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December 21, 2011

VIA ELECTRONIC FILING

Hon. Jaclyn Brilling, Secretary
NYS Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 11-G-0411 – Filing by Brooklyn Union Gas Company d/b/a National Grid to amend and clarify the requirements and procedures for customers taking service under Service Classification Numbers 5A,6C, 6G, 6M and 18

Case 11-G-0412 – Filing by KeySpan Gas East Corporation d/b/a National Grid to amend and clarify the requirements and procedures for customers taking service under Service Classification Numbers 4, 7, 12 and 13

Dear Secretary Brilling:

Enclosed for filing please find The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid's (collectively, the "Companies") Petition for Clarification of Commission Order in the above referenced proceedings. In this Petition, the Companies seek clarification of the Commission's November 18, 2011 Order in these proceedings (the "Order") concerning the administration of the Companies' interruptible service tariffs. The Companies also provide draft tariff leaves revised to reflect the clarifications sought in the Petition.

The Companies respectfully request expedited review of this Petition so that the Companies have clear guidance as to how to administer their non-firm service classes in the current winter season.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Catherine L. Nesser
Catherine L. Nesser

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

CASE 11-G-0411 – Filing by Brooklyn Union Gas Company d/b/a National Grid to amend and clarify the requirements and procedures for customers taking service under Service Classification Numbers 5A, 6C, 6G, 6M and 18.

CASE 11-G-0412 – Filing by KeySpan Gas East Corporation d/b/a National Grid to amend and clarify the requirements and procedures for customers taking service under Service Classification Numbers 4, 7, 12 and 13.

**Petition of The Brooklyn Union Gas Company d/b/a National Grid NY and
KeySpan Gas East Corporation d/b/a National Grid
for Clarification of Commission Order**

I. Introduction

In its Order issued November 18, 2011 in these proceedings (“November 18 Order”), the Commission, by approving the recommendations in Staff’s memorandum dated November 2, 2011, ordered The Brooklyn Union Gas Company d/b/a National Grid NY and KeySpan Gas East Corporation d/b/a National Grid (collectively “Companies”) to make further amendments to the revised interruptible tariffs filed by the Companies on August 1, 2011 to improve interruption procedures and clarify the current tariffs for temperature controlled (“TC”) and interruptible customers. The November 18 Order directed that the Companies make certain revisions to the tariffs filed on August 1, 2011 and to file the revised tariffs to go into effect on one day’s notice on December 1, 2011. Pursuant to the November 18 Order, the Companies duly revised the tariffs and filed them on November 30, 2011.

The Companies seek clarification of certain aspects of the November 18 Order; in particular, the Companies seek clarification that:

(i) the requirement that they terminate gas service to all non-firm customers whenever gas peaking supplies are in use applies only when the Companies are using the peaking assets for peak-shaving purposes, not when they are being used to resolve short-term operational problems on the system or when peaking assets are dispatched in non-peaking situations for economic reasons; and

(ii) the requirement to curtail service to non-firm customers when peaking assets are in use does not apply to interruptible transportation customers and power generation customers that are subject to daily balancing.

In addition, the Companies seek certain clarifications of the November 18 Order to reconcile that Order with previous Commission Orders on interruptible service. To facilitate review of this petition, the Companies attach draft revised tariff leaves that would allow for the operating flexibility and guidance they seek in this petition. Also attached is a decision matrix that illustrates how the Companies would administer their non-firm service classes under various scenarios. It is intended to illustrate the clarifications the Companies seek in this petition assuming the stated scenarios.

II. Discussion

With respect to administration of the Companies' TC and Interruptible Service Classes in peak periods, at page 2 of the November 18 Order, Staff notes:

“(t)he non-firm customer classes provide a benefit to the system because their load on the utility system generates higher utilization of the utility’s pipeline assets during off-peak times. Additionally, benefits are provided during on-peak times since these customers are interrupted to ensure reliable service to the firm service classes.”

Following a reference in Staff’s memorandum to informal discussions with the Companies concerning the need for operational flexibility, at page 6 of the November 18 Order, the Companies are directed to: “file further tariff revisions incorporating language that will provide the Companies with a sufficient level of flexibility, while ensuring that non-firm customers are interrupted when peaking assets are in use, and to provide reasonable notification if possible.”

The clarifications requested herein are consistent with the intent of the November 18 Order to afford the Companies the flexibility to operate their systems in a reasonable way while ensuring that non-firm customers that might otherwise require the Company to use peaking assets to serve them during peak periods are interrupted to ensure reliable service to firm service classes. The Companies believe that the intent of the November 18 Order was that non-firm customers that do not contribute meaningfully to the cost of peaking assets should not be receiving gas service when peaking assets, such as liquefied natural gas (“LNG”), are being used as a peak shaving tool, *i.e.*, to supplement the gas supply portfolio to meet high demand, a principle with which the Companies agree. However, there are foreseeable circumstances where the November 18 Order would require the Companies to terminate service to non-firm customers even though such terminations would not serve this policy objective.

A. The November 18 Order Should be Clarified to State that the Companies Are Not Required To Interrupt Service To Non-Firm Customers When The Companies Are Using Peaking Assets For Reasons Other Than Peak Shaving.

The Companies use their peaking assets for various reasons, not all of which are related to the need for supplemental, peak-shaving supply. The Companies use LNG to resolve short-term operational issues on the system. At times, LNG and other peaking

assets are used for economic reasons. To the extent that the November 18 Order would require the Companies to terminate service to non-firm customers even if peaking assets are used for other than peak-shaving purposes, it is overbroad because such terminations would not serve the policy objectives of the November 18 Order.

If LNG is dispatched on a short-term basis to address an operational issue, such as the need to boost system pressure in a discrete location, it would not be reasonable to stop gas service to TC and interruptible customers across the system on that basis alone, particularly given that the LNG may no longer be in use by the time the customers' service is interrupted. Nor is it reasonable to terminate gas service to all TC and interruptible customers when the variable costs of peaking assets are lower than other variable costs in the Companies' portfolio and the Companies are dispatching peaking supplies to displace higher cost supplies. The Companies do not believe that the Commission intended to require the interruption of TC and interruptible customers when the Companies use their peaking assets to resolve short-term operational issues on the system or for economic reasons. Moreover, the Companies maintain that it would not be appropriate to terminate gas service to all TC and interruptible customers in these scenarios.¹ The Companies believe that the clarifications of the November 18 Order requested herein and reflected in the attached, revised Tariff leaves would both provide the Companies with appropriate flexibility and achieve Staff's objective of ensuring reliability to firm customers who pay the fixed costs of peaking assets. At the same time, the operating flexibility the Companies request would obviate the need for the Companies

¹ The TC Tariffs, as revised and approved by the Commission, require that TC customers be terminated from gas service when the designated interruption temperature is reached. The flexibility the Companies seek here, with respect to TC customers, is for occasions when the designated interruption temperature has not been reached, but peaking supplies are nevertheless being used for reasons other than the system's need for supplemental, peak-shaving supply.

to terminate gas service to TC and interruptible customers when such terminations would serve no policy objective, and only add uncertainty and volatility to the fuel planning of affected customers.

B. The November 18 Order Should be Clarified to State that It Does Not Apply to Daily Balanced Interruptible Transportation Customers or Power Generation Customers.

The Companies also seek clarification that the portion of the November 18 Order that requires the Companies to interrupt non-firm customers when peaking assets are in use does not apply to interruptible transportation customers or power generation customers that are daily balanced. The November 18 Order does not distinguish interruptible sales customers from interruptible transportation customers. The Companies seek clarification that if interruptible transportation or power generation customers² are on a daily balancing program and their gas is delivered to the Companies' city gates, these customers would not be subject to interruption, unless the gas is needed by the Companies to serve core demand,³ or the customer does not comply with an Operational Flow Order ("OFO") or there is a concern for system reliability. When peaking supplies are dispatched for peak-shaving purposes, the Companies will issue OFOs requiring daily balanced interruptible transportation and power generation customers to be in balance such that their supply delivered to the city gates will equal their consumption.⁴ Under

² All power generation customers are interruptible transportation customers and all are daily balanced. Accordingly, all power generation customers should be treated similarly to daily balanced interruptible transportation customers. The protocols and operating guidance for interrupting these customers will be set forth in the Companies' Gas Transportation Operating Procedures ("GTOP") manuals.

³ The Companies would retain their existing rights to divert gas delivered by interruptible transportation and power generation customers if it were needed to meet core customer demand.

⁴ This protocol will be set forth in the Companies' GTOP manuals.

these circumstances, there would likely be no reason to interrupt service to these customers, as they would not be burning peaking supplies paid for by firm customers.⁵

C. The November 18 Order Should Be Clarified To State In What Respects It Modifies The Commission's Prior Orders.

Finally, the Companies seek the Commission's clarification that the November 18 Order modifies or refines the Commission's requirements in Case 00-G-0996, *In the Matter of Criteria for Interruptible Gas Service*, "Order Adopting Permanent Rule" (January 31, 2001) ("Interruptible Service Order"). Assuming that the clarifications sought in this petition are granted, the Companies seek the following additional clarifications:

- The Interruptible Service Order (at p. 24) provides: "(w)e will clarify our order and require that a utility shall interrupt service to interruptible customers for reliability reasons or if selling gas to interruptible customers would impose cost burdens on firm customers."⁶ However, the November 18 Order (clarified as requested in this petition) would require the Companies to terminate gas service to TC, interruptible sales customers and interruptible transportation customers on monthly balancing when peaking supplies are being dispatched for peak-shaving purposes, even if there is no reliability issue and even if no cost burden would be imposed on firm customers if these non-firm customers remained on gas service.

⁵ The Companies would retain their rights to interrupt service to any non-firm customer to maintain reliable service to firm customers.

⁶ The order being clarified was Case 00-G-0996, *In the Matter of Criteria for Interruptible Gas Service*, to "Order Directing Utilities to File Revised Interruptible Gas Service Tariffs (August 24, 2000), where the Commission stated, at p. 13: "we take this opportunity to restate our view that interruptions are to be for reliability reasons only; economic bases do not support interruptions of customers."

The Companies request confirmation that they should comply with the November 18 Order, as clarified pursuant to this petition.

- The Interruptible Service Order, at p. 25, provides: “(f)or both interruptible sales and transportation service, the company should interrupt only the amount of load needed to insure system reliability.” However, the November 18 Order (clarified as requested in this petition) would provide that the dispatch of peaking supplies for peak shaving would necessitate termination of service to all TC, interruptible sales customers and interruptible transportation customers on monthly balancing across the system. The Companies seek confirmation that they should comply with the November 18 Order, as clarified pursuant to this petition.
- The Interruptible Service Order (p. 25) provides that interruptible transportation customers whose gas is delivered to the city gate should not be subject to interruption. As clarified pursuant to this petition, the November 18 Order would require that, when peaking supplies are used for peak shaving, interruptible transportation customers on daily balancing would be subject to OFOs, but would not be interrupted provided they remained in balance, whereas interruptible transportation customers on monthly balancing would be interrupted, even if their supply was delivered to the city gate. The Companies request confirmation that they should comply with the November 18 Order, as clarified pursuant to this petition.

- Even with the clarifications of the November 18 Order requested in this petition, TC customers would be interrupted before interruptible customers are interrupted if the designated interruption temperature has been reached, but there is no system reliability problem, peaking supplies are not being used for peak shaving, and continued gas service to interruptible sales customers and interruptible transportation customers on monthly balancing would not impose cost burdens on firm customers. The fact that TC customers might be interrupted before interruptible customers were interrupted was expressly contemplated in the Interruptible Service Order,⁷ and the Companies seek clarification that this aspect of the Interruptible Service Order has not changed.

III. Conclusion

The Companies seek clarification in this petition and have revised their Tariffs to allow them the flexibility they need to operate their systems consistent with the intent of the November 18 Order. The attached matrix illustrates the clarifications being sought in this petition, but the matrix may not anticipate every possible scenario. The Companies propose that they review winter performance, including the administration of the non-firm service classes, with Staff at their annual planning meetings. Any agreed upon changes to protocols could be promptly reflected in the Companies' GTOPI manuals and implemented the following winter.

⁷ "Con Edison seeks clarification that temperature controlled customers are not always interrupted before other interruptible customers and there are times when it is able to provide interruptible service below the preestablished cut off temperatures at which temperature controlled customers' equipment automatically switches to alternate fuel usage. Con Edison's clarification is correct." Interruptible Service Order at p. 34.

The Companies maintain that the clarifications sought in this petition, along with the attached Tariff revisions, are fully consistent with the intent of the November 18 Order and would afford them the necessary flexibility to manage the system and administer their Tariffs in a responsible and reasonable way. Accordingly, the Companies request that the Commission clarify the November 18 Order as provided herein.

Respectfully submitted,

The Brooklyn Union Gas Company d/b/a
National Grid NY and KeySpan Gas East
Corporation d/b/a National Grid

By their attorney:

/s/ Catherine L. Nesser
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Dated: December 21, 2011

PSC NO: 12 GAS

LEAF: 175

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: ~~11~~12

INITIAL EFFECTIVE DATE: ~~12/01/11~~____

SUPERSEDING REVISION:

~~10~~11

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 5A - Continued

Character of Service

For service to a delivery point within the Company's service territory, the Company will provide gas to the Customer that contains not less than 975 Btu, on a dry basis, per cubic foot at a pressure of not less than four inches of water column gauge, as measured at the Customer's end of the service line. For service to a delivery point outside the Company's service territory under Rate Schedule 2, the Company will provide gas of a quality and at a pressure and heat value content conforming to either the Company's specifications or the specifications of the Company's pipeline transporter.

Service under this service classification is interruptible. In the event that the Company calls on peaking ~~supplies assets to serve firm customers or if the Company, at its sole discretion, determines that it is warranted~~ supplement supply to protect the reliability and safety of the system for firm Customers meet high demand, the Company will interrupt service to all Customers on this service classification. The Company will endeavor to provide notification (within two hours) of this scheduled interruption. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Rate Schedule 1:

Not less than two business days prior to the date on which the statement is proposed to be effective, the Company will file with the Public Service Commission a rate for Customers taking standard offer price service under this service classification. The Company will, at its sole discretion, set the rate per therm at a level which is no less than the Company's Incremental Cost of Gas (Interruptible Floor Price) plus the Incremental State Assessment Surcharge applicable to SC 5A. The Interruptible Floor Price shall be updated as necessary within the Effective Month, to account for any higher price gas supplies that are actually dispatched to serve the Service Classification No. 5A. In addition, an annual price cap will apply in compliance with the Commission's orders in Case 06-G-1185 and Case 09-M-0311. The annual price cap calculation will compare, as a class, actual S.C. 5A revenues versus what those revenues would have been under Service Classification No. 2 – General – Heating plus the Incremental State Assessment Surcharge applicable to SC 5A. If during any month the Interruptible Floor Price is higher than the published Monthly Cost of Gas for S.C. 2-2, an adjustment to the annual price cap is permissible.

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

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PSC NO: 12 GAS

LEAF: 202

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 67

INITIAL EFFECTIVE DATE: 12/01/11

SUPERSEDING

REVISION: 56

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 6C - Continued

- f. The following Riders may be applied to this Service Classification:
Rider C - Area Development Rate
Rider D - Business Incentive Rate
- g. The Company will endeavor to provide notification to Customers whenever the Central Park Temperatures are forecast by the National Weather Service to be equal to or below the Designated Interruption Temperature.
- h. In the event that the Company calls on peaking assets to supplement supply to meet high demand, the Company will interrupt service to all Customers on this service classification. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Company Responsibility:

- a. Gas Service will be supplied under this Service Classification only when and to the extent that the Company has capacity available at the time of application sufficient for the service requested and the Company, after supplying Customers taking continuous service will have sufficient gas and capacity available to supply the applicant.
- b. The Company reserves the right to accept only such applications under this Service Classification as will, in the Company's sole judgment, permit it to dispose of the gas it has available for sale without requiring an unreasonable or uneconomic extension of facilities.
- c. Control devices, whether automatic or semi-automatic, will be set at the Designated Temperatures. The Company will notify Customers of the current Designated Temperatures prior to the start of each winter.
- d. The Company will be responsible for the maintenance of Company-owned equipment. This equipment is identified as the meter, the remote switchover and meter reading equipment, and all associated wiring and relays associated with that equipment.

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

PSC NO: 12 GAS

LEAF: 211

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 67

INITIAL EFFECTIVE DATE: 12/01/11

SUPERSEDING REVISION:

56

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 6G - Continued

- e. The Company reserves the right to install and operate such local and remote telemetering/control switching devices as may be necessary to allow for the immediate switchover between gas service and alternate fuel usage, as provided for under this Service Classification.
- f. The following Riders may be applied to this Service Classification:
Rider C - Area Development Rate
Rider D - Business Incentive Rate
- g. The Company will endeavor to provide notification to Customers whenever the Central Park Temperatures are forecast by the National Weather Service to be equal to or below the Designated Interruption Temperature.
- h. In the event that the Company calls on peaking assets to supplement supply to meet high demand, the Company will interrupt service to all Customers on this service classification. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Company Responsibility:

- a. Gas Service will be supplied under this Service Classification only when and to the extent that the Company has capacity available at the time of application sufficient for the service requested and the Company, after supplying Customers taking continuous service will have sufficient gas and capacity available to supply the applicant.
- b. The Company reserves the right to accept only such applications under this Service Classification as will, in the Company's sole judgment, permit it to dispose of the gas it has available for sale without requiring an unreasonable or uneconomic extension of facilities.
- c. Control devices, whether automatic or semi-automatic, will be set at the Designated Temperatures. The Company will notify Customers of the current Designated Temperatures prior to the start of each winter.
- d. The Company will be responsible for the maintenance of Company-owned equipment. This equipment is identified as the meter, the remote switchover and meter reading equipment, and all associated wiring and relays associated with that equipment.

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PSC NO: 12 GAS

LEAF: 224

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 67

INITIAL EFFECTIVE DATE: ~~12/01/11~~_____

SUPERSEDING REVISION:

56

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 6M - Continued

- e. The Company reserves the right to install and operate such local and remote telemetering/control switching devices as may be necessary to allow for the immediate switchover between gas service and alternate fuel usage, as provided for under this Service Classification.
- f. The following Riders may be applied to this Service Classification:
Rider C - Area Development Rate
Rider D - Business Incentive Rate
- g. The Company will endeavor to provide notification to Customers whenever the Central Park Temperatures are forecast by the National Weather Service to be equal to or below the Designated Interruption Temperature.
- h. In the event that the Company calls on peaking assets to supplement supply to meet high demand, the Company will interrupt service to all Customers on this service classification. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Company Responsibility:

- a. Gas Service will be supplied under this Service Classification only when and to the extent that the Company has capacity available at the time of application sufficient for the service requested and the Company, after supplying Customers taking continuous service will have sufficient gas and capacity available to supply the applicant.
- b. The Company reserves the right to accept only such applications under this Service Classification as will, in the Company's sole judgment, permit it to dispose of the gas it has available for sale without requiring an unreasonable or uneconomic extension of facilities.
- c. Control devices, whether automatic or semi-automatic, will be set at the Designated Temperatures. The Company will notify Customers of the current Designated Temperatures prior to the start of each winter.
- d. The Company will be responsible for the maintenance of Company-owned equipment. This equipment is identified as the meter, the remote switchover and meter reading equipment, and all associated wiring and relays associated with that equipment.

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

PSC NO: 12 GAS

LEAF: 371

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 67

INITIAL EFFECTIVE DATE: 12/01/11 _____

SUPERSEDING REVISION:

56

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 18 - Continued

Rate NCTS-6G (Temperature Controlled Service Transportation - Governmental Agencies)
Available to Customers who would otherwise qualify for sales service under Service
Classification No. 6G - Temperature Controlled Service - Governmental Agencies.

Rate NCTS-6M (Temperature Controlled Service Transportation - Multi-Family Buildings)
Available to Customers who would otherwise qualify for sales service under Service
Classification No. 6M - Temperature Controlled Service - Multi-Family Buildings.

C. CHARACTER OF SERVICE

Interruptible or temperature controlled transportation, as determined by the Character of Service provisions of the sales service classification corresponding to the applicable NCTS rate classification indicated above, which provisions are incorporated herein by reference. Subject to the provisions of this Service Classification, the Company will transport natural gas, owned by the Customer that meets the quality specifications hereof from the Company's city gate points of receipt as described in the GTOP Manual to a specified delivery point on the Company's existing facilities at the Customer's point of service.

Service under this Service Classification Rate NCTS-5 and NCTS-6 is interruptible. In the event that the Company calls on peaking ~~supplies to serve firm customers or if assets,~~ the Company, ~~at its sole discretion, determines that it is warranted to protect the reliability and safety of the system for firm Customers, the Company will~~ may interrupt service ~~to all Customers on this service classification, as described in the Company's Gas Transportation Operating Procedures ("GTOP").~~ The Company will endeavor to provide notification (within two hours) of this scheduled interruption. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Service under this Service Classification Rate NCTS-6 will be interrupted as contained in the Service Classification No. 6 Temperature Controlled Sales Service.

Annual System-Wide Test:

The Company will conduct an annual system-wide test of Customers' compliance under this Service Classification.

The Company shall control the dispatch of gas received for transportation. Transportation service hereunder for New Non-Core Customers shall be available only upon a Company determination that its existing delivery capacity and facilities are adequate to supply the total estimated gas requirements of its Customers receiving service under sales service classifications and to Existing Core Transportation Customers taking service under Service Classification No. 17, and to provide the transportation service required for the term of service hereunder. The Company will not be obligated to expand its facilities or construct new facilities for New Non-Core Customers seeking such service.

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

PSC NO: 12 GAS

LEAF: 427.5

COMPANY: THE BROOKLYN UNION GAS COMPANY

REVISION: 1

INITIAL EFFECTIVE DATE: _

SUPERSEDING REVISION: 0

STAMPS: Issued in compliance with order in Case 11-G-0411 dated November 18, 2011

SERVICE CLASSIFICATION No. 20 (Continued)

CHARACTER OF SERVICE

For Customers taking service under Rate Schedule 1, service may be interrupted at the Company's discretion for up to 30 days during the calendar year. The Company may require a higher degree of interruptibility from the Customer in cases where the Company determines that the Customer's requirements cannot be served by the Company for up to 335 days. In the event that the Company calls on peaking assets, the Company may interrupt service, as described in the Gas Transportation Operations Procedures ("GTOP"). For Customers taking service under Rate Schedule 2, service may be firm or interruptible, as mutually agreed upon by the Customer and the Company. Subject to the provisions of this Service Classification, the Company will transport natural gas, owned by the Customer, that meets the quality specifications hereof from a mutually agreed upon existing point for direct receipt by the Company of pipeline supplies, to a specified delivery point on the Company's existing facilities at the Customer's point of service.

The Company shall control the dispatch of gas received for transportation. Transportation service hereunder shall be available only upon a Company determination that its existing delivery capacity and facilities are adequate to (i) supply the total estimated gas requirements of its customers receiving service under sales service classifications and core transportation service classifications, and (ii) provide the transportation service required for the term of service hereunder. The Company will not be obligated to expand its facilities or construct new facilities for potential customers seeking service under this Service Classification.

Customer shall be obligated to provide the Company with daily nominations to the Company's city gate for transportation service anticipated under this Service Classification. Such nominations shall take into consideration the Company Lost and Unaccounted for factor. The Customer shall be obligated to deliver its Daily Nomination Quantity unless modified by the Customer pursuant to the terms of this Service Classification. In any event, the Company shall not be required to accept deliveries of gas in excess of the Customer's MDDQ. The Customer's MDDQ shall be set forth in the Customer's Service Agreement.

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

PSC NO: 1 GAS LEAF: 107
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 6
INITIAL EFFECTIVE DATE: 12/01/11
SUPERSEDING REVISION: 5
STAMPS: Issued in compliance with Order in Case 11-G-0412 dated 11/18/11

GENERAL INFORMATION

IV. Forms for Gas Service (continued):

.1 Application and Contract (continued):

H. Interruptible Transportation Service Agreement (continued):

3. Customer's term shall begin on _____ and shall expire twelve months thereafter unless otherwise terminated pursuant to Service Classification No. 7. This term will be extended for additional twelve month periods unless the Customer or National Grid has provided sixty (60) days prior written notice of termination. Upon such termination, the Customer shall pay for all service rendered through effective date of termination.
4. Customer warrants that all information provided to "National Grid" for the purpose of qualifying for service under Service Classification No. 7 is true and accurate and Customer acknowledges that such information has been provided to "National Grid" for the purpose of inducing "National Grid" to provide service pursuant to Service Classification No. 7;
5. The Customer acknowledges and agrees that the supply and transportation of Customer purchased gas to an existing Receipt Point(s) of the company's gas facilities shall be solely the responsibility of the Customer,
6. Customer is responsible for the costs associated with the installation and maintenance of 1) remote meter reading devices to the extent such cost exceeds the cost of non-remote meter reading devices and 2) any new facilities required for the company's provision of service to Customer pursuant to Special Provision (a) of Service Classification No. 7; If telemetering equipment is inoperative for customer controlled reasons for a period of time greater than eight weeks, the customer shall be returned to the appropriate sales rate for a minimum term of 12 months.
7. Customer is responsible for additional charges, including, but not limited to FERC filing fees and any pipeline imbalance penalty charges;
8. In the event that the Company calls on peaking ~~supplies to serve firm customers or if assets~~, the Company, ~~at its sole discretion, determines that it is warranted to protect the reliability and safety of the system for firm Customers, the Company will~~ may interrupt service to all Customers on this service classification ~~as described in the Company's Gas Transportation Operating Procedures ("GTOP")~~. The Company will endeavor to provide notification (within two hours) of this scheduled interruption. A Customer that continues to take gas after receiving notice of interruption by the Company may incur additional charges as contained in the Company's SC-7 Tariff and "National Grid" may take immediate action to terminate the Customer's gas supply;

PSC NO: 1 GAS LEAF: 129
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 10
INITIAL EFFECTIVE DATE: ~~12/01/11~~
SUPERSEDING REVISION: 9

STAMPS: Issued in compliance with Order in Case 11-G-0412 dated 11/18/11

SERVICE CLASSIFICATION No. 4
Interruptible Gas Service

Rate Codes: 310-Category A
310A- Category DSRS
311-Category C
320-Category B
321-Category D

Applicable to Use of Service for:

Service is available under this Service Classification for provision of natural gas to commercial and industrial Customers who by written contract agree to:

- (i) use the service furnished hereunder only in the equipment specified in said contract;
- (ii) not use in said equipment any gas service furnished by the Company other than the gas service furnished under this Service Classification or under Service Classification No. 7;
- (iii) ~~In the event that the Company calls on peaking supplies/assets to serve firm customers or if the Company, at its sole discretion, determines that it is warranted to supplement supply to protect the reliability and safety of the system for firm customers to meet high demand, the Company will interrupt service to all Customers on this service classification. The Company will endeavor to provide notification (within two hours) of this scheduled interruption. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions)~~
- (iv) provide and maintain complete and adequate standby facilities except as may be permitted by the Company in its sole discretion because of the nature of the Customer's operations; and
- (v) unless otherwise expressly authorized by the Company in writing, must have provable storage capacity and alternate fuel on hand to withstand interruptions of service for at least ten days at the beginning of the heating season. If Customer lacks sufficient storage to hold ten days of supply, Customer must enter the heating season with filled tanks and arrangement providing for replenishment of storage tanks such that the initial storage plus the replenishment equals the required storage inventory. This requirement is for Customers whose alternate fuel is distillate and non-distillate in the case of human needs Customers.
- (vi) Whenever the Company becomes aware that the Customer's equipment is incapable of switching to an alternate fuel and/or that the Customer does not have a reasonable amount of fuel on hand considering the time in the heating season, the Company will notify the Customer within forty-eight (48) hours that the violation must be corrected within ten (10) calendar days. It will be the responsibility of the Customer to contact the Company and provide proof that the violation has been corrected. However, this violation will not apply if the Customer has previously stipulated in writing that the Customer is willing and able to shut down during periods of interruption.

Customers that receive notice from the Company regarding inadequate standby fuel and/or equipment failure that fail to supply the Company with proof will be subject to a non-compliance per therm charge equal to the greater of 130% of the No. 2 oil gas equivalent price (as published in the Journal of Commerce NY Barge consumer No. 2 oil) or 130% of their otherwise applicable variable sales rate. For Customers taking Interruptible Transportation service, the non-compliance charges will be 130% of the applicable month's posted Interruptible Transportation Rate, SC 7. Such non-compliance charge, which will be subject to all applicable utility taxes and surcharges, will be in lieu of the otherwise applicable variable rate and will be effective for the billing period during which non-compliance becomes known, and for any subsequent periods until the Customer provides the Company with satisfactory proof that the violation has been corrected. Customers subject to this higher variable rate continue to be subject to all terms and conditions of this Service Classification. If a Customer's action during a specific time period results in both non-compliance and Unauthorized Use charges being warranted, only the Unauthorized Use charges will be billed.

Availability of such service shall be subject to the conditions set forth in the Special Provisions and Rule II.7B. New Customers will be required to use at least 5,000 DTH annually to qualify for this service.

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

PSC NO: 1 GAS LEAF: 150
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 15
INITIAL EFFECTIVE DATE: ~~12/01/11~~ SUPERSEDING REVISION: 14
STAMPS: Issued in compliance with order in Case 11-G-0412 dated 11/18/11

SERVICE CLASSIFICATION No. 7
Interruptible Transportation Service (Continued)
(Rate Codes: 710, 711, 720, 721)

B. Character of Service:

Transportation service under this Service Classification shall be subject to reduction or interruption, and is conditioned upon the availability of capacity on Company facilities.

In the event that the Company calls on peaking ~~supplies to serve firm customers or if assets,~~ the Company, ~~at its sole discretion, determines that it is warranted to protect the reliability and safety of the system for firm Customers, the Company will~~ may interrupt service to all Customers on this service classification as described in the Company's Gas Transportation Operating Procedures ("GTOP"). The Company will endeavor to provide notification (within two hours) of this scheduled interruption. This includes interruptions in order for the Company to obtain exemptions from curtailment under the Company's pipeline suppliers' curtailment plans.

In providing service under this Service Classification, the Company will transport and control the dispatch of the Customer-owned natural gas from the City Gate to the Customer's metered facilities.

Service under this Service Classification shall consist of transportation of natural gas of a Btu content of not less than 950 Btu per cubic foot (dry basis) on a monthly average, supplied at pressures within the limits prescribed by the Public Service Commission.

PSC NO: 1 GAS

LEAF: 172

COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 8

INITIAL EFFECTIVE DATE: ~~12/01/11~~

SUPERSEDING REVISION: 7

STAMPS: Issued in compliance with Order in Case 11-G-0412 dated 11/18/11

Service Classification No. 12
Temperature-Controlled Service - Non-Residential (continued)
(Rate Codes: 330, 331, 332)

Special Provisions (continued):

2. Unless otherwise expressly authorized by the Company in writing, the "alternate fuel" hereunder will be No. 2 fuel oil.
3. The "Local Outside Temperature" for the purposes of a local switchover will be the temperature as measured outside of the Customer's premises.
4. The "Central Park Temperature" for the purposes of a remote switchover will be the temperature measured at the Central Park Observatory.
5. The "Designated Temperature(s)" will be the temperatures set annually prior to the winter season by the Company. The Company reserves the right to adjust this temperature setting, based on system needs, with a minimum forty-eight (48) hours notice to Customers. There will be a "Designated Interruption Temperature" when a Customer's equipment will be switched over to an alternate fuel and a "Designated Resumption Temperature" when the Customer's equipment may be switched back to natural gas. There may be different Designated Temperatures for Customers with fully automatic controls and Customers with semi-automatic controls.
6. The Company reserves the right to install and operate such local and remote telemetering/control switching devices as may be necessary to allow for the immediate switchover between gas service and alternate fuel usage, as provided for under this Service Classification.
7. The Company will endeavor to provide notification to Customers whenever the Central Park Temperatures are forecast by the National Weather Service to be equal to or below the Designated Interruption Temperature.
8. In the event that the Company calls on peaking assets to supplement supply to meet high demand, the Company will interrupt service to all Customers on this service classification. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions).

Company Responsibility:

1. Gas Service will be supplied under this Service Classification only when and to the extent that the Company has capacity available at the time of application sufficient for the service requested and the Company, after supplying Customers taking continuous service will have sufficient gas and capacity available to supply the applicant.

PSC NO: 1 GAS

LEAF: 180

COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 6

INITIAL EFFECTIVE DATE: 12/01/11

SUPERSEDING REVISION: 5

STAMPS: Issued in compliance with Order in Case 11-G-0412 dated 11/18/11

Service Classification No. 13**Temperature-Controlled Transportation Service (continued)****Special Provisions (continued):**

7. The Company will endeavor to provide notification to Customers whenever the Central Park Temperatures are forecast by the National Weather Service to be equal to or below the Designated Interruption Temperature.
8. ~~In the event that the Company calls on peaking assets, the Company may interrupt service, as described in the Company's Gas Transportation Operating Procedures ("GTOP"). The Company will endeavor to provide notification (within two hours) of this scheduled interruption. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions~~
9. **Telemetering:** If there is a Company failure of telemetering equipment, the Company will waive the penalty imbalance charge for the period. If there is a Customer failure of telecommunications associated with the telemetering equipment, the Marketer will incur the normal imbalance charges. If there is an inactive telephone line, the customer will have eight (8) weeks to remedy. In the event of any equipment malfunctions, the previous day's actual read will be deemed to be the daily actual read until the situation is corrected. If the malfunction is due to customer reasons and is not remedied after eight (8) weeks, the Customer will be returned to the applicable sales service for a minimum of twelve (12) months. The Company shall not be liable for any inaccuracies in the consumption reported if they resulted from malfunctioning telemetering equipment, telephone line problems, Customer failure to maintain customer equipment or any other reason outside the control of the Company.

Company Responsibility:

1. Gas Service will be supplied under this Service Classification only when and to the extent that the Company has capacity available at the time of application sufficient for the service requested and the Company, after supplying Customers taking continuous service, will have sufficient gas and capacity available to supply the applicant.
2. The Company reserves the right to accept only such applications under this Service Classification as will, in the Company's sole judgment, permit it to dispose of the gas it has available for sale without requiring an unreasonable or uneconomic extension of facilities.
3. Control devices, whether automatic or semi-automatic, will be set at the Designated Temperatures. The Company will notify Customers of the current Designated Temperatures prior to the start of each winter.
4. The Company will be responsible for the maintenance of Company-owned equipment. This equipment is identified as the meter, the remote switchover and meter reading equipment, and all associated wiring and relays associated with that equipment.

Customer Responsibility:

1. It is understood and agreed that as a condition of service hereunder Customers are required to transfer their fuel supply from gas to an alternate fuel source when the first of the Local Outside Temperature or the Central Park Temperature reaches the Designated Interruption Temperature.
2. Unless otherwise expressly authorized by the Company in writing, a supply of alternate fuel sufficient to meet the Customer's fuel consumption needs for a period of ten (10) days is the minimum required standby alternate fuel supply at the beginning of the heating season

PSC NO: 1 GAS LEAF: 188
COMPANY: KEYSpan GAS EAST CORP. DBA BROOKLYN UNION OF L.I. REVISION: 0
INITIAL EFFECTIVE DATE: SUPERSEDING REVISION:
STAMPS: Issued in compliance with order in Case No. 99-G-0229 dated 6/24/99

SERVICE CLASSIFICATION No. 14 (Continued)

CHARACTER OF SERVICE

For Customers taking service under Rate Schedule 1, service may be interrupted at the Company's discretion for up to 30 days during the calendar year. The Company may require a higher degree of interruptibility from the Customer in cases where the Company determines that the Customer's requirements cannot be served by the Company for up to 335 days. In the event that the Company calls on peaking assets, the Company may interrupt service as described in the Gas Transportation Operations Procedures ("GTOP"). For Customers taking service under Rate Schedule 2, service may be firm or interruptible, as mutually agreed upon by the Customer and the Company. Subject to the provisions of this Service Classification, the Company will transport natural gas, owned by the Customer, that meets the quality specifications hereof from a mutually agreed upon existing point for direct receipt by the Company of pipeline supplies, to a specified delivery point on the Company's existing facilities at the Customer's point of service.

The Company shall control the dispatch of gas received for transportation. Transportation service hereunder shall be available only upon a Company determination that its existing delivery capacity and facilities are adequate to (i) supply the total estimated gas requirements of its customers receiving service under sales service classifications and core transportation service classifications, and (ii) provide the transportation service required for the term of service hereunder. The Company will not be obligated to expand its facilities or construct new facilities for potential customers seeking service under this Service Classification.

Customer shall be obligated to provide the Company with daily nominations to the Company's city gate for transportation service anticipated under this Service Classification. Such nominations shall take into consideration the Company Lost and Unaccounted for factor. The Customer shall be obligated to deliver its Daily Nomination Quantity unless modified by the Customer pursuant to the terms of this Service Classification. In any event, the Company shall not be required to accept deliveries of gas in excess of the Customer's MDDQ. The Customer's MDDQ shall be set forth in the Customer's Service Agreement.

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

ILLUSTRATIVE SUPPLY & SYSTEM DISPATCH INTERRUPTIBILITY MATRIX

Updated 12-19-2011

Circumstance	Temperature Controlled Customers	Interruptible Sales Customers (h)	Interruptible Transport Customers	Interruptible Power Plants (i)
1 Temperature is ABOVE 15°F and NO LNG or Peaking Supplies are dispatched	On	On	On	On
2 Temperature is 15°F or BELOW and NO LNG or Peaking Supplies are dispatched	Off	On	On (a)	On (a)
3 Peaking Supplies are dispatched to meet firm requirements and temperature is ABOVE 15°F	Off	Off (h)	On (b),(f),(e)	On (b),(e)
4 Peaking Supplies are dispatched to meet firm requirements and temperature is 15°F or BELOW	Off	Off (h)	On (b),(e),(f)	On (b),(e)
5 Isolated gas system operational issue and LNG is dispatched for short duration (g)	On (a) (c)	On (b),(c)	On (a), (b), (c)	On (a), (b), (c)
6 LNG is dispatched to meet firm requirements. Temperature is ABOVE 15°F	Off		On (b), (e), (f)	On (b), (e)
7 LNG is dispatched to meet firm requirements. Temperature is 15°F or BELOW	Off	Off (h)	On (b), (e), (f)	On (b), (e)
8 Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is ABOVE 15°F (d)	On	On	On	On
9 Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is 15°F or BELOW (d)	Off	On (b)	On (b),(e)	On (b),(e)

Notes:

- (a) Balancing OFO **MAY** be issued. Non-complying customers may also be interrupted for system reliability.
- (b) One or more IT customers may be interrupted if needed for gas system reliability.
- (c) Depends on distribution system location - may need to interrupt individual customers.
- (d) Peaking Supplies to be dispatched based upon a DESIGN rule curve in ALL cases. Least-cost dispatch of LNG will not occur: (1) prior to February 15th or 2) if system and/or portfolio reliability is threatened. LNG use for training/testing does not apply.
- (e) Balancing OFO **WILL** be issued. Non-complying customers will be interrupted for system reliability.
- (f) Monthly balanced interruptible transportation customers will be interrupted.
- (g) Maximum of FOUR hours of LNG sendout. LNG sendout for plant idling/cool down does not apply.
- (h) Interruptible Sales Customers will be interrupted as described above as soon as practical.
- (i) Interruptible Power Plants operating on KEDNY SC 14 and SC18 and KEDLI SC7 and SC14 may have contractual limits on the number of days of allowed interruptibility.
- (j) Note that the 15 ° temperature is illustrative. The applicable Designated Interruption Temperature is set each year. TC customers will be interrupted when the Company receives a report that the Central Park Temperature has reached the Designated Interruption Temperature.