Received: 07/22/2014 Status: CANCELLED Effective Date: 01/01/2015

PSC NO: 12 GAS LEAF: 78.1 COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 0 INITIAL EFFECTIVE DATE: 09/01/14 SUPERSEDING REVISION: STAMPS:

GENERAL INFORMATION - Continued

ii) Effective September 1, 2016 and thereafter:

Allocate the Annual Fixed Cost Credits determined in Rule 33.B.4.b.1 above proportionate to the Average Fixed Cost of Gas of the SC 4A-CNG Sales Customers, divide by: 1) annual forecasted SC 4A-CNG sales and then divide by; 2) the Factor of Adjustment.

- 4) SC 4B Sales Customers
 - i) Effective September 1, 2014 to August 31, 2016:

Multiply the Average Sales Customer Fixed Cost Credit determined in Rule 33.B.3.c above by the following percentages:

- September 1, 2014 to August 31, 2015: 144%
- September 1, 2015 to August 31, 2016: 99%
- ii) Effective September 1, 2016 and thereafter:

Allocate the Annual Fixed Cost Credits determined in Rule 33.B.4.b.1 above proportionate to the Average Fixed Cost of Gas of the SC 4B Sales Customers, divide by: 1) annual forecasted SC 4B sales and then divide by: 2) the Factor of Adjustment.

5) ESCOs Participating in the Company's Mandatory Capacity Program pursuant to SC 19

Divide the Annual Fixed Cost Credits allocated to the ESCOs by: 1) annual forecasted SC 17 transportation volumes and then divide by; 2) the Factor of Adjustment.

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