

PSC NO: 12 GAS LEAF: 406.9
 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0
 INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING REVISION:
 STAMPS: Issued in compliance with Orders in C. 06-G-1185 dated 01/19/2010 and 10/18/11

SERVICE CLASSIFICATION No. 19 – continued

b) If the Monthly Imbalance Percentage is within the +/-5% Level then:

1. Negative Monthly Imbalances will be purchased by the Seller at the Monthly Cash Out Price for daily balancing in a) above.
2. Positive Monthly Imbalances will be credited to the Seller at the Monthly Cash Out Price for daily balancing in a) above.

c) If the Monthly Imbalance Percentage is outside the +/-5% Level then:

1. If the Seller has a positive monthly imbalance that exceeds 5% then:

The Seller's positive daily imbalance quantity shall be credited to the Seller at the following average cash out prices for the month:

| | |
|-------------|--|
| >5% to 10% | 95% of the Monthly Cash Out Price in a) above. |
| >10% to 15% | 90% of the Monthly Cash Out Price in a) above. |
| >15% to 20% | 80% of the Monthly Cash Out Price in a) above. |
| >20% | 50% of the Monthly Cash Out Price in a) above. |

2. If the Seller has a negative monthly imbalance that exceeds 5% then:

The Seller's negative daily imbalance quantity will be purchased by the Seller at the following average daily cash out prices for the month:

| | |
|---------------|---|
| >-5% to -10% | 105% of the Monthly Cash Out Price in a) above. |
| >-10% to -15% | 110% of the Monthly Cash Out Price in a) above. |
| >-15% to -20% | 120% Of the Monthly Cash Out Price in a) above. |
| >-20% | 150% of the Monthly Cash Out Price in a) above. |

I. MANDATORY CAPACITY PROGRAM

Sellers serving customers taking service under SC 17 must participate in the Company's Mandatory Capacity Program subject to the terms and conditions of this Service Classification and the Company's GTOF Manual. Sellers serving customers taking service under SC 18 are not eligible to participate in the Company's Mandatory Capacity Program. The Mandatory Capacity Program consists of three capacity tiers: 1) Tier 1 - Capacity Release ; 2) Tier 2 - Bundled Winter Sales Service and 3) Tier 3 – Virtual Storage Service.

Issued by: Alan P. Foster, Senior Vice President and Controller, Brooklyn, NY