

PSC NO: 12 GAS LEAF: 79.10  
 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3  
 INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION: 1  
 STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

## GENERAL INFORMATION - Continued

. **Merchant Function Charge Annual Imbalance Surcharge or Refund**

C. Annual Gas Supply-Related Cost 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. | Expense Targets Gas Supply-Related Costs  |
| to       | 2. | Actual Gas Supply-Related Cost Recoveries |
|          |    | ADD                                       |
|          | 3. | Net remaining prior year imbalance.       |

1. Actual Gas Supply-Related Costs =
  - a. Gas Procurement and Commodity-Related Sales Promotion Expenses prorated for the Gas Cost Year, PLUS
  - b. Commodity-Related Credit and Collection Expenses prorated for the Gas Cost Year, PLUS
 Total Actual Supply-Related Costs = a + b

2. Supply-Related Cost Recoveries =  
 Recoveries from Supply Related Costs during the Gas Cost Year, net of associated revenue taxes.

3. Gas Supply-Related Costs Imbalance Surcharge or Refund Recoveries =  
 Total revenues or refunds from the Gas Supply-Related Cost Imbalance Surcharge or Refund charges during Gas Cost Year, net of associated revenue taxes plus the prior year imbalance.

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