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COMPANY: MARKETSPAN GAS CORPORATION DBA BROOKLYN UNION REVISION: 3
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 2
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SERVICE CLASSIFICATION NO. 5 Firm Transportation Service (continued)
(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257)

This option is only available to the extent the Company, in its reasonable discretion, has upstream interstate pipeline capacity available for release. In exercising its reasonable discretion, the Company will limit the available capacity for release to a Seller on a monthly basis as follows:

(I) for the period between November 1 and March 31, to the highest applicable DDQ and ADDQ for any one month within such period; and

(ii) for the period between April 1 and October 31, to the highest applicable DDQ and ADDQ for any one month within such period.

In addition, the Company will not make available for release any capacity that the Company determines is required to meet its firm sales requirements, to meet its balancing requirements, to maintain its system reliability, or to meet third party obligations existing before April 1, 1996.

The Company, in its reasonable discretion, may determine the term of all pre-arranged capacity release transactions. A Seller that wishes to become a replacement shipper of the Company's available released capacity must notify the Company of its intention to become a replacement shipper at least forty-five (45) days before the first day of the proposed capacity release transaction. The Company will notify the Seller of its acceptance or rejection of the offer to become a replacement shipper of the company's released capacity no later than five (5) business days after the company's receipt of a capacity release proposal. The Company will confirm the release transaction no later than twenty (20) days before the first day of the proposed capacity release transaction.

Customers are subject to a Pipeline Cost Adjustment to recover the cost of upstream capacity, balancing service demand, and balancing service peaking demand. This adjustment is calculated on a per therm basis and is set forth on the Statement of Gas and Pipeline Costs and Adjustments.

A Seller opting for the release of the Company's upstream transportation can elect one of two delivery options for its Customers.

Projected Use Delivery Service:

A Customer may choose to deliver gas based on the Projected Use Profile. The Company shall balance the Customer's account after actual meter reading to zero. This shall be done by comparing the sum of the Customer's deliveries to the Company for the month to the Customer's actual usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be used to reduce future deliveries by the Seller. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be used to increase future deliveries by the Seller.

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

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