

PSC NO: 1 GAS LEAF: 157
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
INITIAL EFFECTIVE DATE: 08/01/09 SUPERSEDING REVISION: 2
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 06/23/09

SERVICE CLASSIFICATION No. 8
Seller Service (continued)

Receipt and Delivery of Customer-Owned Gas:

Each month, the Company shall determine the Seller's DDQ and the Seller shall be obligated to deliver this amount each day to the Company's City Gate unless otherwise notified by the Company.

The Seller shall provide to the Company 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 must equal Seller's DDQ.

The Company is not obligated to accept any volumes that have been nominated by the Seller to the extent that such nomination exceeds Seller's DDQ.

The Company will deliver to each individual 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 the Customer's actual usage.

Statement of Seller Charges and Adjustments

Sellers shall pay rates and charges as set forth on the Statement of Seller Charges and Adjustments, which shall be filed by the Company 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:

1. 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 the Company uses to provide daily swing service to Sellers.

2. 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 Platts Gas Daily Price Guide, Daily Price Survey and is reflected as a per dekatherm price.

3. 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.

4. 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 the Company 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.

Issued by: Nick Stavropoulos, Executive Vice President, Hicksville, NY