Status: CANCELLED Effective Date: 11/01/2007

PSC NO: 12 GAS LEAF: 406 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 5 INITIAL EFFECTIVE DATE: 11/01/07 SUPERSEDING REVISION: 3 STAMPS: Issued in compliance with Order of PSC in C. 07-G-0299 dated 08/30/07

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

Any Marketer currently using its own primary firm delivery point capacity to meet core customer requirements may continue to do so indefinitely at the volumetric level of such capacity as of November 1, 2007. However, if that Marketer elects to reduce the amount of capacity, that reduced level will become the new maximum amount of Marketer-owned capacity. In addition, any Marketer using its own capacity to meet some or all of its customer requirements may pass those grandfathered rights on as a package when it sells its customer book to another Marketer.

Tier 1 - Capacity Release

Subject to the conditions described below, the Company will release 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 less any Marketer capacity pursuant to the section above. 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.

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