

..DID: 5447

..TXT: PSC NO: 12 GAS

LEAF: 321

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

FORM OF SERVICE AGREEMENT - Continued9. Capacity Release.

(a) Simultaneous to the execution of this Agreement, the Company and Customer shall enter into a prearranged pipeline capacity release transaction for a term equal to the term of this Agreement. Customer shall pay the pipeline directly for such released capacity at such pipeline's maximum rate. All such capacity releases shall be subject, but not be limited, to the following terms and conditions:

(I) Pipeline Contract: _____.

(ii) Quantity of daily capacity to be released: _____ dekatherms.

(b) All capacity releases hereunder shall be subject to recall by the Company under such terms and conditions as the Company may determine are appropriate, in its absolute discretion, including, but not limited to recalls:

(I) necessary to preserve the integrity of the Company's facilities and services;

(ii) to provide back-up gas supply to Customer pursuant to Customer's

Standby Gas Service;

(iii) at the Company's option, whenever Customer fails to deliver gas to the Company in an amount at least equal to Customer's Average Daily Delivery Quantity; and

(iv) for any other reason identified by the Company.

10. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company for all service provided hereunder all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-16 and the general terms and conditions of the Tariff, including, but not limited to:

(I) the on-system transportation charges for Rate CTBS - _____
Service Transportation, set forth under SC-16;

(ii) the Balancing Service Demand Charges, Balancing Service Peaking Demand Charges and Balancing Service Imbalance Charges set forth under SC-16; and

(iii) the Standby Commodity Gas Charges set forth under SC-16.

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-16, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

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