

PSC NO: 1 GAS LEAF: 159
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 4
INITIAL EFFECTIVE DATE: 10/03/04 SUPERSEDING REVISION: 3
STAMPS:

SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

The following rates and charges are applicable to all customers and/or Sellers:

Receipt and Delivery of Gas:

The Seller must deliver or cause to be delivered at the City Gate the customer's DDQ or, in the case of more than one customer, the ADDQ for each day of the month. The Company will deliver to each individual Customer the customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent such requirements differ from each customer's DDQ.

By the last business day of each month, the Seller shall provide to the Company notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for each day of the succeeding month. The scheduled nomination for each Customer must equal the Customer's DDQ. The scheduled nomination for Sellers with more than one Customer must equal the customers' ADDQ.

The Company is not obligated to accept any volumes that have been nominated by the Seller to the extent that such nomination exceeds a customer's DDQ or customers' ADDQ.

Customer Aggregation Notification and Nomination Procedures:

By the 15th day of each month, for service commencing by the first day of the succeeding calendar month, Seller must notify the Company of any Customer that is added or is deleted from seller's aggregated group. Failure to provide the Company with such notification will constitute Seller's representation that the Customers within seller's aggregated group have not changed.

Each month, the Company will calculate a customer's Daily Transportation Quantity (DTQ). The DTQ is calculated by adjusting the customer's DDQ to reflect the customer's usage during the latest available calendar month and by multiplying the adjusted DDQ by 1.03412 as an allowance for losses incurred in the process of delivery between the City Gate and the customer's metered facilities.

By the first business day following the 21st of each month, the Company shall provide to the Seller notice of each Customer's DDQ and, in the case of a Seller that supplies gas to more than one Customer, the Customers' Aggregated Daily Delivery Quantity (ADDQ) for the succeeding calendar month.

Capacity Release Program:

The Capacity Release Program for all Sellers are described in the Company's Gas Transportation Operating Procedures Manual, as filed with the Public Service Commission.

Issued by Joseph F. Bodanza, Senior Vice President and Chief Accounting Officer, Hicksville, NY