

PSC NO: 12 GAS

LEAF: 79.4

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 1

INITIAL EFFECTIVE DATE: 05/06/08

SUPERSEDING REVISION: 0

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

GENERAL INFORMATION - Continued

3. The projected annual commodity cost of gas which shall be computed by multiplying the Projected Monthly Unit Commodity Cost of Gas per therm for each month of the Gas Cost Year or Partial Gas Cost Year, as applicable, by the sum of the Company's Annual Forecasted Firm and TC Sendout plus the Company's Annual Forecasted Interruptible Sendout
4. The projected annual Gas Adjustment Clause recoveries for costs other than those described in paragraphs 2 and 3 above, including Merchant Function Costs and annual reconciliation costs/credits and hedging costs.
5. Total Projected Annual Uncollectible Expenses Associated with Gas Costs = (1) X [(2) + (3) + (4)] for the Gas Cost Year, or Partial Gas Cost Year where applicable.
6. The Uncollectible Expenses Associated with Gas Costs Unitized Charge per therm shall be computed by dividing the Total Projected Annual Uncollectible Expenses determined in step (4) above for the Gas Cost Year, or Partial Gas Cost Year as applicable, by the 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 for the corresponding time period.

D. Return Requirement on Gas Purchase-Related Working Capital

The Return Requirement on Gas Purchase-Related Working Capital Unitized Charge per therm to be recovered each Gas Cost Year shall be projected initially in advance of the Partial Gas Cost Year, and thereafter in advance of every Gas Cost Year, for inclusion in monthly billing as follows:

- a) Multiply the Return Requirement Percentage by the sum of
- b) The Projected Annual Fixed Cost of Gas, **PLUS**
- c) The projected annual commodity cost of gas which shall be computed by multiplying the Projected Monthly Unit Commodity Cost of Gas per therm for each month of the Gas Cost Year or Partial Gas Cost Year, as applicable, by the sum of the Company's Annual Forecasted Firm and TC Sendout plus the Company's Annual Forecasted Interruptible Sendout **PLUS**
- d) The projected annual Gas Adjustment Clause recoveries for costs other than those described in paragraphs 2 and 3 above, including Merchant Function Costs and annual reconciliation costs/credits and hedging costs.
- e) Total Projected Return on working Capital Associated with Gas Costs =(a) x [(b)+(c)+(d)] for the Gas Cost Year, or Partial Gas Cost Year where applicable.

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