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COMPANY: MARKETSPAN GAS CORPORATION DBA BROOKLYN UNION REVISION: 1
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SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

Three firm transportation service options are available to Seller's Aggregate Customer Group:

- 1) Non-Utility Capacity Option,
- 2) Release of the Company's Upstream Transportation with Seasonal Deliveries,
- 3) Release of the Company's Upstream Transportation with Projected Use Deliveries.

Qualified Sellers:

The Company's acceptance of a Seller's request for service under this Service Classification is contingent upon the Seller satisfying a credit appraisal by the Company. The Company shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Seller's overall financial condition. A Seller can qualify, without providing the Company with security, by maintaining a Dun and Bradstreet ("D & B") Rating of "1A2" or better. Sellers that do not maintain a D & B Rating of "1A2" or better may satisfy the Company's credit appraisal by demonstrating through audited financial reports adequate financial ability in the Company's "reasonable judgment, to perform all of the requirements under this Service Classification. If audited financial statements are not available, the Seller must provide an attestation by its chief financial officer that the information submitted on unaudited statements is true, correct and a fair representation of the Seller's financial condition. The Company shall perform such evaluations no less frequently than once every twelve (12) months. The Company shall complete such evaluations within seven days of the receipt of seller's audited financial reports.

Upon notification by the Company that a Seller has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Seller may still obtain credit approval by the Company if it pays any outstanding balances due the Company for service rendered and elects to provide one of the following (collectively, "Security"):

- (i) an advance deposit;
- (ii) a standby irrevocable letter of credit;
- (iii) a secured interest in collateral found to be satisfactory to the Company;
or
- (iv) a guarantee, acceptable to the Company, by another person or entity which satisfies the credit appraisal.

Such Security will be based on three days of deliveries of the customer's highest DDQ or seller's customers' highest ADDQ multiplied by the maximum penalty for failure to deliver the applicable DDQ or ADDQ under this Service Classification (\$25.00). In all cases, such Security must be posted no later than twenty-five (25) days prior to the month in which service is requested to initiate or continue. If such Security is not posted in accordance with the foregoing, then the Company is not required to initiate or continue service under this Service Classification. Deposits received in cash will accumulate interest at the applicable rate per annum approved by the New York State Public Service Commission for customer deposits. If Seller subsequently satisfies the credit appraisal without the need to provide the Company with Security, the Company shall return Seller's advance deposit and accumulated interest.

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