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Status: CANCELLED Effective Date: 10/28/2004

PSC NO: 12 GAS LEAF: 158.2 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0 INITIAL EFFECTIVE DATE: 10/28/04 SUPERSEDING REVISION: STAMPS: Issued in compliance with order in Case 02-M-0515 dated August 4, 2004

SERVICE CLASSIFICATION No. 1B-DG - Continued

Revenue Tax Surcharge:

The rates and charges under this service classification, payable in the municipality where service is supplied, will be increased by a percentage equal in amount to the aggregate percentage rate of taxes imposed on the Company's revenues, pursuant to the provisions contained on General Information Leaf No. 90.

Heating Value Adjustment:

Volumes of gas registered at the customer's meter, in Ccf, will be converted to therms, as explained on General Information Leaf No. 38.

Terms of Payment:

Net cash. See Special Provision below.

Term:

Terminable by customer on two days' written notice to the Company, and by the Company in the manner provided by law and the rules and regulations set forth in the Company's Rate Schedule on file with the Public Service Commission.

Special Provision:

(a) For purposes of this Service Classification, cogeneration and distributed generation means the on-site sequential production of electricity and/or mechanical energy and useful form of thermal energy from a single input energy sources for use by the customer.

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