

PSC NO: 12 GAS

LEAF: 76.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 09/01/14

SUPERSEDING REVISION:

STAMPS:

GENERAL INFORMATION – Continued

- 5) ESCOs Participating in the Company's Mandatory Capacity Program pursuant to SC 19

The price of the capacity provided to ESCOs under the Mandatory Capacity Program is equivalent to the SC 1, 2, 3 and 21 Average Fixed Cost of Gas determined in Rule 33.B.3.c.1 less fixed gas costs associated with: 1) gas supply contracts and 2) the portion of WSS capacity used for off-system sales.

4. **Average Fixed Cost Credits**

- a) In advance of each Gas Cost Year, and updated during the year if appropriate, the Company will estimate Annual Fixed Cost Credits for the following categories:

- 1) TC Fixed Cost Credits

Multiply annual forecasted SC 6 sales by 4.6 cents per therm,

- 2) Electric Generator Revenues

Annual transportation revenues including Value Added Charges and Daily Balancing Service Demand Charges from electric generators taking non-core transportation service under SC 18 and 20

- 3) Non-Core Swing Service and Daily Balancing Service Demand Charge Credits

Annual Swing Service Demand Charge Credits from ESCOs serving Monthly Balanced SC 18 transportation customers and Annual Daily Balancing Service Demand Charge Credits from ESCOs serving Daily Balanced SC 18 transportation customers.

- 4) Off-system Revenue Credits

Determined in accordance with Rule 33.A.

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