

..DID: 9426

..TXT: PSC NO: 12 GAS

LEAF: 427.26

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 11/01/99

SUPERSEDING REVISION:

STAMPS:

RECEIVED: 07/16/99 STATUS: Effective EFFECTIVE: 11/01/99

FORM OF SERVICE AGREEMENT - Continued

10. Creditworthiness. In accordance with SC-20, as a condition to Company's execution of this Agreement, Customer shall guarantee payment of \$_____ (the "credit amount") by providing to Company (i) a letter of credit for the credit amount from a financial institution acceptable to Company; (ii) a prepayment of the credit amount, or (iii) a financial guarantee of the credit amount from a financial institution acceptable to the Company. Upon termination of this Agreement, the letter of credit, prepayment or financial guarantee shall be returned to the Customer, to the extent not required to offset or secure any amount owed by Customer to Company.

11. Incorporation by Reference. The terms and conditions of SC-20 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

12. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

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