

..DID: 5277

..TXT: PSC NO: 12 GAS

LEAF: 62

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

GENERAL INFORMATION - Continued

5. To the extent a condition requiring curtailment affects both sales and transportation service, and the degree to which the relative impairment of particular services cannot practically be ascertained by the Company prior to implementation of curtailment, the quantity to be curtailed will be apportioned, by the equivalent curtailment priority, between affected sales and transportation services ratably based on the ratio of sales requirements to transportation requirements in the priority category to be curtailed.
6. Notwithstanding the foregoing curtailment priorities, in the event (a) a short term interruption or force majeure condition threatens to impair deliveries and/or sales to core customers, and (b) operations pursuant to the foregoing procedures and priority categories are or will be, in the Company's judgment, inadequate to relieve such impairment, and © gas supply is otherwise available and received by the Company for delivery to non-core customers, the Company shall have the right to divert such gas supply as necessary to avoid such impairment of deliveries and/or sales to core customers.
7. In the event gas supply is diverted from non-core customers to serve core customers pursuant to the foregoing section 15B-C.6., the customer or customers from whom gas supply is diverted will be compensated in accordance with the following methodology. Except as otherwise provided pursuant to prior agreement with the affected customer(s) or any pre-existing individually negotiated contract or service agreement, such compensation shall be based upon the replacement cost of fuel. If gas is diverted from a customer who must switch to an alternate fuel, the replacement cost of fuel shall be the market value of the equivalent quality of such alternate fuel on the day(s) of such diversion. If gas is diverted from a customer who does not utilize an alternate fuel, the replacement cost of fuel shall be the market value of the diverted gas on the day(s) of such diversion.

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