

PSC NO: 1 GAS LEAF: 159  
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 11  
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION: 10  
STAMPS: Issued in compliance with order in Case 06-G-1186 dated 01/19/10

SERVICE CLASSIFICATION NO. 8  
Seller Service (continued)

Seller shall pay a daily swing service monthly demand charge calculated by multiplying the per dekatherm Daily Swing Service Monthly Demand Charge set forth on the Statement of Seller Charges and Adjustments by 1/12 of the Pool's annual normalized consumption.

3. City Gate Balancing

Each day, Seller or Seller's Agent shall nominate and schedule deliveries of gas to the Company's city gate in an amount equal to the Seller's DDQ within a tolerance of  $\pm 2\%$ .

- a) In the event that the total quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, Seller shall pay a per therm amount equal to the Company's Daily Cash Out Price plus a City Gate Balancing Penalty Charge of \$10.00 per dekatherm multiplied by the difference between (i) 98% of the Seller's DDQ for such day and (ii) the total quantity of gas delivered by Seller to the Company on such day. However, when the Company issues an OFO, the Seller shall pay a per therm amount equal to the Company's Daily Cash Out Price plus an OFO Penalty Charge equal to \$25.00 per dekatherm.
- b) In the event that the total quantity of gas delivered to the city gate is more than 102% of the Seller's DDQ, and the Company accepts the gas, which it may do at its sole discretion, the Company shall pay Seller a per therm amount equal to the Company's Daily Cash Out Price multiplied by the difference between (i) the quantity of gas delivered by Seller to the Company on such day and (ii) 102% of Seller's DDQ for such day.
- c) In the event that the Company interrupts service for at least one gas day to Sellers serving customers under Service Classification Nos 7 and 13, and Company accepts the Seller's gas deliveries to the city gate during that interruption, the Company shall purchase the Seller's gas at the Daily Cash Out Price.

4. Monthly Imbalance Account

At the end of each month, the Company will determine the balance in each Seller's Monthly Imbalance Account. This shall be done by: 1) adjusting the monthly quantity of gas delivered by the Seller to the Company's city gate to reflect any quantities that were cashed out daily during the month and 2) comparing the adjusted monthly delivery quantity to the monthly consumption of the Seller's Customers, grossed up for UFG.

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