

PSC NO: 12 GAS  
COMPANY: THE BROOKLYN UNION GAS COMPANY  
INITIAL EFFECTIVE DATE: 05/06/08  
STAMPS: Issued in compliance with order in Case 06-G-1185 dated December 21, 2007

LEAF: 66  
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### GENERAL INFORMATION - Continued

## 33. Monthly Cost of Gas Surcharge

### A. Definitions

Unless the context otherwise requires, the following definitions shall apply.

Capacity Release Service Adjustment (“CRSA”): The Statement of Gas Costs and Adjustments for customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21 shall include the 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 to marketers serving transportation customers under Service Classification Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-1BR, 17-2, 17-3, 17-4A, 17-4A-CNG, 17-4B, 17-7, 17-14 and 17-21. The Company will estimate the CRSA in advance of each year by determining the unit cost difference between its estimated WACOC and estimated average price of pipeline capacity released under the Marketer Capacity Program. The unit cost is multiplied by the annual volume of capacity released, and a per therm rate is determined by dividing this annual cost difference by the Company’s Annual Forecasted Firm Sales. In its Annual Reconciliation Filing, the Company will reconcile its initial estimate of the CRSA actual release rates, actual volume of capacity released, and actual Customer use in therms.

Company’s Annual Forecasted Firm Sales: the estimated sales during the Gas Cost Year for customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3 and 21.

Company’s Annual Forecasted Firm Sendout: the estimated firm customer requirements during the Gas Cost Year which are the sum of: (1) the estimated sales for customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 **plus**, (2) the Company’s estimated quantities of Tier 2 Bundled Winter Sales, Tier 3 Virtual Storage Service and balancing services to be delivered to transportation customers under Service Classification Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-1BR, 17-2, 17-3, 17-4A, 17-4A-CNG, 17-4B, 17-7, 17-14 and 17-21. All of the above quantities are to be multiplied by the applicable Factor of Adjustment.

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