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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 2

INITIAL EFFECTIVE DATE: 04/17/00 SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with order in Case 97-G-1380 dated December 21, 1

RECEIVED: 04/14/00 STATUS: Effective EFFECTIVE: 04/17/00

SERVICE CLASSIFICATION No. 18 - Continued

In the event that the total quantity of gas delivered to the city gate is more than 102% of the Customer's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries in excess of 102% of the Customer's ADDQ. This amount will be reduced by an amount equal to the deliveries in excess of the Customer's ADDQ multiplied by the Company's Daily Commodity Cost of Gas, bringing the imbalance in the Customer's ADDQ to zero each day.

In the event that the total quantity of gas delivered to the city gate is less than 98% of the Customer's ADDQ, a penalty charge equal to \$1.00 per therm will be applied to deliveries less than 98% of the Customer's ADDQ. This amount will be increased by any amount equal to the deliveries less the Customer's ADDQ multiplied by the Company's Daily ICOG, bringing the imbalance in the Customer's ADDQ to zero each day.

Provided, however, that the \$1.00 per therm charge in B(1) and B(2) may be increased during critical periods (i.e. gas shortages).

Gas Delivery Nomination Procedures

The Gas Delivery Nomination Procedures for all transportation customers are described in the Company's Gas Transportation Operating Procedures Manual, Section IV and Section V, as filed with the Public Service Commission.

Communications Protocols

The Communications Protocols for all transportation customers are described in the Company's Gas Transportation Operating Procedures Manual, Section VII, as filed with the Public Service Commission.

DETERMINATION OF ON-SYSTEM BILLING QUANTITY

For the purpose of computing the quantity of gas delivered to a Customer's delivery point, the quantity of gas delivered each month to the Company for the account of a Customer taking service under this Service Classification shall be reduced by a percentage factor, as determined annually on August 31, to provide for system use and losses within the Company's distribution system as specified in the Customer's CTB Service Agreement. The Company reserves the right to petition the Public Service Commission for permission to change such percentage factor in the event it determines that a change is required to more accurately reflect system use and losses.

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