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COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
INITIAL EFFECTIVE DATE: 09/01/99 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance - C.99-G-0878 (8/19/99) and C.97-G-1380 (8/19/99)
RECEIVED: 08/31/99 STATUS: Effective EFFECTIVE: 09/01/99

SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

Charges for Failure to Deliver Daily Transportation Quantities:

For amounts delivered by the Seller to the company's City Gate that are below the applicable DTQ or ADTQ, except due to reasons of Force Majeure or reasons attributable to the actions of the Company, the Company will charge the Seller the following:

- (I) One hundred (100) percent of the highest weekly gas price posted in Natural Gas Week for Transcontinental Gas Pipeline for Zone 3 of the applicable month plus Transcontinental Gas Pipeline's FT variable transportation costs and surcharges and equivalent fuel costs from Zone 3 to Zone 6 for under-deliveries up to or equal to two (2) percent of the applicable DTQ or ADTQ;
- (ii) \$10.00 per DTHM for under-deliveries in excess of two (2) percent of the applicable DTQ or ADTQ except on critical days; and
- (iii) \$25.00 per DTHM for under-deliveries in excess of two (2) percent of the applicable DTQ or ADTQ on critical days for gas supply.

Termination of Service for Failure to Deliver Daily Transportation Quantities:

The Company shall have the right to terminate service under this Service Classification to any Seller that fails to deliver at least ninety (90) percent of the applicable DDQ or ADDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

Terms of Payment:

The Customer shall pay the balance due in cash or its equivalent on receiving the bill, or be subject to late payment charge in accordance with provisions of Rule II.3E.2. The Company may elect to utilize the deposit to satisfy late payments.

Term:

A Seller Agreement shall have a minimum term of one year, but may be terminated by the Seller on sixty (60) days written notice to the Company and by the Company in a manner provided by Law and the Rules and Regulations set forth in this Service Classification. This term will be extended for additional twelve (12) month periods unless otherwise terminated.

Statement of Unbundled Transportation Service Charges:

Not less than three (3) days prior to its effective date, the Company will file with the Commission a Statement of Unbundled Transportation Service Charges, which statement will contain the following charges applicable to this Service Classification: Daily Swing Service Demand Charge.

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