

PSC NO: 12 GAS LEAF: 138.55.6  
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 1  
INITIAL EFFECTIVE DATE: 11/22/21 SUPERSEDING REVISION: 0  
STAMPS: Issued in compliance with Order in Case 19-G-0309 dated August 12, 2021

GENERAL INFORMATION – Continued

**59. Net Utility Plant & Depreciation Expense Reconciliation Mechanism (“NUP”)**

The Net Utility Plant & Depreciation Expense Reconciliation Mechanism is a downward-only mechanism that reconciles the actual average net utility plant and depreciation expense revenue requirement to the rate allowance target average net utility plant and depreciation expense revenue requirement for each of the rate year. The difference between the actual average net utility plant and depreciation expense revenue requirement and the rate allowance target average net utility plant and depreciation expense revenue requirement is deferred on a monthly basis. At the end of Rate Year 3, if the cumulative difference between the actual average net utility plant and depreciation expense revenue requirement is less than the rate allowance target, the revenue requirement impact is deferred for the benefit of customers.

If the Company does not file for new delivery rates to be effective on or before April 1, 2023, the Net Utility Plant and Depreciation Expense Reconciliation Mechanism will be converted to two-way reconciliations through March 31, 2024 (capped at the Companies’ current capital forecast levels for the twelve months ending March 2024).

The pre-tax revenue requirement associated with the Company’s capital investments to the extent they exceed the level of net utility plant and book depreciation expense reflected in rates will be recovered through the NUP Reconciliation Surcharge. The costs will be allocated to all firm and non-firm service classifications based on the total plant allocator.

The NUP Reconciliation Surcharge will be included in the Delivery Rate Adjustment (“DRA”) for customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 firm sales, SC 17 firm transportation, SC 22 and SC 18-22 Non-Firm Demand Response, based on total net plant allocator, adjusted for pre-tax WACC. The NUP will appear on the Statement of Net Utility Plant & Depreciation Expense Reconciliation Mechanisms to be filed by June 15, 2024 to be effective July 1<sup>st</sup> and filed each June 15<sup>th</sup> accordingly thereafter until the pre-tax revenue requirement associated with the Company’s capital investments are built into delivery rates.

Issued by: Rudolph L. Wynter, President, Brooklyn, NY