

PSC NO: 12 GAS

LEAF: 138.52

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 10

INITIAL EFFECTIVE DATE: 06/01/19

SUPERSEDING REVISION: 9

STAMPS:

GENERAL INFORMATION – Continued

50. REVENUE DECOUPLING MECHANISM

A. Effective through March 31, 2020, Service Classification Nos. 1B, 1BI, 1BR, 17-1B, 17-1BI, 17-1BR will be subject to a Revenue Decoupling Mechanism (“RDM”) to reconcile Actual Billed Delivery Service Revenues to Allowed Billed Delivery Service Revenues. Allowed Billed Delivery Service Revenues will be equal to the annual Margin Per Customer target of \$1,082.66 multiplied by the Average Annual Number of Customers in the applicable rate year. Actual Billed Delivery Service Revenues will be developed using billed sales and transportation volumes for the service classes listed above multiplied by the effective Service Classification No. 1B delivery service rates. For the stub period January 1, 2020 through March 31, 2020, the Margin Per Customer targets will be based on the monthly targets for January through March 2020 as filed in Case 16-G-0059. Effective April 1, 2020, Service Classification Nos. 1A, 1AR, 17-1A, 17-1AR, 1B, 1BR, 17-1B, 17-1BR will be subject to a Revenue Decoupling Mechanism (“RDM”) to reconcile Actual Billed Delivery Service Revenues to Allowed Billed Delivery Service Revenues. Allowed Billed Delivery Service Revenues are defined as revenues from base delivery rates including consolidated billing charges and weather normalization adjustments for the applicable rate year, less revenue for Non-Firm Demand Response customers that migrate to firm service after April 1, 2020.

Effective April 1, 2020, the annual Revenue Per Class targets will be the following:

1. Service Classification Nos. 1A, 1AR, 17-1A and 17-1AR: \$219,153,428
2. Service Classification Nos. 1B, 1BR, 17-1B and 17-1BR: \$781,290,008

The Company will file an annual RDM reconciliation and RDM Statement each June 15th following each 12-month period ending March 31. The RDM reconciliation will include the total surcharge/refund amount, carrying charges at the Company’s pre-tax WACC rate commencing on the effective date of the refund or surcharge and unitized surcharge/refund rates. The unit rates will be calculated by dividing the total surcharge/refund by the current sales and transportation forecast for Service Classification Nos. 1A, 1AR, 17-1A, 17-1AR, 1B, 1BR, 17-1B, and 17-1BR. This surcharge/refund factor will be shown on the Revenue Decoupling Mechanism Statement and become effective each July 1st. All refunds or surcharges will be subject to reconciliation at the end of the twelve-month period.

The resulting shortfall or excess will be refunded or surcharged to customers in the following reconciliation grouping on a volumetric basis over the twelve-month period commencing on July 1st of the following year.

1. Service Classification Nos. 1A, 1AR, 5-1A, 5-1AR, 1B, 1BR, 5-1B, 5-1BR.

Issued by: John Bruckner, President, Brooklyn, NY