PSC NO: 12 GASLEAF: 401COMPANY: THE BROOKLYN UNION GAS COMPANYREVISION: 7INITIAL EFFECTIVE DATE: 11/01/11SUPERSEDING REVISION: 6STAMPS: Issued in compliance with Orders in C. 06-G-1185 dated 01/19/2010 and 10/18/11

SERVICE CLASSIFICATION No. 19 - continued

A. **DEFINITIONS** - continued

Pool – A group of one or more customers to whom a Seller is selling gas, who are receiving transportation service pursuant to Service Classification No. 17 or Service Classification No. 18, whose gas usage is aggregated by the Seller for the purpose of providing service under this Service Classification.

Seller – A Seller is either: 1) an ESCO or Marketer that meets the Seller qualifications under Service Classification No. 19 and is selling gas to a Pool; or 2) a Core or Non-Core Customer who is qualified to purchase natural gas and deliver it to the Company's city gate on his own behalf pursuant to Service Classification No. 19.

Seller's Agent – An ESCO or Marketer that is designated as agent by the Seller, to whom the Company will release capacity on behalf of the Seller, in order for the Seller to serve his pool's demand pursuant to this Service Classification.

Seller Service Agreement – The agreement between the Company and Seller to provide service under this Service Classification, the form of which is included in this Schedule for Gas Service, and the term of which shall be for a period of no less than twelve months.

Swing Service – The Company provides swing service under the monthly balancing program to manage imbalances that arise when weather deviates from normal and the quantity of gas actually consumed by the Seller's Pool differs from the quantity of gas delivered by the Seller to the Pool. The Company will rely on upstream pipeline, storage, peaking and supply assets to provide the Swing Service.

Transporter – An interstate or intrastate pipeline transporting gas to the city gate points of receipt on the Company's delivery system for the Pool's account.

Weighted Average Cost of Capacity ("WACOC") – the unitized weighted average cost of 1) the Company's Pipeline Transporters' Fixed Costs for firm domestic and unbundled Canadian pipeline transportation capacity used to deliver flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the fixed costs or basis premium of the Company's bundled city gate winter supply contracts. The WACOC will be updated as required to reflect changes to rates and prices.

Issued by: Alan P. Foster, Senior Vice President and Controller, Brooklyn, NY