

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 01/01/08
STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

LEAF: 342.1
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 17 - Continued

5. The Return Requirement on Gas in Storage Unitized Charge per therm shall be computed by dividing the Return Requirement on Gas in Storage computed in step (4) for the Gas Cost Year, or Partial Gas Cost Year where applicable, by the sum of (a) estimated sales for customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 and (b) estimated transportation for customers served under Service Classifications Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-1BR, 17-2, 17-3, 17-4A, 17-4A-CNG, 17-4B, 17-7, 17-14 and 17-21 for the corresponding time period.
6. Annual Return Requirement on Gas in Storage Surcharge or Refund for Service Classification Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-1BR, 17-2, 17-3, 17-4A, 17-4A-CNG, 17-4B, 17-7, 17-14 and 17-21 shall be equal to the Annual Gas Return on Gas in Storage Surcharge or Refund for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 calculated as described on Leaf 79.5.

Marketer/Direct Customer Capacity Program

All Marketers/Direct Customers must secure primary firm delivery point capacity for the some portion of needs of their firm customers for each of the five winter months (November through March, inclusive) as described below. For Marketers/Direct Customers electing to accept the Company's capacity, such capacity shall be made available as follows:

Capacity Release Option - Tier 1

Subject to the conditions described below, the Company will make available to participating Marketers released capacity each month for the 12-month period beginning November 1st of each year equal to the "Tier 1 Maximum Capacity Release Volume". Initially, the Tier 1 Maximum Capacity Release Volume will be set at 75% of the Marketer's estimated November daily load. The Company will release pipeline capacity on the ("Selected Pipelines") as specified in the Company's Gas Transportation Operating Procedures Manual in an amount, determined by the Marketer, not to exceed the Tier 1 Maximum Capacity Release Volume for that Marketer. On a monthly basis, the Company will recalculate the equivalent November daily load to reflect any increase or decrease in the number of customers and/or delivery volumes in the Marketer's pool, and adjust the Marketer's capacity release volume accordingly. Any Marketer that chooses to take capacity in an amount that is less than the Tier 1 Maximum Capacity Release Volume must secure primary firm delivery capacity to the appropriate Company city gate for the difference between the amount of Tier 1 capacity the Marketer elects to take and the Tier 1 Maximum Capacity Release Volume.

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