

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 11/01/06
STAMPS:

LEAF: 406
REVISION: 3
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION No. 19 - Continued

Daily Swing Service Imbalance Charge

The Company shall balance the Seller's account at the end of each month to zero. This shall be done by comparing the sum of the Seller's deliveries to the Company for the month, to the Pool's actual and/or estimated usage for the same period. If the Pool consumed more gas than delivered to the Company for the Pool's account, the excess shall be purchased by the Seller at the Company's Monthly Cash Out Price for the same period. If the Pool consumed less gas than delivered to the Company for the Pool's account, the shortfall shall be credited to the Seller at the Company's Monthly Cash Out Price for the same period.

Marketer Capacity Program

All Marketers must secure primary firm delivery point capacity for the needs of their firm customers for each of the five winter months (November through March, inclusive). For Marketers electing to accept the Company's capacity, such capacity shall be made available as follows:

Capacity Release Option - Tier 1

Subject to the conditions described below, the Company will make available to participating Marketers released capacity each month for the 12-month period beginning November 1st of each year equal to the "Tier 1 Maximum Capacity Release Volume". Initially, the Tier 1 Maximum Capacity Release Volume will be set at 75% of the Marketer's estimated November daily load. The Company will release pipeline capacity on the ("Selected Pipelines") as specified in the Company's Gas Transportation Operating Procedures Manual in an amount, determined by the Marketer, not to exceed the Tier 1 Maximum Capacity Release Volume for that Marketer. On a monthly basis, the Company will recalculate the equivalent November daily load to reflect any increase or decrease in the number of customers and/or delivery volumes in the Marketer's pool, and adjust the Marketer's capacity release volume accordingly. Any Marketer that chooses to take capacity in an amount that is less than the Tier 1 Maximum Capacity Release Volume must secure primary firm delivery capacity to the appropriate Company city gate for the difference between the amount of Tier 1 capacity the Marketer elects to take and the Tier 1 Maximum Capacity Release Volume.

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