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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 1
INITIAL EFFECTIVE DATE: 10/01/98 SUPERSEDING REVISION: 0
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FORM OF SERVICE AGREEMENT - Continued

3. Rate Schedule. The Customer shall pay the Company for all services rendered hereunder, and for the availability of such services, the charges for new customers or additional vehicles beginning service after May 12, 1991 provided in Service Classification No. 14 of the Tariff Schedule, together with all other applicable adjustments, surcharges and taxes as specified in the Tariff Schedule.

Rate 2: (Available to all customers who would otherwise fuel their vehicles with gasoline)

The rate for all compressed natural gas used during any month shall be determined based on the equivalent gallon gasoline price which shall be set at the final expiration settling price of that month's New York Harbor Unleaded Gasoline futures contract as traded on the New York Mercantile Exchange plus \$.20 per gallon. The price per therm shall be computed using the equivalent BTU values shown on the currently effective Statement of New York State Motor Fuel Excise Taxes. At no time shall the rate be less than the sum of the Company's Incremental Cost of Gas on file with the Commission and the compressor electric running costs.

Rate 3: (Available to customers who would otherwise fuel their vehicles with diesel fuel)

The rate for all compressed natural gas used during any month shall be determined based on the equivalent gallon diesel price which shall be set at the final expiration settling price of that month's New York Harbor Heating Oil futures contract as traded on the New York Mercantile Exchange plus \$.20 per gallon. The price per therm shall be computed using the equivalent BTU values shown on the currently effective Statement of New York State Motor Fuel Excise Taxes. At no time shall the rate be less than the sum of the Company's Incremental Cost of Gas on file with the Commission and the compressor electric running costs.

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