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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 5

INITIAL EFFECTIVE DATE: 11/01/99 SUPERSEDING REVISION: 4 STAMPS: Issued in compliance with Commission Order in C.97-G-1380 (8/19/99)

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SERVICE CLASSIFICATION No. 17 - Continued

Daily Swing Service Monthly Imbalance Charge

The Company shall balance the Customer's account after each actual meter reading to zero. This shall be done by comparing the sum of the Customer's deliveries to the Company for the month to the Customer's actual usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the Customer at the Company's Monthly Cash Out Price for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the Customer at the Company's Monthly Cash Out Price for the same period.

Standby Gas Service

Direct Purchase Core Customers taking service under this Service Classification must subscribe to Standby Gas Service no later than October 15th each year. The Standby Gas Service applicable is based upon the type of capacity the Direct Purchase Core Customer has procured for its winter (November 1 through March 31) requirements as follows:

<u>Standby Gas Service for Direct Purchase Customers Who Have Secondary Capacity to the Company's Citygate for the Winter Period (November 1 through March 31 Inclusive)</u> - The Direct Purchase Core Customer shall pay the following rates and charges:

<u>Demand Charge</u> - \$0.030 per therm multiplied by the Customers' normalized consumption from November 1st through March 31st, inclusive, as determined by the Customer's load profile. The resulting aggregate demand charge shall be divided by five and be payable on the first of each winter month, beginning with November 1st. The Company shall provide the Direct Purchase Core Customer with the monthly demand charge prior to October 15th of each year.

<u>Variable Rate</u> - in the event the Direct Purchase Core Customer is unable to continue delivery of natural gas for its account as provided for in the CTS agreement from November 1st through March 31st, both inclusive, the Customer shall return to sales service and pay a cost of gas equal to the Company's Actual Monthly ICOG multiplied by the Customer's consumption for the duration of the winter season. If, after the winter season, the Customer has not elected to be served under this Service Classification, then the Customer will remain on sales service for one year.

The Company will provide service under Standby Gas Service only in the event the Direct Purchase Customer's capacity is curtailed by the pipeline. The Direct Purchase Customer must provide documentation substantiating the curtailment of capacity.

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