

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 01/01/17
STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

LEAF: 75
REVISION: 11
SUPERSEDING REVISION: 9

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 Combined 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, and 21 by dividing the Companies' combined Risk Management Costs /Credits for the upcoming month by Combined 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 for the Company and KEDLI on a combined basis by:
- 1) Multiplying the estimated fixed rates and charges of the gas supply, pipeline transportation and storage capacity contracts held by the Company and KEDLI by the applicable billing determinants. **PLUS**
 - 2) 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