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 COMPANY: MARKETSPAN GAS CORPORATION DBA BROOKLYN UNION REVISION: 0
 INITIAL EFFECTIVE DATE: 12/01/98 SUPERSEDING REVISION:
 STAMPS:
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SERVICE CLASSIFICATION No. 7
Interruptible Transportation Service (Continued)
(Rate Codes: 710, 711, 720, 721)

Receipt and Delivery of Customer-Owned Gas:

A customer's Interruptible Daily Quantity (IDQ) under this Service Classification equals 1/365 of the customer's Annualized Transportation Quantity. By the first business day following the 14th day of each month, the Customer or Supplier shall provide to the Company written notice of the natural gas scheduled for delivery at the City Gate by interstate pipeline for the succeeding month for the customer's account. The Customer may modify the scheduled nomination by notifying the Company in writing no less than twenty-four (24) hours before 8:00 a.m. EDT of the new gas day for delivery to the City Gate. The Customer or Supplier must not deliver or cause to be delivered at the City Gate more than the Maximum Interruptible Daily Quantity (MIDQ). The MIDQ shall be one hundred and fifty percent (150%) of a customer's IDQ. Unless interrupted on the Company's system, the Company will deliver to the Customer the customer's daily usage requirements without exceeding the customer's Maximum Interruptible Hourly Quantity during any hour.

The Company is not obligated to accept the customer's nominations to the Company's City Gate to the extent that such nomination exceeds a customer's MIDQ. In the event the Customer tenders quantities in excess of the MIDQ, the Company may, in its sole discretion, transport such excess volumes if sufficient capacity is available on the Company's system.

The Company may not accept the customer's nominations to the Company's City Gate if the Company has interrupted service to the customer's facilities.

Imbalances in Customer's Account:

The Customer shall schedule deliveries to the Receipt Point so that the customer's daily consumption shall equal, as near as may be possible, the deliveries made to the Receipt Point on behalf of the customer less four (4) percent to reflect fuel use and losses in the process of transportation and delivery. To the extent that the customer's daily usage differs from the amount of gas delivered to the Receipt Point less four (4) percent that day, the Company shall, within existing limitations of its system and for limited periods, balance the volume of the customer's gas requirements and the delivered volumes adjusted for fuel use and losses.

At the end of each month, the Company shall determine the net surplus or deficiency in deliveries of gas to the customer's Service Location above or below the volume of gas transported to the Receipt Point adjusted for fuel use and losses. In the case of a net deficiency, the Customer will be charged for any net deficiency at the applicable rate pursuant to Service Classification No. 4.

At the end of a billing cycle, if a customer's account contains a net surplus (the volume of customer-owned gas delivered to the Company's City Gate adjusted for fuel use and losses exceeded the customer's consumption during the period), the Company shall have the discretion to purchase the excess gas from the Customer or Supplier at the lowest price paid by the Company for gas purchased in that month on the spot market or to reduce the customer's Interruptible Daily Quantity (IDQ) in a subsequent month to eliminate the net surplus.

Issued by Kathleen A. Marion, Secretary
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