

PSC NO: 12 GAS

LEAF: 180.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 10/29/04

SUPERSEDING REVISION: 2

STAMPS: Issued in compliance with order in Case 04-G-0945 dated October 21, 2004

SERVICE CLASSIFICATION NO. 5A - Continued**2. Waiver of Standby Fuel Requirement:**

The Company may, in its sole discretion, grant an express waiver of the standby fuel requirements under this service classification where the customer does not have available an easily convertible dual fuel option and is willing to have gas service interrupted as otherwise provided in the service agreement.

For Customers who have not been granted this waiver:

Whenever the Company becomes aware that the Consumer's equipment is incapable of switching over to an alternate fuel and/or that the Consumer does not have a reasonable amount of fuel on hand considering the time of the heating season (at times other than a Company called interruption), the Company shall notify the Consumer that the violation must be corrected within ten (10) business days. It shall be the responsibility of the Consumer to contact the Company and provide proof that the violation has been corrected. However, this will not apply if the Customer stipulates in writing that the Customer is willing and able to shut down during periods of interruption.

With regards to the inadequate fuel situation and/or equipment failure, Customers who have not supplied the Company with such proof shall be subject to the higher of the variable rate equal to the greater of 130% of the No. 2 oil gas equivalent price (as published in the Journal of Commerce) or 130% of their otherwise applicable variable sales or transportation rate, whichever applies. Such variable rate shall be in lieu of their otherwise applicable variable rate and shall be effective for the billing period during which non-compliance becomes known, and for any subsequent periods during which the non-compliance continues or the date the customer provides the Company with satisfactory proof that the violation has been corrected, and is subject to all applicable utility taxes and surcharges. Consumers subject to this higher variable rate continue to be subject to the terms and conditions of this service classification, including an additional charge for gas consumed in violation of this Service Classification without the express written authorization of the Company.

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