

Effective Date: 01/01/2019

PSC NO: 12 GAS

LEAF: 138.54

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 5

INITIAL EFFECTIVE DATE: 01/01/19

SUPERSEDING REVISION: 4

STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

GENERAL INFORMATION – Continued

51. Gas Safety and Reliability Surcharge

The Gas Safety and Reliability Surcharge (“GSRS”) would allow the Company to recover (i) a return on investment, depreciation expense and operations and maintenance expense associated with incremental replacement of leak prone pipe (“LPP”) above the levels funded in base rates, and (ii) the cost to repair system leaks in excess to the Company’s leak backlog targets.

The surcharge will be calculated by taking the revenue requirement for the incremental LPP and leak repair investment divided by firm sales and transportation volumes resulting in a per therm rate. The GSRS will be reconciled annually and included in the DRA recovered from SC 1, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 firm sales customers and SC 17 firm transportation customers beginning the following April 1st. The GSRS will appear on the Statement of Gas Safety and Reliability Surcharge to be filed each March 15.

52. TC/IT Revenues Reconciliation Surcharge

Each Rate Year, the Company will fully reconcile actual TC and IT Services revenues to the amounts imputed in the revenue requirement:

\$60.497 million in Rate Year One

\$66.300 million in Rate Year Two

\$73.004 million in Rate Year Three

An adjustment will be made to the revenue target above to remove forecast revenues for TC/IT customers that migrate to firm service. Any difference between actual and imputed revenues will be credited or surcharged to firm sales and firm transportation through the DRA for the 12-month period each March 1st.

Issued by: John Bruckner, President, Brooklyn, NY