

PSC NO: 12 GAS

LEAF: 79.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 10/03/06

SUPERSEDING REVISION:

STAMPS:

GENERAL INFORMATION - Continued

36. Gas-Related Costs Charge**A. Gas-Related Costs Charge**

The rates for gas service under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 shall include in each month the **Monthly Gas-Related Costs Charge**.

The projected Monthly Gas-Related Cost shall be computed in December 2006 for the Partial Gas Cost Year, and thereafter every August for the following Gas Cost Year, for inclusion in the monthly billing for the following Gas Cost Year, and will be computed as follows:

1. Multiply the projected Uncollectible Rate by the Projected Total Cost of Gas, **PLUS**
2. Multiply the projected Return Requirement Percentage by (a) the projected Lead-Lag Percentage and by (b) the Projected Total Cost of Gas, **PLUS**
3. Multiply the projected Sales Customers' Share of Throughput by (a) the Return Requirement Percentage, and by (b) the projected 13-month average storage balance.
4. The Monthly Gas-Related Costs for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 equals the result of dividing (1)+(2)+(3) by the sum of the Monthly Dispatch Gas Forecast for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 for the Gas Cost Year.

The Projected Monthly Gas-Related Cost for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 shall be set forth on the monthly Statement of Monthly Cost of Gas and Adjustments.

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