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SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

Capacity Release Program - Winter 2001/2002

All Sellers must secure primary firm delivery point capacity for the needs of their firm customers for each of the five winter months (November through March, inclusive). Such capacity shall be made available to the Seller by the Company in the manner described in Sections IV.C and V.C of the Company's Gas Transportation Operating Procedures Manual (the "Manual"). Sellers electing not to participate in the Company's Capacity Release Program (described in those Sections) are required to:

1. Procure their own primary firm capacity to the Company's citygate for 100% of their capacity needs for each of the five winter months (November through March, inclusive); and
2. Submit an affidavit to the Company in each of the five winter months (November through March, inclusive) in the manner and at the time described in Sections IV.C and V.C of the Company's Manual. The affidavits will attest that the Seller has procured primary firm delivery point capacity to the Company's citygate for the applicable month. As described in the Manual, the penalty for falsifying any of the information in the affidavit will be \$.33 per Dth on the full five winter months of the Seller's normalized consumption, in addition to any other applicable penalties that might be incurred by the Seller.

Winter Capacity Balancing Adjustment

For Marketers that participate in the Capacity Release Program, KeySpan will provide a balancing adjustment to each Marketer's bill. This adjustment will reflect the difference between the actual capacity costs and variable transportation costs paid by the Marketer versus KeySpan's weighted average cost of capacity and weighted average variable costs.

Issued by Robert D. Ekholm, Manager, Corp. Secretary's Office, Hicksville, NY