

PSC NO: 1 GAS LEAF: 159.1.3  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0  
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION:  
STAMPS: Issued in compliance with Order in Case 06-G-1186 dated 01/19/10

SERVICE CLASSIFICATION NO. 8  
Seller Service (continued)

4. Monthly Imbalance Account

At the end of each month, the Company will determine the balance in each Seller's Monthly Imbalance Account. The balance will reflect: 1) any portion of the Seller's daily imbalance not subject to daily cash out and 2) any difference between the total monthly usage actually billed to the Seller's Pool grossed up for UFG and the sum of the Pool's daily telemetered consumption volumes grossed up for UFG.

H. Monthly Imbalance Trading and Cashout

Effective December 1, 2011, pursuant to Sections IV and V of the GTOp Manual, all Sellers will have the opportunity to reduce the balance in their Monthly Imbalance Accounts by trading monthly imbalances with other Sellers who have opposing monthly imbalance positions provided that: 1) Sellers that serve SC 5 customers are limited to trading among themselves, 2) Sellers that serve SC 7 and 13 customers and participate in the Company's Monthly Balancing Program are limited to trading among themselves and 3) Sellers that serve SC 7 and 13 customers and participate in the Company's Daily Balancing Program are limited to trading among themselves.

Once monthly imbalance trading is completed, any remaining Monthly Imbalances will be cashed out as follows:

1. Negative Monthly Imbalances will be purchased by the Seller at the Monthly Cash Out Price.
2. Positive Monthly Imbalances will be credited to the Seller at the Monthly Cash Out Price.

I. Mandatory Capacity Program

Sellers serving Customers taking service under SC 5 must participate in the Company's Mandatory Capacity Program subject to the terms and conditions of this Service Classification and the Company's GTOp Manual. Sellers serving customers taking service under SC 7 and 13 are not eligible to participate in the Company's Mandatory Capacity Program. 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.

Issued by: David B. Doxsee, Chief Financial Officer and Treasurer, Hicksville, NY