

..DID: 14325
..TXT: PSC NO: 1 GAS LEAF: 156
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 01/01/01 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in Case No. 99-G-1469 dated 12/26/00
RECEIVED: 12/29/00 STATUS: Effective EFFECTIVE: 01/01/01

SERVICE CLASSIFICATION No. 8
Seller Service (Continued)

Qualified Sellers:

For qualification requirements please refer to the Uniform Business Practices for Retail Access under Section II. Creditworthiness.

Marketer Incentive Methodology

Effective January 1, 2001 through June 30, 2001, each marketer participating in our program shall be entitled to a "Marketer Incentive". This incentive shall be calculated as follows:

1. Breakdown the marketer's pool each month into billed transportation volumes by Service Classification.
2. Multiply the monthly billed transportation volumes by 8% of each Service Classification's average annual transportation margin (see schedule below) to arrive at the marketer incentive credit for each service classification.
3. Add up the marketer's service classification marketer incentive credits to arrive at the marketer's incentive for that month.

Service Classification No. 1A	.093 per therm
Service Classification No. 1B	.042 per therm
Service Classification No. 2-1	.035 per therm
Service Classification No. 2-2	.036 per therm
Service Classification No. 3	.018 per therm
Service Classification No. 15	.010 per therm
Service Classification No. 16	.024 per therm

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY