

PSC NO: 12 GAS

LEAF: 70

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 10/28/04

SUPERSEDING REVISION: 2

STAMPS: Issued in compliance with order in Case 02-M-0515 dated August 4, 2004

GENERAL INFORMATION - Continued

C. 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. Such Monthly Cost of Gas will reflect an unaccounted for gas factor of adjustment ratio of 1.0373 and be rounded to the nearest .01 cent per therm.

The Monthly Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 is the sum of (1) the Monthly Fixed Cost of Gas per therm for such service classifications, and (2) the Monthly Commodity Cost of Gas per therm for such service classifications.

The Monthly Fixed Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 shall be computed every August for inclusion in the monthly billing for the following Gas Cost Year as follows:

- 1) For the Gas Cost Year following the computation date, multiply the Suppliers=, Transporters= and Storage Providers' Fixed Rates and Charges each month for pipeline transportation capacity by the Company's billing determinants associated with such pipeline capacity charges for such year, **PLUS**
- 2) For the Gas Cost Year following the computation date, multiply the Suppliers=, Transporters= and Storage Providers' Fixed Rates and Charges each month for storage capacity by the Company's billing determinants associated with such storage charges for such year, **PLUS**
- 3) For the Gas Cost Year following the computation date, multiply the Suppliers=, Transporters= and Storage Providers' Fixed Rates and Charges each month for supplier reservation charges by the Company's billing determinants associated with such reservation charges for such year, **PLUS**

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