

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: 79.11
 REVISION: 0
 SUPERSEDING REVISION:

GENERAL INFORMATION - Continued

Current Year Imbalance = 1 – 2 +- 3

Divide result by the Company's estimated sales to Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 for the twelve month period January 1 through December 31

The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year before it is to become effective.

- C. Annual Gas Return Requirement 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 shall be computed as follows:

Compare: 1. Actual Return Requirement on Gas in Storage Costs

to 2. Return Requirement on Gas in
Storage Recoveries

ADD OR SUBTRACT

3. Net remaining prior year imbalance.

1. Actual Return Requirement on Gas in Storage Costs is calculated by multiplying
 - (a) the Return Requirement Percentage by
 - (b) the actual 13-month average commodity inventory cost of the Company's and KEDLI's market area storage services and production area storage services, excluding WSS inventory used for Off-System Transactions multiplied by
 - (c) The ratio of: a) the Company's Actual Firm and TC Sendout to b) the Company's Actual Firm and TC Sendout plus KEDLI's Actual Firm and TC Sendout

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