

PSC NO: 12 GAS

LEAF: 416

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 10/01/04

SUPERSEDING REVISION: 2

STAMPS:

FORM OF SERVICE AGREEMENT - Continued

4. Point(s) of Delivery, Customers' Names and Account Numbers. The Point(s) of Delivery for all gas transported by the Company for Seller's account hereunder shall be the outlet of the meter of each Customer in the Pool, which outlets are listed in Appendix "A" to this agreement, attached hereto and made a part hereof. The name and account number of each Customer in the Pool also shall be set forth in Appendix "A".

5. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Seller, or that Seller causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Transporter's pipeline.

6. Swing Service (SC-17 Pool). Where a Pool is comprised of Customers taking CTS Service, the Company will utilize upstream assets and gas supply as required to accommodate variations in Seller's daily account balance between Seller's gas deliveries and the actual gas consumption of the Pool.

7. Monthly Balancing (SC -18 Pool). Where a Pool is comprised of Customers taking NCT Service, the Company shall balance Seller's account at the end of each month to zero, as provided under the terms and conditions of SC-18.

8. Rates and Charges for Service.

(a) Where a Pool is comprised of Customers taking CTB Service, each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Balancing Service Peaking Demand Charges, Balancing Service Demand Charges, and the Balancing Service Imbalance Charges set forth under SC-19.

(b) Where a Pool is comprised of Customers taking CTS Service each month (or other period, if so indicated in the Tariff), Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-19 and the general terms and conditions of the Tariff, including, but not limited to the Monthly Swing Service Demand Charges and the Daily Swing Service Imbalance Charges set forth under SC-19.

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