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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)

Cancelled by 2 Rev. Leaf No. 344 Effective 08/01/1999

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SERVICE CLASSIFICATION No. 17 - Continued

4) Standby Demand Charges applicable to customers eligible to take service under Service Classification No. 7:

Standby Gas Demand Charge

\$.009 per therm applied to the Customer's maximum monthly ADDQ determined in the Customer's CTS Service Agreement, multiplied by 30.

Standby Commodity Gas Charges

For all customers subscribing to Standby Gas Service, a commodity charge equal to the Company's Actual Monthly ICOG will be applied to each therm of gas actually supplied by the Company.

City Gate Balancing

Customer shall be responsible for delivery each day to the Company of a quantity of gas equal to the ADDQ.

- A) Each day, Customer shall nominate and schedule deliveries of gas to the Company in an amount equal to the Customer's ADDQ. If the total quantity of gas delivered by Customer to the Company on any day is within ±2% of Customer's ADDQ for such day, and Customer has met its nomination and scheduling obligations hereunder then,
 - In the event that the total quantity of gas delivered is more than Customer's ADDQ, the company shall credit the Customer a per therm amount equal to the Company's Daily Commodity Cost of Gas multiplied by the difference between (I) the total quantity of gas delivered by Customer to the Company on such day and (ii) Customer's ADDQ for such day, bringing the imbalance in Customer's ADDQ to zero each day.

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