

PSC NO: 1 GAS LEAF: 189
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 2
INITIAL EFFECTIVE DATE: 08/01/15 SUPERSEDING REVISION: 1
STAMPS:

SERVICE CLASSIFICATION NO. 14 (Continued)

A. TRANSPORTATION SERVICE RATES - MONTHLY BILLING

1. Rate Schedule 1:

The Customer shall pay the following monthly charges for transportation service hereunder:

a) On-System Transportation Charge

On-System Transportation Charge is a unitized rate based upon the sum of the following:

- | | | |
|----|--|------------|
| 1) | Contribution to Fixed Costs ----- | \$0.10/dth |
| 2) | Unitized Long Run Marginal Costs ----- | \$0.14/dth |

b) Value Added Charge

Determined in accordance with Leaf No. 194.

c) Daily Balancing Service Demand Charge

Applicable to customers in accordance with Special Provision No. 5 on Leaf No. 197 and set forth on the Statement of Seller Charges and Adjustments.

- d) The sum of the per dekatherm charges listed in (a), (b) and (c) above shall not exceed the per dekatherm charge of the otherwise applicable interruptible transportation service. If this condition exists, the Company shall reduce the Value Added Charge such that the sum of these charges is capped at the applicable interruptible transportation service rate.

e) Annual Minimum Bill Obligation

Once service under this Service Classification commences, the Customer shall be responsible for an Annual Minimum Bill Obligation equal to 50% of the facility's MAQ, multiplied by all charges payable under this Service Classification, whether such quantity is actually transported. In determining whether the Customer has satisfied the Annual Minimum Bill Obligation, the Company shall give full credit for the quantities of natural gas purchased by the Customer as the result of a monthly cashout. The Company shall determine whether the Customer has satisfied the Annual Minimum Bill Obligation each year on the anniversary of the commencement of service. Any deficiency shall be billed to the Customer in the following month.

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