Received: 12/28/2007 Status: CANCELLED Effective Date: 01/01/2008

PSC NO: 12 GAS

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 2

INITIAL EFFECTIVE DATE: 01/01/08

SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

SERVICE CLASSIFICATION No. 17 – Continued

Marketers/Direct Customers electing not to participate in the Company's Capacity Release Program are required to:

1. Procure their own primary firm capacity to the Company's citygate for 75 % of their capacity needs for each of the five winter months (November through March, inclusive); and 2. Submit an affidavit to the Company in each of the five winter months (November through March, inclusive) in the manner and at the time described in Sections IV.C and V.C of the Company's Gas transportation Operating Procedures Manual ("Manual"), which Manual is on file with the Public Service Commission. The affidavits will attest that the Marketer/Direct Customer has procured primary firm delivery point capacity to the Company's citygate for the applicable month. As described in the Manual, the penalty for falsifying any of the information in the affidavit will be \$.33 per Dth on the full five winter months of the Marketer's/Direct Customer's normalized consumption, in addition to any other applicable penalties that might be incurred by the Marketer/Direct Customer.

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