..DID: 5399 ..TXT: PSC NO: 12 GAS LEAF: 369 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. 18 - Continued

Daily Commodity Cost of Gas - The Company's daily commodity cost per therm of gas delivered to the city gate facilities from the Company's suppliers on such day. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

Daily ICOG - The daily incremental cost of gas, including demand charges. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

NCT Service Agreement - The agreement between the Company and Customer to provide service under this Service Classification, the form of which is included in this Schedule for Gas Service.

Transporter - An interstate pipeline transporting gas owned by Customer to the Company for the Customer's account.

Load Profile Factor - The Customer's maximum month's normalized consumption, divided by the minimum month's consumption minus one, all calculated as per Company records. The minimum load profile will never be less than one; the maximum load profile will never be greater than eight.

Monthly Average Commodity Cost of Gas - The Company's weighted average commodity cost per therm of gas delivered to the city gate facilities from the Company's suppliers for the month. This cost will be determined by the Company and included on the Statement of Unbundled Transportation Service Cash Out Charges filed with the Commission by the fourth business day following the effective month.

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