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COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3 INITIAL EFFECTIVE DATE: 01/01/04 SUPERSEDING REVISION: 2 STAMPS: Issued in compliance with order in Case 02-M-0515 dated December 3, 2003

GENERAL INFORMATION - Continued

- 12) The projected margin revenues realized from off-system sales made to Central Hudson Gas and Electric for the Gas Cost Year following the computation date, **LESS**
- 13) Applicable transition surcharge revenues
- 14) The Monthly Fixed Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3 and 21 equals the result of dividing the sum of (1)+(2)+(3)+(4)-(5)-(6)-(7)-(8)-(9)-(10)-(11)-(12)-(13) by the projected 12 Monthly Dispatch Gas Forecast for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3 and 21.
- 15) Multiply the result from (14) above by 1.0373.

The resultant Monthly Fixed Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 2, 3 and 21 shall be set forth on the monthly Statement of Monthly Cost of Gas and Adjustments.

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