

PSC NO: 12 GAS  
COMPANY: THE BROOKLYN UNION GAS COMPANY  
INITIAL EFFECTIVE DATE: 03/01/16  
STAMPS:

LEAF: 138.52  
REVISION: 4  
SUPERSEDING REVISION: 3

GENERAL INFORMATION – Continued

**50. REVENUE DECOUPLING MECHANISM**

A. In accordance with the Commission's Orders in Case 06-G-1185 (dated December 22, 2009) and Case 12-G-0544 (dated June 13, 2013), Service Classification Nos. 1B, 1BR, 17-1B, 17-1BR will be subject to a Revenue Decoupling Mechanism ("RDM") to reconcile Actual Billed Delivery Service Revenues to Allowed Billed Delivery Service Revenues. Allowed Billed Delivery Service Revenues will be equal to the Margin Per Customer targets set forth in the Company's September 25, 2009 Joint Proposal and February 22, 2013 Joint Proposal, as adopted by the Commission in the above-referenced Orders, for the applicable rate year ending December 31, multiplied by the Average Annual Number of Customers in the applicable rate year ending December 31. Actual Billed Delivery Service Revenues will be developed using billed sales and transportation volumes for the service classes listed above multiplied by the effective Service Classification No. 1B delivery service rates.

The Company will file an annual RDM reconciliation and RDM Statement each March 15<sup>th</sup> following each rate year ending December 31. The RDM reconciliation will include the total surcharge/refund amount and unitized surcharge/refund rates. The unit rates will be calculated by dividing the total surcharge/refund by the current sales and transportation forecast for Service Classification Nos. 1B, 1BR, 17-1B, and 17-1BR. This surcharge/refund factor will be shown on the Revenue Decoupling Mechanism Statement and become effective each May 1st. All refunds or surcharges will be subject to reconciliation at the end of the twelve month period.

B. Service Classification Nos. 2 (Rate Schedules 1 & 2), 3, 17-2 (Rate Schedules 1 & 2), and 17-3 will be subject to an RDM to reconcile Actual Billed Delivery Service Revenues to Allowed Billed Delivery Service Revenues. Allowed Billed Delivery Service Revenues will be equal to the Revenue Per Class targets set forth below for the applicable class groupings.

1. Service Classification Nos. 2 & 17-2 (Rate Schedule 1): \$53,865,095
2. Service Classification Nos. 2 & 17-2 (Rate Schedule 2): \$80,966,257
3. Service Classification Nos. 3 & 17-3: \$114,072,794

Issued by: Kenneth D. Daly, President, Brooklyn, NY