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COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 10/01/98

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FORM OF SERVICE AGREEMENT - Continued

8. Swing Service (SC-17 Pool). Where a Pool is comprised of Customers taking CTS Service, the Company will utilize upstream assets and gas supply as required to accommodate variations in Seller's daily account balance between Seller's gas deliveries and the actual gas consumption of the Pool.

9. Monthly Balancing (SC -18 Pool). Where a Pool is comprised of Customers taking NCT Service, the Company shall balance Seller's account at the end of each month to zero, as provided under the terms and conditions of SC-18.

10. Rates and Charges for Service.

(a) Where a Pool is comprised of Customers taking CTB Service, each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Balancing Service Peaking Demand Charges, Balancing Service Demand Charges, and the Balancing Service Imbalance Charges set forth under SC-19.

(b) Where a Pool is comprised of Customers taking CTS Service each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Monthly Swing Service Demand Charges and the Daily Swing Service Imbalance Charges set forth under SC-19.

(c) Where a Pool is comprised of Customers taking NCT Service each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Monthly Balancing Charges set forth under SC-19.

(d) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-19, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

Issued by: Robert J. Fani, Senior Vice President, Brooklyn, New York