

PSC NO: 12 GAS

LEAF: 77

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 01/01/08

SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

GENERAL INFORMATION - Continued

- f) Marketer Capacity Program Credits projected for the upcoming Gas Cost Year multiplied by the ratio of (1) the Company's Annual Forecasted Firm Sales to (2) the sum of the Company's Annual Forecasted Firm Sales and projected annual billed sales for Service Classification Nos. 4A, 4A-CNG and 4B, **PLUS**
 - g) Transportation revenues projected to be realized from power generation customers served under Service Classification Nos. 18 and 20 for the upcoming Gas Cost Year, **PLUS**
 - h) Standby Demand Charge credits projected to be received from marketers serving transportation customers under Service Classifications Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-4B, 17-7, 17-14 and 17-21 for the upcoming Gas Cost Year
 - i) Projected Annual Gas Cost Credits = (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)
 - j) **Projected Unitized Gas Cost Credits** per therm = (i) divided by Company's Annual Forecasted Firm Sales and divided by the Factor of Adjustment.
5. The Monthly Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 = (1) \pm (2) + (3) - (4).

C. Monthly Cost of Gas for Service Classification No. 4A

Pursuant to the Commission's Opinion No. 96-26 issued in Case 95-G-0761, the rates for gas service under Service Classification No. 4A shall include each month the Monthly Cost of Gas for Service Classification No. 4A.

The Monthly Cost of Gas for Service Classification No. 4A shall be computed in advance of each Effective Month as the sum of: (1) the Projected Monthly Unit Commodity Cost of Gas per therm for Service Classification No. 4A **PLUS or MINUS**, (2) the Projected Monthly Hedging Costs / Credits per therm for Service Classification No. 4A **PLUS**, (3) the Projected Unitized Fixed Cost of Gas per therm for Service classification No. 4A **LESS**, (4) the Off-system Revenue Credits and Marketer Capacity Credits per therm for Service Classification No. 4A.

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