

..DID: 8235

..TXT: PSC NO: 12 GAS

LEAF: 138.16

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. Application of Payments

Unless otherwise agreed to by the Company and the ESCO/Marketer/Direct Customer, payments will be applied to arrears first and then to current charges.

4. Failure to Make Payment

Upon failure of the ESCO/Marketer/Direct Customer to make any payment when due, the Company may draw down on any security that may be available (as described in the Creditworthiness section).

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