

PSC NO: 12 GAS

LEAF: 72

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 16

INITIAL EFFECTIVE DATE: 01/01/17

SUPERSEDING REVISION: 14

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

GENERAL INFORMATION - Continued

Partial Gas Cost Year: January 1, 2017 through August 31, 2017.

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. Effective January 1, 2017: 9.08%
2. Effective January 1, 2018: 9.08%
3. Effective January 1, 2019: 9.08%

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.

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