

PSC NO: 12 GAS LEAF: 406.8
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 1
INITIAL EFFECTIVE DATE: 11/01/11 SUPERSEDING 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

H. MONTHLY IMBALANCE TRADING AND CASH OUT

Effective December 1, 2011, pursuant to Sections IV and V of the GTOP Manual, all Sellers will have the opportunity to reduce the balance in their Monthly Imbalance Accounts by trading monthly imbalances with other Sellers who have opposing monthly imbalance positions provided that: 1) Sellers that serve SC 17 customers are limited to trading among themselves, 2) Sellers that serve SC 18 customers and participate in the Company's Monthly Balancing Program are limited to trading among themselves and 3) Sellers that serve SC 18 customers and participate in the Company's Daily Balancing Program are limited to trading among themselves.

Monthly Balancing Program

Once monthly imbalance trading is completed, any remaining Monthly Imbalances will be cashed out as follows:

1. Negative Monthly Imbalances will be purchased by the Seller at the Monthly Cash Out Price.
2. Positive Monthly Imbalances will be credited to the Seller at the Monthly Cash Out Price.

Daily Balancing Program

Only monthly imbalance account volumes qualify for trading.

Once monthly imbalance trading is completed, any remaining Monthly Imbalances will be cashed out as follows:

- a) The Monthly Cash Out Price for daily balancing will be calculated by summing all the daily cash out prices from the month and dividing by the number of prices.

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