

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: 71
REVISION: 8
SUPERSEDING REVISION: 7

GENERAL INFORMATION - Continued

Off-system Revenue Credits: shall be determined prior to the Gas Cost Year and credited to the Projected Annual Fixed Cost of Gas applicable to the Company's customers under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B and 21 as follows:

1. Multiply the Off-System Revenue Allocation Percentage by eighty-five percent of:
 - a) Projected annual margin revenues from Off-System Transactions rendered to off-system customers other than sales from the Transco Washington Storage Field ("WSS"), **plus**
 - b) All other projected annual capacity release credits, other than credits resulting from: (1) capacity releases made directly to marketers serving transportation customers on the Company's system and, (2) off-system capacity releases made possible by virtue of incremental third party capacity delivered to the Company's city gate by marketers serving transportation customers on the Company's system.
2. For off-system sales from WSS:
 - a) Multiply the Off-System Revenue Allocation Ratio by eighty-five percent of the projected annual margin revenues from such sales net applicable carrying costs and pro-rata WSS demand costs, **plus**
 - b) One hundred percent of such pro-rata WSS annual demand costs

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