



Melissa R. Nairn
Manager – NY Gas Pricing

July 22, 2014

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th floor
Three Empire Plaza
Albany, New York 12223

Dear Secretary Burgess:

In accordance with Section 720-2 *et al.* of the Commission's Regulations, 16 NYCRR § 720-2 *et al.*, The Brooklyn Union Gas Company d/b/a National Grid NY ("National Grid" or "Company") hereby submits the tariff leaves listed on Attachment 1 to become effective November 1, 2014.

Additionally, the Company submits the following pro-forma statements to become effective November 1, 2014:

- Statement of Seller Charges and Adjustments shown on Attachment 2
- Statement of Non-Core Transportation Charges shown on Attachment 3
- Statement of Unbundled Transportation Cash Out Charges shown on Attachment 4

The purpose of this filing is to amend the Company's tariff to add and clarify provisions related to electric generators that take transportation service under Service Classification No. 18 – Non-Core Transportation Service ("SC 18") and Service Classification No. 20 – Non-Core Transportation Service for Electric Generation ("SC 20") and to cogeneration facilities that take service under Service Classification No. 4A - High Load Factor Sales Service ("SC 4A") or Service Classification No. 17-4A – High Load Factor Transportation Service. These proposed tariff changes are also intended to align the Company's electric generator tariff provisions with those of the KeySpan Gas East Corporation d/b/a National Grid.

The Company is proposing to make the following changes:

- To clarify that SC 18 is applicable to electric generators that have generation capacity of less than 50 megawatts; to differentiate the rates, charges and provisions that are applicable to electric generators served under SC 18 versus non-core gas transportation customers served under SC 18; and to clarify that the same rates, charges, penalties and provisions are applicable to electric generators served under SC 18 and SC 20.

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- To enable an electric generator served under SC 18 and/or SC 20 to balance gas deliveries on an aggregated basis to one or more of the generator's facilities to mitigate daily imbalances and the associated daily balancing charges. The electric generator may designate a gas balancing agent through a new Assignment of Gas Balancing Agent Agreement to manage daily balancing and aggregate daily gas deliveries to the generator's facilities. As described in the proposed tariff, certain generating facilities may not be balanced on an aggregated basis if the Company's distribution system operations and reliability would otherwise be negatively impacted.
- To modify the electric generators' daily balancing charges and provisions under SC 18 and SC 20 to use published indices rather than the Company's cost of gas to set cash out prices; to revise the cash out tolerances and percentages of the cash out tiers; and to clarify that the daily balancing service demand charge is set forth on the Statement of Seller Charges and Adjustments.
- To reduce an electric generator's annual minimum requirement under SC 18 and SC 20 from 60% to 50% of its maximum annual quantity.
- To clarify the OFO provisions and non-compliance penalties applicable to electric generators under SC 18 and SC 20.
- To clarify that electric generators under SC 18 and SC 20 are responsible for the costs to operate and maintain telemetering equipment installed by the Company to provide transportation service to the electric generator.
- To add new provisions to clarify the circumstances under which the Company will interrupt service to maintain system reliability to: i) electric generators taking service under SC 18 and SC 20 and ii) interruptible gas transportation customers taking to monthly balancing and/or daily balancing service under SC 18.
- To add a new provision that enables the Company to require electric generators under SC 18 and SC 20 to install and pay for a remote operated valve if the generator fails to comply with a Company issued interruption. Additionally, the Company may require new electric generators taking service under SC 18 and SC 20 after November 1, 2014 to install and pay for remote operated valves.
- To clarify that the procedure for processing requests, application for transportation service and form of service agreement applicable to electric generators taking service under SC 18 and SC 20 are the same.
- To clarify that cogeneration customers served under SC 4A are required to have generation capacity no greater than 50 megawatts and that the electricity generated by the customer is to be used by that customer and/or other customers within a defined geographic region.

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- To clarify that cogeneration customers served under Temperature Controlled Service Rates SC 6C, 6G and 6M are required to have generation capacity no greater than 50 megawatts and that the electricity generated by the customer is to be used by that customer and/or other customers within a defined geographic region.

In accordance with Section 720-2.3 of the Commission's Regulations, a proposed notice of this filing suitable for use under the State Administrative Procedure Act is also enclosed.

Any questions regarding this filing should be directed to me at (929) 324-4587 or at Melissa.Nairn@nationalgrid.com.

Sincerely,

/s/ Melissa R. Nairn

Melissa R. Nairn
Manager, NY Gas Pricing

Second Revised Leaf No. 11
Second Revised Leaf No. 23
Second Revised Leaf No. 158.2
Fifteenth Revised Leaf No. 167
Second Revised Leaf No. 169
Fourth Revised Leaf No. 170
Seventh Revised Leaf No. 201
Ninth Revised Leaf No. 202
Seventh Revised Leaf No. 210
Ninth Revised Leaf No. 211
Seventh Revised Leaf No. 223
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Fifth Revised Leaf No. 368
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Eighth Revised Leaf No. 374
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Sixth Revised Leaf No. 380
Sixth Revised Leaf No. 381
Fourth Revised Leaf No. 381.1
Second Revised Leaf No. 381.1.1
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Sixth Revised Leaf No. 382
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Eleventh Revised Leaf No. 405
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Thirteenth Revised Leaf No. 406
Tenth Revised Leaf No. 406.1
Fourth Revised Leaf No. 427.1
Fifth Revised Leaf No. 427.2
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PSC NO: 12 GAS
 THE BROOKLYN UNION GAS COMPANY
 INITIAL EFFECTIVE DATE: XXX

STATEMENT TYPE: SCA
 STATEMENT NO: XXX
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PRO-FORMA
STATEMENT OF SELLER CHARGES AND ADJUSTMENTS
Applicable to Customers Under Service Classification No. 19 and
Electric Generators Under Service Classification Nos. 18-5A and 20
For the Period XXX - XXX

Swing Service Demand Charge

A. Monthly Balanced Core Transportation
 Applicable to Sellers Serving SC 17 Customers

Load Factor	\$ / dth
0-50%	X.XX
51-100%	X.XX

B. Monthly Balanced Non-Core Transportation
 Applicable to Sellers Serving Monthly Balanced SC 18
 Customers (Excludes Electric Generators)

Load Factor	\$ / dth
0-50%	X.XX
51-100%	X.XX

Daily Balancing Service Demand Charge

A. Daily Balanced Non-Core Transportation
 Applicable to Sellers Serving Daily Balanced SC 18 Customers
 (Excludes Electric Generators)

\$ / dth
 X.XX

B. Electric Generator Non-Core Transportation
 Applicable to Electric Generators or Sellers Serving
 Electric Generators Taking Service Under SC 18-5A and SC 20

\$ / dth
 X.XX

Average Fixed Cost Credits Applicable to Sellers Serving SC 17 Customers

(After 1.53% Losses)

X.XX

Daily Cash Out Prices

A. Monthly Balancing Program
 Applicable to Sellers Serving Monthly Balanced SC 17 and 18 Customers (Excludes Electric Generators)
 Transco Zone 6 NY midpoint price published in Platt's Gas Daily Price Guide, Daily Price Survey
 for the date of flow.

B. Daily Balancing Program
 Applicable to Sellers Serving Daily Balanced SC 18 Customers (Excludes Electric Generators)
 Average price determined for each Seller is proportionate to the amount of gas Seller delivers to each
 receipt point on date of flow per Platt's Gas Daily Price Guide, Daily Price Survey:
 Transco – Transco Zone 6 NY midpoint price
 Texas Eastern – Tx. Eastern M3 midpoint price
 Iroquois – Iroquois Zone 2 midpoint price
 Tennessee – Tennessee Zone 5 midpoint price

Issued by: William J. Akley, President, Hicksville, NY

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PRO-FORMA
STATEMENT OF SELLER CHARGES AND ADJUSTMENTS
Applicable to Customers Under Service Classification No. 19 and
Electric Generators Under Service Classification Nos. 18-5A and 20
For the Period XXX - XXX

Daily Cash Out Penalties: **\$/dth**

Applicable to Sellers Serving Monthly Balanced SC 17 and 18 Customers
 (Excludes Electric Generators)

City Gate Balancing Penalty Charge	X.XX
Operational Flow Order (OFO) Penalty Charge	X.XX

Monthly Cash Out Price

- A. Applicable to Sellers Serving Monthly Balanced SC 17 and 18 Customers
 Transco Zone 6 NY Index published at the start of each month in Platt's Gas Daily Price Guide,
 Market Center Spot Gas Prices for the Northeast reflected as a per dekatherm price.
- B. Applicable to Sellers Serving Daily Balanced SC 18 Customers (Excludes Electric Generators)
 Average price determined for each Seller based on the simple average of the Daily Cash Out Prices in effect
 during month.

Mandatory Capacity Program: **\$/dth**

Applicable to Sellers participating in the Company's Mandatory Capacity Program

Tier 1 - Weighted Average Cost Of Capacity (WACOC)	X.XX
Tier 2 - Bundled Winter Sales Price	X.XX
Tier 3 - Virtual Storage Price	X.XX

Merchant Function Charges

Applicable to Sellers Participating in the POR Program:

Commodity Related Credit and Collection Expenses	X.XX
Commodity Related Credit and Collection Expenses Annual Imbalance	X.XX
Surcharge / Refund (XXX Through XXX)	

Unaccounted For Gas (UFG) **X.XX**

Applicable to Sellers Serving Monthly Balanced SC 17 and 18 Customers
 and Daily Balanced SC 18 Customers
 (Excludes Electric Generators)

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

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: XXX

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STATEMENT NO: XXX
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PRO-FORMA
STATEMENT OF NON-CORE TRANSPORTATION CHARGES
Applicable To Customers Under Service Classification No. 18

Monthly Rates Applicable to Customers Served Under Transportation Service Rates
(NCTS 18-6C, NCTS 18-6G & NCTS 18-6M)

Temperature Controlled Transportation Service	Minimum Monthly Bill Applicable to First 10 Therms or less (\$/Month)	Variable Monthly Rate Applicable to Over 10 Therms (\$/therm)
NCTS 18-6C (Commercial) Rate Schedule 1	XXX.XX	X.XXXX
NCTS 18-6C (Commercial) Rate Schedule 2	XXX.XX	X.XXXX
NCTS 18-6C (Commercial) Rate Schedule 1 (PBT Exempt)	XXX.XX	X.XXXX
NCTS 18-6C (Commercial) Rate Schedule 2 (PBT Exempt)	XXX.XX	X.XXXX
NCTS 18-6G (Government) Rate Schedule 1	XXX.XX	X.XXXX
NCTS 18-6G (Government) Rate Schedule 2	XXX.XX	X.XXXX
NCTS 18-6M (Multi-Family) Rate Schedule 1	XXX.XX	X.XXXX
NCTS 18-6M (Multi-Family) Rate Schedule 2	XXX.XX	X.XXXX
NCTS 18-6M (Multi-Family) Rate Schedule 3	XXX.XX	X.XXXX
NCTS 18-6M (Multi-Family) Rate Schedule 4	XXX.XX	X.XXXX

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

PSC NO: 12 GAS
COMPANY: THE BROOKLYN UNION GAS COMPANY
INITIAL EFFECTIVE DATE: XXX

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STATEMENT NO: XXX
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PRO-FORMA
STATEMENT OF NON-CORE TRANSPORTATION CHARGES
Applicable To Customers Under Service Classification No. 18

Delivery Rates Applicable to Customers Served Under Transportation Service Rate NCTS 18-5A

Interruptible Transportation Service Rate Schedule 1 :	Delivery Rate (\$/therm)
NCTS 18-5A - Delivery Rate	X.XXXX
NCTS 18-5A - Delivery Rate (PBT Exempt)	X.XXXX

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

PSC NO: 12 GAS
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STATEMENT TYPE: COC
STATEMENT NO: XXX

PRO-FORMA
STATEMENT OF UNBUNDLED TRANSPORTATION SERVICE CASH OUT CHARGES
Applicable to Customers Under Service Classification No. 20
For Cash Out Billings from XXX through XXX

DAILY INCREMENTAL COST OF GAS	<u>\$/dth</u>
INCLUDING DEMAND CHARGES	\$X.XXXX