Status: CANCELLED Effective Date: 06/01/2003

PSC NO: 12 GAS STATEMENT TYPE: UTSC

COMPANY: THE BROOKLYN UNION GAS COMPANY STATEMENT NO: 59

INITIAL EFFECTIVE DATE: 06/01/03

STATEMENT OF UNBUNDLED TRANSPORTATION SERVICE CHARGES Applicable to Usage Under Service Classification Nos. 16, 17, 18 and 19

P.S.C. No. 12-GAS

Page 1 of 3

I. Transportation Adjustment applicable to all customers served under Service Classification Nos. 16, 17 and 18. Surcharges/Refunds are per therm of gas to be applied to all transportation quantities.

Transition Cost Surcharge (SC16-1A, SC16-1AR, SC17-1A, SC17-1AR)	(\$0.0013)*
Transition Cost Surcharge (SC16-1B, SC16-1BR, SC16-2, SC16-3	
SC17-1B, SC17-1BR, SC17-2, SC17-3)	(\$0.0013)*
Transition Cost Surcharge (SC16-4A, SC17-4A)	(\$0.0013)
Transition Cost Surcharge (SC16-4B, SC17-4B)	(\$0.0013)
Transition Cost Surcharge (SC16-7, SC17-7)	(\$0.0013)
Transition Cost Surcharge (SC18-5A)	\$0.0000
Pipeline Refund	(\$0.0065)
Daily Penalty Refund	\$0.0000
Research and Development Surcharge	\$0.0012
Merchant Function Backout Credit	(\$0.0210)

^{*} Includes Transition Surcharge of \$.0000

II. System Use and Losses:

Applicable to all customers served under Service Classification Nos. 16, 17, 18 and 19. Percentage to be applied to the quantity of gas delivered to the Company by a transporter for the account of the customer, as determined as of August 31, 1994.

Customers Served Under S.C. Nos. 16, 17, 18 and 19

Status: CANCELLED Effective Date: 06/01/2003

STATEMENT OF UNBUNDLED TRANSPORTATION SERVICE CHARGES

Page 2 of 3

II. Charges applicable to all customers served under Service Classification No. 16 and Sellers served under Service Classification No. 19 who have established a Pool of Service Classification No. 16 customers.

A. Average Upstream Transportation Cost:

\$0.0574 per therm

The Company's monthly weighted average per therm cost of firm pipeline capacity upstream of the city gate.

B. Balancing Service Demand Charge:

\$0.1265 per therm

The Company's monthly weighted average per therm cost of storage capacity upstream of the city gate.

C. Balancing Service Peaking Demand Charge:

\$0.0574 per therm

The Company's monthly weighted average per therm cost of firm pipeline capacity upstream of the city gate used for balancing.

IV. Charges applicable to customers served under Service Classification No. 17 and Sellers served under Service Classification No. 19 who have established a Pool of transportation customers which includes Service Classification No. 17 customers.

A. Daily Swing Service Demand Charge:

\$0.0101 per therm

The Company's weighted average per therm cost of firm pipeline and storage capacity upstream of the city gate used to provide balancing.

V. Charges applicable to customers served under Service Classification No. 18 and Sellers served under Service Classification No.19 who have established a Pool of transportation customers which includes Service Classification No. 18 customers.

A. Standby Gas Demand Charge:

\$0.0000 per therm

The Company's weighted average per therm cost of pipeline and storage capacity upstream of the city gate in the event a Marketer is no longer able to fulfill delivery commitments to customers.

Status: CANCELLED Effective Date: 06/01/2003

STATEMENT OF UNBUNDLED TRANSPORTATION SERVICE CHARGES

Page 3 of 3

I. Posted Monthly Rates Applicable to customers served under Transportation Service Rates TS-6C, TS-6G, and TS-6M who have entered into a Transportation Service Agreement, as of the effective date of this statement.

Temperature Controlled Transportation Service	Minimum Monthly Applicable to Fi 10 Therms or Le	Variable Monthly Rate Applicable to Transport Volumes over 10 Therms Dollars per Therm
TS-6C (Commercial) Rate 1	\$ 187.37	\$0.1332
TS-6C (Commercial) Rate 2	\$ 292.32	\$0.1267
TS-6C (Commercial) (PBT Exempt) Rate 1	\$187.37	\$0.1237
TS-6C (Commercial) (PBT Exempt) Rate 2	\$292.32	\$0.1162
TS-6G (Government) Rate 1	\$187.37	\$0.1332
TS-6G (Government) Rate 2	\$292.32	\$0.1267
TS-6M (Multi-Family) Rate 1	\$187.37	\$0.1084
TS-6M (Multi-Family) Rate 2	\$187.37	\$0.0850
TS-6M (Multi-Family) Rate 3	\$292.32	\$0.0523
TS-6M (Multi-Family) Rate 4	\$292.32	\$0.0253

VII. Posted Monthly Rates Applicable to customers served under Transportation Service Rate TS-5A who have entered into a Transportation Service Agreement, as of the effective date of this statement.

Interruptible Transportation Service	Variable Monthly R Applicable to Firs 500,000 Therms Transported	Applicable to Transport Volumes over
TS-5A - Monthly Rate	\$.010	\$.010
TS-5A - Monthly Rate PBT Exempt	\$.010	\$.010

Status: CANCELLED Effective Date: 06/01/2003

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