

PSC NO: 1 GAS LEAF: 159.1.4
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 04/01/15 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with Order in C. 14-G-0330 and C. 06-G-1186
dated 10/23/14

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 four capacity tiers: 1) Tier 1 - Pipeline Capacity Release; 2) Tier 2A - Storage Capacity Release; 3) Tier 2B - Retail Access Storage and 4) 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.

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