

PSC NO: 1 GAS LEAF: 159.4
 COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 3
 INITIAL EFFECTIVE DATE: 11/01/14 SUPERSEDING REVISION: 2
 STAMPS:

SERVICE CLASSIFICATION NO. 8

Seller Service (continued)

J. Mandatory Capacity Program (Continued)

2. Tier 2 - Retail Access Storage (continued)

d) Creditworthiness Guidelines

Sellers that do not meet the creditworthiness guidelines set forth in the Uniform Business Practices will be required to prepay for Retail Access Storage. The prepayment must be made via wire transfer or ACH payment by no later than three (3) business days prior to the last day of the month preceding the month in which the Retail Access Storage is provided. The prepayment will be calculated by taking the product of 0.9 times the estimated price of Tier 2 Retail Access Storage for that month. The prepayment amount will be trueed up when actual costs of the Retail Access Storage are available and any adjustment will be made in the succeeding bill period. Sellers may elect to make alternative security arrangements consistent with the Uniform Business Practice to secure credit for the purchase of Retail Access Storage, provided that any such alternative security must be in place no less than 60 days before the November 1st start date of the Retail Access Storage service.

3. Tier 3 - Peaking Service

The Company will provide a Tier 3 Peaking Service to Sellers from November 1st through April 30th when the estimated consumption of the Seller's Pool exceeds the sum of the Seller's Tier 1 Capacity Release Volume and available Tier 2 Retail Access Storage withdrawal volume.

The Company will determine the Tier 3 Peaking Service Price stated in dollars per dekatherm each day by weighting the following commodity prices using weighting percentages set forth in the GTOPI Manual.

- a) The simple average of the following pipeline indices obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow:

Transco - Transco Zone 6 NY mid-point price
 Texas Eastern - Tx. Eastern M3 mid-point price
 Iroquois - Iroquois Zone 2 mid-point price

- b) The Company's LNG Inventory Price

Seller will pay each month a Tier 3 Peaking Service Charge computed by multiplying: 1) the Tier 3 Peaking Service Price by 2) the Tier 3 volumes the Seller delivers to the Company's city gate.

The Company requires no payment from the Seller prior to the start of the winter season for the gas available as Tier 3 Peaking Service.

Issued by: David B. Doxsee, Vice President, Hicksville, NY