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COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 10/01/98

SUPERSEDING REVISION:

**STAMPS:**

Cancelled by 1 Rev. Leaf No. 283 Effective 10/01/1998

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**SERVICE CLASSIFICATION No. 15**

"Gas Supply Management Arrangement" means a transaction where the Company releases or assigns all or a part of the Company's capacity rights to a third party as part of a comprehensive agreement. Under such an arrangement, the third party satisfies all or a portion of the gas supply and/or transportation and related service requirements of identified sales and/or transportation customers as may be agreed to between the Company and any such third party or as may be required by the Commission.

**ELIGIBILITY**

Except for Capacity Releases made pursuant to a Gas Supply Management Arrangement, Capacity Releases shall be available on a nondiscriminatory basis to any party, including but not limited to the Company's on- and off-system transportation or sales customers, subject to meeting the requirements of this Service Classification and subject to the execution by such party of a Capacity Release Agreement with the Company.

**NATURE OF CAPACITY**

The pipeline capacity releasable, pursuant to this Service Classification, is capacity on interstate pipelines which is contractually committed to the Company and which the Company, in its sole discretion, makes available for release. The Company shall determine, periodically and in response to requests, whether capacity is available for release. The Company's determinations shall be consistent with the Company's service obligations and with the economic interests of its customers as a whole.

**CHARACTER OF RELEASE**

Capacity Release shall be firm or recallable as specified in the Capacity Release Agreement. Notwithstanding the foregoing, the Company reserves the right to recall released capacity in response to a force majeure event that threatens to impair the Company's ability to fulfill its service obligations, or for breach of the Replacement Shippers obligations set forth in the Capacity Release Agreement.

Issued by: Robert J. Fani, Senior Vice President, Brooklyn, New York