

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 01/01/14
STAMPS:

LEAF: 72
REVISION: 11
SUPERSEDING REVISION: 10

GENERAL INFORMATION - Continued

Notwithstanding the foregoing, pursuant to the Commission's Order in Case 98-G-0824 and the Commission's March 2, 1999 Order in Case 97-G-1380 during any period in which a Gas Supply Management Arrangement similar to that in effect on the effective date of the Commission's Order in Case 98-G-0824 remains in effect, the product of 1.1 million dekatherms multiplied by the average credit per dekatherm received by the Company from capacity released during the twelve months ending March 31, 1998 multiplied by .1 shall be added to eighty-five percent of (a) margin revenues from Off-System Transactions rendered to off-system customers, other than (i) margin revenues from sales to Central Hudson under the current agreement between Brooklyn Union and Central Hudson, and (ii) margin revenues from balancing service rendered to customers under SC 13, and (b) capacity release credits, and that total shall be fully credited to the Gas Cost applicable to Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B and 21.

Off-system Transactions: may include Gas Supply Management Arrangements, sales of gas for resale in interstate commerce made pursuant to Federal authorization, retail sales of gas made to customers located outside of the Company's Service Territory, transportation services to customers located outside of the Company's Service Territory, and any other transactions with customers located outside of the Company's Service Territory, such as parking, balancing, etc.

Partial Gas Cost Year: January 1, 2008 through August 31, 2008.

Pipeline Transporters' and Storage Providers' Fixed Charges: fixed tariff rates and other applicable fixed charges 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.

Pipeline Transporters', and Storage Providers' Variable Charges: variable tariff rates, fuel losses and other applicable variable 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.

Return Requirement Percentage: the pre-tax weighted average cost of capital, or the Company's expected rate of return on investment, as follows:

1. January 1, 2008 through December 31, 2012: 10.68%.
2. Effective January 1, 2013: 10.07%

Sales Customer: Customer who purchases natural gas from the Company.

Issued by: Kenneth D. Daly, President, Brooklyn, New York