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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0

INITIAL EFFECTIVE DATE: 10/01/98 SUPERSEDING REVISION:

STAMPS:

Cancelled by 1 Rev. Leaf No. 67 Effective 10/01/1998

RECEIVED: 06/01/98 STATUS: Cancelled EFFECTIVE: 10/01/98 GENERAL INFORMATION - Continued

Monthly Dispatched Gas Forecast - The Company's volumetric forecast of gas supply sources used to provide gas supply for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3, 4A, 4B, 6C, 6G, 6M, 7 and 14 to be used utilized during the Effective Month to meet the Company's anticipated sendout during such month.

Off-system Transactions - Off-system Transactions include Gas Supply Management Arrangements, sales of gas for resale in interstate commerce made pursuant to Federal authorization, retail sales of gas made to customers located outside of the Company's Service Territory, transportation services to customers located outside of the Company's Service Territory, and any other transactions with customers located outside of the Company's Service Territory, such as parking, balancing, etc.

Off-system Service Incentive - Pursuant to the Commission's Opinion No. 96-26 issued in Case 95-G-0761, eighty percent of (a) margin revenues from Off-System Transactions rendered to off-system customers, other than (I) margin revenues from sales to Central Hudson under the current agreement between Brooklyn Union and Central Hudson, and (ii) margin revenues from balancing service rendered to customers under SC 13, and (b) capacity release credits, other than capacity release credits resulting from the release of capacity to Core Customers converting to transportation service under Service Classification No. 16 - Comprehensive Transportation and Balancing Service, shall be fully credited to the Gas Cost applicable to Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3, 4A and 4B.

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