

PSC NO: 12 GAS

LEAF: 79.2

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 3

INITIAL EFFECTIVE DATE: 09/01/14

SUPERSEDING REVISION: 2

STAMPS:

GENERAL INFORMATION – Continued

34. Merchant Function Charge

The rates for gas service under Service Classification Nos. 1A, 1AR, 1B, 1BI, 1BR, 1B-DG, 2, 3, 4A, 4A-CNG, 4B, 7, 14 and 21 shall include each month the Merchant Function Unitized Charge per therm which is equal to the sum of the following gas supply related unit costs: (1) Gas Procurement and Commodity-Related Sales Promotion Expenses, (2) Commodity-Related Credit and Collection Expenses, (3) Uncollectible Expenses Associated with Gas Costs, (4) Return Requirement on Gas Purchase-Related Working Capital, and (5) Return Requirement on Gas in Storage.

A. Gas Procurement and Commodity-Related Sales Promotion Expenses

The Gas Procurement and Commodity-Related Sales Promotion Expenses Unitized Charge per therm to be recovered each Gas Cost Year shall be computed as follows:

- 1) Divide the Total Annual Gas Procurement and Commodity-Related Sales Promotion Expenses for each year as shown on the schedule below

2008	\$1,210,000
2009	\$1,235,410
2010	\$1,261,354
2011	\$1,287,849
2012	\$1,314,887

Beyond 2012, the Total Annual Gas Procurement and Commodity-related Sales Promotion Expenses will be held at \$1,314,887 unless changed by the Commission.

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