

PSC NO: 12 GAS

LEAF: 71

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 9

INITIAL EFFECTIVE DATE: 09/01/14

SUPERSEDING REVISION: 8

STAMPS:

GENERAL INFORMATION - Continued

Off-system Revenue Credits: shall be determined prior to the Gas Cost Year and updated during the year if appropriate as follows:

1. Multiply the Off-System Revenue Allocation Percentage by eighty-five percent of
 - a) Projected annual margin revenues from Off-System Transactions rendered to off-system customers other than sales from the Transco Washington Storage Field ("WSS)
2. For off-system sales from WSS:
 - a) Multiply the Off-System Revenue Allocation Ratio by eighty-five percent of the projected annual margin revenues from such sales net applicable carrying costs and pro-rata WSS demand costs, **plus**
 - b) One hundred percent of such pro-rata WSS annual demand costs

Off-system Transactions: may include gas sales, gas transportation and other gas transactions performed with customers located outside of the Company's service territory; capacity release transactions other than those performed with ESCOs participating in the Mandatory Capacity Program pursuant to SC 19; and Asset Management Arrangements.

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