

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: 04/01/15
STAMPS: Issued in compliance with Order in C. 14-G-0331 and C. 06-G-1185 dated 10/23/14

LEAF: 407.1

REVISION: 3

SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION No. 19 – continued**J. MANDATORY CAPACITY PROGRAM – continued****2. Tier 2A – Storage Capacity Release - continued****a) Release of Storage Capacity - continued**

Seller will pay the following monthly charges directly to the storage provider:

Tier 2A Demand Charge

The Tier 2A Demand Price stated in dollars per dekatherm reflects the Company's weighted average cost of storage capacity plus the fixed costs of the associated storage transportation contracts.

Seller will pay a Tier 2A Demand Charge each month determined by multiplying the Tier 2A Demand Price by the amount of storage capacity that is released.

The Tier 2A Variable Charges

The variable rates and fuel charged by the storage provider.

b) Transfer of Storage Inventory

In conjunction with the storage capacity release, the Company will transfer storage inventory that is available in each of the releasable storage contracts as of May 1st to the Seller or Seller's Agent. The amount of storage inventory transferred will be in proportion to: 1) the amount of storage capacity that is released to the Seller and 2) the amount of the Company's inventory that is available as of May 1st.

The Tier 2A Storage Inventory Price stated in dollars per dekatherm is equal to the Company's weighted average commodity cost of gas in storage as of May 1st. Seller will pay a storage inventory charge to the Company determined by multiplying the Tier 2A Storage Inventory Price by the amount of storage inventory transferred to the Seller.

c) Release of Transportation Capacity Associated with Storage

Each 12-month period starting May 1st, the Company will release capacity to the Seller or Seller's Agent on each of the pipeline transportation contracts specified in the GTOP Manual that are used in conjunction with released storage capacity. The amount of capacity released on each transportation contract will be in proportion to the amount of storage capacity that is released.

The fixed costs of the transportation contracts will be included in the Tier 2A Demand Charge and will not be separately charged to the Seller. The variable charges of the transportation contracts will be paid directly to the pipeline each month by the Seller.

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