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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. 7 - Continued

Rate:

During the months of April to November, both inclusive

First 3 therms or less per month \$8.10

All over 3 therms per month \$.222 per therm

During the months of December to March, both inclusive, the rate charged will be computed at least monthly by using the average of the New York Harbor barge consumer price per barrel of such No. 6 oil as conforms with the restrictions as set forth by law in the franchised area served by the Company, as stated in the Journal of Commerce on the first day of the Company's applicable billing cycle, subject to the following adjustment. Inter-billing cycle rate changes will be made when a change of at least \$.50 per barrel occurs in the prior average price per barrel utilized under this Service Classification.

All gas used per month......\$.590 per dth subject to following adjustment:

For each 1¢ increase in the average New York Harbor barge consumer price per barrel above a base price of \$3.24 per barrel, there shall be added 1.54 mills for each dth of gas consumed, computations of any price adjustment under this paragraph to be carried to the nearest mill. The level of this adjustment shall be shown on a statement filed with the Public Service Commission.

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.

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