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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. 16 - Continued

SPECIAL PROVISIONS

- (a) In no event shall the Company be obligated to incur any additional costs for additional facilities necessary to provide transportation services hereunder. Nonetheless, in the event the Company elects to incur such costs, the costs of any additional facilities that in the Company's sole judgment are required or must be incurred by the Company to provide transportation and balancing service, shall be the sole responsibility of the Customer, and shall be payable in full prior to the initiation of service hereunder.
- (b) Whenever the Customer's account with the Company becomes delinquent and/or the Customer has failed to deliver gas to the Company for the Customer's account, the Company shall have the right to request and the Customer, upon such request, shall provide the Company, for its review, copies of all contracts between the Customer and third parties providing for the purchase of pipeline capacity by such Customer. The Customer should redact all information deemed confidential, provided however, that all such contracts shall assure, in a manner satisfactory to the Company, reliable deliveries of sufficient quantities of gas for the Customer's account to meet the Customer's full hourly, daily or seasonal requirements for the term of service hereunder, unless otherwise agreed to in writing by the Company. The Company does not warrant the performance of such third parties under such contracts.
- (c) The Customer warrants that it will have good and marketable right and title to all gas he or it tenders or causes to be tendered to the Company hereunder and such gas shall be free and clear of all liens, encumbrances and claims whatsoever. The Customer shall hold harmless and indemnify the Company against any adverse claim by a third party, and against any loss or cost incurred by the Company on account of any such liens, encumbrances and claims of third parties. In addition to any other rights the Company may have, in the event any adverse claim is asserted against the Company by a third party, the Company may, at its sole option, suspend the transportation and balancing of gas hereunder, until such claim is resolved to the Company's satisfaction.

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