

..DID: 5535
..TXT: PSC NO: 12 GAS LEAF: 248
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. 11 - Continued

Rate and Payment Terms:

The customer shall pay a rate which recovers, at a minimum, all incremental costs the Company incurs in serving the customer and which provides a reasonable contribution to system costs. The customer shall pay an annual minimum bill which shall be an amount based on 50% of the annual contract quantity. The annual contract quantity will be reflected in the individually negotiated contract and shall not be less than 600,000 Dth. Any minimum bill deficiency shall be billed with the last monthly invoice in each contract year. The amount of this minimum bill shall be guaranteed for the life of the contract by a letter of credit from a responsible financial institution or by other security.

All bills are rendered at the negotiated rate and that amount is due on or before the due date indicated on the bill. A late payment charge at the rate per month specified in the Company's Tariff will be billed on all amounts not paid by the due date.

Demonstration of Need for Load Retention Rate:

To demonstrate that the qualifications set forth above for service under TS-5LR have been met, the customer must submit to the Company:

- (1) Prior to execution of an individually negotiated contract and on an annual basis thereafter during the primary term, certified by the customer's independent public accountants or chief financial officer, and supported by workpapers and other appropriate documentation (a) prior three years' annual gas usage; (b) prior three years' annual gas costs (based upon the applicable Service Classification No. 11 TS-5 rate plus the customer's costs of procuring and transporting gas to the Company's facilities, or based upon applicable Service Classification No. 5 rate); and (c) prior three years' financial and operating data sufficient to establish that the final total production costs of the customer's plant within the Company's service territory includes at least 7.5% gas costs. The submission must include any material known or anticipated changes to the historical information provided. The Company may cancel the individually negotiated contract if the annual information submitted discloses that the customer no longer qualifies for service under TS-5LR;
- Issued by: Steven L. Zelkowitz, Sr. Vice President and General Counsel, Brooklyn, NY