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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 7
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RECEIVED: 10/29/99 STATUS: Cancelled EFFECTIVE: 11/01/99
SERVICE CLASSIFICATION No. 17 - Continued

Daily Swing Service Monthly Imbalance Charge

The Company shall balance the Customer's account after each actual meter reading to zero. This shall be done by comparing the sum of the Customer's deliveries to the Company for the month to the Customer's actual usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the Customer at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the Customer at the Company's Monthly Cash Out Price for the same period.

Standby Gas Service

Direct Purchase Core Customers taking service under this Service Classification must subscribe to Standby Gas Service no later than October 15th each year. The Standby Gas Service applicable is based upon the type of capacity the Direct Purchase Core Customer has procured for its winter (November 1 through March 31) requirements as follows:

Standby Gas Service for Direct Purchase Core Customers Who Have Secondary Capacity to the Company's Citygate for the Winter Period (November 1 through March 31 Inclusive) - The Direct Purchase Core Customer shall pay the following rates and charges:

The Direct Purchase Core Customer shall demonstrate by written affidavit or through provisions of the contract, to the Company's satisfaction, no later than the close of business on the first day of the NYMEX three day settlement, that it has committed to at least secondary firm capacity to the Company's citygate in a quantity sufficient to supply the Average Daily Delivery Quantity (ADDQ) for that upcoming winter month. (This monthly demonstration is effective for the 1999/2000 winter season and shall be reevaluated by the Company each year thereafter.)

Demand Charge - \$0.030 per therm multiplied by the Customers' normalized consumption from November 1st through March 31st, inclusive, as determined by the Customer's load profile. The resulting aggregate demand charge shall be divided by five and be payable on the first of each winter month, beginning with November 1st. The Company shall provide the Direct Purchase Core Customer with the monthly demand charge prior to October 15th of each year.

Variable Rate - in the event the Direct Purchase Core Customer is unable to continue delivery of natural gas for his account as provided for in the CTS agreement from November 1st through March 31st, inclusive, the Company will provide a fully bundled sales service to the citygate to meet the ADDQ of the Direct Purchase Core Customer. The Direct Purchase Core Customer shall pay a cost of gas equal to the Company's Actual Monthly ICOG less \$0.030 per therm multiplied by the Direct Purchase Core Customer's ADDQ for each day service is provided in that winter month.

The Company will provide service under Standby Gas Service only in the event the Direct Purchase Core Customer's capacity is curtailed by the pipeline. The Direct Purchase Core Customer must provide documentation substantiating the curtailment of capacity.

Issued by: Steven L. Zelkowitz, Sr. Vice President and General Counsel, Brooklyn, NY