

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 05/06/08
STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

LEAF: 74
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GENERAL INFORMATION - Continued

B. The Monthly Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21.

Pursuant to the Commission's Opinion No. 96-26 issued in Case 95-G-0761, the rates for gas service under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 shall include each month the Monthly Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21.

The Monthly Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 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 Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6G, 6C, 6M, 7, 14 and 21 **PLUS**, (2) the Projected Monthly Hedging Costs / Credits per therm for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 **PLUS**, (3) the Projected Unitized Fixed Cost of Gas per therm for Service classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 **LESS**, (4) the Projected Unitized Gas Cost Credits per therm for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, and 21. Such Monthly Cost of Gas will be multiplied by the Factor of Adjustment.

1. **The Projected Monthly Unit Commodity Cost of Gas** per therm for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6C, 6G, 6M, 7, 14 and 21 shall be computed in advance of each Effective Month as follows:
 - a) Multiply the Suppliers' and Pipeline Transporters' Variable Charges by the quantities of gas supply projected to be purchased and delivered to the city gate under the Monthly Forecasted Firm and TC Dispatch, **PLUS**
 - b) Multiply the sum of: 1) the average unit commodity cost of gas in storage at the date of computation and 2) the Storage Providers' Variable Charges; by 3) the quantities of storage projected to be withdrawn and delivered to the city gate under the Monthly Forecasted Firm and TC Dispatch, **PLUS**

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