Received: 06/01/1998 Status: CANCELLED Effective Date: 10/01/1998

..DID: 3721

..TXT: PSC NO: 12 GAS LEAF: 177

COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0

INITIAL EFFECTIVE DATE: 10/01/98 SUPERSEDING REVISION:

STAMPS:

Cancelled by 1 Rev. Leaf No. 177 Effective 10/01/1998

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

SERVICE CLASSIFICATION NO. 5A - Continued

B. Commodity Charge:

All customers will be required to pay a unit commodity charge per therm of gas consumed, reflecting the cost of gas and, if applicable, system losses. The commodity charge also may include recovery of the carrying costs associated with incremental facilities, non-gas incremental expenses and a contribution to fixed costs, to the extent each is not fully recovered in the minimum commodity charge.

C. Commodity Charge Adjustments:

Contracts of longer than thirty days may contain appropriate provisions to increase or decrease the commodity charge to reflect economic conditions during the term of the customer's service agreement.

D. Overrun Charge and Charge for Unauthorized Use:

Customers will be required to pay an overrun charge covering authorized deliveries in excess of contractual quantities. The Company reserves the right to impose a penalty charge for unauthorized overruns. For interruptible customers, when service hereunder is interrupted by the Company in accordance with the terms of the customer's service agreement, gas consumed subsequent to such interruption and without specific authorization by the Company will be subject to an additional charge of nine times the applicable rate in effect at that time. The imposition of such additional charge shall not limit any rights of the Company to terminate gas service provided for in the customer's service agreement.

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