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 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3  
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**SERVICE CLASSIFICATION No. 19 - Continued**

**Marketer Incentive Methodology**

Effective January 1, 2001 through June 30, 2001, each marketer participating in our program shall be entitled to a "Marketer Incentive". This incentive shall be calculated as follows:

1. Breakdown the marketer's pool each month into billed transportation volumes by Service Classification.
2. Multiply the monthly billed transportation volumes by 8% of each Service Classification's average annual transportation margin (see schedule below) to arrive at the marketer incentive credit for each service classification.
3. Add up the marketer's service classification marketer incentive credits to arrive at the marketer's incentive for that month.

Service Classification No. 1A	.133 per therm
Service Classification No. 1B	.040 per therm
Service Classification No. 2-1	.040 per therm
Service Classification No. 2-2	.029 per therm
Service Classification No. 3	.019 per therm
Service Classification No. 4A	.013 per therm
Service Classification No. 4B	.028 per therm
Service Classification No. 7	.018 per therm

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