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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)
RECEIVED: 09/25/98 STATUS: Effective EFFECTIVE: 10/01/98

SERVICE CLASSIFICATION No. 14 - Continued

Discounted Rates

The Company shall discount Rate 2 and Rate 3 within the appropriate percentage ranges specified below, the exact percentage to be determined at its sole discretion. A customer may elect to guarantee that compressed natural gas will comprise at least 80% of the estimated annual fuel usage of its natural gas vehicles during a 12-month term of service as specified in the executed Form of Service Agreement. The estimated annual fuel usage shall be revised in subsequent 12-month terms of service to reflect any increase in the number of the customer's natural gas vehicles. In return for the 80% minimum usage guarantee, the Company shall guarantee the customer a minimum discount of 0% and a maximum discount of 30%, monthly, off Rate 2 and Rate 3, before all applicable taxes. A deficiency in usage in any 12-month term of service shall be billed during the first month of the following term of service at the rate in effect during the last month of the usage-deficient term of service. Customers who do not provide the 80% minimum usage guarantee shall receive a minimum discount of 0% and a maximum discount of 5%, monthly, off Rate 2 or Rate 3, before all applicable taxes.

Monthly Cost of Gas:

In addition to the above charges, customers will pay the Monthly Cost of Gas per therm of gas supplied hereunder, as well as other consumption-based unit adjustments reflected in the General Information leaves of this Tariff.

Revenue Tax Surcharge:

The rates charged under this service classification, payable in the municipality where service is supplied, shall be increased by a percentage equal in amount to the aggregate percentage rate of taxes imposed on the Company's revenues, pursuant to the provisions contained on General Information Leaf No. 90.

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