

PSC NO: 12 GAS

LEAF: 79.10

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

- B. Annual Gas Supply-Related Cost 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 Gas Supply-Related Costs  
to 2. Gas Supply-Related Cost Recoveries  
ADD  
3. Net remaining prior year imbalance.

1. Actual Gas Supply-Related Costs =  
a. Gas Procurement and Commodity-Related Sales Promotion  
Expenses prorated for the Gas Cost Year, PLUS  
b. Commodity-Related Credit and Collection Expenses prorated for  
the Gas Cost Year, PLUS  
c. Actual Uncollectible Expenses Associated with Gas Costs PLUS  
d. Actual Return Requirement on Gas Purchase-Related Working  
Capital .

Total Actual Supply-Related Costs = a + b + c + d

2. Supply-Related Cost Recoveries =  
Recoveries from Supply Related Costs during the Gas Cost Year, net of  
associated revenue taxes.

3. Gas Supply-Related Costs Imbalance Surcharge or Refund Recoveries =  
  
Total revenues or refunds from the Gas Supply-Related Cost Imbalance  
Surcharge or Refund charges during Gas Cost Year, net of associated  
revenue taxes plus the prior year imbalance.

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