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..TXT: PSC NO: 12 GAS LEAF: 186
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 1
INITIAL EFFECTIVE DATE: 10/01/98 SUPERSEDING REVISION: 0
STAMPS: Issued in compliance - C.98-G-0824 (8/27/98) and C.95-G-0761 (9/22/98)
RECEIVED: 09/25/98 STATUS: Effective EFFECTIVE: 10/01/98

SERVICE CLASSIFICATION NO. 5B - Continued

B. Responsibility for Transportation:

Customers taking service under this service classification will be responsible for securing pipeline transportation to transport the gas from the delivery point to the Company's facilities.

C. Creditworthiness:

Customers with service agreements of less than one year may be required to pay their minimum commodity charge in advance each month. Customers with service agreements of less than one year, whose minimum commodity charge is defined over a period of more than one month, may be required to make advance monthly minimum bill payments at a rate which, in the Company's sole discretion, is equivalent to one month's service. For service agreements whose term is one year or more, the obligation to pay the minimum commodity charge shall be secured by a letter of credit from a responsible financial institution, or by other security acceptable to the Company. If, at any time, the Company determines, in its sole discretion, that the continuation of service to a customer presents an undue credit risk, the Company may require, as a condition to continuing service, that the customer post a letter of credit or other financial security satisfactory to the Company to secure payment of the minimum commodity charge.

D. Charge for Late Payment:

A late payment charge at the rate of one and one half percent (1-½%) per month will be applied to the accounts of all customers, except state agencies, taking service under this Service Classification. The charge will be applied to all amounts billed, including arrears, unpaid late payment charge amounts applied to previous bills, and penalties, which are not received by the Company on or before the date specified on the customer's bill. The date so specified shall be not less than twenty-eight days after the date upon which the bill was mailed to the customer. Service to state agencies will be rendered in accordance with the provisions of Article XI-A of the State Finance Law (Chapter 153 of the Laws of 1984, effective July 1, 1984).

Notwithstanding the foregoing, the Company reserves the right to discontinue service and/or to take any other action permitted by law with respect to any customer who fails to make full and timely payment of all amounts due the Company, including amounts due for late payment charges and penalties imposed hereunder.

Issued by: Steven L. Zelkowitz, Sr. Vice President and General Counsel, Brooklyn, NY