

PSC NO: 12 GAS

LEAF: 70

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 7

INITIAL EFFECTIVE DATE: 01/01/14

SUPERSEDING REVISION: 6

STAMPS:

GENERAL INFORMATION - Continued

Marketer Capacity Program Credits: shall be determined in advance of the Gas Cost Year based on the Company's estimated annual fixed cost credits realized from: (1) Tier 1 capacity releases; (2) Tier 2 Bundled Winter Sales and (3) Tier 3 Virtual Storage Service provided to direct customers/marketers of the Company's transportation customers under Service Classification Nos. 17-1A, 17-1AR, 17-1B, 17-1BI, 17-1BR, 17-2, 17-3, 17-4A, 17-4A-CNG, 17-4B, 17-7, 17-14 and 17-21. These credits will be applied to the Projected Annual Fixed Cost of Gas applicable to the Company's sales customers under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B and 21.

Merchant Function Charge: the sum of the following gas supply related unit costs: (1) Gas Procurement and Commodity-Related Sales Promotion Expenses, (2) Commodity-Related Credit and Collection Expenses, (3) Uncollectible Expenses Associated with Gas Costs, (4) Return Requirement on Gas Purchase-Related on Working Capital, and (5) Return Requirement on Gas in Storage.

Monthly Forecasted Firm Sendout: the combined total of the Company's Monthly Forecasted Firm Sendout and KEDLI's Monthly Forecasted Firm Sendout.

Monthly Forecasted Firm & TC Dispatch: the specific gas supply sources that are planned to be delivered to the city gate to serve Monthly Forecasted Firm and TC Sendout during the Effective Month.

Monthly Forecasted Firm & TC Sendout: the sum of the Monthly Forecasted Firm Sendout and Monthly Forecasted TC Sendout.

Monthly Forecasted TC Sendout: the combined total of the Company's Monthly Forecasted TC Sendout and KEDLI's Monthly Forecasted TC Sendout

Monthly Hedging Costs / Credits: risk management gains and losses resulting from transactions undertaken to manage volatility in gas commodity prices during the Effective Month.

Off-System Revenue Allocation Percentage: shall be determined in advance of the Gas Cost Year and used for purposes of allocating off-system revenue credits between: 1) the Company's customers under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B and 21 and 2) KEDLI's sales customers under Service Classification Nos. 1, 2, 3, 15, 16 and 17. It shall be computed as the ratio of: 1) the Company's Projected Annual Fixed Cost of Gas to 2) the sum of the Company's and KEDLI's Projected Annual Fixed Cost of Gas.

Issued by: Kenneth D. Daly, President, Brooklyn, New York