

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: 68
REVISION: 9
SUPERSEDING REVISION: 7

GENERAL INFORMATION - Continued

Gas Cost Year: the twelve months beginning each September 1 and ending on the following August 31.

Gas Supply-Related Costs: the sum of the following costs: (1) Gas Procurement and Commodity-Related Sales Promotion Expenses, (2) Commodity-Related Credit and Collection Expenses, (3) Uncollectible Expenses Associated with Gas Costs, and (4) Return Requirement on Gas Purchase-Related Working Capital.

Gas Supply Management Arrangement: a transaction where the Company releases or assigns all or a part of the Company's capacity rights to a third party as part of a comprehensive agreement. Under such an arrangement, the third party satisfies all or a portion of the gas supply and/or transportation and related service requirements of identified sales and/or transportation customers as may be agreed to between the Company and any such third party or as may be required by the Commission.

KEDLI: KeySpan Gas East Corp D.B.A. KeySpan Energy Delivery Long Island.

KEDLI's Annual Forecasted Firm Sendout: KEDLI's estimated firm customer requirements during the Gas Cost Year which are the sum of (1) KEDLI's estimated sales for customers served under Service Classification Nos. 1, 2, 3, 15, 16 and 17, **plus** (2) KEDLI's estimated quantities of Tier 2 Bundled Winter Sales, Tier 3 Virtual Storage Service and balancing services to be delivered to transportation customers under Service Classification No. 5. All of the above quantities are to be multiplied by the applicable Factor of Adjustment.

KEDLI's Annual Forecasted TC Sendout: KEDLI's estimated TC customer requirements during the Gas Cost Year which are the estimated sales for customers served under Service Classification No. 12 multiplied by the applicable Factor of Adjustment.

KEDLI's Annual Forecasted Firm and TC Sendout: the sum of KEDLI's Annual Forecasted Firm Sendout and KEDLI's Annual Forecasted TC Sendout.

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