

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 07/01/13
STAMPS: Issued in compliance with order in Case 12-G-0544 dated June 13, 2013

LEAF: 73
REVISION: 13
SUPERSEDING REVISION: 12

GENERAL INFORMATION - Continued

Shared Capacity Demand Cost Allocation Percentage: shall be determined in advance of the Gas Cost Year and used for purposes of allocating Projected Annual Fixed Costs of the Company's and KEDLI's incremental gas supply, pipeline transportation and storage capacity contracts acquired since April 1, 2004 between: 1) the Company's customers under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, and 21; and 2) KEDLI's 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 net increase in annual supply requirements since Gas Cost Year 2003/04 to: 2) the sum of the Company's and KEDLI's projected net increase in annual supply requirements since Gas Cost Year 2003/04.

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.

Suppliers' Variable Charges: gas commodity costs and other variable supply charges known to be in effect during the Effective Month. Or if such charges are not known, those Variable Charges estimated to be in effect during the Effective Month.

System Performance Adjustment (SPA) Mechanism: Effective January 1, 2015, a SPA per therm rate will be applicable to the Company's sales customers served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 and to transportation customers served under Service Classification No. 17. The SPA rate will be a credit if actual system LAUF is less than the LAUF Target or a surcharge if actual system LAUF exceeds the LAUF Target during the previous 12-month period ending August 31st.

Temperature Control (TC) Floor Price: is equal to the weighted average unit commodity cost of gas (excluding demand charges) of the most expensive supply sources not already allocated to the Interruptible Floor Price, that are projected to be dispatched during the Effective Month to serve the estimated sendout requirements of the Service Classification No. 6C, 6G and 6M customers.

Weighted Average Cost of Capacity ("WACOC"): the unitized weighted average cost of 1) the Company's Pipeline Transporters' Fixed Costs for firm domestic and unbundled Canadian pipeline transportation capacity used to delivery flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the fixed costs or basis premium of the Company's bundled city gate winter supply contracts. The WACOC will be updated as required to reflect changes to rates and prices.

Unaccounted for Gas ("UFG"): 2.34% - computed by subtracting the losses established by contract for non-firm power generation customers from system losses, and then dividing the difference by all sendout except for those customers.

Uncollectible Expenses: Uncollectible expenses associated with gas supply are the product of the Uncollectible Rate and total gas costs.

Uncollectible Rate: 1.48% - is the rolling 12-month actual write-offs divided by the following 12-month actual billed sales including taxes.

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