

PSC NO: 12 GAS

LEAF: 427.3

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 4

INITIAL EFFECTIVE DATE: 11/01/14

SUPERSEDING REVISION: 3

STAMPS:

SERVICE CLASSIFICATION NO. 20 (Continued)**A. DEFINITIONS (continued)**

Heat Rate Tier Level – Depending on what technology the Customer's unit employs, there will be four different proxy heat rates:

- Tier 1 17.5 mmBTU/Mwh for older, simple cycle peaking units (i.e. those units that commenced operation prior to December 31, 1998)
- Tier 2 11.0 mmBTU/Mwh for Rankine Cycle steam units
- Tier 3 10.0 mmBTU/Mwh for new, simple cycle peaking units
- Tier 4 7.4 mmBTU/Mwh for combination cycle plants

Market Electric Price – The average of the Real Time Electric Market Locational Based Marginal Pricing (LBMP) for the applicable hour and zone as reported on the NYISO website expressed in \$/Mwh.

Maximum Annual Quantity (MAQ) - The Customer's Maximum Daily Delivery Quantity times 335.

Maximum Daily Delivery Quantity (MDDQ) - The maximum quantity of gas that the Customer may nominate and deliver for his account on any day.

Monthly Total Value Added Charge - The Monthly Total Value Added Charge is calculated as follows: The Base Year Spark Spread is subtracted from the Spark Spread for each hour of the Test Year. Five percent (5%) of this difference is divided by the Customer's Heat Rate and multiplied by the number of dekatherms delivered to the Customer during the same Test Year hour. The resulting products are summed for each month of the Test Year. If such monthly value is less than or equal to zero, the Monthly Total Value Added Charge for that month will be zero. If such monthly value is greater than zero, such monthly value is the Monthly Total Value Added Charge for that month.

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