Received: 10/03/2005

Status: CANCELLED Effective Date: 10/04/2005

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY

STATEMENT TYPE: NGV STATEMENT NO: 86

INITIAL EFFECTIVE DATE: 10/04/05

STATEMENT OF NGV RATES Applicable to Usage Under Service Classification No. 14 (Rate 2 and 3) of P.S.C. No. 12-GAS

GASO I.	LINE Base Rate The equivalent gallon gasoline price set at the final expiration settling price of the October	Cents per <u>Equivalent Gallon</u>	Cents per <u>Therm</u>
	2005 New York Harbor Unleaded Gasoline futures contract plus \$.20 per gallon	233.81	182.66
II.	Discounted Rates Customers who have guaranteed that compressed natural gas will comprise at least 80% of the estimated annual fuel usage of its NGVs will	000.40	400.00
	receive a 15% discount during October 2005	208.18	162.60
	Customers who have not guaranteed usage will receive a 5% discount during October 2005	222.12	173.53
<u>DIESE</u> I.	Base Rate The equivalent gallon gasoline price set at the final expiration settling price of the October 2005 New York Harbor Heating Oil futures contract plus \$.20 per gallon	226.73	177.13
II.	Discounted Rates Customers who have guaranteed that compressed natural gas will comprise at least 80% of the estimated annual fuel usage of its NGVs will receive a 15% discount during October 2005	208.18	162.60
	Customers who have not guaranteed usage will receive a 5% discount during October 2005	215.39	168.28
FLOOI	R PRICE Cost of Gas, as determined by the Company Estimated Compressor Electric Running Costs	\$15.26 per Dth \$1.00 per Dth	
	Total Floor Price	208.18	162.60

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