

PSC NO: 12 GAS

LEAF: 406.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 10

INITIAL EFFECTIVE DATE: 11/01/14

SUPERSEDING REVISION: 9

STAMPS:

SERVICE CLASSIFICATION No. 19 – continued**E. STATEMENT OF SELLER CHARGES AND ADJUSTMENTS (continued)****9. Lost and Unaccounted For Gas (LAUF)**

A percentage LAUF described on General Information Leaf No. 69.

F. MONTHLY BALANCING PROGRAM

Sellers serving customers taking transportation service under SC 18 may elect to participate in either the Company's Monthly Balancing Program or Daily Balancing Program. Sellers serving customers taking transportation service under SC 17 must participate in the Company's Monthly Balancing Program.

Sellers that participate in the Company's Daily Balancing Program will be allowed to return to the Monthly Balancing Program on a best efforts basis. If approved to switch by the Company, the Sellers's customers must remain in the Monthly Balancing Program for at least 12 months

The following provisions are applicable to the Monthly Balancing Program:

1. Delivery Quantity

Each month, the Company shall determine the Seller's DDQ and the Seller shall be obligated to deliver this amount each day to the Company's City Gate unless otherwise notified by the Company.

The Seller shall provide to the Company notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for each day of the succeeding month. The scheduled nomination must equal Seller's DDQ.

The Company is not obligated to accept any volumes that have been nominated by the Seller to the extent that such nomination exceeds Seller's DDQ

2. Swing Service Demand Charge

The Company will utilize upstream assets and gas supply to manage differences between the quantity of gas delivered each day by the Seller and the quantity of gas actually consumed each day by Seller or Seller's Customers.

Sellers shall pay a swing service demand charge which is calculated by multiplying the per dekatherm 1) the Swing Service Demand Charge set forth on the Statement of Seller Charges and Adjustments; by 2) 1/12 of the Pool's annual normalized consumption.

Issued by: Kenneth D. Daly, President, Brooklyn, NY