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COMPANY: MARKETSPAN GAS CORPORATION DBA BROOKLYN UNION REVISION: 1
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SERVICE CLASSIFICATION NO. 5
Firm Transportation Service (continued)
(Rate Codes: 127, 137, 147, 167, 177, 158, 159, 257)

Daily Swing Service Rates and Charges:

The Company will utilize upstream assets and gas supply required to accommodate variations in the Customer's daily account balance between the Customer's deliveries and actual consumption. The rates and charges associated with this service are as follows:

Daily Swing Service Monthly Demand Charge:

Customer shall pay a daily swing service monthly demand charge which is calculated by multiplying the per therm daily swing service demand charge (as stated on the Statement of Unbundled Transportation Service Charges) which varies monthly by Customer's annual normalized consumption and then multiplying that product by 1/12.

Daily Swing Service Monthly Imbalance Charge:

The Company shall balance the Customer's account after each meter reading to zero. This shall be done by comparing the sum of the Customer's deliveries to the Company for the month to the Customer's actual usage for the same period. If the Customer consumed more gas than delivered to the Company for his account, the excess shall be purchased by the Seller at the Company's Monthly Average Commodity Cost of Gas for the same period. If the Customer consumed less gas than delivered to the Company for his account, the shortfall shall be credited to the Seller at the Company's Monthly Average Commodity Cost of Gas for the same period.

Release of the Company's Upstream Transportation Option:

As an alternative to acquiring its own upstream transportation, a Seller may choose to deliver at the City Gate the customer's DDQ or, in the case of more than one Customer, the Customers' ADDQ by becoming pre-arranged replacement shippers of the Company's released upstream interstate pipeline capacity. When a Seller pays the interstate pipeline's demand charges for such capacity release directly to the interstate pipeline, the Company will provide a Released Transportation Credit (RTC) to such replacement shipper in an amount equal to the credit received by the Company from the interstate pipeline for such release. To the extent that a Customer's DDQ or Customers' ADDQ is reduced because the Seller is no longer delivering gas to the Company on behalf of one or more Customers, the RTC payable to Seller will be reduced pro rata and a pro rata amount of the released capacity will be recalled by the Company. Any pipeline refunds associated with such released capacity, regardless of when received by the replacement shipper, shall be immediately refunded to the Company by the replacement shipper.

Issued by Robert J. Fani, Senior Vice President, Hicksville, NY

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