

PSC NO: 1 GAS LEAF: 157
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 5
INITIAL EFFECTIVE DATE: 11/10/10 SUPERSEDING REVISION: 4
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 06/23/09

SERVICE CLASSIFICATION No. 8
Seller Service (continued)

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. Unitized Fixed Cost Credits

Unitized Fixed Cost Credits are applicable to Sellers serving transportation customers served under Service Classification No. 5. The Unitized Fixed Cost Credits are determined in accordance with General Information on Leaf No 70 and specifically include: a) credits from sales to customers served under Service Classification 12; b) transportation revenues from power generators served under Service Classification Nos. 7 and 14; c) LIPA power plant transportation Credits; d) daily swing service monthly demand charge credits from ESCOs providing service to SC 7 and 13 non core transportation customers

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