PSC NO: 12 GAS LEAF: 405.1 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 2 INITIAL EFFECTIVE DATE: 11/01/14 SUPERSEDING REVISION: 0 STAMPS:

SERVICE CLASSIFICATION No. 19 – continued

b) Non-Core Monthly Balancing Program:

The Transco Zone 6 NY mid-point price for the date of flow published in Platt's Gas Daily Price Guide, Daily Price Survey and is reflected as a per dekatherm price.

c) Daily Balancing Program:

A weighted average price determined for each Seller proportionate to the amount of gas that the Seller delivers on each interstate pipeline to the Company's city gate.

The interstate pipeline gas prices used to compute the Daily Cash Out Price are obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow as follows:

Transco – Transco Zone 6 NY mid-point price Texas Eastern – Tx. Eastern M3 mid-point price Iroquois – Iroquois Zone 2 mid-point price Tennessee – Tx. Eastern M3 mid-point price

5. Daily Cash Out Penalties

Applicable to Sellers participating in the Company's Core or Non-Core Monthly Balancing Program.

- a) City Gate Balancing Penalty Charge: \$10.00 per dekatherm
 - 1) Core Monthly Balancing Program

Charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than the Seller's Core DDQ.

2) Non-Core Monthly Balancing Program

Charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's Non-Core DDQ.

Issued by: Kenneth D. Daly, President, Brooklyn, New York