

PSC NO: 12 GAS

LEAF: 81

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 11

INITIAL EFFECTIVE DATE: 11/13/04

SUPERSEDING REVISION: 10

STAMPS:

GENERAL INFORMATION - Continued

"MR" is the margin (non-gas) rate. For Service Classification Nos. 2 (Rate Schedule 2), 3, 4B, and 17 (CTS-2 (Rate Schedule 2), CTS-3 and CTS-4B) it equals the unit price of the last block of Service Classification Nos. 2 (Rate Schedule 2), 3 or 4B expressed in \$/Therm. For Service Classification Nos. 1B, 1BI, 1BR, 17-CTS-1B, 17-CTS-1BI and 17-CTS-1BR, "MR" equals a weighted average of the penultimate and last block unit prices, based on consumption in those blocks over the most recent three year period, expressed in \$/Therm. The margins effective for the period beginning October 2004 are shown below.

"HDD", or Heating Degree Days, are the difference between 65 degrees Fahrenheit (F) and the mean of the extremes of the dry bulb temperature during a day. HDD of a day is always zero when the mean temperature is above 65 degrees. A heating degree day is each degree of temperature difference. Heating degree days also refer to the cumulative heating degree days experienced over a period of time more than one day.

NHDD", or Normal Heating Degree Days, for any given calendar day within a month are based on the average of the degree days for that calendar day over the thirty year period ending September 30, 1994. Normal Heating Degree Days for the period beginning October 2004 are defined below.

AHDD", or Actual Heating Degree Days, are the actual difference between 65 degrees and the average of the minimum and maximum outdoor dry bulb temperatures for a particular day. AHDD are always zero when that average is equal to or above 65 degrees F.

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