

..DID: 4051

..TXT: PSC NO: 12 GAS

LEAF: 416

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 10/01/98

SUPERSEDING REVISION:

STAMPS:

Cancelled by 1 Rev. Leaf No. 416 Effective 10/01/1998

RECEIVED: 06/01/98 STATUS: Cancelled EFFECTIVE: 10/01/98

SERVICE CLASSIFICATION No. 19 - Continued

Seller shall have an ongoing obligation to notify the Company immediately of any change in financial circumstances that may result in non-compliance with the Transporter's requirements. The Company may terminate the Seller's Service Agreement if such a change results in non-compliance with a Transporter's requirements, or if the Seller fails to provide the financial assurance required by the Company.

In the event the Company requires a security deposit before qualifying a Seller, such security deposit will accrue interest at the Company's Other Customer Capital rate which is prescribed by the Public Service Commission. Upon the determination of the Company that Seller's financial position has improved and the Seller deemed creditworthy, the Seller's security deposit will be refunded with interest.

SPECIAL PROVISIONS

- (a) In no event shall the Company be obligated to incur any additional costs for additional facilities necessary to provide transportation, swing and standby gas services hereunder. Nonetheless, in the event the Company elects to incur such costs, the costs of any additional facilities that in the Company's sole judgment are required or must be incurred by the Company to provide transportation service, shall be the sole responsibility of the Customer, and shall be payable in full prior to the initiation of service hereunder.
- (b) Upon the Company's request, the Seller shall provide the Company, for its review, copies of all contracts between the Seller and third parties providing for the purchase of gas by such Seller and the transportation of such purchased gas to the Company's facilities for the Pool's account under this Service Classification. The Customer should redact all information deemed confidential, provided however, that all such contracts shall assure, in a manner satisfactory to the Company, reliable deliveries of sufficient quantities of gas for the Pool's account to meet the Pool's full hourly, daily or seasonal requirements for the term of service hereunder, unless otherwise agreed to in writing by the Company. The Company does not warrant the performance of such third parties under such contracts.

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