

..DID: 8256

..TXT: PSC NO: 12 GAS

LEAF: 138.6

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 06/01/99

SUPERSEDING REVISION:

STAMPS:

RECEIVED: 04/26/99 STATUS: Effective EFFECTIVE: 06/01/99

GENERAL INFORMATION (Cont.)

3. The Company may, at its discretion, reduce or eliminate any security requirements as long as this standard is applied equitably to all ESCO/Marketers existing and new.
4. The Company may require ESCO/Marketers that act as Billing Agents post security to cover the Company's delivery charges as set forth in Section C.1 (Credit Exposure/Security calculation) below.
5. The Company's evaluation must be completed within 10 calendar days after receiving the application. The Company must provide the rationale for its determination and the calculation supporting the credit limit and any resulting security requirement (as discussed in Section C below). The Company must perform its credit evaluation and associated security calculation in a non-discriminatory manner.

C. Credit Exposure/Security Calculation

If the ESCO/Marketer meets the credit requirements in Section B, or a Direct Customer receives a waiver as set forth in Section E below, no security may be required. If the ESCO/Marketer does not meet the credit requirements in Section B, or the requirements of Section E cannot be met for Direct Customers, security in an amount equal to the credit exposure may be sought and provided in a form as set forth in Section D below.

The maximum security amounts identified below are associated with the risk of the failure of an ESCO/Marketer, delivering a single bill for delivery and commodity service to the retail customer, to pay the Company (Paragraph 1 below) and, the failure of a gas marketer or ESCO to pay the Company for underdeliveries when that Marketer/ESCO has underdelivered by up to 100% of its customers' needs (Paragraphs 2 and 3 below).

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