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..TXT: PSC NO: 12 GAS

LEAF: 61

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

GENERAL INFORMATION - Continued

2. To the extent a partial curtailment of a given priority is required in the interruptible, dual-fuel temperature controlled, or firm dual-fuel or non-core service classifications, the Company shall have the right at its option, but not the obligation, to curtail service on (1) an economic basis, curtailing customers providing the lowest net margin contribution first and the highest net margin contribution last and/or (2) the basis of size, curtailing largest quantity requirements first and smaller quantity requirements thereafter.
3. The Company shall have the right at its option, but not the obligation, to seek voluntary curtailment outside the order of the foregoing curtailment priorities by agreement with customers that elect to relinquish their curtailment priority status. To the extent customers relinquish their curtailment priority status, such customers may be compensated by the Company at a rate not to exceed the incremental cost of utilizing an alternate fuel (in the case of dual-fuel customers) or the estimated cost of alternate gas supply to the Company (in the case of customers without dual-fuel capability).
4. The Company will take steps to avoid curtailment of residential requirements for domestic uses and other small firm requirements to the extent practicable; provided, however, that the Company shall have the right, if required by the operational characteristics of its system, to deviate from the foregoing curtailment priorities in order to minimize overall impacts on public health and safety while maintaining the integrity of system operations to the maximum extent feasible. To the extent the Company is so required to deviate from the foregoing curtailment priorities, the Company shall not be liable therefor to the extent such deviation results from causes beyond the Company's control or is not the result of gross negligence or wilful misconduct on the part of the Company.

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