

PSC NO: 12 GAS

LEAF: 74

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 12

INITIAL EFFECTIVE DATE: 01/01/17

SUPERSEDING REVISION: 10

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

## GENERAL INFORMATION – Continued

**B. The Monthly Cost of Gas**

Pursuant to the Commission's October 28, 2005 Order in Case 05-G-0903, gas is purchased on a combined basis for the Company and KEDLI (collectively, "the Companies"). The Monthly Cost of Gas will be determined based upon the Company's allocated share of commodity and fixed gas costs and computed as the sum of the: 1) Average Commodity Cost of Gas; 2) Average Monthly Hedging Costs / Credits and 3) Average Fixed Cost of Gas Less 4) Average Fixed Cost Credits multiplied by: 5) the Factor of Adjustment.

**1. Average Commodity Cost of Gas**

In advance of each month, the Company will determine the Average Commodity Cost of Gas applicable to sales customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 6, 7 and 21 based on the Combined Monthly Forecasted Firm and TC Dispatch,

a) The Total Commodity Cost of Gas will be computed by:

- 1) Multiplying the Suppliers' and Pipeline Transporters' Variable Charges by the quantities of gas supply projected to be purchased and delivered to the city gate under the Combined Monthly Forecasted Firm and TC Dispatch, **PLUS**
- 2) Multiplying the sum of: 1) the average unit commodity cost of gas in storage at the date of computation and 2) the Storage Providers' Variable Charges; by 3) the quantities of storage projected to be withdrawn and delivered to the city gate under the Combined Monthly Forecasted Firm and TC Dispatch, **PLUS**
- 3) All other Commission-approved variable fees and charges associated with the dispatch of gas

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