

PSC NO: 12 GAS

LEAF: 79

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 5

INITIAL EFFECTIVE DATE: 11/03/06

SUPERSEDING REVISION: 4

STAMPS:

GENERAL INFORMATION - Continued

3. Total Fixed Cost of Gas with Credits Recoveries =

Total revenues from monthly Projected Fixed Cost of Gas with Credits charges during Gas Cost Year, net of associated revenue taxes.

4. Total Commodity Cost of Gas Recoveries =

Total recoveries from Monthly Commodity Cost of Gas with Hedging Costs/Credits charges during Gas Cost Year, net of associated revenue taxes.

5. Total Imbalance Surcharge or Refund Recoveries =

Total revenues or refunds from Monthly Imbalance Surcharge or Refund charges during Gas Cost Year, net of associated revenue taxes " any net remaining prior year imbalance.

Current Year Imbalance = 1 + 2 - 3 - 4 " 5.

Divide result by forecast Gas Sales for twelve month period January 1 through December 31.

The determination period to be used in the computation of the surcharge or refund shall be the 12 months ended August 31 of each year. The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year in which it is to become effective.

The surcharge or refund shall be effective with the first January billing of each year.

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