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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 1

INITIAL EFFECTIVE DATE: 10/01/98 SUPERSEDING REVISION: 0

STAMPS: Issued in compliance - C.98-G-0824 (8/27/98) and C.95-G-0761 (9/22/98)

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SERVICE CLASSIFICATION No. 13 - Continued

Character of Service:

The purpose of this service is to provide year-round balancing service to eligible customers subject to the Company meeting its firm service obligations.

The service provides for: (1) the Company's receipt of the customer's gas supplies delivered by the customer's transporter up to a specified Maximum Daily Receipt Quantity (MDRQ) and up to a specified Maximum Balancing Quantity (MBQ) and (2) the Company's later redelivery of such gas to the customer or its designee up to the Balance Gas Inventory, at a daily rate not in excess of the Maximum Daily Delivery Quantity (MDDQ).

On days the customer elects to deliver gas to the Company for balancing service, the customer shall cause its transporter to deliver to the Company a quantity of gas up to the MDRQ. Daily receipts by the Company will be on a best efforts basis. The Balance Gas Inventory shall at no time exceed the MBQ.

The Company shall redeliver gas to the customer up to the Balance Gas Inventory at a daily rate not in excess of the MDDQ, subject to interruption, at the sole discretion of the Company, after not less than two (2) hours notice by telephone, telegraph or otherwise.

Balancing service customers shall be interrupted prior to interruption of service to any firm or interruptible sales or transportation customers.

Curtailment of Balancing Service customers shall be on a pro rata basis, within the service classification.

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