

PSC NO: 12 GAS LEAF: 138.52
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 2
INITIAL EFFECTIVE DATE: 07/01/13 SUPERSEDING REVISION: 1
STAMPS: Issued in compliance with order in Case 12-G-0544 dated June 13, 2013

GENERAL INFORMATION – Continued

50. REVENUE DECOUPLING MECHANISM

In accordance with the Commission's Orders in Case 06-G-1185 (dated December 22, 2009) and Case 12-G-0544 (dated June 13, 2013), Service Classification Nos. 1B, 1BI, 1BR, 17-1B, 17-1BI, 17-1BR will be subject to a Revenue Decoupling Mechanism ("RDM") to reconcile Actual Billed Delivery Service Revenues to Allowed Billed Delivery Service Revenues. Allowed Billed Delivery Service Revenues will be equal to the Margin Per Customer targets set forth in the Company's September 25, 2009 Joint Proposal and February 22, 2013 Joint Proposal, as adopted by the Commission in the above-referenced Orders, for the applicable rate year ending December 31, multiplied by the Average Annual Number of Customers in the applicable rate year ending December 31. Actual Billed Delivery Service Revenues will be developed using billed sales and transportation volumes for the service classes listed above multiplied by the effective Service Classification No. 1B delivery service rates.

The Company will file an annual RDM reconciliation and RDM Statement each March 15th following each rate year ending December 31. The RDM reconciliation will include the total surcharge/refund amount and unitized surcharge/refund rates. The unit rates will be calculated by dividing the total surcharge/refund by the current sales and transportation forecast for Service Classification Nos. 1B, 1BI, 1BR, 17-1B, 17-1BI, 17-1BR. This surcharge/refund factor will be shown on the Revenue Decoupling Mechanism Statement and become effective each May 1st. All refunds or surcharges will be subject to reconciliation at the end of the twelve month period.

51. DELIVERY RATE ADJUSTMENT

The Delivery Rate Adjustment ("DRA") will apply to all customers being served under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2-1, 2-2, 3, 4A, 4A-CNG, 4B, 7, 14, 17 and 21. The DRA will appear as a separate line item on the customer's bill.

The DRA will consist of a weather normalization adjustment applicable to certain heating customers (as explained on Leaf Nos. 80 through 83), a site investigation and remediation surcharge (as explained on Leaf No. 138.50), the Incremental State Assessment Surcharge (as explained on Leaf No. 138.51) and, where applicable, the Revenue Decoupling Mechanism (as explained on Leaf No. 138.52).

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