

PSC NO: 12 GAS LEAF: 79.10
 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 3
 INITIAL EFFECTIVE DATE: 01/01/17 SUPERSEDING REVISION: 1
 STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

GENERAL INFORMATION - Continued

Merchant Function Charge Annual Imbalance Surcharge or Refund

C. Annual Gas Supply-Related Cost Surcharge or Refund for Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7 and 21 shall be computed as follows:

Compare: 1. Expense Targets Gas Supply-Related Costs
 to 2. Actual Gas Supply-Related Cost Recoveries
 ADD
 3. Net remaining prior year imbalance.

1. Actual Gas Supply-Related Costs =
 a. Gas Procurement and Commodity-Related Sales Promotion Expenses prorated for the Gas Cost Year, PLUS
 b. Commodity-Related Credit and Collection Expenses prorated for the Gas Cost Year, PLUS

Total Actual Supply-Related Costs = a + b

2. Supply-Related Cost Recoveries =
 Recoveries from Supply Related Costs during the Gas Cost Year, net of associated revenue taxes.

3. Gas Supply-Related Costs Imbalance Surcharge or Refund Recoveries =
 Total revenues or refunds from the Gas Supply-Related Cost Imbalance Surcharge or Refund charges during Gas Cost Year, net of associated revenue taxes plus the prior year imbalance.

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