

PSC NO: 12 GAS

LEAF: 427.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 2

INITIAL EFFECTIVE DATE: 01/01/06

SUPERSEDING REVISION: 0

STAMPS: Issued in compliance with Order in C. 03-G-1392 dated November 23, 2005

SERVICE CLASSIFICATION NO. 20**NON-CORE TRANSPORTATION SERVICE FOR ELECTRIC GENERATION****DEFINITIONS**

Actual Monthly ICOG - The actual monthly incremental cost of gas including demand charges incurred by the Company. The Actual Monthly ICOG will be included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day of the following month.

Market Electric Price – The respective zonal average of the Real Time Electric Market Locational Based Marginal Pricing (LBMP) for the applicable hour and zone as reported on the NYISO website expressed in \$/Mwh.

Base Year – The first full year of the operation of the NYISO starting December 1, 1999.

Base Year Spark Spread - The simple average of the Spark Spread for all 8,784 hours of the Base Year.

Calendar Year - January 1st – December 31st of the year prior to the first day of the Effective Period.

Customer's Heat Rate Tier Level – Depending on what technology the Customer's unit employs, there will be four different proxy heat rates:

Tier 1 17.5 mmBTU/Mwh-hour for older, simple cycle peaking units (i.e. those units that commenced operation prior to December 31, 1998)

Tier 2 11.0 mmBTU/Mwh-hour for Rankine Cycle steam units

Tier 3 10.0 mmBTU/Mwh-hour for new, simple cycle peaking units

Tier 4 7.4 mmBTU/Mwh-hour for combination cycle plants

Customer's Mwh Generated Output – The hourly dth consumption divided by the Customer's heat rate expressed in Mwh/hours.

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