Status: CANCELLED Effective Date: 01/01/2008

PSC NO: 12 GAS LEAF: 342
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 13
INITIAL EFFECTIVE DATE: 01/01/08 SUPERSEDING REVISION: 12
STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

SERVICE CLASSIFICATION No. 17 - Continued

Daily Swing Service Monthly Imbalance Charge

The Company shall balance the Customer's account after each actual meter reading to zero. This shall be done by comparing the sum of the Customer's deliveries to the Company for the month to the Customer's actual usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the Customer at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the Customer at the Company's Monthly Cash Out Price for the same period.

Return Requirement on Gas in Storage

The rates for transportation service under this Service Classification shall include each month an estimate of the Return Requirement on Gas in Storage Unitized Charge per therm. The Return on Gas in Storage Unitized Charge per therm shall initially be projected in advance of the Partial Gas Cost Year over a 13-month period starting January 1, 2008 and ending January 31, 2009. Thereafter, the projection will be developed in advance of every Gas Cost Year for a 13-month period that starts on September 1st and ends on September 30th for inclusion in monthly billing as follows .

- 1. Multiply the Return Requirement Percentage by,
- 2. The projected 13-month average commodity inventory cost of the Company's and KEDLI's market area storage services and production area storage services, excluding WSS inventory used for Off-System Transactions **multiplied by**
- 3. The ratio of:
 - a) the Company's Annual Forecasted Firm and TC Sendout to
 - b) the Company's Annual Forecasted Firm and TC Sendout plus KEDLI's Annual Forecasted Firm and TC Sendout and multiply .
 - 4. The Return Requirement on Gas in Storage = (1) x (2) x (3)

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