Received: 09/25/1998 Status: CANCELLED Effective Date: 10/01/1998

..DID: 5361

..TXT: PSC NO: 12 GAS LEAF: 406

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. 19 - Continued

BALANCING SERVICE RATES AND CHARGES

The Company shall provide balancing service for the Seller up to an aggregate total quantity equal to the Seller's RCQ. The Seller's RCQ shall be determined by the Company (see Special Provisions) and shall be set forth in the Seller's Service Agreement. During the Delivery Period, Seller shall be directed by the Company to deliver gas to the Company for the Pool's account. The Company may issue an Operational Flow Order (OFO) directing the delivery of such gas to either a specific upstream storage field or directly to the Company. Company shall endeavor to monitor the Seller's Daily Delivery Quantities, Daily Redelivery Quantities and Redelivery Balance; however, Seller shall at all times remain responsible for compliance with all restrictions and limitations provided for in this Service Classification and Seller's Service Agreement. The rates and charges associated with this service are listed below:

Balancing Service Peaking Demand Charge

The total Balancing Service Peaking Demand Charge is that which results from multiplying the per therm Balancing Service Peaking Demand Charge by 1/12 of the Seller's annual quantity of pipeline capacity needed to provide balancing service for a Pool as determined by the Company. The per therm charge is determined by the Company and set forth on the Statement of Unbundled Transportation Service Charges on file with the Commission.

Balancing Service Demand Charge

The total Balancing Service Demand Charge is that which results from multiplying the per therm Balancing Service Demand Charge by 1/12 of the Seller's Redelivery Capacity Quantity, as determined by the Company (see Special Provisions) and included in the Seller's Service Agreement. The per therm charge is determined by the Company and set forth on the Statement of Unbundled Transportation Service Charges on file with the Commission.

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