PSC NO: 12 GASLEAF: 343COMPANY: THE BROOKLYN UNION GAS COMPANYREVISION: 11INITIAL EFFECTIVE DATE: 11/01/07SUPERSEDING REVISION: 9STAMPS: Issued in compliance with Order of PSC in C. 07-G-0299 dated 08/30/07

SERVICE CLASSIFICATION No. 17 – Continued

The Tier 1 capacity released on the Selected Pipelines will be at the Selected Pipelines' maximum rates. The Selected Pipelines will bill the Marketer each month for the released capacity at their respective maximum rates. The Marketer is responsible for all fixed and variable costs associated with the released capacity.

Marketers must deliver supply to the Company by means of the Tier 1 released capacity. The Marketer is obligated to deliver gas to the Company for the Marketer's customers as required by the Company's tariff. The Marketer is required to meet all obligations required by the Selected Pipelines under their respective tariffs.

Tier 2 - Bundled Winter Sales

The Company will provide a Tier 2 bundled winter sales service from November through March (and April, as required) that is equal to the Marketer's Tier 2 Maximum Daily Quantity ("Tier 2 MDQ"). The Tier 2 MDQ will be set at 25% of the Marketer's estimated November daily load. 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 Tier 2 MDQ accordingly.

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