Status: CANCELLED Received: 08/27/2021 Effective Date: 09/01/2021

PSC NO: 12 GAS LEAF: 138.55.1 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 2 INITIAL EFFECTIVE DATE: 09/01/21 SUPERSEDING REVISION: 0

STAMPS: Issued in compliance with Order in Case 19-G-0309 dated August 12, 2021

GENERAL INFORMATION - Continued

54. New York Facilities System Surcharge/Surcredit

The New York Facilities System ("NYFS") is a high pressure gas transmission system that spans the service territories of KEDNY, KEDLI and Consolidated Edison Company of New York, Inc. (collectively, the "NYFS Companies") and interconnects the NYFS Companies with the systems of the interstate pipeline companies that serve the NY metropolitan region. Gas received into the NYFS from the interstate pipelines is delivered directly, and/or by displacement, to the NYFS Companies. The estimated costs related to the NYFS are recovered in base delivery rates. The Company will compare actual NYFS costs to the amounts included in base rates and any over/under recoveries will be recovered through a surcharge or surcredit including carrying charges at the Company's pre-tax WACC.

The NYFS surcharge/surcredit is included in the DRA and recovered from SC 1 (excluding SC 1B-DG), 2, 3, 4A, 4A-CNG and 4B firm sales customers and SC 17 firm transportation customers (SC 17-1 (excluding 1B-DG), 17-2, 17-3, 17-4A, 17-4A-CNG and 17-4B). The NYFS rate will appear on the Statement of New York Facilities System Surcharge/Surcredit to be filed on not less than one (1) day's notice prior to the effective date.

The initial surcharge/surcredit will reconcile the NYFS costs included in base rates to the estimated NYFS costs for calendar year 2017. Starting July 1, 2021 and each July 1 thereafter, the Company will reset the surcharge/surcredit to reconcile recoveries of the NYFS included in base rates to the actual NYFS costs for the preceding fiscal year including any remaining over/under recoveries from the previous reconciliation year.

The Company will file its reconciliation for the period January 1, 2020 through March 31, 2021 in accordance with the Commission Order issued in Case No. 19-G-0309.

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