

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 01/01/15
STAMPS: Issued in compliance with Order in Case 13-G-0439 dated December 16, 2014

LEAF: 75
REVISION: 9
SUPERSEDING REVISION: 8

GENERAL INFORMATION – Continued

- b) The Average Commodity Cost of Gas will be computed by dividing the Total Commodity Cost of Gas determined in Rule 33.B.1.a above by the Monthly Forecasted Firm and TC Sendout.

2. Average Monthly Hedging Costs / Credits

In advance of each month, the Company will compute the Average Monthly Hedging Costs / Credits applicable to sales customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 by dividing the Companies' combined Risk Management Costs /Credits for the upcoming month by Monthly Forecasted Firm Sendout.

3. Average Fixed Cost of Gas

- a) In advance of each Gas Cost Year, and updated during the year if appropriate, the Company will estimate the Annual Fixed Cost of Gas associated with its share of the Companies' gas contracts as follows:
- 1) For gas supply, pipeline transportation and storage capacity contracts the Company acquired prior to April 1, 2004: 1) multiply the Suppliers', Pipeline Transporters' and Storage Providers' Fixed Charges by the applicable billing determinants for the Gas Cost Year and, 2) sum the resulting products together. **PLUS**
 - 2) For incremental gas supply, pipeline transportation and storage capacity contracts acquired since April 1, 2004 to serve the demand growth of the Companies: 1) multiply the Suppliers', Pipeline Transporters' and Storage Providers' Fixed Charges by the applicable billing determinants for the Gas Cost Year, 2) sum the resulting products together and multiply by, 3) the Shared Capacity Demand Cost Allocation Percentage. **PLUS**
 - 3) Any other projected fixed charges applicable to the procurement of gas for the upcoming Gas Cost Year.

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