

PSC NO: 12 GAS

LEAF: 69

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 6

INITIAL EFFECTIVE DATE: 12/04/04

SUPERSEDING REVISION: 5

STAMPS: Issued in compliance with order in Case No. 02-M-0515 dated August 4, 2004

GENERAL INFORMATION - Continued

B. The Monthly Commodity Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6C, 6G, 6M, 7, 14 and 21

The Monthly Commodity Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6C, 6G, 6M, 7, 14 and 21 shall be computed each month and is the **Total Commodity Cost of Gas Purchased** divided by the **Monthly Dispatched Gas Forecast** for sales to its customers served under these classifications for the Effective Month.

The Monthly Commodity Cost of Gas for Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6C, 6G, 6M, 7, 14 and 21 shall be computed as follows:

- 1) **Total Commodity Cost of Gas Purchased** is determined by:
 - a) Multiplying the Suppliers=, Transporters= and Storage Providers' Rates and Charges by the quantities of gas to be taken from each supplier and transporter reflected in the Monthly Dispatched Gas Forecast **PLUS**
 - b) Multiplying the average unit cost of gas in storage at the date of computation by the quantities of gas withdrawn from storage reflected in the Monthly Dispatched Gas Forecast **PLUS**
 - c) All other allowable fees and charges associated with the purchase of gas (other than those costs and fees reflected in the Monthly Cost of Gas, including the allocation of Transition Costs which is explained on Leaf No. 86, and risk management costs and gain/losses resulting from efforts used to manage the risk of gas cost fluctuations.
 - d) Total Commodity Cost of Gas = (a) + (b) + (c)
 - e) The Monthly Commodity Cost of Gas per therm equals the Total Commodity Cost of Gas divided by the total Monthly Forecast Dispatch volumes.
 - f) Multiply the result in (e) by 1.0373

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