

PSC NO: 1 GAS LEAF: 159
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 7
INITIAL EFFECTIVE DATE: 01/01/08 SUPERSEDING REVISION: 6
STAMPS: Issued in compliance with Order in C. 06-G-1186 dated 12/21/07

SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

The following rates and charges are applicable to all customers and/or Sellers:

Receipt and Delivery of Gas:

The Seller must deliver or cause to be delivered at the City Gate the customer's DDQ or, in the case of more than one customer, the ADDQ for each day of the month. 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 each customer's DDQ.

By the last business day of each month, 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 for each Customer must equal the Customer's DDQ. The scheduled nomination for Sellers with more than one Customer must equal the customers' ADDQ.

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

Customer Aggregation Notification and Nomination Procedures:

By the 15th day of each month, for service commencing by the first day of the succeeding calendar month, Seller must notify the Company of any Customer that is added or is deleted from seller's aggregated group. Failure to provide the Company with such notification will constitute Seller's representation that the Customers within seller's aggregated group have not changed

Each month, the Company will calculate a customer's Daily Transportation Quantity (DTQ). The DTQ is calculated by adjusting the customer's DDQ to reflect the customer's usage during the latest available calendar month and by multiplying the adjusted DDQ by 1.0281 as an allowance for losses incurred in the process of delivery between the City Gate and the customer's metered facilities.

By the first business day following the 21st of each month, the Company 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.

Marketer/Direct Customer Capacity Program

Any Marketer/Direct Customer currently using its own primary firm delivery point capacity to meet core customer requirements may continue to do so indefinitely at the volumetric level of such capacity as of November 1, 2007. However, if that Marketer/Direct Customer elects to reduce the amount of capacity, that reduced level will become the new maximum amount of Marketer/Direct Customer-owned capacity. In addition, any Marketer/Direct Customer using its own capacity to meet some or all of its customer requirements may pass those grandfathered rights on as a package when it sells its customer book to another Marketer.

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