

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: 73  
REVISION: 11  
SUPERSEDING REVISION: 10

GENERAL INFORMATION - Continued

Shared Capacity Demand Cost Allocation Percentage: shall be determined in advance of the Gas Cost Year and used for purposes of allocating Projected Annual Fixed Costs of the Company's and KEDLI's incremental gas supply, pipeline transportation and storage capacity contracts acquired since April 1, 2004 between: 1) the Company's customers under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, and 21; and 2) KEDLI's customers under Service Classification Nos. 1, 2, 3, 15, 16 and 17. It shall be computed as the ratio of: 1) the Company's projected net increase in annual supply requirements since Gas Cost Year 2003/04 to: 2) the sum of the Company's and KEDLI's projected net increase in annual supply requirements since Gas Cost Year 2003/04.

Suppliers' Fixed Charges: fixed supplier costs known to be in effect during the Gas Cost Year. Or if such charges are not known, those Fixed Charges estimated to be in effect during the Gas Cost Year.

Suppliers' Variable Charges: gas commodity costs and other variable supply charges known to be in effect during the Effective Month. Or if such charges are not known, those Variable Charges estimated to be in effect during the Effective Month.

Temperature Control (TC) Floor Price: is equal to the weighted average unit commodity cost of gas (excluding demand charges) of the most expensive supply sources not already allocated to the Interruptible Floor Price, that are projected to be dispatched during the Effective Month to serve the estimated sendout requirements of the Service Classification No. 6C, 6G and 6M customers.

Weighted Average Cost of Capacity ("WACOC"): the unitized weighted average cost of: a) the Company's Pipeline Transporters' Fixed Costs, excluding those pipeline transportation contracts used to deliver gas withdrawn from storage, and b) the fixed costs or basis premium of the Company's bundled city gate winter supply contracts.

Unaccounted for Gas ("UFG"): 2.34% - computed by subtracting the losses established by contract for non-firm power generation customers from system losses, and then dividing the difference by all sendout except for those customers.

Uncollectible Expenses: Uncollectible expenses associated with gas supply are the product of the Uncollectible Rate and total gas costs.

Uncollectible Rate: 1.48% - is the rolling 12-month actual write-offs divided by the following 12-month actual billed sales including taxes.

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