Status: CANCELLED Effective Date: 11/01/2011

PSC NO: 12 GAS

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 6

INITIAL EFFECTIVE DATE: 11/01/11

SUPERSEDING REVISION: 5

STAMPS: Issued in compliance with Order in C. 06-G-1185 dated 01/19/2010

SERVICE CLASSIFICATION No. 19 – continued

3. City Gate Balancing

Each day, Seller or Seller's Agent shall nominate and schedule deliveries of gas to the Company's city gate in an amount equal to the Seller's DDQ within a tolerance of $\pm 2\%$.

Sellers serving pools comprised of NCTS-6C, NCTS-6G and NCTS-6M customers shall be responsible for delivery each day to the Company, except when such transportation service has been interrupted by the Company for a full day in accordance with such service, of a quantity of natural gas equal to the DDQ.

Sellers serving pools comprised of NCTS-5A customers shall be responsible for delivery each day to the Company, except when such transportation has been interrupted by the Company for a full day in accordance with such service or when the Seller elects to burn an alternate fuel for a full day, of a quantity of natural gas equal to the DDQ. The Company will use reasonable efforts to provide customers 24 hours' notice of interruption.

- a) In the event that the total quantity of gas delivered to the city gate is less than 98% of the Seller's DDQ, Seller shall pay a per therm amount equal to the Company's Daily Cash Out Price plus a City Gate Balancing Penalty Charge of \$10.00 per dekatherm multiplied by the difference between (i) 98% of the Seller's DDQ for such day and (ii) the total quantity of gas delivered by Seller to the Company on such day. However, when the Company issues an OFO, the Seller shall pay a per therm amount equal to the Company's Daily Cash Out Price plus an OFO Penalty Charge equal to \$25.00 per dekatherm.
- b) In the event that the total quantity of gas delivered to the city gate is more than 102% of the Seller's DDQ, and the Company at its discretion accepts the gas, the Company shall pay Seller a per therm amount equal to the Company's Daily Cash Out Price multiplied by the difference between (i) the quantity of gas delivered by Seller to the Company on such day and (ii) 102% of Seller's DDQ for such day.

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