

PSC NO: 1 GAS LEAF: 158  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 6  
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION: 5  
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 01/19/10

SERVICE CLASSIFICATION No. 8  
Seller Service (continued)

6. Mandatory Capacity Program

Applicable to Sellers participating in the Company's Mandatory Capacity Program.

a) Weighted Average Cost of Capacity ("WACOC")

The WACOC is a per dekatherm charge as described on General Information Leaf No. 17.1.

b) Tier 2 - Bundled Winter Sales Price

The Tier 2 - Bundled Winter Sales Price is a per dekatherm price determined in accordance with the methodology described on Leaf Nos. 159.2 and 159.3.

c) Tier 3 - Virtual Storage Price

The Tier 3 - Virtual Storage Service Price is a per dekatherm price determined in accordance with the methodology described on Leaf No. 159.3.

7 Merchant Function Charges

Applicable to Sellers participating in the Company's Purchase of Receivables (POR) Program

a) 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. This charge shall be determined in accordance with the methodology described on Leaf No. 72.1.

b) 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 Company's POR program. This charge shall be determined in accordance with the methodology described on Leaf No. 73.2.

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