

PSC NO: 12 GAS

LEAF: 79.8

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

1. Total Actual Fixed Cost of Gas =
 - a) Actual suppliers, transporters and storage providers fixed rates and charges, **PLUS**
 - b) Any other fixed charges for the Gas Cost Year,
 Total Actual Fixed Cost of Gas with Credits = (a) + (b)

2. Total Actual Commodity Costs
 - a) Actual Commodity Cost of Flowing Gas **PLUS**
 - b) Actual Commodity Cost of gas withdrawn from storage or LNG vaporized, **PLUS**
 - c) All other actual allowable fees and charges associated with purchase of gas.
 Total Actual Commodity Cost of Gas = (a) +(b) + (c)

3. Total Actual Hedging Costs / Credits

4. Total Actual Gas Credits =
 - a) Actual Service Classification Nos. 6C, 6G and 6M billed sales multiplied by 4.60 cents per therm **PLUS**
 - b) Actual Service Classification No. 4A billed sales multiplied by 4.27 cents per therm, **PLUS**
 - c) Actual Service Classification 4A-CNG billed sales multiplied by 7.67 cents per therm, **PLUS**
 - d) Actual Service Classification No. 4B billed sales multiplied by 7.35 cents per therm, **PLUS**
 - e) Actual Off-System Revenue Credits, **PLUS**
 - f) Actual Marketer Capacity Program Credits **PLUS**
 - g) Actual transportation revenues from power generators under Service Classification Nos. 18 and 20 **PLUS**
 - h) Actual Service Classification No. 17 Standby Demand Charges (net of revenue taxes), **PLUS**
 Total Actual Gas Credits = (a) + (b) + (c) + (d) + (e) + (f) + (g) + (h)

5. Total Actual Gas Costs = (1) + (2) + (3) - (4)

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