

PSC NO: 12 GAS

LEAF: 73

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 14

INITIAL EFFECTIVE DATE: 09/01/14

SUPERSEDING REVISION: 13

STAMPS:

## GENERAL INFORMATION - Continued

Suppliers' Variable Charges: gas commodity costs and other variable supply charges known to be in effect during the upcoming month. Or if such charges are not known, those Variable Charges estimated to be in effect during the upcoming month.

System Performance Adjustment (SPA) Mechanism: to take effect starting January 1, 2015 applicable to sales customers served under SC 1, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 and to transportation customers served under SC 17. The determination period for the SPA rate is the 12 months ending each August 31<sup>st</sup>. The SPA rate takes effect each January 1<sup>st</sup> of the upcoming calendar year and is a credit if actual system LAUF is less than the LAUF Target or a surcharge if actual system LAUF exceeds the LAUF Target.

TC: Temperature Controlled Service provided to qualifying sales customers served under SC 6 and transportation customers served under SC 18 Rate NCTS-6.

Temperature Controlled (TC) Floor Price: is equal to the weighted average unit commodity cost of gas (excluding demand charges) of the most expensive supply sources not already allocated to the Interruptible Floor Price, that are projected to be dispatched during the upcoming month to serve the estimated sendout requirements of the sales customers served under SC 6.

Weighted Average Cost of Capacity ("WACOC"): the unitized weighted average cost of 1) the Company's Pipeline Transporters' Fixed Costs for firm domestic and unbundled Canadian pipeline transportation capacity used to deliver flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the fixed costs or basis premium of the Company's bundled city gate winter supply contracts. The WACOC will be updated as required to reflect changes to rates and prices.

Uncollectible Expenses: Uncollectible expenses associated with gas supply are the product of the Uncollectible Rate and total gas costs.

Uncollectible Rate: 1.48% - is the rolling 12-month actual write-offs divided by the following 12-month actual billed sales including taxes.

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