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COMPANY: MARKETSPAN GAS CORPORATION DBA BROOKLYN UNION REVISION: 2
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in Case 97-G-1380 dated 3/24/99
CANCELLED effective 06/29/99
RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 07/01/99

SERVICE CLASSIFICATION NO. 8
Seller Service (continued)

Upstream Transportation Credits:

The UTC will be equal to the Monthly Pipeline Cost Adjustment less Daily Swing Service Monthly Demand Charge and less Load Factor Adjustments based on the sum of the customers' load factors. The per unit credit shall be multiplied by the actual DDQ.

Daily Swing Service Rates and Charges:

The Company will utilize upstream assets and gas supply required to accommodate variations in the Customer's daily account balance between the Customer's deliveries and actual consumption. The rates and charges associated with this service are as follows:

Daily Swing Service Monthly Demand Charge:

Seller shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) by the weighted average load factor allocation and then multiplying that product by 1/12 of the customers' annual normalized consumption.

Release of the Company's Upstream Transportation Option:

As an alternative to acquiring its own upstream transportation, a Seller may choose to deliver at the City Gate the customer's DDQ or, in the case of more than one customer, the customers' ADDQ by becoming pre-arranged replacement shippers of the Company's released upstream interstate pipeline capacity. When a Seller pays the interstate pipeline's demand charges for such capacity release directly to the interstate pipeline, the Company will provide a Released Transportation Credit (RTC) to such replacement shipper in an amount equal to the credit received by the Company from the interstate pipeline for such release. To the extent that a customer's DDQ or customers' ADDQ is reduced because the Seller is no longer delivering gas to the Company on behalf of one or more Customers, the RTC payable to Seller will be reduced pro rata and a pro rata amount of the released capacity will be recalled by the Company. Any pipeline refunds associated with such released capacity, regardless of when received by the replacement shipper, shall be immediately refunded to the Company by the replacement shipper.

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY