

..DID: 7646

..TXT: PSC NO: 12 GAS

LEAF: 344

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 2

INITIAL EFFECTIVE DATE: 05/21/99

SUPERSEDING REVISION: 1

**STAMPS:**

Cancelled by 3 Rev. Leaf No. 344 Effective 08/01/1999

Effective date postponed to 08/01/99. See Supplement No. 2, 1

RECEIVED: 02/25/99 STATUS: Cancelled EFFECTIVE: 08/01/99

**SERVICE CLASSIFICATION No. 17 - Continued**

- Option 2) The direct purchase Human Needs transportation customer and/or Seller may provide the Company with a letter of credit in lieu of assigning to the Company either primary receipt point capacity to the Company's citygate or primary receipt point natural gas deliveries to the Company's citygate, when one or both is not demonstrated in the first option. The letter of credit posted shall be equal to the cost of procuring fully delivered natural gas necessary to supply the Human Needs customer(s)' maximum monthly ADDQ. Such cost shall be computed by multiplying the Human Needs customer(s)' maximum monthly ADDQ by the Company's Incremental Cost of Gas (ICOG) for the preceding January. The Company shall be given the authority to call upon such letter of credit in the event the direct purchase transportation customer and/or Seller fails to deliver gas to the Company's citygate to meet their applicable ADDQ requirement for three consecutive days.

The Company reserves the right to discontinue the above option upon breach of the customer.

**Standby Commodity Gas Charges**

For all customers subscribing to Standby Gas Service, a commodity charge equal to the Company's Actual Monthly ICOG will be applied to each therm of gas actually supplied by the Company.

**City Gate Balancing**

Customer shall be responsible for delivery each day to the Company of a quantity of gas equal to the ADDQ.

- A) Each day, Customer shall nominate and schedule deliveries of gas to the Company in an amount equal to the Customer's ADDQ. If the total quantity of gas delivered by Customer to the Company on any day is within  $\pm 2\%$  of Customer's ADDQ for such day, and Customer has met its nomination and scheduling obligations hereunder then,
- 1) In the event that the total quantity of gas delivered is more than Customer's ADDQ, the company shall credit the Customer a per therm amount equal to the Company's Daily Commodity Cost of Gas multiplied by the difference between (i) the total quantity of gas delivered by Customer to the Company on such day and (ii) Customer's ADDQ for such day, bringing the imbalance in Customer's ADDQ to zero each day.

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