

PSC NO: 12 GAS

LEAF: 346

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 5

INITIAL EFFECTIVE DATE: 11/01/06

SUPERSEDING REVISION: 4

STAMPS:

SERVICE CLASSIFICATION No. 17 – Continued**Weather Normalization Adjustment**

The transportation rates for Rate Schedules CTS-1B, CTS-1BI, CTS-1BR, CTS-2, CTS-3 and CTS-4B under this Service Classification shall reflect a surcharge or credit for the Weather Normalization Adjustment as described on General Information Leaf Nos. 80 - 83. Such surcharge or credit shall be set forth on the Statement of Core Transportation and Swing Service Rates and Charges on file with the Commission.

Transition Costs Surcharge

The transportation rates under this Service Classification shall reflect a surcharge for Transition Costs calculated in accordance with the Commission's Opinion No. 94-26 in Case 93-G-0932 as described on General Information Leaf No. 86. This charge will be included on the Statement of Comprehensive Transportation and Balancing Service Rates and Charges filed with the Commission.

Transition Surcharge

The transportation rates under this Service Classification shall reflect a surcharge for the Transition Surcharge calculated in accordance with the Commission's March 24, 1999 Order issued in Case 93-G-0932, 97-G-1380 and 98-G-1785 as described on General Information Leaf No. 89.1. This charge will be included on the Statement of Unbundled Transportation Service Charges filed with the Commission.

Capacity Release Service Adjustment

The Transportation Adjustment will include a Capacity Release Service Adjustment ("CRSA"). The CRSA shall be set annually as of November 1st and will reconcile the difference, positive or negative, between the Company's WACOC and the average price of capacity released under the Company's Marketer/Direct Customer Capacity Program. The Company will estimate the CRSA in advance of each year by determining the total annual cost difference between its estimated WACOC and estimated average price of capacity released under the Marketer/Direct Customer Capacity Program, and will derive a per therm rate by dividing this annual cost difference by the estimated annual SC 17 Transportation Customer consumption. In its Annual Reconciliation Filing, the Company will reconcile its initial estimate of the CRSA with the calculated adjustment based upon its updated actual release rates, actual volume of capacity released, and actual Customer use in therms.

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