Received: 06/29/2004

Status: CANCELLED Effective Date: 10/01/2004

PSC NO: 12 GAS LEAF: 414
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 4
INITIAL EFFECTIVE DATE: 10/01/04 SUPERSEDING REVISION: 3

STAMPS:

SERVICE CLASSIFICATION No. 19 - Continued

- (g) The Company will permit Customers served under this service classification to trade City Gate imbalances with Customers served under S.C. Nos. 17 and 18, and with Sellers providing service to a Pool under S.C. No. 19 provided that: (1) all imbalance trading occurs on the same interstate pipeline (2) all imbalances being traded occur on the same day (3) the Company is notified by the parties of their intention to trade imbalances in writing no later than 48 hours following the day on which the imbalance trading occurs to and (4) trading parties consent to the imbalance trade.
- (h) The Company, based upon the Customer's historical load profile and/or estimates of consumption, shall determine the Customer's annualized load profile under normal conditions. Based upon this load profile, the Company will determine the Customer's MDDQ and ADDQ.

The Company may permit the Customer to reduce deliveries of the ADDQ on one or more days during any winter month to prevent surplus deliveries when the temperature is projected to be higher than normal and increase deliveries of the ADDQ on one of more days during any winter month to prevent shortage deliveries when the temperature is projected to be lower than normal. The change in deliveries will be based on current and forecasted variations from normal weather.

OPERATIONAL FLOW ORDERS

The Company shall have the right to issue Operation Flow Orders (OFOs) in order to maintain system integrity or to ensure Company's continued ability to provide service to its firm customers.

The use and issuance of OFOs are set forth in the Company Gas Transportation Operating Procedures Manual, Section VIII, as filed with the Public Service Commission.

CHARGE FOR LATE PAYMENT:

Pursuant to the provisions contained in General Information Leaf No. 41.

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