PSC NO: 12 GASLEAF: 79.13COMPANY: THE BROOKLYN UNION GAS COMPANYREVISION: 1INITIAL EFFECTIVE DATE: 01/01/17SUPERSEDING REVISION:STAMPS: Issued in compliance with Order in Case 16-G-0059 dated December 16, 2016

GENERAL INFORMATION - Continued

E. Mid-year Adjustment to Merchant Function Charge Annual Imbalance Surcharge or Refund Factors

A mid-year adjustment to the various Merchant Function Charge Annual Imbalance Surcharge or Refund factors will be implemented, as required, each March 1st for the remainder of the calendar year for SC 1, 2, 3, 4A, 4A-CNG, 4B, 6, 7, 21 and 5A.

The mid-year adjustment will include an adjustment for principal and interest estimated to be recovered under the currently effective rate during January and February of the current year.

The Company will file its calculation of the updated Merchant Function Charge Annual Imbalance Surcharge or Refund factors with the Commission on or before each February 15th as required. These factors will be set forth on the Statement of Monthly Cost of Gas and Adjustments not less than two business days prior to March 1st.

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