

PSC NO: 12 GAS

LEAF: 79.2

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 11/03/06

SUPERSEDING REVISION:

STAMPS:

GENERAL INFORMATION - Continued

B. Annual Gas-Related Cost Surcharge or Refund for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 shall be computed as follows:

- Compare:**
1. Total Actual Gas-Related Costs
 - to**
 2. Total Gas-Related Cost Recoveries
 - ADD OR SUBTRACT**
 3. Net remaining prior year imbalance.

1. Total Actual Gas-Related Costs=

- a. Actual Uncollectible Expenses calculated by multiplying the actual Uncollectible Rate by the Actual Total Cost of Gas, **PLUS**
- b. Actual Return on Working Capital calculated by multiplying the Return Requirement Percentage by (a) the actual Lead-Lag percentage and by (b) the Actual Total Cost of Gas, **PLUS**
- c. Actual Sales customer Share of the Return on Gas in Storage calculated by multiplying (a) the Return Requirement Percentage by (b) the Sales Customer Share of Total Throughput, and (iii) the actual 13-month average storage balance.

$$\text{Total Actual Gas Related Costs} = a + b + c$$

$$\text{Current Year Imbalance} = 1 - 2 + - 3$$

Divide result by forecast Gas Sales to customers served under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3 and 21 for twelve month period January 1 through December 31.

The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31 of each year. The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year in which it is to become effective.

The surcharge or refund shall be effective with January billing of each year.

Issued by: John J. Bishar, Jr., Executive Vice President, General Counsel, and Secretary, Brooklyn, NY