Received: 10/03/2006 Status: CANCELLED Effective Date: 01/01/2008

PSC NO: 12 GAS LEAF: 78
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 6
INITIAL EFFECTIVE DATE: 11/03/06 SUPERSEDING REVISION: 5

STAMPS:

GENERAL INFORMATION - Continued

- 1. Total Actual Fixed Cost of Gas With Credit Adjustments =
 - a Actual suppliers, transporters and storage providers fixed rates and charges, **PLUS**
 - b Any other fixed charges for the Gas Cost Year, **LESS**
 - c Actual Service Classification Nos. 6C, 6G and 6M billed sales multiplied by 3.50 cents per therm **LESS**
 - d Actual Service Classification No. 4A and 4A-CNG billed sales multiplied by 4.27 cents per therm, **LESS**
 - e Actual Service Classification No. 4B billed sales multiplied by 7.35 cents per therm, **LESS**
 - f Actual Off-System Service Incentive, **LESS**
 - g Actual Service Classification No. 20 revenue, LESS
 - h Actual Standby Demand Charges (net of revenue taxes collected from Service Classification Nos. 18 and 19

Total Actual Fixed Cost of Gas with Credits = a + b - c - d - e - f - g - h.

- 2. Total Actual Commodity Costs with Hedging Costs/Credits =
 - a Actual Commodity Cost of Gas PLUS
 - b Actual Hedging Costs

Total Actual Commodity Cost of Gas with Hedging Adjustments= a + b.

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