

PSC NO: 12 GAS

LEAF: 402

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 11/01/06

SUPERSEDING REVISION: 2

STAMPS:

**SERVICE CLASSIFICATION No. 19 - Continued**

Redelivery Balance - At any time shall be equal to the sum of all Daily Delivery Quantities during any time period, minus the sum of all Daily Redelivery Quantities during such time period, plus a Seller's Redelivery Balance (if any) at the start of such time period.

Load Profile Factor - The Pool's maximum month's normalized consumption, divided by the minimum month's consumption minus one, all calculated as per the Company's records. The minimum load profile will never be less than one; the maximum load profile will never be greater than five.

Monthly Cash Out Price - The Market Center Spot-gas Price, Northeast, Transco Zone 6 Index. This price is posted as set forth in the publication entitled Inside FERC's Gas Market Report, for the applicable month.

Monthly Average Commodity Cost of Gas - The Company's weighted average cost per therm of commodity gas delivered to the city gate facilities from the Company's suppliers for the month. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

Daily Commodity Cost of Gas - The Company's daily commodity cost per therm of gas delivered to the city gate facilities from the Company's suppliers on such day. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

Daily ICOG - The daily incremental cost of gas, including demand charges. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

WACOC - The Company's weighted average cost of capacity. This cost consists of the weighted average of: 1) the demand charges of firm domestic and unbundled Canadian pipeline transportation capacity the Company holds to deliver flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the weighted basis cost of the Company's firm bundled city gate supply purchase contracts.

Issued by: John J. Bishar, Jr., Executive Vice President, General Counsel, and Secretary, Brooklyn, NY