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2. Tier 2 - Bundled Winter Sales Service

The Company will provide a Tier 2 Bundled Winter Sales Service from November through March (and April, as required) that is equal to the Seller's Tier 2 Daily Delivery Quantity ("Tier 2 DDQ"). The Tier 2 DDQ will be set at 25% of the estimated November daily load grossed up for LAUF of the Seller's pool at the start of the Gas Year. As the Gas Year progresses, the Company will recalculate the equivalent November daily load grossed up for LAUF of the Seller's pool each month to reflect any increase or decrease in the number or demand of customers in the pool and adjust the Tier 2 DDQ accordingly.

The per dekatherm price of the Tier 2 – Bundled Winter Sales Price reflects the gas commodity and variable transportation costs associated with providing the service. Specifically, the Company will compute the per dekatherm price by adding: 1) the NYMEX contract price for the month, plus; 2) the weighted average of the published basis from the Henry Hub to the Selected Pipeline receipt points, plus; 3) the weighted average variable transportation costs and fuel losses to transport gas from the Selected Pipeline receipt points to the Company's city gate plus; 4) the Company's WACOC. This price will be included on the Statement of Seller Charges and Adjustments filed with the Commission by the fourth business day following the effective month.

Seller will pay on a monthly basis the cost of the Tier 2 – Bundled Winter Sales Service, which will be computed by multiplying 1) the Tier 2 –Bundled Winter Sales Service per dekatherm price by 2) the Tier 2 DDQ by 3) the number of days each month.

Sellers that do not meet the creditworthiness guidelines set forth in the Uniform Business Practices will be required to prepay for the Tier 2 Bundled Winter Sales Service. 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 bundled sales are to be made. The prepayment will be calculated by taking the product of 0.9 times the estimated price of Tier 2 winter bundled sales for that month. The prepayment amount will be trued up when actual costs of the bundled sales are available and any adjustment will be made in the succeeding bill period. Sellers may elect to make alternative security arrangements consistent with the Uniform Business Practice to secure credit for the purchase of bundled sales, provided that any such alternative security must be in place no less than 60 days before the November 1st start date of the bundled sales service period.

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