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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 2

INITIAL EFFECTIVE DATE: 05/21/99 SUPERSEDING REVISION: 1

STAMPS:

Cancelled by 3 Rev. Leaf No. 343 Effective 08/01/1999

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SERVICE CLASSIFICATION No. 17 - Continued

Monthly Standby Gas Service rates and charges are as follows:

Standby Demand Charges applicable to customers eligible to take service under Service Classification Nos. 1A, 1AR, 1B, 1BR, 2, 3, 4A, 4B and 7:

Standby Gas Demand Charge \$.009 per therm applied to the Customer's maximum

monthly ADDQ determined in the Customer's CTS

Service Agreement, multiplied by 30.

Standby Demand Charges will be waived for all Human Needs customers provided that the direct purchase Human Needs customer or such customers' Seller satisfies either of the following two options:

Option 1) The direct purchase Human Needs transportation customer or Seller shall demonstrate, to the Company's satisfaction, no later than the close of business on the first day of the NYMEX three day settlement, that he has committed to either primary receipt point capacity to the Company's citygate or primary receipt point natural gas deliveries to the Company's citygate in a quantity sufficient to supply the Average Daily Delivery Quantity (ADDQ) for such Human Needs requirements for the upcoming month; and,

The direct purchase Human Needs transportation customer or Seller shall provide the Company a written agreement assigning to the Company the rights of such direct purchase Human Needs transportation customer or Seller to either their primary receipt point capacity to the Company's citygate or primary receipt point natural gas deliveries to the Company's citygate in a quantity sufficient to supply the Average Daily Delivery Quantity (ADDQ) for such Human needs requirements. In the event the direct purchase transportation customer or Seller fails to deliver gas to the citygate to meet their ADDQ requirement under this option for three consecutive days, the Company may call upon its assignment rights to the direct purchase transportation customer's and/or Seller's assets.

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