

PSC NO: 12 GAS

LEAF: 407.2

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 1

INITIAL EFFECTIVE DATE: 11/01/14

SUPERSEDING REVISION: 0

STAMPS:

SERVICE CLASSIFICATION No. 19 – continued**J. MANDATORY CAPACITY PROGRAM – continued****2. Tier 2 – Retail Access Storage - continued****d) Creditworthiness Guidelines - continued**

The prepayment amount will be trued up when actual cost of the Retail Access Storage is 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 Retail Access Storage, provided that any such alternative security must be in place no less than 60 days before the November 1st start date of the Retail Access Storage service.

3. Tier 3 – Peaking Service

The Company will provide a Tier 3 Peaking Service to Sellers from November 1st to April 30th when the estimated consumption of the Seller's Pool exceeds the Seller's Tier 1 Capacity Release Volume and available Tier 2 Retail Access Storage withdrawal volume.

The Company will determine the Tier 3 Peaking Service Price stated in dollars per dekatherm each day by weighting the following commodity prices using weighting percentages set forth in the GTOP Manual.

a) The simple average of the following pipeline indices obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow:

Transco – Transco Zone 6 NY mid-point price
Texas Eastern – Tx. Eastern M3 mid-point price
Iroquois – Iroquois Zone 2 mid-point price

b) The Company's LNG Inventory Price

Seller will pay each month a Tier 3 Peaking Service Charge computed by multiplying: 1) the Tier 3 Peaking Service Price by 2) the Tier 3 volumes the Seller delivers to the Company's city gate.

Issued by: Kenneth D. Daly, President, Brooklyn, New York