

PSC NO: 12 GAS

LEAF: 72

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 7

INITIAL EFFECTIVE DATE: 11/03/06

SUPERSEDING REVISION: 5

STAMPS:

GENERAL INFORMATION - Continued

- 2. The Monthly Projected Fixed Cost of Gas With Credits for Service**
Classification Nos. 1A, 1AR, 1B, 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:

a The Projected Fixed Cost of Gas shall be computed as follows:

- (i) For the Gas Cost Year following the computation date, multiply the Transporters' 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**
- (ii) For the Gas Cost Year following the computation date, multiply the 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**
- (iii) For the Gas Cost Year following the computation date, multiply the Suppliers' 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**
- (iv) Any other fixed charges applicable to the procurement of gas for the Gas Cost Year following the computation date
- (v) **The Monthly Projected Fixed Cost of Gas = (i) + (ii) + (iii) + (iv)**

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