PSC NO: 12 GASLEAF: 138.76COMPANY: THE BROOKLYN UNION GAS COMPANYREVISION: 1INITIAL EFFECTIVE DATE: 11/01/2022SUPERSEDING REVISION: 0STAMPS: Issued in compliance with Order in Case 20-G-0086 dated October 13, 2022

GENERAL INFORMATION – Continued

63. Firm Gas Demand Response ("DR") for Commercial, Industrial and Multi-Family Customers – Continued

b. Performance Payment

In addition to the Reservation Payment, an enrolled customer or Aggregator may receive a Performance Payment, equal to the applicable Performance Rate of the verified daily quantity of natural gas curtailed by a customer during an Event.

c. Event Performance

To account for the fact that not all DR Events or Test Events will occur under Design Day conditions, National Grid will utilize a rolling baseline calculation to estimate the gas energy usage an account would have consumed otherwise on an event day in the absence of a DR program (the counterfactual or baseline). This resulting baseline value will be compared with actual event consumption to determine an account's Event Performance. This baseline method calculates the usage during the customer's event window for the last 10 'like' days (or 6 'like' days for holiday and weekend events), then takes an average of the 5 days (or 4 days for holiday and weekend events) with the highest consumption. The resulting value is the Unadjusted Baseline, which can be further adjusted for weather-dependent accounts to account for differences in temperature conditions between the event day and baseline days (the 'Weather Adjusted Baseline"). For non-holiday weekday events, the baseline for each account will be calculated as follows:

For non-holiday weekday events, the baseline for each account will be calculated as follows:

- i) Take the total event window consumption in each of the last 10 non-holiday and non-event weekdays (a 'like' day).
- ii) Of those days, average the event window consumption for the 5 where the account has the highest event window consumption.
- iii) The resulting average is the account's Unadjusted Baseline.
- iv) If, as determined by National Grid, the account is non-temperature dependent, the Unadjusted Baseline is used to measure performance relative to actual consumption during the event.

Issued by: Rudolph L. Wynter, President, Brooklyn, New York