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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3
INITIAL EFFECTIVE DATE: 08/23/02 SUPERSEDING REVISION: 2
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SERVICE CLASSIFICATION No. 19 - Continued

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.

DETERMINATION OF ON-SYSTEM BILLING QUANTITY

For the purpose of computing the quantity of gas delivered to the delivery point of each Customer in a Pool, the quantity of gas delivered each month to the Company for the account of Seller 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 each Seller's 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.

To assist in reconciling quantities of gas received for transportation each month, the Seller shall provide, or cause to be provided, to the Company a copy of the Transporter's monthly invoice showing the quantity in Therms of all gas delivered during the month to the Company for the Seller's account as soon as such invoice is available to allow for billing by the Company. Absent receipt of such invoice, the Company reserves the right to estimate the quantity of gas transported for billing purposes. Such estimate shall be made on the basis of available data, and any reconciliation to actual quantities delivered shall be made in the subsequent billing month.

Statement of Unbundled Transportation Service

Not less than three (3) days prior to its effective date, the Company will file with the Commission a Statement of Unbundled Transportation Service, which Statement will contain the following charges applicable to this Service Classification: Average Upstream Transportation Cost, Balancing Service Peaking Demand Charge, Balancing Service Demand Charge, Balancing Service Imbalance Charge, Daily Swing Service Demand Charge and the Merchant Function Backout Credit. The collective sum of these items shall be known as the Transportation Adjustment.

Issued by: Richard A. Rapp, Vice President, Deputy General Counsel and Secretary, Brooklyn, NY