

PSC NO: 12 GAS

LEAF: 407.1

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 2

INITIAL EFFECTIVE DATE: 11/01/14

SUPERSEDING REVISION: 1

STAMPS:

SERVICE CLASSIFICATION No. 19 – continued**J. MANDATORY CAPACITY PROGRAM – continued****2. Tier 2 – Retail Access Storage - continued****b) Monthly Charges****Tier 2 Demand Price**

The Tier 2 Demand Price stated in dollars per dekatherm is a capacity price determined by adding: 1) the annual fixed costs of the Company's storage contracts in (a) above plus; 2) the fixed costs of the Company's pipeline transportation contracts required to refill storage for the period May through October plus; 3) the annual fixed costs of the Company's peaking service contracts used to provide Tier 3 Peaking Service and then dividing by; 4) the Company's total storage quantity.

Seller will pay each month from November 1st to April 30th a Tier 2 Demand Charge computed by multiplying: 1) the Tier 2 Demand Price by; 2) the Seller's Tier 2 storage capacity and then dividing by; 3) six.

Tier 2 Commodity Price

The Tier 2 Commodity Price stated in dollars per dekatherm is determined by adding: 1) the Company's weighted average storage inventory price plus 2) the variable unitized costs to withdraw and deliver storage inventory to the city gate.

Seller will pay each month a Tier 2 Commodity Charge computed by multiplying: 1) the Tier 2 Commodity Price by 2) the Tier 2 volumes the Seller delivers to the Company's city gate.

c) Operations

In accordance with the GTOP Manual.

d) Creditworthiness Guidelines

Sellers that do not meet the creditworthiness guidelines set forth in the Uniform Business Practices will be required to prepay for the Tier 2 Retail Access Storage. Prepayment must be made via wire transfer or ACH payment no later than three (3) business days prior to the last day of the month preceding the month in which the Retail Access Storage is to be provided. The prepayment will be calculated by taking the product of 0.9 times the estimated price of Tier 2 Retail Access Storages for that month.

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