Received: 10/25/2011 Effective Date: 11/01/2011

> PSC NO: 12 GAS LEAF: 405.1 COMPANY: THE BROOKLYN UNION GAS COMPANY **REVISION: 0**

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) Daily Balancing Program:

INITIAL EFFECTIVE DATE: 11/01/11

The Daily Cash Out Price is a weighted average dollar per dekatherm price determined for each Seller proportionate to the amount of gas that the Seller delivers on each interstate pipeline to the Company's city gate.

The interstate pipeline gas prices used to compute the Daily Cash Out Price are obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow as follows:

SUPERSEDING REVISION:

Status: CANCELLED

Transco – Transco Zone 6 NY mid-point price Texas Eastern – Tx. Eastern M3 mid-point price Iroquois – Iroquois Zone 2 mid-point price Tennessee – Tx. Eastern M3 mid-point price

4. Daily Cash Out Penalties

Applicable to Sellers participating in the Company's Monthly Balancing Program.

a) City Gate Balancing Penalty Charge

> The City Gate Balancing Penalty Charge is equal to \$10.00 per dekatherm and is charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ

b) Operational Flow Order ("OFO") Penalty Charge

> The Operational Flow Order Penalty Charge is equal to \$25.00 per dekatherm and is charged to Sellers on any day the Company issues an OFO and the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDQ.

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