

PSC NO: 12 GAS

LEAF: 79.13

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 0

INITIAL EFFECTIVE DATE: 03/01/16

SUPERSEDING REVISION:

STAMPS:

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.

The mid-year adjustment will include: 1) any residual imbalance and interest as of December 31st of the previous year associated with the over or under recovery of the previous year's imbalance and 2) 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. 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