

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 04/01/06
STAMPS: Issued in compliance with Order in C. 03-G-1392 dated November 23, 2005

LEAF: 427.7
REVISION: 4
SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION NO. 20 (Continued)

Estimated Value Added Charge

The Estimated Value Added Charge is a unitized per dekatherm rate, derived from the increase from the Base Year Spark Spread to the Spark Spread in the Test Year. The Estimated Value Added Charge is applied to every dekatherm delivered by the Company to the Customer or the Customer's Annual Minimum Bill Obligation, whichever is greater, during the Effective Period.

The Estimated Value Added Charge for the Effective Period January 1, 2006 through April 30, 2007 equals the Annual Total Value Added Charge for the Test Year ending November 30, 2005 divided by the number of dekatherms the Company delivered to the Customer during the Test Year. If the Customer does not have twelve months of consumption data for the Test Year, that Customer will be assigned an Estimated Value Added Charge equal to the average of all the customers' Estimated Value Added Charges within the applicable heat rate tier level.

The Estimated Value Added Charge for all Effective Periods beginning May 1, 2007 will be based on the Total Value Added Charge for the Test Year, as adjusted for the Reconciliation Charge, divided by the number of dekatherms the Company delivered to the Customer during the Test Year.

Each year, beginning March 1, 2007, the Company will file the Estimated Value Added Charge to become effective May 1 of that year.

Value Added Charge

The Value Added Charge is a unitized per dekatherm rate, derived from the increase from the Base Year Spark Spread, adjusted for prior period Reconciliation Charges.

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