

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: 79.6
 REVISION: 0
 SUPERSEDING REVISION:

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.

F. The Merchant Function Unitized Charge per therm = A + B + C + D + E

35. Monthly Cost of Gas Imbalance Surcharge or Refund - Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21

The Company shall determine, on a monthly basis beginning each December and continuing through each July, whether a surcharge or refund to recover undercollections or refund overcollections in gas costs is required for customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 4A, 4A-CNG, 4B, 7, 14 and 21. The Monthly Cost of Gas Imbalance Surcharge or Refund shall be a per therm unit factor designed, as nearly as practicable, to produce a total annual imbalance of zero by the end of the then current Gas Cost Year. Thus, the computation of the Monthly Cost of Gas Imbalance Surcharge or Refund shall consider (1) actual gas costs and gas cost recoveries through the month prior to the calendar month in question, (2) forecast gas costs and gas costs recoveries for the period beginning with the calendar month in question, and ending at the end of the then current Gas Cost Year, and (3) the then current forecast of any overrecovery balance or underrecovery balance (inclusive of interest) from the previous Gas Cost Year that will remain at the end of the then current Gas Cost Year.

The net amount resulting from this calculation will be divided by the total projected sales to Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 4A, 4A-CNG, 4B, 7, 14 and 21 for the period beginning with the calendar month in question and ending at the end of the then current Gas Cost Year, to determine the units (per therm) monthly overcollection or undercollection balance.

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