

PSC NO: 12 GAS

LEAF: 72

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 13

INITIAL EFFECTIVE DATE: 09/01/14

SUPERSEDING REVISION: 10

STAMPS:

GENERAL INFORMATION - Continued

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 upcoming month. Or if such charges are not known, those variable charges estimated to be in effect during the upcoming 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%

Risk Management Costs / Credits: costs and credits associated with transactions that are intended to reduce gas price volatility. These costs and credits may include: 1) gains and losses associated with transactions made in commodities exchanges or with third parties using bilateral master agreements; 2) transaction costs including exchange fees, broker costs, software application user fees, settlement costs, mark to market costs and confirmation service fees; and 3) option premiums.

Shared Capacity Demand Cost Allocation Percentage: the Company's percentage share of the annual fixed costs of the Company's and KEDLI's incremental gas supply, pipeline transportation and storage capacity contracts acquired since April 1, 2004. In advance of each Gas Cost Year the Shared Capacity Demand Cost Allocation Percentage will 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.

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