STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF NIAGARA MOHAWK POWER CORP. d/b/a NATIONAL GRID THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY AND KEYSPAN GAS EAST CORP. d/b/a NATIONAL GRID FOR APPROVAL OF MODIFICATIONS TO THEIR FIRM GAS DEMAND RESPONSE PROGRAMS AND DRAFT TARIFF AMENDMENTS	)	**Case 20-G-0381** **Case 20-G-0086** **Case 20-G-0087**

PETITION OF NIAGARA MOHAWK POWER CORP. d/b/a NATIONAL GRID, THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY, AND KEYSPAN GAS EAST CORP. d/b/a NATIONAL GRID FOR APPROVAL OF MODIFICATIONS TO THEIR FIRM GAS DEMAND RESPONSE PROGRAMS AND DRAFT TARIFF AMENDMENTS

NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY
KEYSPAN GAS EAST CORPORATION
d/b/a NATIONAL GRID

By their Attorney

/s/ Tessa Kajdi

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Dated: June 13, 2025

Joint Petition for Approval of
Gas Demand Response Program Modifications
And Associated Tariff Amendments

LIST OF ATTACHMENTS

Attachment A: Draft Redlined and Clean Tariff Leaves for Niagara Mohawk Power Corporation d/b/a National Grid

Attachment B: Draft Redlined and Clean Tariff Leaves for The Brooklyn Union Gas Company d/b/a National Grid NY

Attachment C: Draft Redlined and Clean Tariff Leaves for Keyspan Gas East Corp. d/b/a National Grid

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PETITION OF NIAGARA MOHAWK POWER CORP. d/b/a NATIONAL GRID THE BROOKLYN UNION GAS COMPANY d/b/a NATIONAL GRID NY AND KEYSPAN GAS EAST CORP. d/b/a NATIONAL GRID FOR APPROVAL OF MODIFICATIONS TO THEIR FIRM GAS DEMAND RESPONSE PROGRAMS AND DRAFT TARIFF AMENDMENTS	**Case 20-G-0381** **Case 20-G-0086** **Case 20-G-0087**

PETITION

I. INTRODUCTION

Pursuant to the "Order Directing Implementation Plan Filing, Annual Reporting, and Tariff Modifications" issued by the New York Public Service Commission ("Commission") on October 15, 2020 in Case 20-G-0086 and Case 20-G-0087 ("DR Implementation Order") and Case 20-G-0381, Niagara Mohawk Power Corporation d/b/a National Grid ("NMPC"), The Brooklyn Union Gas Company d/b/a National Grid NY ("KEDNY") and KeySpan Gas East Corporation d/b/a National Grid ("KEDLI") have operated firm gas demand response ("Gas DR") programs in their service territories.

In accordance with the DR Implementation Order, NMPC, KEDNY, and KEDLI (collectively, "the Companies" or "National Grid") filed an Implementation Plan for the 2020-2021 winter season on October 22, 2020 and subsequently filed an updated Implementation Plan for the 2021-2022 winter season on June 15, 2021 ("2021-2022 DR Implementation Plan") that provided a detailed description of the operational characteristics of the firm customer Gas Demand Response programs ("Gas DR Programs").

Pursuant to the DR Implementation Order, the Companies are required to file Annual Reports detailing the operations and cost-effectiveness of their Gas DR Programs from the prior winter capability period on June 15 of each year. In addition, as required by the DR Implementation Order, the Companies are required to submit petitions to the Commission by June 15 of each year requesting approval for modifications to the Gas DR Programs for the next winter capability period. Accordingly, the Companies have since filed Annual Reports on the prior winter capability period and petitions for the forthcoming winter capability period in this docket. Most recently, the Companies filed on June 14, 2024 an Annual Report for the 2023-2024 season and a petition and associated tariff amendments specifying operational requirements, terms and conditions for participation in the Gas DR Programs to be effective prior to the 2024-2025 winter season. On October 18, 2024, the Commission approved the Companies' draft tariff amendments in its "Order Authorizing Tariff Amendments Regarding Gas Demand Response Programs for Firm Customers" in this docket. On October 25, 2024, the Companies filed the modifications to their tariff schedules establishing their Gas DR Programs to become effective as of November 1, 2024.

In their Annual Report for the 2024-2025 firm gas demand response program filed herewith ("2024-2025 Firm Gas DR Annual Report"), the Companies are proposing modifications to their Gas DR Programs and are hereby filing the draft redlined and clean tariff leaves as Attachment A, Attachment B, and Attachment C, for NMPC, KEDNY, and KEDLI, respectively, setting forth the proposed modifications to their Gas DR Programs.

II. BACKGROUND

National Grid first initiated Gas DR Programs through a pilot program launched in 2017 in the Companies' territories. In late 2019, National Grid launched DR programs aimed at reducing Design Day gas demand, which were focused on reducing demand to address gas system supply shortfalls. The Companies have continued to build on these programs as detailed in the 2021-

2022 DR Implementation Plan and as updated in the Annual Reports and associated petitions. The Companies' DR Programs are currently the Load Shedding and Load Shifting DR Programs for C&I customers, and the Bring Your Own Thermostat ("BYOT") and Behavioral Demand Response DR Programs for Residential and Small Commercial customers.

As specified in the Companies' 2024-2025 Firm Gas DR Annual Report filed herewith, the Companies are proposing to make the following changes to their Gas DR Programs from what was offered customers in the 2024-2025 winter season to become effective this upcoming 2025-2026 winter season and going forward unless amended:

- Modification 1 (C&I MF) – Removal of Early Season Test: The Companies propose to reduce the maximum number of test events from two per season to one, eliminating the early season test event typically held in late November or early December. This change aims to avoid testing during mild weather, which can lead to unrealistic curtailment goals and lower performance. The remaining mid-winter test event will better represent actual event conditions, allowing participants to demonstrate their ability to curtail gas usage during colder temperatures. Additionally, this modification is expected to reduce emissions from backup fuel oil usage during test events.
- Modification 2 (C&I MF) – Revision of Load Shedding DLC Option Eligibility in KEDNY/KEDLI: The Companies propose to adjust the eligibility criteria for the Load Shedding DLC option by reducing the minimum enrollment size from 3 Dth/Hr to 2 Dth/Hr, moving the enrollment deadline from September 30th to September 1st, and implementing a two-week period for customers to complete required work following a site visit. These changes are intended to increase customer participation, enhance overall season readiness, and ensure efficient use

of the Companies' resources for customers committed to preparing necessary communication and control devices.

NMPC submits for approval Draft Tariff Leaf 122.21 through 122.33. KEDNY submits for approval Draft Tariff Leaf 138.59 through 138.82. KEDLI submits for approval Tariff Leaf 119.55 through 119.75.

III. REQUEST FOR APPROVAL OF GAS DR PROGRAM MODIFICATIONS AND TARIFF AMENDMENTS

Based upon the foregoing, the Companies submit that the proposed modifications to their Gas DR Programs are necessary for a more effective implementation of the firm gas demand response programs offered to customers and the associated proposed tariff amendments set forth in the draft tariff leaves, as provided as Attachment A, Attachment B, and Attachment C, adequately describe the modifications to the Companies' Gas DR Programs as more fully set forth in the Companies' Firm Gas Demand Response 2024-2025 Annual Report, and respectfully request that the Commission approve the Companies' modifications to their Gas DR Programs and the associated proposed tariff amendments.[1]

IV. CONCLUSION

For the reasons discussed above, the Companies request that the Commission approve the Companies' proposed modifications to the Companies' firm gas demand response programs and associated tariff amendments to become effective as of November 1, 2025, in time for the 2025-2026 winter season.

[1] This filing is made pursuant to the requirements set forth in the DR Implementation Order. As such, the Companies, pursuant to 16 NYCRR §61.10(c), do not believe Commission approval is required to file the proposed tariff leaves during the suspension period in Case 23-G-0225 and 23-G-0226. Assuming, *arguendo*, such approval is required, the Companies respectfully request the Commission accept the proposed tariff leaves for filing in accordance with 16 NYCRR §61.10(a).

Respectfully submitted,

NIAGARA MOHAWK POWER CORPORATION
d/b/a NATIONAL GRID
THE BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY
KEYSPAN GAS EAST CORPORATION
d/b/a NATIONAL GRID

By their Attorney

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Dated: June 13, 2025

PSC NO: 1 GAS
COMPANY: KEYSPAN GAS EAST CORPORATION
INITIAL EFFECTIVE DATE: 11/01/2024
STAMP:

STATEMENT TYPE: DRIS
STATEMENT NO: 4

STATEMENT OF DEMAND RESPONSE INCENTIVE RATES
COMPANY WIDE PRICING

Attachment A

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers

1. Definitions

"Aggregator" means an entity that aggregates and represents load and is responsible for the actions of its customers with respect to the Company's DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Aggregators, also called Third-Party Aggregators, may have one or more accounts enrolled in the Company's Commercial Programs during a given season. Aggregators will only aggregate accounts within the same program option.

"Aggregation" refers to the summation of customers and their respective load represented by an Aggregator within a Program Option and/or Network.

"Agreement" means the Customer's or Aggregator's application accepted by the Company, including -all related exhibits, schedules, supplements, or attachments thereto. In the event of conflict between the **"Application"** (or any related exhibits, schedules, supplements, or attachments thereto) and the Tariff, the Tariff terms shall govern.

"Baseline" is a calculated metric that accounts for the fact that not all DR Events or Test Events will occur under Design Day conditions and is an estimate of the natural gas quantity an account would have consumed otherwise on an event day in the absence of a DR Event (the counterfactual or baseline).

"Customer" means the firm, commercial customer maintaining an account for natural gas service with the Company, in the Company's service territory and that satisfies the Program requirements, as determined by the Company.

"Customer Data" means all data and information collected by the Company from Customer in respect of the Program, including, but not limited to (a) data and information collected by Metering Equipment, and (b) other data and information collected for the purposes of determining (i) the amount of payments (if any) to be remitted to Customer in accordance with the Agreement, and (ii) Customer's compliance with Program requirements and the Agreement.

"**Load Shedding Demand Response Program**" is a program for large firm Commercial and Industrial customers capable of reducing peak day gas loads for a period of 8 hours on event days. Customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source.

"**Demand Response Event**" or "DR Event" means a period of time during the Demand Response Season for which the Company, upon not less than twenty (20) hours' notice to Customer (i.e. by 10AM the mornings prior to when the reduction must occur), shall indicate that Customer must curtail Customer's consumption of natural gas in accordance with the Agreement. Customers must curtail Customer's consumption of natural gas in accordance with the Program and specific Program Option chosen.

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

1. Definitions (continued)

"**Demand Response Season**" or "DR Season", also known as Winter Capability Period, means the period during which Customer is participating in the Program, beginning on November 1 and ending on March 31, inclusive.

"**Design Day**" is a 24-hour period of peak demand which is used as a basis for planning gas capacity requirements.

"**Design Hour**" is the peak hour of a Design Day.

"Direct Participant" is a customer of National Grid that enrolls in a gas DR program without the use of a third-party Aggregator. Direct Participants may enroll one or more accounts in the program.

"Exempt Resource" is a backup energy source that uses the following alternative options to generate thermal energy: Electricity-based technologies (including heat pumps), biodiesel/biofuel blends that contain ten percent or more biodiesel by volume, or any other resource or combination of resources listed as a Renewable Energy System under the New York State Climate Leadership and Community Protection Act.

"**Event Performance**" means the comparison of an account's or Aggregation's actual consumption during the event window against its calculated baseline for the aggregate usage over the entire event window.

"Firm Service" is a type of service classification offered to most customers who are not subject to service interruptions except for emergency conditions as detailed in the Company's gas tariff. Service Classifications 1, 2, 3, 5, 7, 8, 12 and 13 are consider Firm Service.

"**Performance Payment**" is a type of incentive payment equal to the applicable rate per dekatherm of natural gas curtailed by Customer during a Demand Response Event.

"**Load Shifting Demand Response Program**" is a program for firm Commercial customers who shift gas loads out of a 4-hour peak period window on event days. Commercial Load Shifting Demand Response Program Customers are restricted from using a fossil fuel heating alternative to reduce load during demand response events, aside from alternatives that are considered Exempt Resources.

"**Incentive Payment**" means a payment paid to the Customer for its qualifying participation, as determined by the Company. It is defined as the sum of Reservation Payment and Performance Payments.

"**Metering Equipment**" means the Company-owned meters and any other related equipment or items that are owned by the Company and installed at the applicable Customer Site for the monitoring of natural gas flow and usage or controlling gas equipment.

"**Network**" A network is a gas distribution network or load area designated by the Company.

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

1. Definitions (continued)

"**Performance Factor (PF)**" Percent value assigned to each account based on a 3-event rolling average of Event Performance. The Performance Factor will be applied to Customer's monthly Reservation incentive payment at the close of each month. All new Customers and third-party Aggregators will start the season with an assumed 100% PF; however, the Event Performance during the first event or test event will retroactively apply to any prior months when no events occurred. PF will carry over from prior winter for returning Customers.

"**Program**" means the Natural Gas Firm Demand Response Program offered by the Company to eligible Customers.

"**Program Month**" means each calendar month during the Demand Response Season.

"**Reservation Payment**" Payment equal to the enrolled event dekatherm (dth) reduction multiplied by the Reservation Rate and adjusted by the then applicable Performance Factor for each month of the winter season.

"Reservation Rate" is the incentive payment per ~~dekatherm~~ dth of natural gas a Customer has agreed to curtail should a Demand Response Event be called.

"**Site**" means Customer's facility in the Company's service territory to which firm natural gas service is provided by the Company.

"**Test Event**" means a test demand response event called by the Company for the purpose of assessing Customer's ability to participate in the Program. Customers will receive a Performance Payment for curtailed usage during a Test Event, and compliance during a Test Event will count towards the Performance Factor.

"**Zone"** refers to two regions within the Company's service territory where a customer may be located. Customers are located either in the East Gate or West Gate regions.

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

2. Customer Eligibility

Customers are eligible to enroll in the Company's Demand Response programs for Commercial and Industrial accounts if they satisfy the following criteria.

a. Customers may only enroll Firm Service natural gas accounts located in National Grid's NMPC service territory.
b. Non-Firm and Interruptible rate classifications may not participate in the program.
c. Enrolled customers must have hourly gas metering equipment installed and functioning during the DR Season (Nov 1 –Mar 31). The Company will install hourly metering equipment for customers without current hourly meters.
d. Accounts must enroll a minimum of 1 dth. Customer enrolled accounts must consume at least 4,000 dths per year or have peak consumption greater than 1 dth per hour. This applies to all accounts, including those enrolled as part of an aggregation.
e. Specific to the Load Shedding Demand Response program option, customers must have the ability to eliminate gas usage without resulting increases in the hours or days before or after an event. Customers who can only shift gas loads to a different period within the same day are encouraged to participate in the Load Shifting Demand Response program option.
f. Specific to the Load Shifting Demand Response Program, customers are restricted from using an alternate heating fuel during Demand Response Events, except for an Exempt Resource as defined previously.
g. Customers served under Interruptible service classifications are ineligible to participate in the Firm DR programs. Further, any interruptible service customer that transfers to firm service in the future may be restricted from participating in Firm DR programs for a period of up to 3 years.
h. Enrollment Deadlines and Application

The deadlines for enrollment for any given DR season for Commercial and Industrial DR programs are as follows:

Table 1: Enrollment Deadline and Season Start Dates

Enrollment Deadline	Season Start
September 30	November 1

The Company may extend the enrollment deadline of September 30 by providing at least five (5) business days' prior notice. In no event shall the Company extend the enrollment deadline beyond the Season Start date. Customer applications can be submitted via email to GasDR@nationalgrid.com, or directly to a customer's account representative. A customer will be considered enrolled in the program only on receipt of a confirmation from National Grid. ~~National Grid will provide this confirmation within 5 business days of the receipt of the customer's application.~~

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

2. Third-Party Aggregators

Customers may participate in the C&I DR program directly with National Grid (as a "Direct Participant") or through an approved Third-Party Aggregator ("Aggregator"). Direct Participant accounts may receive performance aggregation benefits in a similar manner to Aggregators by pooling multiple accounts under a single portfolio. Aggregators applying on behalf of one or more customers must provide Letters of Authorization granting access to submit an application and/or receive program incentives on the customer's behalf. Aggregators may also be required to provide additional documentation to receive customer data from National Grid. Third-Party Aggregators must provide customer contact information to National Grid, if requested.

Only customer sites that are enrolled in the same Network and Program Option will be considered for aggregation (i.e. the performance of a site in Load Shedding Manual option cannot be evaluated against the performance of a site enrolled in Load Shedding DLC option). National Grid, by default, shall aggregate accounts enrolled within the same Network and Program Option into an Aggregation unless otherwise notified by the applicant. Unless otherwise specified, for each Third-Party Aggregator or Direct Participant acting as an Aggregator, only one such Aggregation may exist for the same Network and Program Option. Moreover, accounts enrolled within the Network and Program Option must either all belong to an Aggregation, or each be enrolled individually. Changes in aggregation status may only be made prior to the start of a given DR season.

Each customer site that an Aggregator has enrolled into a DR program as a part of an aggregation will have their performance measured at an individual level. This data will then be used to evaluate the Event Performance for the total portfolio of sites based on the sums of the individual baselines and consumption.

Entities who operate as aggregators will receive one payment at the aggregation level, whether they have elected for an Aggregation or chose to enroll each account individually. If a Direct Participant self-aggregates, then the performance factors and payments will be handled as they are for Third-Party Aggregators.

3. Program Options

Customers wishing to participate in the program may elect from two participation options, as detailed below. The first program option (Load Shedding DR) is intended for customers that can eliminate a portion of their daily gas load during event hours without any resulting increases in gas use during the surrounding non-event hours. The Company expects that Customers choosing this option will most likely be those with alternate, non-gas backup heating systems and those with non-heating dependent loads that can be curtailed on cold days. Customers without the capability of participating in Load Shedding DR may enroll in the Load Shifting DR option. This option is intended for customers who can shift their gas use away from the peak hour period below but may see some offsetting load increases in the hours prior to and/or following the event.

Table 2: C&I DR Program Options

C&I DR Options	Event Windows
Load Shedding DR	6AM-10AM and/or 4PM-8PM
Load Shifting DR	6AM-10AM

4. Aggregations

An Aggregation is considered to be two or more accounts that have been enrolled in the same Program Option by a single Aggregator or Direct Participant. An Aggregation's performance will be evaluated at a portfolio level. Accounts enrolled under different Program Options may not have their performance aggregated.

Each Customer account enrolled under an Aggregation will have their performance measured at an individual level. This data will then be used to evaluate the performance for the total portfolio of sites enrolled in the program belonging to the same aggregation. Aggregations will receive one payment for all enrolled accounts. Section 10.C. details additional information on the calculation of performance for accounts within an aggregated portfolio.

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

2. Customer Metering

Enrolled customer sites must have interval gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31) that enables the Company to record hourly usage data. Any customer new to the program will also be required to permit and coordinate with the Company or its Agents to install a meter device, at the Company's expense. Returning Aggregators or customers with a portfolio-level Performance Factor of less than 25% at the close of the prior season will be required to pay the Company for the purchase cost of a device and associated equipment for any new accounts added. The costs of the device will be provided by Company representatives. New and returning customers may be required to perform, at the customers' expense, additional work related to meter power and communications to prepare their site for the installation of the devices. Customers who were enrolled in the program in a prior season will be able to use previously installed equipment.

Enrolled customer facilities must have hourly gas metering equipment installed and functioning during the DR Season. If actions (or lack thereof) on the part of the Customer prevent the timely installation or function of the metering equipment in any month, the Customer shall not be eligible for incentive payments for those months. This includes, but is not limited to, a Customer or Customer's contractor failing install or maintain any customer-owned power or communications equipment necessary for the meter to function. In the event of the Company's inability install a meter in time for the beginning of the DR Season, or if the Company's metering equipment fails to record or transmit consumption data due to a Company-owned equipment error, the Customer will still be expected to perform during DR events. In this instance, the Company will assume full compliance for the Customer during the event but may send a field technician to the site to ensure a Customer is taking the appropriate actions per the agreed-upon commitment.

3. Events

i. Temperature Thresholds

National Grid may, but is not required to, call DR events for its large customer program when the forecasted low temperature at either weather station listed below is at or below 3 degrees Fahrenheit for any hour during the gas day.

Table 3: C&I DR Temperature Triggers

Zone	Weather Station	Hourly Low Temperature Threshold
West Gate	Syracuse Airport	Forecast at or below 3 degrees
East Gate	Albany International Airport	Forecast at or below 3 degrees

ii. Emergency Events

The Company may also call ~~DR~~ Emergency ~~e~~Events in the ~~event~~ occurrence of an unexpected loss of upstream or distribution delivery capacity, extreme weather or any emergency condition threatening the integrity of the Company's gas system. Such events are exempt from the Event Threshold Temperature and/or the Event Notification criteria.~~Unexpected emergencies may occur at temperatures above the stated DR event thresholds~~. Emergency Events may be called during any hours and shall not exceed the length of the maximum DR Event window duration for the Program and Program Option in which a customer is enrolled. An Emergency event ~~that does not meet the Event Notification criteria may~~shall not count towards a Customer's Performance Factor unless Emergency Event Performance would result in an increase to a Customer's Performance Factor and subsequent annual incentive. Customers will have the ability to earn Performance Payments during Emergency Events at the applicable Emergency Event Performance Rate.

iii. Test Events

National Grid reserves the right to conduct up to ~~two~~ one (1~~2~~) Test Event~~s~~ per DR season at its discretion. Test events will be operated, paid, and counted as Program events with the exception that such events are exempt from the DR Event Threshold temperature criteria.

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

iii. Test Events - continued

If no Events have occurred or forecasted to occur, ~~National Grid~~ The Company will conduct a ~~Planned~~ Test Event ~~for all participants~~ where ~~customers~~ all DR program participants will be required to enact their fuel switching, curtailment or load shifting strategies for a 3-hour period from 6AM-9AM. ~~This Planned Test Event will occur early in the DR season, most likely in early December.~~ Performance during this ~~Planned~~ Test Event will count towards customer Performance Factors, and customers will have the ability to earn Performance Payment incentives for any Net Daily Reductions during the Planned Test Event.
~~National Grid may also conduct an additional Mid-Winter Test Event by the end of February if no actual events have or are forecast to occur. The Mid-Winter Test Event will require customers to reduce gas load for a 3-hour period from 6AM-9AM. The Mid-Winter Test Event will also count towards a customer's Performance Factor and customers will have the ability to earn Performance Payment incentives for any Net Daily Reduction during the Mid-Winter Test Event.~~

iv. Event Notification

The Company will provide customers at least 20 hours' notice of a Demand Response Event, alerting customers by 10AM the day prior to an Event, at the latest. The Company will send Event notices using the customer's preferred method of communication (email and/or SMS text). Customers will be asked to provide contact information for at least one (1) contact at each site being enrolled. Upon request, Aggregators may receive event notifications directly and bear the responsibility for communicating the Company's DR Event notices to their respective customers. Direct Participants will receive DR Event notices directly from National Grid.

3. Enrollment Volumes

Each year National Grid assigns Design Day consumption values ("Design Day Dths") to all customer accounts. These values are based on regression statistics calculated from historical monthly meter readings to predict customer and system-wide gas demand when the daily average temperature is -10 Degrees Fahrenheit (the "Design Day"). Where available, the Company will utilize hourly interval metering for customers to better refine Design Day consumption values for individual accounts.

National Grid further breaks down Design Day Dths into Design Peak Hour values ("Peak Hour Dths"), which can then be applied to specific DR Event windows to arrive at a customer's maximum potential Event Dekatherm ("Event Dth") reduction.

Customers wishing to participate in the program will be required to provide, subject to National Grid's review and acceptance, the committed dth reduction achievable during the applicable program's event windows.

2. Incentive Rates

The Load Shifting and Load Shedding Demand Response incentive rates shall be shown on the Demand Response Incentive Statement filed separately with the Public Service Commission.

3. Payment Calculations

Customers will be eligible for incentives earned each season based on the calculations shown below. Unless otherwise agreed to by the Company, all incentives earned for the Load Shedding or Load Shifting Program options will be paid within 90 days of the close of the DR season.

4. Reservation Payment

An enrolled customer or Aggregator will receive a Reservation Payment equal to the committed Event Dth reduction multiplied by the Reservation Rate listed in the Demand Response Incentive Statement and adjusted by the then applicable Performance Factor ("PF") for each month of the winter season. Customers will not be eligible for a Reservation Payment in any month where an enrolled account's or aggregation's calculated Performance Factor is less than 25%.

5. Performance Payment

In addition to the Reservation Payment, an enrolled customer or Aggregator may receive a Performance Payment, equal to the applicable Performance Rate multiplied by the verified Net Daily Reduction of natural gas during a Demand Response Event or Test Event.

6. Bonus Incentive

A customer participating in the Load Shedding or Load Shifting program may be eligible to earn a bonus incentive on the condition that the customer utilizes its incentives for an energy efficiency project. Full eligibility requirements for the Bonus Incentive are available in the Gas Firm Service Commercial, Industrial, Multifamily Load-Shedding and Load-Shifting Demand Response Program Overview and Guidelines document.

~~6.~~7. Event Performance

National Grid will utilize a rolling baseline calculation to estimate what an account would have otherwise consumed on an event day in absence of a DR Event or Test Event. This resulting baseline value will be compared with actual event consumption to determine an account's Event Performance. For weekday events, this baseline method calculates the usage during the account's event window for the last 30 'like' days (12 'like' days for holiday and weekend events), then takes an average of the 5 days (4 days for holiday and weekend events) with the highest consumption. In cases where an 8-hour event crosses two day types (i.e. Friday PM into Saturday AM), the Company will use the applicable baseline calculation for each 4-hour period in the applicable day. The performance during these event windows will then be combined to determine overall Event Performance.

That 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").

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

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13. Event Performance - continued

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 30 week days, excluding those where a DR event occurred.
ii) Of those days, average the event window consumption for the 5 days 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.
v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.
vi) To apply the Weather Adjustment, take the average of the adjustment window (from six hours prior to the start of the event to the end of the event) ~~average daily~~ temperature (in HDD) of the 5 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the event day HDD from the Average Baseline HDD. Multiply the resulting difference by 1.2% and add 1. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

For holiday or weekend events, the baseline for each account will be calculated as follows:

i) Take the total event window consumption in each of the last 12 weekend or holiday days, excluding those where a DR event occurred.
ii) Of those days, average the event window consumption for the 4 days 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.
v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.
vi) To apply the Weather Adjustment, take the average of the adjustment window (from six hours prior to the start of the event to the end of the event) ~~average daily~~ temperature (in HDD) of the 5 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the event day HDD from the Average Baseline HDD. Multiply the resulting difference by 1.2% and add 1. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

13. Event Performance - continued

To Calculate Event Performance, an account's actual consumption during an event will be compared against the calculated baseline for the aggregate usage over the entire event window. Since the maximum value an account may enroll is based on expected consumption during a Design Day and events may occur on non-Design Days, accounts that completely eliminate load during a DR event may have an enrollment value greater than the calculated baseline for a given event or test event. To ensure these accounts are not improperly judged for performance, an account's metered load during an event will be compared to the lessor of the enrollment quantity or the calculated baseline.

At the Company's sole discretion, customers may be permitted to provide alternate performance verification during events in lieu of the above baseline calculations.

The Company will also apply this baseline methodology to the 3 hours immediately prior to ("Pre-Heating Period") and following ("Snapback Period") a DR Event or Test Event. However, the Company will drop from the Event Window, Pre-Heating and Snapback period baseline calculations any prior days where the Event Window, Pre-Heating or Snapback consumption was zero.

Any customers participating in the Load Shedding DR program option with usage increases relative to the Pre-Heating and Snapback Period baselines will have their Event Performance reduced by that amount, impacting their Performance Factor.

However, a customer may offset fully or partially the sum of usage increases in the Pre-Heating and/or Snapback periods by the sum of positive load curtailments during other hours in those same periods, but only to the maximum of the sum of Pre-Heating and Snapback usage increase. Any additional overperformance in the Pre-Heating and/or Snapback periods will not be credited towards Event Performance.

In the case of customers participating in the Load Shifting DR program options, Pre-Heating and/or Snapback usage increases will not be deducted from Event Performance. In both cases the Company will calculate the Net Daily Reduction (Event Reduction minus Pre-Heating and/or Snapback increases) for all customers. This Net Daily Reduction will be used in the calculation of the Performance Payment.

14. Performance Factor

The Performance Factor is a percent value assigned to each Customer account (or Aggregation) based on a 3-event rolling average of Event Performance, inclusive of Test Events. For a new account or aggregation that has not participated in three (3) or more historical events, the Performance Factor will be calculated based average performance for all historical events where the account or aggregation that occurred while the account or aggregation was enrolled in the program. The Performance Factor will be applied to and adjust the monthly Reservation Payment at the close of each month.

For accounts or Aggregations that return to the program in subsequent seasons, the starting Performance Factor will be equal to the calculated Performance Factor as of the close of the prior season. Each subsequent event during the season will adjust the Performance Factor used in the monthly Reservation Payment settlements.

GENERAL INFORMATION

47. Firm Gas Demand Response ("DR") for Commercial and Industrial Customers (continued)

13. Performance Factor (continued)

New customers or Aggregations will begin the season with an assumed Performance Factor of 100%, but the Event Performance during the first event or test event will retroactively apply to any months where no events occurred.

Accounts that elect to leave an Aggregator and enroll directly with National Grid shall have their Performance Factor set to their most recent individual Performance Factor. The parent Aggregation or Sub-Aggregation shall retain its Performance Factor.

The same is true for each account in an existing Aggregation or Sub-Aggregation that elects to be disaggregated the following season. In such a case, the account shall have their Performance Factor set to their most recent individual Performance Factor.

In cases of an account that elects to move to another existing Aggregation or Sub-Aggregation, this shall have no impact to the parent Aggregation or Sub-Aggregation's Performance Factor, or the new Aggregation or Sub-Aggregation's Performance Factor.

GENERAL INFORMATION

48. **Firm Demand Response ("DR") for Residential and Small/Medium Business Customers**

1. Definitions

"Control Device" is a device installed on a customer's premise that allows the Company to remotely connect to such device when an DR Event is called and control equipment that uses natural gas. For purposes of this Program, Control Device means one or more devices as may be required to control the equipment. Each Control Device contains a feature that allows the customer to override the Company's control of the customer's equipment. The Control Device must be provided, installed and connected to the Internet by the Customer, and the Control Device must be able to communicate with National Grid's control system. A list of the Company's approved devices will be published on the Company's website.

"**Demand Response Season**" or "DR Season", also known as Winter Capability Period, means the period during which Customer is participating in the Program, beginning on November 1 and ending on March 31, inclusive.

"Service Provider" means a provider registered with, and approved by, the Company to develop, maintain, and operate a communications portal that enables Internet-connected Control Devices to participate under this Program.

"**Test Event**" means a test demand response event called by the Company for the purpose of assessing Customer's ability to participate in the Program. Customers will receive a Performance Payment for curtailed usage during a Test Event, and compliance during a Test Event will count towards the Performance Factor.

2. Customer Eligibility

The Residential and Small-to-Medium Business Bring-Your-Own-Thermostat programs will allow the Company to remotely control the customer's Control Device to reduce the customer's gas usage during an Event. Customers participating in this Program must have central heating equipment that consumes natural gas and install a Control Device that can control such equipment.

Eligible Customers must be served under either of Service Classifications 1, 2, or 7.

Eligible Control Devices need to be connected to load controllable equipment that uses natural gas or provides supplemental heating to participate in the Program.

GENERAL INFORMATION

48. **Firm Demand Response ("DR") for Residential and Small/Medium Business Customers (continued)**

1. Enrollment

Eligible customers may enroll in the program through their thermostat manufacturer or directly through National Grid through the following webpage: https://www.nationalgridus.com/NY-Home/Energy-Saving-Programs/ConnectedSolutions

There are no deadlines for customer enrollment, and customer will remain in the program unless they request to unenroll or are removed by National Grid for failure to adhere to program rules.

2. Event Parameters

National Grid will call events for the BYOT DR program under the following parameters:

- Events may be called during the month of November through March, inclusive.
- Except as described below, Events may last for up to 4 hours, occurring either from 6AM – 10AM or 4PM – 8PM.
- Customers may also agree to participate through a Control Device manufacturer that has enabled Full Day Events, defined as a 20-hour period from 10AM-6AM.
- Where the Company has established Networks for this Program, Events may be called only for specific Networks.
- Outside of Emergency Events and Full Day Events, National Grid will not call more than 1 event for any single device during the same calendar day.
- Events may be called when the forecasted low temperature at either Albany International Airport or Syracuse Airport is 3 degrees or lower.
- The Company reserves the right to call emergency events in the instance of an unexpected loss of upstream or distribution delivery capacity, extreme weather or any emergency condition threatening the integrity of the Company's gas system.
- The Company will conduct one Test Event per season if no actual events have yet occurred.

Customers who enroll in the program will receive a one-time sign up payment after the Company and/or Service Provider has confirmed the Company's ability to communicate with the Control Device. The one- time sign up incentive will be payable by check, bill credit, or gift card at the Company's discretion. The incentive rate is published on the Company's website. Starting with the second Demand Response Season in which the customer participates, the customer will be eligible for an annual incentive payment, payable by check, bill credit, or gift card at the Company's discretion, after each Demand Response Season in which the Company can verify that the customer allowed the Company to control the Control Device for no less than 70 percent of the aggregate number of event hours declared by the Company during the Demand Response Season. The Company reserve the right to cancel a customer's participation in the program if they participate in fewer than 15% of event hours during a season. Customer will be deemed to not have participated in an event hour if they override the Control Device signal, disconnect their device or have the Control Device offline for that hour. Event hour performance will be calculated to a fractional value based on the number of minutes a customer was participating.

GENERAL INFORMATION

48. **Firm Demand Response ("DR") for Residential and Small/Medium Business Customers (continued)**

5. **Incentives**

The Residential & Small/Medium Business Remote Load Control Program Incentive Payments shall be shown on the Demand Response Incentive Statement filed with the Public Service Commission not less than 60 days before their effective date.

Attachment B

GENERAL INFORMATION – Continued

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

1. Definitions – the following terms are defined for purposes of this Program only:

"**Aggregator**" means an entity that aggregates and represents load and is responsible for the actions of its customers with respect to the Company's DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Aggregators may have one or more accounts enrolled in the Company's Commercial, Industrial and Multi-Family Programs during a given season. Aggregators will only aggregate accounts within the same Network and Program Option.

"**Aggregation**" refers to either a sub-aggregation, or two or more customers and the summation of their respective loads, represented by a Third Party Aggregator or Direct Participant acting as an Aggregator, within a given Network and Program Option, if there are no sub-aggregations for that aggregator within that Network and Program Option.

"**Agreement**" means the Customer's or Aggregator's application accepted by the Company, including all related exhibits, schedules, supplements, or attachments thereto. In the event of conflict between the Application (or any related exhibits, schedules, supplements, or attachments thereto), and the Tariff, the Tariff shall govern.

"**Baseline**" is a calculated metric that accounts for the fact that not all DR Events or Test Events will occur under Design Day conditions and is an estimate of the natural gas quantity an account would have consumed otherwise on an event day in the absence of a DR Event (the counterfactual).

"**Customer**" means the firm, commercial, industrial, or multi-family customer maintaining an account for natural gas service with the Company, in the Company's service territory (excluding Staten Island) and that satisfies the Program requirements, as determined by the Company.

GENERAL INFORMATION – Continued

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

"**Customer Data**" means all data and information collected by the Company from Customer in respect of the Program, including, but not limited to (a) data and information collected by Metering Equipment, and (b) other data and information collected for the purposes of determining (i) the amount of payments (if any) to be remitted to Customer in accordance with the Agreement, and (ii) Customer's compliance with Program requirements and the Agreement.

"**Demand Response Event**" or "DR Event" means a period of time during the Demand Response Season for which the Company, upon not less than twenty (20) hours' notice to Customer (i.e. by 10AM the morning prior to a DR Event expected to be called in the 6AM-10AM window the following calendar day), shall indicate that Customer must curtail Customer's consumption of natural gas in accordance with the Agreement. Customers must curtail Customer's consumption of natural gas in accordance with the Program and specific Program Option chosen.

"**Demand Response Season**" or "DR Season", also known as Winter Capability Period, means the period during which Customer is participating in the Program, beginning on November 1 and ending on March 31, inclusive.

"**Design Day**" is a 24-hour period of peak demand which is used as a basis for planning gas capacity requirements. National Grid models the Downstate NY gas supply and distribution requirements based upon a Design Day average temperature of 0° Fahrenheit in Central Park (i.e., 65 Heating Degree Days).

"**Design Hour**" is the peak hour of a Design Day.

"**Direct Load Control (DLC)**" The presence of a communications device which allows the Company to remotely switch Customers' gas load to an alternate fuel, or any other set-up that gives the Company remote control of gas equipment.

GENERAL INFORMATION – Continued

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

"Exempt Resource" is a backup energy source that uses the following alternative options to generate thermal energy: Electricity-based technologies (including heat pumps), biodiesel/biofuel blends that contain twenty percent or more biodiesel by volume, solid biomass fuels (including pelletized wood except in NYC, municipal solid waste), alcohols (ethanol or methanol), hydrogen, renewable natural gas or any resource or combination of resources listed as a Renewable Energy System under the New York State Climate Leadership and Community Protection Act.

"**Event Performance**" means the comparison of an account's or Aggregation's actual consumption during the event window against its calculated baseline for the aggregate usage over the entire event window.

"**Incentive Payment**" means a payment paid to the Customer for its qualifying participation, as determined by the Company. It is defined as the sum of potential Reservation Payment and Performance Payments.

"**Load Shedding Demand Response Program**" is a program for large firm Commercial, Industrial and Multi-Family customers capable of reducing peak day gas loads for a period of up to 8 hours on event days. Customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source.

"**Load Shifting Demand Response Program**" is a program for firm Commercial, Industrial and Multi-Family customers who shift gas loads out of a 4-hour peak period window on event days. Load Shifting Demand Response Program customers are restricted from using a fossil fuel backup heating fuel source to reduce load during demand response events.

"**Metering Equipment**" means the Company-owned meters and any other related equipment or items that are owned by the Company and installed at the applicable Customer Site for the monitoring of natural gas flow and usage or controlling gas equipment.

GENERAL INFORMATION – Continued

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

"**Network**" A network is a gas distribution network or load area designated by the Company. Furthermore, the boundaries may be distinct among the Gas DR programs.

"**Performance Factor (PF)**" Percent value assigned to each account based on a 3-event rolling average of Event Performance. The Performance Factor will be applied to Customer's monthly incentive payment at the close of each month. All new Customers and Third-Party Aggregators will start the season with an assumed 100% PF; however, the Event Performance during the first event or test event will retroactively apply to any prior months when no events occurred. PF will carry over from prior winter for returning Customers.

"**Performance Payment**" is a type of incentive payment equal to the applicable Performance Rate multiplied by the verified daily quantity of natural gas curtailed by a Customer during a Demand Response Event.

"**Performance Rate**" is the eligible incentive payment per dekatherm (~~dekatherm~~ dth) of natural gas curtailed during a Demand Response Event. It can vary by the program option a customer is enrolled in.

"**Program**" means the Natural Gas Firm Demand Response Program offered by the Company to eligible Customers.

"**Program Month**" means each calendar month during the Demand Response Season.

"**Program Option**" refers to the commitment type that a customer who wishes to enroll in the Company's Demand Response Program must choose. Each Program may have one or multiple Program Options. These options vary in aspects such as hours, curtailment methods, etc.

"**Reservation Payment**" Payment equal to the enrolled event ~~dekatherm~~ dth reduction multiplied by the Reservation Rate and adjusted by the then applicable Performance Factor for each month of the winter season.

GENERAL INFORMATION – Continued

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

"Reservation Rate" is the incentive payment per ~~dekatherm~~ dth of natural gas a Customer has agreed to curtail should a Demand Response Event be called. It can vary by the program and program option a customer is enrolled in.

"**Site**" means Customer's facility in the Company's service territory to which firm natural gas service is provided by the Company.

"**Sub-Aggregation**" is a declared subset of two or more customers and the summation of their respective loads, represented by a Third-Party Aggregator or Direct Participant acting as an Aggregator, within a given Network and Program Option.

"**Test Event**" means a test demand response event called by the Company for the purpose of assessing Customer's ability to participate in the Program. Customers will receive incentive payments for usage curtailed during a Test Event, and compliance during a Test Event will count towards the Performance Factor.

2. Customer Eligibility

Customers are eligible to enroll in any of the Company's Demand Response programs for Commercial, Industrial and Multi-Family accounts if they satisfy the following criteria.

a. Customers may only enroll Firm service natural gas accounts located in the Company's service territory.
b. Customer accounts located in Staten Island are ineligible for either the Load Shedding or Load Shifting Gas DR programs.
c. Non-Firm rate classifications may not participate in the program.
d. Customers may enroll in the Company's Commercial, Industrial and Multi-Family Programs directly with the Company (as a Direct Participant) or through a Third-Party Aggregator.

GENERAL INFORMATION – Continued

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

a. Starting with the 2021-2022 Program Year, accounts that are new to the Company's Gas DR programs must enroll a minimum of 1 ~~dekatherm (dth)~~dth at the specific site level. Customer enrolled accounts must consume at least 4,000 dths per year or have peak consumption greater than 1 dth per hour at the specific site level. Customers who previously have been enrolled in the Company's Commercial, Industrial and Multi-Family Gas Demand Response Programs in a season are exempt from this restriction.

~~b.~~e. Enrolled customers must have hourly interval gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31). The Company will install hourly interval gas metering equipment for eligible customers. Customers who do not have hourly interval gas metering equipment installed and functioning on enrolled sites as of the first day of the DR Season may not participate in the program, unless this delay is due to actions (or inaction) on part of the Company.

~~c.~~f. Customers without an existing DLC connection~~, and not enrolled through an Aggregator, and~~ who wish to participate in the DLC option~~s~~ must have peak consumption greater than ~~3~~2 dths per hour at the specific site enrolled into a DLC option. ~~Additionally, all customers enrolled in DLC options must have DLC enabled by the start of the DR Season. If this is not the case, the customer is not eligible to receive DLC rates until the month after the DLC connection has been completed.~~~~Customers that do not complete the work necessary to enable a DLC connection risk receiving a 0% Event Performance for any events called.~~ ~~The exception is if the cause of the delay is due to any action (or inaction) on the Company's part.~~

~~d.~~g. Specific to the Load Shedding Demand Response program options, customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source. Customers who can only shift gas loads to a different time period within the same day are encouraged to participate in the Load Shifting Demand Response program.

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GENERAL INFORMATION – Continued

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

~~a.~~h. Specific to the Load Shifting Demand Response program, customers are restricted from using a fossil fuel backup heating source to reduce load during demand response events. Participating customers will be asked to attest that they will not use such resources during Demand Response Events. A customer may, however, use Exempt resources. A list of Exempt resources shall be provided by the Company to participating customers. A Customer who does not comply with this rule may be barred from participating in the Program for the remainder of the DR Season and, potentially, future DR Seasons. Customers who must rely on a non-exempt fossil fuel alternative are strongly encouraged to participate in the Load Shedding Demand Response program

j. Enrollment Deadlines and Application

The deadlines for enrollment in the Company's Load Shedding DR programs are as follows:

Program	**Enrollment Deadline***	**Season Start**
Load Shedding DR	September 30	November 1
Load Shedding DR w/ DLC	September 1	November 1

The deadlines for enrollment in the Company's Load Shifting DR programs are as follows:

Program	**Enrollment Deadline***	**Season Start**
Load Shifting DR	September 30	November 1

* The Company may extend the enrollment deadline of September 30 by providing at least five (5) business days' prior notice. In no event shall the Company extend the enrollment deadline beyond the Season Start date.

Customer applications can be submitted via email to GasDR@nationalgrid.com, or directly to a customer's account representative. A customer will be considered enrolled in the program only upon receipt of confirmation from the Company. ~~The Company will confirm or deny a customer's request to enroll in a DR program within 5 business days of receipt of a complete application.~~

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GENERAL INFORMATION – Continued

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

Following the submission of an application, customers may be contacted for additional information or to arrange the installation of hourly metering and, if applicable, DLC equipment.

3. Aggregators

Customers may participate in either the Load Shedding DR program or Load Shifting DR program options directly with National Grid (as a Direct Participant) or through an approved Third-Party Aggregator. A direct participant may self-aggregate multiple individual accounts if the organization is not acting as a third-party aggregator.

A Third-Party Aggregator is an entity that aggregates accounts and represents load and is responsible for the actions of its customers with respect to the Company's DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Third-Party Aggregators may have one or more accounts enrolled in the Company's Commercial, Industrial, and Multi-Family Programs during a given season. Third parties applying on behalf of one or more customers must provide Letters of Authorization granting access to submit an application and/or receive program incentives on the customer's behalf. Third-Party Aggregators may also be required to provide additional documentation to receive customer data from the Company. Third-Party Aggregators must provide customer contact information to the Company, if requested. Third-Party Aggregators may also be required to have sales agreements with the customers they enroll in a Demand Response Program. Third-Party Aggregators may also be required to reconfirm participation with customers annually to avoid enrolling a customer who has switched to a different aggregator.

GENERAL INFORMATION – Continued

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

Only customer sites that are enrolled in the same Network and Program Option will be considered for aggregation (i.e. the performance of a site in Load Shedding Manual option cannot be evaluated against the performance of a site enrolled in Load Shedding DLC option). National Grid, by default, shall aggregate accounts enrolled within the same Network and Program Option into an Aggregation unless otherwise notified by the applicant. Unless otherwise specified, for each Third-Party Aggregator or Direct Participant acting as an Aggregator, only one such Aggregation may exist for the same Network and Program Option. Moreover, accounts enrolled within the Network and Program Option must either all belong to an Aggregation, or each be enrolled individually. Changes in aggregation status may only be made prior to the start of a given DR season.

Each customer site that an Aggregator has enrolled into a DR program as a part of an aggregation will have their performance measured at an individual level. This data will then be used to evaluate the Event ~~p~~Performance for the total portfolio of sites~~, based on the aggregation status of the given account~~ based on the sums of the individual baselines and consumption~~ in accordance with the ~~.

~~Unless they request payments at an individual site level, e~~Entities who operate as aggregators will receive one payment at the aggregation level, whether they have elected for an Aggregation or chose to enroll each account individually. If a Direct Participant self-aggregates, then the performance factors and payments will be handled as they are for Third-Party Aggregators.

4. Program Options

a. Load Shedding DR Program Options

Customers wishing to participate in the Load Shedding DR program must select one of the below program options.

Load Shedding DR Program Options

Program Option	**DLC**	**Hours**
Manual	No	6AM-10AM and/or 4PM-8PM
DLC	Yes	6AM-10AM and/or 4PM-8PM

GENERAL INFORMATION – Continued

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

Depending on the weather conditions, customers may be called to participate in a single event window, or during both the morning and evening periods of a given calendar day, as determined by the Company. Customers must be able to curtail consumption during two consecutive event windows if the Company determines it is needed. The table below outlines potential event dispatch options.

Load Shedding DR: Potential Dispatches

Dispatch Windows	Dispatch Hours
Both windows	6AM-10AM and 4PM-8PM (same calendar day but different gas days)
Single window	6AM-10AM only of event day
Single window	4PM-8PM only of event day
Both windows	4PM-8PM of calendar day and 6AM-10AM of consequent calendar day (different calendar day but same gas day)

b. Load Shifting DR Program Options

The Load Shifting DR program will offer incentives to customers who are able to shift their gas use from the peak hour period below.

Load Shifting DR Program Options

Program Option	DLC	Hours
Option 1	No	6AM-10AM

5. Event Windows

The event windows for the firm service commercial, industrial and multi-family demand response program are 6AM-10AM and from 4PM-8PM.

GENERAL INFORMATION – Continued

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

6. Direct Load Control Customers

Specific to customers who have enrolled in a DLC program option, eligibility for potential incentive payments could be impacted by delays in customer readiness that would prevent a site from participating in a DR Event via DLC equipment. ~~Any customer who elects the DLC option but does not have DLC enabled by the start of the season in one or more sites will not receive DLC rates for those specific sites until the month after the DLC connections are completed.~~

Customers will be provided the details of what work is required to complete the installation during a site visit and be given a 2-week period in which to complete that work. Any delay in customer readiness beyond that two-week period for Direct Load Control installation is defined as the presence of circumstances that would prevent the Company from installing equipment and performing necessary work at a customer's site(s) to enable the Company to remotely control dual-fuel capable boilers and meet remote switching requirements. Such circumstances would include, but are not limited to, the following:

- A customer or customer's contractor's failure to set up customer equipment by the date the Company's request between program enrollment and the start of the DR season
- A customer not providing the Company with power requirement for Direct Load Control equipment
- A customer not providing the Company with telecom equipment for Direct Load Control equipment
- Other items and conditions that a customer, customer's contractor and the Company had agreed upon between enrollment and the start of the DR season, but were not completed in time to enable the Company to proceed with installation of Direct Load Control equipment

~~If a customer chooses a DLC option but cannot meet DLC option requirements due to a delay caused by the customer or their contractor, the customer can choose to be considered a Manual DR participant for that event. In such an instance, the incentive will be calculated as for the corresponding Manual account for that event.~~

GENERAL INFORMATION – Continued

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

~~If an account had chosen to participate in Load Shedding DLC option (6AM-10AM AND/OR 4PM-8PM Event Window with DLC), but had a delay in customer readiness, the incentive payments would be based on the corresponding Load Shedding Manual option rates (6AM-10AM AND/OR 4PM-8PM Event Window without DLC).~~

The above also applies to Aggregators. A customer who also is an Aggregator and has chosen a DLC option must have DLC enabled at all customer sites that are part of the same aggregation to be considered a DLC DR participant for a DR event.

The exception to the above is if the cause of the delay is due to any action (or lack of) on the Company's part. Customers that do not meet the above criteria but are awaiting on work to be completed by National Grid are expected to perform through an event. Such customers will be eligible for program incentives based on the ~~original~~ selected option.

7. Customer Metering

Enrolled customer sites must have interval gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31) that enables the Company to record hourly usage data. Any customer new to the program will also be required to permit and coordinate with the Company or its Agents to install an M2M device, at the Company's expense. Returning Aggregators or customers with a portfolio-level Performance Factor of less than 25% at the close of the prior season will be required to pay the Company for the purchase cost of an M2M device and associated equipment for any new accounts added. The cost of an M2M device will be provided by Company representatives. New and returning customers may be required to perform, at the customers' expense, additional work related to meter power and communications to prepare their site for the installation of the devices. Customers who were enrolled in the program in a prior season will be able to use previously installed M2M equipment.

GENERAL INFORMATION – Continued

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

Customer sites that, as of the first day of the DR season, do not have installed and functioning hourly interval gas metering equipment that enable the Company to record and transmit customer usage data on an hourly basis for enrolled sites may be disqualified from participation in the program or risk ~~non-performance~~receiving 0% performance during events until metering work is completed, unless this is due to any action (or lack of) on part of the Company. As with DLC installations, the Company will grant customers a two-week window following a site visit in which customer work is required to be completed. The following circumstances are examples of actions that are not attributed to an action (or inaction) on part of the Company:

- A customer or customer's contractor's failure to set up customer equipment by the date of requested by the Company between program enrollment and the start of the DR season
- A customer not providing the Company with the power requirement for interval metering installation
- A customer not providing the Company with telecom equipment for interval metering installation
- Other items and conditions that a customer, customer's contractor and the Company had agreed upon between enrollment and the start of the DR season, but were not completed in due time to enable the Company to proceed with installation of interval metering equipment

Except for the above instances, a customer site will be considered eligible for participation in the program. If the interval gas meter is pending installation as of the first day of the DR season and it is due to a delay attributable to the Company, a customer is considered eligible for participation and expected to perform through an event. Such customers will be eligible for incentive payments. The Company may send a field technician to the site during an event to ensure that a Customer is performing and curtailing load as per their program guidelines. If a site is found not to be performing, then reductions to their Performance Factor may occur.

GENERAL INFORMATION – Continued

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

8. Events

a. Threshold Temperatures

The Threshold Temperature is defined as the temperature forecast at a designated weather station at or below which a Demand Response Event is eligible to be called. It can vary by DR Program.

Demand Response Event: Threshold Temperatures by Program

Program	Threshold Temperature
Load Shedding Program	10 degree Fahrenheit
Load Shifting Program	10 degree Fahrenheit

The designated weather stations are shown in the table.

Demand Response Event: Designated Weather Stations

Company	Weather Station
KEDNY	LaGuardia Airport
KEDLI	Republic Airport

b. Demand Response Events

For a given day, the Threshold Temperature is evaluated against the forecast of the Low (or Minimum) Temperature for each hour of the gas day, at designated weather stations. If the forecast of low temperature for any hour of the gas day is at or below the Threshold Temperature, the Company is eligible to call a Demand Response Event for customers enrolled in programs that meet such criteria. The Company can call a DR event for customers located in both the KEDNY and KEDLI territories when it meets such requirement at either one or both of the designated weather stations.

PSC NO: 12 GAS LEAF: 138.73
COMPANY: THE BROOKLYN UNION GAS COMPANY REVISION: 4~~3~~
INITIAL EFFECTIVE DATE: 11/01/202~~4~~5 SUPERSEDING REVISION: ~~2~~3
STAMPS: Issued in compliance with Order in Case 20-G-0086 dated ~~October 18, 2024~~

GENERAL INFORMATION – Continued

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

c. Emergency Events

The Company may ~~also~~ call Emergency Events for any Commercial, Industrial and Multi-Family DR program or option in the ~~event~~occurrence of an unexpected loss of upstream or distribution delivery capacity, extreme weather, or any emergency condition threatening the integrity of the Company's gas systems. Such events are exempt from the Event Threshold Temperature and/or the Event Notification criteria. Emergency Events may be called during any hours and shall not exceed the length of the maximum DR Event window duration for the Program and Program Option in which a customer is enrolled. An Emergency event ~~that does not meet the Event Notification criteria~~ shall not count towards a Customer's Performance Factor unless Emergency Event Performance would result in an increase to a Customer's Performance Factor and subsequent annual incentive. Customers will have the ability to earn Performance Payments during Emergency Events at the applicable Emergency Event Performance Rate.

d. Test Events

The Company reserves the right to conduct ~~up to two~~ one (1~~2~~) Test Event~~s~~ per DR season at its discretion. Test E~~e~~vents will be operated, paid, and counted as Program events with the exception that such events are exempt from the DR Event Threshold temperature criteria.

If no Events have occurred or forecasted to occur, ~~T~~the Company will conduct a ~~Planned~~ Test Event ~~for all participants early in the DR season~~ where ~~customers~~ all DR program participants will be required to enact their fuel switching, curtailment, or load shifting strategies for a 3-hour period from 6AM-9AM. ~~This Planned Test Event will occur early in the DR season, most likely in November.~~ Performance during ~~this Planned~~ Test Events will count towards customer Performance Factors~~,~~ and customers will have the ability to earn Performance Payments.
~~The Company may also conduct an additional Mid-Winter Test Event by February 14th if no actual events have occurred or are forecast to occur. This Mid-Winter Test Event will require customers to reduce gas load for a 3-hour period from 6AM-9AM. The Mid-Winter Test Event also will count towards a customer's Performance Factor and ustomers will have the ability to earn Performance Rate incentives for any Net Daily dths reduced during the Mid-Winter Test Event.~~

Issued by: Sally Librera, President, Brooklyn, New York

GENERAL INFORMATION – Continued

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

e. Event Notification

The Company shall provide customers at least 20 hours' advance notice of a DR Event or Test Event. For Emergency Events, the Companies shall make all attempts to provide customers at least 20 hours' advance notice; however, this may not always be the case. Emergency Events may be called fewer than 20 hours prior to the start of the event.

The Company will send Event notices using the customer's preferred method of communication (email and/or SMS). Customers will be asked to provide contact information for at least one (1) contact at each site being enrolled. Aggregators will be responsible for communicating the Company's Event notices to their respective customers; Direct Participants will receive Event notices directly from National Grid.

9. Enrollment Volumes

Each year the Company assigns Design Day ("Design Day dths") and Design Hour ("Peak Hour dths") consumption values at the account-level, for large commercial, industrial and multi-family customer accounts. These values are estimates, based on regression statistics calculated from historical monthly meter readings to predict customer and system-wide gas demand on a day when the temperature is 0 Degrees Fahrenheit. Where available, the Company also will utilize interval usage data for returning Demand Response customers, who have hourly interval metering installed, to refine Design Day consumption estimates.

GENERAL INFORMATION – Continued

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

The Company utilizes the above estimate of Design Day and Design Hour consumption to arrive at a customer's maximum potential reduction during an Event, under Design Day conditions, for the specific DR Program Option a customer seeks to enroll in. Participating customers will be required to provide, subject to the Company's review and acceptance, a commitment for the ~~dekatherm~~ dth reduction achievable for the specific DR Program option they seek to enroll in. This is the Enrollment Volume. No customer may commit to a value that exceeds that customer's maximum potential reduction during the event window.

10. Incentive Rates

The applicable Incentive Rates shall be posted on the Demand Response Incentive Statement filed with the Public Service Commission not less than 60 days before their effective date.

11. Payment Calculations

Customers will be eligible for incentives earned each season based on the calculations shown below. Unless otherwise agreed to with the Company, all incentives earned for the Load Shedding or Load Shifting Program options will be paid within 90 days of the close of the DR season. Examples of payment calculations can be found ~~in the Gas Firm Service Commercial, Industrial, Multifamily Load Shedding and Load Shifting Demand Response Program Overview and Guidelines document shared~~ on the Company's website at https://www.nationalgridus.com/NY-Business/Energy-Saving-Programs/Demand-Response

a. Reservation Payment

An enrolled customer or Aggregator will receive a Reservation Payment equal to the committed event ~~dekatherm~~ dth reduction multiplied by the applicable Reservation Rate in the Demand Response Incentive Statement and adjusted by the then applicable Performance Factor ("PF") for each month of the winter season. Customers will not be eligible for a Reservation Payment in any month where an enrolled account's or aggregation's calculated Performance Factor is less than 25%.

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. Bonus Incentive

A customer participating in the Load Shedding or Load Shifting program may be eligible to earn a bonus incentive on the condition that the customer utilizes its incentives for an energy efficiency project. Full eligibility requirements for the Bonus Incentive are available ~~in the Gas Firm Service Commercial, Industrial, Multifamily Load Shedding and Load Shifting Demand Response Program Overview and Guidelines document.~~on the Company's website.

~~e~~d. 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 30 'like' days (or 12 '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. In cases where an 8-hour event crosses two day types (i.e. Friday PM into Saturday AM), the Company will use the applicable baseline calculation for each 4-hour period in the applicable day. The performance during these event windows will then be combined to determine overall Event Performance.

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:

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GENERAL INFORMATION – Continued

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 30 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.

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

v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.
vi) To apply the Weather Adjustment, take the average of the ~~average daily~~ adjustment window (from six hours prior to the start of the event to the end of the event) temperature ~~(~~in HDD~~)~~ of the 5 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the Average Baseline HDD from the Event Day HDD. Multiply the resulting difference by 1.2% and add 1. The result is the Weather Adjustment Factor. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

GENERAL INFORMATION – Continued

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

For holiday or weekend events, the baseline for each account will be calculated as follows:

i) Take the total event window consumption in each of the last 12 weekend or holiday days, excluding those where a DR Event occurred (a 'like' day).
ii) Of those days, average the event window consumption for the 4 days 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.
v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.
vi) To apply the Weather Adjustment, take the average of the adjustment window (from six hours prior to the start of the event to the end of the event) ~~average daily~~ temperature (in HDD) of the 4 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the Average Baseline HDD from the Event Day HDD. Multiply the resulting difference by 1.2% and add 1. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

To calculate Event Performance, an account's actual consumption during the event window will be compared against the calculated baseline for the aggregate usage over the entire event window. Since the maximum value an account may enroll is based on expected consumption during a Design Day, accounts may have an enrollment value greater than the calculated baseline for a given event or test event, even when they completely eliminate load during a DR Event. To ensure these accounts are not improperly judged for performance, an account's metered load during an event will be compared to the lesser of the enrollment quantity or the calculated baseline.

GENERAL INFORMATION – Continued

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

At the Company's sole discretion, customers may be permitted to provide alternate performance verification during events in lieu of the above baseline calculations.

The Company will also apply this same baseline methodology to the 3 hours immediately prior to ('Pre-Heating Period') and following ('Snapback Period') a DR Event or Test Event. Any customers participating in the Load Shedding DR program options found to have shifted load to a different part of the day will have their Event Performance reduced by that amount, impacting their Performance Factor. However, a customer may offset fully or partially the sum of usage increases in the Pre-Heating and/or Snapback periods by the sum of positive load curtailments during other hours in those same periods, but only to the maximum of the sum of Pre-Heating and Snapback usage increase. Any additional overperformance in the Pre-Heating and/or Snapback periods will not be credited towards Event Performance.

Additionally, the Company will drop from the Event Window, Pre-Heating, or Snapback period baseline calculations any prior days where the Event Window, Pre-Heating or Snapback consumption was zero.

In the case of customers participating in the Load Shifting DR program options, Pre-Heating and/or Snapback usage increases will not be deducted from Event Performance. In both cases the Company will calculate the Net Daily Reduction (Event Reduction minus Pre-Heating or Snapback increases) for all customers. This Net Daily Reduction will be used in the calculation of the Performance Payment.

GENERAL INFORMATION – Continued

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

a. Performance Factor

The Performance Factor is a percentage value assigned to each Customer account or aggregation based on a 3-event or test event rolling average of Event Performance. For a new account or aggregation that has not participated in three (3) or more historical events commencing enrollment, the Performance Factor will be calculated based on the average Event Performance for all historical events where the account was eligible to participate. The Performance Factor will be applied to and adjust a Customer's monthly Reservation Payment at the close of each month.

For returning customer accounts or Aggregations, the starting Performance Factor will be equal to the calculated Performance Factor as of the close of the prior season. Each subsequent event during the season will adjust the Performance Factor used in monthly Reservation Payment settlements.

New customer accounts or Aggregations will begin the season with an assumed Performance Factor of 100%, but the Event Performance during the first event or test event will retroactively apply to any months where no events occurred.

Accounts that elect to leave an Aggregator and enroll directly with National Grid shall have their Performance Factor set to their most recent individual Performance Factor. The parent Aggregation or Sub-Aggregation shall retain its Performance Factor.

The same is true for each account in an existing Aggregation or Sub-Aggregation that elects to be disaggregated the following season. In such a case, the account shall have their Performance Factor set to their most recent individual Performance Factor.

In cases of an account that elects to move to another existing Aggregation or Sub-Aggregation, this shall have no impact to the parent Aggregation or Sub-Aggregation's Performance Factor, or the new Aggregation or Sub-Aggregation's Performance Factor.

GENERAL INFORMATION – Continued

64. Firm Gas Demand Response ("DR") for Residential and Small//Medium Business Customers

RESIDENTIAL & SMALL/MEDIUM BUSINESS
REMOTE LOAD CONTROL PROGRAM

Purpose: The Residential and Small-to-Medium Business Remote Load Control Program will allow the Company's' to remotely control the customer's Control Device to reduce the customer's gas usage during an Event. Customers participating in this Program must have load controllable equipment that consumes natural gas and install a Control Device that can remotely control such equipment.

1. Eligible Customers must be served under either of Service Classification Nos. 1, 2, 3, Service Classification Nos..17-1, 17-2, and 17-3.
2. Eligible Control Devices need to be connected to a load controllable equipment that uses natural gas to participate in the Program.
3. Definitions - the following terms are defined for purposes of this Program only:

"Capability Period" is the period from November 1 through March 31 of any Program year, during which the Company can remotely control the participating customer's equipment.

"Network" A network is a gas distribution network or load area designated by National Grid. Furthermore, the boundaries may be distinct among the Gas DR programs.

"Control Device" is a device installed on a customer's premise that allows the Company's to remotely connect to such device when an Event is called and control an equipment that uses natural gas. For purposes of this Program, Control Device means one or more devices as may be required to control the equipment. Each Control Device contains a feature that allows the customer to override the Company's' control of the customer's equipment. The Control Device must be provided, installed and connected to the Internet by the Customer or its Service Provider, and the Control Device must be able to communicate with National Grid's control system. A list of the Company's' approved devices will be published on the Company's' website.

GENERAL INFORMATION – Continued

64. Firm Gas Demand Response ("DR") for Residential and Small//Medium Business Customers - Continued

An **"Event"** may be declared by the Company under the following parameters:

a. Events may be called during the months of November through March, inclusive.
b. Events may be called when the forecasted low temperature at either LaGuardia or Republic airports is 10 degrees or lower.
c. Except as described below, Events may last up to 4-hours, occurring either from 6AM – 10AM or 4PM – 8PM.
d. Customers may also agree to participate through a Control Device manufacturer that has enabled Full Day Events, defined as a 20-hour period from 10AM-6AM.
e. In the case the Company has established a Network for this Program, Events may be called only for specific networks.
f. A customer may override the controls at any point prior to or during an Event, however doing so may impact the customer's ability to continue to receive annual incentives.
g. Outside of Emergency Events and Full Day Events, National Grid will not call more than 1 event for any single device during the same calendar day.
h. The Company reserves the right to call Emergency Events in the instance of an unexpected loss of upstream or distribution delivery capacity, extreme weather or any emergency condition threatening the integrity of the Company's' gas system.
i. The Company will conduct one Mid-Winter Test Event per season if no actual Events have yet occurred.

"Service Provider" means a provider registered with, and approved by, the Company to develop, maintain, and operate a communications portal that enables Internet-connected Control Devices to participate under this Program.

1. Eligible customers may enroll in the program through an eligible Control Device manufacturer or directly through National Grid through the following webpage: https://www.nationalgridus.com/NY-Home/Energy-Saving-Programs/ConnectedSolutions

There are no deadlines for customer enrollment, and customers will remain in the program unless they request to unenroll or are removed by National Grid for failure to adhere to program rules.

GENERAL INFORMATION – Continued

64. Firm Gas Demand Response ("DR") for Residential and Small//Medium Business Customers - Continued

2. Customers who enroll a Control Device in the Program through a Control Device manufacturer or directly through National Grid, or through a Service Provider, with their own Control Device or a Control Device provided by the Service Provider or manufacturer, will receive a one-time sign up payment after the Control Device is installed and after the Company and/or Service Provider has confirmed the Company's ability to communicate with the Control Device. The one- time sign up incentive will be payable by check, bill credit, or gift card at the Company's discretion. The incentive rate varies by device class and is published on the Company's website. Starting with the second Capability Period in which the customer participates, the customer will be eligible for an annual incentive payment, payable by check, bill credit, or gift card at the Company's discretion, after each Capability Period in which the Company can verify that the customer allowed the Company to control the Control Device for no less than 70 percent of the aggregate number of event hours declared by the Company during the Capability Period. The Company reserves the right to cancel a customer's participation in the program if they participate in fewer than 15% of event hours during a season. Customer will be deemed to not have participated in an event hour if they override the Control Device signal, disconnect their device or have the Control Device offline for that hour. Event hour performance will be calculated to a fractional value based on the number of minutes a customer was participating.

3. Incentive Payments - The Residential & Small/Medium Business Remote Load Control Program Incentive Payments shall be posted on the Demand Response Incentive Statement filed with the Public Service Commission not less than 60 days before their effective date.

4. Restrictions – This Program is not available to customers who reside in Staten Island.

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GENERAL INFORMATION – Continued

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

1. Definitions – the following terms are defined for purposes of this Program only:

   "**Aggregator**" means an entity that aggregates and represents load and is responsible for the actions of its customers with respect to the Company's DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Aggregators may have one or more accounts enrolled in the Company's' Commercial, Industrial and Multi-Family Programs during a given season. Aggregators will only aggregate accounts within the same Network and Program Option.

   "**Aggregation**" refers to either a sub-aggregation, or two or more customers and the summation of their respective loads, represented by a Third Party Aggregator or Direct Participant acting as an Aggregator, within a given Network and Program Option, if there are no sub-aggregations for that aggregator within that Network and Program Option.

   "**Agreement**" means the Customer's or Aggregator's application accepted by the Company, including all related exhibits, schedules, supplements, or attachments thereto. In the event of conflict between the Application (or any related exhibits, schedules, supplements, or attachments thereto) and the Tariff, the Tariff shall govern.

   "**Baseline**" is a calculated metric that accounts for the fact that not all DR Events or Test Events will occur under Design Day conditions and is an estimate of the natural gas quantity an account would have consumed otherwise on an event day in the absence of a DR Event (the counterfactual).

   "**Customer**" means the firm, commercial, industrial, or multi-family customer maintaining an account for natural gas service with the Company, in the Company's service territory and that satisfies the Program requirements, as determined by the Company.

   "**Customer Data**" means all data and information collected by the Company from Customer in respect of the Program, including, but not limited to (a) data and information collected by Metering Equipment, and (b) other data and information collected for the purposes of determining (i) the amount of payments (if any) to be remitted to Customer in accordance with the Agreement, and (ii) Customer's compliance with Program requirements and the Agreement.

GENERAL INFORMATION – Continued

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

"**Demand Response Event**" or "DR Event" means a period of time during the Demand Response Season for which the Company, upon not less than twenty (20) hours' notice to Customer (i.e. by 10AM the morning prior to a DR Event expected to be called in the 6AM-10AM window the following calendar day), shall indicate that Customer must curtail Customer's consumption of natural gas in accordance with the Agreement. Customers must curtail Customer's consumption of natural gas in accordance with the Program and specific Program Option chosen.

"**Demand Response Season**" or "DR Season", also known as Winter Capability Period, means the period during which Customer is participating in the Program, beginning on November 1 and ending on March 31, inclusive.

"**Design Day**" is a 24-hour period of peak demand which is used as a basis for planning gas capacity requirements. National Grid models the Downstate NY gas supply and distribution requirements based upon a Design Day average temperature of 0° Fahrenheit in Central Park (i.e., 65 Heating Degree Days).

"**Design Hour**" is the peak hour of a Design Day.

"**Direct Load Control (DLC)**" The presence of a communications device which allows the Company to remotely switch Customers' gas load to an alternate fuel, or any other set-up that gives the Company remote control of gas equipment.

"**Exempt Resource**" is a backup energy source that uses the following alternative options to generate thermal energy: Electricity-based technologies (including heat pumps), biodiesel/biofuel blends that contain twenty percent or more biodiesel by volume, solid biomass fuels (including pelletized wood except in NYC, municipal solid waste), alcohols (ethanol or methanol), hydrogen, renewable natural gas or any resource or combination of resources listed as a Renewable Energy System under the New York State Climate Leadership and Community Protection Act.

"**Event Performance**" means the comparison of an account's or Aggregation's actual consumption during the event window against its calculated baseline for the aggregate usage over the entire event window.

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GENERAL INFORMATION – Continued

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

"**Incentive Payment**" means a payment paid to the Customer for its qualifying participation, as determined by the Company. It is defined as the sum of potential Reservation Payment and Performance Payments.

"**Load Shedding Demand Response Program**" is a program for large firm Commercial, Industrial and Multi-Family customers capable of reducing peak day gas loads for a period of up to 8 hours on event days. Customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source.

"**Load Shifting Demand Response Program**" is a program for firm Commercial, Industrial and Multi-Family customers who shift gas loads out of a 4-hour peak period window on event days. Load Shifting Demand Response Program Customers are restricted from using a fossil fuel backup heating fuel source to reduce load during demand response events.

"**Metering Equipment**" means the Company-owned meters and any other related equipment or items that are owned by the Company and installed at the applicable Customer Site for the monitoring of natural gas flow and usage or controlling gas equipment.

"**Network**" A network is a gas distribution network or load area designated by the Company. Furthermore, the boundaries may be distinct among the Gas DR programs.

"**Performance Factor (PF)**" Percent value assigned to each account based on a 3-event rolling average of Event Performance. The Performance Factor will be applied to Customer's monthly incentive payment at the close of each month. All new Customers and Third-Party Aggregators will start the season with an assumed 100% PF; however, the Event Performance during the first event or test event will retroactively apply to any prior months when no events occurred. PF will carry over from prior winter for returning Customers.

"**Performance Payment**" is a type of incentive payment equal to the applicable Performance Rate multiplied by the verified daily quantity of natural gas curtailed by a Customer during a Demand Response Event.

"**Performance Rate**" is the eligible incentive payment per dekatherm (dth) of natural gas curtailed during a Demand Response Event. It can vary by the program option a customer is enrolled in.

"**Program**" means the Natural Gas Firm Demand Response Program offered by the Company to eligible Customers.

"**Program Month**" means each calendar month during the Demand Response Season.

"**Program Option**" refers to the commitment type that a customer who wishes to enroll in the Company's Demand Response Program must choose. Each Program may have one or multiple Program Options. These options vary in aspects such as hours, curtailment methods etc.

GENERAL INFORMATION – Continued

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

"**Reservation Payment**" Payment equal to the enrolled event ~~dekatherm~~ dth reduction multiplied by the Reservation Rate and adjusted by the then applicable Performance Factor for each month of the winter season.

"**Reservation Rate**" is the incentive payment per ~~dekatherm~~ dth of natural gas a Customer has agreed to curtail should a Demand Response Event be called. It can vary by the program and program option a customer is enrolled in.

"**Site**" means Customer's facility in the Company's service territory to which firm natural gas service is provided by the Company.

"**Sub-Aggregation**" is a declared subset of two or more customers and the summation of their respective loads, represented by a Third-Party Aggregator or Direct Participant acting as an Aggregator, within a given Network and Program Option.

"**Test Event**" means a test demand response event called by the Company for the purpose of assessing Customer's ability to participate in the Program. Customers will receive incentive payments for usage curtailed during a Test Event, and compliance during a Test Event will count towards the Performance Factor.

2. Customer Eligibility

Customers are eligible to enroll in any of the Company's Demand Response programs for Commercial, Industrial and Multi-Family accounts if they satisfy the following criteria.

a. Customers may only enroll Firm service natural gas accounts located in the Company's service territory.
b. Non-Firm rate classifications may not participate in the program.
c. Customers may enroll in the Company's Commercial, Industrial and Multi-Family Programs directly with the Company (as a Direct Participant) or through a Third-Party Aggregator.

GENERAL INFORMATION – Continued

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

a. Starting with the 2021-2022 Program Year, accounts that are new to the Company's Gas DR programs must enroll a minimum of 1 ~~dekatherm (dth)~~dth at the specific site level. Customer enrolled accounts must consume at least 4,000 dths per year or have peak consumption greater than 1 dth per hour at the specific site level. Customers who previously have been enrolled in the Company's Commercial, Industrial and Multi-Family Gas Demand Response Programs in a season are exempt from this restriction.
b. Enrolled customers must have hourly interval gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31). The Company will install hourly interval gas metering equipment for eligible customers. Customers who do not have hourly interval gas metering equipment installed and functioning on enrolled sites as of the first day of the DR Season may not participate in the program, unless this delay is due to actions (or inaction) on part of the Company.
c. Customers without an existing DLC connection~~, and not enrolled through an Aggregator, and~~ who wish to participate in the DLC options must have peak consumption greater than ~~3~~ 2 dths per hour at the specific site enrolled into a DLC option. ~~Additionally, all customers enrolled in DLC options must have DLC enabled by the start of the DR Season. If this is not the case, the customer is not eligible to receive DLC rates until the month after the DLC connection has been completed. The exception is if the cause of the delay is due to any action (or inaction) on the Company's part.~~
d. Specific to the Load Shedding Demand Response program options, customers must have the ability to reduce gas consumption by shutting off non-heating gas equipment or switching to a backup, non-gas heating fuel source. Customers who can only shift gas loads to a different time period within the same day are encouraged to participate in the Load Shifting Demand Response program.
e. Specific to the Load Shifting Demand Response program, customers are restricted from using a fossil fuel backup heating source to reduce load during demand response events. Participating customers will be asked to attest that they will not use such resources during Demand Response Events. A customer may, however, use Exempt resources. A list of Exempt resources shall be provided by the Company to participating customers. A Customer who does not comply with this rule may be barred from participating in the Program for the remainder of the DR Season and, potentially, future DR Seasons. Customers who must rely on a non-exempt fossil fuel alternative are strongly encouraged to participate in the Load Shedding Demand Response program.

GENERAL INFORMATION – Continued

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

i. Enrollment Deadlines and Application

The deadlines for enrollment in the Company's Load Shedding DR programs are as follows:

Program	**Enrollment Deadline***	**Season Start**
Load Shedding DR	September 30	November 1
Load Shedding DR w/DLC	September 1	November 1

The deadlines for enrollment in the Company's Load Shifting DR programs are as follows:

Program	**Enrollment Deadline***	**Season Start**
`Load Shifting DR	September 30	November 1

* The Company may extend the enrollment deadline of September 30 by providing at least five (5) business days' prior notice. In no event shall the Company extend the enrollment deadline beyond the Season Start date.

Customer applications can be submitted via email to GasDR@nationalgrid.com, or directly to a customer's account representative. A customer will be considered enrolled in the program only upon receipt of confirmation from the Company. ~~The Company will confirm or deny a customer's request to enroll in a DR program within 5 business days of receipt of a complete application.~~

Following the submission of an application, customers may be contacted for additional information or to arrange the installation of hourly metering and, if applicable, DLC equipment.

GENERAL INFORMATION – Continued

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

3. Aggregators

Customers may participate in either the Load Shedding DR program or Load Shifting DR program options directly with National Grid (as a Direct Participant) or through an approved Third-Party Aggregator. A direct participant may self-aggregate multiple individual accounts if the organization is not acting as a third-party aggregator.

A Third-Party Aggregator is an entity that aggregates accounts and represents load and is responsible for the actions of its customers with respect to the Company's DR programs. Such an entity may also assist customers and property owners/managers with DR program participation. Third-Party Aggregators may have one or more accounts enrolled in the Company's Commercial, Industrial, and Multi-Family Programs during a given season. Third parties applying on behalf of one or more customers must provide Letters of Authorization granting access to submit an application and/or receive program incentives on the customer's behalf. Third-Party Aggregators may also be required to provide additional documentation to receive customer data from the Company. Third-Party Aggregators must provide customer contact information to the Company, if requested. Third-Party Aggregators may also be required to have sales agreements with the customers they enroll in a Demand Response Program. Third-Party Aggregators may also be required to reconfirm participation with customers annually to avoid enrolling a customer who has switched to a different aggregator.

GENERAL INFORMATION – Continued

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

Only customer sites that are enrolled in the same Network and Program Option will be considered for aggregation (i.e. the performance of a site in Load Shedding Manual option cannot be evaluated against the performance of a site enrolled in Load Shedding DLC Option). National Grid, by default, shall aggregate accounts enrolled within the same Network and Program Option into an Aggregation unless otherwise notified by the applicant. Unless otherwise specified, for each Third-Party Aggregator or Direct Participant acting as an Aggregator, only one such Aggregation may exist for the same Network and Program Option. Moreover, accounts enrolled within the Network and Program Option must either all belong to an Aggregation, or each be enrolled individually. Changes in aggregation status may only be made prior to the start of a given DR season.

Each customer site that an Aggregator has enrolled into a DR program as a part of an aggregation will have their performance measured at an individual level. This data will then be used to evaluate the Event ~~p~~Performance for the total portfolio of sites~~, based on the aggregation status of the given account~~ based on the sums of the individual baselines and consumption. ~~Unless they request payments at an individual site level, e~~

Entities who operate as aggregators will receive one payment at the aggregation level, whether they have elected for an Aggregation or chose to enroll each account individually. If a Direct Participant self-aggregates, then the performance factors and payments will be handled as they are for Third-Party Aggregators.

4. Program Options

a. Load Shedding DR Program Options

Customers wishing to participate in the Load Shedding DR program must select one of the below program options.

Load Shedding DR Program Options

Program Option	DLC	Hours
Manual	No	6AM-10AM and/or 4PM-8PM
DLC	Yes	6AM-10AM and/or 4PM-8PM

GENERAL INFORMATION – Continued

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

Depending on the weather conditions, customers may be called to participate in a single event window, or during both the morning and evening periods of a given calendar day, as determined by the Company. Customers must be able to curtail consumption during two consecutive event windows if the Company determines it is needed. Below table outlines potential event dispatch options.

Load Shedding DR: Potential Dispatches

Dispatch Windows	Dispatch Hours
Both windows	6AM-10AM and 4PM-8PM (same calendar day but different gas days)
Single window	6AM-10AM only of event day
Single window	4PM-8PM only of event day
Both windows	4PM-8PM of calendar day and 6AM-10AM of consequent calendar day (different calendar day but same gas day)

b. Load Shifting DR Program Options

The Load Shifting DR program will offer incentives to customers who are able to shift their gas use from the peak hour period below

Load Shifting DR Program Options

Program Option	DLC	Hours
Option 1	No	6AM-10AM

GENERAL INFORMATION – Continued

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

5. Event Windows

The event windows for the firm service commercial, industrial and multi-family demand response program are 6AM-10AM and from 4PM-8PM.

6. Direct Load Control Customers

Specific to customers who have enrolled in a DLC program option, eligibility for potential incentive payments could be impacted by delays in customer readiness that would prevent a site from participating in a DR Event via DLC equipment. ~~Any customer who elects the DLC option but does not have DLC enabled by the start of the season in one or more sites will not receive DLC rates for those specific sites until the month after the DLC connections are completed~~

Customers will be provided the details of what work is required to complete the installation during a site visit and be given a 2-week period in which to complete that work. Any ~~A~~ delay in customer readiness beyond that two-week period for Direct Load Control installation is defined as the presence of circumstances that would prevent the Company from installing equipment and performing necessary work at a customer's site(s) to enable the Company to remotely control dual-fuel capable boilers and meet remote switching requirements. Such circumstances would include, but are not limited to, the following:

- A customer or customer's contractor's failure to set up customer equipment by the date the Company's request between program enrollment and the start of the DR season
- A customer not providing the Company with power requirement for Direct Load Control equipment
- A customer not providing the Company with telecom equipment for Direct Load Control equipment
- Other items and conditions that a customer, customer's contractor and the Company had agreed upon between enrollment and the start of the DR season, but were not completed in time to enable the Company to proceed with installation of Direct Load Control equipment

GENERAL INFORMATION – Continued

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

~~If a customer chooses a DLC option but cannot meet DLC option requirements due to a delay caused by the customer or their contractor, the customer can choose to be considered a Manual DR participant for that event. In such an instance, the incentive will be calculated as for the corresponding Manual account for that event.~~

~~If an account had chosen to participate in Load Shedding DLC (option 6AM-10AM AND/OR 4PM-8PM Event Window with DLC), but had a delay in customer readiness, the incentive payments would be based on the corresponding Load Shedding Manual option rates (6AM-10AM AND/OR 4PM-8PM Event Window without DLC).~~ The above also applies to Aggregators. A customer who also is an Aggregator and has chosen a DLC option must have DLC enabled at all customer sites that are part of the same aggregation to be considered a DLC DR participant for a DR event.

The exception to the above is if the cause of the delay is due to any action (or lack of) on the Company's part. Customers that do not meet the above criteria but are awaiting on work to be completed by National Grid are expected to perform through an event. Such customers will be eligible for program incentives based on the ~~original~~ selected option.

7. Customer Metering

Enrolled customer sites must have interval gas metering equipment installed and functioning during the DR Season (Nov 1 – Mar 31) that enables the Company to record hourly usage data. Any customer new to the program will also be required to permit and coordinate with the Company or its Agents to the install an M2M device, at the Company's expense. Returning Aggregators or customers with a portfolio-level Performance Factor of less than 25% at the close of the prior season will be required to pay the Company for the purchase cost of an M2M device and associated equipment for any new accounts added. The cost of the M2M device will be provided by Company representatives. New and returning customers may be required to perform, at the customers' expense, additional work related to meter power and communications to prepare their site for the installation of the devices. Customers who were enrolled in the program in a prior season will be able to use previously installed M2M equipment.

GENERAL INFORMATION – Continued

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

Customer sites that, as of the first day of the DR season, do not have installed and functioning hourly interval gas metering equipment that enable the Company to record and transmit customer usage data on an hourly basis for enrolled sites may be disqualified from participation in the program or risk receiving 0% performance during events until metering work is completed, unless this is due to any action (or lack of) on part of the Company. As with DLC installations, the Company will grant customers a two-week window following a site visit in which customer work is required to be completed. The following circumstances are examples of actions that are not attributed to an action (or inaction) on part of the Company:

- A customer or customer's contractor's failure to set up customer equipment by the date of requested by the Company between program enrollment and the start of the DR season
- A customer not providing the Company with the power requirement for interval metering installation
- A customer not providing the Company with telecom equipment for interval metering installation
- Other items and conditions that a customer, customer's contractor and the Company had agreed upon between enrollment and the start of the DR season, but were not completed in due time to enable the Company to proceed with installation of interval metering equipment

Except for the above instances, a customer site will be considered eligible for participation in the program. If the interval gas meter is pending installation as of the first day of the DR season and it is due to a delay attributable to the Company, a customer is considered eligible for participation and expected to perform through an event. Such customers will be eligible for incentive payments. The Company may send a field technician to the site during an event to ensure that a Customer is performing and curtailing load as per their program guidelines. If a site is found not to be performing, then reductions to their Performance Factor may occur.

8. Events

a. Threshold Temperatures

The Threshold Temperature is defined as the temperature forecast at a designated weather station at or below which a Demand Response Event is eligible to be called. It can vary by DR Program.

Demand Response Event: Threshold Temperatures by Program

Program	Threshold Temperature
Load Shedding Program	10 degree Fahrenheit
Load Shifting Program	10 degree Fahrenheit

GENERAL INFORMATION – Continued

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

The designated weather stations are shown in the table.

Demand Response Event: Designated Weather Stations

Company	Weather Station
KEDNY	LaGuardia Airport
KEDLI	Republic Airport

b. Demand Response Events

For a given day, the Threshold Temperature is evaluated against the forecast of the Low (or Minimum) Temperature for each hour of the gas day, at designated weather stations. If the forecast of low temperature for any hour of the gas day is at or below the Threshold Temperature, the Company is eligible to call a Demand Response Event for customers enrolled in programs that meet such criteria. The Company can call a DR event for customers located in both the KEDNY and KEDLI territories when it meets such requirement at either one or both of the designated weather stations.

c. Emergency Events

The Company may ~~also~~ call Emergency Events for any Commercial, Industrial and Multi-Family DR program or option in the ~~event~~ occurrence of an unexpected loss of upstream or distribution delivery capacity, extreme weather, or any emergency condition threatening the integrity of the Company's gas systems. Such events are exempt from the Event Threshold Temperature and/or Event Notification criteria. Emergency Events may be called during any hours and shall not exceed the length of the maximum DR Event window duration for the Program and Program Option in which a customer is enrolled. An Emergency event ~~that does not meet the Event Notification criteria~~ shall not count towards a Customer's Performance Factor unless Emergency Event Performance would result in an increase to a Customer's Performance Factor and subsequent annual incentive. Customers will have the ability to earn Performance Payments during Emergency Events at the applicable Emergency Event Performance Rate.

d. Test Events

The Company reserves the right to conduct ~~up to two (2)~~one (1) Test Event~~s~~ per DR season at its discretion. Test events will be operated, paid, and counted as Program events with the exception that such events are exempt from the DR Event Threshold temperature criteria.

If no Events have occurred or forecasted to occur, ~~T~~the Company will conduct a ~~Planned~~ Test Event ~~for all participants early in the DR season~~ where ~~customers~~ DR program participants will be required to enact their fuel switching, curtailment, or load shifting strategies for a 3-hour period from 6AM-9AM. ~~This Planned Test Event will occur early in the DR season, most likely in November.~~ Performance during ~~this Planned~~ Test Events will count towards customer Performance Factors~~,~~ and customers will have the ability to earn Performance Payments.

GENERAL INFORMATION – Continued

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

~~The Company may also conduct an additional Mid-Winter Test Event by February 14th if no actual events have occurred or are forecast to occur. This Mid-Winter Test Event will require customers to reduce gas load for a 3-hour period from 6AM-9AM. The Mid-Winter Test Event also will count towards a customer's Performance Factor and customers will have the ability to earn Performance Rate incentives for any Net Daily dths reduced during the Mid-Winter Test Event.~~

e. Event Notification

The Company shall provide customers at least 20 hours' advance notice of a DR Event or Test Event. For Emergency Events, the Companies shall make all attempts to provide customers at least 20 hours' advance notice; however, this may not always be the case. Emergency Events may be called fewer than 20 hours prior to the start of the event.

The Company will send Event notices using the customer's preferred method of communication (email and/or SMS). Customers will be asked to provide contact information for at least one (1) contact at each site being enrolled. Aggregators will be responsible for communicating the Company's Event notices to their respective customers; Direct Participants will receive Event notices directly from National Grid.

9. Enrollment Volumes

Each year the Company assigns Design Day ("Design Day dths") and Design Hour ("Peak Hour dths") consumption values at the account-level, for large commercial, industrial and multi-family customer accounts. These values are estimates, based on regression statistics calculated from historical monthly meter readings to predict customer and system-wide gas demand on a day when the temperature is 0 Degrees Fahrenheit. Where available, the Company also will utilize interval usage data for returning Demand Response customers, who have hourly interval metering installed, to refine Design Day consumption estimates.

The Company utilizes the above estimate of Design Day and Design Hour consumption, to arrive at a customer's maximum potential event dekatherm reduction during an Event, under Design Day conditions, for the specific DR Program Option a customer seeks to enroll in.

Participating customers will be required to provide, subject to the Company's review and acceptance, a commitment for the dekatherm reduction achievable for the specific DR program option they seek to enroll in. This is the Enrollment Volume. No customer may commit to a value that exceeds that customer's maximum potential reduction during the event window.

GENERAL INFORMATION – Continued

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

10. Incentive Rates

The applicable Incentive Rates shall be posted on the Demand Response Incentive Statement filed with the Public Service Commission not less than 60 days before their effective date.

11. Payment Calculations

Customers will be eligible for incentives earned each season based on the calculations shown below. Unless otherwise agreed to with the Company, all incentives earned for the Load Shedding or Load Shifting Program options will be paid within 90 days of the close of the DR season. Examples of payment calculations can be found ~~in the Gas Firm Service Commercial, Industrial, Multifamily Load-Shedding and Load-Shifting Demand Response Program Overview and Guidelines document shared~~ on the Company's website at https://www.nationalgridus.com/NY-Business/Energy-Saving-Programs/Demand-Response.

a. Reservation Payment

An enrolled customer or Aggregator will receive a Reservation Payment equal to the committed event ~~dekatherm~~ dth reduction multiplied by the applicable Reservation Rate in the Demand Response Incentive Statement and adjusted by the then applicable Performance Factor ("PF") for each month of the winter season. Customers will not be eligible for a Reservation Payment in any month where an enrolled account's or aggregation's calculated Performance Factor is less than 25%.

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.

Bonus Incentive

A customer participating in the Load Shedding or Load Shifting program may be eligible to earn a bonus incentive on the condition that the customer utilizes its incentives for an energy efficiency project. Full eligibility requirements for the Bonus Incentive are available ~~in the Gas Firm Service Commercial, Industrial, Multifamily Load-Shedding and Load-Shifting Demand Response Program Overview and Guidelines document~~on the Company's website.

Issued by: Sally Librera, President, Hicksville, New York

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GENERAL INFORMATION – Continued

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

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 30 'like' days (or 12 '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. In cases where an 8-hour event crosses two day types (i.e. Friday PM into Saturday AM), the Company will use the applicable baseline calculation for each 4-hour period in the applicable day. Those will then be combines to determine Event Performance.

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 30 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.
v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.

GENERAL INFORMATION – Continued

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

vi) To apply the Weather Adjustment, take the average of the adjustment window (from six hours prior to the start of the event to the end of the event)~~average daily~~ temperature (in HDD) of the 5 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the Average Baseline HDD from the Event Day HDD. Multiply the resulting difference by 1.2% and add 1. The result is the Weather Adjustment Factor. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

For holiday or weekend events, the baseline for each account will be calculated as follows:
i) Take the total event window consumption in each of the last 12 weekend or holiday days, excluding those where a DR Event occurred (a 'like' day).
ii) Of those days, average the event window consumption for the 4 days 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.
v) If the account, as determined by National Grid, is temperature dependent, apply the Weather Adjustment to the Unadjusted Baseline.
vi) To apply the Weather Adjustment, take the average of the adjustment window (from six hours prior to the start of the event to the end of the event)~~average daily~~ temperature (in HDD) of the 4 days used in the calculation of the Unadjusted Baseline. This value will be the Average Baseline HDD.
vii) Subtract the Average Baseline HDD from the Event Day HDD. Multiply the resulting difference by 1.2% and add 1. If the result is greater than 1.35, the Weather Adjustment Factor will be 1.35. If the result is less than 0.85, the Weather Adjustment Factor will be 0.85.
viii) Multiply the Unadjusted Baseline by the Weather Adjustment Factor to arrive at the resulting Weather Adjusted Baseline.

GENERAL INFORMATION – Continued

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

To calculate Event Performance, an account's actual consumption during the event window will be compared against the calculated baseline for the aggregate usage over the entire event window. Since the maximum value an account may enroll is based on expected consumption during a Design Day, accounts may have an enrollment value greater than the calculated baseline for a given event or test event, even when they completely eliminate load during a DR Event. To ensure these accounts are not improperly judged for performance, an account's metered load during an event will be compared to the lesser of the enrollment quantity or the calculated baseline.

At the Company's sole discretion, customers may be permitted to provide alternate performance verification during events in lieu of the above baseline calculations.

The Company will also apply this same baseline methodology to the 3 hours immediately prior to ('Pre-Heating Period') and following ('Snapback Period') a DR Event or Test Event. Any customers participating in the Load Shedding DR program options found to have shifted load to a different part of the day will have their Event Performance reduced by that amount, impacting their Performance Factor. However, a customer may offset fully or partially the sum of usage increases in the Pre-Heating and/or Snapback periods by the sum of positive load curtailments during other hours in those same periods, but only to the maximum of the sum of Pre-Heating and Snapback usage increase. Any additional overperformance in the Pre-Heating and/or Snapback periods will not be credited towards Event Performance.

Additionally, the Company will drop from the Event Window, Pre-Heating or Snapback period baseline calculations any prior days where the Event Window, Pre-Heating or Snapback consumption was zero.

In the case of customers participating in the Load Shifting DR program options, Pre-Heating and/or Snapback usage increases will not be deducted from Event Performance.
In both cases the Company will calculate the Net Daily Reduction (Event Reduction minus Pre-Heating or Snapback increases) for all customers. This Net Daily Reduction will be used in the calculation of the Performance Payment.

GENERAL INFORMATION – Continued

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

a. Performance Factor

The Performance Factor is a percentage value assigned to each Customer account or aggregation based on a 3-event or test event rolling average of Event Performance. For a new account or aggregation that has not participated in three (3) or more historical events commencing enrollment, the Performance Factor will be calculated based on the average Event Performance for all historical events where the account was eligible to participate. The Performance Factor will be applied to and adjust a Customer's monthly Reservation Payment at the close of each month.

For returning customer accounts or Aggregations, the starting Performance Factor will be equal to the calculated Performance Factor as of the close of the prior season. Each subsequent event during the season will adjust the Performance Factor used in monthly Reservation Payment settlements.

New customer accounts or Aggregations will begin the season with an assumed Performance Factor of 100%, but the Event Performance during the first event or test event will retroactively apply to any months where no events occurred.

Accounts that elect to leave an Aggregator and enroll directly with National Grid shall have their Performance Factor set to their most recent individual Performance Factor. The parent Aggregation or Sub-Aggregation shall retain its Performance Factor.

The same is true for each account in an existing Aggregation or Sub-Aggregation that elects to be disaggregated the following season. In such a case, the account shall have their Performance Factor set to their most recent individual Performance Factor.

In cases of an account that elects to move to another existing Aggregation or Sub-Aggregation, this shall have no impact to the parent Aggregation or Sub-Aggregation's Performance Factor, or the new Aggregation or Sub-Aggregation's Performance Factor.

GENERAL INFORMATION – Continued

Firm Gas Demand Response ("DR") for Residential and Small/Medium Business Customers

RESIDENTIAL & SMALL/MEDIUM BUSINESS
REMOTE LOAD CONTROL PROGRAM

Purpose: The Residential and Small-to-Medium Business Remote Load Control Program will allow the Company to remotely control the customer's Control Device to reduce the customer's gas usage during an Event. Customers participating in this Program must have load controllable equipment that consumes natural gas and install a Control Device that can remotely control such equipment.

1. Eligible Customers must be served under either of Service Classification Nos. 1, 2, 3, Service Classification Nos. 5-1, 5-2, and 5-3.
2. Eligible Control Devices need to be connected to a load controllable equipment that uses natural gas to participate in the Program.
3. Definitions - the following terms are defined for purposes of this Program only:

"Capability Period" is the period from November 1 through March 31 of any Program year, during which the Company can remotely control the participating customer's equipment.

"Network" A network is a gas distribution network or load area designated by National Grid. Furthermore, the boundaries may be distinct among the Gas DR programs.

"Control Device" is a device installed on a customer's premise that allows the Company's to remotely connect to such device when an Event is called and control an equipment that uses natural gas. For purposes of this Program, Control Device means one or more devices as may be required to control the equipment. Each Control Device contains a feature that allows the customer to override the Company's control of the customer's equipment. The Control Device must be provided, installed and connected to the Internet by the Customer or its Service Provider, and the Control Device must be able to communicate with National Grid's control system. A list of the Company's approved devices will be published on the Company's website.

GENERAL INFORMATION – Continued

Firm Gas Demand Response ("DR") for Residential and Small/Medium Business Customers - Continued

An **"Event"** may be declared by the Company under the following parameters:

a. Events may be called during the months of November through March, inclusive.
b. Events may be called when the forecasted low temperature at either LaGuardia or Republic airports is 10 degrees or lower.
c. Except as described below, Events may last up to 4-hours, occurring either from 6AM – 10AM or 4PM – 8PM.
d. Customers may also agree to participate through a Control Device manufacturer that has enabled Full Day Events, defined as a 20-hour period from 10AM-6AM.
e. In the case the Company has established a Network for this Program, Events may be called only for specific networks.
f. A customer may override the controls at any point prior to or during an Event, however doing so may impact the customer's ability to continue to receive annual incentives.
g. Outside of Emergency Events and Full Day Events, National Grid will not call more than 1 event for any single device during the same calendar day.
h. The Company reserves the right to call Emergency Events in the instance of an unexpected loss of upstream or distribution delivery capacity, extreme weather or any emergency condition threatening the integrity of the Company's' gas system.
i. The Company will conduct one Mid-Winter Test Event per season if no actual Events have yet occurred.

"Service Provider" means a provider registered with, and approved by, the Company to develop, maintain, and operate a communications portal that enables Internet-connected Control Devices to participate under this Program.

1. Eligible customers may enroll in the program through an eligible Control Device manufacturer or directly through National Grid through the following webpage: https://www.nationalgridus.com/NY-Home/Energy-Saving-Programs/ConnectedSolutions

There are no deadlines for customer enrollment, and customers will remain in the program unless they request to unenroll or are removed by National Grid for failure to adhere to program rules.

GENERAL INFORMATION – Continued

Firm Gas Demand Response ("DR") for Residential and Small/Medium Business Customers - Continued

2. Customers who enroll a Control Device in the Program through a Control Device manufacturer or directly through National Grid, or through a Service Provider, with their own Control Device or a Control Device provided by the Service Provider or manufacturer, will receive a one-time sign up payment after the Control Device is installed and after the Company and/or Service Provider has confirmed the Company's ability to communicate with the Control Device. The one- time sign up incentive will be payable by check, bill credit, or gift card at the Company's discretion. The incentive rate varies by device class and is published on the Company's website. Starting with the second Capability Period in which the customer participates, the customer will be eligible for an annual incentive payment, payable by check, bill credit, or gift card at the Company's discretion, after each Capability Period in which the Company can verify that the customer allowed the Company to control the Control Device for no less than 70 percent of the aggregate number of event hours declared by the Company during the Capability Period. The Company reserves the right to cancel a customer's participation in the program if they participate in fewer than 15% of event hours during a season. Customer will be deemed to not have participated in an event hour if they override the Control Device signal, disconnect their device or have the Control Device offline for that hour. Event hour performance will be calculated to a fractional value based on the number of minutes a customer was participating.

3. Incentive Payments - The Residential & Small/Medium Business Remote Load Control Program Incentive Payments shall be posted on the Demand Response Incentive Statement filed with the Public Service Commission not less than 60 days before their effective date.