

PSC NO: 1 GAS LEAF: 159.1.1
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 1
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance with Orders in Case 06-G-1186 dated 01/19/10 and 10/18/11

SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

2. Daily Balancing Service Demand Charge

The Company will utilize upstream assets and gas supply to manage differences between the quantity of gas delivered during the day by the Seller and the quantity of gas actually consumed during the day by the Seller's Pool.

Sellers shall pay a daily balancing service demand charge which is calculated by multiplying: 1) the Daily Balancing Service Demand Charge set forth on the Statement of Seller Charges and Adjustments; by 2) 1/12 of the Pool's annual normalized consumption.

3. Daily Cash Out

At the end of each day, the Company will determine the Aggregate Daily Imbalance Percentage for all Sellers participating in the Daily Balancing Program by subtracting: 1) the total telemetered daily consumption grossed up for UFG of the daily balanced pools, from: 2) the total quantity of gas delivered to the city gate for those pools, divided by: 3) the total telemetered daily consumption grossed up for UFG of the daily balanced pools.

The Company will then compare the Aggregate Daily Imbalance Percentage to the +/- 5% Daily Imbalance Tolerance (DIT).

- a) If the Aggregate Daily Imbalance Percentage is within the +/-5% DIT then:

The Seller's daily imbalance quantity will be transferred to his Monthly Imbalance Account.

- b) If there is a System Wide Positive Imbalance such that the Aggregate Daily Imbalance Percentage Exceeds the 5% DIT and

- 1) The Seller has a positive daily imbalance that is less than 5% then:

The Seller's positive daily imbalance quantity will be transferred to his Monthly Imbalance Account

Issued by: David B. Doxsee, Chief Financial Officer and Treasurer, Hicksville, NY