

PSC NO: 1 GAS LEAF: 159.1.4  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1  
INITIAL EFFECTIVE DATE: 11/01/14 SUPERSEDING REVISION: 0  
STAMPS:

SERVICE CLASSIFICATION NO. 8  
Seller Service (continued)

I. Monthly Imbalance Trading and Cash Out (continued)

2. Daily Balancing Program (continued)

c) If the Monthly Imbalance Percentage is outside the +/-5% Level then:

1) If the Seller has a positive monthly imbalance that exceeds 5% then:

The Seller's positive daily imbalance quantity shall be credited to the Seller at the following average cash out prices for the month:

|             |                                                |
|-------------|------------------------------------------------|
| >5% to 10%  | 95% of the Monthly Cash Out Price in a) above. |
| >10% to 15% | 90% of the Monthly Cash Out Price in a) above. |
| >15% to 20% | 80% of the Monthly Cash Out Price in a) above. |
| >20%        | 50% of the Monthly Cash Out Price in a) above. |

2) If the Seller has a negative monthly imbalance that exceeds 5% then:

The Seller's negative daily imbalance quantity will be purchased by the Seller at the following average daily cash out prices for the month:

|               |                                                 |
|---------------|-------------------------------------------------|
| >-5% to -10%  | 105% of the Monthly Cash Out Price in a) above. |
| >-10% to -15% | 110% of the Monthly Cash Out Price in a) above. |
| >-15% to -20% | 120% of the Monthly Cash Out Price in a) above. |
| >-20%         | 150% of the Monthly Cash Out Price in a) above. |

J. Mandatory Capacity Program

Sellers serving Customers taking service under SC 5 must participate in the Company's Mandatory Capacity Program subject to the terms and conditions of this Service Classification and the Company's GTOP Manual. Sellers serving customers taking service under SC 7 and 13 are not eligible to participate in the Company's Mandatory Capacity Program. The Mandatory Capacity Program consists of three capacity tiers: 1) Tier 1 - Pipeline Capacity Release; 2) Tier 2 - Retail Access Storage and 3) Tier 3 - Peaking Service. The Company also offers an optional Gulf Coast Storage capacity release as part of this program as described in the GTOP Manual.

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