confirmed ESCO's gas to be bumped.

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(4) Intraday 2 Nominations

Intraday 2 Nominations are due to KEDLI and/or KEDNY one (1) hour after the NAESB pipeline nomination deadline for Intraday 2 Nominations or by 7:00 pm EST for gas to flow the same day at 10:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform hourly flow pattern of 1/24. KEDLI and/or KEDNY will confirm its acceptance of the ESCO's nominated delivery volumes by 9:00 pm EST. An Intraday 2 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

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b. Outlined below are the current monthly pipeline nomination deadlines and delivery points:

- (1) Iroquois Gas Transmission System B South Commack Station - 11:00 AM EST

on the last business day before the end of the month;

- (2) Texas Eastern Transmission Corporation - Goethals Station, Staten Island - 11:00 AM EST on the last business day before the end of the month;
- (3) Transcontinental Gas Pipe Line Corporation - Narrows Station, Central Manhattan Station, Manhattan Station and Long Beach Station - 11:00 AM on the last business day before the end of the month; and
- (4) Tennessee Gas Pipeline Corporation - White Plains Station - 11:00 AM EST on the last business day before the end of the month.

c. Information required:

- (1) ESCO/Direct Customer Name
- (2) Start of gas flow- date/time
- (3) End of gas flow- date/time
- (4) Delivering Pipeline
- (5) Volume to be delivered (includes losses) in Dt.
- (6) Receipt point
- (7) Contract Number
- (8) Activity Number
- (9) Type of customer being supplied - Firm or Interruptible

d. Weekends and Holidays

Nomination changes in accordance with [KEDLI](#) and/or [KEDNY](#)'s Policies and Procedures may be made during hours other than its normal business hours by contacting System Control personnel listed in the Communications Protocols Section of this Manual (Section VII).

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Receipt and Delivery of Gas

For KEDNY, the Seller must deliver or cause to be delivered at the City Gate the applicable Customer's DDQ or Customers' ADDQ for each day of the month. EDNY will deliver to each Customer the Customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent such requirements differ from each Customer's DDQ.

By the last business day of each month, the Seller shall provide to KEDNY notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for each day of the succeeding month. The scheduled nomination for each Customer must equal the Customer's DDQ. The scheduled nomination for Seller with more than one Customer must equal the Customers' ADDQ.

KEDNY is not obligated to accept any volumes that have been nominated by the Seller to the extent that such volumes exceed a Seller's Customer's DDQ or the Seller's Customers' ADDQ.

6. Balancing, Tolerances, Reconciliation/True Ups, Penalties, Imbalance Trading

KEDLI – Non-firm Daily

The customer shall schedule deliveries to the Receipt Point so to include two and eighty-one hundredths (2.81) percent to reflect fuel use and losses in the process of transportation and delivery.

At the end of each gas day, KEDLI 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.

Although each Seller's pool will be balanced daily, Seller will be billed monthly. Daily imbalances will be cashed out as follows:

Underdeliveries:

0 – 10% = Gas Daily New York Transco Zone 6 Midpoint
>10 – 20% = 120% of Gas Daily New York Transco Zone 6 Midpoint
20% = 150% of Gas Daily New York Transco Zone 6 Midpoint + \$10 dth

Overdeliveries:

0 – 10% = KEDLI's Weighted Average Commodity Cost of Gas
>10 – 20% = 80% of the KEDLI's Weighted Average Commodity Cost of Gas
>20% = 50% of KEDLI's Weighted Average Commodity Cost of Gas

KEDNY – Non-Firm Monthly

City Gate Balancing Penalty Charge

The City Gate Balancing Penalty Charge is equal to \$10.00 per dekatherm and is charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ.

Operational Flow Order ("OFO") Penalty Charge

The Operational Flow Order Penalty Charge is equal to \$25.00 per dekatherm and is charged to Seller's on any day KEDNY issues an OFO and the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ.

Deleted: KEDNY – City Gate Balancing¶

¶ ESCO shall be responsible for delivering each day to the Company a quantity of gas equal to the ADDQ. Each day, ESCO shall nominate and schedule deliveries of gas to the Company in an amount equal to the Customer's ADDQ. If the total quantity of gas delivered by ESCO to the Company on any day is within 2% of ESCO's ADDQ for such day, and ESCO has met its nomination and scheduling obligations hereunder then,¶

¶ In the event that the total quantity of gas delivered is more than ESCO's ADDQ, the Company shall credit the ESCO a per therm amount equal to the Company's Daily Commodity Cost of Gas multiplied by the difference between (i) the total quantity of gas delivered by the ESCO to the Company on such day and (ii) ESCO's ADDQ for such day, bringing the imbalance in ESCO's ADDQ to zero each day; or¶

¶ In the event that the total quantity of gas delivered is less than ESCO's ADDQ, the ESCO shall pay the Company a per therm charge equal to the Company's Daily ICOG multiplied by the difference between (i) ESCO's ADDQ for such day and (ii) the total quantity of gas delivered by the ESCO to the Company on such day, bringing the imbalance in ESCO's ADDQ to zero each day.¶

¶ KEDLI – City Gate Balancing¶

¶ Customer shall be responsible for delivering each day to the Company a quantity of gas equal to the ADDQ. The total quantity of gas delivered by Customer to the Company on any day shall be within 2% of Customer's ADDQ for such day. The Company shall balance the Customer's account after each meter read to zero. This shall be done by comparing the sum of the Customer's normalized deliveries to the Company for the month to the Customer's usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the ESCO at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the ESCO at the Company's Monthly Cash Out Price for the same period.¶

¶ The Monthly Cash Out Price is set based on the Market Center Sp[... [6]

Monthly Cash Out Price

The Monthly Cash Out Price is the Transco Zone 6 NY Index published at the start of each month in the Platt's Gas Daily Price Guide, Market Center Spot Gas Prices for the Northeast and is reflected as a per dekatherm price.

Unaccounted For Gas (UFG)

A percentage for KEDNY UFG equal to 1.0240.

City Gate Balancing

Each day, Seller or Seller's Agent shall nominate and schedule deliveries of gas to KEDNY's city gate in an amount equal to the Seller's DDQ within a tolerance of plus or minus 2%.

Sellers serving pools comprised of NCTS-6C, NCTS-6G and NCTS-6M customers shall be responsible for delivery each day except when such transportation service has been interrupted by the KEDNY for a full day in accordance with such service, of a quantity of natural gas equal to the DDQ.

Sellers serving pools comprised of NCTS-5A customers shall be responsible for delivery each day to KEDNY, except when such transportation has been interrupted by KEDNY for a full day in accordance with such service or when the Seller elects to burn an alternate fuel for a full day, of a quantity of natural gas equal to the DDQ. KEDNY will use reasonable efforts to provide customers 24 hours' notice of interruption.

In the event that the total quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, Seller shall pay a per therm amount equal to KEDNY's Daily Cash Out Price plus a City Gate Balancing Penalty Charge of \$10.00 per dekatherm multiplied by the difference between 98% of the Seller's DDQ for such day and the total quantity of gas delivered by Seller to KEDNY on such day. However, when KEDNY issues an OFO, the Seller shall pay a per therm amount equal to KEDNY's Daily Cash Out Price plus an OFO Penalty Charge equal to \$25.00 per dekatherm.

In the event that the total quantity of gas delivered to the city gate is more than 102% of the Seller's DDQ, and KEDNY at its discretion accepts the gas, KEDNY shall pay Seller a per therm amount equal to KEDNY's Daily Cash Out Price multiplied by the difference between the quantity of gas delivered by Seller to KEDNY on such day and 102% of Seller's DDQ for such day.

In the event that KEDNY interrupts service for at least one gas day to Seller's serving pools comprised of NCTS-6C, NCTS-6G and NCTS-6M customers or NCTS-5-A customers and KEDNY accepts the Seller's gas deliveries to the city gate during that interruption, KEDNY shall purchase the Seller's gas at a

per term price as set forth in this GTOP, Section IX Curtailment.

Monthly Cash Out

KEDNY shall balance the Seller's receipts and deliveries at the end of each month to zero. This shall be done by: 1) adjusting the monthly quantity of gas delivered by the Seller to KEDNY's city gate to reflect any quantities that were cashed out daily during the month and 2) comparing the adjusted monthly delivery quantity to the Pool's monthly consumption grossed up for UFG.

KEDNY shall adjust the monthly delivery quantity to reflect any quantities that were cashed out daily as follows:

On days in which the quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, the quantities cashed out shall be added to the Seller's monthly delivery quantity. On days in which the quantity of gas delivered to the city gate and accepted by KEDNY is greater than 102% of the Seller's DDQ, the quantity cashed out shall be subtracted from the Seller's monthly delivery quantity.

If the Pool's monthly consumption grossed up for UFG exceeds the adjusted monthly quantity of gas delivered by the Seller to the city gate, the shortfall shall be purchased by the Seller at KEDNY's Monthly Cash Out Price.

If the Pool's monthly consumption grossed up for UFG is less than the adjusted monthly quantity of gas delivered by the Seller to the city gate, the excess shall be credited to the Seller at KEDNY's Monthly Cash Out Price.

Imbalance Trading

When it becomes available, pursuant to PSC Order in Cases 06G1185 and 06G1186, KEDLI and/or KEDNY will permit customers served under the same Service Classification to trade city gate imbalances provided that: (1) all imbalance trading occurs on the same interstate pipeline (2) all imbalances being traded occur on the same day (3) KEDNY is notified by the parties of their intention to trade imbalances in writing no later than 48 hours following the day on which the imbalance trading occurs to and (4) trading parties consent to the imbalance trade. Imbalance trading will be permitted only if the trade improves both parties' imbalance position.

7. Meter Reading

On a daily basis, KEDLI shall make available to each ESCO their interruptible or temperature-controlled transportation pool consumption for the previous gas day. KEDLI shall also make available each customers consumption within that gas pool. If there is a KEDLI failure of telemetering equipment, KEDLI will waive the penalty imbalance charge for the period (10 - 20%). If there is a Customer failure of telecommunications associated with the telemetering equipment, the ESCO will incur the normal imbalance charges. If there is an inactive telephone line, the customer, will have eight (8) weeks to remedy. In the event of any equipment malfunctions, the previous day's actual read will be deemed to be the daily actual read until the situation is corrected. If the malfunction is due to customer reasons and is not remedied after eight (8) weeks, the customer will be returned to the applicable sales service for a minimum of twelve 12 months. KEDLI 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 KEDLI.

KEDLI and/or KEDNY customers will have their meters read on their cycle billing dates, however, bills for service shall be rendered monthly. Off-cycle bills rendered to such customers may be based on the KEDNY and KEDLI's estimate of the customer's usage.

Termination of Service for Failure to Deliver Daily Transportation Quantities

KEDNY and KEDLI, shall have the right to terminate service under this Service Classification to any seller that fails to deliver at least ninety (90) per cent of the applicable DDQ or ADDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

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9. Applicable Fees, Charges and Penalties (Excluding SC 5A, 5B, 7, 13) ¶

Penalty Charges for Over and Under Deliveries (KEDNY)¶

¶ If the total quantity of gas delivered by ESCO to the Company on any day is more than 2% greater or less than ESCO's ADDQ or the ESCO has not met its nomination and scheduling obligations for such day, then¶

¶ In the event that the total quantity of gas delivered to the city gate is more than 102% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries in excess of 102% of the ESCO's ADDQ or the company at its discretion can cut the excess deliveries. This amount will be reduced by an amount equal to the deliveries in excess of the ESCO's ADDQ multiplied by the Company's Daily Commodity Cost of Gas, bringing the imbalance in the ESCO's ADDQ to zero each day; or¶

¶ In the event that the total quantity of gas delivered to the city gate is less than 98% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries less than 98% of the ESCO's ADDQ. This amount will be increased by an amount equal to the deliveries less the ESCO's ADDQ multiplied by the Company's Daily ICOG, bringing the imbalance in the ESCO's ADDQ to zero each day. Provided, however, that the \$1.00 per therm charge may be increased during critical periods (e.g., a gas shortage)¶

Charges for Failure to Deliver Daily Transportation Quantities (KEDLI)¶

¶ For amounts delivered by the ESCO 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 ESCO the following:¶

¶ One hundred (100) percent of t[... [7]

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VI. REQUIREMENTS OF POOL OPERATIONS

This section contains contact information specific to individual ESCOs. If any of this information requires correction or updating, contact the [Customer Choice Supplier Services](#) personnel listed on page 3 of this manual.

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A. Marketer Contact Personnel

Ambit Energy	1801 N. Lamar St	Suite 200	Dallas, TX	75202
Operations/Billing	Susie Johnston	P:214-461-0971	F:877-897-8731	sjohnston@ambitener
Retail/Regulatory/ Credit/Media	Carl Williams	P:214-270-1785	F:877-807-8731	cwilliams@ambitener
Ameristar	8 Shetland La.		St James, NY	11780
All Operations	Robert Gloria	P:631-903-9088	F:631-615-6467	rgameristar@verizon.
BluCo Energy	149 34th St. PO Box 320197		Brooklyn, NY	11232
All Operations	Michael Proscia	P:718-965-0900	F:718-965-4250	mproscia@blucoener
Browns Fuel Service, LLC	9 Sommers La.		Staten Island, NY	10314
All Operations	Michael Palmese	P:718-442-8800	F:718-442-1445	brownsfuel@si.rr.corr
Chief Energy Corp.	918 McDonald Av.		Brooklyn, NY	11218
All Operations	Mary Galante	P:718-438-6676	F:718-972-0896	mgalante@chiefenerç
Clear Choice Energy, LLC	998 Old Country Rd.		Plainview, NY	11803
All Operations	Victor Ferreira	P:516-393-5977	F:516-706-2556	vferreira@bigappleen
Colonial Energy, Inc.	3975 Fair Ridge Dr.	Suite T-10 North	Fairfax, VA	22033
Operations/Retail/ Regulatory	James Toczyl	P:912-398-1521	F:703-218-3058	jtoczyl@colonialenerç
Billing	Yousif El Tinay	P:703-218-3045	F:703-218-3059	yeltinay@colonialene
Columbia Utilities	1350 60th Street		Brooklyn, NY	11219
All Operations	Robert Palmese	P:718-851-6655	F:718-851-2427	robertpalmese@color
Direct Energy Services	12 Greenway Plaza	Suite 800	Houston, TX	77046
All Operations	David Scott	P:713-877-3646	F:713-877-3552	David.scott@directen
East Coast Power, LLC	340 Jackson Av. M: 330 Sunrise Hwy	Suite 220	Bronx, NY Rockville Centre, NY	10454 11570
All Operations	Thomas Bogue	P:516-442-0155	F:718-402-4336	tbogue@ecpowerand

Falcon Energy, LLC	165 Remsen St.		Brooklyn, NY	11201
Operations	Victor Ferreira	P:516-393-5977	F:516-706-2558	vferreira@bigapple.cc
Retail/Regulatory/ Media	Adam Sokol	P:718-855-5585	F:718-652-8628	asokol@plymouthene
FFC Energy, LLC	180 9th St.		Brooklyn, NY	11215
All Operations	Mark Loughlin	P:718-832-6700	F:718-832-6277	markloughlin@ffcene
Gas Mark	1 Meridian Blvd.		Wyomissing, PA	19610
All Operations	Diane Smerecky	P:412-920-0800	F:610-920-0655	dsmerecky@gasmark
Gateway Energy Services Corp.	400 Rella Blvd.		Montebello, NY	10901
Operations	Eric Hansen	P:845-503-5402	F:845-503-5588	Ehansen@GESC.cor
Retail	Bill Cateno	P:845-503-5251	F:845-503-5588	WCateno@GESC.co
Billing	Elly Bernstein	P:845-503-5460	F:845-503-5588	EBernstein@GESC.c
Regulatory	Angela Schorr	P:845-503-5360	F:845-503-5588	ASchorr@GESC.com
Credit	Seth Zuckerman	P:845-503-5513	F:845-503-5588	SZuckerman@GESC
Media	Darlene Hyde	P:845-503-5310	F:845-503-5588	DHyde@GESC.com
Great Eastern Energy Co.	1515 Sheepshead Bay Road		Brooklyn, NY	11235
Operations	Dawn Marie Martinez	P:718-648-0900	F:718-648-5111	dawnm@greateasterr
Retail/Media	Matthew Lanfear	P:718-648-0900	F:718-648-5111	mattl@greateasterr
Billing	Elena Pisman	P:718-648-0900	F:718-648-5111	Elenap@greateasterr
Regulatory	Jana Shaw	P:718-648-0900	F:718-648-5111	janas@greateasterr
Credit	Allan Brenner	P:718-648-0900	F:718-648-5111	Abrenner4@aol.com
Global Energy Marketing LLC d/b/a GMG Energy Marketing LLC	2800 Bruckner Blvd.	Suite 304	Bronx, NY	10456
Operations	Eileen Sweeney	P:631-382-2428	F:631-360-3037	esweeney@globalp.c
Retail/Billing/Credit	Robert Reicher	P:718-536-3001	F:718-536-3019	breicher@globalp.cor
Regulatory	Amy J. Gould	P:718-398-4033	F:718-398-9033	agould@globalp.com
Media	Edward J. Faneuil	P:718-398-4211	F:718-398-4165	efaneuil@globalp.com
Hess (Amerada) Corporation	1 Hess Plaza		Woodbridge, NJ	07095
Operations	Cindy Forley	P:732-750-6331	F:732-750-6116	cfarley@hess.com
Retail	Joe Sasala	P:732-750-6529	F:732-750-6116	JSasala@hess.com
Billing	Rich Carter	P:732-750-6164	F:732-750-6116	RCarter@hess.com
Regulatory	Debi Rednik	P:732-750-6414	F:732-750-6116	DRednik@hess.com
Credit	Jan Plumaker	P:732-750-6047	F:732-750-6151	JPlumaker@hess.cor
High Rise Energy Group, LLC	2150 Joshua's Path	Suite 11C	Hauppauge, NY	11788
All Operations	Tom Willets	P:631-265-2907	F:631-265-2913	willetstom@optonline

Hudson Energy Services, LLC	545 Route 17 South		Ridgewood, NJ	07450
All Operations	David Rosenberg	P:201-251-2400	F:201-251-6577	david@hudson9.com
IDT	520 Broad Street		Newark, NJ	07102
All Operations	Wayne Stoughton	P:973-438-7271	F:716-664-2476	wstoughton@idtenerg
Infinite Energy Inc. d/b/a Intelligent Energy	7001 SW 24th Av.		Gainesville, FL	32607
Operations	Jesse Eisner	P:352-240-4126	F:352-331-7588	JDEisner@infiniteene
Retail	Brad Gamble	P:352-240-4125	F:352-331-7588	BradWinfiniteenergy.c
Billing	Mary Doerr	P:352-240-4123	F:352-331-7588	msfort@infiniteenerg
Regulatory	Vincent Vesuvio	P:352-313-3330	F:352-313-6924	vjesuvio@infiniteene
Credit	Jennifer Kizzar	P:352-240-4195	F:352-331-7588	jnkizzar@infiniteenerg
Media	Bryan Harned	P:352-313-3113	F:352-331-7588	bbharned@infiniteene
Major Energy Services	16 Squadron Blvd.	Suite 104	New City, NY	10956
Operations	Asher Fried	P:718-234-1262X804	F:718-228-2552	Asherfried@majorene
Retail	Levi Moeller	P:718-234-1262X831	F:718-228-2552	LMoeller@majorener
Billing/Regulatory	Mark Wiederman	P:718-234-1262X805	F:718-228-2552	mwiederman@major
Credit	David Sobel	P:718-234-1262X841	F:718-228-2552	dsobel@majorenergy
Media	Leta Greenstein	P:718-234-1262X825	F:718-228-2552	Leta.Greenstein@ma
Metro Energy Group, LLC	500 Kingsland Av.		Brooklyn, NY	12222
Operations/Media/Regulatory	Robert Leavy	P:718-383-1400	F:718-383-6586	Robertleavy@metro
Retail/Billing	Donna Riccardo	P:718-383-1400	F:718-383-6586	donnariccardo@metr
Credit	Frank Principio	P:718-383-1400	F:718-383-6586	frankprincipio@metro
MetroMedia Energy, Inc.	6 Industrial Way	Suite F	Eatontown, NJ	07724
Operations/Retail	Paul Prezorski	P:732-440-0016	F:732-542-8655	pprezorski@mmener
Credit	Laurence S. Morris	P:732-440-0012	F:732-542-8655	lsmorris@mmenergy.
Retail	Anthony Fornarotto	P:732-440-0030	F:732-542-8655	afornarotto@mmener
Billing	Hollie Tumosa	P:732-440-0025	F:732-542-8655	htumosa@mmenergy
Regulatory	Gordon Pozza	P:732-318-3658	F:732-542-8655	gpozza@mmenergy.c
Mpower Energy, LLC	1478 President St.		Brooklyn, NY	11213
All Operations	Lavie Popack	P:347-268-1932	F:718-307-6472	save@mpowerenergy
MXenergy, Inc.	510 Thornall St.	Suite 270	Edison, NJ	00837
Operations	Stephanie Stehling	P:713-357-2764	F:713-357-2995	sstehling@mxenergy.
Retail	Bill Lang	P:713-357-2928	F:713-357-2995	blang@mxenergy.cor
Billing	Ginger Carnline	P:713-357-2204	F:713-357-2995	gcarnline@mxenergy
Regulatory	Harry Kingerski	P:713-357-2629	F:713-357-2995	hkingerski@mxenerg
Credit	Keith Schwartz	P:203-356-1319		kschwartz@mxenerg
Media	Pamela Fink	P:203-356-1319		pfink@mxenergy.com

NATGASCO	532 Freeman St.		Orange, NJ	07050
Operations/Retail/ Media/Regulatory	Peter Camelotto	P:973-678-1800X257	F:973-676-8203	pcamelotto@mitchell:
	Bob Eyet	P:973-678-1800X202	F:973-676-8203	reyet@mitchellsuprer
Billing	Anna Kozak	P:973-678-1800X259	F:973-676-8203	akozak@mitchellsupr
Nat Gas, LLC	802 Jamaica Av.		Brooklyn, NY	11209
Operations/Retail/ Regulatory	Patrick Fahey	P:718-647-1400	F:718-647-0798	pacoil647@aol.com
Billing	Natalia Boksan	P:718-647-1400	F:718-647-0798	pacoil647@aol.com
Credit	Kathy Gallagher	P:718-647-1400	F:718-647-0798	pacoil647@aol.com
Media	John Fay	P:718-647-1400	F:718-647-0798	pacoil647@aol.com
New Horizon Energy, LLC	41 Madison Av.		New York, NY	10010
All Operations	Abe Dweck	P:917-589-1423	F:212-244-9506	abe@nhe-llc.com
North Energy, LLC	1425 37th St.	Suite 612	Brooklyn, NY	11218
Operations/Billing/ Regulatory	Jack Klein	P:718-435-9100X1002	F:718-435-6500	Jack@northenergy.ne
Retail/Credit/Medi a	Abe Leiber	P:718-435-9100X1001	F:718-435-6500	abe@northenergy.ne!
Platinum Plus Energy Resources	221 Broadway	1st Floor	Amityville, NY	11701
Operations	Stuart N. Schwartz	P:631-691-1700	F:631-691-1711	stuart@1energygroup
Retail/Billing	Justin Schwartz	P:631-691-1700	F:631-691-1711	Justin@1energygroup
Regulatory/Credit	Sean Parlakian	P:631-691-1700	F:631-691-1711	Sean.Parlakian@1en
Media	Jason Schwartz	P:631-691-1700	F:631-691-1711	Jason@1energygroup
Plymouth Rock Energy	165 Remsen St.		Brooklyn, NY	11201
Operations	Victor Ferreira	P:516-393-5977	F:516-706-2556	vferreira@bigappleen
Retail/Regulatory/ Media	David Sokol	P:718-855-5585	F:718-652-8828	edr@plymouthrockfue
Billing/Credit	Andy Sookram	P:718-855-5585	F:718-652-8628	andy@plymouthenerg
Scaran Energy	6767 Amboy Road		Staten Island, NY	10309
All Operations	Thomas Scarangelo	P:718-984-0805	F:718-966-5586	toms@scaran.com
SJ Fuel	601 Union Street		Brooklyn, NY	11215
Operations/Billing Regulatory/Media/ Retail	Rick Gaydos	P:718-855-6060	F:718-855-7309	rgaydos@sjfuelco.cor
Credit	Joe D'Arco	P:718-855-6060	F:718-855-7309	jdarco@sjfuelco.com

Spark Energy Gas, LP	3010 Briarpark Dr.	Suite 550	Houston, TX	77042
Operations	Julia Martinez	P:713-600-2634	F:866-398-8512	jmartines@sparkener
Retail	Brandi Day	P:832-200-3731	F:832-200-3787	Bday@sparkenergy.c
Billing	Leslie Barnard	P:713-600-2642	F:281-833-4804	lbarnard@sparkenerc
Regulatory	Stephan Fohn	P: 832-217-1892	F:281-833-4816	sfohn@sparkenergy.c
Credit	Deela Roe	P:832-217-1865	F:281-833-4809	droe@sparkenergy.cc
Media	Bernadette Alvarez	P:713-600-2629	F:866-413-2904	balvarez@sparkenerc
Stuyvesant Energy, LLC d/b/a Hess Small Business Services	1040 East 149th St.		Bronx, NY	10455-1040
Operations/Retail/	John Sutherland	P:718-304-1105	F:718-724-2253	JSutherland@hess.cc
Billing	Rich Carter	P:732-750-6164	F:732-750-6806	RCarter@hess.com
Regulatory	Debi Rednik	P:732-750-6414	F:732-750-6116	DRednik@hess.com
Credit	Jan Plumaker	P:732-750-6047	F:732-750-6151	JPlumaker@hess.cor
Titan Gas, LLC	3355 West Alabama	Suite 1170	Houston, TX	77098
Operations	Dick Jenkins	P:804-525-4090	F:716-355-6203	Jenkins@titannatgas.
Retail/Billing	Nancy Gilmore	P:713-355-6200	F:713-355-6201	ngilmore@titannatgas
Regulatory/Credit/ Media	Alan Biney	P:713-355-6200	F:713-355-6201	abiney@titannatgas.c
US Energy Savings	6345 Dixie Road	Suite 200	Mississauga, Ontario	L5T2E6, Canada
Operations	Duncan Stiles	P:905-670-4440X74402		dstiles@justenergy.cc
Retail	Jason Herod	P:905-795-3552		jherod@energysavingc
Billing	Di Kellie	P:905-461-2047	F:905-670-5111	dkellie@justenergy.cc
Regulatory	Francis Pullaro	P:646-734-8768	F:905-564-6069	fpullaro@justenergy.c
Credit	Shelley Sheppard	P:905-670-4440X73578	F:905-670-8579	sshppard@justenerc
Media	Gord Potter	P:905-795-4214	F:905-564-6069	gpotter@justenergy.c
US Gas & Electric	57 Ira Road	Suite 350	Syosset, NY	11791
Operations/Billing	Norman Hislop	P:305-947-7880	F:305-947-5759	EDIGroup@USGandI
Retail	Jan Wild	P:305-947-7880	F:305-947-5759	Sales@USGandE.coi
Regulatory	Theresa Renaud	P:305-947-7880	F:305-947-5759	ComplianceGroup@L
Credit	Richard Alexander	P:305-947-7880	F:305-947-5759	RAlexander@USGan
Media	Sarah Rose	P:305-947-7880	F:305-947-5759	MarketingGroup@US
Woodruff Energy	73 Water Street PO Box 777		Bridgeton, NJ	08302
All Operations	Robert M. Pettracci	P:856-455-1111 1-800-557-1121	F:856-455-4085	rpetracci@woodruffe
Billing	Beth Taylor	P:856-455-1111 1-800-557-1121	F:856-455-4085	btaylor@woodruffene

VII. COMMUNICATIONS PROTOCOLS

A. Need for Open Lines of Communication Between ESCOs and Local Distribution Companies

Each Local Distribution Company (LDC) shall develop, with input from market participants, a communication protocol. The objective of this protocol is to enhance communications among LDCs, Pipelines, ESCOs and Direct Customers bringing gas to the LDC's city gate. Well-developed communications will reduce errors and will provide all entities with the information necessary to properly fulfill their responsibilities. Underlying the protocol is the recognition that as increasing numbers of customers opt for transportation service, the traditional bilateral communication between LDCs and customers increasingly becomes a communication loop including LDCs, Pipelines, ESCOs and Direct Customers.

Communications should be two-way, with numerous ways of communicating and in a manner that is clear and understandable. Each party must accept the responsibility for clarifying and understanding the messages being exchanged.

Communication should be consistent within an organization and to the extent practical consistent over time.

Communication among the LDC, ESCOs and Direct Customers can occur on a regular basis (daily, monthly, seasonally) and on an as-needed basis (clarifications, alerts, operational flow orders, etc.) Different ways of communicating (telephone, fax, internet website, e-mail, mail, and face-to-face meetings) can be utilized depending upon the circumstances and the message, which must be conveyed. The method and number of communications utilized should be responsive to the evolving needs of all market participants as the industry changes.

All market participants must understand that the LDC has the obligation to maintain the reliable operation of the gas distribution system.

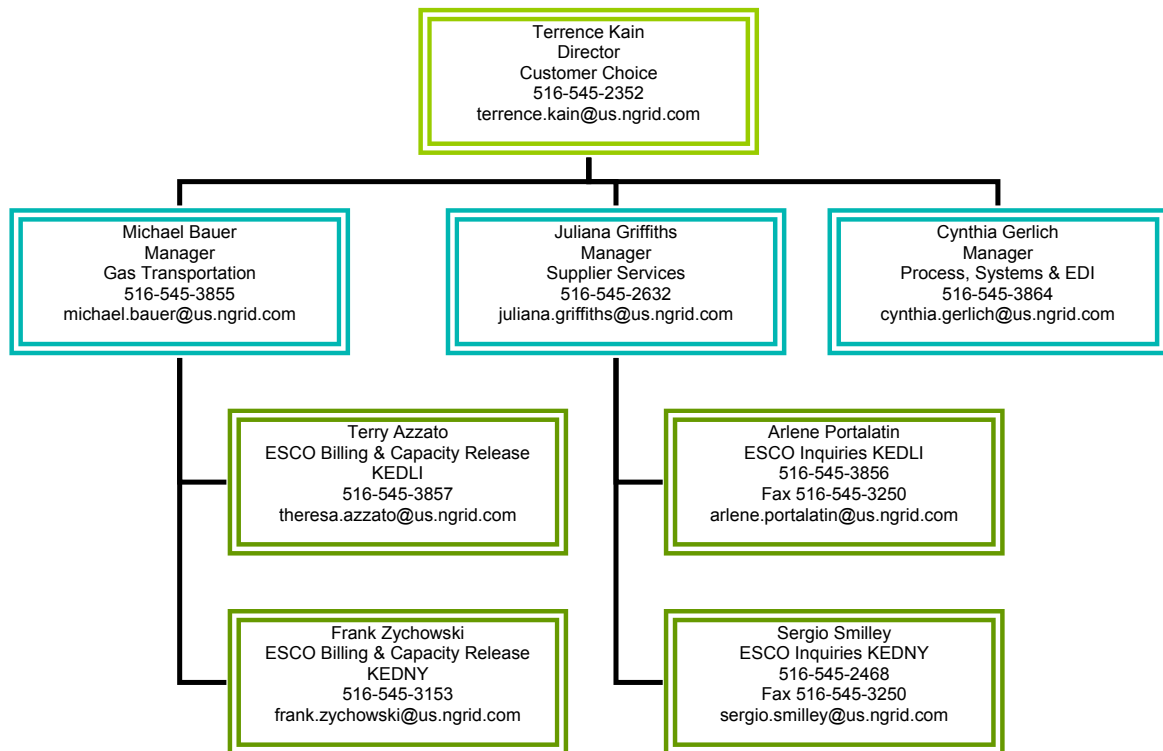
During periods of normal operation, the LDC will work with ESCOs and Direct Customers to provide efficient service to customers and to coordinate the flow of information on a multitude of issues including the nomination and confirmation process among Pipelines, ESCOs, Direct Customers and the LDC. This communication process is essential in assuring the uninterrupted flow of gas.

During critical periods, the role of the LDC becomes more demanding and includes the decision as to whether to issue System Alerts (SAs) or Operational Flow Orders (OFOs) to protect the integrity and the reliability of the gas system. In more extreme cases, the LDC may have to institute curtailment procedures to protect service to core customers.

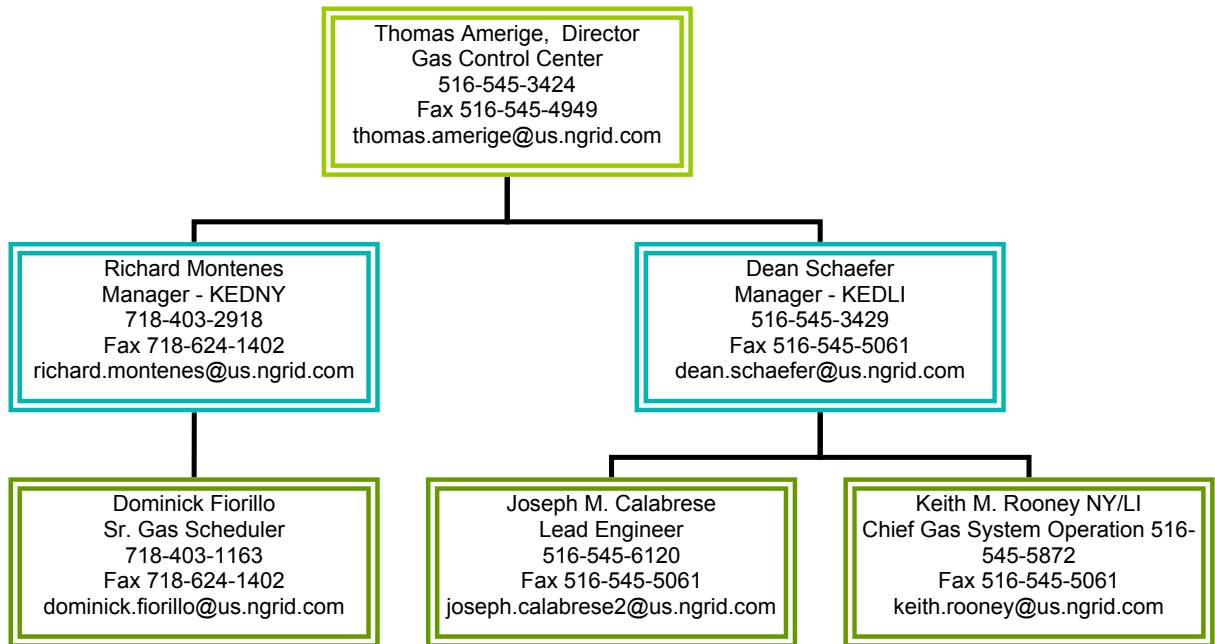
All parties shall at all times be treated evenhandedly. No long or short-term benefit shall be conferred to a party that is not available on an equal basis to others that are similarly situated. As the restructured natural gas industry evolves, LDCs will continue to be responsive to the needs of market participants. As the market evolves and the proportion of customers that arrange their gas supplies increases, either on their own or by relying on ESCOs, LDC procedures need to be responsive. Reliable delivery of gas will also require communication from ESCOs, Direct Customers and Pipelines.

To insure the reliable delivery of gas to all customers in a seamless manner, the LDC should communicate with all market participants so that parties can exchange information.

Please contact Supplier Services for all ESCO-related issues through a dedicated mailbox LI-NYSupplierServices@us.ngrid.com. Individual customers should contact KEDLI Customer Assistance Center at 1-800-490-0025 and KEDNY Customer Assistance Center at 1-718-643-4050.



Gas Control is responsible for interfacing with the gas pipelines on deliveries and maintenance work, for issuing and controlling System Alerts, Operational Flow Orders and Curtailments. Gas Control is the central hub of communication between pipelines and ESCOs and for National Grid's gas transportation and distribution activities. As such, Gas Control verifies daily system requirements and confirms all gas deliveries for the Company and third parties through the KEDLI/KEDNY Electronic Bulletin Board. The 24/7 phone numbers for Gas Control for KEDLI are 516-545-4272; 4696; 8125; 8127, and E-mail: GSO_list@keyspanenergy.com or GSO2_list@keyspanenergy.com and for KEDNY 718-403-2922; 2923, and E-mail: scc@keyspanenergy.com.



B. Electronic Bulletin Board (EBB)

The Electronic Bulletin Board is a Web application that allows timely, clear communication between ESCOs, KEDLI and KEDNY. The site offers access to the status of nominations and confirmations and is a significant step in improving the communication flow and ensuring quality service to our customers. The Electronic Bulletin Board is utilized to notify ESCOs of their delivery requirements as well as allowing for the update of gas nomination information on the delivery system. The Electronic Bulletin Board is also be utilized to notify marketers of defaults, curtailments, system alerts and operational flow orders.

In order for an ESCO to gain access to the EBB, the ESCO, subsequent to the approval process, will complete the EBB Access Request Form and return it to Customer Choice Gas Transportation, Terry Azzato and/or Frank Zychowski at 175 East Old Country Road, Hicksville, NY 11801. Each ESCO must have a minimum of one Administrator who will be responsible in conjunction with KEDLI and/or KEDNY for managing the access of their users to the EBB.

C. Semi-Annual Reliability Forums

A reliability forum will be established as a vehicle for on-going communications among ESCOs, pipelines and others. The reliability forum will meet at least twice a year (pre-post winter) and address expected market requirements and supplies to meet those requirements. ESCO notification will be conducted via e-mail and facsimile.

D. EDI

All ESCO's are required to be EDI compliant. EDI transactions follow Uniform Business Practice Rules and Implementation Guidelines which may be found on the New York State Public Service Commission website at www.dps.state.ny.us/98m0667.

E. Regular Meetings/Teleconferences

In order to improve lines of communication, KEDLI and/or KEDNY will set up operational conference calls on a regular basis that would be open to participation by all ESCOs and Direct Customers operating within its system. The frequency of the conference calls is expected to increase during the winter heating season.

There will also be regular meetings among KEDLI and/or KEDNY, ESCOs and Direct Customers prior to the heating season and after the heating season. These meetings will address issues of concern to all. It is anticipated that the party hosting the meeting will seek input from other parties in formulating an agenda.

KEDLI and/or KEDNY's normal business hours are Monday through Friday from 8:00 am to 5:00 pm. All calls relating to operational issues (nominations and

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deliveries) during hours other than normal business hours should be directed to the Gas Control telephone numbers listed in this section.

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For questions relating to New York State's Uniform Business Practices, including customer usage and billing information, see Appendix E of this Manual.

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VIII. OPERATIONAL FLOW ORDERS (OFOs)

A. Critical Periods and Critical Days

A Critical Period is a period of disruption to the operational integrity of the system or a force majeure event. A Critical Day exists when the KEDLI and/or KEDLI declares an Operational Flow Order (OFO), but may also be declared independently of an OFO. To improve all parties' understanding or roles during Critical Periods and to test communications procedures, KEDLI and/or KEDNY may conduct a critical day simulation exercise.

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B. Electronic Bulletin Board (EBB)

KEDLI and/or KEDNY will facilitate communications with ESCOs and Direct Customers through its Gas Transportation Electronic Bulletin Board (EBB).

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1. This communication medium is the primary means of providing timely communications to ESCOs and Direct Customers.
2. ESCOs and Direct Customers should review the EBB on a daily basis and take the necessary actions as identified in the EBB communication notice.
3. KEDLI and/or KEDNY will supplement its EBB notifications with notification via telephone facsimile or pager at the election of the ESCO or Direct Customer.
4. The ESCO and Direct Customer will be required to provide KEDLI and/or KEDLI with a 24-hour contact number.

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C. System Alerts (SA) and OFOs

System Alerts (SA) are announcements of actual or pending events that, if unchecked, may result in an OFO being issued. The SA should advise ESCOs and Direct Customers what actions are requested and what actions may be mandated if the voluntary response is not adequate. SAs may be directed to specific ESCOs or Direct Customers, subject to the KEDNY and/or KEDLI's obligation not to unduly discriminate, or to all ESCOs and Direct Customers operating on the system. ESCOs and Direct Customers are expected to respond to SAs as soon as practical, and notify KEDLI and/or KEDNY of their intended actions.

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KEDNY and/or KEDLI are not obligated to issue a SA before an OFO, but will endeavor to do so. SAs will be issued via-e-mail to all ESCOs and Direct Customers and posted to the EBB.

D. Operational Flow Orders (OFOs)

A Critical Day occurs when KEDNY and/or KEDLI issues an OFO. An OFO is issued at the sole discretion of KEDNY and/or KEDLI to alleviate conditions that threaten the operational integrity of the gas system or to prevent an interruption or curtailment. Economic considerations will not be a basis for declaring an OFO.

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Except where a more immediate response is needed, there should be at least 24 hours notice

to an OFO. When an OFO is preceded by a SA, the 24-hour notice begins with the issuance of the SA. To the extent practicable, there should be a minimum of 8 hours notice when a SA is changed to an OFO. KEDLI and/or KEDNY will supplement its EBB notifications via telephone, facsimile or pager at the election of the ESCO/Customer.

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During any period in which KEDLI and/or KEDNY believes its ability to accommodate imbalances can be restricted or impaired, KEDLI and/or KEDNY may impose a Forced Balancing Operational Flow Order (OFO).

It is impossible to detail all the conditions under which it may be necessary to declare an OFO. However, some of those conditions include:

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1. Extreme weather conditions
2. Reduced gas availability
3. Market conditions
4. Maintenance on pipelines

E. Guidelines for Instituting OFO's

The following guidelines apply to OFO's and OFO notifications:

1. OFO's will be posted on National Grid's EBB as well as e-mailed to all ESCOs or Direct Customers affected by the OFO.

2. The OFO notice will provide as much advance notice as possible. The date and time of issuance, date and time the OFO takes effect, and the estimated duration will be included in the OFO notice.

3. The OFO notice will communicate clearly to designated ESCO or Direct Customer personnel the actions required, as well as the reason for the required actions, and will provide periodic updates to enable parties to continue their planning functions.

4. Actions required by the OFO will be limited both in duration and scope to meet the objective of the OFO.

5. The required actions will be as localized as possible.

6. The OFO shall not be used to simultaneously restrict over deliveries or underdeliveries.

7. An OFO may be directed to specific ESCOs or Direct Customers, subject to KEDLI and/or KEDLI's obligation not to unduly discriminate in its application of OFOs.

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8. KEDLI and/or KEDNY will respond to reasonable requests for information by parties within a reasonable time after the OFO event.

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9. Economic considerations shall not be a basis for declaring an OFO.

10. KEDLI and/or KEDNY will notify the Director of the Gas Division of the Department of Public Service when an OFO is declared and when the situation returns to normal.

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Failure of KEDLI and/or KEDNY to adhere to one or more of the above guidelines is not a basis for ESCOs or Direct Customer not to comply with requirements of the OFO, but may provide the basis for a complaint to the Commission regarding KEDLI and/or KEDNY's behavior.

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F. Responsibilities of ESCOs, Customers and LDCs During a SA or OFO

1. Some of the actions required by an OFO may include without limit:

- a. Require ESCOs to deliver gas to a specific point or points;
- b. Require ESCOs to balance daily or to deliver a specific quantity of gas; or
- c. Change daily nominations for customer groups being served with a flat monthly nomination.

Upon notice that an OFO will be issued, and for the duration of the OFO, KEDLI and/or KEDNY must make authorized personnel available on a 24-hours-a-day, 7-days-a-week basis to handle the submission and processing of evening cycle and intraday nominations to facilitate the ESCOs and Direct Customers responses to the OFO.

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If during an OFO KEDLI and/or KEDNY becomes aware that ESCOs or Direct Customers are not taking the required actions, it should make all reasonable efforts so to inform the non-responding ESCOs or Direct Customers. Lack of such notice will not relieve any ESCO or Direct Customer of its obligations. ESCOs or Direct Customers who fail to comply with the OFO shall be subject to service termination and the applicable penalty provisions as identified by the KEDLI and/or KEDNY's tariffs.

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The ESCO, if necessary, should communicate with its Customers to secure compliance with the conditions of a KEDLI and/or KEDNY directed OFO. If the ESCO is aware of noncompliance of one or more of its customers, it shall notify KEDLI and/or KEDNY of the name(s), address and account numbers(s) of the end users(s). During an OFO, the application of penalties should not penalize ESCOs or Direct Customers whose imbalances work to benefit the integrity of the gas system.

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At the next meeting of KEDLI and/or KEDNY, ESCOs and Direct Customers, there should be a review of any OFO's that may have been declared. However, any party that has a grievance concerning the necessity for, or individual treatment during an OFO, may address those concerns immediately with KEDLI and/or KEDNY. If after such discussions the party is still dissatisfied, it may bring its concerns to the attention of Department of Public Service Staff and, if necessary, to the Commission.

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IX. CURTAILMENT

A. Curtailment

A Curtailment is the reduction of gas deliveries caused by a shortage of supply or pipeline capacity. A Curtailment situation is a more catastrophic event than a System Alerts (“SA”) or an Operational Flow Order (“OFO”). In a Curtailment situation, KEDLI and/or KEDNY physically curtail gas flow to similar types of end use Customers. Curtailment may be required to protect the needs of core Customers and/or to protect the operational reliability of the system.

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In the KEDLI and KEDNY territory, on an annual basis Gas Planning provides a system load profile and recommendations of areas with pressure concerns which are affected by temperature. This will change based on system dynamics. (i.e. Pressure concerns resolved by addition of Pipe). Based on this information Gas Planning provides GSO with three lists of TC and Interruptible customers broken down by temperature.

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List A 10 to 15 degrees
List B 5 to 10 degrees
List C 0 to 5 degrees

The protocol for curtailments is:

Supply Issue – All customers are cut across the board.
Pressure – Look at temperature and area and using the appropriate list cut those customers in the geographic area where the pressure concern occurs.

In a Curtailment situation, KEDLI and/or KEDNY will interrupt/curtail service in accordance with the following schedule:

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1. Interruptible Customers, Electric Generation Customers
 - a. Interruptible Customers - Customers who agree to take service on an interruptible basis on 4-hour or 1-hour notice in the case of system emergency.
 - b. Electric Generation Customers - Customers who use gas for the generation of electricity and/or steam.
2. Temperature Controlled Customers
 - a. Temperature Controlled Customers - Customer, excluding critical-care facilities, whose gas use is dependent upon when the temperature drops below specified levels.
3. Firm Commercial, Industrial and Baseload Distributed Generation Customers
 - a. Firm Commercial - Customers, excluding critical-care facilities, who use gas

for general purposes (except for processing), such as water-heating and space heating.

b. Industrial Customers - Customers who use gas for industrial processing.

c. Baseload Distributed Generation Customers – Customers using gas for the operation of either co-generation or distributed generation equipment used for mechanical, electrical or thermal applications employing reciprocating engines, gas turbines and/or emerging gas technologies.

4. Firm Residential and Other Human Needs Services

a. Firm Residential - Customers who use gas for residential (cooking, water heating, space-heating, general) and religious purposes.

b. Human Needs Services - Customers who use gas for prisons, hospitals, nursing homes, other critical-care facilities, apartments, condominiums, cooperative residences, or supportive/supervised living facilities (community residences).

B. Notice of Service Curtailment and Interruptions

To the extent operating conditions allow, KEDLI and/or KEDNY will provide 24 hours advance notice of service curtailment or interruption to ESCOs and Direct Customers. When possible, efforts will be made, to provide 4-hour advance notice of a service curtailment or interruption.

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1. Notification by KEDLI and/or KEDNY's Electronic Bulletin Board ("EBB")

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a. KEDLI and/or KEDNY will post notice of service curtailments/interruptions on its EBB.

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b. ESCOs and Direct Customers are required to review EBB notices on a daily basis and take the necessary actions as identified by posted notices.

2. Notification by Telephone

a. In the event that 24-hour notice of a service curtailment/interruption is not possible, KEDLI and/or KEDNY will supplement the EBB notification via telephone.

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b. An automated telephone message will provide the date and time of a Curtailment and any necessary KEDNY and/or KEDLI contact information.

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c. The ESCO or Direct Customer is responsible to provide KEDLI and/or KEDNY with a telephone number that is available for notification 24-hours-per-day, 365-days-per-year. The ESCO or Direct Customer is responsible to notify KEDLI and/or KEDNY of any changes to this number.

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d. KEDLI and/or KEDNY will use the EBB and/or the automated telephone system

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to notify ESCOs or Direct Customers that they may resume using natural gas when a curtailment/interruption is concluded.

e. In the event of a conflict between telephone and the EBB notice, the most recent notice will be deemed the official notice for determining compliance with the notification.

C. Responsibilities of ESCOs and Direct Customers During Curtailment

During a Curtailment situation, ESCOs and Direct Customers will take immediate action as directed by KEDNY and/or KEDLI. If such actions are insufficient, KEDNY and/or KEDLI will physically curtail gas service to Customers pursuant to the listed priorities in subsection A, above.

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The ESCO or Direct Customer may not be required to deliver gas on days that their deliveries are to be interrupted for the full day or the days they will be burning an alternate fuel for the entire day.

On August 23, 2007, the State of New York Public Service Commission issued an Order in Case 06-G-0059 establishing guidelines for curtailments. Pursuant to such guidelines, the needs of core Customers, sales or firm transportation, will be met first in the event of interruption or force-majeure curtailment. When necessary to meet high-priority customer demand, KEDLI and/or KEDNY will acquire gas intended for lower priority customers at the City Gate. ESCO's/Direct Customers whose gas is diverted by KEDLI and/or KEDNY will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed, unless qualified upstream force majeure interruptions or curtailments prevent the ESCO's/Direct Customers from securing or delivering such supplies.

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Failure to take the necessary actions as indicated by the EBB notification or the automated telephone message or failure to provide a valid telephone number for notification purposes will subject the ESCO or Direct Customer to the applicable penalty provisions as provided for by the pertinent service classifications and tariffs.

D. Compensation to Non-Core Customers for Diversion

The ESCO/Direct Customer will be the party compensated for the diverted gas. To the extent individual ESCO customers are affected by directing the payment to the ESCO, they would enter into contractual arrangements with the ESCO that clearly spell out the resolution of compensation issues between the ESCO related to occasions when gas supplies are diverted.

Replacement Cost of Fuel: The default price will be the current market price in effect at the time of curtailment. If it can be demonstrated by the ESCO/Direct Customer with adequate support that a contract calls for a higher price, KEDLI and/or KEDNY will reimburse the ESCO/Direct Customer at the higher contract price.

E. Unauthorized Use of Gas

An Interruptible or Temperature Controlled Customer who has been given proper notice and who fails to cease its use of natural gas in accordance with KEDLI and/or KEDNY's instruction during a curtailment situation will be subject to a penalty charge of nine (9) times either (1) the sum of the Market Price for natural gas delivered to KEDLI and/or KEDLI's City Gate on the day of violation plus the transportation rate the Customer would be subject to if it was a transportation customer, or (2) the applicable sales rate, whichever is higher. All charges are subject to all utility taxes and surcharges. The following exceptions apply to the Unauthorized Use of Gas provisions set forth above:

1. Pilot Fuel (Not Separately Metered) - Up to 10 therms per day of gas usage for pilot/ignition purposes will be exempt for the Unauthorized Use of Gas penalty during a Curtailment.
2. Equipment Failure - If a Customer is unable to switch to its alternate energy source due to an equipment failure, and the Customer notifies ~~KEDLI and/or KEDNY~~ prior to or within 4-hours of the posting the Curtailment notice to the EBB, the penalty charges for the first 4 hours of the Curtailment period will be waived, provided the Customer has taken the necessary steps to repair the equipment within 24 hours. In any case, following the first 24 hours of the Curtailment period, the Customer shall be billed the full Unauthorized Use of Gas penalty charge.

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X. INTERRUPTION REQUIREMENTS

The following is a general overview of interruption requirements. For more specific and detailed information regarding both Interruptible and Temperature Controlled Service Classifications, please see KEDLI Tariff Service Classifications 7 and 13 and KEDNY Tariff Service Classifications 5 and 6.

A. Alternative Fuel Source Requirements

For Temperature Controlled service to customers will be interrupted when the temperature drops below the temperature level specified by KEDLI and/or KEDNY. Temperature settings of the control devices, whether automatic or semi-automatic, will be established solely by KEDLI and/or KEDNY. For purposes of this service, the temperature is measured outside the customer's premises, except when such information is not readily or accurately available, or if operation or supply conditions warrant, then KEDLI will use the temperature measured at the weather monitoring stations located at Hicksville, New York and KEDNY will use the temperature measured at The Central Park Observatory.

For Interruptible service to customers KEDLI and/or KEDNY is deemed to have provided adequate notice if KEDLI and/or KEDNY have made a good faith effort to notify by attempting to call the telephone number designated by the Customer in the Interruptible Transportation Agreement for purposes of such notification whether or not the Customer is available to answer such call.

B. Verification of Adequate Alternative Fuel Sources

Customers with human needs, such as multi-dwellings and hospitals, are required to install and maintain at all times a sufficient standby alternate fuel supply and the dual-fuel equipment necessary to utilize same in the event of an interruption, and unless otherwise expressly authorized by KEDLI and/or KEDNY in writing, to maintain a supply of alternate fuel sufficient to at least meet the customer's fuel consumption needs for a period of ten days. The installation and subsequent operation of such dual-fuel equipment and all associated control devices shall be subject to the approval of KEDLI and/or KEDNY.

C. On-Site Inspection of Interruptible Customers with Alternative Fuel Sources

In regard to maintenance of equipment, the customer shall be solely responsible for the service, maintenance, repair and upkeep of all dual-fuel equipment and all associated control devices. The customer will permit access by KEDLI and/or KEDNY's employees or representatives, at all times, to the consumer's premises for the purpose of inspecting and testing all dual-fuel equipment and associated control devices, and measuring and verifying dual-fuel usage.

D. Determination of Alternative Fuel Source Requirements

KEDLI and/or KEDNY will not be responsible for the adequacy of standby facilities, nor any loss, damage or expense, direct or indirect, which were incurred by the customer or others in connection with or as a result of any curtailment or discontinuance of gas service, nor any

malfunction of said dual-fuel equipment and associated control devices, nor any consumption of gas when temperature falls below the specified temperature level for interrupting service for temperature controlled service.

For temperature controlled service the customer is responsible for the immediate manual switching from natural gas use to the alternate fuel if any control device fails to switch over to the alternate fuel when the temperature drops below the specified temperature level for interrupting service. The customer is responsible for all telephone charges, including installation and maintenance, for communicating meter reading information to KEDLI and/or KEDNY by telemetering. The customer will ensure that the telephone lines to the telemeter are operational at all times. Failure to maintain the operation of these lines will result in the discontinuance of service. The Customer shall make all necessary arrangement, obtain all necessary regulatory approvals and be responsible for all costs including taxes to appropriate governmental entities for the acquisition and transportation of the customer's gas supply.

Remote and automatic meter reading devices ("telemetering") are required for all customers contracting for temperature controlled or interruptible service. Service rendered shall be for a single separately metered customer at a single location and is not available to subtractive metered accounts. Services shall not be combined with any other Service Classification unless provided for under tariff guidelines.

E. Customer's Responsibilities in Regard to Alternative Fuel Source Requirements

KEDLI and/or KEDNY reserves the right to terminate service to a customer if a customer fails, for any reason whatsoever, to interrupt service upon written or oral notice, or suffers or allows gas to be consumed in violation of interruption provisions, as stipulated by tariff, or in the case of human needs customers, fails to maintain the dual fuel equipment and associated control devices in proper working order, or interferes in any manner with the operation of such control devices, or interferes with or hinders in any manner, rights to access, metering and inspection, or fails to maintain the operation of all telephone lines used in the remote reading of telemetering equipment, or otherwise violates any provisions of tariff regulations.

For gas consumed in violation of tariff regulations without the express written authorization of KEDLI and/or KEDNY, an additional charge of either (1) two times the sum of the Market Price for natural gas delivered to the City Gate on the day of violation plus the transportation rate the Customer would be subject to if it was a transportation Customer, or (2) nine times the applicable sales rate, whichever is higher. All charges are subject to all utility taxes and surcharges. Market Price shall be defined as the city gate delivered market price for natural gas on the days of interruption as quoted by "Gas Daily" publication. Where a condition is experienced by the consumer which prevents the required transfer from gas, the Customer agrees to immediately notify KEDLI and/or KEDNY and to take immediate action to correct such condition, and to notify KEDLI and/or KEDNY when such condition has been corrected.

In addition, KEDLI and/or KEDNY reserves the right to discontinue service immediately to the Customer or to the premises where there is failure to comply with tariff regulations.

Seller warrants that, at the time of delivery of gas to KEDLI and/or KEDNY, Seller or Customer will have good title to deliver all gas volumes available.

A Customer that takes Temperature Controlled or Interruptible service must take delivery of the gas at its facilities and may not remeter (or submeter), resell, assign, or otherwise dispose of the customer-owned gas to others for delivery at other facilities on KEDLI and/or KEDNY's system.

During each winter season, a customer that does not interrupt gas service when required to do so, for any two occurrences (consecutive or non-consecutive), will be notified that they have violated the service requirements of the interruptible tariff. A winter season is defined as October through March. Effective with the next billing period, customers with two violations will be transferred to the equivalent firm service classification unless KEDLI and/or KEDNY has been notified in writing that the customer has chosen to terminate gas service.

Customers transferred from interruptible to firm service are required to remain on firm service for the remainder of that winter season through the end of the next winter season. After that time a customer becomes eligible to re-apply for interruptible service.

A "warning letter" will be sent to customers after their first violation of the winter season. Failure to comply during the first system-wide test of the season, or any follow-up tests, is considered a violation.

There is an amnesty clause available to customers that experience an equipment failure. Should a customer's equipment fail to switch, it must notify KEDLI and/or KEDNY within one hour of the failure, and provide proof within two days that the equipment has been repaired and is operable. If a customer can demonstrate that it was unable to obtain and install the necessary equipment within two days, the customer shall have five more days to remedy the situation. The customer shall also provide proof that it has installed the necessary equipment. If a customer meets these criteria, the violation will be waived. If the customer cannot obtain and/or install the necessary equipment within seven days, the equipment failure will be considered a violation. However, there will be only one waiver of a violation allowed per winter season. Such waiver does not exempt the customer from having to pay any related overrun or unauthorized use charges.

XI. APPENDICES

A. Forms

Attachment I

FORM OF SERVICE AGREEMENT FOR CORE TRANSPORTATION AND SWING SERVICE (Service Classification No. 17)

THIS AGREEMENT entered into this ___ day of _____, _____, by and between Brooklyn Union Gas Company d/b/a National Grid NY, a New York Corporation (Company) and _____, a corporation, partnership, individual (Customer).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 17 (SC-17) pursuant to which the Company offers a transportation and swing service to qualifying customers (CTS Service);

WHEREAS, Customer has requested Company provide Customer CTS Service; and

WHEREAS, Company is willing to provide such service to Customer subject to the terms and conditions herein.

NOW, THEREFORE, Company and Customer agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Average Daily Delivery Quantity" or "ADDQ" means the total quantity of gas Customer is required by the Company to deliver each day to the Company. Such quantity shall be determined at least monthly by the Company, and is subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(b) "Direct Core Customer" means a customer who manages his gas supply and transportation needs with the Company without the use of a supplier as agent.

(c) "Maximum Daily Delivery Quantity" means the maximum quantity of gas that Customer may be required to deliver on any day to the Company. Such quantity shall be subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(d) "Transporter" means an interstate pipeline transporting gas owned by Customer to the Company for Customer's account.

2. Transportation Service.

(a) Customer represents and warrants that Customer qualifies for service under SC-17, Rate GTOP – Rev. 2

CTS-____. Subject to the terms and conditions of this Agreement, the Tariff, and the terms and conditions of SC-17, Customer hereby agrees to deliver or caused to be delivered daily to Company, for Customer's account, gas in quantities equal to the Average Daily Delivery Quantity, as determined at least monthly by the Company; provided, however, that the Average Daily Delivery Quantity shall not exceed the Maximum Daily Delivery Quantity of _____ dekatherms. In addition, Customer shall deliver or caused to be delivered daily to Company, gas to cover system use and losses in an amount equal to _____ percent of the quantity of all gas delivered to the Company by Customer for transportation hereunder. The Company shall not be required to accept deliveries of gas in excess of Customer's Maximum Daily Delivery Quantity.

(b) The Company agrees to receive, transport, and redeliver on a firm basis to Customer, gas in quantities no less than Customer's Average Daily Delivery Quantity and no greater than Customer's Maximum Daily Delivery Quantity.

3. Seller of Gas. Customer designates _____ to be its seller of gas hereunder.

4. Point(s) of Receipt. The Point(s) of Receipt for all gas tendered by Customer to the Company hereunder shall be the existing delivery point of _____
(name of pipeline)
to the Company as _____.
(name of metering station)

5. Point(s) of Delivery. The Point(s) of Delivery for all gas transported by the Company for Customer's account hereunder shall be the outlet of Customer's meter located at _____
(Customer Service Location(s))

6. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Customer, or that Customer causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Transporter's pipeline.

7. Swing Service. The Company will utilize upstream assets and gas supply as required to accommodate variations in Customer's daily account balance between Customer's gas deliveries and Customer's actual gas consumption.

8. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company for all service provided hereunder all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-17 and the general terms and conditions of the Tariff, including, but not limited to:

(i) the on-system transportation charges for Rate CTS-_____ Service Transportation, set forth under SC-17;

(ii) the Daily Swing Service Monthly Demand Charge and the Daily Swing Service Monthly Imbalance Charge set forth under SC-17; and

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-17, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

9. Term of Agreement.

(a) This Agreement shall be effective for an initial term of one (1) year, commencing as of the date first above written, and shall continue thereafter on an annual basis, until terminated by Customer or the Company upon at least thirty (30) days' advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in paragraph 9 hereof shall commence on _____, _____.

(b) Customer shall comply with this Agreement, the terms and conditions set forth under SC-17, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation and standby gas services provided hereunder if Customer (i) violates any provision of this Agreement, the terms and conditions of SC-17, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

10. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: Brooklyn Union Gas Company
 d/b/a National Grid NY
 175 East Old Country Road
 Hicksville, New York, 11801
 Attention: _____

If to Customer: _____

 Attention: _____

11. Incorporation by Reference. The terms and conditions of SC-17 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

12. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

**KeySpan Gas East Corporation
d/b/a National Grid
Service Classification No. 5
Firm Transportation Service Agreement**

To KeySpan Gas East Corporation d/b/a National Grid:

_____ (Customer) is a qualified Seller pursuant to KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") Service Classification No. 5C and will arrange for the purchase of natural gas for delivery to "KEDLI" for subsequent redelivery to Customer at _____ (Location) under the terms of Service Classification No. 5.

OR

_____ (Customer) has contracted with _____ (Seller - a qualified seller pursuant to "KEDLI" Service Classification No. 5C) to deliver natural gas to "KEDLI" for subsequent redelivery to customer at _____ (Location) under the terms of Service Classification No. 5.

At least 30 days before the commencement of service for each annual service term, "KEDLI" will calculate the customer's Daily Delivery Quantity (DDQ) of natural gas for each month of the term. Seller is obligated to deliver or cause to be delivered to "KEDLI" at the City Gate the customer's DDQ each day of the service term adjusted during the term to reflect the customer's usage. "KEDLI" may also adjust the customer's DDQ during the term due to changes in the customer's gas equipment or pattern of usage and address balances contained in the customer's Commodity Account as described in Service Classification No. 5. Customer understands and agrees as follows:

(I) Customer shall take and pay for the service in accordance with Service Classification No. 5 and is bound by the terms and conditions contained therein and in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York;

(ii) Customer's term shall begin on and shall expire twelve months thereafter. This term will be extended for additional twelve month periods unless otherwise terminated pursuant to Service Classification No. 5;

(iii) Customer warrants that all information provided to "KEDLI" for the purpose of qualifying for service under Service Classification No. 5 is true and accurate and Customer acknowledges that such information has been provided to "KEDLI" for the purpose of inducing "KEDLI" to provide service pursuant to Service Classification No. 5;

(iv) Seller has satisfied the credit criteria for Sellers pursuant to Service Classification No. 8 and is a qualified Seller without providing security to "KEDLI", or has provided "KEDLI" with an advance deposit, or a standby irrevocable letter of credit, a security interest in collateral, or a guarantee of payment by another person or entity, acceptable to "KEDLI" as Security to ensure performance pursuant to Service Classification No. 8;

(v) Customer and Seller hereby acknowledge that they have current, fully executed agreements

with each other to supply natural gas and to have such natural gas delivered to "KEDLI";

(vi) If any provision herein is construed to be inconsistent with Service Classification Nos. 5 or 8, Customer acknowledges that the provisions of Service Classification Nos. 5 or 8 as modified and approved by the New York State Public Service Commission shall govern; and

(vii) "KEDLI's" waiver or Seller's waiver of any one or more of the provisions of this Service Agreement and/or Service Classification Nos. 5 and 8 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.

Seller as Customer's Agent

_____ Customer hereby authorizes _____, Seller, to act as Customer's agent to act on Customer's behalf in all matters between Customer and "KEDLI" under Service Classification No. 5, including, as a replacement shipper in released pipeline capacity transactions.

OR

_____ Customer chooses to act on its own behalf in all matters between Customer and "KEDLI" under Service Classification No. 5.

Metering

_____ Customer hereby elects not to have a remote reading device installed and will accept the accuracy of "KEDLI's" estimated meter readings for the purpose of adjusting customer's monthly DDQs.

OR

_____ Customer hereby elects to have a remote reading device installed at customer's cost under the provisions of Service Classification No. 5.

ACCEPTED:

Account Number

Customer

By: _____

Title: _____

Date: _____

Seller

By: _____

Title: _____

Date: _____

INSTRUCTIONS

- * Customer should read this Service Agreement and Service Classification Nos. 5 and 8 before executing this Agreement.
- ** After executing this Service Agreement, Customer should send this Agreement to a qualified Seller.
- *** Seller should execute this Service Agreement and the Seller Agreement. Executed Service Agreements for all of Seller's Customers and a single executed Seller Agreement shall be submitted to "KEDLI's" Customer Assistance Center at least 45 days before the anticipated commencement of service to a Customer under Service Classification No. 5.

**FORM OF SERVICE AGREEMENT
FOR AGGREGATED NON-CORE
TRANSPORTATION SERVICE
(Service Classification No. 18)**

THIS AGREEMENT entered into this ____ day of _____, _____, by and between Brooklyn Union Gas Company d/b/a, a New York Corporation (Company) and _____, a corporation, partnership, individual (Customer).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 18 (SC-18) pursuant to which the Company offers a non-core transportation service to qualifying customers (NCT Service);

WHEREAS, Customer has requested Company provide Customer NCT Service; and

WHEREAS, Company is willing to provide such service to Customer subject to the terms and conditions herein.

NOW, THEREFORE, Company and Customer agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Average Daily Delivery Quantity" or "ADDQ" means the total quantity of gas Customer is required by the Company to deliver each day to the Company. Such quantity shall be determined at least monthly by the Company, and is subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(b) "Maximum Daily Delivery Quantity" means the maximum quantity of gas that Customer may be required to deliver on any day to the Company. Such quantity shall be subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(c) "Transporter" means an interstate pipeline transporting gas owned by Customer to the Company for Customer's account.

2. Transportation Service.

(a) Customer represents and warrants that Customer qualifies for service under SC-18, Rate NCTS-____. Subject to the terms and conditions of this Agreement, the Tariff, and the terms and conditions of SC-18, Customer hereby agrees to deliver or caused to be delivered daily to Company, for Customer's account, gas in quantities equal to the Average Daily Delivery Quantity, as determined at least monthly by the Company; provided, however, that the Average Daily Delivery Quantity shall not

exceed the Maximum Daily Delivery Quantity of _____ dekatherms. In addition, Customer shall deliver or caused to be delivered daily to Company, gas to cover system use and losses in an amount equal to _____ percent of the quantity of all gas delivered to the Company by Customer for transportation hereunder. The Company shall not be required to accept deliveries of gas in excess of Customer's Maximum Daily Delivery Quantity.

(b) The Company agrees to receive, transport, and redeliver on an interruptible or a temperature-controlled basis to Customer, gas in quantities no less than Customer's Average Daily Delivery Quantity and no greater than Customer's Maximum Daily Delivery Quantity.

3. Seller of Gas. Customer designates _____ to be its Seller of gas hereunder.
4. Point(s) of Receipt. The Point(s) of Receipt for all gas tendered by Customer to the Company hereunder shall be the existing delivery point of _____ (name of pipeline) known to the Company as _____ (name of metering station).
5. Point(s) of Delivery. The Point(s) of Delivery for all gas transported by the Company for Customer's account hereunder shall be the outlet of Customer's meter located at _____ . ((Customer Service Location(s))
6. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Customer, or that Customer causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Transporter's pipeline.
7. Monthly Balancing. The Company shall balance to zero Customer's account at the end of each month, as provided under the terms and conditions of SC-18.
8. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company, for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-18 and the general terms and conditions of the Tariff, including, but not limited to:

(i) the on-system transportation charges for Rate NCT-_____ Transportation Service, set forth under SC-18. If Customer is receiving on-system transportation service under Rate NCT-5A, Customer's on-system transportation charges under SC-18 shall be determined by Customer's election of one of the following Rate Schedules. Customer elects Rate Schedule _____.

(A) Rate Schedule 1, for which purposes Customer's annualized transportation volume is projected to be _____ therms; or

(B) Rate Schedule 2, for which purposes the pricing addendum, attached hereto and made a part hereof, shall apply and

(iii) the monthly balancing charges set forth under SC-18.

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-18, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

9. Term of Agreement.

(a) This Agreement shall be effective for an initial term of one (1) year, commencing as of the date first above written, and shall continue thereafter on a _____ to _____ basis, until terminated by Customer or the Company upon at least thirty (30) days advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in paragraph 9 hereof shall commence on _____, _____.

(b) Customer shall comply with this Agreement, the terms and conditions set forth under SC-18, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation and standby gas services provided hereunder if Customer (i) violates any provision of this Agreement, the terms and conditions of SC-18, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

10. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: The Brooklyn Union Gas Company
 d/b/a National Grid NY
 175 East Old Country Road
 Hicksville, New York, 11801
 Attention: _____

If to Customer: _____

 Attention: _____

11. Incorporation by Reference. The terms and conditions of SC-18 and SC-19 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

12. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any

default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

(d) This Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY

By: _____

By: _____

Title: _____

Title: _____

**FORM OF SERVICE AGREEMENT
FOR
TRANSPORTATION AGGREGATION SERVICE
(Service Classification No. 19)**

THIS AGREEMENT entered into this ___ day of _____, _____, by and between the Brooklyn Union Gas Company d/b/a National Grid, a New York Corporation (Company) and _____, a corporation, partnership, individual (Seller).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 19 (SC-19) pursuant to which the Company offers a transportation aggregation service to qualifying sellers of gas (TA Service);

WHEREAS, Seller has requested Company provide Seller TA Service; and

WHEREAS, Company is willing to provide such service to Seller subject to the terms and conditions herein.

NOW, THEREFORE, Company and Seller agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Average Daily Delivery Quantity" or "ADDQ" means the total quantity of gas Seller is required by the Company to deliver each day to the Company for transportation by the Company. Such quantity shall be determined at least monthly by the Company, and is subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(b) "Maximum Daily Delivery Quantity" means the maximum quantity of gas that Seller may be required to deliver on any day to the Company. Such quantity shall be subject to the limitations, restrictions, and other provisions contained in this Agreement and the Tariff.

(c) "Transporter" means an interstate pipeline transporting gas owned by a Pool to the Company for the Pool's account.

(d) "Pool" means the group of Customers to whom Seller is selling gas under this agreement, who are receiving CTB Service, CTS Service or NCT Service from the Company, and who are aggregated by Seller for the purpose of providing TA service. The Pool shall be comprised of Customers belonging to a single service classification.

(e) "CTS Service" means service under Service Classification No. 17 of the Tariff.

(f) "NCT Service" means service under Service Classification No. 18 of the Tariff.

2. Transportation Aggregation Service.

(a) Seller represents and warrants that Seller qualifies for service under SC-19. Subject to the terms and conditions of this Agreement, the Tariff, and the terms and conditions of SC-19, Seller hereby agrees to deliver, or caused to be delivered daily to Company, for Seller's account, gas in quantities equal to the Average Daily Delivery Quantity, as determined at least monthly by the Company; provided, however, that the Average Daily Delivery Quantity shall not exceed the Maximum Daily Delivery Quantity of _____ dekatherms. In addition, Seller shall deliver or caused to be delivered daily to Company, gas to cover system use and losses in an amount equal to _____ percent of the quantity of all gas delivered to the Company by Seller for transportation hereunder. The Company shall not be required to accept deliveries of gas in excess of Seller's Maximum Daily Delivery Quantity.

(b) The Company agrees to receive, transport, and redeliver on a firm, interruptible or temperature-controlled basis, as determined by the nature of the transportation service received by the Customers in the Pool, gas in quantities no less than Seller's Average Daily Delivery Quantity and no greater than Seller's Maximum Daily Delivery Quantity.

3. Point(s) of Receipt. The Point(s) of Receipt for all gas tendered by Seller to the Company hereunder shall be the existing delivery point of

_____ (name of pipeline)

known to the Company as

_____ (name of metering station)

4. Point(s) of Delivery, Customers' Names and Account Numbers . The Point(s) of Delivery for all gas transported by the Company for Seller's account hereunder shall be the outlet of the meter of each Customer in the Pool, which outlets are listed in Appendix "A" to this Agreement, attached hereto and made a part hereof. The name and account number of each Customer in the Pool also shall be set forth in Appendix "A."

5. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Seller, or that Seller causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Transporter's pipeline.

6. Swing Service (SC-17 Pool). Where a Pool is comprised of Customers taking CTS Service: The Company will utilize upstream assets and gas supply as required to accommodate variations in Seller's daily account balance between Seller's gas deliveries and the actual gas consumption of the Pool.

7. Monthly Balancing (SC -18 Pool). Where a Pool is comprised of Customers taking NCT Service, the Company shall balance Seller's account at the end of each month to zero, as provided under the terms and conditions of SC-18.

10. Rates and Charges for Service.

(a) Where a Pool is comprised of Customers taking CTB Service, each month (or other period,

if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to Balancing Service Demand Charges and the Balancing Service Imbalance Charges set forth under SC-19.

(b) Where a Pool is comprised of Customers taking CTS Service each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Monthly Swing Service Demand Charges and the Daily Swing Service Imbalance Charges set forth under SC-19.

(c) Where a Pool is comprised of Customers taking NCT Service each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Monthly Balancing Charges set forth under SC-19.

(d) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-19, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

11. Term of Agreement.

(a) This Agreement shall be effective for an initial term of one (1) year, commencing as of the date first above written, and shall continue thereafter on an annual basis, until terminated by Seller or the Company upon at least thirty (30) days' advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Seller's obligation to pay the charges referenced in paragraph 10 hereof shall commence on _____,

(b) Seller shall comply with this Agreement, the terms and conditions set forth under SC-19, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation and swing services, and associated services provided hereunder if Seller (i) violates any provision of this Agreement, the terms and conditions of SC-19, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

12. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: The Brooklyn Union Gas Company d/b/a
National Grid NY
175 East Old Country Road
Hicksville, New York 11801
Attention: _____

If to Seller: _____

Attention: _____

13. Incorporation by Reference. The terms and conditions of SC-19 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

14. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

(d) This Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

THE BROOKLYN UNION GAS COMPANY d/b/a
NATIONAL GRID NY

By: _____

By: _____

Title: _____

Title: _____

**Keyspan Gas East Corporation
d/b/a National Grid
Service Classification No. 8
Seller Service Agreement**

Company Name: _____ Affiliate/Parent: _____
 Business Address: _____ BusinessAddress: _____
 Dun & Bradstreet Rating Number: _____ Dun & Bradstreet Rating Number: _____
 Contact Name: _____ Alternate Contact Name: _____
 Day Phone Number: _____ Day Phone Number: _____
 Evening Phone Number: _____ Evening Phone Number: _____
 Facsimile Number: _____ Facsimile Number: _____

KeySpan Gas East Corporation d/b/a National Grid

_____ (Customer) is a qualified Seller pursuant to KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") Service Classification No. 8 and will arrange for the purchase of natural gas for delivery to "KEDLI" for subsequent redelivery to customer under the terms of Service Classification No. 5.

OR

_____ (Seller) is a qualified Seller pursuant to "KEDLI" Service Classification No. 8 to deliver natural gas to "KEDLI" for subsequent redelivery to Customers under the terms of Service Classification No. 5.

_____ (Seller) has aggregated or will be aggregating a group of Customers for the purpose of qualifying such Customers for firm transportation service under "KEDLI" Service Classification No. 5. Attached to this Service Agreement, or to be submitted for attachment to "KEDLI" before the commencement of service under this agreement, is a list of Customers included in seller's aggregated group. The sum of the estimated annual gas usage for these Customers is dekatherms. The list of Customers included in seller's aggregated group will be updated each month pursuant to Service Classification No. 8.

At least 30 days before the commencement of service for each annual service terms, "KEDLI" will calculate the Daily Delivery Quantity (DDQ) of natural gas for each month of the term. Seller is obligated deliver or cause to be delivered to "KEDLI" at the City Gate the customer's DDQ or the customers' Aggregated Daily Delivery Quantity (ADDQ) each day of the service term. "KEDLI" will adjust the customer's DDQ or the customers' ADDQ as described in Service Classification No. 5.

Seller understands and agrees as follows:

(i) Seller will deliver natural gas to "KEDLI" on behalf of a Customer or Customers that "KEDLI" has determined may receive service in accordance with Service Classification No. 5.

(ii) Seller is bound by the terms and conditions of Service Classification No. 8 and the applicable terms and conditions of Service Classification No. 5 in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York.

(iii) Seller warrants that all information provided to "KEDLI" for the purpose of qualifying for service under Service Classification No. 8 is true and accurate and Seller acknowledges that such information has been provided to "KEDLI" for the purpose of inducing "KEDLI" to provide service pursuant to Service Classification No. 8.

(iv) Seller has satisfied the credit criteria for Sellers pursuant to Service Classification No. 8 and is a qualified Seller without providing security to "KEDLI", or has provided "KEDLI" with an advance deposit, or a standby irrevocable letter of credit, a security interest in collateral, or a guarantee of payment by another person or entity, acceptable to "KEDLI", as Security to ensure performance pursuant to Service Classification No. 8. The amount of security required to ensure performance will be periodically reviewed by "KEDLI" and Sellers agree to increase or reduce such security as "KEDLI" determines is necessary to reflect increases or decreases in the DDQ's of Customers that are supplied natural gas by Seller. "KEDLI" will respond within ten days to a grievance filed by a Seller that is denied service under Service Classification No. 8 for failure to satisfy the credit criteria.

(v) Seller hereby acknowledges that its obligations to deliver natural gas to "KEDLI" under Service Classification Nos. 5 and 8 and pursuant to an executed Service Agreement under Service Classification No. 5 will not be abated by any circumstance, including a breach of the obligations by any Customer to the Seller, except for events of Force Majeure as specified under Service Classification No. 8 or actions by "KEDLI" that prevent performance by Seller.

(vi) If any provision herein is construed to be inconsistent with Service Classification Nos. 5 or 8, Seller acknowledges that the provisions of Service Classification Nos. 5 or 8 as modified and approved by the New York State Public Service Commission shall govern.

(vii) "KEDLI's" waiver or Seller's waiver of any one or more of the provisions of this Service Agreement and/or Service Classification Nos. 5 and 8 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.

(viii) By the first day of each month, for service commencing by the first day of the succeeding calendar month, Seller will notify "KEDLI" of any Customer that is added or is deleted from seller's aggregated group by updating the attached Customer list. Failure to provide "KEDLI" with such notification will constitute seller's representation that the Customers within seller's aggregated group have not changed. Seller will also place on file with "KEDLI" a copy of customer's written request to be included in seller's aggregated group for the effective time period.

ACCEPTED:

(Seller)

By: _____

Title: _____

Date: _____

FOR "KEDLI" USE ONLY:

Credit Approved by:

Source: Dun & Bradstreet Rating:

Affiliate Dun & Bradstreet with Guarantee:

Analysis of Finances:

Security Posted:

Amount of Security: \$ _____

Type of Security: _____

**FORM OF SERVICE AGREEMENT
FOR NON-CORE TRANSPORTATION SERVICE
FOR ELECTRIC GENERATION
(Service Classification No. 20)**

THIS AGREEMENT entered into this ____ day of _____, _____, by and between Brooklyn Union Gas Company d/b/a National Grid, a New York Corporation (Company) and _____, a corporation, partnership, individual (Customer).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 20 (SC-20) pursuant to which the Company offers a non-core transportation service for electric generation to qualifying customers (NCTEG Service);

WHEREAS, Customer has requested Company provide Customer NCTEG Service; and

WHEREAS, Company is willing to provide such service to Customer subject to the terms and conditions herein.

NOW, THEREFORE, Company and Customer agree as follows:

1. Transportation Service.

(a) Customer represents and warrants that customer qualifies for service under SC-20, Rate NCTEG-1. Subject to the terms and conditions of this Agreement, the Tariff and the terms and conditions of SC-20, Customer hereby agrees to communicate to Company by facsimile transmission or telephone the Daily Nomination Quantity. The Daily Nominations Quantity may not exceed the Maximum Daily Delivery Quantity of _____ dekatherms, exclusive of the factor of adjustment for system losses. Subject to the terms and conditions of this Agreement, the Tariff and the terms and conditions of SC-20, upon Customer's communication of the Daily Nomination Quantity, Customer will be required to deliver or cause to be delivered daily to the Company for Customer's account gas in quantities equal to the Daily Nomination Quantity. The Daily Nomination Quantity shall include a quantity for system loss and unaccounted for gas. The Company shall not be required to accept deliveries of gas in excess of the Maximum Daily Delivery Quantity of _____, exclusive of the factor of adjustment for system losses.

(b) The Company agrees to receive, transport, and redeliver on an interruptible basis to Customer, gas in quantities equal to the Daily Nomination Quantity as adjusted for lost and unaccounted for gas; provided that the Company will not redeliver quantities greater than Customer's Maximum Daily Delivery Quantity.

2. Seller of Gas. Customer designates _____ to be its seller of gas hereunder.

3. Point(s) of Receipt. The Point(s) of Receipt for all gas tendered by Customer to the Company hereunder shall be the existing delivery point of

_____.
(name of pipeline)
known to the Company as _____.
(name of metering station)

4. Point(s) of Delivery. The Point(s) of Delivery for all gas transported by the Company for Customer's account hereunder shall be the outlet of Customer's meter located at _____.
(Customer Service Location(s))

5. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Customer, or that Customer causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Company's system.

6. Daily Balancing. The Company shall balance to zero Customer's account at the end of each day, as provided under the terms and conditions of SC-20.

7. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company, for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-20, Rate Schedule 1 and the general terms and conditions of the Tariff.

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-20, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

8. Term of Agreement.

(a) This Agreement shall be effective for a term of five (5) years, commencing as of the date first above written. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in paragraph 8 hereof shall commence on _____.

(b) Customer shall comply with this Agreement, the terms and conditions set forth under SC-20, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation service provided hereunder if Customer (i) violates any provision of this Agreement, the terms and conditions of SC-20, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions of the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

9. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: Brooklyn Union Gas Company
 d/b/a National Grid
 175 East Old Country Road
 Hicksville, New York, 11801
 Attention: _____

If to Customer: _____

 Attention: _____

10. Creditworthiness. In accordance with SC-20, as a condition to Company's execution of this Agreement, Customer shall guarantee payment of \$_____ (the "credit amount") by providing to Company (i) a letter of credit for the credit amount from a financial institution acceptable to Company; (ii) a prepayment of the credit amount, or (iii) a financial guarantee of the credit amount from a financial institution acceptable to the Company. Upon termination of this Agreement, the letter of credit, prepayment or financial guarantee shall be returned to the Customer, to the extent not required to offset or secure any amount owed by Customer to Company.

11. Incorporation by Reference. The terms and conditions of SC-20 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

12. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

(d) This Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID

By: _____

By: _____

Title: _____

Title: _____

KEYSPAN GAS EAST CORPORATION
d/b/a National Grid
Service Classification No. 13
Temperature-Controlled Transportation Service Agreement

To KeySpan Gas East Corporation d/b/a National Grid:

(Customer) requests that KeySpan Gas East Corporation ("KEDLI") provide Temperature-Controlled transportation service of natural gas to Customer at (Service Location) under the terms of Service Classification No. 13. Customer (has) or (does not have) a dual fuel capability. Customer will be subject to the interruption provisions in Service Classification No. 12.

Business Name: Account #

Company or Corporation Name: Telephone #

Service Address: Zip:

Mailing Address: Zip:
Service Classification No. Grid #

Contact Name for Notification of Interruption

Telephone No. Pager No.

Service Start (See Note 1)

Check off applicable rate below:

Rate 1 - 730 Rate 2 - 731
(Between 2,000 Dth and 5,000 Dth annually) (Excess of 5,000 Dth annually)

Rate 3 - 732
(Negotiated contract - annual usage exceeds 100,000 Dth)

Customer understands and agrees as follows:

- 1. Upon the customer's request, "KEDLI" will estimate the customer's Annualized Transportation Quantity, based upon the equipment specified as Attachment A, hereto, to determine if the

Customer has the capability of consuming at least 2,000 dth per year to qualify for service under Service Classification No. 13.

2. Customer shall take and pay for the service in accordance with Service Classification No. 13 and is bound by the terms and conditions contained therein and in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York;
3. Customer's term shall begin on _____ and shall expire twelve months thereafter unless otherwise terminated pursuant to Service Classification No. 13. This term will be extended for additional twelve month periods unless the Customer has provided thirty (30) days prior written notice of termination to "KEDLI". Upon such termination, the Customer shall pay for all service rendered through effective date of termination.
4. Customer warrants that all information provided to "KEDLI" for the purpose of qualifying for service under Service Classification No. 13 is true and accurate and Customer acknowledges that such information has been provided to "KEDLI" for the purpose of inducing "KEDLI" to provide service pursuant to Service Classification No. 13;
5. The Customer acknowledges and agrees that the supply and transportation of Customer purchased gas to an existing Receipt Point(s) of the company's gas facilities shall be solely the responsibility of the Customer;
6. Customer is responsible for the costs associated with the installation and maintenance of 1) remote and automatic meter reading devices ("telemetry") and 2) any new facilities required for the company's provision of service to Customer pursuant to Special Provision (1) of Service Classification No. 13; If telemetry equipment is inoperative for customer controlled reasons for a period of time greater than eight weeks, the customer shall be returned to the appropriate sales rate for a minimum term of 12 months.
7. Under Service Classification No. 13, service shall be provided at either Rate 1, Rate 2 or Rate 3 set forth under Service Classification No. 13;
8. Service to customers will be interrupted when the temperature drops below the temperature level specified by the Company. Temperature settings of the control devices, whether automatic or semi-automatic, will be established solely by the Company as set forth in Service Classification No. 13. For gas consumed during an interruption period without expressed written authorization of the Company, The Company will impose a penalty charge as specified in the Company's SC-13 Tariff.
9. All rates and charges under the Service Classification No. 13 tariff are subject to increase pursuant to Rule III.2 of the tariff where service is provided to a Customer in a municipality;
10. Charges for transportation of gas are applicable to quantities metered at the customer's Service Location;

11. The Customer or Supplier will provide "KEDLI" with a nomination schedule daily in the Timely Cycle for the next gas days deliveries. All deliveries are expected to be load following.
12. The Customer or Supplier will abide by all requirements and procedures as specified in "KEDLI's" Gas Transportation Operating Procedures Manual.
13. All imbalances will be cashed out daily and billed monthly in accordance with the provisions of the Company's SC-13 Tariff.
14. The Customer represents that the seller is authorized to act as its agent in all dealings with "KEDLI" including, but not limited to, the submittal of daily Customer nomination schedules. The Customer accepts full responsibility for all acts committed by such agent. The customer must provide "KEDLI" with at least ten (10) days written notice of changes in a customer's agent before the new agent may nominate deliveries on "KEDLI's" system;
15. The Company may not accept the customer's nomination to the Company's City Gate if the Company has interrupted service to the customer's facilities;
16. If any provision herein is construed to be inconsistent with Service Classification No. 13, Customer acknowledges that the provisions of Service Classification No. 13 as modified and approved by the New York State Public Service Commission shall govern; and
17. "KEDLI's" waiver of any one or more of the provisions of this Service Agreement and/or Service Classification No. 13 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.

ACCEPTED:

_____ Customer	_____ KEYSpan GAS EAST CORPORATION d/b/a National Grid
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Instructions

* Customer should read this Service Agreement and Service Classification No.13 before executing this Agreement.

INSTRUCTIONS

Customer should read this Service Agreement and Service Classification No. 13 before executing this Agreement.

Attachment A

Type equipment Including Controller if Applicable =====	Manufacturer =====	Model =====	BTUh Input Rating =====	Maximum Hourly Quantity =====
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____
10. _____	_____	_____	_____	_____

APPLICATION FOR INTERRUPTIBLE SERVICE

The undersigned customer (Individual/Corporation) _____, is requesting temperature controlled service at, _____ which is described as _____ under Public Service Commission under the following Service Classifications.

The undersigned hereby agrees subject to all terms and conditions to use the gas purchased hereunder only in the operation of the following equipment which is in regular use, and has an input capacity of _____ BTU's per hour and not to use in such specified equipment any gas purchased from the Company other than gas purchased under this Service Classification.

SC 5A - Large Volume Service _____ Leaf Nos. 174 thru 195).

Commercial 6C

Government 6G

MultiFamily 6M

P.S.C. No. 12 Gas
Leaf No's 196 thru 205

P.S.C. No. 12 Gas
Leaf No's 206 thru 215

P.S.C. No. 12 Gas
Leaf No's 216 thru 227

SC 6C1 _____
SC 6C2 _____
6C/6G1 - Less than 10,000 DTH annually
6C/6G2 - Greater than or equal to 10,000 DTH annually

SC 6G1 _____
SC 6G2 _____

SC 6M1 - less than 3,500 dth
SC 6M2 - 3,500 to 8,999 dth
SC 6M3 - 9,000 to 25,999 dth
SC 6M4 - 26,000 +

To pay for such service at the applicable rates of the above designated service classification and any amendments, there of, in effect and on file with the Public Service Commission.

To comply with the rules and regulations set forth in the Rules, Regulations and General Information for Gas Service, P.S.C. No. 12- Gas and any amendment thereof, in effect and on file with the Public Service Commission.

That service shall be terminable by either party after one year from the commencement of service on six months' written notice to the other, or terminable in the manner provided by law and the rules and regulation set forth in the Rules, Regulations, and General information for Gas Service P.S.C. No. 12- GAS, and any amendments thereof, in effect and on file with Public Service Commission.

Accepted By Brooklyn Union Gas Company
d/b/a National Grid

Accepted By Customer

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

KeySpan Gas East Corporation
d/b/a National Grid
Service Classification No. 4
Interruptible Gas Service Agreement

_____ (Customer) requests that KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") supply natural gas under the provisions of Service Classification No. 4 to its premises located at the service address listed below.

Business Name: _____ Account # _____

Company Or:

Corporation Name: _____ Telephone # _____

Service Address: _____ Zip: _____

Mailing Address: _____ Zip: _____

Service Classification No. _____ Grid # _____

Telephone No. for Notification of Interruption

Customer understands and agrees as follows:

1. Gas supplied under this Service Classification will be separately metered and will not be substituted or used interchangeably with service furnished under any other Service Classification, and will be used only in the operation of the equipment specified as Attachment A, hereto;
2. Customer shall take and pay for the service in accordance with Service Classification No. 4 and is bound by the terms and conditions contained therein and in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York;
3. Customer warrants that all information provided to "KEDLI" for the purpose of qualifying for service under Service Classification No. 4 is true and accurate and Customer acknowledges that such information has been provided to "KEDLI" for the purpose of inducing "KEDLI" to provide service pursuant to Service Classification No. 4;
4. Customer has provided a telephone number that will be active to receive notification of interruption from "KEDLI" 24 hours per day, seven days per week. "KEDLI" shall provide at least four hours notice during non-emergency conditions and one hour notice during emergency conditions. It will be deemed that "KEDLI" has provided adequate notice of interruption if "KEDLI" has made a good faith effort to notify by attempting to call the telephone number designated herein for purposes of such notification whether or not Customer is available to answer such call. "KEDLI" will interrupt

deliveries of gas to any or all Customers taking service under this Service Classification No. 4 whenever and to the extent that it may be advisable in "KEDLI's" judgment. A Customer that continues to take gas after receiving notice of interruption by the Company will be billed at a penalty rate of \$2.50 per therm and "KEDLI" may take immediate action to terminate the Customer's gas supply;

5. All rates and charges under the Service Classification No. 4 tariff are subject to increase pursuant to Section III.2 of the tariff where service is provided to a Customer in a municipality;
6. If any provision herein is construed to be inconsistent with Service Classification No. 4, Customer acknowledges that the provisions of Service Classification No. 4 as modified and approved by the New York State Public Service Commission shall govern;
7. "KEDLI's" waiver of any one or more of the provisions of this Service Agreement and/or Service Classification No. 4 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character; and
8. Customers who are members of energy cooperatives are responsible for identifying themselves to the Company. These Customers are required to provide annually pertinent information required by the Company to certify their cooperative status.

"KEDLI" offers the Customer the following two options with respect to the investment required to attach to the system. The Customer will select an option by placing a check mark in the appropriate box. The Customer agrees to comply with the conditions contained in the option it selects.

() 1. The attachment cost shall be paid by the Customer prior to construction.

() 2. (a)(1) "KEDLI" will allow the Customer a credit against the total attachment cost of \$ _____

(a)(2) The credit allowed is \$ _____ based on an estimate of revenue from the Customer for the first two years of service. This credit will be equal to an estimate of sales for the first twenty-four months of service times the current three month average unit excess revenue.

(a)(3) Excess attachment cost is \$ _____ which is equal to (a)(1) minus (a)(2).

(b) The Customer must pay for the excess attachment cost shown in (a)(3) above prior to construction.

(c) The Customer will be required to provide a five year surety bond or other security satisfactory to "KEDLI" for the amount of the credit allowed in 2(a) (2) above provided by "KEDLI" If at any time during the first five years the Customer's excess revenues are sufficient to meet the credit allowed, referred to as the revenue requirement, the bond obligation shall be void. If the Customer's excess revenues are not sufficient after the first five years to meet

the revenue requirement, the Customer forfeits a portion of the bond as detailed in the tariff.

The Customer must install required house piping to the meter outlet, where appropriate, to the point of connection to the service line. The Customer shall execute and deliver to "KEDLI" permanent easements or such other rights-of-way as "KEDLI" may require to install and maintain the necessary mains, service lines, service connections and appurtenant facilities. The easements or rights-of-way delivered to "KEDLI" shall be obtained at the Customer's expense. "KEDLI" shall not be obligated to commence work under this Agreement until "KEDLI" has received either satisfactory permanent easements or rights-of-way or the Customer's authorization to obtain such easements or rights-of-way on the Customer's behalf and at the Customer's expense.

Whenever a new Customer is connected to a main extension for which "KEDLI" received a Customer contribution(s) within the previous five years, the new Customer shall pay a share of the facilities costs. The original Customer(s) who contributed to the main extension will be entitled to a refund. The refund shall be reasonably allocated among the original Customer(s) in proportion to the length of main used by each Customer served from the main extension in accordance with the tariff provisions. Whenever more than one Customer is connected to a main extension for which "KEDLI" receives a Customer contribution(s), all Customer contributions shall be adjusted as to yield to "KEDLI" not more than the cost applicable to said extension from all the Customers served from the main extension.

This Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

ACCEPTED:

Customer

KeySpan Gas East Corporation
d/b/a National Grid

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

INSTRUCTIONS

*Customer should read this Service Agreement
and Service Classification No. 4
before executing this Agreement.*

Attachment A

Type equipment Including Controller if Applicable =====	Manufacturer =====	Model =====	BTUh Input Rating =====	Maximum Hourly Quantity =====
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____
10. _____	_____	_____	_____	_____

**KEYSPAN GAS EAST CORPORATION
d/b/a NATIONAL GRID
Service Classification No. 7
Interruptible Transportation Service Agreement**

To KeySpan Gas East Corporation:

_____ (Customer) requests that KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") provide interruptible transportation service of natural gas to Customer at _____ Service Location) under the terms of Service Classification No. 7. Customer (has) or (does not have) a dual fuel capability. Customer will be subject to the interruption provisions in Service Classification No. 4.

Business Name: _____ Account# _____

Company or Corporation Name: _____ Telephone # _____

Service Address: _____ Zip: _____

Mailing Address: _____ Zip: _____

Service Classification No. _____ Grid # _____

Telephone No. for notification of interruption: _____

Service Start _____

Customer understands and agrees as follows:

1. Upon the customer's request, "KEDLI" will estimate the customer's Annualized Transportation Quantity, based upon the equipment specified as Attachment A, hereto, to determine if the Customer has the capability of consuming at least 5,000 dth per year to qualify for service under Service Classification No. 7.
2. Customer shall take and pay for the service in accordance with Service Classification No. 7 and is bound by the terms and conditions contained therein and in accordance with any changes or modifications thereof as approved by the Public Service Commission of the State of New York;

3. Customer's term shall begin on _____ and shall expire twelve months thereafter unless otherwise terminated pursuant to Service Classification No. 7. This term will be extended for additional twelve month periods unless the Customer has provided thirty (30) days prior written notice of termination to "KEDLI". Upon such termination, the Customer shall pay for all service rendered through effective date of termination.
4. Customer warrants that all information provided to "KEDLI" for the purpose of qualifying for service under Service Classification No. 7 is true and accurate and Customer acknowledges that such information has been provided to "KEDLI" for the purpose of inducing "KEDLI" to provide service pursuant to Service Classification No. 7;
5. The Customer acknowledges and agrees that the supply and transportation of Customer purchased gas to an existing Receipt Point(s) of the company's gas facilities shall be solely the responsibility of the Customer,
6. Customer is responsible for the costs associated with the installation and maintenance of 1) remote meter reading devices to the extent such cost exceeds the cost of non-remote meter reading devices and 2) any new facilities required for the company's provision of service to Customer pursuant to Special Provision (a) of Service Classification No. 7; If telemetering equipment is inoperative for customer controlled reasons for a period of time greater than eight weeks, the customer shall be returned to the appropriate sales rate for a minimum term of 12 months.
7. Customer is responsible for additional charges, including, but not limited to FERC filing fees and any pipeline imbalance penalty charges;
8. Customer has provided a telephone number that will be active to receive notification of interruption from "KEDLI" 24 hours per day, seven days per week. "KEDLI" shall provide at least four hours notice during non-emergency conditions and one hour notice during emergency conditions. It will be deemed that "KEDLI" has provided adequate notice of interruption if "KEDLI" has made a good faith effort to notify by attempting to call the telephone number designated herein for purposes of such notification whether or not Customer is available to answer such call. "KEDLI" will interrupt deliveries of gas to any or all Customers taking service under this Service Classification No. 7 whenever and to the extent that it may be advisable in "KEDLI's" judgment. A Customer that continues to take gas after receiving notice of interruption by the Company will be billed at a penalty rate specified in the Company's SC-7 Tariff and "KEDLI" may take immediate action to terminate the Customer's gas supply;
9. All rates and charges under the Service Classification No. 7 tariff are subject to increase pursuant to Rule III.2 of the tariff where service is provided to a Customer in a municipality;
10. Charges for transportation of gas are applicable to quantities metered at the customer's Service Location;
11. The Customer will provide "KEDLI" with a nomination schedule daily in the Timely Cycle for the next days deliveries. All deliveries are expected to be load following. The nomination schedule shall indicate the pipeline as well as the quantity of gas nominated at the Company receipt point.

12. The Customer will abide by all requirements and procedures as specified in KEDLI/KEDNY's Gas Transportation Operating Procedures Manual.
13. All imbalances will be cashed out daily and billed monthly in accordance with the provisions of the Company's SC-7 Tariff;
14. The Customer represents that _____ is authorized to act as its agent in all dealings with "KEDLI" including, but not limited to, the submittal of daily Customer nomination schedules. The Customer accepts full responsibility for all acts committed by such agent. The Customer must provide "KEDLI" with at least ten (10) days written notice of changes in a customer's agent before the new agent may nominate deliveries on "KEDLI's" system;
15. If any provision herein is construed to be inconsistent with Service Classification No. 7, Customer acknowledges that the provisions of Service Classification No. 7 as modified and approved by the New York State Public Service Commission shall govern; and
16. "KEDLI's" waiver of any one or more of the provisions of this Service Agreement and/or Service Classification No. 7 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.

ACCEPTED:

_____ Customer	_____ KeySpan Gas East Corporation d/b/a National Grid
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Instructions

* Customer should read this Service Agreement and Service Classification No. 7 before executing this Agreement.

INSTRUCTIONS

*Customer should read this Service Agreement
and Service Classification No. 7
before executing this Agreement.*

Attachment A

Type equipment Including Controller if Applicable =====	Manufacturer =====	Model =====	BTUh Input Rating =====	Maximum Hourly Quantity =====
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____
10. _____	_____	_____	_____	_____

KeySpan Gas East Corporation d/b/a National Grid (KEDLI)

**Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY)
Gas Supplier Application**

Requirements to Become a Gas Supplier

To supply gas to customers of KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and/or Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), an applicant must meet the following requirements:

1. Complete this application.
 2. Meet KEDLI and/or KEDNY credit criteria as set forth in its Gas Operating Procedures Manual (GTOP) and New York States Uniform Business Practices.
 3. Supplier has met the requirement and approvals of the New York State Public Service Commission and otherwise has complied with the residential and nonresidential consumer protection requirements set forth in the Tariff.
 4. Satisfy any other requirements set forth in Tariff.
-

Corporations also must provide:

1. A copy of Corporate papers - including certificate of incorporation, appropriate corporate resolutions, a complete list of corporate officers, their titles, home addresses, corporate bank references and Federal Taxpayer ID#.
2. Copies of your past two years certified financial statements and /or annual reports

Individuals and Partnerships also must provide:

1. Satisfactory proof of home address.
2. Federal Taxpayer ID# and Social Security Number of the individual or partners.

3. A copy of a Business certificate if not operating under personal name.
4. Copies of your past two years certified financial statements and /or annual reports

Application Information

Corporation ___ Partnership ___ Individual ___ Other ___

Name of Qualified Supplier:

Federal Taxpayer ID # _____ Social Security #

Address _____ City _____ State

Zip Code _____ Phone _____ Fax

- Are you requesting approval for New York and/or Long Island?
New York ___ Long Island ___ Both _____
- If the applicant is incorporated in a state other than New York, has the supplier filed for a certificate of doing business with the Secretary of State of New York?
Yes ___ No ___ If no, KEDLI and/or KEDNY can furnish the supplier with an alternative authorization.
- If the applicant is an individual or partnership, has the applicant filed for a business certification with the County(ies) of operation?
Yes ___ No ___

Deleted: Island

Credit Information

Checking Account # _____ Bank _____

Dun & Bradstreet No. _____

Has the applicant, or an officer, principal shareholder, partner or other principal of the applicant, ever been dissolved or declared bankruptcy? Yes ___ No ___

If Yes: Date Declared _____ Name _____ CH: 13,7,11(Circle)

Principal Officers, Partners or Owners of Business

1. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____
E-Mail _____

2. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____
E-mail _____

3. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____
E-Mail _____

Operations Contact (24 Hours)

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

Billing Contact

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

Credit Contact

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

Retail Sales Contact

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

Regulatory Contact

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

Media Relations Contact

Name _____ Title _____
Address _____ City _____ State _____
Zip Code _____ Phone _____ Fax _____
E-Mail _____

For KEDLI and/or KEDNY use only

Credit Approved By:

Source: Dun & Bradstreet Rating

Analysis of Finances

Other

Security Posted:

Amount of Security:

Type of Security:

KeySpan Gas East Corporation d/b/a National Grid (KEDLI)

Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY)

Gas Seller Application

Certificate of Application

I/we agree to permit KEDLI and/or KEDNY to conduct a credit review of the applicant and agree to pay KEDLI and/or KEDNY all rates, charges, fees, penalties, taxes and other amounts in accordance with the Tariff and any applicable law, rule or regulation. I/we further agree that the applicant will pay all collection costs and expenses, including attorneys' fees, incurred in an effort to collect unpaid past due bills owing by applicant to KEDLI and/or KEDNY'. All bills will be considered past due 15 days after the bill has been rendered. Late payment charges will be levied at the prevailing rate, currently 1-1/2 percent per month on any unpaid past due balances. To the best of my/our knowledge, the information provided here is accurate and no attempt has been made to misrepresent any of the information set forth in this application. Please mail the completed application to the respective location:

Keyspan Gas East Corporation
d/b/a National Grid
Customer Choice
175 East Old Country Road
Hicksville, New York 11801

OR

Brooklyn Union Gas Company
d/b/a National Grid NY
Customer Choice
175 East Old Country Road
Hicksville, New York 11801

Corporate Seal

Application Submitted by:

(Name of Applicant)

By: _____

Position: _____

Print Name: _____

Date: _____

Credit Authorization

The undersigned individual(s) who is either a principal of the credit applicant or a sole proprietorship of the credit applicant, recognizing that his or her individual credit history may be a factor in the evaluation of the credit history of the applicant, hereby consents to and authorizes the use of a consumer credit report on the undersigned by KEDLI and/or KEDNY credit grantor, from time to time as may be needed, in the credit evaluation process.

KEDLI/KEDNY EBB Access Request Form

Function

Add: ___
Change: ___
Delete: ___

Marketer Company Name: _____

Marketer's Administrator Name: _____

User Name : _____

Login ID : _____

Login ID standard is the user's first initial of first name and their entire last name. If the same Login ID exists add marketers company name to the end of user name.

Mothers Maiden Name: _____

Roles :
Administrator : ___
Active User: ___
Read Only : ___

Reports :
Pool Report ___
Imbalance Report ___

Email : _____

Pager Email : _____

B. Holiday Schedule

New Year's Day

Martin Luther King Jr.'s Birthday

President's Day

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Day After Thanksgiving

Christmas Day

C. Definitions

Abbreviations: BTU = British Thermal Unit = The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit.

THM = Therm = 100,000 BTU

DTHM = Dekatherm = 10 THM

CF = Cubic Feet = A unit of measurement of gas volume.

CCF = 100 CF

MCF = 1,000 CF

Access Controller: A party known to the Company to be in control of access to the metering equipment of a Customer, and to have an active account of its own with the Company.

Actual Reading: Is a reading of a meter obtained either by a Customer and submitted to the Company, or by a Company employee. Actual readings can also be made remotely from a transmission device attached to the meter.

Aggregated Daily Transportation Quantity: The sum of the Daily Transportation Quantities for all firm Customers purchasing natural gas from the same Seller.

Applicant: A person, firm, partnership, corporation, association, developer, builder, governmental agency or other entity requesting gas sales or transportation service from the Company by completely filling out the appropriate application request form. A person or governmental agency may apply for service on behalf of a residential Applicant. All Applicants must first meet the following conditions for their application to be considered:

1. the gas service provided cannot be resold; and
2. the Applicant must own or occupy the premises to be supplied with gas. A residing Applicant maintains residence at the premises to be supplied with gas and a non-residing applicant does not. The term "Applicant" may be used interchangeably with "Customer".

Applicants are covered under 16 NYCRR Parts 11 and 13.

Back-up Services: The provision of company-owned natural gas to satisfy the customer's daily usage requirements to the extent that any portion of the customer's Daily Transportation Quantity is not delivered to the Company on the customer's behalf.

Backbill: Charges not previously billed for service delivered to Customers prior to the current billing cycle.

Business Day: Any weekday when the Company's business offices are open.

Capacity Release: Interstate pipeline transportation capacity released by the Company to Seller or

Seller's Agent in accordance with FERC regulations and the tariffs of the interstate pipelines.

Capacity Release Service Adjustment ("CRSA"): The Statement of Gas Costs and Adjustments for customers pursuant to tariff regulations. The CRSA shall be set annually as of November 1st and will reconcile the difference, positive or negative, between the Company's WACOC and the average price of capacity released to marketers serving transportation customers. The Company will estimate the CRSA in advance of each year by determining the unit cost difference between its estimated WACOC and estimated average price of pipeline capacity released under the Marketer Capacity Program. The unit cost is multiplied by the annual volume of capacity released, and a per therm rate is determined by dividing this annual cost difference by the Company's Annual Forecasted Firm Sales. In its Annual Reconciliation Filing, the Company will reconcile its initial estimate of the CRSA actual release rates, actual volume of capacity released, and actual Customer use in therms.

City Gate: The points of delivery between the interstate pipelines providing service to the New York Metropolitan area and the New York Facilities System, which point is used by Brooklyn Union and others.

Company: KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and/or The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY).

Core Customer: A customer who lacks or chooses not to utilize alternatives to natural gas. If a customer chooses to be a core customer for a specific application or end-use, such application must be separately metered.

Critical Day: Any 24-hour period commencing 8:00 a.m. in which the Company has declared to be a "Critical Day" on eight hour prior notice.

Customer or Consumer: A person, firm, partnership, corporation, association, developer, builder, governmental agency, or any other entity approved for and supplied gas sales or transportation service by the Company. In general, residential or residing Customers are those maintaining residence at the premises to which gas is supplied whereas non-residential or non-residing Customers do not. A new Customer is a Customer who was not the last Customer at the premises to be served with gas regardless of whether the new Customer was a former Customer or is a Customer at a different location. Customers are covered by 16 NYCRR, Parts 11 and 13.

Customer's Commodity Account: The amount of natural gas, measured in therms, that (i) has been delivered to the Company for redelivery to the Customer but has not been consumed by the Customer or (ii) has been consumed by the Customer in excess of the amount that has been delivered to the Company for the Customer. A positive balance in the Customer's Commodity Account means that the Customer has used less natural gas than has been delivered to the Company for redelivery to the Customer and that the Company is holding such amount of the customer's gas in storage. A negative balance in the Customer's Commodity Account means that the Customer has used more natural gas than has been delivered to the Company for redelivery to the Customer.

Daily Delivery Quantity (DDQ): The total daily quantity of gas, grossed up for UFG, the Seller is required by the Company to deliver each day to the

Company's city gate to serve the estimated gas consumption of the Seller's customers. Such quantity shall be determined at least monthly by the Company and is subject to the limitations, restrictions, and other provisions contained in tariffs.

Energy Service Company (ESCO): An entity eligible to sell natural gas to the Company's transportation customers pursuant to tariff guidelines. ESCOs may also sell other energy supplies and energy related services to customers.

Existing Core Customer: A Core Customer taking firm service under Sales Service Classifications.

Factor of Adjustment: For KEDLI 1.028 – computed as the constant 1.0 divided by the difference between the constant 1.0 and Unaccounted For Gas (UFG). For KEDNY 1.024 computed as the constant 1.0 divided by the difference between the constant 1.0 and UFG.

Firm Customer: A customer offered service under schedules or Contracts designed to provide customer's gas supply or transportation needs on a continuous basis.

Gas Cost Year: The twelve months beginning each September 1 and ending on August 31.

Gas Year: The 12-month period beginning November 1st and ending October 31st of each year.

GTOP Manual: Gas Transportation Operating Procedures Manual.

KEDLI: KeySpan Gas East Corporation d/b/a/ National Grid (KEDLI).

KEDNY: The Brooklyn Union Gas Company d/b/a/ National Grid NY (KEDNY).

Late Payment: Payment made more than 20 calendar days after the date payment s due. The due date for payment is specified by the Company on its bill, and is not earlier than the personal delivery date of the bill or earlier than three calendar days after the mailing of the bill. If Billing Agency arrangement exists refer to Uniform Business Practices for Retail Access section IX.B.5.

Load Factor: The ratio of : 1) the average daily normalized annual consumption of the Seller's Pool to 2) the estimated peak day consumption of the Seller's Pool.

Load Profile Factor: The Pool's maximum month's normalized consumption, divided by the minimum month's consumption minus one, all calculated as per the Company's records. The minimum load profile will never be less than one; the maximum load profile will never be greater than five.

Marketer: A person or entity eligible to sell natural gas to the Company's transportation Customers. May be used interchangeably with ESCO, Seller and/or Direct Customer.

Monthly Delivered Quantity: The amount of natural gas that the Company estimates that a firm Customer will use in a calendar month.

New Core Customer: Any core customer that is not an Existing Core Customer.
Partial Gas Cost Year: January 1, 2008 through August 31, 2008.

Non-Core Customer: A customer who has and chooses to utilize alternatives to natural gas. If a customer chooses to be a non-core customer for a specific application or end-use, such application must be separately metered.

Operational Flow Order: Actions taken by the Company to control system operations.

Pool: A group of one or more customers to whom a Seller is selling gas, who are receiving transportation service, whose gas usage is aggregated by the Seller for the purpose of providing service under tariff guidelines.

Receipt Point (for customer-owned gas): The Company's City Gate(s) or the points of delivery between the interstate pipelines providing service to the New York Metropolitan area and the New York Facilities System, which point is used by "Brooklyn Union" and others.

Seller: A Seller is either: 1) an ESCO or Marketer that meets the Seller qualifications under the applicable Service Classifications and is selling gas to a Pool; or 2) a Core or Non-Core Customer who is qualified to purchase natural gas and deliver it to the Company's city gate on his own behalf. Seller is required by the Company to deliver each day to the Company's city gate to serve the estimated gas consumption of the Seller's Pool. Such quantity shall be determined at least monthly by the Company and is subject to the limitations, restrictions, and other tariff provisions. Seller may be used interchangeably with ESCO, Marketer and/or Direct Customer.

Seller's Agent: An ESCO or Marketer that is designated as agent by the Seller, to whom the Company will release capacity on behalf of the Seller, in order for the Seller to serve his pool's demand.

Seller Service Agreement: The agreement between the Company and Seller to provide service, the form of which is included in this Schedule for Gas Service, and the term of which shall be for a period of no less than twelve months.

Service Agreement: An agreement executed by an eligible Customer that chooses to purchase natural gas from a qualified seller.

Supplier: A party that sells the commodity of natural gas.

Transporter: An interstate pipeline transporting gas to points of receipt on the Company's delivery system for the Pool's account.

Unaccounted for Gas ("UFG"): A percentage computed by subtracting the losses

established by contract for non-firm power generation customers from system losses, and then dividing the difference by all sendout except for those customers.

Upstream: From a reference point, any point located nearer to the origin of flow than the reference point.

Weighted Average Cost of Capacity ("WACOC"): The Company's weighted average cost of capacity. This cost consists of the weighted average of: 1) the demand charges of firm domestic and unbundled Canadian pipeline transportation capacity the Company holds to deliver flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the weighted basis cost of the Company's firm bundled city gate winter supply purchase contracts.

D. Tier 2 Winter Bundled Sales Example Calculation
 Example Calculation Weighted Cost of Capacity
 Tier 3 Virtual Storage Service Example Calculation

APPENDIX D
 Tier 2 Winter Bundled Sales Example Calculation

Transco Commodity Price Example Calculation

Zone	IF Index Price a	Transco FT b	Transco Fuel c	Fuel Cost $d = a / (1 - c) - a$	Weight e	Total $f = e (a + b + d)$
	\$/dt	\$/dt	%	\$/dt	%	\$/dt
Z1-Z2	\$ 3.6600	\$ 0.0377	4.64%	\$ 0.1781	17.0%	\$ 0.6589
Z2-Z2	\$ 3.9900	\$ 0.0358	4.37%	\$ 0.1823	25.0%	\$ 1.0520
Z3-Z2	\$ 4.1200	\$ 0.0331	4.02%	\$ 0.1726	58.0%	\$ 2.5089
ACA Surcharge						\$ 0.0019
Transco Unit Cost (\$/dt)						\$ 4.2217

Texas Eastern Commodity Price Example Calculation

Zone	IF Index Price g	Tetco CDS h	Tetco Fuel i	Fuel Cost $j = g / (1 - i) - g$	Weight k	Total $l = k (g + h + j)$
	\$/dt	\$/dt	%	\$/dt	%	\$/dt
STX-M3	\$ 3.5000	\$ 0.0623	8.59%	\$ 0.3289	17%	\$ 0.6615
WLA-M3	\$ 3.9900	\$ 0.0609	7.72%	\$ 0.3338	27%	\$ 1.1839
ELA-M3	\$ 4.0600	\$ 0.0603	7.34%	\$ 0.3216	44%	\$ 1.9544
ETX-M3	\$ 3.2700	\$ 0.0603	7.34%	\$ 0.2590	12%	\$ 0.4307
ACA Surcharge						\$ 0.0019
Texas Eastern Unit Cost (\$/dt)						\$ 4.2324

Weighted Average Transco / Tetco Commodity Price (75% Transco, 25% Tetco)	\$ 4.2244
Weighted Average Cost of Capacity (See Appendix B)	<u>\$ 0.8842</u>
Tier 2 Winter Bundled Sales Rate	\$ 5.1086

APPENDIX D
Example Calculation
Weighted Average Cost of Capacity for Retail Marketer Program
Estimated for Period 11/01/2009 through 10/31/2010
Updated 06/08/2009

Service/Rate Schedule	KeySpan Gas East Corporation			The Brooklyn Union Gas Company			Total		
	MDQ (Dth/day)	Annual (Dth/yr)	Annual (\$/yr)	MDQ (Dth/day)	Annual (Dth/yr)	Annual (\$/yr)	MDQ (Dth/day)	Annual (Dth/yr)	Annual (\$/yr)
Pre-April 2004 Assets & Replacements									
Dominion FTNN ⁽²⁾	26,021		\$ 1,360,669	40,301		\$ 2,107,388	66,322		\$ 3,468,057
Iroquois RTS-Demand	65,760	24,002,400	\$ 8,751,499	70,819	25,848,935	\$ 9,424,762	136,579	49,851,335	\$ 18,176,261
Iroquois RTS-Demand				10,117	3,692,705	\$ 1,346,395	10,117	3,692,705	\$ 1,346,395
Tennessee FTA	2,518	919,070	\$ 86,116	30,180	11,015,700	\$ 1,032,156	32,698	11,934,770	\$ 1,118,272
Tetco CDS - Determinants									
STX	8,999		\$ 734,750	15,417		\$ 1,258,767	24,416		\$ 1,993,517
WLA	10,215		\$ 346,289	17,500		\$ 593,250	27,715		\$ 939,539
ELA	18,661		\$ 531,839	31,969		\$ 911,117	50,630		\$ 1,442,955
ETX	5,196		\$ 136,489	8,903		\$ 233,864	14,099		\$ 370,353
M1	33,107	12,084,055	\$ 4,384,426	56,718	20,702,070	\$ 7,511,278	89,825	32,786,125	\$ 11,895,704
Tetco FT-1 (FTS 4-1)	22,500	8,212,500	\$ 2,181,870	27,500	10,037,500	\$ 2,666,730	50,000	18,250,000	\$ 4,848,600
Tetco FT-1 Upstream CNG									
STX	3,419		\$ 270,005	5,600		\$ 442,243	9,019		\$ 712,248
WLA	3,881		\$ 121,180	6,357		\$ 198,491	10,238		\$ 319,671
ELA	7,090		\$ 183,092	11,613		\$ 299,894	18,703		\$ 482,986
ETX	1,973		\$ 46,547	3,234		\$ 76,297	5,207		\$ 122,844
M1	12,578		\$ 1,233,751	20,804		\$ 2,021,005	33,182		\$ 3,254,756
Tetco FTS	1,110	405,150	\$ 71,262		934,400	\$ 164,352	3,670	1,339,550	\$ 235,614
Tetco FTS 4-2					5,000	\$ 1,825,000	5,000	1,825,000	\$ 463,140
Tetco X-130				12,161	4,438,765	\$ 1,100,765	12,161	4,438,765	\$ 1,100,765
Texas Gas FT Upstream CNG				3,737		\$ 428,570	3,737		\$ 428,570
TransCanada (2006)	16,086		\$ 1,467,203	12,142		\$ 1,107,405	28,228		\$ 2,574,607
TransCanada (2007)	21,347		\$ 1,946,992	28,326		\$ 2,583,598	49,673		\$ 4,530,590
Transco FT (X-265)				3,500	1,277,500	\$ 151,639	3,500	1,277,500	\$ 151,639
Transco FT (X-266)				3,250	1,186,250	\$ 140,808	3,250	1,186,250	\$ 140,808
Transco FT	1,811	661,015	\$ 296,517	1,969	718,685	\$ 322,388	3,780	1,379,700	\$ 618,904
Transco FT	110,484	40,326,660	\$ 18,089,640	245,955	89,773,575	\$ 40,270,630	356,439	130,100,235	\$ 58,360,271
Transco FT Upstream CNG				10,688		\$ 1,794,125	10,688		\$ 1,794,125
Transco FT Seasonal ⁽¹⁾	1,863	167,670	\$ 149,898	4,244	381,960	\$ 341,872	6,107	549,630	\$ 491,770
Transco X-271	2,100	766,500	\$ 90,994			\$ 2,100	766,500		\$ 90,994
Vector FT-1	12,500		\$ 819,989	12,500		\$ 819,989	25,000		\$ 1,639,978
TransCanada (Long Haul)	41,033		\$ 17,095,333	41,203		\$ 17,166,159	82,236		\$ 34,261,491
Sub total			\$ 60,396,338			\$ 96,979,077			\$ 157,375,415
Shared Assets - Allocation between KeySpan Gas East Corporation & The Brooklyn Union Gas Company									
Sharing Percentage	34.3%			65.1%			100.0%		
Firm Transportation									
Algonquin	68,404		\$ 8,791,282	127,596		\$ 16,398,638	196,000		\$ 25,189,920
Empire	52,612		\$ 5,520,946	98,138		\$ 10,298,383	150,750		\$ 15,819,328
Iroquois RTS-Demand	4,188	1,528,620	\$ 557,349	7,812	2,851,380	\$ 1,039,640	12,000	4,380,000	\$ 1,596,989
Iroquois	69,800	25,477,000	\$ 11,464,650	130,200	47,523,000	\$ 21,385,350	200,000	73,000,000	\$ 32,850,000
Millennium	69,800		\$ 12,920,371	130,200		\$ 24,100,749	200,000		\$ 37,021,120
Tenn FT-A Negotiated to Z4 (Leidy)	17,799		\$ 2,231,492	33,201		\$ 4,162,468	51,000		\$ 6,393,960
TransCanada (2008) - Kirkwall to Chippewa	45,370		\$ 1,399,196	84,630		\$ 2,591,308	130,000		\$ 3,990,503
Transco FT - Market Link @ Negotiated Rate (Leidy to NYC)	8,725	3,184,625	\$ 1,115,496	16,275	5,940,375	\$ 2,080,768	25,000	9,125,000	\$ 3,196,264
Transco FT - Leidy East @ Negotiated Rate (Leidy to NYC)	8,725	3,184,625	\$ 1,115,496	16,275	5,940,375	\$ 2,080,768	25,000	9,125,000	\$ 3,196,264
Transco FT - Leidy to Long Beach (LLI07)	13,147	4,798,750	\$ 5,138,310	24,524	8,951,250	\$ 9,584,640	37,671	13,750,000	\$ 14,722,950
Transco FT - Leidy to Long Beach (ML07)	13,147	4,798,750	\$ 5,138,310	24,524	8,951,250	\$ 9,584,640	37,671	13,750,000	\$ 14,722,950
Union - Dawn to Kirkwall	45,847		\$ 1,012,214	85,520		\$ 1,888,112	131,367		\$ 2,900,325
Bundled City Gate Supplies									
Sub total			\$ 55,005,104			\$ 102,602,644			\$ 157,607,748
								LJ Share	\$ 55,005,104
								NY Share	\$ 102,602,644
Total Cost (\$)			\$ 115,401,442			\$ 199,581,720			\$ 314,983,163
Billing Determinant (Dth)		130,517,390		251,990,675			382,508,065		
Unit Cost (\$/Dth)			\$ 0.8842			\$ 0.7920			\$ 0.8235

(1) Transco FT Seasonal is a 90 Day Contract, with the demand charges spread over the entire year.

(2) BUG Dominion FTNN 40,301 Dth/day MDQ is a new contract effective on 3/31/03 which replaces the original contract of 50,745 Dth/day MDQ.

APPENDIX D
Tier 3 Virtual Storage Service Example Calculation

Summer Injections							
2009 Storage Inventory Cost	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Average</u>
NYMEX Settle	\$3.32	\$3.54	\$3.64	\$3.76	\$3.86	\$4.02	\$3.69
System Average Basis	\$0.02	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	\$0.00
Transportation & Injection Charges	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Transportation & Injection Fuel Loss	\$0.27	\$0.28	\$0.29	\$0.30	\$0.31	\$0.32	<u>\$0.30</u>
2009 Summer Inventory Price							\$4.06

	Price	Weight	Average
Storage Inventory Price			
4/30/09 Inventory Price	\$9.17	28%	\$2.53
2009 Summer Inventory Price	\$4.06	72%	\$2.94
Weighted Average Inventory Price			\$5.47

Winter Withdrawals				
City Gate Commodity Price	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>
Weighted Average Inventory Price	\$5.47	\$5.47	\$5.47	\$5.47
Withdrawal Charges & Fuel Loss	<u>\$0.13</u>	<u>\$0.13</u>	<u>\$0.13</u>	<u>\$0.13</u>
Delivered Storage Commodity Price	\$5.60	\$5.60	\$5.60	\$5.60
Weighted Average Storage Demand Price	\$0.76	\$0.76	\$0.76	\$0.76
Total Billed Storage Price	\$6.36	\$6.36	\$6.36	\$6.36

E. Uniform Business Practice Rules

The Uniform Business Practice Rules may be accessed at www.dps.state.ny.us/ubp_manual_9-2009.pdf

To Open, hit control and click

Definitions:

"Accounting Instruction" means the cost allocation methodology collaboratively developed by the Signatory Parties and attached hereto as Appendix "B" made a part hereof.

"Affiliate" means HoldCo and any Subsidiary of HoldCo.

"Affiliate Transaction" means any interaction between either of the Jurisdictional Subsidiaries and an Affiliate by which an item of value, whether tangible or intangible, is transferred.

"Annual Report" means the report that will be served on the parties within ninety (90) days after the end of each calendar year during the term of this Agreement, beginning with the first full calendar year following the Consummation Date, which will contain the information detailed in various sections of this Agreement.

"Approval Order" means the Commission order approving this Agreement on terms and conditions acceptable to the Companies and each other Signatory Party.

"August 1 Filing" means the annual filing of tariff leaves that may be made by LILCO by no later than August 1 of each year of the term of the LILCO Gas Rate Plan, which leaves will have a proposed effective date no earlier than December 1 of the same calendar year, and which leaves may reflect revisions to LILCO Core Service rates implementing changes contemplated by the LILCO Gas Rate Plan contained in this Agreement.

"Balancing Account" means the regulated accounts where certain deferred debits or credits arising out of the operation of this Agreement and the Brooklyn Union Rate Plan or the LILCO Gas Rate Plan will be recorded. The Balancing Account for Brooklyn Union is referred to in this Agreement as the "Brooklyn Union Balancing Account," and the Balancing Account for LILCO is referred to herein as the "LILCO Gas Balancing Account."

"Brooklyn Union" means The Brooklyn Union Gas Company. After the Consummation Date, Brooklyn Union will be one of KeySpan subsidiaries of HoldCo.

"Brooklyn Union Core Customer" means a customer taking sales service under either Service Classification (SC) No. IA (Residential Non-Heating), 1AR (Residential Non-Heating Low-Income), 1B (Residential Heating), 1BR (Residential Heating Low-Income), 1BI (Residential Heating Introductory), 2 (General Service), 3 (Multi-Family Heating), 4A (High Load Factor), B (Year-Round Air Conditioning) or 7 (Seasonal Off-Peak), or transportation and related balancing and swing service under SC Nos. 16 (Comprehensive Transportation and Balancing) or 17 (Core Transportation and Swing) of the Brooklyn Union Tariff.

"Brooklyn Union Core Service" means sales or transportation service provided under SC Nos. 1A, 1AR, 1B, 1BR, 1BI, 2, 3, 4A, 4B, 7, 16 and 17 of the Brooklyn Union Tariff.

"Brooklyn Union Rate Plan" means the rate plan for Brooklyn Union reflected in the Holding Company Agreement, which plan will continue in effect as amended by and as described in this Agreement.

"Brooklyn Union Tariff" means Brooklyn Union's Schedule for Gas Service - P.S.C. No.12 -GAS.

"Brooklyn Union Temperature Controlled Service" means sales service provided under SC Nos. 6C (Temperature Controlled Commercial), 6G (Temperature Controlled Governmental) or 6M (Temperature Controlled Multi-Family), or transportation service under the corresponding rate schedule in SC 18 (Non-Core Transportation) of the Brooklyn Union Tariff.

"Combination" means the business combination of KeySpan and LILCO under holding company form as described in this Agreement.

"Companies" means The Brooklyn Union Gas Company and Long Island Lighting Company before the Consummation Date. Where the context requires, the agreements, rights and obligations of the Companies reflected in this Agreement will become agreements, rights and obligations of HoldCo, and/or KeySpan and/or Brooklyn Union and/or LILCO on and after the Consummation Date.

"Complying Investment" means an investment by HoldCo in a Non-Utility engaged in one or more of the lines of business contained in Appendix "C" attached hereto and made a part hereof.

"Consummation Date" means the date on which the transactions to effect the Combination are consummated.

"Corporate Administrative Services" means the general supervision, corporate planning, oversight and conduct of centralized administrative services for HoldCo and its Subsidiaries. Such supervision, planning, oversight and conduct includes the following activities: human resources planning and administration, accounting, finance and treasury services, insurance and risk management, regulatory and governmental relations, corporate communications and external relations, consumer outreach and education, information systems and technology, materials management and procurement, legal services, call center operations, corporate and strategic planning, internal auditing, billing and payment processing, budget administration, security services, fleet management and maintenance (provided it does not interfere with the availability of vehicles necessary for the provision of safe, adequate and reliable service by a Utility), and building design, maintenance and management of Affiliate-owned or leased buildings. The term "fleet management and maintenance" does not include the joint ownership and leasing of vehicles between a Jurisdictional Subsidiary and an Affiliate, other than between LILCO and a Successor Company.

"Corporate ServeCo" means one or more Subsidiaries which may be formed to perform

Corporate Administrative Services for HoldCo and any of its Subsidiaries.

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"Customer Information" means any of the following information about an individual customer or any aggregation of individual customers, collected or compiled by a Jurisdictional Subsidiary': name, address, telephone number, identifying information, consumption history, individual usage characteristics, payment history, complaint history and the contents of any application for service.

"ESCO" means an entity engaged in an Energy-Related Business (as described in Appendix "C") and which does business in the service territory of a Jurisdictional Subsidiary. A Jurisdictional Subsidiary engaged in an Energy-Related Business is also an "ESCO."

"ESCO Affiliate" means an Affiliate that is an ESCO but is not (a) a Jurisdictional Subsidiary, (b) a Successor Company, or □ an Affiliate that is engaged exclusively in providing services pursuant to filed tariffs subject to the jurisdiction of the Federal Energy Regulatory Commission or a state utility regulatory agency.

"Exogenous Costs" means any unanticipated cost increases or decreases for Brooklyn Union or LILCO's gas operations resulting from any new mandatory regulatory, legislative or accounting change or tax law change, each in excess of three percent (3%) of pre-tax utility income for the year in which the change first occurs.

"HoldCo" means the holding company that will be formed to effectuate the Combination with the result that, on and after the Consummation Date, KeySpan, Brooklyn Union and LILCO each will be direct or indirect wholly-owned subsidiaries of HoldCo.

"Holding Company Agreement" means the "Stipulation and Agreement Resolving Corporate Structure Issues and Establishing Multi-Year Rate Plan" among Brooklyn Union, Staff, the State Consumer Protection Board (CPB) and the City of New York, dated June 25, 1996.

"June 1 Filing" means the annual filing of tariff leaves that may be made by Brooklyn Union by no later than June 1 of each year of the term of the Brooklyn Union Rate Plan, which leaves will have a proposed effective date no earlier than October 1 of the same calendar year, and which leaves may reflect revisions to Brooklyn Union Core Service rates, Temperature Controlled Service rates and other terms and conditions of service implementing the revenue requirement and rate design changes for the Brooklyn Union Rate Plan contained in this Agreement.

"Jurisdictional Subsidiary" means Brooklyn Union and/or LILCO.

"KeySpan" means KeySpan Energy Corporation, the company that is the parent holding company of Brooklyn Union.

"LILCO" means Long Island Lighting Company before the Combination, or any Subsidiary succeeding to the gas distribution business currently conducted by LILCO.

"LILCO Core Customer" means a LILCO customer taking gas sales or transportation service under either SC Nos. 1 (Residential Service), 2 (General Service), 6 (Commercial Heating Service), 6-MD (Multiple Dwelling Heating Service), or 7 (Firm

Transportation Service) of the LILCO Gas Tariff.

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"LILCO Core Service" means firm gas sales and firm transportation service provided under SC Nos. 1, 2, 6, 6-MD and 7 of the LILCO Gas Tariff.

"LILCO Gas Rate Plan" means the rate plan for LILCO's gas rates applicable to LILCO Core Customers, as described in this Agreement.

"LILCO Gas Tariff" means LILCO's Schedule for Gas Service - P.S.C. No. 4-GAS.

"Non-Complying Investment" means an investment by HoldCo in a Non-Utility that is engaged in one or more lines of business not contained in Appendix "C" attached hereto and made a part hereof.

"Non-Utility" means an entity, other than a ServeCo, that is not a Utility.

"PSL" means the Public Service Law of the State of New York.

"ServeCo" means a Corporate ServeCo or a Utility ServeCo.

"Staff" means the Staff of the Department of Public Service.

"Subsidiary" means an entity that directly or indirectly is controlled by HoldCo or one of its other Subsidiaries. "Controlled" for the purpose of this definition means either (i) owning, directly or indirectly, ten percent (10%) or more of the voting equity interest of an entity, or (ii) having the power to direct the actions, management or policies of that entity.

"Successor Company" means any Subsidiary that provides goods or services to the Long Island Power Authority (LIPA) under the terms of agreements then in effect and does not provide services to any other entity, other than to a Jurisdictional Subsidiary or another Successor Company, and other than assistance to other Utilities to enable them to restore service in the event of any emergency.

"System Information" means information or data regarding the operation of or capacity constraints on and expansion plans relating to the transportation system of a Jurisdictional Subsidiary.

"Total Capital" of an entity means the sum of (i) Total Debt, (ii) common shareholder's equity, and (iii) preferred stock, appearing on the consolidated balance sheet of that entity.

"Total Debt" of an entity means an amount equal to (i) long-term debt, plus (ii) notes payable (including current maturity of long-term debt), minus (iii) cash and cash equivalents; appearing on the consolidated balance sheet of that entity.

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"Utility" means an entity, except an ESCO Affiliate, that is subject to the general supervisory jurisdiction of a state or Federal regulatory agency under a general scheme of utility regulation similar to that contained in the PSL. For example, "Utilities" include interstate and intrastate pipeline systems and storage projects and related activities regulated either by the Federal Energy Regulatory Commission or a state utility regulatory commission. A Successor Company that would not otherwise meet the definition of "Utility," but provides goods or services to LIPA under the terms of agreements then in effect and does not provide services to any other entity, other than to a Jurisdictional Subsidiary or another Successor Company, and other than assistance to other Utilities to enable them to restore service in the event of any emergency, is considered to be a "Utility" for the purposes of this definition.

"Utility Employee" means, at any time, a current or former employee of either LILCO or Brooklyn Union, any part of whose time was allocated "above the line" for rate making purposes in any period during the twelve months immediately preceding such time.

"Utility ServeCo" means one or more Subsidiaries that may be formed to perform for only the Jurisdictional Subsidiaries and the Successor Companies (a) gas and electric transmission and distribution systems planning, (b) marketing (planning, administration and support), (c) gas supply planning, and procurement, (d) research, development and demonstration, (e) meter repair operations, and (f) Corporate Administrative Services.

a. Relationships of LILCO, Brooklyn Union, HoldCo and Affiliates

To ensure that there is no potential for customer harm resulting from the Combination, the Companies will implement a number of customer protections relating to: (1) Affiliate Transactions and cost allocations; (2) personnel allocations and transfers; (3) access to books and records; (4) maintenance of the financial integrity of the Jurisdictional Subsidiaries; (5) diversion of management attention and potential conflicts of interest; (6) anti-competitive concerns; and (7) maintenance of customer service. The Signatory Parties agree, and the Companies explicitly recognize, that HoldCo, the ServeCos and the Jurisdictional Subsidiaries may not accomplish indirectly what they may not accomplish directly under this Agreement, including indirect arrangements that would circumvent pricing at 110% of fully loaded cost where otherwise applicable.

Cost Allocation

All allocations of the costs of HoldCo among its Subsidiaries will be made in accordance with the Accounting Instruction. All allocations of the costs of the Corporate ServeCos and KeySpan ServeCos among the Affiliates to or on behalf of which they are providing services will be made in accordance with the Accounting Instruction. All allocations of costs between Jurisdictional Subsidiaries will be made in accordance with the Accounting Instruction. It is the intent of the Companies to minimize any expenses subject to allocation over the term of this Agreement. Notwithstanding this, the Signatory Parties recognize that HoldCo's and the Corporate and Utility ServeCos' costs incurred to provide Corporate Administrative Services will be allocated or charged in accordance with the Accounting Instruction.

Any amendment to the Accounting Instruction, which amendment may be proposed by the Jurisdictional Subsidiaries or Staff, will be filed with the Commission and served on all parties, and will be subject to review and approval by the Director of A&F. If such Director does not act to approve or disapprove such amendment within ninety (90) days after filing, the amendment will be deemed approved and will take effect.

Affiliate Transactions

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Unless the Companies obtain specific approval of the Commission in advance after a showing that granting such approval would be in the public interest, the following provisions will govern transactions among or between HoldCo and any of its Subsidiaries.

One or more Corporate ServeCos may provide Corporate Administrative Services on behalf of HoldCo and any of its Subsidiaries, including the Jurisdictional Subsidiaries and any other Utility Subsidiary or Non-Utility Subsidiary. In no event will the provision of Corporate Administrative Services by a Corporate ServeCo on behalf of a Non-Utility Subsidiary result in such Subsidiary gaining access to or receiving any Customer Information or System Information. All Corporate Administrative Services shall be charged or allocated to the respective Subsidiary at the respective Corporate ServeCo's fully loaded cost of performing the service or providing the goods.

KeySpan ServeCos may provide the following services to or on behalf of the Jurisdictional Subsidiaries and the Successor Companies, but may not provide such services to or on behalf of any other Subsidiaries: (I) gas and electric transmission and distribution system planning, (ii) marketing (planning, administration or support), (iii) gas supply planning and procurement, (iv) research, development and demonstration, (v) meter repair operations, and (vi) Corporate Administrative Services. All services performed by a Utility ServeCo on behalf of a Jurisdictional Subsidiary or a Successor Company shall be charged or allocated to the respective Jurisdictional Subsidiary or Successor Company at KeySpan ServeCo's fully loaded cost of performing the service.

The Corporate ServeCos may perform call center operations for the Jurisdictional Subsidiaries and the other Subsidiaries. However, any Corporate ServeCo providing call center operations to both a Jurisdictional Subsidiary and Non-Utility Subsidiaries shall implement and enforce such policies and procedures; including technological safeguards, to ensure that Customer Information or System Information is not disclosed to a Non-Utility Subsidiary. At least thirty (30) days prior to the performance of call center operations by a Corporate ServeCo for a Non-Utility Subsidiary, HoldCo will provide a report to the parties detailing specifically the measures that will be taken to ensure compliance with the requirements of this subsection, including a certification by the Chief Information Officer of HoldCo (or equivalent if there is no Chief Information Officer) that such technological safeguards will be in place.

HoldCo may engage in general governance, policy and corporate planning oversight and strategic management and direction for its Subsidiaries. All services performed by HoldCo on behalf of a Subsidiary shall be charged or allocated to the respective Subsidiary at HoldCo's fully loaded cost of performing the service.

Any non-tariffed goods or services provided by a Jurisdictional Subsidiary to HoldCo or a ServeCo shall be priced at the Jurisdictional Subsidiary's fully loaded cost of providing the goods or performing the service.

Jurisdictional Subsidiaries may engage in non-tariffed transactions with each other and

with any other Utility Subsidiary. Any such transaction shall be priced at the fully loaded cost of providing the goods or performing the service.

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Jurisdictional Subsidiaries, Utility Subsidiaries and Non-Utility Subsidiaries may engage in tariffed and non-tariffed Affiliate Transactions, except that Jurisdictional Subsidiaries may not engage in providing marketing or sales services, electric and gas transmission and distribution systems planning, marketing (planning, administration and support), gas supply planning and procurement, or use any of its marketing or sales employees to provide any services for any Non-Utility Subsidiaries. Any provision of goods or services between a Jurisdictional Subsidiary and any Non-Utility Subsidiary, other than tariffed transactions, will be pursuant to written contract that will be filed with the Commission within five (5) days of its execution and, with respect to any Affiliate that is not a Jurisdictional Subsidiary or a Successor Company, be subject to the requirements of subsection IV.H.2.e of this Agreement.

Any non-tariffed goods or services provided by a Jurisdictional Subsidiary to any Non-Utility Subsidiary shall be priced at the greater of fair market value or 110% of the fully loaded cost of providing the particular goods or performing the particular services. Any tariffed goods or services provided by a Jurisdictional Subsidiary to any Affiliate shall be provided pursuant to the terms and conditions of the applicable tariff and, with respect to any Affiliate that is not a Jurisdictional Subsidiary or a Successor Company, be subject to the requirements contained in subsection IV.H.2.e of this Agreement.

Any goods and services provided by a Non-Utility Subsidiary to a Jurisdictional Subsidiary shall be priced at the lesser of fair market value or fully loaded cost.

Separation of LILCO, Brooklyn Union, HoldCo and Subsidiaries

In addition to the provisions regarding Affiliate Transactions contained in section IV.C.2, HoldCo and its Subsidiaries will be required to comply with the following requirements:

The costs of operating HoldCo and the Subsidiaries will be accurately and separately accounted for and, where necessary, appropriately allocated based upon the Accounting Instruction and all additional applicable orders of the Commission or other regulatory authority.

No operating Non-Utility Subsidiary will be located in the same building as a Jurisdictional Subsidiary. HoldCo, the ServeCos, KeySpan, the Jurisdictional Subsidiaries, any Utility Subsidiary and any non-operating Subsidiary may be located in the same building. For the purposes of this subsection, the "non-operating" Subsidiary shall mean a Subsidiary that holds only equity interests in other entities and has no operating employees. The Jurisdictional Subsidiaries must have their main offices located in New York State.

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HoldCo will prepare and issue an Ethical Business Conduct Statement as of the Consummation Date incorporating the requirements of this Agreement. The Ethical Business Conduct Statement, to which will be attached a relevant extract of this Agreement detailing the separation requirements hereof, will apply to HoldCo, the ServeCos, KeySpan, LILCO, Brooklyn Union and the other majority-owned (i.e., more than 50% equity interest) Subsidiaries. At least annually throughout the term of this Agreement, the Ethical Business Conduct Statement will be issued to all employees of HoldCo and its majority-owned Subsidiaries, and signed by all management employees of HoldCo and each of its majority-owned Subsidiaries.

Royalty Credit

The Brooklyn Union Rate Plan and the LILCO Gas Rate Plan and the annual revenue requirements established thereunder are intended to and do resolve all issues surrounding the royalty credit to gas utility customers to compensate them for the affiliation of Non-Utility Subsidiaries with the Jurisdictional Subsidiaries. The Companies agree, for the term of this Agreement, not to contest or otherwise challenge the generic authority of the Commission to impose a royalty as a rate making credit to (a) compensate utility customers for the benefit of use of the name, reputation and expertise of a Jurisdictional Subsidiary and (b) capture any "unquantifiable" subsidies or misallocations resulting from Affiliate Transactions.

Annual Report - Affiliate Transactions

The Annual Report will contain (a) a certification from the respective Chief Accounting Officer of each of the Jurisdictional Subsidiaries that the Accounting Instruction has been followed in connection with all Affiliate Transactions for the year covered by the particular Annual Report; (b) a list of all asset transfers between the Jurisdictional Subsidiaries, the ServeCos and HoldCo and the price at which such assets are transferred; □ a list of all Utility Employees transferred to or hired by HoldCo, a ServeCo or any Non-Utility Subsidiary, including the name of each individual transferred or hired, as well as that individual's Utility salary, new salary, Utility title and new title; (d) a summary of all Affiliate Transactions, aggregated by the dollar amount of transactions for each Affiliate dealt with and the dollar amount of transactions aggregated by major transaction type, and (e) a list of all Corporate Administrative Services that are allocated among the Jurisdictional Subsidiaries and other Affiliates during the calendar year in question, broken down by Affiliate, major function, dollar amount allocated and method of allocation. This report does not preclude the Jurisdictional Subsidiaries from complying with any future generic reporting requirements regarding Affiliate Transactions. The Jurisdictional Subsidiaries shall maintain available for inspection by Staff and the CPB, written documentation of all individual Affiliate Transactions including terms, prices and determinations of fair market value, as applicable.

Funding of Outside Auditor

The Commission may, during the term of this Agreement, require that an independent auditor review the compliance of HoldCo, each Jurisdictional Subsidiary and any other Subsidiary with the terms of this Agreement. The identity of the independent auditor will

be determined by the Commission. The cost of such audit and review shall not be recorded by any Jurisdictional Subsidiary as an "above the line" expense.

Personnel Allocation and Transfers

1. Prohibition on Loan or Allocation of Employees

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The Jurisdictional Subsidiaries will not lend or allocate the time of any Utility Employees to any Subsidiary or Affiliate that is not a Jurisdictional Subsidiary or a Successor Company. The Jurisdictional Subsidiaries may lend or allocate the time of any Utility Employees to any other Jurisdictional Subsidiary or Successor Company, but only if such loan or allocation of time does not impair the ability of any Jurisdictional Subsidiary to provide safe, adequate and reliable service to its customers.

2. Transfer of Employees

Utility Employees may be transferred to HoldCo and to any Subsidiary, except that no transfer will be made if such transfer would impair the ability of a Jurisdictional Subsidiary to discharge effectively its obligations under the PSL to provide safe and adequate utility service; provided that any Utility Employee transferred, other than a Utility Employee who (I) has been transferred to another Jurisdictional Subsidiary or Successor Company, (ii) has been transferred to a ServeCo, or (iii) is covered by a collective bargaining agreement between a Jurisdictional Subsidiary and an exclusive bargaining representative, may not transfer back until after the expiration of an eighteen (18) month period.

Except for the transfer of Utility Employees (I) to HoldCo or KeySpan within six (6) months following the Consummation Date, (ii) to a Utility Subsidiary, (iii) to a ServeCo, (iv) to a Non-Utility Subsidiary if any function currently being performed by Utility Employees for a Jurisdictional Subsidiary may no longer be performed by the Jurisdictional Subsidiary pursuant to statutory requirement, regulation or Commission policy, or (v) who are covered under a collective bargaining agreement between a Jurisdictional Subsidiary and a collective bargaining representative, LILCO or Brooklyn Union, as the case may be, will accrue a rate making credit equal to twenty percent (20%) of the first year anticipated total compensation for each Utility Employee transferred. The amount of any such credit will be reflected in the Brooklyn Union Balancing Account or the LILCO Gas Balancing Account, as the case may be, for later reflection in rates.

Benefits Plans

Employees of HoldCo and its Subsidiaries may participate in common employee benefit plans; provided, however, that for so long as LILCO is subject to a reconciliation of its actual and forecast pension and other post-employment benefits (P&OPEB) expense, it shall not have common P&OPEB plans with Brooklyn Union/KeySpan. The costs of such plans will be allocated among HoldCo and such Subsidiaries in accordance with the Accounting Instruction.

Access to Books and Records

1. HoldCo, KeySpan, ServeCo, and Jurisdictional Subsidiaries

Staff and the CPB will have unrestricted direct access to all books and records, contracts and Board of Director's minutes of HoldCo, KeySpan, the ServeCos and the Jurisdictional Subsidiaries.

2. Majority-held Non-Utility Subsidiaries

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Staff and the CPB will have unrestricted access, given reasonable notice, to all books and records, contracts and Board of Directors' minutes of HoldCo's majority-owned (more than fifty percent (50%) Non-Utility Subsidiaries.

3. Other Subsidiaries

Staff and the CPB will be provided access to any information regarding any Non-Utility Subsidiary that is not majority-owned directly or indirectly by HoldCo, to the extent that such information concerns Affiliate Transactions between such Non-Utility Subsidiary and a Jurisdictional Subsidiary.

4. Equipment and Space for On-Site Staff

Staff personnel working or stationed on-site at a Jurisdictional Subsidiary will be afforded the equipment, electronics and training to access directly, on a comparable basis to the personnel of such Jurisdictional Subsidiary (but subject to applicable trade secret protections), all books and records, contracts and Board of Directors' minutes - Staff will be afforded an adequately equipped office in the headquarters of each Jurisdictional Subsidiary.

5. Privileged Information

Nothing contained in sections IV.E.1-4 requires or will be construed to require HoldCo, any Jurisdictional Subsidiary or any other Subsidiary to provide Staff or the CPB access to, or to make disclosure to Staff or CPB of, any information as to which the entity in possession of such information would be entitled to assert a legal privilege, if either (i) the privilege could be asserted against Staff or the CPB in a proceeding before the Commission, or (ii) providing Staff or the CPB access to or making disclosure of such information to Staff and the CPB would impair in any manner the right of the entity in possession of such information to assert such privilege against third parties. If Staff or the CPB seeks access to or disclosure of any information that either HoldCo or any, Subsidiary believes is privileged, then HoldCo or the affected Affiliate may utilize applicable Commission procedures to assert such privilege and protect such information from access or disclosure.

6. Confidentiality of Records

a. HoldCo and the Jurisdictional Subsidiaries will designate as confidential any non-public information to or of which Staff or the CPB requests access or disclosure and which HoldCo and the Jurisdictional Subsidiaries believe is entitled to be treated as a trade secret. Any party will have the right to contest the trade secret nature of such designated confidential information.

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b. In the event that a party receiving any information designated as confidential pursuant to the procedures described in this Agreement desires to use such information in a litigated proceeding before the Commission, or desires to use or refer to such information in a memorandum or other document which may become an "agency record" as that term is defined in the New York Freedom of Information Law, such party first will so notify counsel for HoldCo and afford HoldCo and/or the Jurisdictional Subsidiaries the opportunity to apply to the presiding administrative law judge or the Commission's Records Access Officer, as the case may be, for a ruling designed to maintain the confidentiality of such information under Part 6-1 of the Commission's Rules of Procedure. Staff and any other party may object to any such application on the grounds that such information is not entitled to be treated as a trade secret under Part 6-1.

c. Company Liaisons

The chief financial officer of each of HoldCo and each Jurisdictional Subsidiary (or, in the event that there is no named chief financial officer for any one or more of those companies, a senior officer of such company having comparable responsibilities to a chief financial officer) will designate a company employee, as well as an alternate to act in the absence of such designee, to act as liaison between HoldCo, the Jurisdictional Subsidiaries and Staff (Company Liaisons). The Company Liaisons will be responsible for ensuring adherence to the established procedures and production of information for Staff and will be authorized to provide Staff access to any requested information.

Discovery by Other Parties

If any party to a proceeding before the Commission to which a Jurisdictional Subsidiary also is a party desires discovery of information that has been disclosed to Staff or the CPB, or to which Staff or the CPB has had access, pursuant to the terms of this Agreement, the Jurisdictional Subsidiary will not raise as a ground for objecting to such discovery request the fact that such information is not in its possession. All other grounds for objection to any such discovery request should apply.

Lists and Copies of Securities and Exchange Commission Filings

A list of all filings made with the Securities and Exchange Commission by HoldCo or any Subsidiary will be provided quarterly to the Director of A&F and any other party requesting such list, along with an acknowledgment that upon request, Staff or such other party will be provided with a copy of any such filing.

Annual Report - Non-Utility Investments

The Annual Report will contain: (a) a description of all Non-Utility investments made by HoldCo during the fiscal year, and (b) financial statements for each Non-Utility Subsidiary for the fiscal year.

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Maintaining the Financial Integrity of the Jurisdictional Subsidiaries

Diversion of Management Attention/Conflicts of Interest

1. Common Officers

The Secretary and/or Treasurer of any Jurisdictional Subsidiary may serve in the equivalent position for HoldCo or another Subsidiary, but no other officer of a Jurisdictional Subsidiary may serve as an officer of an operating Non-Utility Subsidiary. For the purposes of this section, the term "operating" Subsidiary shall not include a Subsidiary that holds only equity interests in other entities and has no operating employees.

2. Compensation of Jurisdictional Subsidiary Employees

- a. The compensation of the officers and employees of each Jurisdictional Subsidiary will be based only on the service and profitability of that company; provided, however, that the form of such compensation can be HoldCo common stock.
- b. The compensation of common officers and employees of HoldCo, a ServeCo and/or a Jurisdictional Subsidiary may be based on service and profitability of both HoldCo and the Jurisdictional Subsidiaries.
- c. Notwithstanding the foregoing, the Signatory Parties recognize that the nature and amount of the compensation of employees of Jurisdictional Subsidiaries who are represented by a collective bargaining representative will be established by the collective bargaining agreement between such representative and the Jurisdictional Subsidiary in question.

Competitive Conduct

1. General Provision

The standards of conduct described in this part of the Agreement govern conduct between a Jurisdictional Subsidiary and any ESCO Affiliate. Further, these standards are subject to any generic conditions imposed in the Gas Industry Restructuring Proceeding and the Electric Competitive Opportunities Proceeding (Case 94-E-0952) regarding the standards of conduct between Utilities, their Non-Utility affiliates, and third party competitors of such Utilities and/or Non-Utility affiliates. In the event that the Commission issues a generic determination in one or both of such proceedings imposing standards of conduct materially different than those contained in this Agreement, a conference of the parties will be convened to discuss the necessary changes to the standards contained herein. These standards do not preclude the Jurisdictional Subsidiaries from complying with any generic reporting requirements regarding Affiliate Transactions.

2. Standards of Conduct

- a. The Jurisdictional Subsidiaries and their ESCO Affiliates will operate independently to ensure that the Jurisdictional Subsidiaries will be isolated from any liabilities of the ESCO Affiliates, will not provide the ESCO Affiliates with an unfair competitive advantage in the service territories of the Jurisdictional Subsidiaries, and will be in compliance with the separation requirements contained elsewhere in this Agreement with respect to such matters as officers and employees, office space, books and records and Affiliate Transactions. The Jurisdictional Subsidiaries will maintain complete separation between their gas purchasing activities and the gas purchasing activities of Non-Utility Subsidiaries.
- b. The Jurisdictional Subsidiaries may share information and computer systems with ESCO Affiliates through a Corporate ServeCo. However, such Corporate ServeCo will establish policies and procedures, including technological safeguards, to ensure that the ESCO Affiliates do not have access to and do not receive Customer Information or System Information. At least thirty (30) days prior to the sharing of information and computer systems with ESCO Affiliates through a Corporate ServeCo, HoldCo will provide a report to the parties detailing specifically the measures that will be taken to ensure compliance with the requirements of this subsection, including a certification by the Chief Information Officer of HoldCo (or equivalent if there is no Chief Information Officer) that such technological safeguards will be in place.
- c. The Jurisdictional Subsidiaries will avoid any situations that give the appearance that they speak on behalf of their ESCO Affiliates or that their ESCO Affiliates speak on behalf of them. The Jurisdictional Subsidiaries will maintain a list of all ESCOs that are in the business of selling gas at retail in the service territories of the Jurisdictional Subsidiaries and which have been qualified to do so pursuant to Commission requirements. Such list will be provided to customers in response to requests regarding information about securing any retail gas service from an entity other than the Jurisdictional Subsidiary. The Jurisdictional Subsidiaries will not engage in any joint advertising or marketing programs with any Non-Utility Subsidiaries other than as part of a joint promotional, advertising or marketing program involving either or both of the Jurisdictional Subsidiaries and a group of other similarly situated unaffiliated Non-Utility entities.
- d. The Jurisdictional Subsidiaries must not provide their ESCO Affiliates any preferential treatment in obtaining Customer Information or System Information. The Jurisdictional Subsidiaries will establish procedures for providing any Customer Information and System Information to ESCOs and apply these equally to affiliated and unaffiliated ESCOs. The Jurisdictional Subsidiaries will not disclose to ESCO Affiliates any Customer Information or System Information relative to the service territories of the Jurisdictional Subsidiaries that it has not disclosed contemporaneously on an equal basis to all unaffiliated ESCOs. Release of Customer Information will be subject to the prior authorization of the customer and subject to the customer's direction regarding the entity to which the information may be released.

- e. Solely with respect to the provision of Commission-regulated electric and gas service, LILCO and Brooklyn Union each shall offer the same prices, terms and conditions of service within the service territories of LILCO and Brooklyn Union to all similarly situated non-affiliated suppliers or customers that they each offer their Affiliates that are not Jurisdictional Subsidiaries (other than Successor Companies) or customers of such Affiliates. In the event either LILCO or Brooklyn Union enters into an agreement to provide such services at individually negotiated prices, terms or conditions, for any such Affiliate or any customer of one of such Affiliates within the service territories of LILCO and Brooklyn Union, it shall post expeditiously and conspicuously on its Electronic Bulletin Board or World Wide Web site a detailed summary of the prices, terms and conditions of service under such agreement.
- f. If a Jurisdictional Subsidiary makes a new service offering for which ESCO Affiliates or customers of ESCO Affiliates would qualify, or any ESCO Affiliate or customer of an ESCO Affiliate requests use of a specific facility of a Jurisdictional Subsidiary, and the availability of such new service or facility is limited, then such offering or facility must be made on the basis of an "open season," pursuant to which eligible customers would be permitted to subscribe for service during a fixed period of time and, if the service is oversubscribed, then the subscription of each subscriber will be proportionately reduced based on the relative subscriptions of all customers.
- g. The Jurisdictional Subsidiaries shall strictly enforce against their Affiliates any applicable tariff provision for which there is no discretion under the tariff for the application of such provision.
- h. No Jurisdictional Subsidiary may require the provision of any service or price from a Non-Utility Subsidiary as a condition to the provision of any service or rate offered by the Jurisdictional Subsidiary. This section does not prohibit two or more Non-Utility Subsidiaries from lawfully tying or linking their services or prices to each other.

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by taking the sum of 1) the gas commodity price as represented by the NYMEX contract price for the month; 2) the weighted average published basis from the Henry Hub to the liquid trading points in the US that the Company relies on to purchase storage supplies; 3) the weighted average variable transportation costs and fuel losses to transport gas from the receipt points on each of the Company's domestic pipeline transportation contracts to the storage injection points, and 4) the weighted average variable injection costs and fuel losses to inject gas into each of the Company's storage services, including the commodity cost of inventory carried over from the prior year.		
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delivered cost of the virtual storage service		
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Customer shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average Load Factor allocation and then multiplying that product by 1/12 of the Customer's annual normalized consumption.		

Daily Swing Service Monthly Imbalance Charge
Balancing

SC 5 & SC 17 Daily Swing Service Monthly Imbalance Cash Out (KEDNY & KEDLI)

~~The Company will balance the ESCO's account after each meter reading to zero.~~
This will be done by comparing the ESCO's prorated deliveries for each month to the prorated pool usage for each month. If the ESCO's pool consumed more gas than delivered to the Company for his account, the excess shall be purchased by the ESCO at the Company's Monthly Cash Out Price for the same month the gas was consumed. If the ESCO's pool consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the ESCO at the Company's Monthly Cash Out Price for the same month the gas was consumed.

SC 18 Monthly Balancing Cash Out (KEDNY)

The Company will balance the ESCO's account at the end of each month to zero. This will be done by comparing the sum of the ESCO's deliveries for the month to the ESCO's pool actual usage for the same period. If the ESCO delivered more gas to the Company for its account than its pool consumed, the excess will be purchased by the Company at the Company's Monthly Average Commodity Cost of Gas for the same period. If the ESCO's pool consumed more gas than delivered to the Company for its account, the excess shall be deemed purchased by the ESCO at the Company's Actual Monthly ICOG for the same period, and will be reflected as a charge on the ESCO's next monthly invoice.

KEDNY

City Gate Balancing

ESCO shall be responsible for delivering each day to the Company a quantity of gas equal to the ADDQ. Each day, ESCO shall nominate and schedule deliveries of gas to the Company in an amount equal to the Customer's ADDQ. If the total quantity of gas delivered by ESCO to the Company on any day is within 2% of ESCO's ADDQ for such day, and ESCO has met its nomination and scheduling obligations hereunder then,

In the event that the total quantity of gas delivered is more than ESCO's ADDQ, the Company shall credit the ESCO a per therm amount equal to the Company's Daily Commodity Cost of Gas multiplied by the difference between (I) the total quantity of gas delivered by the ESCO to the Company on such day and (ii) ESCO's ADDQ for such day, bringing the imbalance in ESCO's ADDQ to zero each day; or

In the event that the total quantity of gas delivered is less than ESCO's ADDQ, the ESCO shall pay the Company a per therm charge equal to the Company's Daily ICOG multiplied by the difference between (I) ESCO's ADDQ for such day and (ii) the total quantity of gas delivered by the ESCO to the Company on such

day, bringing the imbalance in ESCO's ADDQ to zero each day.

KEDLI

City Gate Balancing

~~Customer shall be responsible for delivering each day to the Company a quantity of gas equal to the ADDQ. The total quantity of gas delivered by Customer to the Company on any day shall be within 2% of Customer's ADDQ for such day. The Company shall balance the Customer's account after each meter read to zero. This shall be done by comparing the sum of the Customer's normalized deliveries to the Company for the month to the Customer's usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the ESCO at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the ESCO at the Company's Monthly Cash Out Price for the same period.~~

The Monthly Cash Out Price is set based on the Market Center Spot Price, Northeast, Transco Zone 6 Index. This price is posted as set forth in the publication entitled "Inside FERC's Gas Market Report," for the applicable month.

10. Summary of Applicable Fees

Applicable Fees, Charges and Penalties

SC 17 - Daily Swing Service Monthly Demand Charge (KEDNY)

~~The ESCO shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the ESCO's Load Profile Factor, and then multiplying that product by 1/12 of ESCO's annual normalized consumption. The Company has the option of calculating the Daily Swing Service Monthly Demand Charge either separately or combined for residential (CTS-1A, 1AR, 1B, 1BR, and 3) and non-residential (CTS-2, 4A, 4B, and 7) pool(s).~~

SC 5 & 8 - (KEDLI)

Daily Swing Service Rates and Charges:

The Company will utilize upstream assets and gas supply required to accommodate variations in the ESCO's daily account balance between the ESCO's deliveries and actual consumption. The rates and charges associated with this service are as follows:

Daily Swing Service Monthly Demand Charge:

The ESCO will pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average load factor allocation and then multiplying that product by 1/12 of the ESCO's annual normalized consumption.

Daily Swing Service Monthly Imbalance Charge:

As stated under the City Gate Balancing for KEDLI section.

d. Release of the Company's Upstream Transportation Option (KEDLI):

As an alternative to acquiring its own upstream transportation, an ESCO may choose to deliver at the City Gate the ESCO's DDQ or, in the case of more than one customer, the ESCOs' ADDQ, by becoming a pre-arranged replacement shipper of the Company's released upstream interstate pipeline capacity. This option is only available to the extent the Company, in its reasonable discretion, has upstream interstate pipeline capacity available for release. In exercising its reasonable discretion, the Company will limit the available capacity for release to a ESCO on a monthly basis.

The Company will not make available for release any capacity that the Company determines is required to meet its firm sales requirements, to meet its balancing requirements, to maintain its system reliability, or to meet third party obligations existing before April 1, 1996.

~~The Company, in its reasonable discretion, may determine the term of all pre-arranged capacity release transactions. An ESCO that wishes to become a replacement shipper of the Company's available released capacity must notify the Company of its intention to become a replacement shipper at least forty-five (45) days before the first day of the proposed capacity release transaction. The Company will notify the ESCO of its acceptance or rejection of the offer to become a replacement shipper of the Company's released capacity no later than five (5) business days after the Company's receipt of a capacity release proposal. The Company will confirm the release transaction no later than twenty (20) days before the first day of the proposed capacity release transaction.~~

ESCOs are charged monthly the Pipeline Cost Adjustment to recover the cost of upstream capacity, balancing service demand, and balancing service peaking demand. This adjustment is calculated on a per therm basis and is set forth on the Statement of Gas and Pipeline Costs and Adjustments.

An ESCO must elect Design Delivery if it is taking the Companys Upstream Transportation.

Penalty Charges (KEDNY/KEDLI)

If the total quantity of gas delivered by the ESCO to the Company on any day is more than 2% greater or less than the ESCO's ADDQ or the ESCO has not met its nomination and scheduling obligations for such day then,

In the event that the total quantity of gas delivered to the city gate is more than 102% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries in excess of 102% of the ESCO's ADDQ or the Company at its discretion can cut excess deliveries. This amount will be reduced by an amount equal to the deliveries in excess of the ESCO's ADDQ multiplied by the Company's Daily Commodity Cost of Gas, bringing the imbalance in the ESCO's ADDQ to zero each day.

In the event that the total quantity of gas delivered to the city gate is less than 98% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries less than 98% of the ESCO's ADDQ. This amount will be increased by an amount equal to the deliveries less the ESCO's ADDQ multiplied by the Company's Daily ICOG, bringing the imbalance in the ESCO's ADDQ to zero each day. Provided, however, that the \$1.00 per therm charge in (a) and (b) above may be increased during critical periods, (e.g., a gas shortage).

In Long Island a \$2.50 per therm penalty will be imposed for defaults on any day that has been declared a critical day.

KEDNY – City Gate Balancing

ESCO shall be responsible for delivering each day to the Company a quantity of gas equal to the ADDQ. Each day, ESCO shall nominate and schedule deliveries of gas to the Company in an amount equal to the Customer's ADDQ. If the total quantity of gas delivered by ESCO to the Company on any day is within 2% of ESCO's ADDQ for such day, and ESCO has met its nomination and scheduling obligations hereunder then,

In the event that the total quantity of gas delivered is more than ESCO's ADDQ, the Company shall credit the ESCO a per therm amount equal to the Company's Daily Commodity Cost of Gas multiplied by the difference between (i) the total quantity of gas delivered by the ESCO to the Company on such day and (ii) ESCO's ADDQ for such day, bringing the imbalance in ESCO's ADDQ to zero each day; or

In the event that the total quantity of gas delivered is less than ESCO's ADDQ, the ESCO shall pay the Company a per therm charge equal to the Company's Daily ICOG multiplied by the difference between (i) ESCO's ADDQ for such day and (ii) the total quantity of gas delivered by the ESCO to the Company on such day, bringing the imbalance in ESCO's ADDQ to zero each day.

KEDLI – City Gate Balancing

Customer shall be responsible for delivering each day to the Company a quantity of gas

equal to the ADDQ. The total quantity of gas delivered by Customer to the Company on any day shall be within 2% of Customer's ADDQ for such day. The Company shall balance the Customer's account after each meter read to zero. This shall be done by comparing the sum of the Customer's normalized deliveries to the Company for the month to the Customer's usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the ESCO at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the ESCO at the Company's Monthly Cash Out Price for the same period.

The Monthly Cash Out Price is set based on the Market Center Spot Price, Northeast, Transco Zone 6 Index. This price is posted as set forth in the publication entitled "Inside FERC's Gas Market Report," for the applicable month.

7. Reconciliation/True Ups

KEDNY

SC 18 - Monthly Balancing Cash Out Is this an IT/TC Rate Class?

The Company shall balance the ESCO's account at the end of each month to zero. This shall be done by comparing the sum of the ESCO's deliveries for the month to the ESCO's pool usage for the same period. If the ESCO delivered more gas to the Company for its pool than it consumed, the excess shall be purchased by the Company at KEDNY's Company's Monthly Average Commodity Cost of Gas for the same period. If the ESCO pool consumed more gas than delivered to the Company for its pool, the excess shall be deemed purchased by the ESCO at KEDNY's Actual Monthly ICOG for the same period, and shall be reflected as a charge on the Customer's next monthly invoice.

KEDLI

SC 7 (IT) & 13 (TC)

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

Although each ESCO's pool will be balanced daily, ESCO will be billed monthly.

Daily imbalances will be cashed out as follows:

Overdeliveries:

- 0 - 10% = Gas Daily New York Transco Zone 6 Midpoint
- >10 - 20% = 80% of Gas Daily Transco Zone 6 Midpoint
- > 20% = 50% of Gas Daily Transco Zone 6 Midpoint

Underdeliveries:

- 0 - 10% = Weighted Average Commodity Cost of Gas
- > 10 - 20% = 120% Weighted Average Commodity Cost of Gas
- > 20% = 150% Weighted Average Commodity Cost of Gas + \$10 dth

9. Applicable Fees, Charges and Penalties (Excluding SC 5A, 5B, 7, 13)

Penalty Charges for Over and Under Deliveries (KEDNY)

If the total quantity of gas delivered by ESCO to the Company on any day is more than 2% greater or less than ESCO's ADDQ or the ESCO has not met its nomination and scheduling obligations for such day, then

In the event that the total quantity of gas delivered to the city gate is more than 102% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries in excess of 102% of the ESCO's ADDQ or the company at its discretion can cut the excess deliveries. This amount will be reduced by an amount equal to the deliveries in excess of the ESCO's ADDQ multiplied by the Company's Daily Commodity Cost of Gas, bringing the imbalance in the ESCO's ADDQ to zero each day; or

In the event that the total quantity of gas delivered to the city gate is less than 98% of the ESCO's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries less than 98% of the ESCO's ADDQ. This amount will be increased by an amount equal to the deliveries less the ESCO's ADDQ multiplied by the Company's Daily ICOG, bringing the imbalance in the ESCO's ADDQ to zero each day. Provided, however, that the \$1.00 per therm charge may be increased during critical periods (e.g., a gas shortage)

Charges for Failure to Deliver Daily Transportation Quantities (KEDLI)

For amounts delivered by the ESCO 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 ESCO the following:

One hundred (100) percent of the highest weekly gas price posted in Natural Gas Week for Transco for Zone 3 of the applicable month plus Transco's FT variable transportation costs and surcharges and equivalent fuel costs from Zone 3 to Zone 6 for under-deliveries up to or equal to two (2) percent of the applicable DTQ or ADTQ;

\$10.00 per DTHM for under-deliveries in excess of two (2) percent of the applicable DTQ or ADTQ, except on critical days; and

\$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.

The following standardized EDI format shall be utilized for aggregated daily delivery quantities.

Field	Field Name	Description	Data Type	Use	Conditions	Comments
Common Header	All records have this data.					
H1	Transaction ID	Sender assigned unique number identifying this transaction	9(8)	M		
H2	System Date		9(8)	M		CCYYMMDD
H3	Utility DUNS	Utility DUNS Number or DUNS+4	X(20)	M		The +4 is used to further identify KeySpan
H4	ESCO DUNS	ESCO DUNS Number or DUNS+4	X(20)	M		The +4 is used to further identify the ESCO.
H5	Transaction Type	O=Original C=Change	X(1)	M		Can be used to transmit original ADDQs or to transmit changes.
H6	Record Type	C=Control Row P=Pool Row A=Acct Row M=ESCO Row	X(1)	M		Identifies type of record.
H7	Unit of Measure for energy	M=Mcfs C=Ccfs Dth=Decatherms T=Therms	X(1)	M		
Detail C	Control Record					
C1	Count of Pool Records	Number of pool records (P details) included in this file.	9(9)	M		
C2	Count of Acct Records	Number of account records(A details) included in this file.	9(9)	M		
C3	Count of ESCO Records	Number of ESCO records (M details) included in this file.	9(9)	M		
Detail P	Pool Record					
P1	Pool ID	Occurs 1x	X(15)	M		Utility specific unique pool identifier
P2	ADDQ For Month/Year	Occurs 1x	9(6)	O		CCYYMM
P3	Total Monthly ADDQ For Pool	Occurs 1x	9(9)	O		

P4	Date	Occurs 31x	9(8)	M		CCYYMMDD
P5	Daily Pool ADDQ*	Occurs 31x	9(9)	M		
Detail A	Account Record					
A1	Account Number	Occurs 1x	X(15)	M		SDPI, ESCO account number
A2	Customer Name	Occurs 1x	X(40)	O		
A3	Service Address Street	Occurs 1x	X(40)	O		
A4	Service Address City	Occurs 1x	X(30)	O		
A5	Service Address State	Occurs 1x	X(2)	O		
A6	Service Address Postal Code	Occurs 1x	X(15)	O		
A7	Start Date - Transportation Service	Occurs 1x	9(8)	O		CCYYMMDD
A8	Total Monthly Delivery Quantity for Account	Occurs 1x	9(9)	O		
A9	Service Class	Occurs 1x	X(3)	O		
A10	Annual Estimated Consumption	Occurs 1x	9(9)	O		
A11	Load Factor	Occurs 1x	9(9)	O		
A12	Storage	Occurs 1x	9(9)	O		
Detail M	ESCO Row					
M1	Total Customers	Occurs 1x	9(9)	O		
M2	Total Monthly ADDQ	Occurs 1x	9(9)	O		
M3	Total Annual ADDQ	Occurs 1x	9(9)	O		
M4	Total Load Factor Type	Occurs 1x	X(1)	O	Must be present if field M5 filled in.	A = Average W = Weighted Average
M5	Total Load Factor	Occurs 1x	9(3).9(2)	O	Must be present if field M4 filled in.	Usually a percentage. E.g. 50.40
M6	Total Monthly ADDQ Grossed Up for Shrinkage/Fuel	Occurs 1x	9(9)	O		