PSC NO: 12 GASLEAF: 79COMPANY: THE BROOKLYN UNION GAS COMPANYREVISION: 3INITIAL EFFECTIVE DATE: 01/01/04SUPERSEDING REVISION: 2STAMPS: Issued in compliance with order in Case 02-M-0515 dated December 3, 2003

GENERAL INFORMATION - Continued

C. Service Classification No. 4B

Each October 15, the Company shall determine the annual unitized imbalance overcollection/undercollection factors to recover gas cost overcollections or refund overcollections from customers served under Service Classification No. 4B following the conclusion on the imbalance year ended August 31st in the same manner as the Company determines the annual unitized imbalance overcollection/undercollection factor under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3 and 21.

D. Service Classification Nos. 7 and 14

Each October 15, the Company shall determine the annual unitized imbalance overcollection/undercollection factors to recover gas cost overcollections or refund overcollections from customers served under Service Classification No. 7 and 14 following the conclusion on the imbalance year ended August 31st in the same manner as the Company determines the annual unitized imbalance overcollection/undercollection factor under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3 and 21.

36. Statement of Monthly Cost of Gas and Adjustments

The Monthly Cost of Gas and Adjustments shall be effective commencing the first day of the calendar month following the computation date and shall continue in effect until changed.

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