PSC NO: 12 GAS STATEMENT TYPE: COC COMPANY: THE BROOKLYN UNION GAS COMPANY STATEMENT NO: 65 INITIAL EFFECTIVE DATE: 01/13/04

STATEMENT OF UNBUNDLED TRANSPORTATION SERVICE CASH OUT CHARGES

Applicable for Cash Out Billings from **December 1, 2003** through **December 31, 2003** Applicable to usage under Service Classification Nos. 16, 17 and 18 of PSC No. 12-GAS

| MONTHLY AVERAGE COMMODITY COST OF GAS PRICE PER DTH: | | \$ 5.1477 |
|--|---|--|
| ACTUAL MONTHLY INCREMENTAL COST OF GAS INCLUDING DEMAND CHARGES PRICE PER DTH: | | \$ 6.1784 |
| DAILY COMMODITY COST OF GAS PRICE PER DTH: | | \$ 5.1477 |
| DAILY INCREMENTAL COST OF GAS INCLUDING DEMAND CHARGES RICE PER DTH: | | \$ 6.1784 |
| **** For the Following Dates the Daily Infremental Cost of Gas is: | | |
| | December 2, 2003 | \$6.4900 |
| | December 3, 2003 | \$7.0600 |
| | December 5, 2003 | \$6.6100 |
| | December 6, 2003 | \$7.2800 |
| | December 7, 2003 | \$7.2800 |
| | December 8, 2003 | \$7.2800 |
| | December 9, 2003 | \$6.8600 |
| | December 10, 2003 | \$7.0950 |
| | December 11, 2003 | \$7.2500 |
| | | |
| | December 12, 2003 | \$7.3550 \$7.0050 |
| | December 13, 2003 | \$7.9050 |
| | December 13, 2003 December 14, 2003 | \$7.9050 \$7.9050 |
| | December 13, 2003 December 14, 2003 December 15, 2003 | \$7.9050 \$7.9050 \$7.9050 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 December 18, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 \$7.1850 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 December 18, 2003 December 19, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 \$7.1850 \$7.9650 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 December 18, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 \$7.1850 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 December 18, 2003 December 19, 2003 December 20, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 \$7.1850 \$7.9650 \$7.6200 |
| | December 13, 2003 December 14, 2003 December 15, 2003 December 16, 2003 December 17, 2003 December 18, 2003 December 19, 2003 December 20, 2003 December 21, 2003 | \$7.9050 \$7.9050 \$7.9050 \$7.2850 \$7.1450 \$7.1850 \$7.9650 \$7.6200 \$7.6200 |

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

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