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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**

- (l) Customers commencing service under this Service Classification on other than the beginning of a Delivery Period may not be able to accumulate a Redelivery Balance by the beginning of the next Redelivery Period that is sufficient to result in a positive Redelivery Balance at the end of such Redelivery Period. Accordingly the Company may, at its option, require such Customer to purchase an initial Redelivery Balance at the beginning of the commencement of service under this Service Classification that is, in the Company's sole judgment, and in consideration of Customer's estimated Daily Delivery Quantities and Daily Redelivery Quantities, sufficient to result in the Customer having a positive Redelivery Balance at the end of the next Redelivery Period. The rate to be charged for such initial Redelivery Balance shall be equal to the Company's then current average inventory per therm cost of gas in storage times the number of therms in such initial Redelivery Balance.
- (j) The Company shall not be obligated to enter into a CTB Service Agreement with any party unless such party satisfies the credit requirements prescribed by each of the Customer's Transporters and provides the Company with documentation from the Transporter of such party's compliance with the Transporter's credit requirements. In addition to satisfying the Transporter's credit requirements, a Customer may at any time be required by the Company to provide further financial assurances, such as providing a letter of credit or other acceptable security. Furthermore, Customer shall have any ongoing obligation to notify the Company immediately of any change in financial circumstances that may result in non-compliance with the Transporter's requirements. These standards will not apply to Customers taking an aggregated service.

The Company may terminate the CTB Service Agreement if such a change does result in non-compliance with a Transporter's requirements, or if the Customer fails to provide the financial assurance required by the Company.

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