

PSC NO: 12 GAS

LEAF: 79.2

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 6

INITIAL EFFECTIVE DATE: 01/01/17

SUPERSEDING REVISION: 4

STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

## GENERAL INFORMATION – Continued

**34. Merchant Function Charge**

The rates for sales service under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 shall include each month components of the Merchant Function Charge as follows: 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 Working Capital, and (5) Return Requirement on Gas in Storage.

The rates for gas service under SC 17 shall include each month the Return Requirement on Gas in Storage unitized charge per therm.

TC and Interruptible sales customers will only be charged the following Merchant Function Charges: (1) Gas Procurement and Commodity-Related Sales Promotion Expenses, (2) Commodity-Related Credit and Collection Expenses, (3) Uncollectible Expenses Associated with Gas Costs and (4) Return Requirement on Gas Purchase-Related Working Capital,

**A. Gas Procurement and Commodity-Related Sales Promotion Expenses**

The Gas Procurement and Commodity-Related Sales Promotion Expenses Unitized Charge per therm is applicable to sales service under:

Prior to December 31, 2016: SC 1, 2, 3, 4A, 4A-CNG, 4B, 7 and 21

Effective January 1, 2017: SC 1, 2, 3, 4A, 4A-CNG, 4B, 6, 7, 21 and 5-A shall be computed as follows:

- 1) Divide the Total Annual Gas Procurement and Commodity-Related Sales Promotion Expenses for each year as shown on the schedule below:  
Through December 31, 2016, the Total Annual Gas Procurement and Commodity-related Sales Promotion Expenses will be held at \$1,314,887.

Effective January 1, 2017, the Total Annual Gas Procurement and Commodity-related Sales Promotion Expenses target is \$1,262,000.

Effective September 1 through August 31 of each year, the Gas Procurement and Commodity-Related Sales promotion Expenses for each GAC year are shown on the schedule below:

September 1, 2017 – August 31, 2018: \$1,280,854

September 1, 2018 – August 31, 2019: \$1,306,561

September 1, 2019 – August 31, 2020: \$1,394,923

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