

PSC NO: 12 GAS

LEAF: 177

COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3

INITIAL EFFECTIVE DATE: 10/29/04

SUPERSEDING REVISION: 2

STAMPS:

SERVICE CLASSIFICATION NO. 5A - Continued**B. Commodity Charge:**

All customers will be required to pay a unit commodity charge per therm of gas consumed, reflecting the cost of gas and, if applicable, system losses. The commodity charge also may include recovery of the carrying costs associated with incremental facilities, non-gas incremental expenses and a contribution to fixed costs, to the extent each is not fully recovered in the minimum commodity charge.

C. Commodity Charge Adjustments:

Contracts of longer than thirty days may contain appropriate provisions to increase or decrease the commodity charge to reflect economic conditions during the term of the customer's service agreement.

D. Overrun Charge and Charge for Unauthorized Use:

Customers will be required to pay an overrun charge covering authorized deliveries in excess of contractual quantities. The Company reserves the right to impose a penalty charge for unauthorized overruns. For interruptible customers, when service hereunder is interrupted by the Company in accordance with the terms of the customer's service agreement, gas consumed subsequent to such interruption and without specific authorization by the Company will be subject to an additional charge of either (1) two times the sum of the Market Price for natural gas delivered to the Company's city gate on the day of violation plus the transportation rate the Customer would be subject to if it was a transportation customer, or (2) nine times the applicable sales rate, whichever is higher. *Market Price* shall be defined as the city gate delivered market price for natural gas on the days of interruption as quoted by "Gas Daily". All charges are subject to all utility taxes and surcharges. The imposition of such additional charge shall not limit any rights of the Company to terminate gas service provided for in the customer's service agreement.

In addition, the Company reserves the right to discontinue service immediately to the Customer or to the premises where there is failure to comply with Special Provision (G) of this Service Classification.

Issued by: John J. Bishar, Jr., Senior Vice President, General Counsel and Secretary, Brooklyn, New York