

PSC NO: 12 GAS  
COMPANY: THE BROOKLYN UNION GAS COMPANY  
INITIAL EFFECTIVE DATE: 01/01/17  
STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

LEAF: 79.11  
REVISION: 3  
SUPERSEDING REVISION: 1

### GENERAL INFORMATION - Continued

Current Year Imbalance = 1 – 2 + 3

Divide result by the Company's estimated sales to Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 6, 7, 21 and 5A for the twelve month period January 1 through December 31

The Company will reconcile the period from January 1, 2017 through August 31, 2017 to account for the time between the current reconciliation and the new Rate Year One reconciliation period.

The surcharge or refund computation shall be filed with the Commission on or before October 15 of the calendar year before it is to become effective.

- D. Annual Gas Return Requirement on Gas in Storage Surcharge or Refund for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 shall be computed as follows:

Compare: 1. Actual Return Requirement on Gas in Storage Costs  
to 2. Return Requirement on Gas in Storage Recoveries

ADD

3. Net remaining prior year imbalance.

1. Actual Return Requirement on Gas in Storage Costs is calculated by multiplying

- (a) the Pre-Tax WACC percentage by
- (b) the actual average of twelve calendar months commodity inventory cost of the Company's and KEDLI's market area storage services and production area storage services, excluding WSS inventory used for Off-System Transactions multiplied by
- (c) The ratio of Storage Inventory between firm sales and firm transportation

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