

PSC NO: 12 GAS

LEAF: 79.7

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 2

INITIAL EFFECTIVE DATE: 07/01/13

SUPERSEDING REVISION: 1

STAMPS: Issued in compliance with order in Case 12-G-0544 dated June 13, 2013

GENERAL INFORMATION - Continued

If the resulting overcollection or undercollection factor is greater than \$0.02 per therm, then the Monthly Cost of Gas Imbalance Surcharge or Refund factor for the calendar month in question shall be limited to \$0.02 per therm; if the resulting overcollection or undercollection factor is less than or equal to \$0.02 per therm, no surcharge or refund factor will be reflected for the calendar month in question. The Company shall be permitted to revise the \$0.02 per therm tolerance band during the year if it determines that such an adjustment, upward or downward, is necessary to minimize the projected overcollection at the end of the period; provided, however, that the resultant refund will not exceed \$0.05 per therm.

36. ANNUAL SURCHARGE OR REFUND

A. Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21

A surcharge or refund to recover gas adjustment undercollections or refund gas adjustment overcollections from customers served under Service Classification Nos. 1A, 1AR, 1B, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 shall be computed as follows:

- | | | |
|----------|-----|---|
| Compare: | 1. | Total Actual Fixed Cost of Gas PLUS |
| | 2. | Total Actual Commodity Costs PLUS or LESS |
| | 3. | Total Actual Hedging Costs / Credits LESS |
| | 4. | Total Actual Gas Credits |
| | | |
| to | 5. | Total Fixed Cost of Gas Recoveries PLUS |
| | 6. | Total Commodity Cost of Gas Recoveries PLUS |
| 7. | | Total Hedging Costs / Credits Recoveries, LESS |
| | 8. | Total Gas Credit Recoveries ADD |
| | 9. | Total Imbalance Surcharge Recoveries or Refunds, ADD |
| 10. | | Net remaining prior year imbalance, PLUS |
| | 11. | LAUF Adjustment. |

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