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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. 17 - Continued

In the event that the total quantity of gas delivered is less than Customer's ADDQ, Customer shall pay the Company a per therm charge equal to the Company's Daily ICOG multiplied by the difference between (I) Customer's ADDQ for such day and (ii) the total quantity of gas delivered by Customer to the Company on such day, bringing the imbalance in Customer's ADDQ to zero each day.

- B) If the total quantity of gas delivered by Customer to the Company on any day is more than 2% greater or less than Customer's ADDQ or the Customer has not met its nomination and scheduling obligations, for such day then,
 - 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 shortage).

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.

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