



**GAS TRANSPORTATION OPERATING
PROCEDURE MANUAL**

FOR

**THE BROOKLYN UNION GAS COMPANY
D/B/A NATIONAL GRID NY (KEDNY) AND
KEYSPAN GAS EAST CORPORATION D/B/A
NATIONAL GRID (KEDLI)**

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1 INTRODUCTION

Brief Description of Manual Contents

Pursuant to the New York Public Service Commission's (PSC) direction, these operating procedures are intended to provide both ESCOs and Direct Customers using gas transportation service in National Grid's service territories with a guide to the general rules, regulations, terms and conditions for eligibility and utilization of gas transportation service in their service territories. "National Grid" (or the "Company") includes:

The Brooklyn Union Gas Company d/b/a National Grid NY (formerly d/b/a KeySpan Energy Delivery New York (KEDNY)), hereinafter referred to as "Brooklyn Union Gas" or "KEDNY" and KeySpan Gas East Corporation d/b/a National Grid (formerly d/b/a/ KeySpan Energy Delivery Long Island (KEDLI)), hereinafter referred to as "KeySpan Gas East" or "KEDLI."

National Grid's Gas Transportation Operating Procedure Manual is subject to periodic update and change. The manual will be available on National Grid's website, www.nationalgridus.com, which should be visited for the latest downloadable version.

This manual should be used in conjunction with the KEDNY and KEDLI gas tariffs. It is not intended to supersede any of the existing tariffs.

New York State Public Service Commission information and requirements may be obtained by visiting its website at: www.dps.ny.gov

2 OVERVIEW OF NATIONAL GRID

a Corporate Structure

National Grid

National Grid is international electricity and gas company and one of the largest investor-owned utilities in the world.

National Grid is the largest utility in the United Kingdom and the second largest utility in the United States, focused on delivering energy safely, reliably and efficiently. National Grid owns the high-voltage electricity system in England and Wales and operates the system across Great Britain. National Grid also owns and operates the high-pressure gas transmission system in Britain, and our distribution networks deliver gas to 11 million homes and businesses in Britain.

In the northeastern United States, National Grid has electricity transmission systems and distribution networks that deliver electricity to 3.3 million customers. In addition, National Grid owns and operates generation stations with a total capacity of 4,100 MW. National Grid provides natural gas to approximately 3.4 million customers.

National Grid also has several businesses operating in related areas such as LNG importation, land remediation, metering and interconnectors.

All our networks are highly complex – requiring a unique mixture of skills, experience and planned investment.

Further detailed information on National Grid's business can be found on the National Grid web site: www.nationalgrid.com.

Retail Access Program

National Grid customers have the option to purchase their gas and electric commodity from eligible entities other than National Grid. These entities are called Energy Service Companies or ESCOs. The relationship between National Grid and the ESCOs is managed under the guidelines of the state regulatory agencies which govern the Gas and Electric businesses in the Downstate NY, Upstate NY, Long Island, MA, and RI territories.

Specifically, the ESCO Transportation Allocation section of the Gas Supply Planning Department is responsible for ESCO gas delivery, balancing, billing and capacity release. These responsibilities are carried out while working in close cooperation with other sections within Gas Supply Planning, as well as with the

Wholesale Gas Supply Department and the Gas Control group.

The Customer Choice Regulatory section, within the Billing Operations Department, is the first point of contact for the ESCOs for enrollment issues, slamming complaints, community aggregation issues, customer usage/historical usage requests and general inquiries. They also perform regulatory reporting. ESCOs are provided a premier service for all inquiries through our website at www.nationalgridus.com and via the Right Now inquiry system

The Customer Choice Billing and Creditworthiness section, also within the Billing Operations Department, deals with aspects of the ESCO on-boarding process, creditworthiness, ESCO bill presentation and tracking, and Sarbanes-Oxley compliance.

The development of projects pursuant to regulatory orders, inclusion and advocacy of projects in the US Investment Plan and EDI processes with associated standards are also key functions each of the aforementioned groups of the department.

Individual customers should contact KEDLI Customer Assistance Center at 1-800-490-0025 and KEDNY Customer Assistance Center at 1-718-643-4050.

Gas Supply Planning

Elizabeth Arangio – Director

ESCO Transportation Allocation

Joseph Calabrese
Manager
ESCO Transportation
Allocation
Nancy Andrews
Dawn Querzoli
Jennifer Coulon

Donna Laura
Catherine Wunsch
Sandy DeCristoforo

The KEDNY/KEDLI contacts are:

Catherine Wunsch
(516) 545-5609
Catherine.Wunsch@NationalGrid.com

Nancy Andrews
(516) 545-4183

Nancy.Andrews@NationalGrid.com

Jennifer Coulon
(516) 545-2599
Jennifer.Coulon@nationalgrid.com

[Donna Laura](#)
(516) 545-2630
Donna.Laura@nationalgrid.com

Customer Billing

Charles Florczyk – Director

Josh Pasquariello – Manager, Customer Choice/Supplier Services

Customer Choice – New York Jurisdiction

- Blanca Romano
- Michelle Rapp
- Konica Shandal
- Gwyn Whalen
- Andrea Greco
- Lacey Marden

KEDNY/KEDLI contacts are:

- Blanca Romano
- Michelle Rapp

Customer Choice Billing and Creditworthiness

- Gwyn Whalen
- Kirsten Richards
- Andrea Greco
- Monique Holligan – SAP Billing

ESCO Onboarding

- Greg Accardo
- Konica Shandal

All correspondance with Customer Choice New York jurisdiction and Customer Choice Billing and Creditworthiness will be carried out via the RightNow Inquiry system.

https://esco.custhelp.com/app/utils/login_form/redirect/ask

Gas Control

Gas Control is responsible for the day-to-day operation of the National Grid gas

transportation and distribution system. Gas Control handles all work impacting the movement of gas throughout the system and coordinates all construction and maintenance work which may impact gas delivery. Gas Control also provides city gate allocations and the availability of capacity at National Grid’s city gates.

Interfacing with the gas pipelines on deliveries and maintenance work, Gas Control is also responsible for issuing and controlling System Alerts, Operational Flow Orders and Curtailments. Gas Control is the central hub of communication between pipelines and ESCOs and for National Grid’s gas transportation and distribution activities. As such, Gas Control verifies daily system requirements and confirms all gas deliveries for the Company and third parties through GTIS. The 24/7 phone numbers for Gas Control for KEDLI are 631-861-2903; 2842; phone numbers for Gas Control, KEDNY are 631-861-2901; 2902. E-mail for both groups can be sent to GasControlDownstateNY@nationalgrid.com.

b *Affiliate Transaction Standards*

The Company’s affiliate transaction standards can be found in Appendix 11 of the Joint Proposal approved by the Commission’s August 12, 2021 “Order Adopting Joint Proposal, as Modified, and Imposing Additional Requirements” in Cases 19-G-0309 and 19-G-0310.

In the event a situation arises where these standards are not being complied with, please contact National Grid's Ethical Business Conduct Advice Team at (315) 428-6341.

c Territories

KEDNY and KEDLI

The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY)

The City of New York comprising the Boroughs of Brooklyn, Queens (former Wards 2 and 4 only) and Staten Island. See territory map below.

KeySpan Gas East Corporation d/b/a National Grid (KEDLI)

All of Nassau and Suffolk Counties and the Fifth Ward of the Borough of Queens. See territory map below.

Pipelines and Designations of Receipt Points

<u>Pipeline</u>	<u>Receipt Point</u>
Iroquois	South Commack

Tennessee
Transcontinental Gas Pipe Line

Hunts Point
White Plains
Manhattan (2 locations)
Narrows
Long Beach
Rockaway
Goethals

Texas Eastern

Territory Map



KEDNY

KEDLI

d Service Classifications

1. The Brooklyn Union Gas Company (KEDNY)

Please see KEDNY's gas tariff, P.S.C. No. 12, for specific service classifications and rates.

2. KeySpan Gas East Corporation (KEDLI)

Please see KEDLI's gas tariff, P.S.C. No. 1, for specific service classifications and rates.

e Customer Breakdown

The following statistics show a breakdown of KEDNY and KEDLI by customer segments.

Customers and Annual DTH as of June 2021.

1. Sales

KEDLI		
Sales	Customers	Monthly Dths
Residential Non-Heating	83,174	114,149
Residential Heating	450,614	2,025,652
Non-Residential	48,458	811,819
Non-Firm Demand Response	166	55,516
Other Co-Gen/Interruptible	-	-
KEDNY		
Sales	Customers	Monthly Dths
Residential Non-Heating	500,176	271,088
Residential Heating	575,174	2,184,136
Non-Residential	52,542	1,141,785
Non-Firm Demand Response	1,934	280,909
Other Co-Gen/Interruptible	51	54,342

2. Transportation

KEDLI		
Transportation	Customers	Monthly Dths
Residential Non-Heating	3,011	3,866
Residential Heating	15,926	75,360
Non-Residential	11,919	1,044,245
Non-Firm Demand Response	16	573,228
Other Co-Gen/Interruptible	-	-
KEDNY		
Transportation	Customers	Monthly Dths
Residential Non-Heating	50,529	79,741
Residential Heating	57,113	258,957
Non-Residential	17,466	1,807,612
Non-Firm Demand Response	1	148,569
Other Co-Gen/Interruptible	253	2,498,217

3 UNIFORM BUSINESS PRACTICES GENERIC TO AGGREGATION AND LARGE VOLUME TRANSPORTATION CUSTOMERS

The Uniform Business Practices (UBP) set forth in this section were originally approved by the New York State Public Service Commission on January 22, 1999 and updated as of September 2020 in Case 98-M-1343. For the most recent version of the Uniform Business Practices, please refer to the Commission's website at www.dps.ny.gov. If conflict arises between the GTO and the UBP, the UBP shall govern.

a *Creditworthiness*

National Grid establishes unsecured credit limits for all entities, including Marketers, Gas Suppliers who act as Marketers, and customers to whom the Company makes sale of gas for resale, by applying on a consistent, non-discriminatory basis the same financial evaluation standard. Credit limits are reviewed regularly. If an entity is assigned an unsecured credit limit that is not sufficient to meet the requirements, these requirements may be met by providing security in a form that is acceptable to National Grid. Please refer to UBP, Section 3.

b *Customer Information*

This section establishes practices for release of customer information by distribution utilities or Meter Data Service Provider (MDSP) to ESCOs and Direct Customers and identifies the content of information sets. The distribution utility or MDSP and an ESCO shall use EDI standards, to the extent developed, for transmittal of customer information and may transmit data, in addition to the minimum information required, via EDI or by means of an alternative system. Please refer to UBP, Section 4.

c *Billing, Collection Services and Charges*

The process that an applicant is required to follow for a PSC finding of eligibility to sell natural gas or electricity as an ESCO, that an ESCO is required to follow to maintain eligibility, and that a distribution utility is required to follow for discontinuance of an ESCO's or Direct Customer's participation in a distribution utility's retail access program is detailed in UBP Section 2. For additional details and for failure to make a payment please refer to UBP, Section 2.

Procedures for invoices of charges for services provided by the distribution utility directly to an ESCO or Direct Customer are detailed in UBP Section 7. A distribution utility and ESCO or Direct Customer may agree to establish other arrangements and procedures for presentation and collection of invoices for services rendered. This section also describes billing questions and disputes and Charges to ESCOs from the Company. For additional details, please refer to UBP,

Section 7.

Requirements for billing and payment processing options offered by a distribution utility and ESCO in a multi-retailer model are outlined in UBP Section 9. The Section does not establish requirements for billing and payment processing in a single retailer model. A distribution utility and ESCO shall comply with the requirements established in Section 9, unless they agree upon modifications or other procedures for billing and payment processing in a Billing Services Agreement. For additional details, please refer to UBP, Section 9.

d *New Delivery Customer Requirements*

UBP Section 5 establishes practices for receiving, processing and fulfilling requests for changing a customer's natural gas provider and for obtaining a customer's authorization for the change. A change in a provider includes transfer from (1) one ESCO to another; (2) an ESCO to a distribution utility; and (3) a distribution utility to an ESCO. This Section also establishes practices for: an ESCO's drop of a customer or a customer's drop of an ESCO, retention of an ESCO after a customer's relocation within a distribution utility's service area, assignment of a customer, and initiation or discontinuance of procurement of natural gas supplies by a Direct Customer. This Section does not establish practices for obtaining other energy-related services or changing billing options.

The process of changing a service provider is comprised of two steps. For enrollment with an ESCO, the first step is obtaining customer agreement to accept natural gas service, according to the terms and conditions of an offer. A sales agreement establishes the terms and conditions of the customer's business arrangement with the ESCO. The second step is enrollment and the distribution utility's modification of its records to list the customer's transfer to a provider on a specific date. This transaction is primarily between the ESCO and the distribution utility. For additional details, please refer to UBP, Section 5.

e *Switching Customers*

An ESCO shall transmit a gas enrollment request to a distribution utility no later than 10 business days prior to the effective date of the enrollment. The enrollment request shall contain as a minimum, the information required for processing set forth in Attachment 5, Enrollment Request of the UBP. The distribution utility shall process enrollment requests in the order received. The distribution utility shall accept only one valid enrollment request for each commodity per customer during a switching cycle. If the distribution utility receives multiple enrollment requests for the same customer during a switching cycle, it shall accept the first valid enrollment request and reject subsequent requests. An ESCO shall submit an enrollment request after it provides the sales agreement to the customer and, for residential customers, after the expiration of the cancellation period. For additional details, please refer to UBP, Section 5.

f *Slamming Prevention (Unauthorized Customer Transfers)*

A change of a customer to another energy provider without the customer’s authorization, commonly known as slamming is not permitted. The distribution utility shall report slamming allegations to the Department on at least a monthly basis. For additional details, please refer to UBP, Section 5.

g *Discontinuance of Service*

Customers returning to full utility service shall arrange to return to full utility service by contacting either the ESCO or the distribution utility in accordance with UBP Section 5(H). An ESCO contacted by the customer shall, within one business day, process the customer’s request to return to full utility service. A utility contacted by a customer shall remind the customer to contact the ESCO about their returning to full utility service provided, however, that if the customer has already contacted the ESCO or wants to proceed without contacting the ESCO, the utility shall, within one business day, process the customer’s request to return to full utility service. If a change to full utility service results in restrictions on the customer’s right to choose another supplier or application of a rate that is different than the one applicable to other full service customers, the distribution utility shall provide advance notice to the customer. For additional details, please refer to UBP, Section 5.

For involuntary discontinuance of an ESCO or Direct customer’s participation, please refer to UBP Section 2.

h *Dispute Resolution*

UBP Section 8 describes the process whereby disputes involving distribution utilities, ESCOs or Direct Customers shall be handled, including disputes alleging anti-competitive practices. The processes are not available to resolve disputes between retail customers and ESCOs or distribution utilities. They are also not applicable to matters that, in the opinion of the PSC Staff, should be submitted by formal petition to the PSC for its determination or are pending before a court, state or federal agency. The availability of the processes does not limit the rights of a distribution utility, ESCO or Direct Customer to submit any dispute to another body for resolution. For additional details, please refer to UBP, Section 8.

i *Consolidated Billing*

A distribution utility and ESCO shall establish in a billing services agreement (BSA) detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities. A distribution utility may use the bill ready or the rate ready method for issuing consolidated bills. An ESCO that offers consolidated billing shall use a bill ready method. For additional details, please

refer to UBP Section 9.

j ***Marketing Standards***

The standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York are detailed in UBP Section 10. It specifies standards relative to training of marketing representatives and in-person and telephone contact with customers. ESCOs shall not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation or Order. ESCOs will maintain an internal process for handling customer complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department. For additional details, please refer to UBP Section 10.

4 GAS DELIVERY MANAGEMENT PROCEDURES FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS – FIRM TRANSPORTATION

Core Monthly Balancing Program

ESCOs serving customers taking transportation service under SC 17 for KEDNY or SC 5 for KEDLI must participate in the respective company’s Core Monthly Balancing Program.

The following provisions are applicable to the Core Monthly Balancing Program

ESCOs enrolling customer choice aggregation (CCA)/municipal gas aggregation (MGA) customers will be placed in a DUNS+4 pool. Refer to Section 11.3 for definition and Section 11.7 for chart in this GTO for additional information.

a ***Become an Approved Gas Supplier***

There are several steps that must be completed to become an approved gas supplier:

Step One:

Acquire approval from the PSC and completion of Energy Service Company Retail Access Application which can be obtained on the PSC website.

Step Two:

Once an ESCO receives PSC approval, the following documents, in the numbers indicated, must be forwarded to National Grid. The documents are available for download at:

http://www2.nationalgridus.com/partners/marketers/esco_ny_kedny.jsp (KEDNY) and <http://www1.nationalgridus.com/BecomeAnApprovedSupplierGas> (KEDLI)

- NYSPSC approval letter (from step 1) – (2)
- Gas Supplier Application – (2)
- Approved Supplier Enrollment Form – (2)
- Taxpayer Form W-9 Certificate – (2)
- Resale Certificate ST-120 (Tax Exempt Form) – (2)
- ACH Payment Authorization Form (2)
- *Data Security Agreement (DSA) between ESCO and National Grid – (3)
- EDI Pre-testing working sheet – (2)
- EDI Testing Policy Agreement – waiver of “Functional” testing (optional) - (2)
- *Seller Service Agreement (LI SC8, NY SC19) – (3)
- *NAESB (NY and/or LI) - (3)
- Capacity Release Agreement (NY and/or LI) - (3)

If ESCO is interested in POR consolidated billing, ESCO must also provide the following:

- *Billing Services and Purchase of Accounts Receivables Agreement (BSA) Form for either KEDLI or KEDNY- (3)
 - A lien search – from the state of incorporation.
 - Third Party Payment Authorization (2) – only if ESCO wants POR payments sent to a third party.

*Executable Agreement

Note: If an ESCO does not choose POR, ESCO will be subject to a creditworthiness check as specified in the Uniform Business Practices Section III. If an ESCO fails the creditworthiness check then the ESCO will be asked to post a security deposit once the ESCO begins to enroll accounts. The amount of the security will be based upon the ESCO’s enrollment level.

Separate scans of the completed documents must be emailed to: Gregory.accardo@nationalgrid.com and Konica.shandal@nationalgrid.com.

Hard copies of the executable agreements must also be mailed to:
National Grid, Supplier Services, 175 East Old Country Road, Hicksville, NY 11801
Attention: Gregory Accardo (or Konica Shandal).

Please note, the required documents may change so prospective ESCOs should contact the aforementioned individuals for the most current requirements.

Step Three:

Once all the required documents have been collected and lien requirements satisfied, the ESCO must successfully complete Electronic Data Interchange (“EDI”) Phase III testing with National Grid.

Prior to beginning EDI testing , the ESCO will be required to post a cash deposit based on the level of testing required. This deposit will accrue interest, at the same rate as customer deposits, and be refunded if the ESCO commences with retail operations in the KEDLI and/or KEDNY service territories within 3 months of completing EDI testing. If for any reason the ESCO fails to commence retail operations within three months of completing EDI testing, the deposit will be forfeited to the Company. The following amounts apply per region:

EDI Core Transactions only: \$5,000

EDI Core Transaction and Single Bill Testing: \$10,000

For additional information on EDI Data Dictionaries and Implementation Guides, please refer to the PSC website.w.dps.ny.gov.

Step Four:

The ESCO will be notified when EDI Testing has been completed. At this point, the ESCO will be able to request gas consumption history via EDI for KEDNY and/or KEDLI accounts.

If the ESCO begins serving customers within 3 months of being notified that EDI testing has been completed, ESCO’s deposit will be returned.

Step Five:

The ESCO is required to provide a list of prospective customers, for each region, that demonstrates the ESCO’s ability to meet the annual load requirement of 50,000 therms. The ESCO may begin enrolling accounts in a region only after National Grid has confirmed that the respective list of accounts satisfies the annual load requirement for the region. Further, in order to begin serving customers in any given month, the ESCO must meet the minimum threshold in the ESCO’s Pool report no later than 5 business days prior to the month’s Pool lock date.

b Customer Eligibility

Service is available under KEDLI SC 5 and KEDNY SC 17 for the transportation by KEDLI and/or KEDNY of customer-owned natural gas to:

- (i) a single Customer with a single facility or meter, that can demonstrate annual natural gas consumption of at least 3,500 DTHM at the single meter; (ii) a group of Customers that can demonstrate annual natural gas consumption of at least 5,000

DTHM; (iii) a single entity or firm with facilities at more than one location or having more than one meter that can demonstrate annual natural gas consumption of at least 3,500 DTHM at a single meter; and (iv) a single entity or firm with facilities at more than one location or having more than one meter that can demonstrate annual natural gas consumption of at least 5,000 DTHM.

Service to a single Customer will commence under these Service Classifications only after KEDLI and/or KEDNY has received documentable notice and agreement in addition to a Seller Agreement for service under this Service Classification executed by Seller for the applicable service period. Service to a group of Customers will commence under these Service Classifications only after KEDLI and/or KEDNY has received documentable notice and agreement and a Seller Agreement for service under these Service Classifications executed by Seller for the applicable service period.

For a Seller Agreement to be effective under these Service Classifications, the Seller must be qualified in conformance with the provisions of Service Classifications No. 8 (KEDLI) and/or 19 (KEDNY).

Service under this Service Classification will commence on the first day of the month.

c Customer Profiles

KEDNY and KEDLI will provide ESCOs with customer profiles (base, slope, load factor, and customer usage) in the format of 867HU Electronic Data Interchange (“EDI”) transactions. The Company will also provide up to two years of monthly customer usage (actual or estimated), to the extent available within the Company’s customer system. The inclusion of the customer’s two-year usage history in the customer profile will facilitate ESCO’s nominations of ESCO’s delivery requirements and management of ESCO’s swing assets.

The Customer System calculates customer’s Base and Slope using the customer’s two-year usage history.

The Base factor for non-heat gas usage is determined as follows:

For KEDNY, it is derived by summing the therms associated with the summer months over the course of the prior 24 months. The Base equals the total therms for those months divided by the total number of summer days in those months. If two-year customer history is unavailable, the calculation uses as much account history as is available.

For KEDLI, the Base factor is determined by summing the therms associated with the four lowest summer months over the course of the

prior 24 months. The Base equals the total therms divided by the total number of summer days in the four months. If 12 months of historical usage does not exist, the customer will be provided with a Base and Slope, based on their tariff code, from a set schedule of Base and Slope values.

The Slope, or temperature sensitive gas usage, is derived for both KEDNY and KEDLI by taking the sum of the total therms over the same 24 months, less the base load multiplied by the number of days for the period, divided by the actual heating degree days for the period.

d Enrollment Procedures

Enrollments are processed via EDI. Effective dates for enrollments will always be the first day of the following month. The deadlines to submit the ENROLL and DROP transactions will adhere to the Uniform Business Practices as amended from time to time.

Enrollments and Drops may be submitted up to 10 business days prior to the last day of the current month.

e Delivery Quantity Determination Procedures - Core Daily Delivery Quantities

Core Daily Delivery Quantity (Core DDQ)

The ESCOs will be expected to make daily deliveries to the Company's city gates, based on the ESCO's core customer's Daily Delivery Quantity (Core DDQ). For ESCOs serving a pool with more than one customer, ESCO will be expected to deliver an amount that is equal to the aggregate of all of the ESCO's customers' Core DDQs. All ESCO pools for a specific month will be "locked" 10 business days prior to the end of the prior month. At this point, ESCOs will be able to view preliminary pools, and ESCO's customers' base and slope components, within GTIS. The pools will become final 2 days after the pool lock date.

ESCOs must verify ESCO pools on a monthly basis. The ESCO can view ESCO's preliminary pool reports in GTIS for the upcoming month any time after the second business day of each month. If ESCO notices a discrepancy, the discrepancy should be reported to Supplier Services as soon as possible via the Right Now system so as to allow sufficient time to investigate any discrepancy prior to the pool lock.

A Core Customer's DDQ will be calculated by multiplying forecasted HDDs by a customer's Slope and adding the product to the customer's Base. The Core DDQ is adjusted by UFG as an allowance for losses incurred in the process of delivery to the customer's metered facilities. Each ESCO's aggregate Core DDQ is rounded to the nearest whole DTH, and posted to the Company's GTIS as the ESCO's daily requirement. (Forecasted and Actual weather location is measured at the Central Park weather station)

ESCO will manage daily and seasonal load swings of ESCO's pools by adjusting gas deliveries each day based on ESCO's pools forecasted Core DDQ for the next day. On Friday, the Company's GTIS will provide each ESCO with a forecasted requirement for Saturday, Sunday and Monday. For company holidays, the forecasted requirements will cover the holiday and the day after.

The ESCO's forecasted Core DDQ will be locked on the preceding business day. The Core DDQ will be displayed during the nomination process and ESCO will be required to nominate to the city gate the supply needed to meet ESCO's customer pools locked forecasted Core DDQ for the next day.

A weather true-up will be carried out in which the forecasted Core DDQ will be adjusted to reflect the actual temperatures by applying actual HDDs once the actual temperatures become available. Any difference between forecasted Core DDQ and the weather adjusted actual Core DDQ will be trued up through adjustments to the ESCO's Tier 2B Retail Access Storage levels during the winter months (Nov-Apr). If the weather true-up adjustment exceeds the capability of the ESCO's Tier 2B Retail Access Storage, the Company will cash out the excess at the Daily Cash Out Price. When a weather true-up occurs during a summer month (May-Oct), any difference between the forecasted Core DDQ and the weather adjusted actual core DDQ will be cashed out at the Daily Cash Out Price. The actual weather adjusted Core DDQ will be used to determine the ESCO's Monthly Imbalance Account.

f Capacity Assignment - Mandatory Capacity Program

If an ESCO chooses to use a third party to manage and /or receive supply and capacity, both entities are required to complete a Capacity Release Agreement. See Appendices XI and XII for KEDLI and KEDNY agreements, respectively.

Mandatory Capacity Program

ESCOs serving customers under the Core Monthly Balancing Program must participate in the Company's Mandatory Capacity Program subject to the terms and conditions of the KEDLI and KEDNY tariffs and this Gas Transportation Operational Procedures Manual. The Mandatory Capacity Program consists of

several capacity tiers: 1) Tier 1 – Pipeline Capacity Release; 2A) Tier 2A – Physical Storage Release; 2B) Tier 2B – Retail Access Storage and 3) Tier 3 – Peaking Service if an ESCO's Tier 1, 2A and 2B allocations cannot meet estimated requirements.

The Company will use the aggregate Base and Slope components of each ESCO pool to provide the ESCO with sufficient portfolio assets to meet the design day requirements of each ESCO's pool. These portfolio assets will reflect (on a proportional basis) the mix of transportation and storage assets used by the Company to serve its firm sales customers.

ESCOs will also be offered access to additional storage assets every April in the form of a physical release of storage capacity from the Company's Gulf Coast Storage assets.

ESCOs must be certified with the ability to receive capacity from National Grid, on the pipelines released as part of this Mandatory Capacity Program by the pool lock date of any month for which ESCO plans on serving load; in the case of Canadian capacity assigned pursuant to this Mandatory Capacity Program, a replacement shipper designated by the ESCO to receive an assignment of capacity on its behalf must also be certified. This includes maintaining good standing with respect to the credit requirements of each pipeline and timely payment of pipeline charges. National Grid reserves the right to discontinue providing transportation service in accordance with the tariffs and the applicable terms of the supplier services agreements. ESCOs will not be able to receive capacity from National Grid on any pipeline on which the ESCO is deemed to lack certification; the ESCO will remain liable for costs associated with their allocated capacity. National Grid reserves the right to remove from the system any ESCO who fails to meet this certification requirement. Pipelines on which capacity is released under the Mandatory Capacity Program include;

- Enbridge
- TRANSCANADA
- MILLENNIUM
- ALGONQUIN
- IROQUOIS
- TRANSCO
- TETCO
- TENNESSEE
- Eastern Gas Transmission and Storage, Inc. (EGTS)

An import license may be needed, and it can be obtained from the Canadian National Energy Board website using their on-line application. Below is the applicable link:

- http://www.neb-one.gc.ca/oas/la/s15ab_ShrtTrmNtrlGs_ImprtExprt_Ovrw.aspx?lang=En

Tier 1 – Pipeline Capacity Release

Subject to the conditions described below, the Company will release to the ESCOs interstate pipeline transportation capacity which will be used for deliveries to the City Gates. In light of the issuance of FERC Order 712-B (April 16, 2009), the Company may release its interstate pipeline capacity in the Program to an ESCO either as principal or as an agent for its customers for the specified time periods. The pipeline allocation of Tier 1 capacity will be determined by the ESCO's total capacity volume (as determined by Base and Slope) and will be evaluated monthly. If the temperature is 23 degrees Fahrenheit or below, or if peaking supplies are required, then the ESCO must deliver supply to the Company's City Gate points in a manner that conforms to the Tier 1 pipeline capacity release volumes on each pipeline as supplied to the ESCO by the Company every month. However, if the temperature is above 23 degrees Fahrenheit, or if no peaking supplies are required, there will be no restrictions on the Transco city gate. Please see Appendix D for a sample calculation of the Tier 1 Pipeline Capacity Release allocation. The 23 degrees can be modified at the Company's discretion.

Every November, Tier 1 pipeline capacity volumes shall be released on the following pipelines, in percentages that will change based upon the amount of the Company's total contracted pipeline capacity at the time of release:

Transcontinental Gas Pipeline (Transco) Long Haul (monthly)
Transco Leidy Line (6 months)
Transco Leidy Line Seasonal (5 winter months)
Transco Rockaway (6 months)
Texas Eastern Pipeline (TETCO) Long Haul (6 months)
Texas Eastern Pipeline (TETCO) Leidy Short Haul (6 months)
Tennessee (6 months)
Tennessee -Tetco (6 months)Iroquois Northeast 07 (NE07) (annually)
Iroquois Dawn via Waddington (annually)
Iroquois EGTS Leidy (6 months)

Each month, changes in capacity will swing on the Transco Long Haul contract. This is described in more detail below. In cases where the Company does not have enough Transco Long Haul capacity to execute the total capacity release required, the ESCO will receive additional Transco assets to provide the total capacity release required.

Each May, the paths released for a six month term (with the exception of Tier 1 Leidy) will be reallocated as per specified percentages. Capacity volumes

above these allocations will be allocated on Transco Long Haul.

If an ESCO begins serving load after November but before May, ESCO's entire capacity volume will be allocated on Transco Long Haul.

If an ESCO begins serving load in May, then ESCO's capacity volume will be allocated as per the May capacity release protocol.

If an ESCO begins serving load after May but before November, ESCO's entire capacity volume will be allocated on Transco Long Haul.

The Company will release pipeline transportation capacity to ESCOs at the Company's respective monthly weighted average costs of capacity (WACOC) for the month in which the capacity release occurs. The ESCOs will be invoiced directly by the pipeline companies for the physically released domestic assets. The WACOC for the NE07 and DAWN paths will only be applied to the Iroquois Pipeline portion of the released capacity. ESCOs receiving capacity on the NE07 and DAWN paths will have to pay the pipelines directly, at max rates, for TransCanada Pipeline and Enbridge Pipeline assets; the Company will credit the ESCOs for these charges on the monthly ESCO bill.

No less than three business days prior to the first of the following month, an ESCO wishing to re-assign its capacity on Enbridge and/or TransCanada must notify the Company and include the following information:

1. The name of the entity that the capacity was originally released to
2. The volume to be released in GJ/day and dt/day
3. List the Canadian pipeline TransCanada and/or Enbridge for the capacity re-assignment.
4. The term of the assignment
5. The legal name of the new entity to which the capacity will be re-assigned

The Company reserves the right to reject an ESCO's requests for reassignment of Canadian capacity.

Base Component – non-temperature sensitive load

The ESCOs will be allocated pipeline transportation capacity on a one-for-one basis to satisfy the Base loads of the customers in the ESCO's pool. Pipeline transportation capacity shall be defined as the net Maximum Daily Quantity of all the transportation assets under contract by the Company that are not associated with a storage asset and delivered to the city gates for the applicable month.

Slope Component – temperature sensitive load

The remaining pipeline transportation capacity is the total company pipeline transportation capacity less what has been allocated to satisfy Base component of firm sales and transportation customers. ESCOs will be allocated ESCO's share of the remaining pipeline transportation capacity based on the percentage that ESCO's Slope component represents of the total system Slope. On a monthly basis, the Company will tally the total Slope component for all firm customers (sales and transportation) and the aggregate Slope component for each ESCO. The percentage of the remaining pipeline transportation capacity that an ESCO will receive is derived by dividing ESCO's aggregate Slope component by the total firm customers' Slope component.

The volumes of pipeline transportation capacity associated with the Base and Slope components for each ESCO will be grossed up for UFG, and added together for the total release amount.

The Company will recalculate the ESCO's required capacity volume each month to reflect an increase or decrease in customers. If an ESCO's total capacity volume change does not exceed (+/-) 2,500 Dth then the entire change will be represented as an adjustment to the ESCO/s Tier 1 Transco Long Haul capacity release volume. Should the decrease in capacity release volumes exceed the ESCO's monthly release on Transco Long Haul, adjustments will be made on the remaining pipelines in the following order: Transco 6 month contracts, TETCO, Tennessee, IROQ EGTS Leidy, IROQ DAWN and IROQ NE07.

If an ESCO's total month to month change in capacity release volume exceeds (+/-) 2,500 Dth/day then a "circuit breaker" approach will be implemented in which all volumes associated with non-annual releases will be proportionally recalculated based on the prior released percentages. ESCOs, either existing or with new pools, will not be eligible for a circuit breaker until the ESCO receives November or May capacity release.

Iroquois Daily Delivery Requirements

For May 1 through October 31: There will be no Iroquois daily delivery requirement.

For November 1 through April 30: ESCOs will be required to deliver at least 22% of ESCO's Core DDQ each gas day via Iroquois.

The requirements will be reviewed annually and updated as necessary.

National Grid may need to establish minimum delivery requirements at other points due to operational needs. The Company will provide a 30-day notice prior to this requirement going into effect. The notice will go out via the GTIS message board.

Summer Injections

The ESCO's pipeline transportation capacity releases will be adjusted for summer injections. The Company will project its end-of-winter storage balance for the storage contracts managed by the Company to determine the summer injection volumes needed to fill storage to approximately 98% by November 1st of each year. An ESCO's pro rata share of these summer injection volumes will reduce ESCO's summer tier 1 transportation capacity release quantity. The Company will determine the summer injection volumes and divide it by the number of days required for injection in order to determine the amount to subtract from the summer injection months' available transportation capacity release.

KEDLI and/or KEDNY reserve the right to change the Selected Pipelines to one or more of the pipelines named in the Pipeline and Receipt Point Section of this GTOP.

Such a decision will be determined by the capacity and operational availability of the respective pipelines and their ability to accommodate capacity or operational concerns or issues.

The ESCO is required to meet all obligations required by the Selected Pipelines under their respective tariffs.

Tier 2A – Physical Storage Capacity Release

The Company will release physical storage capacity from each of the releasable storage contracts to the ESCO or ESCO's agent for each twelve month period starting May 1st. The amount of physical storage capacity release from each storage contract is determined by multiplying: 1) the capacity of the storage contract by; 2) the ratio of the ESCO's Slope component to the Company's Slope component. The total Tier 2A physical storage capacity release volume is equal to the sum of the quantities released from each storage contract.

An ESCO that begins serving load to a new pool after May 1st will not receive any Tier 2A (physical storage) for new pool until the following May. Instead, National Grid will adjust the pool's Tier 2B (retail access storage) in the months of November through April to a level that satisfies the pool's total storage requirement as indicated by ESCO's pool size.

The releasable GSS storage contracts are:

- BUG EGTS contract 300004
- KGE EGTS contract 300005
- KGE EGTS contract 300174
- BUG EGTS contract 5F7893

The releasable FSMA storage contracts are:

- BUG TGP contract 1533
- KGE TGP contract 62829

National Grid will release storage capacity consistent with the ESCO pool volume or the minimum volume required by pipeline.

The ESCO will pay the following monthly charges directly to the storage provider:

Tier 2A Physical Storage Demand Charge

The Tier 2A Physical Storage Demand Price stated in dollars per dekatherm reflects the Company's Weighted Average Cost of Storage Capacity (Storage WACOC). ESCO will pay a Tier 2A Physical Storage Demand Charge each month determined by multiplying the Tier 2A Physical Storage Demand Price by the amount of physical storage capacity that is released.

The Tier 2A Physical Storage Variable Charges, which will be determined by the storage provider.

Physical Storage Inventory Transfers

In conjunction with the initial physical storage capacity release, the Company will transfer physical storage inventory that is available in each of the releasable storage contracts to the ESCO or ESCO's Agent. The amount of physical storage inventory transferred will be in proportion to: 1) the amount of physical storage capacity that is released to the ESCO and 2) the amount of the Company's physical storage inventory that is available at the time of transfer.

The Seller will pay the Company a Tier 2A Physical Storage Inventory Charge during the month of transfer determined by multiplying the Physical Storage Transfer Price by the amount of Physical Storage Inventory transferred to the Seller.

At the end of each 12-month period, when the Company adjusts the Physical Storage Capacity that will be released, the Company will only transfer Physical Storage Inventory to ESCOs or Agents of ESCOs who did not receive Physical Storage Capacity or Physical Storage Inventory Transfers 12 months earlier. These would be ESCOs who were not serving Firm Monthly load at the time of the previous release. The Company will notify the ESCO of the amount of the transfer no later than five (5) business days prior to the 1st of the next month and will perform the transfer no later than three (3) business days prior to the 1st of the next month.

Additional Tier 1 Transportation Capacity Associated with Released Tier 2A Physical Storage Capacity

Each 12-month period, the Company will release, to the ESCO or ESCO's agent, Tier 1 pipeline transportation capacity associated with released Tier 2A physical storage capacity. The amount of pipeline transportation capacity released on each transportation contract will be in proportion to the amount of physical storage capacity that is released.

The releasable Transportation contracts are as follows:

- KGE Transco contract 9062488 (FT)

- KGE Transco contract 9062489 (FT)
- BUG Transco contract 9245733 (FT)
- BUG Transco contract 9245735 (FT)
- KGE Transco contract 1003833 (FT X-287)
- BUG Transco contract 1003831 (FT X-285)
- KGE EGTS contract 700090 (FT-GSS) – Nov through March
- BUG EGTS contract 5G3157 (FT-GSS) – Nov through March
- BUG EGTS contract 100003 (FTNN)
- KGE EGTS contract 100004 (FTNN)
- BUG TGP contract 217 (FT- A)
- KGE TGP contract 62806 (FT- A)

The demand charges associated with the additional pipeline transportation capacity are captured in the Tier 2A Physical Storage Demand Charges that the ESCOs will pay each month directly to the pipeline. Variable charges, as determined by the pipeline, will be paid directly to the pipeline.

Minimum Storage Inventory Level

ESCOs participating in Monthly Balancing Service must meet Minimum Storage Inventory Levels (MSIL) each month indicated by the chart below. The MSIL requirements are applied to each ESCO’s released Tier 2A Physical Storage Capacity field. Pursuant to this, ESCO must provide National Grid with storage balance four times per year. ESCO must submit proof of MSIL for end of the following months; January, February, August and October. These months will confirm whether ESCO is at the appropriate inventory level in the winter months, on track during the summer and at the start of the winter season. During said months, ESCO must submit end of Month MSIL by the 2nd business day of the subsequent month. ESCO will remain responsible for meeting the MSIL during the months that are not checked by the Company. The ESCO must provide backup from the pipeline indicating proof of ESCO’s MSIL and complete the below form provided by National Grid.

End of Month ____ MSIL ____%						
ESCO Name						
KEDNY	DTI K# 300004		DTI K# 5F7893		TGP K# 1533	
	Replacement K#:		Replacement K#:		Replacement K#:	
	EOM Volume:		EOM Volume:		EOM Volume:	
	EOM %:		EOM %:		EOM %:	
KEDLI	DTI K# 300005		DTI K# 300174		TGP K# 62829	
	Replacement K#:		Replacement K#:		Replacement K#:	
	EOM Volume:		EOM Volume:		EOM Volume:	
	EOM %:		EOM %:		EOM %:	

EGTS & TGP

The MSILs for withdrawals and injections are as follows:

November – April Minimum EOM Inventory Levels

Begin % Nov	95
EOM November	90
EOM December	75
EOM January	45
EOM February	15
EOM March	1
EOM April	0

May – October Minimum Injection Schedule Levels

Begin % May	0
EOM May	9
EOM June	28
EOM July	48
EOM August	66
EOM September	80
EOM October	95

If any ESCO falls below the MSILs set forth above, ESCO will have ten calendar days from the first of the month to cure the deficiency. If the ESCO fails to meet the MSIL within ten days, or if the ESCO fails to confirm compliance with the MSIL within the ten calendar days., then the ESCO's customers will be returned to Sales service and all capacity releases, including Physical Storage Release and Transportation Capacity Associated with Physical Storage, will be recalled subsequent to the next release month. In the case where the maximum injection per day does not satisfy the MSIL, we will expect the ESCO to do an in-ground storage transfer to get to the correct MSIL percentage or contact the pipeline for additional options to meet the MSIL.

Any remaining Physical Storage Inventory will be transferred to the Company and the Company shall pay the ESCO an amount equal to the volume transferred times the Company's Tier 2A Physical Storage Inventory Price as of the month of transfer. In addition, the ESCO will be debited for an amount equal to the delta between the MSIL and the volume transferred back to the Company multiplied by the Company's Tier 2A Physical Storage Inventory Price as of the month of transfer.

Tier 2A Physical Storage Capacity and associated Transportation Capacity will also be recalled if an ESCO's Total Tier 2B Retail Access Storage capacity level drops to a point that is less than or equal to their released Tier 2A Physical

Storage Capacity level. This review is not performed between May 1 and October 31 since Tier 2B Retail Access Storage is not released during this time period. However, the ESCOs will still be obligated to satisfy MSILs as set forth in the injections schedule presented above.

The remaining Physical Storage Inventory, up to an amount equal to the MSIL for the month of transfer as stated above, will be transferred to the Company and the Company shall pay the ESCO an amount equal to the volume transferred multiplied by the Company's Tier 2A Physical Storage Inventory Price as of the month of transfer.

Under this situation, the ESCO shall receive only Tier 2B Retail Access Storage at a level that satisfies the total storage level warranted by ESCO's pool size. The Company will adjust the ESCO's Tier 2B Retail Access Storage Inventory by the amount purchased by the Company from Tier 2A Physical Storage Inventory, provided this amount does not put the Tier 2B inventory level above the maximum level.

If an ESCO ceases operations, the ESCO's customers will be returned to Sales service and all capacity releases, including Physical Storage Release and Transportation Capacity Associated with Physical Storage, will be recalled. Any remaining Physical Storage Inventory, up to an amount equal to the MSIL for the month of transfer, will be transferred to the Company and the Company shall pay the ESCO an amount equal to the volume transferred multiplied by the Company's Tier 2A Physical Storage Inventory Price as of the month of transfer. In addition, the ESCO will be debited for an amount equal to the delta between the MSIL and the volume transferred back to the Company multiplied by the Company's Tier 2A Physical Storage Inventory Price as of the month of transfer. Inventory volumes in excess of MSIL will be purchased at the Company's discretion.

In the event the ESCO has their Physical Storage recalled, the Company requires notification of the amount that will be transferred to the Company no later than (5) business days prior to the 1st of the next month. Once approved by the Company the transfer must be executed no later than (3) business days prior to the 1st of the next month.

Tier 2B - Retail Access Storage

The Company will provide retail access storage from November 1 through April 30. On a monthly basis, each ESCO will be allocated Tier 2B retail access storage by multiplying all of the non-released company's storage contracts by the ratio of the ESCOs aggregated Slope component to the aggregated Slope component of all firm customers (sales and transportation). Please see Appendix D for a sample calculation of the Tier 2B Retail Access Storage

allocation.

The ESCOs will need to maintain monthly Storage Inventory levels as dictated by the applicable Rule Curve and Ratchets. The Rule Curve and Ratchets will be updated annually and will be distributed to the ESCOs monthly, between November and April, along with ESCO's Capacity Releases.

A penalty will apply if an ESCO ends March 31st with an inventory level percentage that is above the higher of 45% or the end of March LDC inventory percentage. See Appendix D for a sample calculation of "Must Turn" penalty.

The ESCO is able to use ESCO's Tier 2B to nominate to the city gate to satisfy ESCO's Core DDQ. In addition, ESCO may also initiate two types of Storage Transfers: Inventory or City Gate.

Inventory Storage Transfers must go to other Core Monthly Balancing ESCOs who have received Tier 2B Retail Access Storage. The sending ESCO can transfer any volume up to the volume of inventory that ESCO has above the current month's rule curve. Likewise, the receiving ESCO can accept any volume up to ESCO's maximum Retail Access Storage Capacity as indicated by the current month's capacity release process.

City Gate Storage Transfers can be sent to the city gate for the sending ESCO's other deal types (Non-Firm Monthly pool or Non-Firm Daily pool) or to any other ESCO for any deal type. The sending ESCO can transfer a volume up to ESCO's MDWQ. The receiving ESCO can accept any volume for Non-Core Daily Balancing deal type. However, the receiving ESCO can only accept volumes for Non-Core Monthly Balancing and Core Monthly Balancing deal types such that the total of the transfer along with ESCO's other nominations for the day does not exceed ESCO's Non-Core or Core DDQs.

Each ESCO will pay, on a monthly basis between November 1 and April 30, a Tier 2B Demand Charge that is calculated by multiplying the Tier 2B Demand Price by the ESCO's Tier 2B Retail Access Storage and dividing by six months.

The Tier 2B Demand Price stated in dollars per dekatherm is a capacity price determined by adding: 1) the annual fixed costs of the Company's Retail Access Storage contracts in (a) above plus; 2) the fixed costs of the Company's pipeline transportation contracts required to refill these storage contracts for the period May through October plus; 3) the annual fixed costs of the Company's peaking service contracts used to provide Tier 3 Peaking Service and then dividing by; 4) the Company's quantity of Retail Access Storage.

Each ESCO shall also pay, on a monthly basis between November 1 and April 30, a Tier 2B Commodity Charge that is calculated by multiplying the Tier 2B Commodity Price by the Tier 2B volume that the ESCO delivers to the Company's city gate.

The Commodity Price (reflected in dollars per dekatherm) will be derived by adding: a) the Company's weighted average commodity cost of gas in underground storage plus b) the unitized variable costs to withdraw and deliver storage inventory to the Company's city gates.

The Tier 2B Commodity Price will be included on the Statement of Seller Charges and Adjustments filed with the Commission by the fourth business day following the effective month.

ESCOs that do not meet the creditworthiness guidelines set forth in the Uniform Business Practices will be required to prepay for Retail Access Storage. The prepayment must be made via wire transfer or ACH payment by no later than three (3) business days prior to the last day of the month preceding the month in which the Retail Access Storage is made available to the ESCO. The prepayment will be calculated by taking the product of 0.9 times the estimated price of the Tier 2B Demand Charge for that month. The prepayment amount will be trued up when actual costs of the Tier 2B Demand Charges are available and any adjustment will be made in the succeeding bill period. ESCOs may elect to make alternative security arrangements consistent with the Uniform Business Practice to secure credit for the purchase of Tier 2B Retail Access Storage, provided that any such alternative security must be in place no less than 60 days before the November 1st start date of the Tier 2B Retail Access Storage period. ESCOs who are participating in our Purchase of Receivables Program that have given KEDLI and/or KEDNY first priority interest in ESCO's receivables will be exempt from this requirement.

Tier 3 – Peaking Service

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

The maximum amount of Tier 3 Peaking Service that will be available to an ESCO is:

Maximum Tier 3 = DDQ – Tier 1 – Maximum Daily Withdrawal Tier 2B w/ratchet when applicable.

If the ESCO hits the lower rule curve, then the last MDWQ that was in effect will be used in the calculation.

If an ESCO falls below the Company's Rule Curve and is not able to nominate from Tier 2B storage, any volume of their requirement that can't be met using their Tier 1 allocation and their maximum Tier 3 allocation will be cashed out on

a daily basis at a rate that is equal to \$25 per dekatherm plus the Daily Cash Out Price, multiplied by the difference between the ESCO's DDQ for the day and the quantity of gas delivered by the ESCO to the company's city gates. Pricing and Cash Out procedures are further explained below. On a day that an OFO has been issued, the price will be \$50 per dekatherm plus the Daily Cash Out Price. Please see Appendix D for examples of Tier 3 Peaking Supply charges for when an ESCO is above and below the rule curve.

The Company will determine the Tier 3 Peaking Service Price stated in dollars per dekatherm each day by weighting the following commodity prices using the following weighting percentages as dictated by the ratio of LNG to other peaking supplies in the Companies' portfolio.

Multiply (0.59) by the simple average of the following pipeline indices obtained from Platt's Gas Daily Price Guide, Daily Price Survey for date of flow:

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

Plus

Multiply (0.41) by the Company's LNG Inventory Price

ESCO will pay each month a Tier 3 Peaking Service Charge computed by multiplying: 1) the Tier 3 Peaking Service Price by 2) the Tier 3 volumes the ESCO delivers to the Company's city gate. The weighting percentages shown above are estimates. The final percentages will be issued in October of each year for the subsequent November to April period. They will be reviewed and updated annually as the ratio of LNG to other peaking supplies vary from year to year.

The Company requires no payment from the ESCOs prior to the start of the winter season for the gas available as Tier 3 Peaking Service.

Capacity Assignment – Optional Gulf Coast Storage Release

ESCOs may elect to participate in the Company's Gulf Coast Storage Program, which is to commence on April 1 of each year. This program will require the ESCOs to accept physical storage capacity releases for an annual period from the Company based on the company's anticipated Gulf Coast Storage assets that will be available from April 1 to March 31 of each year.

The Company shall use the existing Base and Slope components of the ESCOs' Core customers as of March 1 of each year to determine the amount of capacity each ESCO shall have the option to receive. Notification shall be sent

to the ESCOs by the 5th business day of March, detailing the storage field, pricing, and capacity each ESCO is entitled to under the program. On the 10th business day of March, an affirmative response is required from the ESCO accepting the Gulf Coast Storage capacity for a release to occur. Failure to respond to the notification within the given timeframe is construed as a rejection of the Gulf Coast Storage capacity by the ESCO for that annual period.

Method for Determining Gulf Coast Storage Capacity

The Company starts with the ESCO's Core customers' Base and Slope that exist in the Company's Customer system(s), on March 1 of each year. The Company will determine, based on the ESCO's aggregate base and slope component and the amount of Transportation assets, defined as the net MDQ at the Company's City Gates not related to Gulf Coast storage that would be released to the ESCOs compared to the rest of the firm customers. Since the Gulf Coast Storage assets are used to protect against transportation interruptions, this percentage of transportation allocation will be used in determining the percentage of Gulf Coast Storage Capacity the ESCO shall receive. For example, if the ESCO is determined to have 2% of all Transportation Assets of the company, the ESCO would receive 2% of the Gulf Coast storage capacity release.

Base and Slope Transportation Allocation

The Company shall determine the net deliverability capacity of its existing Transportation assets as of March 1st, excluding Transportation assets used for Gulf Coast storage, for its respective utility's city gates, the sum of which will be called the Total Transportation Asset MDQ "TTAMDQ". The ESCO's aggregate Base component amount shall be reduced from the TTAMDQ first before the slope component allocation occurs. After the Base Transportation component has been deducted the TTAMDQ, the remaining, "Adjusted" TTAMDQ will be allocated based on the ESCO's aggregate Slope compared to other Firm Customers (Sales and Transportation) Slope component.

See example below:

- A) TTAMDQ = 600,000 Dth
- B) All Firm Customers (Firm Transportation and Firm Sales) Base = 200,000 Dth
- C) All Firm Customers (Firm Transportation and Firm Sales) Slope = 20,000 Dth
- D) Seller A Base = 10,000 Dth

E) Seller A Slope = 2,000 Dth

Formula: $(D + (A-B) * (E / C)) / A$

Seller's Transportation Allocation percentage would be equal to:

$(10,000 + ((600,000 - 200,000) * (2,000 / 20,000)) / 600,000) = 8.33\%$

Gulf Coast storage capacity release would be equal to 8.33% of asset capacity

Price

The Seller shall be released Gulf Coast Storage assets at the Max Rates charge of the Gulf Coast Storage assets, which currently are the Transcontinental Pipeline's WSS field.

g Nominations Process (NAESB Standards & Gas Delivery Scheduling)

Direct Customers and ESCOs who have elected Core transportation service are required to submit nominations to the Company's GTIS and to the interstate pipelines in accordance with the procedures developed by the North American Energy Standard Board (NAESB) and adopted by the Federal Energy Regulatory Commission (FERC), effective April 2, 2009 in 18 C.F.R. Section 284.12, or as stated below. See <http://www.ferc.fed.us>. In general, KEDLI/KEDNY will not confirm any gas that is nominated on an interstate pipeline without a corresponding nomination in GTIS. The acceptance of any gas without a corresponding nomination in GTIS will be at the discretion of the KEDLI/KEDNY and may result in an imbalance penalty.

On a daily basis, KEDLI/KEDNY will provide each ESCO and/or Direct Customer with the "locked" forecasted volume to be delivered to their city gate(s) for the next open Gas Day.

ESCOs providing transportation service to Core customers will be able to nominate gas as per the rules described in section f above to meet ESCO's calculated Core DDQ based on temperature.

Nominations will be available to ESCOs based on the ESCO's adherence to the Company's Rule and Ratchet Curves as they relate to the ESCO's Retail Access Storage Inventory Balance.

ESCOs may nominate Tier 2B Retail Access Storage during any cycle.

The quantity of gas deemed received by KEDLI and/or KEDNY for the Direct

Customer and/or ESCO at the Receipt Point(s) will equal the volume so scheduled by the Upstream Pipeline less the amount to be retained by KEDLI and/or KEDNY as an allowance for fuel losses.

KEDLI/KEDNY has accepted the standard nomination deadlines and procedures as developed by the NAESB and adopted by the FERC, effective April 2, 2009 in 18 C.F.R. Section 284.12. As such, there are five distinct nomination cycles. Two cycles provide for gas deliveries before the Gas Day and three cycles provide for gas deliveries during the Gas Day. KEDLI/KEDNY will only accept nomination according to the schedule outlined below.

1. Time Line for Gas Nominations

a. Timely Nominations

Timely Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Timely Nominations or by 3:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 5:30 pm EST.

b. Evening Nominations

Evening Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Evening Nominations or by 8:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 9:30 pm EST.

c. Intraday 1 Nominations

Intraday 1 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 1 Nominations or by 12:00 pm (noon) EST for gas to flow the same day at 3:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 1:30 pm EST. An Intraday 1 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

d. Intraday 2 Nominations

Intraday 2 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 2 Nominations or by 4:30 pm EST for gas to flow the same day at 7:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform

hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 6:00 pm EST. An Intraday 2 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

e. Intraday 3 Nominations

Intraday 3 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 3 Nominations or by 9:00 pm EST for gas to flow the same day at 11:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 10:30 pm EST. An Intraday 3 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

2. Late Day Gas Nominations

In an effort to provide National Grid's market participants with increased scheduling flexibility and to meet changing customer supply requirements, National Grid New York and Long Island will begin accepting post cycle ID-3 nominations effective April 1, 2016. Post cycle ID-3 nominations will be confirmed on a best efforts basis subject to daily operational constraints as determined by the sole discretion of the company. Market Participants are strongly encouraged to use the recognized NAESB cycles and not wait until the post cycle ID-3 to submit initial nominations. Market Participants wishing to make a Post Cycle ID-3 nomination or change to an existing nomination must do so no later than one (1) hour prior to the close of the gas day. All nominations and changes must also be accepted and confirmed by the delivering pipeline.

The ESCO may make late nominations after the ID-3 cycle to existing nominations and/or new nominations within the current gas day but not later than one (1) hour prior to the end of the Gas Day. Each nomination to National Grid's GTIS must have a corresponding nomination on the delivering pipeline and must be confirmed by the Delivering Pipeline. Post Cycle ID-3 nominations must be nominated on National Grid's GTIS before 09:00 such that National Grid's Gas Control Center can review and confirm each nomination. Post Cycle ID-3 nominations will be accepted on a best efforts basis subject to operational constraints as determined by National Grid's Gas Control Center at its sole discretion.

To ensure operational safety, reliability and feasibility, all market participants wishing to make post cycle ID-3 nominations and changes must also contact National Grid Gas Control by telephone prior to making

a post cycle ID-3 nomination. National Grid's ability to accept and confirm Post Cycle ID-3 nominations will be accepted on a best effort basis. As such operational parameters will be considered and factored in to any decisions made by National Grid's Gas Control. Market Participants are strongly encouraged to submit nominations as soon as possible and not wait until the post cycle to make daily nominations.

3. Outlined below are the current monthly pipeline nomination deadlines and delivery points:
 - a. Iroquois Gas Transmission System South Commack Station - 11:00 AM EST on the last business day before the end of the month;
 - b. Texas Eastern Transmission Corporation - Goethals Station, Staten Island - 11:00 AM EST on the last business day before the end of the month;
 - c. Transcontinental Gas Pipe Line Corporation - Narrows Station, Central Manhattan Station, Manhattan Station and Long Beach Station - 11:00 AM on the last business day before the end of the month; and
 - d. Tennessee Gas Pipeline Corporation - White Plains Station - 11:00 AM EST on the last business day before the end of the month.

4. Information required:

- a. Direct Customer and/or ESCO Name
- b. Start of gas flow- date/time
- c. End of gas flow- date/time
- d. Delivering Pipeline
- e. Volume to be delivered (includes losses) in Dth
- f. Receipt point
- g. Contract Number
- h. Activity Number
- i. Type of customer being supplied - Firm or Non-Firm

5. Weekends and Holidays

ESCOs will have the ability to nominate multiple days during weekends (including the following Monday) and holidays (including day after). Forecasted Core DDQs will be locked on the last business day prior to the gas day. Core DDQs for Sat/Sun/Mon will be locked on Friday. During weekends (including the following Monday) and holidays (including day after) ESCOs will nominate multiple days in GTIS.

Nomination changes in accordance with KEDNY/KEDLI Policies and Procedures may be made during hours other than normal business hours by contacting Gas Control personnel listed in the Communications Protocols Section of this manual.

6. Receipt and Delivery of Gas

The ESCO must deliver or cause to be delivered at the City Gate the applicable forecasted Core DDQ of the ESCO's pool, grossed up by the applicable UFG, for each day of the month. KEDLI and/or KEDNY will deliver to each Customer the Customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent that actual usage of the customers in the ESCO's pool is different than the ESCO's Core DDQ.

KEDLI and/or KEDNY are not obligated to accept any volumes that have been nominated by the ESCO to the extent that such volumes exceed an ESCO's Core DDQ.

h Balancing, Tolerances, Reconciliation/True Ups, Penalties, Imbalance Trading

Sellers shall pay, after the utility issues a bill detailing applicable rates and charges, as set forth on the Statement of Seller Charges and Adjustments which shall be filed by KEDLI and/or KEDNY with the Commission not less than four business days following the last day of each month.

The following rates and charges are applicable to Sellers participating in the Company's Core Monthly Balancing Program.

Daily Cash Out Prices

This price is calculated by taking the simple average of the following interstate pipeline gas prices for the date of flow published in Platt's Gas Daily Price Guide, Daily Price Survey:

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

Daily Cash Out Penalty Charge (aka City Gate Balancing Penalty Charge)

Daily Cash Out Penalty Charge is equal to \$25.00 per dekatherm and is charged on any day that the total quantity of gas delivered to the city gate by the ESCO is less than the ESCO's Core DDQ. In such an event, the ESCO shall pay a per therm amount equal to the Company's Daily Cash Out price plus a City Gate Balancing Penalty Charge of \$25.00 per dekatherm multiplied by the difference between the ESCO's Core DDQ for such day and the total quantity of gas delivered by ESCO to KEDLI and/or KEDNY on such day.

Operational Flow Order ("OFO") Penalty Charge

The Operational Flow Order Penalty Charge is equal to \$50.00 per dekatherm and is charged to ESCO on any day KEDLI and/or KEDNY issues an OFO and the total quantity of gas delivered to the city gate by the ESCO is less than the ESCO's Core DDQ. In such an event, the ESCO shall pay a per therm amount equal to the Company's Daily Cash Out Price plus an OFO Penalty Charge equal to \$50.00 per dekatherm multiplied by the difference between the ESCO's Core DDQ for such day and the total quantity of gas delivered by ESCO to KEDLI and/or KEDNY on such day.

In the event that the total quantity of gas delivered to the city gate is more than the ESCO's Core DDQ, and KEDLI and/or KEDNY at its discretion accepts the gas, the Company shall pay the ESCO a per therm amount equal to the Company's Daily Cash Out Price multiplied by the difference between the quantity of gas delivered by the ESCO to the company on such day and the ESCO's Core DDQ for such day.

Monthly Cash Out Prices

This price is calculated by taking the simple average of the Daily Cash Out Prices in effect throughout the month.

Monthly Imbalance Account

At the end of each month, the Company will determine the balance in each ESCO's Monthly Imbalance Account by taking the difference between the: 1) sum of the Seller's Core DDQs adjusted for daily Weather True-ups for the month and 2) the actual monthly consumption grossed up for UFG. As noted in section e, the weather true-up adjustment will be handled as a net increase or decrease to the ESCO's Tier 2B Retail Access Storage inventory balance. If the weather true-up adjustment exceeds the capability of the Seller's Tier 2B Retail Access Storage the Company will cash out such excess at the Daily Cash Out Price.

If the Pool's monthly consumption grossed up for UFG exceeds the weather adjusted monthly quantity of gas delivered by the ESCO to the city gate, the shortfall shall be purchased by the ESCO at the KEDLI and/or KEDNY's Monthly Cash Out Price.

If the Pool's monthly consumption grossed up for UFG is less than the adjusted monthly quantity of gas delivered by the ESCO to the city gate, the excess shall be credited to the ESCO at the KEDLI and/or KEDNY Monthly Cash Out Price

Imbalance Trading

All ESCOs will have the opportunity to reduce the balance in their Monthly Imbalance Accounts by trading monthly imbalances with other ESCOs who have opposing monthly imbalance positions. ESCOs that serve Core monthly balanced customers are limited to trading among themselves. Trading can only occur within the utility not intra-utility.

ESCOs may not engage in trades that worsen their Monthly Imbalance Account positions but must trade towards a zero imbalance. Therefore, an ESCO with a positive Monthly Imbalance Account (over delivery) may only engage in trades in which they are "Selling" and an ESCO with a negative Monthly Imbalance Account (under delivery) may only engage in trades in which they are "Buying". In addition, ESCOs may not engage in trading to a point that their Monthly Imbalance Account position changes from positive to negative or vice-versa. All trades are initiated and accepted via GTIS.

Tier 2B – Retail Access Storage

The Tier 2B – Retail Access Storage Demand Price and Retail Access Storage Commodity Price are dollars per dekatherm prices as described in section f.

Tier 3 – Peaking Service Price

The Tier 3 – Peaking Service Price is dollars per dekatherm price described in section f.

Merchant Function Charges

Applicable to Sellers participating in the Company's Purchase of Receivables (POR Program)

The Billing Service Fee will be applied to ESCOs who are participating in POR, which is a charge per customer invoice.

Commodity-Related Credit and Collection Expenses

The Commodity-Related Credit and Collection Expenses is a per dekatherm charge applicable to Sellers who participate in the Company's Purchase of Receivables program, and the equivalent level of Commodity-Related Credit and Collection Expenses is included in the Merchant Function Charge

applicable to each service classification. These will not appear on the ESCOs' monthly invoice. They will be netted against any POR payments that are due to the ESCO.

Commodity-Related Credit and Collection Expenses Annual Imbalance Surcharge/Refund

The Commodity-Related Credit and Collection Expenses Annual Imbalance Surcharge or Refund is a per dekatherm surcharge to recover Commodity-Related Credit and Collection Expense under collections or refund Commodity-Related Credit and Collection Expense overcollections each Gas Cost Year from Sellers participating in the KEDLI and/or KEDNY Purchase of Receivables (POR) program.

Unaccounted for Gas (UFG)

A percentage UFG defined in Section, XI, Appendices, Part C Definitions.

Unitized Fixed Cost Credits: Unitized Fixed Cost Credits are applicable to Sellers serving transportation customers and are determined in accordance with tariff specifications.

i Meter Reading

Customers will have their meters read on their cycle billing dates. Off-cycle bills rendered to such customers may be based on the Company's estimate of the customer's usage.

j Termination of Service for Failure to Deliver Daily Transportation Quantities

The Company shall have the right to terminate service under this Service Classification to any seller that fails to deliver at least ninety (90) per cent of the applicable DDQ or ADDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

5 GAS DELIVERY NOMINATION PROCEDURES FOR LARGER COMMERCIAL AND INDUSTRIAL CUSTOMERS (NON-FIRM DEMAND RESPONSE, Tier 1 and Tier 2)

Non-Core Monthly & Daily Balancing Services

a *Become an Approved Gas Supplier*

Please see section 4a for details on becoming an Approved Gas Supplier

b *Customer Eligibility*

Any existing Non-Core customer who qualifies for service metered at a single delivery point and meets the terms and conditions for service provided for under the corresponding sales service classification as contained in KEDLI and/or KEDNY's gas tariffs:

KEDLI SC19-Non-Firm Demand Response Transportation Service Tier 1
KEDLI SC19-Non-Firm Demand Response Transportation Service Tier 2
KEDNY SC18-22-Non-Firm Demand Response Transportation Service Tier 1
KEDNY SC18-22-Non-Firm Demand Response Transportation Service Tier 2

ESCOs serving pools comprised of KEDNY SC 18-22 and/or KEDLI SC 19 customers are responsible for delivering gas to the company, except when such transportation service has been interrupted by the Company.

The Company will use reasonable efforts to provide customers 2 hours' notice of interruption.

Daily Balancing Program

ESCOs serving customers taking transportation service under these service classifications, with the exception of power generators, have the option to select either the Company's Daily Balancing Transportation Service or the Non-Core Monthly Balancing Program. In order to be eligible for the Daily Balancing Program, the ESCO's customers must have Automatic Remote Meter equipment installed at their premises as well as a dedicated communication link that will allow the Company to access the customer's meter readings periodically throughout the day. The customer is required to pay for the Automatic Remote Meter and dedicated communication link.

ESCOs that participate in the Company's Daily Balancing Program will be allowed to return to the Non-Core Monthly Balancing Program on a best efforts basis. If approved to switch by the Company, the ESCO's customers must remain in the Non-Core Monthly Balancing Program for at least 12 months.

Power generators must select the Daily Balancing Transportation Service option.

KEDLI Service is available to a single large volume non-residential Customer that can demonstrate that the total rated hourly Btu input to supply gas-fired equipment installed for such use is 1,000,000 Btu per hour or greater at a single meter. KEDNY Service is available to on-system customers SC 18-22 that can demonstrate that the total rated hourly Btu input to supply gas-fired equipment installed for such use is 1,000,000 Btu per hour or greater at a single meter.

The provision of service under the KEDLI Service Classifications is conditioned on the Customer signing a Non-Firm Demand Response Transportation Service Agreement and for KEDNY a Form of Service Agreement for Non-Core Transportation Service, which will provide the conditions of acceptable delivery, the name of the Marketer and which program, daily or monthly they have chosen to participate in.

c Customer Profiles

ESCOs will be provided with customer profiles as described in section 4c.

d Enrollment Procedure

ESCO/Direct Customer will submit the customer name, service address and account number via the RightNow portal at <http://esco.custhelp.com/>.

New customer enrollments will be accepted no later than 10 business days prior to the last day of the month.

KEDLI and/or KEDNY will respond once the enrollment has been processed.

e Delivery Quantity Determination

Daily Balancing Program

ESCOs serving customers under the Daily Balancing Program are responsible for estimating the consumption of its Pool and for determining the quantity of gas to be delivered to its Pool throughout the day. The ESCO will have access to the telemetered consumption of the Pool three times each day and will be expected to make intra-day nominations to align deliveries grossed up for UFG with the Pool's actual consumption throughout the day.

Non-Core Monthly Balancing Program

ESCOs serving customers under the Non-Core Monthly Balancing Program will be expected to deliver, on a daily basis, to the Company's city gates an estimated Non-Core Daily Delivery Quantity (Non-Core DDQ), which will be based upon their Monthly Delivery Quantity (MDQ) with UFG. The ESCO's MDQ with UFG is calculated by multiplying the normal HDDs for the month by each customer's Slope and adding the product to the customer's Base and adjusting by UFG. The ESCO's Non-Core DDQ will be calculated as their MDQ with UFG divided by the number of days in the month.

By the first business day following the 21st of each month, KEDNY and KEDLI shall provide to the ESCOs notice of each Customer's Non-Core DDQ and, in case of an ESCO that supplies gas to more than one Customer, the Customers' Aggregate Non-Core DDQ for the upcoming calendar month.

f Capacity Assignment - Mandatory Capacity Program

ESCOs serving customers under the Daily Balancing Program and the Non-Core Monthly Balancing Program are not eligible to participate in the Company's Mandatory Capacity Program.

g Nominations Process (NAESB Standards & Gas Delivery Scheduling)

Direct Customers and ESCOs who have elected non-firm transportation service are required to make their own gas nomination to the KEDLI/KEDNY GTIS. ESCOs/Direct Customers are also required to make their nominations to the interstate pipelines in accordance with the procedures as developed by the North American Energy Standard Board (NAESB) and adopted by the Federal Energy Regulatory Commission (FERC), effective April 2, 2009 in 18 C.F.R. Section 284.12, or as stated below. In general, KEDLI and/or KEDNY will not confirm any gas that is nominated on an interstate pipeline without a corresponding nomination on the KEDLI/KEDNY GTIS. The acceptance of any gas without a corresponding nomination on KEDLI and/or KEDNY's GTIS will be at the discretion of KEDLI and/or KEDNY and may result in an imbalance penalty.

Direct Customers and/or ESCOs electing non-firm transportation service will have secondary rights through the City Gate(s). To the extent station capacity is not utilized to meet firm and non-firm demand response Tier 1 sales and transportation service, gate capacity will be allocated to Direct Customers and/or ESCOs electing non-firm demand response Tier 2 transportation service. To the extent a non-firm demand response Tier 2 transportation customer (s) can create incremental capacity for the benefit of firm Direct Customers at a constrained City Gate station, KEDLI and/or KEDNY, in its sole discretion, will increase the interruptible Direct Customer's and/or ESCO's

allocated capacity through the constrained station.

The Company will accept month-ahead and day-ahead nominations from Direct Customers and/or ESCOs serving Non-Firm Demand Response customers in the following percentages (of their customer's total requirements) on the following pipelines:

- Transco – up to 100%
- Texas Eastern – up to 50%
- Iroquois – up to 50%
- Tennessee – up to 6%

Direct Customers and/or ESCOs serving non-firm loads and power generation customers may, on an intra-day basis, request access to any available city-gate capacity on any pipeline. To request such access, the Direct Customer and/or ESCOs must notify National Grid Gas Control by phone between 8:30 A.M. and 10:00 A.M. prior to the start of the effective Gas Day. The Direct Customers and/or ESCOs will need to provide the requested pipeline, requested volume, and a contact name and phone number. National Grid Gas Control will allocate available capacity on a *pro rata* basis to the requesting Direct Customers and ESCOs and will notify the parties of the capacity they have received between 10:00 AM and 11:00 AM. Any capacity remaining after allocation will be made available on a first come, first-served basis after 1:00 PM. It should be the intent of the Direct Customer and/or ESCO requesting capacity on an intra-day basis during this window to nominate the amount of gas requested as to not unduly restrict other requesting Direct Customers and/or ESCOs.

Should any of the City Gate(s) become constrained or exceed KEDLI and/or KEDNY's rights with respect to allocated capacity or system design, KEDLI and/or KEDNY reserves the right to reallocate the ESCO's/Direct Customer's deliveries to mitigate such constraints.

The quantity of gas deemed received by KEDLI and/or KEDNY for the ESCO and/or Direct Customer at the Receipt Point(s) will equal the volume scheduled by the Upstream Pipeline less the amount to be retained by KEDLI and/or KEDNY as an allowance for fuel losses.

Daily and Monthly Gas Flow

KEDLI and/or KEDNY have accepted the standard nomination deadlines and procedures developed by the NAESB and adopted by FERC. Effective April 1, 2016, KEDLI and/or KEDNY will maintain five distinct nomination cycles. Two cycles provide for gas deliveries at the beginning of the Gas Day and three cycles provide for gas deliveries during the Gas Day. KEDLI and/or KEDNY will only accept nominations as per the schedule outlined below.

1. Time Line for Gas Nominations

a. Timely Nominations

Timely Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Timely Nominations or by 3:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 5:30 pm EST.

b. Evening Nominations

Evening Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Evening Nominations or by 8:00 pm EST for gas to flow the following morning at 10:00 am EST. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 9:30 pm EST.

c. Intraday 1 Nominations

Intraday 1 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 1 Nominations or by 12:00 pm (noon) EST for gas to flow the same day at 3:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 1:30 pm EST. An Intraday 1 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

d. Intraday 2 Nominations

Intraday 2 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 2 Nominations or by 4:30 pm EST for gas to flow the same day at 7:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 6:00 pm EST. An Intraday 2 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

e. Intraday 3 Nominations

Intraday 3 Nominations are due one (1) hour after the NAESB pipeline nomination deadline for Intraday 3 Nominations or by 9:00 pm EST for gas to flow the same day at 11:00 pm EST. Gas flow will be prorated over the remaining hours in the current Gas Day assuming a uniform

hourly flow pattern of 1/24. KEDNY/KEDLI will confirm its acceptance of the ESCO's nominated delivery volumes by 10:30 pm EST. An Intraday 3 Nomination may not cause a previously scheduled and confirmed gas supplier's gas to be bumped.

2. Late Day Gas Nominations

In an effort to provide National Grids market participants with increased scheduling flexibility and to meet changing customer supply requirements, National Grid New York and Long Island will begin accepting post cycle ID-3 nominations effective April 1, 2016. Post cycle ID-3 nominations will be confirmed on a best efforts basis subject to daily operational constraints as determined by the sole discretion of the company. Market Participants are strongly encouraged to use the recognized NAESB cycles and not wait until the post cycle ID-3 to make their initial nominations. Market Participants wishing to make a Post Cycle ID-3 nomination or change to an existing nomination must do so no later than one (1) hour prior to the close of the gas day. All nominations and changes must also be accepted and confirmed by the delivering pipeline.

The Supplier may make late nominations after the ID-3 cycle to existing nominations and/or new nominations within the current gas day but not later than one (1) hour prior to the end of the Gas Day. Each nomination to National Grid's GTIS must have a corresponding nomination on the delivering pipeline and must be confirmed by the Delivering Pipeline. Post Cycle ID-3 nominations must be nominated on National Grid's GTIS before 09:00 such that National Grids Gas Control Center can review and confirm each nomination. Post Cycle ID-3 nominations will be accepted on a best efforts basis subject to operational constraints as determined by National Grid Gas Control Center at their sole discretion.

To ensure operational safety, reliability and feasibility, all market participants wishing to make post cycle ID-3 nominations and changes must also contact National Grid Gas Control by telephone prior to making a post cycle ID-3 nomination. National Grid's ability to accept and confirm Post Cycle ID-3 nominations will be accepted on a best effort basis. As such operational parameters will be considered and factored in to any decisions made by National Grid Gas Control. Market Participants are strongly encouraged to submit their nominations as soon as possible and not wait until the post cycle to make their daily nominations.

3. Outlined below are the current monthly pipeline nomination deadlines and delivery points:

- f. Iroquois Gas Transmission System B South Commack Station - 11:00 AM EST on the last business day before the end of the month;

- g. Texas Eastern Transmission Corporation - Goethals Station, Staten Island 11:00 AM EST on the last business day before the end of the month;
- h. Transcontinental Gas Pipe Line Corporation - Narrows Station, Central Manhattan Station, Manhattan Station and Long Beach Station - 11:00 AM on the last business day before the end of the month; and
- i. Tennessee Gas Pipeline Corporation - White Plains Station - 11:00 AM EST on the last business day before the end of the month.

4. Information required:

- j. ESCO/Direct Customer Name
- k. Start of gas flow- date/time
- l. End of gas flow- date/time
- m. Delivering Pipeline
- n. Volume to be delivered (includes losses) in Dt.
- o. Receipt point
- p. Contract Number
- q. Activity Number
- r. Type of customer being supplied - Firm or Non-Firm

5. Weekends and Holidays

Nomination changes in accordance with KEDLI and/or KEDNY's Policies and Procedures may be made during hours other than its normal business hours by contacting System Control personnel listed in the Communications Protocols Section of this Manual (Section VII).

6. Receipt and Delivery of Gas

The ESCO must deliver or cause to be delivered at the City Gate the applicable forecasted Non-Core DDQ with UFG of ESCO's pool, or ESCO's forecasted Delivery Quantity, for each day of the month. KEDLI and/or KEDNY will deliver to each Customer the Customer's gas requirements for each day of the month and will provide daily swing and balancing services to the extent that actual usage of the customers in the ESCO's pool is different than the ESCO's deliveries.

h **Balancing, Tolerances, Reconciliation/True Ups, Penalties, Imbalance Trading**
Daily Balancing Program
Daily Balancing Service Demand Charge

The following rates and charges are applicable to Sellers participating in the Company's Daily Balancing Program.

The Company will utilize upstream assets and gas supply to manage differences between the quantity of gas delivered during the day by the Seller and the quantity of gas actually consumed during the day by the Seller's Pool.

Sellers shall pay a daily balancing service demand charge which is calculated by multiplying: 1) the Daily Balancing Service Demand Charge set forth on the Statement of Seller Charges and Adjustments; by 2) 1/12 of the Pool's annual normalized consumption.

Daily Cash Out

At the end of each day, the Company will determine the Aggregate Daily Imbalance Percentage for all Sellers participating in the Daily Balancing Program by subtracting: 1) the total telemetered daily consumption grossed up for UFG of the daily balanced pools, from: 2) the total quantity of gas delivered to the city gate for those pools, divided by: 3) the total telemetered daily consumption grossed up for UFG of the daily balanced pools.

The Company will then compare the Aggregate Daily Imbalance Percentage to the +/-5% Daily Imbalance Tolerance (DIT).

a) If the Aggregate Daily Imbalance Percentage is within the +/-5% DIT then:

The Seller's daily imbalance quantity will be transferred to his Monthly Imbalance Account.

b) If there is a System Wide Positive Imbalance (over delivery) such that the Aggregate Daily Imbalance Percentage Exceeds the 5% DIT and

1) The Seller has a positive daily imbalance that is less than 5% then:

The Seller's positive daily imbalance quantity will be transferred to his Monthly Imbalance Account

2) The Seller has a positive daily imbalance that exceeds 5% then:

The Seller's positive daily imbalance quantity shall be credited to the Seller at the following daily cash out prices:

0 to 5%	Transferred to the Monthly Imbalance Account
>5% to 10%	95% times the Daily Cash Out Price
>10% to 15%	90% times Daily Cash Out Price
>15% to 20%	80% times the Daily Cash Out Price

Daily Balancing Program are limited to trading among themselves. Trading can only occur within the utility not intra-utility.

ESCOs may not engage in trades that worsen ESCO's Monthly Imbalance Account positions but must trade towards a zero imbalance. Therefore, an ESCO with a positive Monthly Imbalance Account (over delivery) may only engage in trades in which ESCO is "Selling" and an ESCO with a negative Monthly Imbalance Account (under delivery) may only engage in trades in which ESCO is "Buying". In addition, ESCOs may not engage in trading to a point that ESCO's Monthly Imbalance Account position changes from positive to negative or vice-versa. All trades are initiated and accepted via GTIS.

Monthly Imbalance Cash Out

Once monthly imbalance trading is completed, any remaining Monthly Imbalances will be cashed out as follows:

a) The Monthly Cash Out Price for the Daily Balancing Program will be calculated by summing all the daily cash out prices from the month and dividing by the number of prices.

b) If the Monthly Imbalance Percentage is within the +/-5% level then:

1. Negative monthly imbalances will be purchased by the Seller at the Monthly Cash Out Price in a) above.
2. Positive Monthly Imbalances will be credited to the Seller at the Monthly Cash Out Price in a) above.

c) If the Monthly Imbalance Percentage is outside the +/-5% level then:

1. If the Seller has a positive Monthly Imbalance that exceeds 5% then:

The Seller's positive Monthly Imbalance quantity shall be credited to the Seller at the following average daily cash out prices for the month:

>5% to 10% above.	95% times the Monthly Cash Out Price in a)
>10% to 15% above.	90% times the Monthly Cash Out Price in a)
>15% to 20% above.	80% times the Monthly Cash Out Price in a)
>20% above.	50% times the Monthly Cash Out Price in a)

2. If the Seller has a negative Monthly Imbalance that exceeds 5% then:

The Seller's negative Monthly Imbalance quantity will be purchased by the Seller at the following average daily cash out prices for the month:

>-5% to -10% above.	105% of the Monthly Cash Out Price in a)
>-10% to -15% above.	110% of the Monthly Cash Out Price in a)
>-15% to -20% above.	120% of the Monthly Cash Out Price in a)
>-20% above.	150% of the Monthly Cash Out Price in a)

Non – Core Monthly Balancing Program

The following rates and charges are applicable to Sellers participating in the Company's Non-Core Balancing Program.

Swing Service Demand Charge

Sellers shall pay a swing service demand charge which is calculated by multiplying: 1) the Swing Service Demand Charge set forth on the Statement of Seller Charges and Adjustments; by 2) 1/12 of the Pool's annual normalized consumption

City Gate Balancing

Daily Imbalance volumes for each Seller will be determined each day by comparing the Seller's Non-Core DDQ (adjusted by Tier 1 or Tier 2 interruptions if applicable) to the Seller's confirmed city gate deliveries.

If the confirmed city gate deliveries are less than 98% of the Non-Core DDQ, the Seller will pay a City Gate Balancing Penalty Charge equal to the delta between the confirmed city gate deliveries and 98% of the Non-Core DDQs, multiplied by the Company's Daily Cashout Price plus a penalty charge of \$25 per dekatherm. The penalty charge increases to \$50 per dekatherm on OFO days.

If the confirmed city gate deliveries are more than 102% of the Non-Core DDQ, and if the Company accepts the over delivery, the Company shall pay the Seller an amount equal to the delta between the confirmed city gate deliveries and 102% of the Non-Core DDQs, multiplied by the Company's Daily Cash Out Price.

Monthly Imbalance Account

At the end of each month, the Company will determine the balance in each Seller's Monthly Imbalance Account. This is done by comparing each Seller's adjusted monthly city gate delivery quantity to the total monthly usage actually billed to the Seller's Pool grossed up for UFG.

Monthly city gate delivery quantities will be adjusted as follows:

On days when the Seller delivered less than 98% of Seller's Non-Core DDQ, the volume that was cashed out will be added to Seller's monthly city gate delivery quantity.

On days when the Seller delivered more than 102% of Seller's Non-Core DDQ, and the Company accepted delivery, the volume that was cashed out will be subtracted from Seller's monthly city gate delivery quantity.

Monthly Imbalance Trading

All Sellers will have the opportunity to reduce the balance in their Monthly Imbalance Accounts by trading monthly imbalances with other Sellers who have opposing monthly imbalance positions. Sellers that participate in the Company's Non-Core Monthly Balancing Program are limited to trading among themselves. Trading can only occur within the utility not intra-utility.

Sellers may not engage in trades that worsen Seller's Monthly Imbalance Account positions but must trade towards a zero imbalance. Therefore, a Seller with a positive Monthly Imbalance Account (over delivery) may only engage in trades in which Seller is "Selling" and a Seller with a negative Monthly Imbalance Account (under delivery) may only engage in trades in which Seller is "Buying". In addition, Sellers may not engage trading to a point that Seller's Monthly Imbalance Account position changes from positive to negative or vice-verse. All trades are initiated and accepted via GTIS.

Monthly Imbalance Cash Out

Once monthly imbalance trading is completed, any remaining Monthly Imbalances will be cashed out as follows:

1. Negative Monthly Imbalances will be purchased by the Seller at the Monthly Cash Out Price.
2. Positive Monthly Imbalances will be credited to the Seller at the Monthly Cash Out Price.

i **Meter Reading**

If there is a Company failure of telemetering equipment, the Company will waive the penalty imbalance charge for the period. If there is a Customer failure of telecommunications associated with the telemetering equipment, the Marketer will incur the normal imbalance charges. If there is an inactive telephone line, the customer will have eight (8) weeks to remedy. In the event of any equipment malfunctions, the previous day's actual read will be deemed to be the daily actual read until the situation is corrected. If the malfunction is due to customer reasons and is not remedied after eight (8) weeks, the customer will be returned to the applicable sales service for a minimum of twelve (12) months. The Company shall not be liable for any inaccuracies in the consumption reported if they resulted from malfunctioning telemetering equipment, telephone line problems, customer failure to maintain customer equipment or any other reason outside the control of the Company.

j ***Termination of Service for Failure to Deliver Daily Transportation Quantities***

KEDNY and KEDLI shall have the right to terminate service under this Service Classification to any seller that fails to deliver at least ninety (90) per cent of the applicable DDQ or ADDQ for any three (3) days of a calendar month or any five (5) days within a twelve (12) month period.

6 REQUIREMENTS OF POOL OPERATIONS

a Marketer Contact Personnel

To access information regarding marketer contact personnel for Authorized Gas ESCOs, please visit the National Grid Website at http://www2.nationalgridus.com/partners/marketers/index_ny_kedli.jsp. Select Long Island or New York, Residential or Commercial Approved Supplier Lists. If any information listed on the websites requires correction or updating, contact the Customer Choice Supplier Services personnel by accessing the RightNow Customer Experience System: By typing the following URL directly into your browser: <http://esco.custhelp.com> and selecting Contact Us on the left side of the page.

7 COMMUNICATIONS PROTOCOLS

a Need for Open Lines of Communication Between ESCOs and Local Distribution Companies

Each Local Distribution Company (LDC) shall develop, with input from market participants, a communication protocol. The objective of this protocol is to enhance communications among LDCs, Pipelines, ESCOs and Direct Customers bringing gas to the LDC's city gate. Well-developed communications will reduce errors and will provide all entities with the information necessary to properly fulfill their responsibilities. Underlying the protocol is the recognition that as increasing numbers of customers opt for transportation service, the traditional bilateral communication between LDCs and customers increasingly becomes a communication loop including LDCs, Pipelines, ESCOs and Direct Customers.

Communications should be two-way, with numerous ways of communicating and in a manner that is clear and understandable. Each party must accept the responsibility for clarifying and understanding the messages being exchanged.

Communication should be consistent within an organization and to the extent practical consistent over time.

Communication among the LDC, ESCOs and Direct Customers can occur on a regular basis (daily, monthly, seasonally) and on an as-needed basis (clarifications, alerts, operational flow orders, etc.) Different ways of communicating (telephone, fax, internet website, e-mail, mail, and face-to-face meetings) can be utilized depending upon the circumstances and the message, which must be conveyed. The method and number of communications utilized should be responsive to the evolving needs of all market participants as the industry changes.

National Grid will maintain a database of contact information for Non-Firm Demand Response customers and interested stakeholders (e.g., DPS Staff, ESCOs, NYSERDA and oil associations) who provide their contact information. This database will be used to provide notifications to these customers and stakeholders regarding the Company's Non-Firm Demand Response service, including: forecast temperatures, potential interruptions, and the initiation/conclusion of actual interruptions. These notifications will be sent via multiple mediums, such as telephone, electronic mail and text message. Additionally, the Company will perform an annual communications test during which Non-Firm Demand Response customers will be asked to confirm their contact information.

The Company will commence daily communications with all demand response parties as soon as weather forecasts project outside temperatures to be 20 degrees or below for the upcoming three consecutive days or during times when three days of consecutive customer interruptions occur.

The Company will implement daily communications with demand response customers (email, mobile text messages, fax or phone call), during an interruption and, at a minimum at least one time at the end of every interruption to remind customers to replenish alternate fuel inventories as needed to maintain minimum levels.

Customers will be required to provide affidavits confirming that they have alternative fuel supply contracts in place for the upcoming winter heating season and that such contracts provide for alternative fuel replenishment on an as-needed basis. The affidavits will also include information regarding on-site storage facilities, total storage capacity, and estimated number of peak days of storage. Effective December 1, 2019, customers who fail to submit an affidavit will be subject to penalties of \$100 per day for low-volume customers (less than 1,000,000 therms per year) and \$1,000 per day for high-volume customers (1,000,000 therms per year or greater). Affidavits are due October 1 of each year and penalties will begin November 1.

All market participants must understand that the LDC has the obligation to maintain the reliable operation of the gas distribution system.

During periods of normal operation, the LDC will work with ESCOs and Direct Customers to provide efficient service to customers and to coordinate the flow of information on a multitude of issues including the nomination and confirmation process among Pipelines, ESCOs, Direct Customers and the LDC. This communication process is essential in assuring the uninterrupted flow of gas.

During critical periods, the role of the LDC becomes more demanding and includes the decision as to whether to issue System Alerts (SAs) or Operational

Flow Orders (OFOs) to protect the integrity and the reliability of the gas system. In more extreme cases, the LDC may have to institute curtailment procedures to protect service to core customers.

All parties shall at all times be treated evenhandedly. No long or short-term benefit shall be conferred to a party that is not available on an equal basis to others that are similarly situated. As the restructured natural gas industry evolves, LDCs will continue to be responsive to the needs of market participants. As the market evolves and the proportion of customers that arrange their gas supplies increases, either on their own or by relying on ESCOs, LDC procedures need to be responsive. Reliable delivery of gas will also require communication from ESCOs, Direct Customers and Pipelines.

To insure the reliable delivery of gas to all customers in a seamless manner, the LDC should communicate with all market participants so that parties can exchange information.

Please contact Supplier Services for all ESCO-related issues by submitting inquiries via the RightNow Portal at <http://esco.custhelp.com/>. Individual customers should contact KEDLI Customer Assistance Center at 1-800-490-0025 and KEDNY Customer Assistance Center at 1-718-643-4050.

Gas Control is responsible for interfacing with the gas pipelines on deliveries and maintenance work, for issuing and controlling System Alerts, Company-initiated interruptions, Operational Flow Orders and Curtailments. Gas Control is the central hub of communication between pipelines and ESCOs and for National Grid's gas transportation and distribution activities. As such, Gas Control verifies daily system requirements and confirms all gas deliveries for the Company and third parties through the KEDLI/KEDNY GTIS. The 24/7 phone numbers for Gas Control for KEDLI are 631-861-2903; 2842; phone numbers for Gas Control, KEDNY are 631-861-2901; 2902. E-mail for both groups can be sent to GasControlDownstateNY@nationalgrid.com. Please refer to the organization chart on Page 9 of this GTOP.

b Gas Transportation Information System (GTIS)

The Gas Transportation Information System (GTIS) is a Web application that allows timely, clear communication between ESCOs, KEDLI and KEDNY. The site offers access to the status of nominations and confirmations and is a significant step in improving the communication flow and ensuring quality service to our customers. The GTIS is utilized to notify ESCOs of their delivery requirements as well as allowing for the update of gas nomination information on the delivery system. The GTIS is also be utilized to notify marketers of defaults, curtailments, system alerts and operational flow orders.

In order for an ESCO to gain access to the GTIS, the ESCO, subsequent to the

approval process, will complete the GTIS Access Request Form and return it to Customer Choice Gas Transportation, Nancy Andrews and/or Catherine Morrow at 175 East Old Country Road, Hicksville, NY 11801. Each ESCO must have a minimum of one Administrator who will be responsible in conjunction with KEDLI and/or KEDNY for managing the access of their users to the GTIS.

c **Semi-Annual Reliability Forums**

A reliability forum will be established as a vehicle for on-going communications among ESCOs, pipelines and others. The reliability forum will meet at least twice a year (pre-post winter) and address expected market requirements and supplies to meet those requirements. ESCO notification will be conducted via e-mail and facsimile.

d **Electronic Data Interchange (EDI)**

With the exception of non-firm accounts, all ESCO's are required to be EDI compliant. EDI transactions follow Uniform Business Practice Rules and Implementation Guidelines which may be found on the New York State Public Service Commission website at www.dps.ny.gov.

e **Regular Meetings/Teleconferences**

In order to improve lines of communication, KEDLI and/or KEDNY will set up operational conference calls on a regular basis that would be open to participation by all ESCOs and Direct Customers operating within its system. The frequency of the conference calls is expected to increase during the winter heating season.

There will also be regular meetings among KEDLI and/or KEDNY, ESCOs and Direct Customers prior to the heating season and after the heating season. These meetings will address issues of concern to all. It is anticipated that the party hosting the meeting will seek input from other parties in formulating an agenda.

KEDLI and/or KEDNY's normal business hours are Monday through Friday from 8:00 am to 5:00 pm. All calls relating to operational issues (nominations and deliveries) during hours other than normal business hours should be directed to the Gas Control telephone numbers listed in this section. For questions relating to New York State's Uniform Business Practices, including customer usage and billing information, see section 5 of the Appendices section of this manual.

8 OPERATIONAL FLOW ORDERS (OFOs)

a Critical Periods and Critical Days

A Critical Period is a period of disruption to the operational integrity of the system or a force majeure event. A Critical Day exists when the KEDLI and/or KEDNY declares an Operational Flow Order (OFO) but may also be declared independently of an OFO. To improve all parties' understanding or roles during Critical Periods and to test communications procedures, KEDLI and/or KEDNY may conduct a critical day simulation exercise.

b Gas Transportation Information System (GTIS)

KEDLI and/or KEDNY will facilitate communications with ESCOs and Direct Customers through its GTIS.

This communication medium is the primary means of providing timely communications to ESCOs and Direct Customers.

ESCOs and Direct Customers should review the GTIS on a daily basis and take the necessary actions as identified in the GTIS communication notice.

KEDLI and/or KEDNY will supplement its GTIS notifications with notification via telephone facsimile or pager at the election of the ESCO or Direct Customer.

The ESCO and Direct Customer will be required to provide KEDLI and/or KEDLI with a 24-hour contact number.

c System Alerts (SA) and OFOs

System Alerts (SA) are announcements of actual or pending events that, if unchecked, may result in an OFO being issued. The SA should advise ESCOs and Direct Customers what actions are requested and what actions may be mandated if the voluntary response is not adequate. SAs may be directed to specific ESCOs or Direct Customers, subject to the KEDNY and/or KEDLI's obligation not to unduly discriminate, or to all ESCOs and Direct Customers operating on the system. ESCOs and Direct Customers are expected to respond to SAs as soon as practical and notify KEDLI and/or KEDNY of their intended actions.

KEDNY and/or KEDLI are not obligated to issue a SA before an OFO but will endeavor to do so. SAs will be issued via-e-mail to all ESCOs and Direct Customers and posted to the GTIS.

d ***Operational Flow Orders (OFOs)***

A Critical Day occurs when KEDNY and/or KEDLI issues an OFO. An OFO is issued at the sole discretion of KEDNY and/or KEDLI to alleviate conditions that threaten the operational integrity of the gas system or to prevent an interruption or curtailment. Economic considerations will not be a basis for declaring an OFO.

Except where a more immediate response is needed, there should be at least 24 hours notice to an OFO. When an OFO is preceded by a SA, the 24-hour notice begins with the issuance of the SA. To the extent practicable, there should be a minimum of 8 hours notice when a SA is changed to an OFO. KEDLI and/or KEDNY will supplement its GTIS notifications via telephone, facsimile or pager at the election of the ESCO/Customer.

During any period in which KEDLI and/or KEDNY believes its ability to accommodate imbalances can be restricted or impaired, KEDLI and/or KEDNY may impose a Forced Balancing Operational Flow Order (OFO).

It is impossible to detail all the conditions under which it may be necessary to declare an OFO. However, some of those conditions include:

- Extreme weather conditions
- Reduced gas availability
- Market conditions
- Maintenance on pipelines

e ***Guidelines for Instituting OFO's***

The following guidelines apply to OFO's and OFO notifications:

1. OFO's will be posted on National Grid's GTIS as well as e-mailed to all ESCOs or Direct Customers affected by the OFO.
2. The OFO notice will provide as much advance notice as possible. The date and time of issuance, date and time the OFO takes effect, and the estimated duration will be included in the OFO notice.
3. The OFO notice will communicate clearly to designated ESCO or Direct Customer personnel the actions required, as well as the reason for the required actions, and will provide periodic updates to enable parties to continue their planning functions.
4. Actions required by the OFO will be limited both in duration and scope to meet the objective of the OFO.

5. The required actions will be as localized as possible.
6. The OFO shall not be used to simultaneously restrict over deliveries or under deliveries.
7. An OFO may be directed to specific ESCOs or Direct Customers, subject to KEDLI and/or KEDLI's obligation not to unduly discriminate in its application of OFOs.
8. KEDLI and/or KEDNY will respond to reasonable requests for information by parties within a reasonable time after the OFO event.
9. Economic considerations shall not be a basis for declaring an OFO.
10. KEDLI and/or KEDNY will notify the Director of the Gas Division of the Department of Public Service when an OFO is declared and when the situation returns to normal.

Failure of KEDLI and/or KEDNY to adhere to one or more of the above guidelines is not a basis for ESCOs or Direct Customer not to comply with requirements of the OFO but may provide the basis for a complaint to the Commission regarding KEDLI and/or KEDNY's behavior.

f **Company-Initiated Interruptions**

Customers served under Non-Firm Demand Response (NFDR):
 Tier 1 transportation service classes are SC18-22 T1 (NY) and SC19 T1 (LI)
 Tier 2 transportation service classes are SC18-22 T2 (NY) and SC19 T2 (LI)

On November 15, 2019, the Commission approved National Grid's proposed tariff amendments to combine the existing TC and interruptible ("IT") service classifications and introduce two new service classifications – SC 22- Non-Firm Demand Response Sales Service and SC 18-22 – Non-Firm Demand Response Transportation Service for KEDNY. SC 18 – Non-Firm Demand Response Sales Service and SC 19 – Non-Firm Demand Response Transportation Service for KEDLI. Each new service classification includes two pricing tiers determined by the customer's automatic fuel switching equipment – Tier 1 is only available to customers with automatic fuel switching equipment, while Tier 2 is available to customers without such switching capability.

KEDNY		KEDLI	
SC22	Non-Firm Sales	SC18	Non-Firm Sales

SC18-22	Non-Firm Transportation	SC19	Non-Firm Transportation
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See section 6 of the Appendices section of this manual for the Illustrative Supply and System Dispatch Interruptible Matrix

g Responsibilities of ESCOs, Direct Customers and LDCs During a SA or OFO

1. Some of the actions required by an OFO may include without limit:
 - Require ESCOs to deliver gas to a specific point or points;
 - Require ESCOs to balance daily or to deliver a specific quantity of gas; or
 - Change daily nominations for customer groups being served with a flat monthly nomination.

Upon notice that an OFO will be issued, and for the duration of the OFO, KEDLI and/or KEDNY must make authorized personnel available on a 24-hours-a-day, 7-days-a-week basis to handle the submission and processing of evening cycle and intraday nominations to facilitate the ESCOs and Direct Customers responses to the OFO.

If during an OFO KEDLI and/or KEDNY becomes aware that ESCOs or Direct Customers are not taking the required actions, it should make all reasonable efforts so to inform the non-responding ESCOs or Direct Customers. Lack of such notice will not relieve any ESCO or Direct Customer of its obligations. ESCOs or Direct Customers who fail to comply with the OFO shall be subject to service termination and the applicable penalty provisions as identified by the KEDLI and/or KEDNY's tariffs.

The ESCO, if necessary, should communicate with its Customers to secure compliance with the conditions of a KEDLI and/or KEDNY directed OFO. If the ESCO is aware of noncompliance of one or more of its customers, it shall notify KEDLI and/or KEDNY of the name(s), address and account numbers(s) of the end users(s). During an OFO, the application of penalties should not penalize ESCOs or Direct Customers whose imbalances work to benefit the integrity of the gas system.

At the next meeting of KEDLI and/or KEDNY, ESCOs and Direct Customers, there should be a review of any OFO's that may have been declared. However, any party that has a grievance concerning the necessity for, or individual treatment during an OFO, may address those concerns immediately with KEDLI and/or KEDNY. If, after such discussions, the party is still dissatisfied, it may bring its concerns to the attention of Department of Public Service Staff and, if necessary, to the Commission.

9 CURTAILMENT

a Curtailment

A Curtailment is the reduction of gas deliveries caused by a shortage of supply or pipeline capacity. A Curtailment situation is a catastrophic event. In a Curtailment situation, KEDLI and/or KEDNY physically curtail gas flow to similar types of end use Customers. Curtailment may be required to protect the needs of core Customers and/or to protect the operational reliability of the system.

In the KEDLI and KEDNY territory on an annual basis Gas Planning provides a system load profile and recommendations of areas with pressure concerns which are affected by temperature. This will change based on system dynamics. (i.e. Pressure concerns resolved by addition of Pipe).

The protocol for curtailments is:

Supply Issue – All customers are cut across the board.

Pressure – Look at temperature and area and using the appropriate list cut those customers in the geographic area where the pressure concern occurs.

In a Curtailment situation, KEDLI and/or KEDNY will interrupt/curtail service in accordance with the following schedule:

1. Electric Generation Customers

a. Electric Generation Customers - Customers who use gas for the generation of electricity and/or steam.

2. Co-generation and Special Contract Customers – Customers who use gas as one energy type for boiler fuel to generate electric and/or thermal energy, or co-generation customers with special contracts, who do not have dual fuel options, but who agree to curtail their gas use.

3. Non-Firm Demand Response Tier 2 Customers - Customers whose gas use is dependent upon when the temperature drops below specified levels.

4. Non-Firm Demand Response Tier 1 Customers

a. Non-Firm Demand Response Customers - Customer whose gas use is dependent upon when the temperature drops below specified levels. These specified levels are higher than Non-Firm Demand Response Tier 2 customers.

5. Firm Commercial, Industrial and Baseload Distributed Generation Customers

- a. Firm Commercial - Customers, excluding critical-care facilities, who use gas for general purposes (except for processing), such as water-heating and space heating.
- b. Industrial Customers - Customers who use gas for industrial processing.
- c. Baseload Distributed Generation Customers – Customers using gas for the operation of either co-generation or distributed generation equipment used for mechanical, electrical or thermal applications employing reciprocating engines, gas turbines and/or emerging gas technologies.

6. Firm Residential and Other Human Needs Services

- a. Firm Residential - Customers who use gas for residential (cooking, water heating, space-heating, general) and religious purposes.
- b. Human Needs Services - Customers who use gas for prisons, hospitals, nursing homes, other critical-care facilities, apartments, condominiums, cooperative residences, or supportive/supervised living facilities (community residences).

b **Notice of Service Curtailment for ESCOs serving Non-Firm Demand Response Customers**

To the extent operating conditions allow, KEDLI and/or KEDNY will endeavor to provide 2 hours' notice of service curtailment to ESCOs and Direct Customers.

1. Notification by KEDLI and/or KEDNY's GTIS

- a. KEDLI and/or KEDNY will post notice of service curtailments on GTIS.
- b. ESCOs and Direct Customers are required to review GTIS

notices on a daily basis and take the necessary actions as identified by posted notices.

2. Notification by Telephone

- a. In the event that 2-hour notice of a service curtailment is not possible, KEDLI and/or KEDNY will supplement the GTIS notification via telephone.
- b. An automated telephone message will provide the date and time of a Curtailment and any necessary KEDNY and/or KEDLI contact information.
- c. The ESCO or Direct Customer is responsible to provide KEDLI and/or KEDNY with a telephone number that is available for notification 24-hours-per-day, 365-days-per-year. The ESCO or Direct Customer is responsible to notify KEDLI and/or KEDNY of any changes to this number.
- d. KEDLI and/or KEDNY will use the GTIS and/or the automated telephone system to notify ESCOs or Direct Customers that they may resume using natural gas when a curtailment is concluded.
- e. In the event of a conflict between telephone and the GTIS notice, the most recent notice will be deemed the official notice for determining compliance with the notification.

c *Notice of Company-Initiated Interruptions for Tier 1 and Tier 2 customers*

The Company will endeavor to provide notification (within 2 hours) of a scheduled interruption. A scheduled interruption will be initiated in instances where the Company calls on peaking assets to supplement supply to meet high demand or for isolated distribution system reliability reasons in excess of four hours (other than for LNG plant idling or cooling or for system testing), or if the Company, at its sole discretion, determines that an interruption is warranted to protect the reliability and safety of the system for firm customers. Upon receipt of such notice, the customer shall curtail or discontinue use of gas as instructed by the Company.

Tier 1 customers will be interrupted at 15°F and Tier 2 customers will be interrupted at 20°F as measured at LaGuardia Airport weather station for KEDNY and the Republic Airport (Farmingdale) weather station for KEDLI. The Company

reserves the right to adjust this temperature setting, based on system needs, with a minimum forty-eight (48) hours' notice to customers.

d **Responsibilities of ESCOs and Direct Customers During Curtailment**

During a Curtailment situation, ESCOs and Direct Customers will take immediate action as directed by KEDNY and/or KEDLI. If such actions are insufficient, KEDNY and/or KEDLI will physically curtail gas service to Customers pursuant to the listed priorities in subsection A, above.

The ESCO or Direct Customer may not be required to deliver gas on days that their deliveries are to be interrupted for the full day or the days the customer will be burning an alternate fuel for the entire day.

On August 23, 2007, the State of New York Public Service Commission issued an Order in Case 06-G-0059 establishing guidelines for curtailments. Pursuant to such guidelines, the needs of core Customers, sales or firm transportation, will be met first in the event of interruption or force-majeure curtailment. When necessary to meet high-priority customer demand, KEDLI and/or KEDNY will acquire gas intended for lower priority customers at the City Gate. ESCO's/Direct Customers whose gas is diverted by KEDLI and/or KEDNY will be required to continue making nominations of gas throughout the curtailment period up to their maximum delivery obligation as directed, unless qualified upstream force majeure interruptions or curtailments prevent the ESCO's/Direct Customers from securing or delivering such supplies.

Any failure to interrupt gas usage when required to do so will result in penalties and/or changes in service. Any gas consumed during an interruption will result in unauthorized use charges as provided for in the Company's tariff. Non-compliance charges apply if gas is consumed when the Company is aware that the customer is incapable of interrupting, and an interruption has not been called. Should a customer be paying the Non-Compliance Charge, and an interruption is called, then for the duration of the interruption, the customer would pay the Unauthorized Use Charge, assuming it does indeed continue to use gas. Once the interruption ceases, the customer would again pay the Non-Compliance Charge.

- a. Customers who receive two (2) violations within one (1) winter season (November through March), will be required to apply for firm service, and applications will be reviewed in the same manner as all other similar applications for firm service.

While the application remains pending, the customer will be permitted to remain on NFDR service provided that they comply with the following:

- i. Submit a remediation plan to address and remedy any and all conditions that caused the customer to incur two violations;
- ii. Continue to pay non-compliance charges until remediation is complete or the end of the current winter season;
- iii. Provide proof that the customer has had an efficiency audit conducted;
- iv. Install, at the customer's expense, a tank monitoring device that alerts the customer's fuel oil supplier of tank levels or install an automatic shut-off valve;
- v. Agree to be subject to unannounced, on-site inspections of customer's alternate fuel facilities to verify their ability to interrupt when required.
- vi. If a customer does not follow these requirements and firm service is unavailable, the customer will be terminated.

e Force Majeure

Force Majeure: Seller will be excused from delivering the required gas supplies on any given day for Force Majeure events which directly and substantially affect a seller's natural gas deliveries to the Company.

For purposes of this section, a Force Majeure event will be any failure of the final pipeline delivering gas to the Company or an upstream pipeline feeding such pipeline, with such failure having been classified as a Force Majeure event pursuant to the terms of that pipeline's Federal Energy Regulatory Commission-approved tariff. A legitimate Force Majeure event that curtails the seller's firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a seller's natural gas deliveries to the Company, will excuse a Seller from performing pursuant to this section to the extent of such curtailment. If at such time the Seller is delivering gas to Customers on other systems, the volume excused from performance on the company's system will be no more than a proportionate amount of the affected deliveries curtailed by the Force Majeure event. The Seller is responsible for supplying complete information and verifiable proof of all the particulars requested by the Company related to any such Force Majeure exclusion. In order to validate a claim of Force Majeure, the Seller must have a firm, non-interruptible service with the affected pipeline that is covered by the Force Majeure event and must be willing to present such agreements to the Company.

f Compensation to Non-Core Customers for Diversion

The ESCO/Direct Customer will be the party compensated for the diverted gas. To the extent individual ESCO customers are affected by directing the

payment to the ESCO, they would enter into contractual arrangements with the ESCO that clearly spell out the resolution of compensation issues between the ESCO related to occasions when gas supplies are diverted.

Replacement Cost of Fuel: If gas is diverted from a customer, compensation will be at the midpoint price in Platts Gas Daily, Daily Price Survey for Transco Zone 6 N.Y on the day(s) of such diversion. The affected ESCO/Direct Customer will be compensated pursuant to the foregoing market price, unless it can demonstrate to the Company's satisfaction that its contract price for the gas diverted exceeded such market price.

g **Unauthorized Use of Gas**

Any Non-Firm Demand Response customer who fails to cease its use of natural gas in accordance with KEDLI and/or KEDNY's instruction during a curtailment situation and/or a Company-initiated interruption will be subject to the KEDLI and/or KEDNY unauthorized use charge pursuant to tariff regulations.

10 INTERRUPTION REQUIREMENTS

a ***Alternative Fuel Source Requirements***

For more specific and detailed information regarding Non-Firm Demand Response Service Classification requirements, please see KEDLI Tariff Service Classification 19 and KEDNY Tariff Service Classification 18-22.

11 APPENDICES

1 Forms

Attachment I

a FORM OF SERVICE AGREEMENT FOR NON-CORE TRANSPORTATION SERVICE (Service Classification No. 18)

THIS AGREEMENT entered into this ___ day of _____, _____, by and between The Brooklyn Union Gas Company d/b/a National Grid NY, a New

York Corporation (Company) and _____, a corporation, partnership, individual (Customer).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 18 (SC-18) pursuant to which the Company offers a non-core transportation service to qualifying customers (NCT Service);

WHEREAS, Customer uses more than 35,000 therms per year;

Or

Customer is a part of a small customer aggregation Pool and

a) the total annual consumption of such Pool is at least 50,000 therms, and

b) the Company and the Seller supplying the Pool have entered into an agreement regarding the terms and conditions of such aggregation program and the other terms and conditions of Service Classification No. 19 have been complied with in all respects.

WHEREAS, Customer is not an electric generator.

WHEREAS, Customer has requested Company provide Customer NCT Service; and

WHEREAS, Company is willing to provide such service to Customer subject to the terms and conditions herein.

NOW, THEREFORE, Company and Customer agree as follows:

1. Definitions.

For the purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) "Daily Delivery Quantity" means the total quantity of gas that is required to be delivered to the Company grossed up to cover system losses under the Company's Monthly Balancing Program.

(b) "Delivery Quantity" means the total quantity of gas that is required to be delivered to the Company grossed up to cover system losses under the Company's Daily Balancing Program.

(c) "Seller" means person or entity meeting the Company's qualifications to sell gas to a Pool under this Service Classification.

FORM OF SERVICE AGREEMENT - Continued

2. Transportation Service.

Customer represents and warrants that Customer qualifies for service under SC-18, Rate NCTS-____. Subject to the terms and conditions of this Agreement, the Tariff, and the terms and conditions of SC-18, Customer hereby agrees to deliver or caused to be delivered gas in quantities as follows:

(a) For Monthly Non-Firm Balancing - The Daily Delivery Quantity, as determined by the Company at least monthly, based upon the customer’s historical normalized consumption and/or estimates of consumption under normal conditions.

(b) For Daily Non-Firm Balancing - The Delivery Quantity as determined by the customer or his Seller which is adjusted as necessary during each day based on the customer’s telemetered consumption in order to align deliveries with consumption.

(c) The Company agrees to receive, transport, and redeliver on anon-firm demand response basis to Customer gas in quantities no less than Customer’s Daily Delivery Quantity or Delivery Quantity.

3. Customer Election

(Customers may elect to participate in either the Company’s Monthly Balancing Program or Daily Balancing Program.

In order to be eligible for the Daily Balancing Program, customers must have Automatic Remote Meter equipment installed at their premises as well as a dedicated communication

link that will allow the Company to access the customer’s meter readings periodically throughout the day. The customer is required to pay for the Automatic Remote Meter and dedicated communication link.

Customers that participate in the Company’s Daily Balancing Program will be allowed to return to the Monthly Balancing Program or sales service on a best efforts basis. If approved

to switch by the Company, the Sellers’s customers must remain in the Monthly Balancing Program or sales service for at least twelve months

Customer elects to participate in either Monthly Balancing Program or Daily Balancing Program_____

4. Seller of Gas. Customer designates_____ to be its seller of gas hereunder.

5. Point(s) of Delivery. The Point(s) of Delivery for all gas transported by the Company for Customer’s account hereunder shall be the outlet of Customer’s meter located at _____

FORM OF SERVICE AGREEMENT – Continued

6. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company, for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-18 and the general terms and conditions of the Tariff, including, but not limited to:

(i) the on-system transportation charges for Rate NCT-_____, Rate Schedule ____ (SC-18 Transportation Service rates are set forth on Statement of Non-Core Transportation Rates as filed with the NYS PSC. If a negotiated transportation rate schedule is selected, a pricing addendum is attached hereto and made a part hereof).

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-18, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

7. Term of Agreement.

(a) This Agreement shall be effective for an initial term of one (1) year, commencing as of the date first above written, and shall continue thereafter on a _____ to _____ basis, until terminated by Customer or the Company upon at least thirty (30) days' advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in paragraph 6 hereof shall commence on _____, _____.

(b) Customer shall comply with this Agreement, the terms and conditions set forth under SC-18, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation services provided hereunder if Customer (i) violates any provision of this Agreement, the terms and conditions of SC-18, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

8. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar

private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or (c) on the business day next following

Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY

By: _____

By: _____

Title: _____

Title: _____

Attachment II

b SELLER SERVICE AGREEMENT FOR TRANSPORTATION AGGREGATION SERVICE (Service Classification No. 19)

THIS AGREEMENT entered into this ___ day of _____, _____, by and between The Brooklyn Union Gas Company d/b/a National Grid NY, a New York Corporation (Company) and _____, a corporation, partnership, individual (Seller).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification No. 19 ("SC 19") pursuant to which the Company offers a transportation aggregation service to qualifying sellers of gas (TA Service);

WHEREAS, Seller is aggregating a Pool of one or more Customers taking transportation service under either Service Classification No. 17 ("SC 17") or Service Classification No. 18 ("SC 18");

WHEREAS, Seller has requested Company provide Seller TA Service; and

WHEREAS, Company is willing to provide such service to Seller subject to the terms and conditions herein.

NOW, THEREFORE, Company and Seller agree as follows:

1. Transportation Aggregation Service
 - (a) Seller represents and warrants that Seller qualifies for service under SC 19.
 - (b) Seller requests to add to its Pool the customers listed in Appendix "A" to this agreement. The name, account number, annual usage and outlet of the meter of each Customer in the Pool also shall be set forth in Appendix "A".

FORM OF SERVICE AGREEMENT - Continued

- (c) Seller hereby elects to provide service to the customers listed in Appendix "A" under:
- Core Monthly Balancing Program
 - Non-Core Monthly Balancing Program
 - Daily Balancing Program
- (d) Seller represents that each of the customers listed in Appendix "A" qualifies for service under SC 17 or SC 18 meets the applicability requirements specified in SC 19 and qualifies for the Company Balancing Program selected in (c).

2. Gas Deliveries

- (a) Seller hereby agrees to communicate with the Company and schedule gas deliveries to the Company's city gate in accordance with the requirements of the Tariff and the Company's GTOP Manual.
- (b) The Company agrees to receive, transport, and redeliver on a firm, or non-firm demand response basis, as determined by the nature of the transportation service received by the Customers in the Pool.

2. Point(s) of Delivery, Customers' Names and Account Numbers

The Point(s) of Delivery for all gas transported by the Company for Seller's account hereunder shall be the outlet of the meter of each Customer in the Pool.

4. Rates and Charges for Service

- (a) Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC 19 and the general terms and conditions of the Tariff.
- (b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC 19, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

5. Term of Agreement

- (a) This Agreement shall be effective for an initial term of one (1) year,

commencing as of the date first above written, and shall continue thereafter on a _____ to _____ basis, until terminated by Seller or the Company upon at least thirty (30) days' advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Seller's obligation to pay the charges referenced in paragraph 10 hereof shall commence on _____, _____.

- (b) Seller shall comply with this Agreement, the terms and conditions set forth under SC 19, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation and swing services, and associated services provided hereunder if Seller (i) violates any provision of this Agreement, the terms and conditions of SC 19, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

6. Notice

Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified or (c) or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: The Brooklyn Union Gas Company d/b/a
National Grid NY
One MetroTech Center
Brooklyn, New York, 11201-3850
Attention: _____

If to Seller:

Attention: _____

7. Incorporation by Reference

The terms and conditions of SC 19 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

8. Miscellaneous

- (a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.
- (b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.
- (c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.
- (d) This Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- (e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

THE BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY

By: _____

By: _____

Title: _____

Title: _____

Attachment III

c Keyspan Gas East Corporation d/b/a National Grid Service Classification No. 8 Seller Service Agreement

THIS AGREEMENT entered into this _____ day of _____, by and between KeySpan Gas East Corporation d/b/a National Grid, a New York Corporation (“Company”), and _____, a corporation, partnership, individual (Seller).

WITNESSETH:

WHEREAS, the Company’s Schedule for Gas Service (Tariff) contains a Service Classification No. 8 (“SC 8”) pursuant to which the Company offers a seller service to qualifying sellers of gas;

WHEREAS, Seller is aggregating a Pool of one or more Customers taking transportation service under either Service Classification No. 5 (“SC 5”), Service Classification No. 7 (“SC 7”) or Service Classification No. 19 (“SC 19”);

WHEREAS, Seller has requested Company provide SC 8 Seller Service; and

WHEREAS, Company is willing to provide such service to Seller subject to the terms and conditions herein.

NOW, THEREFORE, Company and Seller agree as follows:

1. Seller Service
 - (a) Seller represents and warrants that Seller qualifies for service under SC 8.
 - (b) Seller requests to add to its Pool the customers listed in Appendix “A” to this agreement. The name, account number, annual usage and outlet of the meter of each Customer in the Pool also shall be set forth in Appendix “A”.
 - (c) Seller hereby elects to provide service to the customers listed in Appendix “A” under:
 - Core Monthly Balancing Program
 - Non-Core Monthly Balancing Program
 - Daily Balancing Program
 - (d) Seller represents that each of the customers listed in Appendix “A” qualifies for service under SC 5, SC 7 or SC 19, meets the applicability requirements specified in SC 8 and qualifies for the Company Balancing Program selected in (b).
2. Gas Deliveries
 - (a) Seller hereby agrees to communicate with the Company and schedule gas deliveries to the Company’s city gate in accordance with the requirements of the Tariff and the Company’s GTOP

Manual.

- (b) The Company agrees to receive, transport, and redeliver on a firm or non-firm demand response basis, as determined by the nature of the transportation service received by the Customers in the Pool.

3. Point(s) of Delivery, Customers' Names and Account Numbers.

The Point(s) of Delivery for all gas transported by the Company for Seller's account hereunder shall be the outlet of the meter of each Customer in the Pool.

4. Rates and Charges for Service.

- (a) Seller shall pay the Company for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC 8 and the general terms and conditions of the Tariff.
- (b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC 8, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

5. Term of Agreement.

- (a) This Agreement shall be effective for an initial term of one (1) year, commencing as of the date first above written, and shall continue thereafter on a _____ to _____ basis, until terminated by Seller or the Company upon at least thirty (30) days' advance written notice to the other, specifying the termination date. The Company's obligation to provide service hereunder, and Seller's obligation to pay the charges referenced in paragraph 10 hereof shall commence on _____, _____.
- (b) Seller shall comply with this Agreement, the terms and conditions set forth under SC 8, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation and swing services, and associated services provided hereunder if Seller (i) violates any provision of this Agreement, the terms and conditions of SC 8, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or

warranty with respect to this Agreement.

6. Seller understands and agrees as follows:
 - (a) Seller warrants that all information provided to the Company for the purpose of qualifying for service under SC 8 is true and accurate and Seller acknowledges that such information has been provided to the Company for the purpose of inducing the Company to provide service pursuant to Service Classification No. 8.
 - (b) Seller has satisfied the credit criteria for Sellers pursuant to SC 8 and is a qualified Seller without providing security to the Company, or has provided the Company with an advance deposit, or a standby irrevocable letter of credit, a security interest in collateral, or a guarantee of payment by another person or entity, acceptable to the Company, as Security to ensure performance pursuant to SC 8. The amount of security required to ensure performance will be periodically reviewed by the Company and Sellers agree to increase or reduce such security as the Company determines is necessary to reflect increases or decreases in the DDQ of Customers that are supplied natural gas by Seller. The Company will respond within ten days to a grievance filed by a Seller that is denied service under SC 8 for failure to satisfy the credit criteria.
 - (c) Seller hereby acknowledges that its obligations to deliver natural gas to the Company under SC 8 will not be abated by any circumstance, including a breach of the obligations by any Customer to the Seller, except for events of Force Majeure as specified under SC 8 or actions by the Company that prevent performance by Seller.
 - (d) If any provision herein is construed to be inconsistent with SC 5, SC 7, SC 8 or SC 19, Seller acknowledges that the provisions of SC 5, SC 7, SC 8 or SC 19 as modified and approved by the New York State Public Service Commission shall govern.
 - (e) The Company's waiver or Seller's waiver of any one or more of the provisions of this Service Agreement and/or SC 5, SC 7, SC 8 and SC 19 shall not operate or be construed as a future waiver of any provision or future provision, whether of a like or different character.
6. Seller Provisions (continued)
 - (f) By the fifteenth day prior to the start of the following month, for service commencing by the first day of the succeeding calendar month, Seller will notify the Company of any Customer that is added or is deleted from seller's aggregated group by updating the attached

Customer list. Failure to provide the Company with such notification will constitute seller's representation that the Customers within seller's aggregated group have not changed Seller will also place on file with the Company a copy of customer's written request to be included in seller's aggregated group for the effective time period.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

KEYSPAN GAS EAST CORPORATION
d/b/a NATIONAL GRID

By: _____

By: _____

Title: _____

Title: _____

ACCEPTED:

By: _____ Seller
Title: _____

Date:

KEYSPAN GAS EAST CORPORATION d/b/a NATIONAL GRID

Service Classification No. 8

APPENDIX A

CUSTOMER NAME	ACCOUNT NUMBER	ANNUAL USAGE	OUTLET OF METER
----------------------	-----------------------	---------------------	------------------------

Total Annual Usage:

Attachment IV

d FORM OF SERVICE AGREEMENT FOR NON-CORE TRANSPORTATION SERVICE FOR ELECTRIC GENERATION (Service Classification Nos. 18 and 20)

THIS AGREEMENT entered into this ___ day of _____, _____, by and between Brooklyn Union Gas Company d/b/a National Grid NY, a New York Corporation (Company) and _____, a corporation, partnership, individual (Customer).

WITNESSETH:

WHEREAS, the Company's Schedule for Gas Service (Tariff) contains a Service Classification Nos. 18 (SC-18) and 20 (SC-20) pursuant to which the Company offers a non-core transportation service for electric generation to qualifying customers (NCTEG Service);

WHEREAS, Customer has requested Company provide Customer NCTEG Service; and

WHEREAS, Company is willing to provide such service to Customer subject to the terms and conditions herein.

NOW, THEREFORE, Company and Customer agree as follows:

1. Transportation Service.

- a) Customer represents and warrants that customer qualifies for service under either:
 SC-20 NCTEG-1 Rate.
 SC-18 NCTEG Rate.

b) Subject to the terms and conditions of this Agreement, the Tariff and the terms and conditions of SC-20, Customer hereby agrees to nominate the Daily Nomination Quantity on the Electronic Bulletin Board to Company. The Daily Nominations Quantity may not exceed the Maximum Daily Delivery Quantity of _____ dekatherms, exclusive of system losses. Subject to the terms and conditions of this Agreement, the Tariff and the terms and conditions of SC-20, upon Customer's communication of the Daily Nomination Quantity, Customer will be required to deliver or cause to be delivered daily to the Company for Customer's account gas in quantities equal to the Daily Nomination Quantity. The Daily Nomination Quantity shall include a quantity for system loss and unaccounted for gas. The Company shall not be required to accept deliveries of gas in excess of the Maximum Daily Delivery Quantity of _____, exclusive of system losses.

c) The Company agrees to receive, transport, and redeliver on an interruptible basis to Customer, gas in quantities equal to the Daily Nomination Quantity as adjusted for lost and unaccounted for gas; provided that the Company will not redeliver quantities

greater than Customer's Maximum Daily Delivery Quantity.

2. Seller of Gas. Customer designates _____ to be its seller of gas hereunder.

3. Point(s) of Receipt. The Point(s) of Receipt for all gas tendered by Customer to the Company hereunder shall be the existing delivery point of

(name of pipeline)
known to the Company as

(name of metering station)

4. Point(s) of Delivery. The Point(s) of Delivery for all gas transported by the Company for Customer's account hereunder shall be the outlet of Customer's meter located at _____. (Customer Service Location(s))

5. Delivery Pressure. Gas delivered to the Point(s) of Receipt by Customer, or that Customer causes to be delivered to the Point(s) of Receipt, shall be at such delivery pressures as are sufficient to enter Company's system.

6. Daily Balancing. The Company shall balance to zero Customer's account at the end of each day, as provided under the terms and conditions of SC-20.

7. Rates and Charges for Service.

(a) Each month (or other period, if so indicated in the Tariff), Customer shall pay the Company, for all service provided hereunder, all applicable rates, charges, surcharges, fees, penalties and the like set forth under SC-20, Rate Schedule 1 and the general terms and conditions of the Tariff.

(b) The Company may seek authorization from the Commission for changes to any rate(s) and terms and conditions set forth herein, under SC-20, or the Tariff, as may be deemed necessary by the Company to assure just and reasonable rates and charges.

8. Term of Agreement.

(a) This Agreement shall be effective for a term of five (5) years, commencing as of the date first above written. The Company's obligation to provide service hereunder, and Customer's obligation to pay the charges referenced in paragraph 8 hereof shall commence on _____.

(b) Customer shall comply with this Agreement, the terms and conditions set

forth under SC-20, and all applicable terms and conditions of the Tariff. Notwithstanding anything else herein or in the Tariff to the contrary, the Company shall have the absolute right, in its sole discretion, to terminate this Agreement immediately and the transportation service provided hereunder if Customer (I) violates any provision of this Agreement, the terms and conditions of SC-20, or the general terms and conditions of the Tariff; (ii) fails to comply with any term or condition of this Agreement or the general terms and conditions the Tariff; or (iii) makes any false or misleading representation or warranty with respect to this Agreement.

9. Notice. Except as may be otherwise provided in this Agreement or the Tariff, any notice to be given under this Agreement shall be in writing, and shall be hand delivered, sent by prepaid certified or registered mail, return receipt requested, or by Federal Express or similar private carrier, and shall be deemed to have been properly given and received (a) when delivered in person to the authorized representative of the party to whom the notice is addressed, (b) on the date received as indicated on the return receipt when sent by prepaid certified or registered mail, to the party notified c) or on the business day next following mailing, when sent by Federal Express or other private carrier. Routine communications and monthly billing statements shall be considered as duly delivered when mailed by registered, certified, ordinary mail, Federal Express or other similar private carrier. All communications shall be addressed to the respective parties as follows:

If to the Company: Brooklyn Union Gas Company
 d/b/a National Grid NY
 One Metrotech Center
 Brooklyn, New York, 11201
 Attention: _____

If to Customer: _____

 Attention: _____

10. Creditworthiness. In accordance with SC-20, as a condition to Company's execution of this Agreement, Customer shall guarantee payment of \$_____ (the "credit amount") by providing to Company

- (a) a letter of credit for the credit amount from a financial institution acceptable to Company;
- (b) a prepayment of the credit amount, or
- (c) a financial guarantee of the credit amount from a financial institution acceptable to the Company.

Upon termination of this Agreement, the letter of credit, prepayment or financial guarantee shall be returned to the Customer, to the extent not required to offset or secure any amount owed by Customer to Company.

11. Incorporation by Reference. The terms and conditions of SC-20 and the general terms and conditions of the Tariff are incorporated herein by reference, and made a part hereof.

12. Miscellaneous.

(a) No waiver by either party of any one or more defaults by the other in the performance of any of the terms and conditions of this Agreement shall operate or be construed as a waiver of any default or defaults, whether of a like or different nature.

(b) The interpretation and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter hereof, including present and future orders, rules, and regulations of the New York Public Service Commission and other duly constituted authorities.

(c) Except as otherwise provided herein, neither party shall transfer or otherwise assign its rights and obligations under this Agreement without the express written consent of the other party.

(d) This Agreement and the Tariff constitute the complete agreement and understanding between the parties hereto with respect to the subject matter hereof, and supersede any and all prior existing agreements or understandings between the parties hereto. No alteration, amendment or modification of the terms and conditions of this Agreement shall be valid unless made pursuant to an instrument in writing signed by each of the parties hereto. This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Capitalized terms used, but not defined, herein shall have the meanings given to them under the Tariff.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or representatives as of the date first above written.

BROOKLYN UNION GAS COMPANY
d/b/a NATIONAL GRID NY

By: _____

By: _____

Title: _____

Title: _____

Attachment IX

e Marketer Application –

KeySpan Gas East Corporation d/b/a National Grid (KEDLI) Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY) Gas Supplier Application

Requirements to Become a Gas Supplier

To supply gas to customers of KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and/or Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), an applicant must meet the following requirements:

1. Complete this application.
 2. Meet KEDLI and/or KEDNY credit criteria as set forth in its Gas Operating Procedures Manual (GTOP) and New York States Uniform Business Practices.
 3. Supplier has met the requirement and approvals of the New York State Public Service Commission and otherwise has complied with the residential and nonresidential consumer protection requirements set forth in the Tariff.
 4. Satisfy any other requirements set forth in Tariff.
-

Corporations also must provide:

1. A copy of Corporate papers - including certificate of incorporation, appropriate corporate resolutions, a complete list of corporate officers, their titles, home addresses, corporate bank references and Federal Taxpayer ID#.
2. Copies of your past two years certified financial statements and /or annual reports

Individuals and Partnerships also must provide:

1. Satisfactory proof of home address.
2. Federal Taxpayer ID# and Social Security Number of the individual or partners.
3. A copy of a Business certificate if not operating under personal name.
4. Copies of your past two years certified financial statements and /or annual

reports

Application Information

Corporation ___ Partnership ___ Individual ___ Other ___

Name of Qualified Supplier:

Federal Taxpayer ID # _____ Social Security #

Address _____ City _____ State

Zip Code _____ Phone _____ Fax

- Are you requesting approval for New York and/or Long Island?
New York ___ Long Island ___ Both ___
- If the applicant is incorporated in a state other than New York, has the supplier filed for a certificate of doing business with the Secretary of State of New York?
Yes ___ No ___ If no, KEDLI and/or KEDNY can furnish the supplier with an alternative authorization.
- If the applicant is an individual or partnership, has the applicant filed for a business certification with the County(ies) of operation?
Yes ___ No ___

Credit Information

Checking Account # _____ Bank

Dun & Bradstreet No. _____

Has the applicant, or an officer, principal shareholder, partner or other principal of the applicant, ever been dissolved or declared bankruptcy? Yes ___ No ___

If Yes: Date Declared _____ Name _____ CH: 13,7,11(Circle)

Principal Officers, Partners or Owners of Business

1. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____

E-Mail _____

2. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____

E-mail _____

3. Name _____ Title _____

Federal Taxpayer ID # _____ Social Security # _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____

E-Mail _____

Operations Contact (24 Hours)

Name _____ Title

Address _____ City _____ State

Zip Code _____ Phone _____ Fax

E-
Mail _____

Billing Contact

Name _____ Title

Address _____ City _____ State

Zip Code _____ Phone _____ Fax

E-
Mail _____

Credit Contact

Name _____ Title

Address _____ City _____ State

Zip Code _____ Phone _____ Fax

E-
Mail _____

Retail Sales Contact

Name _____ Title

Address _____ City _____ State

Zip Code _____ Phone _____ Fax _____

Mail _____ E-

Regulatory Contact

Name _____ Title _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____

Mail _____ E-

Media Relations Contact

Name _____ Title _____

Address _____ City _____ State _____

Zip Code _____ Phone _____ Fax _____

Mail _____ E-

For KEDLI and/or KEDNY use only

Credit Approved By:

Source: Dun & Bradstreet Rating

Analysis of Finances

Other

Security Posted:

Amount of Security:

Type of Security:

KeySpan Gas East Corporation d/b/a National Grid (KEDLI)

Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY)

Gas Seller Application

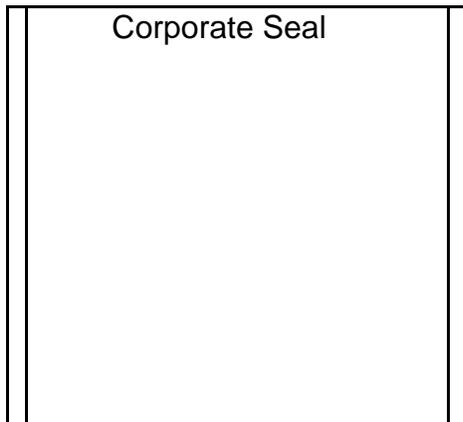
Certificate of Application

I/we agree to permit KEDLI and/or KEDNY to conduct a credit review of the applicant and agree to pay KEDLI and/or KEDNY all rates, charges, fees, penalties, taxes and other amounts in accordance with the Tariff and any applicable law, rule or regulation. I/we further agree that the applicant will pay all collection costs and expenses, including attorneys' fees, incurred in an effort to collect unpaid past due bills owing by applicant to KEDLI and/or KEDNY'. All bills will be considered past due 15 days after the bill has been rendered. Late payment charges will be levied at the prevailing rate, currently 1-1/2 percent per month on any unpaid past due balances. To the best of my/our knowledge, the information provided here is accurate and no attempt has been made to misrepresent any of the information set forth in this application. Please mail the completed application to the respective location:

Keyspan Gas East Corporation
d/b/a National Grid
Customer Choice
175 East Old Country Road
Hicksville, New York 11801

OR

Brooklyn Union Gas Company
d/b/a National Grid NY
Customer Choice
175 East Old Country Road
Hicksville, New York 11801



Application Submitted by:

(Name of Applicant)

By: _____

Position: _____

Print Name: _____

Date: _____

Credit Authorization

The undersigned individual(s) who is either a principal of the credit applicant or a sole proprietorship of the credit applicant, recognizing that his or her individual credit history may be a factor in the evaluation of the credit history of the applicant, hereby consents to and authorizes the use of a consumer credit report on the undersigned by KEDLI and/or KEDNY credit grantor, from time to time as may be needed, in the credit evaluation process.

Appendix X

f KEDLI/KEDNY GTIS Access Request Form

Function

Add: ___
Change: ___
Delete: ___

Marketer Company Name: _____

Marketer's Administrator Name: _____

User Name : _____

Login ID : _____

Login ID standard is the user's first initial of first name and their entire last name. If the same Login ID exists add marketers company name to the end of user name.

Mothers Maiden Name: _____

Roles :

Administrator : ___
Active User: ___
Read Only : ___

Reports :

Pool Report ___
Imbalance Report ___

Email : _____

Pager Email : _____

APPENDIX XI

g CAPACITY RELEASE AGREEMENT - KEDLI

Capacity Release Agreement

This Agreement ("Agreement") is made as of this _____ day of _____, 20_____, by and among **KeySpan Gas East Corporation d/b/a National Grid**, a New York corporation having its principal office at 175 East Old Country Road, Hicksville, NY 11801 ("**Company**"),

_____, a [type of entity and State of organization] _____,
having its principal place of business at [street address; note that PO Box is not sufficient]
_____, ("**ESCO**") and

_____, a [type of entity and State of organization] _____,
having its principal place of business at [street address; note that PO Box is not sufficient]
_____, ("**ESCO's Agent**"), *if an agent is so designated.*

(Company, ESCO and ESCO's Agent are hereinafter sometimes referred to collectively as the "Parties" or individually as a "Party").

WHEREAS, ESCO has been authorized by the New York State Public Service Commission ("**PSC**") to act as an energy services company in the State of New York and approved by the Company to participate in the Company's retail access program (the "**Program**");

WHEREAS, ESCO may retain a third party to assist ESCO in ESCO's participation in the Program; to the extent that ESCO has retained a third party with regard to transportation capacity on interstate pipelines, such third party is designated herein as **ESCO's Agent**;

NOW THEREFORE, in consideration of the mutual representation, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties agree as follows:

1. **ESCO Representations.** ESCO represents that

a. it is in compliance with all applicable state and federal laws, the PSC's Uniform Business Practices ("**UBP**"), and all applicable PSC rules, regulations, and PSC orders relating to ESCO qualification or obligations (collectively, "**Applicable Law**"), and all Tariff provisions for the Company (including Company's SC- 8 Seller's Service Agreement,), each as may be amended from time to time ("**Company Requirements**") relating to the sale of natural gas by energy services companies in Company's service territory;

b. it is obligated to supply gas to one or more retail customers on Company's distribution system in quantities determined by the Company from time to time ("**Contract Quantity**"), pursuant to a

state-regulated retail access program (“State Program”), as defined in Part 284 of the Federal Energy Regulatory Commission’s (“FERC”) Regulations; and

c. it and or ESCO’s Agent satisfy the credit requirements prescribed by the FERC Gas Tariffs of the pipelines on which capacity may be released.

2. **Designation and Effect of Designation of ESCO’s Agent.** ESCO hereby designates ESCO’s Agent as its agent for the purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines. The details of ESCO’s eligibility to participate in such State Program shall not be deemed to be altered in any way by its designation of ESCO’s Agent as its agent under this Agreement or the transactions contemplated hereunder.

3. **Revocation of Designation.** ESCO may revoke its designation of ESCO’s Agent as its agent for purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines. ESCO shall provide Company with written notice of such revocation and shall promptly designate a replacement agent for services related to transportation capacity on interstate pipelines or otherwise provide for meeting its obligations under the Program.

4. **Non-exclusive Designation.** ESCO and ESCO’s Agent acknowledge and agree that ESCO’s designation of ESCO’s Agent is not exclusive and that ESCO may designate one or more agents, or elect to retain capacity for its own use, provided that ESCO provides prior written notice to Company. If ESCO is designating an additional or alternate agent, each such additional or alternate agent and ESCO must execute a “Capacity Release Agreement.”

5. **ESCO’s Agent Representations.** ESCO’s Agent represents that it

- a) is acting as ESCO’s agent for purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines;
- b) has a contractual obligation to supply gas to ESCO in an amount equivalent to the Contract Quantity and to act as an agent or as an asset manager for ESCO, including providing services for transportation capacity on interstate pipelines;
- c) is obligated to use up to the full amount of the Capacity Release, as defined herein, to supply the Contract Quantity to ESCO and, as a result, ESCO’s Agent qualifies for the exemptions from bidding and the prohibition against tying of releases of interstate gas pipeline capacity pursuant to FERC’s Regulations.
- d) Satisfies the in compliance with credit requirements prescribed by the FERC Gas Tariffs of the pipelines on which capacity may be released

6. **Capacity Release Request.** ESCO requests that Company make a release to ESCO or ESCO’s Agent where agent is designated by ESCO of interstate pipeline capacity sufficient to transport the full Contract Quantity (the “Capacity Release”).

7. **Title to Gas.** As between Company, ESCO and ESCO’s Agent, ESCO and ESCO’s Agent warrant to Company title to the gas to be transported pursuant to the Capacity Release.

8. **Capacity Release Addendum.** ESCO requests that the Capacity Release be released to the named entity on the pipeline(s) as designated in the attached **Capacity Release Addendum** to be completed by ESCO and returned to Company with this Agreement. ESCO shall provide Company with prompt written notice of any modifications to the Capacity Release Addendum.

9. **Pipeline Obligations.** ESCO and /or ESCO's Agent shall pay the pipelines directly for all charges associated with the Capacity Release, including without limitation demand charges, commodity charges, taxes, surcharges, fuel allowance, imbalance and overrun charges, penalties, and other applicable charges. Company reserves all its rights for reimbursement from ESCO and/or ESCO's Agent in the event of ESCO's and/or ESCO's Agent's failure to pay the pipelines' charges in connection with the Capacity Release. ESCO and ESCO's Agent acknowledge and agree to the extent that Company incurs any charges or losses as a result of ESCO's and/or ESCO's Agent's failure to pay pipeline charges in connection with the Released Capacity or to otherwise comply with applicable Law, ESCO and ESCO's Agent shall be jointly and severally liable to Company for such charges and losses.

10. **FERC Compliance.** The Parties intend that the transactions hereunder qualify for the waiver of the FERC prohibition on tying and bidding requirements for capacity releases made as part of state-approved retail access programs contemplated by FERC Orders 712, 712-A and 712-B.

11. **Limitation of Liability.** To the fullest extent allowed by law, in no event shall any Party be liable for any consequential, incidental, indirect, special or punitive damages incurred by another Party and connected with, arising from or related to this Agreement , including but not limited to loss of good will, cost of capital, claims of customers and lost profits or revenue, whether or not such loss or damages is based in contract, warranty, tort, negligence, strict liability, indemnity, or otherwise, even if a party has been advised of the possibility of such damages.

12. **Indemnification.** ESCO and ESCO's Agent, to the fullest extent allowed by law, shall indemnify, defend and save harmless Company, its parent, subsidiary and affiliate companies, and its and their officers, directors, shareholders, agents, employees, contractors, representatives, successors and assigns ("Indemnified Parties") from and against any and all suits, actions, legal proceedings, claims, losses, demands, damages, costs, liabilities, fines, penalties, royalties, obligations, judgments, orders, writs, injunctions, decrees, assessments, diminutions in value of any kind and expenses of whatsoever kind or character, including reasonable attorneys' fees and court costs, whether incurred in a third party action or in an action to enforce this provision that may at any time be imposed on, incurred by or asserted against any of the Indemnified Parties by any third party, including, without limitation, the FERC or ESCO Customers, arising from on in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by ESCO or ESCO's Agent, (b) any violation of applicable law, regulation or order by ESCO or ESCO's Agent, or (c) any act or omission by ESCO or ESCO's Agent with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of the Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent,

employee, or affiliate of Company or its respective successors or assigns. The obligations of ESCO and ESCO's Agent as set forth in this section shall survive the expiration, cancellation, or termination of this Agreement.

13. General.

a. Assignment. No Party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

b. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous agreements and understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

c. Amendment. Except as otherwise provided herein, no modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties or their agents and approved by Company. A waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

d. Governing Law/Venue. Interpretation and performance of this Agreement will be in accordance with, and will be controlled by the laws of the State of New York except its conflict of law's provisions to the extent they would require the application of the laws of any other jurisdiction. The parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement will be brought in a court of the State of New York in New York or Kings County, or a Federal court of the United States of America located in the State of New York, New York or Kings County. The Parties irrevocably waive any objection that they may now or in the future have to the State of New York, New York or Kings County as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Agreement.

e. Severability. If one or more provisions herein are held to be invalid, illegal or unenforceable in any respect, it will be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability will not affect the validity of the other provisions of this Agreement.

IN WITNESS WHEREOF, the ESCO and ESCO's Agent have caused this agreement to be executed by their duly authorized representatives as of the date first above written.

ESCO LEGAL ENTITY NAME: _____

Authorized Representative Signature: _____

Authorized Representative Name: _____

Authorized Representative Title: _____

Street Address: _____

Email Address: _____

ESCO's AGENT LEGAL ENTITY NAME: _____

Authorized Representative Signature: _____

Authorized Representative Name: _____

Authorized Representative Title: _____

Street Address: _____

Email Address: _____

- **For Company use below** -

Company Representative Name: _____

Company Representative Title: _____

Street Address: _____

Email Address: _____

Capacity Release Addendum

Instructions:

Date: _____

- Please select the applicable pipelines operating in the Program service territory. *E.g.: _EGTS, Iroquois, Tennessee, TransCanada & Enbridge.*
- For each pipeline that capacity will be released on, fill in the legal entity names for both the ESCO and where designated, ESCO's Agent
- If the ESCO has no third party, and the ESCO will be accepting in its own capacity, enter the ESCO name in both columns.
- The name in the fourth column is the name National Grid will use when releasing interstate pipeline capacity.

✓	Pipeline	ESCO Legal Entity Name	Legal Entity Name (ESCO's Agent, where applicable) (This is the name of the entity to which capacity is released on pipeline)
	Algonquin		
	_EGTS		
	Empire		
	Transco		
	Tetco		
	Tennessee		
	Iroquois		
	Millennium		
	TransCanada		
	Enbridge		

Service Territory: KeySpan Gas East Corporation d/b/a National Grid

ESCO: _____

ESCO's Agent: _____

ANY CHANGES TO THIS ADDENDUM MUST BE SUBMITTED TO COMPANY BY ESCO IN WRITING.

NOTE: Changes submitted mid-month may not be effective until the following capacity release month.

APPENDIX XII

***h* CAPACITY RELEASE AGREEMENT – KEDNY** **Capacity Release Agreement**

This Agreement ("Agreement") is made as of this _____ day of _____, 20_____, by and among **The Brooklyn Union Gas Company d/b/a National Grid**, a New York corporation having its principal office at One MetroTech Center, Brooklyn, New York 11201 ("**Company**"),

_____, a [type of entity and State of organization] _____,
having its principal place of business at [street address; note that PO Box is not sufficient]
_____, ("**ESCO**") and

_____, a [type of entity and State of organization] _____,
having its principal place of business at [street address; note that PO Box is not sufficient]
_____ ("**ESCO's Agent**"), *if an agent is so designated*.

(Company, ESCO and ESCO's Agent are hereinafter sometimes referred to collectively as the "Parties" or individually as a "Party").

WHEREAS, ESCO has been authorized by the New York State Public Service Commission ("PSC") to act as an energy services company in the State of New York and approved by the Company to participate in the Company's retail access program (the "Program");

WHEREAS, ESCO may retain a third party to assist ESCO in ESCO's participation in the Program; to the extent that ESCO has retained a third party with regard to transportation capacity on interstate pipelines, such third party is designated herein as **ESCO's Agent**;

NOW THEREFORE, in consideration of the mutual representation, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties agree as follows:

1. **ESCO Representations**. ESCO represents that
 - a. it is in compliance with all applicable state and federal laws, the PSC's Uniform Business Practices ("UBP"), and all applicable PSC rules, regulations, and PSC orders relating to ESCO qualification or obligations (collectively, "Applicable Law"), and all Tariff provisions for the Company (including Company's SC- 19 Seller's Service Agreement,), each as may be amended from time to time ("Company Requirements") relating to the sale of natural gas by energy services companies in Company's service territory;

b. it is obligated to supply gas to one or more retail customers on Company's distribution system in quantities determined by the Company from time to time ("Contract Quantity"), pursuant to a state-regulated retail access program ("State Program"), as defined in Part 284 of the Federal Energy Regulatory Commission's ("FERC") Regulations; and

c. it and or ESCO's Agent satisfy the credit requirements prescribed by the FERC Gas Tariffs of the pipelines on which capacity may be released.

2. **Designation and Effect of Designation of ESCO's Agent.** ESCO hereby designates ESCO's Agent as its agent for the purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines. The details of ESCO's eligibility to participate in such State Program shall not be deemed to be altered in any way by its designation of ESCO's Agent as its agent under this Agreement or the transactions contemplated hereunder.

3. **Revocation of Designation.** ESCO may revoke its designation of ESCO's Agent as its agent for purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines. ESCO shall provide Company with written notice of such revocation and shall promptly designate a replacement agent for services related to transportation capacity on interstate pipelines or otherwise provide for meeting its obligations under the Program.

4. **Non-exclusive Designation.** ESCO and ESCO's Agent acknowledge and agree that ESCO's designation of ESCO's Agent is not exclusive and that ESCO may designate one or more agents, or elect to retain capacity for its own use, provided that ESCO provides prior written notice to Company. If ESCO is designating an additional or alternate agent, each such additional or alternate agent and ESCO must execute a "Capacity Release Agreement."

5. **ESCO's Agent Representations.** ESCO's Agent represents that it

- a. is acting as ESCO's agent for purposes of providing services to ESCO under the Program, including services for transportation capacity on interstate pipelines;
- b. has a contractual obligation to supply gas to ESCO in an amount equivalent to the Contract Quantity and to act as an agent or as an asset manager for ESCO, including providing services for transportation capacity on interstate pipelines;
- c. is obligated to use up to the full amount of the Capacity Release, as defined herein, to supply the Contract Quantity to ESCO and, as a result, ESCO's Agent qualifies for the exemptions from bidding and the prohibition against tying of releases of interstate gas pipeline capacity pursuant to FERC's Regulations.
- d. Satisfies the in compliance with credit requirements prescribed by the FERC Gas Tariffs of the pipelines on which capacity may be released

6. **Capacity Release Request.** ESCO requests that Company make a release to ESCO or ESCO's Agent where agent is designated by ESCO of interstate pipeline capacity sufficient to transport the full Contract Quantity (the "Capacity Release").

7. **Title to Gas.** As between Company, ESCO and ESCO's Agent, ESCO and ESCO's Agent warrant to Company title to the gas to be transported pursuant to the Capacity Release.

8. **Capacity Release Addendum.** ESCO requests that the Capacity Release be released to the named entity on the pipeline(s) as designated in the attached **Capacity Release Addendum** to be completed by ESCO and returned to Company with this Agreement. ESCO shall provide Company with prompt written notice of any modifications to the Capacity Release Addendum.

9. **Pipeline Obligations.** ESCO and /or ESCO's Agent shall pay the pipelines directly for all charges associated with the Capacity Release, including without limitation demand charges, commodity charges, taxes, surcharges, fuel allowance, imbalance and overrun charges, penalties, and other applicable charges. Company reserves all its rights for reimbursement from ESCO and/or ESCO's Agent in the event of ESCO's and/or ESCO's Agent's failure to pay the pipelines' charges in connection with the Capacity Release. ESCO and ESCO's Agent acknowledge and agree to the extent that Company incurs any charges or losses as a result of ESCO's and/or ESCO's Agent's failure to pay pipeline charges in connection with the Released Capacity or to otherwise comply with applicable Law, ESCO and ESCO's Agent shall be jointly and severally liable to Company for such charges and losses.

10. **FERC Compliance.** The Parties intend that the transactions hereunder qualify for the waiver of the FERC prohibition on tying and bidding requirements for capacity releases made as part of state-approved retail access programs contemplated by FERC Orders 712, 712-A and 712-B.

11. **Limitation of Liability.** To the fullest extent allowed by law, in no event shall any Party be liable for any consequential, incidental, indirect, special or punitive damages incurred by another Party and connected with, arising from or related to this Agreement, including but not limited to loss of good will, cost of capital, claims of customers and lost profits or revenue, whether or not such loss or damages is based in contract, warranty, tort, negligence, strict liability, indemnity, or otherwise, even if a party has been advised of the possibility of such damages.

12. **Indemnification.** ESCO and ESCO's Agent, to the fullest extent allowed by law, shall indemnify, defend and save harmless Company, its parent, subsidiary and affiliate companies, and its and their officers, directors, shareholders, agents, employees, contractors, representatives, successors and assigns ("Indemnified Parties") from and against any and all suits, actions, legal proceedings, claims, losses, demands, damages, costs, liabilities, fines, penalties, royalties, obligations, judgments, orders, writs, injunctions, decrees, assessments, diminutions in value of any kind and expenses of whatsoever kind or character, including reasonable attorneys' fees and court costs, whether incurred in a third party action or in an action to enforce this provision that may at any time be imposed on, incurred by or asserted against any of the Indemnified Parties by any third party, including, without limitation, the FERC or ESCO Customers, arising from on in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by ESCO or ESCO's Agent, (b) any violation of applicable law, regulation or order by ESCO or ESCO's Agent, or (c) any act or omission by ESCO or ESCO's Agent with respect to this Agreement, first arising, occurring or existing

during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of the Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or affiliate of Company or its respective successors or assigns. The obligations of ESCO and ESCO's Agent as set forth in this section shall survive the expiration, cancellation, or termination of this Agreement.

13. General.

a. Assignment. No Party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

b. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous agreements and understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

c. Amendment. Except as otherwise provided herein, no modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties or their agents and approved by Company. A waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

d. Governing Law/Venue. Interpretation and performance of this Agreement will be in accordance with, and will be controlled by the laws of the State of New York except its conflict of law's provisions to the extent they would require the application of the laws of any other jurisdiction. The parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement will be brought in a court of the State of New York in New York or Kings County, or a Federal court of the United States of America located in the State of New York, New York or Kings County. The Parties irrevocably waive any objection that they may now or in the future have to the State of New York, New York or Kings County as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Agreement.

e. Severability. If one or more provisions herein are held to be invalid, illegal or unenforceable in any respect, it will be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability will not affect the validity of the other provisions of this Agreement.

IN WITNESS WHEREOF, the ESCO and ESCO's Agent have caused this agreement to be executed by their duly authorized representatives as of the date first above written.

ESCO LEGAL ENTITY NAME: _____

Authorized Representative Signature: _____

Authorized Representative Name: _____

Authorized Representative Title: _____

Street Address: _____

Email Address: _____

ESCO's AGENT LEGAL ENTITY NAME: _____

Authorized Representative Signature: _____

Authorized Representative Name: _____

Authorized Representative Title: _____

Street Address: _____

Email Address: _____

- **For Company use below** -

Company Representative Name: _____

Company Representative Title: _____

Street Address: _____

Email Address: _____

Capacity Release Addendum

Instructions:

Date: _____

- Please select the applicable pipelines operating in the Program service territory. *E.g.: _EGTS, Iroquois, Tennessee, TransCanada & Enbridge.*
- For each pipeline that capacity will be released on, fill in the legal entity names for both the ESCO and where designated, ESCO's Agent
- If the ESCO has no third party, and the ESCO will be accepting in its own capacity, enter the ESCO name in both columns.
- The name in the fourth column is the name National Grid will use when releasing interstate pipeline capacity.

✓	Pipeline	ESCO Legal Entity Name	Legal Entity Name (ESCO's Agent, where applicable) (This is the name of the entity to which capacity is released on pipeline)
	Algonquin		
	_EGTS		
	Empire		
	Transco		
	Tetco		
	Tennessee		
	Iroquois		
	Millennium		
	TransCanada		
	Enbridge		

Service Territory: The Brooklyn Union Gas Company d/b/a National Grid

ESCO: _____

ESCO's Agent: _____

ANY CHANGES TO THIS ADDENDUM MUST BE SUBMITTED TO COMPANY BY ESCO IN WRITING.

NOTE: Changes submitted mid-month may not be effective until the following capacity release month.

i Renewable Natural Gas Engineering Services Agreement Template

DIGESTER GAS SALES AGREEMENT

This Digester Gas Sales Agreement ("Agreement"), dated as of the __ day of ____, 201_ by and between _____ [LDC] (hereinafter referred to as "Buyer" or "Company"), a _____ [state] corporation with offices at _____ [address] and _____ [Seller] (hereinafter referred to as "Seller"), a _____ [state] [entity type] with offices at _____ [address] and each hereinafter referred to as a "Party" or collectively as the "Parties".

WHEREAS, Seller owns an anaerobic digester situated within a landfill located in _____ that recovers digester methane gas from _____; and

WHEREAS, Buyer is a regulated natural gas distribution company which owns and operates a natural gas distribution system in _____; and

WHEREAS, Seller desires to sell and deliver Pipeline Quality Processed Digester Gas to Buyer, and Buyer desires to purchase and accept such Processed Digester Gas from Seller; and

WHEREAS, Buyer has agreed to operate and maintain certain of the facilities required in connection with the delivery of Processed Digester Gas, and Seller has agreed to reimburse Buyer for performing such operation and maintenance services; and

NOW THEREFORE, in consideration of the foregoing premises and of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 The term "Btu" means British Thermal unit, and shall be the quantity of heat required to raise the temperature of one (1) pound of water one degree Fahrenheit at sixty (60) degrees Fahrenheit at a pressure of 14.73 psia.

1.2 The term "Day" means a period of twenty-four (24) consecutive hours beginning and ending at 9:00 AM Central Standard Time.

1.3 The term "Delivery Point" shall mean the point of interconnection between the facilities of Seller and Buyer at or near the Landfill where Processed Digester Gas will be sold and delivered by Seller to Buyer under this Agreement, as shown on Exhibit "A" hereto. [Schematic drawing]

1.4 "Facilities" means those facilities that will be maintained by the Company pursuant to this Agreement and other facilities utilized in connection with the delivery of Processed Digester Gas.

1.5 "Landfill" means the _____.

1.6 The term "Maximum Daily Quantity" (or "MDQ") is the maximum amount of Processed Digester Gas that Buyer is obligated to purchase on any Day during the term of this Agreement.

1.7 The term "MMbtu" means one million Btu.

1.8 The term "Month" means a period beginning at 9:00 AM Central Standard Time on the first Day of any calendar month and ending at 9:00 AM Central Time on the first Day of the next succeeding calendar month.

1.9 The term "Plant" means the digester and processing facilities operated by Seller located at the Landfill.

1.10 The term "Processed Digester Gas" means natural gas produced by Seller at the Plant.

1.11 "Services" has the meaning set forth in Article 8 of this Agreement.

1.12 "Pipeline Quality" has the meaning defined in latest version of AGA Report 4a.

ARTICLE 2 EFFECTIVE DATE AND TERM

2.1 The term of the Agreement shall commence as of the date first written above and shall remain in effect through _____, 20__, and from month to month thereafter unless terminated by either Party on no less than thirty (30) days prior written notice to the other.

2.2 Upon the termination of this Agreement for any reason, any monies due and owing Seller or Buyer shall be paid pursuant to the terms hereof, and any corrections or adjustments to payments previously made shall be determined and made at the earliest possible time. The provisions of this Agreement shall remain in effect until the obligations under this paragraph have been fulfilled.

ARTICLE 3

SALE AND PURCHASE OBLIGATIONS

3.1 Subject to the terms and conditions of this Agreement, Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, each Day during the term of this Agreement, at the Delivery Point, a quantity of Pipeline Quality Processed Digester Gas equal to the lesser of (a) the quantity of Processed Digester Gas produced by the Plant on such Day or (b) the MDQ for such Day.

3.2 As of the effective date of this Agreement, the MDQ shall be _____MMBtu.

3.3 Seller shall tender Pipeline Quality Processed Digester Gas for delivery at a substantially uniform rate of flow throughout each Day, at a minimum of 0 mdth/day and a maximum of ___ mdth/day, except that if Seller becomes aware that the rate of delivery or the total quantity of Pipeline Quality Processed Digester Gas, Seller will deliver for any Day will differ by more than _____ (%) (positive or negative) from that achieved the previous Day, Seller shall so notify Buyer's Gas Control Center at the contact set forth in Section 13.10 below. Seller also shall notify Buyer's Gas Control Center at least _____ () hours in advance of any suspension of Processed Digester Gas deliveries under this Agreement necessitated by Seller's maintenance of its Plant.

ARTICLE 4 PRICE OF GAS

4.1 The price paid for each MMBtu of Processed Digester Gas sold and purchased under this Agreement in any Month shall be equal to _____.

ARTICLE 5 TITLE TO GAS

5.1 Seller hereby warrants good and merchantable title to all Pipeline Quality Processed Digester Gas delivered hereunder, free and clear of all liens, encumbrances and claims whatsoever. Seller will indemnify Buyer and hold it harmless from any and all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse title claims of any and all persons to said Pipeline Quality Processed Digester Gas.

5.2 Title to all Pipeline Quality Processed Digester Gas received by Buyer shall pass to Buyer at the Delivery Point. As between the Parties hereto, Seller shall be deemed to be in exclusive control and possession of the Processed Digester Gas deliverable hereunder and responsible for any damage or injury caused thereby until the same shall have been delivered to Buyer at the Delivery Point; thereafter Buyer shall be deemed to be in exclusive control and possession of such gas and responsible for any damage or injury caused thereby.

ARTICLE 6

GAS PRESSURE, TEMPERATURE AND QUALITY

6.1 Seller shall tender Pipeline Quality Processed Digester Gas for delivery to Buyer under this Agreement at the Delivery Point at pressures sufficient for such Pipeline Quality Processed Digester Gas to enter Buyer's facilities at such point, but in no event in excess of the maximum allowable operating pressure on Buyer's system which, at the time of execution of this Agreement, is ___ psig. Buyer shall promptly notify Seller of any changes in the maximum operating pressure of the Buyer's system.

6.2 Seller shall tender Pipeline Quality Processed Digester Gas for delivery to Buyer under this Agreement at the Delivery Point at a temperature no less than __ degrees Fahrenheit and no greater than __ degrees Fahrenheit. Should Seller tender Processed Digester Gas to Buyer at the Delivery Point at a temperature colder or warmer than such range and Buyer's meter is damaged as a result, then in addition to and without limitation of any other remedy Buyer may have, Buyer shall be entitled to receive from Seller an amount equal to Buyer's cost to repair or replace such meter and any other related equipment affected.

6.3 Seller agrees that it will exercise reasonable care and diligence in tendering Pipeline Quality Processed Digester Gas for delivery to Buyer under this Agreement, and warrants that all Pipeline Quality Processed Digester Gas when tendered for delivery to Buyer hereunder at the Delivery Point shall:

- a. be compatible and interchangeable with pipeline gas as defined in _____;
- b. be within the limits set forth below: Table 1: Gas Quality Specifications

Gas Quality Specification	Low	High
BTU Content (Heat Content) [BTU/scf]	980	1100
Wobbe Number (capped @ 1400 w/ BTU of 1100)	1290	1390
Relative Density	0.56	0.60
Water Vapor Content [lb/MMscf]	-	6.5
Mercaptans (as Odorant) [lb/MMscf]	0.35	0.75
Hydrocarbon Dew Point, [°F] CHDP	-	12°F
Hydrogen Sulfide (H₂S)	-	2 ppmv
Total Sulfur		1.0 ppmv
Diluent Gases Carbon Dioxide (CO₂) Nitrogen (N₂) Oxygen (O₂) Total Diluents	-	2.0% 2.5% 0.15% Not to exceed 4.0%
Hydrogen	-	0.1 vol%
Total Bacteria	-	Not Detectable
Mercury	-	Not Detectable
Other Volatile Metals (including arsenic)	-	Not Detectable
Siloxanes (D4)	-	Not Detectable
Ammonia	-	Not Detectable
Non-Halogenated Semi-Volatile and Volatile Compounds	-	Not Detectable
Halocarbons	-	Not Detectable
Aldehyde/Ketones	-	Not Detectable
Radon	-	<1 pci/L
PCBs	-	Not Detectable
Pesticides	-	Not Detectable

NOTES:

1. *Not-detectable for purposes of this specification is defined as a value less than the lowest detectable level for a mutually agreeable standard industry analytical test method*
2. *BTU = commonly referred to as Higher Heating Value (HHV)*
3. *Wobbe = Interchangeability parameter; ratio of BTU content to specific gravity*
4. *In addition to the specified limits above, gas received into Buyer's pipeline system shall be pipeline quality and as such remain commercially free of objectionable materials and merchantable as defined in latest edition of AGA Report 4A "Natural Gas Contract Measurement and Quality Clauses"*

c. be monitored as to conformity with all of the foregoing criteria by manual test or by mutually acceptable continuous monitoring equipment; and Buyer will require quarterly random grab sampling to ensure gas is free of objectionable materials with analytical costs to be reimbursed by the Seller.

6.4 Seller shall maintain in good working order its facilities at the Plant that enable it to ensure that the pressure, temperature and quality of the Pipeline Quality Processed Digester Gas it tenders for delivery under this Agreement fully conform with the criteria set forth in this Agreement.

6.5 In addition to any and all other remedies that it may have, Buyer shall have the right to reject as non-conforming any Processed Digester Gas Seller tenders for delivery under this Agreement that fails to comply with the pressure, temperature or quality specifications set forth in this Agreement, and will maintain suitable equipment at Seller's premise in order to remotely monitor and shut off Seller's supply should it not meet such specifications.

6.6 The Parties shall develop a facility start-up gas quality sampling and testing plan (the "Plan") to ensure all equipment is functioning as and intended in order to provide Pipeline Quality Processed Digester Gas conforming to the quality specifications set forth in Table 1 above. The Plan shall include provisions regarding frequency of initial testing.

**ARTICLE 7
GAS MEASUREMENT**

7.1 The quantity of Processed Digester Gas delivered hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying temperatures and pressures and shall be determined as follows:

- a. the sales unit of the Processed Digester Gas delivered shall be one (1) MMBtu of gas measured as HHV on a real, dry, basis at standard temperature and pressure;
- b. the unit of weight for the purpose of measurement shall be one (1) pound mass of gas;

c. the average absolute atmospheric pressure shall be assumed to be 14.73 pounds per square inch; and

d. the temperature of gas passing through the meter shall be determined by the continuous use of a temperature measuring device; the arithmetic averages of the temperature recorded each twenty-four (24) hour Day shall be used in computing gas volumes or continuous instantaneous temperature measurements may be applied to metering instruments to provide the volume computation.

7.2 The metering equipment shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested or adjusted, and representatives of Seller shall be afforded at least twenty-four (24) hour notice and reasonable opportunity to be present upon such occasions. Buyer shall use reasonable efforts to give Seller more than twenty-four (24) hour notice of such inspections, tests or adjustments.

7.3 Periodic tests of such metering equipment, at intervals not to exceed two times per year, will be made at any reasonable time upon request there for by Seller. If, as a result of any such additional test, the metering equipment is found to be defective or inaccurate, it will be restored to a condition of accuracy or replaced. If an additional test of the metering equipment is made at the request of Seller with the result that said metering equipment is found to be registering correctly or within two percent (2%) plus or minus of one hundred percent (100%) accuracy, Seller shall bear the expense of such additional test. If such additional test shows an error greater than two percent (2%) plus or minus of one hundred percent (100%) accuracy, then Buyer shall bear the expense of such additional test and any necessary repair or replacement.

7.4 All meters shall be adjusted as close as practical to one hundred percent (100%) accuracy at time of installation and testing. If any of the metering equipment tests provided for herein disclose that the error for such equipment exceeds two percent (2%) plus or minus of one hundred percent (100%) accuracy, and the period of inaccuracy cannot be reasonably ascertained, then the period of inaccuracy will be assumed to have begun at the midpoint in time between the discovery of the inaccuracy and the previous meter test.

7.5 Any correction in billing resulting from such correction in meter records shall be made in the next monthly invoice rendered by Buyer after the inaccuracy is discovered. Should any metering equipment fail to register the gas delivered or received during any period of time, the amount of Processed Digester Gas delivered or received during such period will be estimated by the Parties according to the amounts previously delivered or received during similar periods under substantially similar conditions, and upon mutual agreement of the Parties shall be used as the basis for billing for that period.

ARTICLE 8
OPERATION and MAINTENANCE SERVICES, EQUIPMENT REPLACEMENT COSTS

8.1 SCOPE - During the term of this Agreement the Company will perform, or cause to be performed, in a prudent and workman like manner the Services set forth in Section 8.2 below. Upon the mutual agreement of the Parties, the Company may perform additional Services (the "Unscheduled Services") in connection with the Facilities. In the case of emergencies that render the Facilities unsafe, the Company may perform emergency services that it deems necessary to make the Facilities safe (the "Emergency Services"), including shutting off gas supply and the gas delivery. The Company shall attempt to notify Seller prior to commencing any such Emergency Services, however if prior notification is impractical, the Company shall have the right to commence the Emergency Services immediately and to notify Seller within 24 hours thereafter.

8.2 SERVICES - During the term of this Agreement, the Company shall provide the labor and materials necessary to operate and maintain the gas meters, gas regulators, odorant system, gas chromatographs, telephone lines and other ancillary equipment required by the Company in connection with the delivery of Processed Digester Gas pursuant to this Agreement (the "Services"). The Services do not include repairs for damages, malfunctions or failures caused by or occurring as the result of: (a) repairs, adjustments or any other actions performed by persons other than the Company's authorized representatives; (b) failure of components not serviced by the Company's authorized representatives; (c) abuse, misuse or negligent acts of Seller or others; or (d) an event of force majeure as defined in Article 11 hereof. Installation of the equipment described above is the Seller's responsibility.

8.3 COST OF SERVICES - Seller shall reimburse the Company for the fully loaded cost incurred by the Company in performing the Services, Unscheduled Services and/or Emergency Services.

8.4 EQUIPMENT REPLACEMENT AT END OF LIFE – Seller shall reimburse the Company for the fully loaded cost to replace gas meters, gas regulators, odorant system, gas chromatographs, telephone lines and other ancillary equipment when such equipment reaches the end of its service life.

ARTICLE 9
BILLING AND PAYMENT

9.1 On or before the fifth (5th) day of each Month, Buyer shall notify Seller of the quantity of Processed Digester Gas delivered by Seller to Buyer during the preceding Month. Seller shall render a written statement to Buyer on or before the fifteenth (15th) day of such succeeding Month which, upon verification by Buyer, shall be paid by Buyer by the twenty-fifth (25th) day of such Month. If the twenty-fifth (25th) day of any Month falls on a weekend or bank holiday, payment by Buyer shall be due on

the next succeeding business day.

9.2 The fully loaded costs incurred by the Company in performing any Services, Unscheduled Services and/or Emergency Services will be applied as an offset to the amount invoiced by Seller pursuant to Section 9.1 above.

9.3 AUDITS. Each Party shall have the right at its own expense to examine and audit at a reasonable time and upon reasonable prior notice the books, records and charts of the other Party relevant to this Agreement. Each Party shall use reasonable efforts to make available such records as may be necessary to verify the accuracy of any statements or charges made under or pursuant to any of the provisions of this Agreement. A formal audit of accounts shall not be made more than once each calendar year.

ARTICLE 10 ACCESS TO PREMISES

10.1 Seller agrees during the term of this Agreement that it will provide access as may be required by the Company's authorized representatives for the performance of its obligations hereunder. Upon 24 hours' notice, Seller shall grant access to, or obtain access for, the Company's authorized representatives for performance of the Services and the Unscheduled Services. Furthermore, Seller shall grant or obtain immediate access for the Company's authorized representatives for the performance of Emergency Services.

ARTICLE 11 FORCE MAJEURE

11.1 The term force majeure as employed herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning earthquakes, fires, storms, floods, washouts, arrests, the order of any court of governmental authority having jurisdiction while the same is in force and effect, civil disturbances, explosions, breakage, accidents to machinery or lines or pipe, freezing of or damage to facilities, inability to obtain or unavoidable delay in obtaining material, equipment, and any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome.

11.2 In the event of either Party being rendered unable, wholly or in part, by force majeure to carry out its obligations (other than the continuing obligation set forth herein below), it is agreed that on such Party's giving notice and full particulars of such force majeure in writing or by telegraph or telecopy to the other Party within a reasonable time (not to exceed five (5) days) after occurrence of the cause relied on, the obligations of both Parties, so far as they are affected by such force majeure, shall be suspended during such period of force majeure, but for no longer period, and such

cause shall so far as possible be remedied with all reasonable dispatch.

11.3 Neither Party shall be liable in damages to the other for any act, omission or circumstance occasioned by, or in consequence of, force majeure, as herein defined. Such causes or contingencies affecting the performance by either Party, however, shall not relieve it of liability unless such Party shall give notice and full particulars of such cause or contingency in writing, to the other Party at the address set forth in Section 13.10 within a reasonable time after the occurrence relied upon, nor shall such causes or contingencies affecting the performance by either Party relieve it of liability in the event of its failure to use due diligence to remedy the situation and remove the cause with all reasonable dispatch, nor shall such causes or contingencies affecting the performance relieve Buyer from its obligation to make payments of amounts in respect of Pipeline Quality Processed Digester Gas delivered.

11.4 To the extent that, in Buyer's sole judgment. Buyer's ability to receive, measure monitor and/or odorize pipeline quality Processed Digester Gas is impaired by conditions on its system including, but not limited to, the performance of routine maintenance or repairs, then Buyer's obligation to purchase and receive such Processed Digester Gas shall be suspended for the duration of such condition.

ARTICLE 12 EVENTS OF DEFAULT

12.1 EVENTS OF DEFAULT - The occurrence of anyone or more of the following shall be an "Event of Default" under this Agreement:

- (a) Failure by a party to pay/reimburse any amount when due and payable that is required to be paid by the terms of this Agreement.
- (b) Failure by a party to perform any covenant, condition or agreement required to be performed by it by the terms of this Agreement that continues for a period of ten (10) days after the required date of performance.

12.2 REMEDIES ON DEFAULT.

- (a) The non-defaulting party shall have the right, upon written notice to the defaulting party, to terminate this Agreement upon any Event of Default.
- (b) Upon any Event of Default by the Company, Seller, or a designee of Seller, may cure any breach or default of the Company under this Agreement that resulted in an Event of Default (including the failure to perform Services), in which case the full cost thereof shall be reimbursed to Seller by the Company.

ARTICLE 13 MISCELLANEOUS

13.1 Except as provided hereinafter, neither this Agreement nor any rights or

obligations hereunder may be assigned or transferred, by operation of law or otherwise by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Buyer may assign this Agreement and all of its rights and obligations to an affiliate of Buyer at any time upon 30 days prior written notice to Seller.

13.2 Seller shall provide, at no cost to Buyer, all of the electricity and compressed air required for Buyer to operate the facilities that will measure, regulate and odorize the Processed Digester gas delivered by Buyer to Seller under this Agreement at Buyer's facilities for such purposes located at or near the Delivery Point.

13.3 The sale and delivery of Processed Digester Gas by Seller and the purchase and receipt thereof by Buyer are subject to all valid legislation with respect to the subject matter hereof and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction. Neither Buyer nor Seller shall be liable to the other for failure to perform any obligation hereunder where such failure is due to compliance with such valid laws, orders, rules or regulations. If any statute, order, rule, or regulation of a duly constituted authority having jurisdiction over a Party or the performance of this Agreement prevents Seller from charging or collecting the price or prices payable hereunder or prevents Buyer from recovering costs representing the price or prices payable hereunder, the following shall apply notwithstanding any other provision of this Agreement:

a. If Buyer is prevented from recovering any costs representing all or a portion of the price or prices payable hereunder, or Buyer's recovery of such costs is made subject to refund, Buyer may, at its option, terminate this Agreement by written notice to Seller, effective not less than sixty (60) days after delivery thereof;

b. If Seller is prevented from charging or collecting all or any part of the price or prices payable hereunder, or Seller's collection of such prices is made subject to refund, Seller may, at its option, terminate this Agreement by written notice to Buyer, effective not less than sixty (60) days after delivery thereof.

13.4 This Agreement sets forth all understandings between the Parties respecting the terms and conditions of this transaction. All other agreements, understandings and representations by and between the Parties hereto prior to this Agreement, whether consistent or inconsistent, oral or written, concerning this transaction are merged into and superseded by this written Agreement.

13.5 All headings appearing herein are for convenience only and shall not be considered a part of this Agreement for any purpose.

13.6 The Parties may, by mutual agreement, waive any provision herein; however, a waiver shall not be construed to constitute a continuing waiver hereunder and furthermore, a waiver by either Party of any one or more defaults by the other Party in performance of any provision of this Agreement shall not operate or be construed as a waiver of future default or defaults, whether of a like or different character.

13.7 Seller hereby agrees to indemnify and hold harmless Buyer from damage to Buyer's or third parties' property or injury to persons (including death) to the extent resulting from the negligence of Seller, its servants, agents or employees, while engaged in activities under this Agreement. Buyer shall indemnify and hold harmless Seller from damage to Seller's or third parties' property or injury to persons (including death) to the extent resulting from the negligence of Buyer, its servants, agents or employees while engaged in activities under this Agreement except to the extent Buyer's Schedule for Gas Service (as filed with and approved by the Public Service Commission of the State of _____), limits Buyer's liability. The obligations under this Section shall survive termination of this Agreement.

13.8 THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF _____, WITHOUT REGARD TO ANY RULES GOVERNING CONFLICTS OF LAWS THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

13.9 This Agreement may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

13.10 Unless otherwise specified, any notice, request, demand, statement, bill or other payment provided for in this Agreement, or any notice which a Party may desire to give to the other, shall be considered duly delivered as of the earlier of the date of the receipt by the addressee or three (3) business days after the postmark date when mailed by ordinary mail or given to the addressee at the addresses listed below:

BUYER:

Notices:

Billings:

SELLER:

NOTICES and BILLINGS

(Original)

(Copy Submitted to)

IN WITNESS WHEREOF, The Parties have duly executed this Agreement as of the day and year first above written.

[Buyer]

By: _____

[Seller]

By: _____

ENGINEERING SERVICES REIMBURSEMENT AGREEMENT

THIS ENGINEERING SERVICES REIMBURSEMENT AGREEMENT ("Agreement"), effective as of this [] day of [] ("Effective Date"). is by and between [] ("Customer"), a [] organized and existing under the laws of [] with offices at [], and [] ("Company"), a corporation organized and existing under the laws of the State of [] with offices at [].

WHEREAS, Customer is proposing to build an anaerobic digester within a landfill located in [] that will recover methane gas from [] to be burned on site to generate electricity, with excess gas to be treated to meet pipeline gas specifications and sent to Company's natural gas distribution system (the "Project"); and

WHEREAS, Customer desires to have Company perform certain engineering services (as specified below) in connection with the Project, and Company has agreed to perform such services upon the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties entering into this Agreement (each a "Party", and collectively, the "Parties"), with the intent to be bound, agree as follows:

ARTICLE I – SERVICES

1.1 Scope of Services. Company will perform those services specified in Exhibit A attached hereto and hereby incorporated herein ("Services"). No goods, equipment, or materials will be provided under this Agreement. This Agreement does not provide for generation interconnection service, procurement of equipment, installation or construction, or transmission service.

1.2 Customer's Responsibilities.

Customer shall provide/perform:

1. Complete and accurate information regarding requirements for Services, including, without limitation, constraints, space requirements and relationships, special equipment, systems, site requirements, underground or hidden facilities and structures, all applicable drawings and specifications, Process Hazards Assessment (PHA) and Facility Siting Study;
2. If and to the extent applicable, Company access to the site where Services will be performed;
3. A project manager who will be given the authority to coordinate all aspects of

the Project between Customer and Company;

4. If and to the extent applicable, adequate parking and security for the vehicles of Company personnel performing the Services; and
5. Other responsibilities and access deemed necessary by, and in the sole discretion of, Company to facilitate performance of the Services.

Customer shall reasonably cooperate with Company as required to facilitate Company's performance of the Services. Other express Customer responsibilities, if any, shall be as specified in Exhibit A attached hereto.

Anything in this Agreement to the contrary notwithstanding, Company shall have no responsibility or liability under this Agreement for any defective performance or nonperformance to the extent such defective performance or nonperformance is caused by the inability or failure of (i) Customer to cooperate or to perform any of the tasks or responsibilities contemplated to be performed or undertaken by Customer in Exhibit A or elsewhere in this Agreement, or (ii) Customer and Company to reach agreement on any matter requiring their mutual agreement as contemplated in Exhibit A or elsewhere in this Agreement.

1.3 Unknown Conditions. Customer represents, warrants and covenants that all information provided by Customer is accurate and complete and acknowledges and agrees that Company may and will rely on this representation, warranty and covenant in performing under this Agreement. If, as a result of additional, different, or previously unknown information, any changes in Services are required that will result in an increase or decrease in the cost or time of performance under the Agreement, the Price, schedule and other affected provisions of this Agreement shall be equitably adjusted and this Agreement shall be amended in writing to memorialize such changes.

1.4 Changes and Extras. Customer may request changes in Services in writing. If any such changes will result in an increase or decrease in the cost or time of performance under this Agreement, the Price, schedule and other affected provisions of the Agreement shall be equitably adjusted and this Agreement shall be amended in writing to memorialize such changes. Company may make changes in Services with the prior written approval of Customer (which approval shall not be unreasonably withheld, conditioned, or delayed).

1.5 Governmental Requirements. Changes in Services may be necessary in order to meet the requirements of governmental authorities, laws, regulations, ordinances, Good Utility Practice (as such term is defined in Article V, Section 1, below) and/or codes. After Customer's approval (which shall not be unreasonably withheld, conditioned, or delayed), Company will make changes in Services as it deems necessary, in its sole discretion, to conform to such requirements. If any such changes will result in an increase or decrease in the cost or time of performance under this Agreement, the Price, schedule and other affected provisions of this Agreement shall

be equitably adjusted and this Agreement shall be amended in writing to memorialize such changes. If Customer withholds its approval, and in Company's sole and exclusive judgment the withholding of approval by Customer is not reasonable, then, at Company's election, this Agreement may be immediately terminated upon written notice to Customer.

ARTICLE II – PRICE, TAXES, AND PAYMENT

2.1 Price. The price for the Services to be paid by Customer shall be the actual costs and expenses incurred by the Company and its affiliates in connection with performance of the Services or otherwise incurred by Company in connection with this Agreement, and shall include, without limitation, any such costs that may have been incurred by Company prior to the Effective Date (the "Price").

The Price shall include, without limitation, the actual costs and expenses for the following to the extent incurred in connection with performance of the Services: labor (including, without limitation, internal labor); materials; subcontracts; equipment; travel, lodging, and per diem paid in accordance with Company policy; copying and reproduction of materials, overnight delivery charges, certified mailing charges, first class mailing charges and similar types of incidental charges; transportation; carrying charges and surcharges; all applicable overheads including an Administrative and General (A&G) expense charge at Company's current rate at the time of invoicing; all federal, state and local taxes incurred; all costs and fees of outside experts, consultants, counsel and contractors; all other third-party fees and costs; and all costs of obtaining any required consents, releases, approvals, or authorizations. All invoiced sums will include applicable expenses, surcharges, and federal, state and local taxes.

Exhibit B sets forth illustrative examples of hourly internal labor rates for certain engineer and project manager titles. Actual hourly rates may vary from these examples, based upon the salaries and titles of specific employees providing Services. For the avoidance of doubt, Customer shall be responsible for the actual costs and expenses incurred by the Company and its affiliates in connection with performance of the Services.

If Customer claims exemption from sales tax, Customer agrees to provide Company with an appropriate, current and valid tax exemption certificate, in form and substance satisfactory to Company, relieving Company from any obligation to collect sales taxes from Customer ("Sales Tax Exemption Certificate"). During the term of this Agreement, Customer shall promptly provide Company with any modifications, revisions or updates to the Sales Tax Exemption Certificate or to Customer's exemption status. If Customer fails to provide an acceptable Sales Tax Exemption Certificate for a particular transaction, Company shall add the sales tax to the applicable invoice to be paid by Customer.

2.2 Payment. Customer shall provide Company with an initial prepayment in the amount of _____ US dollars (\$_____) ("Initial Prepayment"). Company shall not

be obligated to commence performance of Services until it has received the Initial Prepayment. If, during the performance of the Services, Company determines that one or more additional prepayments are required before completing the Services, Company may, but is not required to, request additional prepayment from Customer; any such requests will be in writing. If an additional prepayment is requested and is not received from Customer on or before the date specified in each such request, or if no date is specified, within 30 days of receipt of the written request, Company may cease work upon the depletion of the Initial Prepayment and any other prepayments made by Customer to date, as applicable. Upon Company's receipt of the additional requested prepayment from Customer (such prepayment to be additional to the Initial Prepayment and any other prepayments made by Customer to date), Company will continue to perform the Services. The Initial Prepayment and the additional prepayments (if any) represent estimates only.

Company is not required to request additional prepayments from Customer and may elect, in its sole discretion, to continue performing Services hereunder after the depletion of the Initial Prepayment, or any other prepayments made by Customer to date, as applicable, without additional prepayments and invoice Customer for such Services at a later date. Customer shall be responsible to pay Company the total Price for completing the Services actually performed by Company whether or not any additional prepayments were made at Company's request. Any election by Company to seek or defer additional prepayments in one instance shall not obligate the Company to seek or defer additional prepayments in any other instance.

Company will invoice Customer for all sums owed under this Agreement. With the exception of additional prepayments required under the first paragraph of this Section 2 of Article II, in which case the due date provided in such paragraph shall apply, payment shall be due in full within thirty (30) days of Company's submittal of an invoice, without regard to claims or off-sets. Payment shall be made in immediately available funds transmitted by the method specified in the invoice. A continuing late payment charge of 1.5% per month will be applied on any late payments.

If Company's Price for completing the Services is less than the Initial Prepayment plus any such additional prepayments paid by Customer under this Article ("*Total Prepayment*"), Company will refund the remaining unused portion of the Total Prepayment to Customer.

ARTICLE III - SCHEDULE, DELAYS, AND FORCE MAJEURE

Company will use reasonable efforts to commence the Services promptly following its receipt of all of the following: a fully executed Agreement, the Initial Prepayment, and all information required by this Agreement to be supplied by Customer prior to commencement of the Services.

If Company's performance of the Agreement is delayed by Customer, an equitable adjustment shall be made for any increase in the cost and/or time of performance caused by the delay.

Any delays in, or failure of, performance by Customer or Company, other than payment of monies, shall not constitute default and shall be excused hereunder, if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of Customer or Company, as applicable, including, but not limited to, acts of God, Federal and/or state law or regulation, sabotage, explosions, acts of terrorism, unavailability of personnel, equipment, supplies, or other resources for utility-related duties, delays by governmental authorities in granting licenses, permits or other approvals necessary in connection with Services, compliance with any order or request of any governmental or judicial authority, compliance with Company's public service obligations, storms, fires, inclement or adverse weather, floods, riots or strikes or other concerted acts of workers, and accidents.

ARTICLE IV – INTELLECTUAL PROPERTY

Any drawings, specifications or other documents (i) prepared or used by Company, or (ii) prepared by Customer for Company in connection with this Agreement, shall be the proprietary, confidential information and sole property of Company at no cost to Company (collectively "*Materials*").

Excluding third-party owned documents and software, Customer is granted an irrevocable, nontransferable, and non-assignable license to use such Materials solely in connection with the Project. No commercialization of such Materials by Customer is authorized. Customer shall not disclose any of the Materials to any third party, in whole or in part, without the prior written consent of Company.

The obligations imposed by this Article IV shall survive the completion, cancellation, or termination of this Agreement.

ARTICLE V – PERFORMANCE

Company shall perform the Services in a manner consistent with "Good Utility Practice" (as such term is defined below); provided, however, that Company shall have no responsibility or liability in connection with (i) any items or services provided by Customer or its third party contractors or representatives whether or not such items or services are incorporated in the Services, (ii) any items or services provided, manufactured or licensed by third parties whether or not such items or services are incorporated in the Services, or (iii) any defects in Services that result from the acts or omissions of persons other than Company or accidents not caused by Company.

"*Good Utility Practice*" shall mean the practices, methods and acts engaged in or approved by a significant portion of the natural gas utility industry during the relevant time period, or any practices, methods and acts which, in the exercise of good judgment in light of the facts known at the time the decision was made, would have been reasonably expected to accomplish the desired result consistent with good business practices, safety, and law. Good Utility Practice is not intended to require or contemplate the optimum practice, method or act, to the exclusion of all others, but rather to be reasonably acceptable practices, methods, or acts generally accepted in

the region in which the Services are to be performed.

ARTICLE VI – INSURANCE

From the commencement of the Agreement through its expiration, each Party shall provide and maintain, at its own expense, insurance policies issued by reputable insurance companies with an A. M. Best rating of at least B+ (collectively, the “Required Insurance Policies”). The Required Insurance Policies shall, at a minimum, include the following coverages and limitations:

Workers’ Compensation and Employers Liability Insurance, as required by the State in which the work activities under this Agreement will be performed. If applicable, coverage will include the U.S. Longshoremen's & Harbor Workers’ Compensation Act, and the Jones Act. If a Party is a qualified self-insurer by the State, Excess Workers’ Compensation coverage shall be maintained in lieu of the Workers’ Compensation coverage.

Public Liability, including Contractual Liability and Products/Completed Operations coverage, covering all operations to be performed under this Agreement, with minimum limits of:

Bodily Injury occurrence	-	\$1,000,000 per
Property Damage occurrence	-	\$1,000,000 per

Automobile Liability, covering all owned, non-owned and hired vehicles used under or in connection with this Agreement, with minimum limits of:

Bodily Injury	-	\$500,000 per occurrence
Property Damage	-	\$500,000 per occurrence
OR		
Combined Single Limit occurrence	-	\$1,000,000 per

If requested, each Party will provide evidence to the other Party that it maintains the Required Insurance Policies required under this Article.

Either Party may elect to self-insure to the extent authorized or licensed to do so under the applicable laws of the State of _____, provided, that, the electing Party provides written notice of any such election to the other Party. Company hereby notifies Customer that it is a qualified self-insurer under the applicable laws of the State of _____ and that it elects to self-insure to satisfy its obligations under this Article.

ARTICLE VII – INDEMNIFICATION AND LIMITATION OF LIABILITY

7.1 Except as specifically provided herein, each Party shall indemnify and save harmless the other Party or the other Party's directors, agents, officers, and employees against all claims, demands, losses, damages, judgments, and associated costs and expenses for property damage, personal injuries, bodily injuries, or death suffered by third parties (including but not limited to government agencies) arising out of such Party's performance under this Agreement.

7.2 Neither Party, nor their directors, agents, officers or employees shall be liable to the other Party, its directors, agents, officers or employees for incidental, special, indirect or consequential damages of any nature connected with or resulting from their performance of this Agreement.

7.3 Company, its officers, directors, employees and agents shall not be liable to Customer, or its contractors or subcontractors, for any claims, costs, expenses, losses, damages, or judgments arising out of Company's document review. Customer shall indemnify and hold Company, its officers, directors, employees and agents, harmless from any such claims, costs, expenses, losses, damages or judgments of any of Customer's contractors or subcontractors. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of Customer to indemnify and hold harmless Company, its officers, directors, employees and agents.

7.4 Customer hereby undertakes to comply with all applicable federal, state and local laws, rules, ordinances and/or regulations in effect on the date hereof which regulate or control the design, engineering, construction and installation of the Project. Customer shall indemnify and hold Company, its officers, directors, employees, agents and servants, harmless from any loss, damage, penalty or injury, including Company's reasonable attorney's fees and expenses, resulting from Customer's violation of the above described laws, rules, ordinances and/or regulations. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of Customer to indemnify and hold harmless Company, its officers, directors, employees and agents.

ARTICLE VIII – TERM AND TERMINATION

8.1 The term of this Agreement shall expire thirty (30) months from the Effective Date. As of the expiration of this Agreement or, if earlier, its termination, the Parties shall no longer be bound by the terms and provisions hereof, except (a) to the extent necessary to enforce the rights and obligations of the Parties arising under this Agreement before such expiration or termination (including, without limitation, with respect to payment of all amounts due and payable hereunder), and (b) such terms and provisions that expressly or by their operation survive the termination or expiration of this Agreement.

8.2 Either Party may terminate this Agreement for convenience by delivery of written notice to the other Party, such termination to be effective on the tenth (10th) day following delivery of such written notice, or upon payment in full of all amounts due and payable hereunder, whichever is later. On or before the effective termination date

of this Agreement, Customer shall pay Company all amounts due and payable as the Price for that portion of the Services performed to the effective date of termination ("*Amount Outstanding*"), including, without limitation, all costs and expenses incurred, less the Total Prepayment. In the event that the Total Prepayment exceeds the Amount Outstanding, Company shall remit the balance to Customer.

ARTICLE IX – MISCELLANEOUS PROVISIONS

9.1 Assignment and Subcontracting. Customer agrees that Company has the right, but not the obligation, to (i) use the services of its affiliated companies in connection with the performance of Services, and (ii) issue contracts to third parties for, or in connection with, the performance of Services hereunder, without the prior consent of Customer, and that the costs and expenses of such affiliated companies or third parties charged or chargeable to Company shall be paid by Customer as part of the Price.

9.2 No Third-Party Beneficiary. Nothing in this Agreement is intended to confer on any person, other than the Parties, any rights or remedies under or by reason of this Agreement.

9.3 Amendment; Equitable Adjustments. This Agreement shall not be amended, superseded or modified, except in a writing signed by both Parties. In any circumstance in which this Agreement contemplates an equitable adjustment to Price, schedule or any other term of this Agreement, Company shall have no obligation to continue performance hereunder until and unless such equitable adjustment has been mutually agreed to by both Parties in writing.

9.4 Notices.

Any notice given under this Agreement shall be in writing and shall be hand delivered, sent by registered or certified mail, delivered by a reputable overnight courier, or sent by facsimile with electronic confirmation of receipt, to the party's representatives as follows:

Customer:

[_____]]
Attn: []
[_____]]
[_____]]
Phone: [_____]]
Facsimile: [_____]]

Company:

With a copy to:

9.5 Waiver. No term of this Agreement may be waived except in a writing signed by an authorized representative of the Party against whom the amendment, modification, or waiver is sought to be enforced. Waiver of any provision herein shall not be deemed a waiver of any other provision herein, nor shall waiver of any breach of this Agreement be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

9.6 Approvals. It is understood that Company may be required to obtain, regulatory, and other third-party approvals and releases in connection with the provision of the Services. If so, this Agreement shall be effective subject to the receipt of any such approvals and releases, in form and substance satisfactory to Company in its sole discretion, and to the terms thereof.

9.7 Laws. This Agreement shall be interpreted and enforced according to the laws of the State of ____ and not those laws determined by application of the State of ____'s conflicts of law principles. Venue in any action with respect to this Agreement shall be in the State of ____; each Party agrees to submit to the personal jurisdiction of courts in the State of _____ with respect to any such actions.

9.8 Severability. To the extent that any provision of this Agreement shall be held to be invalid, illegal or unenforceable, it shall be modified so as to give as much effect to the original intent of such provision as is consistent with applicable law and without affecting the validity, legality or enforceability of the remaining provisions of the Agreement.

9.9 Integration and Merger: Entire Agreement. Customer and Company each agree that there are no understandings, agreements, or representations, expressed or implied, with respect to the subject matter hereof other than those expressed herein. This Agreement supersedes and merges all prior discussions and understandings with respect to the subject matter hereof, and constitutes the entire agreement between the Parties with respect to such subject matter.

9.10 Authority. Each Party represents to the other that the signatory identified beneath its name below has full authority to execute this Agreement on its behalf.

9.11 Information and Coordination Contact. _____, with contact information set forth above, or such other representative as Company may designate, will be the point of contact for Customer to submit the information required for Company to perform the Services stated in this Agreement. [_____] or such other representative as Customer may designate, will be the point of contact for Company to request additional information from Customer, if required.

9.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, and all of which together shall constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or other electronic transmission (including, without limitation, by e-mailed PDF) shall constitute effective execution and delivery of this Agreement as to

the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or other electronic means (including, without limitation, by e-mailed PDF) shall be deemed to be their original signatures for all purposes.

[Signatures are on following page.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

[Company]

By: _____
Name:
Title:

[Customer]

By: _____
Name:
Title:

EXHIBIT A

Scope of Services

Company's scope of Services shall be:

1. Assign a Project Engineer and Project Manager to provide technical support for the Project;
2. Arrange and schedule periodic Project meetings;
3. Provide standards for Customer to follow in order to design metering equipment in accordance with Company specifications;
4. Provide the specifications for the meters to be installed and determine the size and quantity of meters required;
5. Provide technical assistance as needed by Customer in reviewing the design and layout for analytical equipment to be installed by Customer in accordance with manufacturer's recommendations;
6. Provide technical assistance as needed by Customer in reviewing the design and layout for odorant equipment to be installed by Customer in accordance with applicable health and safety codes for the storage of odorant, including _____;
7. Review drawings and specifications created by Customer for the equipment set forth below. Company reserves the right to make changes to the design in order to meet Company standards;
8. Provide technical assistance as needed to ensure design is in compliance with National Grid's safety standards including performance of safety Process Hazard Analyses (HAZOP, PHA) and a Facility Siting Study if applicable;
9. Provide engineering services to assist Customer in design and development of specifications for the work to purchase and install the equipment and facilities set forth below; and
10. Discuss ownership and maintenance of the equipment and facilities set forth below in order to prepare a list of equipment ownership and identify the point of ownership transfer of the outlet piping and inlet piping on engineering drawings and piping and instrumentation drawings.

Equipment and Facilities Required for Project (to be provided by Customer):

1. Gas service and associated metering equipment for back up supply from Company;
2. Gas outlet system tie-in and associated metering equipment for gas produced on site (buy back meter);
3. Remote Terminal Unit (RTU) to transmit gas quality and flow data to Company's Gas Control Room;

4. Gas Chromatograph (10 component) to measure BTU, inerts (CO₂, N₂), Oxygen of digester gas including sampling probe and equipment;
5. Odorant Chromatograph to measure mercaptans, total sulfur, and H₂S in the digester gas including sampling probe and equipment;
6. Moisture Meter to measure amount of H₂O in the digester gas;
7. Remote control valve to enable remote shut-in of Customer's outlet in cases where gas from the plant is out of specification as listed in Table below;
8. Odorant injection system with sight glass diffusion probe, storage tank(s) with dike;
9. Gas filters with differential gages on plant outlet line, associated piping valves assemblies for sampling probes, access points and corrosion coupon insertion point;
10. Analyzer Building – prefab concrete building to house RTU and all analytical equipment with electric service and Power Conditioning, and Battery Back Up system, gas detector(s); and
11. Odorant Building – negative pressure concreted building to house odorant equipment with electric service and gas detector(s), charcoal filter, blower, fire suppression and monitoring equipment and appropriately designed spill containment (as required by _____ Fire Marshall).

Assumptions and Conditions:

Any dates, schedules or cost estimates resulting from the Services are preliminary projections/estimates only and shall not become or give rise to any binding commitment.

The Services contemplated by this Exhibit and this Agreement do not include any construction, relocations, alterations, modifications, or upgrades with respect to any facilities ("Construction"), nor does Company make any commitment to undertake such Construction. If the Parties elect, in their respective sole discretion, to proceed with any Construction: (i) such Construction would be performed pursuant to a separate, detailed, written, and mutually acceptable Cost Reimbursement Agreement to be entered into by the Parties prior to the commencement of any such Construction, and (ii) payment of all actual costs incurred by Company or its Affiliates in connection with or related to such Construction shall be the responsibility of Customer and Customer shall reimburse Company for all such costs.

For the avoidance of doubt: This Agreement does not provide for generation interconnection service, procurement of equipment, installation or construction. The Company shall not have any responsibility for seeking or acquiring any real property rights in connection with the Services or the Project including, without limitation, licenses, permits, consents, permissions, certificates, approvals, or authorizations, or fee, easement or right of way interests. Neither this Agreement

nor the Services include securing or arranging for Customer or any third party to have access rights in, through, over or under any real property owned or controlled by the Company.

EXHIBIT B

2 Holiday Schedule

New Year's Day

Martin Luther King Jr.'s Birthday

President's Day

Memorial Day

Juneteenth National Independence Day

Independence Day

Labor Day

Veterans Day

Thanksgiving Day

Day After Thanksgiving

Christmas Day

3 Definitions

Abbreviations: BTU = British Thermal Unit = The quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit.

THM = Therm = 100,000 BTU

DTHM = Dekatherm = 10 THM

CF = Cubic Feet = A unit of measurement of gas volume.

CCF = 100 CF

MCF = 1,000 CF

Access Controller: A party known to the Company to be in control of access to the metering equipment of a Customer, and to have an active account of its own with the Company.

Actual Reading: Is a reading of a meter obtained either by a Customer and submitted to the Company, or by a Company employee. Actual readings can also be made remotely from a transmission device attached to the meter.

Aggregated Daily Transportation Quantity: The sum of the Daily Transportation Quantities for all firm Customers purchasing natural gas from the same Seller.

Aggregate Daily Imbalance Percentage: Applicable to Sellers participating in the Company's Daily Balancing Program. The Aggregate Daily Imbalance Percentage is calculated by subtracting: 1) the telemetered daily consumption grossed up for UFG of the Seller's pool from 2) the quantity of gas the Seller delivers to the city gate for the pool, divided by 3) the telemetered daily consumption grossed up for UFG of the pool.

Applicant: A person, firm, partnership, corporation, association, developer, builder, governmental agency or other entity requesting gas sales or transportation service from the Company by completely filling out the appropriate application request form. A person or governmental agency may apply for service on behalf of a residential Applicant. All Applicants must first meet the following conditions for their application to be considered:

1. the gas service provided cannot be resold; and
2. the Applicant must own or occupy the premises to be supplied with gas. A residing Applicant maintains residence at the premises to be supplied with gas and a non-residing applicant does not. The term "Applicant" may be used interchangeably with "Customer". Applicants are covered under 16 NYCRR Parts 11 and 13.

Back-up Services: The provision of company-owned natural gas to satisfy the customer's daily usage requirements to the extent that any portion of the customer's Daily Transportation Quantity is not delivered to the Company on the customer's behalf.

Backbill: Charges not previously billed for service delivered to Customers prior to the current billing cycle.

Business Day: Any weekday when the Company's business offices are open.

Capacity Release: Interstate pipeline transportation capacity released by the Company to Seller or Seller's Agent participating in the Company's Mandatory Capacity Program in accordance with FERC regulations and the tariffs of the interstate pipelines.

City Gate: The points of delivery between the interstate pipelines providing service to Long Island, the New York Metropolitan area and the New York Facilities System, which points are used by the Company and others.

Company: KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and/or The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY).

Core Customer: A customer who lacks or chooses not to utilize alternatives to natural gas. If a customer chooses to be a core customer for a specific application or end-use, such application must be separately metered.

Core Daily Delivery Quantity (Core DDQ): Applicable to Sellers participating in the Company's Core Monthly Balancing Program. The Core DDQ represents the total daily quantity of gas grossed up for UFG the Seller is required by the Company to deliver each day to the Company's city gate to serve the estimated gas consumption of the Seller's Pool. Such quantity shall be determined daily by the Company and is subject to the limitations, restrictions, and other provisions contained herein.

Critical Day: Any 24-hour period commencing 8:00 a.m. in which the Company has declared to be a "Critical Day" on eight hour prior notice.

Customer or Consumer: A person, firm, partnership, corporation, association, developer, builder, governmental agency, or any other entity approved for and supplied gas sales or transportation service by the Company. In general, residential or residing Customers are those maintaining residence at the premises to which gas is supplied whereas non-residential or non-residing Customers do not. A new Customer is a Customer who was not the last Customer at the premises to be served with gas regardless of whether the new Customer was a former Customer or is a Customer at a different location. Customers are covered by 16 NYCRR, Parts 11 and 13.

Customer's Commodity Account: The amount of natural gas, measured in therms, that (i) has been delivered to the Company for redelivery to the Customer but has not been consumed by the Customer or (ii) has been consumed by the Customer in excess of the amount that has been delivered to the Company for the Customer. A positive balance in the Customer's Commodity Account means that the Customer has used less natural

gas than has been delivered to the Company for redelivery to the Customer and that the Company is holding such amount of the customer's gas in storage. A negative balance in the Customer's Commodity Account means that the Customer has used more natural gas than has been delivered to the Company for redelivery to the Customer.

Daily Balancing Service: The Company provides daily balancing service to Sellers participating in the Daily Balancing Program to enable Sellers to match the quantity of gas consumed each day by the Sellers' pool with the quantity of gas delivered by the Sellers.

Daily Delivery Quantity (DDQ): Applicable to Sellers participating in the Company's Monthly Balancing Program. The DDQ represents the total daily quantity of gas grossed up for UFG the Seller is required by the Company to deliver each day to the Company's city gate to serve the estimated gas consumption of the Seller's Pool. Such quantity shall be determined at least monthly by the Company and is subject to the limitations, restrictions, and other provisions contained herein.

Daily Imbalance Quantity: Applicable to Sellers participating in the Company's Daily Balancing Program. The Daily Imbalance Quantity represents the difference between the quantity of gas the Seller delivers to the city gate for the pool and the telemetered daily consumption grossed up for UFG of the pool. A negative daily imbalance results when the pool consumes more gas than is delivered. A positive daily imbalance results when the pool consumes less gas than is delivered.

Daily Imbalance Tolerance (DIT): Equal to +/-5%. Applicable to Sellers participating in the Company's Daily Balancing Program.

Daily Transportation Quantity: The quantity of gas to be tendered by Seller at the Receipt Point for the customer's account on any day.

Designated Interruption Temperature: The "Designated Temperature(s)" will be the temperatures set annually prior to the winter season by the Company. The Company reserves the right to adjust this temperature setting, based on system needs, with a minimum forty-eight (48) hours notice to Customers. There will be a "Designated Interruption Temperature" when a Customer's equipment will be switched over to an alternate fuel and a "Designated Resumption Temperature" when the Customer's equipment may be switched back to natural gas. There may be different Designated Temperatures for Customers with fully automatic controls and Customers with semi-automatic controls.

DUNS+4: A Data Universal Numbering System (DUNS) number is a unique nine-digit numerical identifier, plus additional four (4) digits.

Energy Service Company (ESCO): An entity eligible to sell natural gas to the Company's transportation customers pursuant to tariff guidelines. ESCOs may also sell other energy supplies and energy related services to customers.

Existing Core Customer: A Core Customer taking firm service under Sales Service Classifications.

Factor of Adjustment: The Company's system losses determined in accordance with Tariff Leaf 67 for KEDNY and Tariff Leaf 14 for KEDLI. The Factor of Adjustment is multiplied by the quantity of gas the Company is to deliver to a customer in order to calculate the corresponding quantity of gas grossed up for system losses that the customer's Seller is to deliver to the city Gate.

Firm Customer: A customer offered service under schedules or Contracts designed to provide customer's gas supply or transportation needs on a continuous basis.

Gas Cost Year: The twelve months beginning each September 1 and ending on August 31.

Gas Year: The 12-month period beginning November 1st and ending October 31st of each year.

GTOP Manual: Gas Transportation Operating Procedures Manual issued in compliance with Order in Case 97-G-1380 issued December 21, 1999 that describes the operating procedures associated with the Company's firm and Non-Firm Demand Response transportation service.

KEDLI: KeySpan Gas East Corporation d/b/a/ National Grid (KEDLI).

KEDNY: The Brooklyn Union Gas Company d/b/a/ National Grid NY (KEDNY).

Late Payment: Payment made more than 20 calendar days after the date payment is due. The due date for payment is specified by the Company on its bill, and is not earlier than the personal delivery date of the bill or earlier than three calendar days after the mailing of the bill. If Billing Agency arrangement exists refer to Uniform Business Practices for Retail Access section IX.B.5.

Load Factor: The ratio of : 1) the average daily normalized annual consumption of the Seller's Pool to 2) the estimated peak day consumption of the Seller's Pool.

Load Profile Factor: The Pool's maximum month's normalized consumption, divided by the minimum month's consumption minus one, all calculated as per the Company's records. The minimum load profile will never be less than one; the maximum load profile will never be greater than five.

Lost and Unaccounted for Gas ("LAUF") KEDNYs system losses stated as a percentage of sales determined in accordance with Tariff Leaf 69.

Marketer: A person or entity eligible to sell natural gas to the Company's transportation Customers. This may be used interchangeably with ESCO, Seller and/or Direct Customer.

Municipal Gas Aggregation (MGA): A qualifying Community Choice Aggregation ("CCA"), whereby a municipality elects to utilize CCA to procure natural gas supply from a competitive supplier in accordance with the requirements of the New York Public Service Commission set forth in Case 14-M-0224.

Monthly Delivered Quantity: The amount of natural gas that the Company estimates that a firm Customer will use in a calendar month.

New Core Customer: Any core customer that is not an Existing Core Customer.
Partial Gas Cost Year: January 1, 2008 through August 31, 2008.

Non-Core Customer: A customer who has and chooses to utilize alternatives to natural gas. If a customer chooses to be a non-core customer for a specific application or end-use, such application must be separately metered.

Non-Core Daily Delivery Quantity (Non-Core DDQ): Applicable to Sellers participating in the Company's Non-Core Monthly Balancing Program. The Non-Core DDQ represents the total daily quantity of gas grossed up for LAUF the Seller is required by the Company to deliver each day to the Company's city gate to serve the estimated gas consumption of the Seller's Pool. Such quantity shall be determined at least monthly by the Company and is subject to the limitations, restrictions, and other provisions contained herein.

Operational Flow Order: Actions taken by the Company to control system operations.

Pool: A group of one or more customers to whom a Seller is selling gas, who are receiving transportation service, whose gas usage is aggregated by the Seller for the purpose of providing service under tariff guidelines.

Physical Storage Transfer Price – is a per dekatherm commodity price equal to the Company's weighted average commodity cost of gas in underground storage.

Receipt Point (for customer-owned gas): The Company's City Gate(s) or the points of delivery between the interstate pipelines providing service to the New York Metropolitan area and the New York Facilities System, which point is used by "Brooklyn Union" and others.

Seller: A Seller is either: 1) an ESCO or Marketer that meets the Seller qualifications under the applicable Service Classifications and is selling gas to a Pool; or 2) a Core or

Non-Core Customer who is qualified to purchase natural gas and deliver it to the Company's city gate on his own behalf. Seller is required by the Company to deliver each day to the Company's city gate to serve the estimated gas consumption of the Seller's Pool. Such quantity shall be determined at least monthly by the Company and is subject to the limitations, restrictions, and other tariff provisions. Seller may be used interchangeably with ESCO, Marketer and/or Direct Customer.

Seller's Agent: An ESCO or Marketer that is designated as agent by the Seller, to whom the Company will release capacity on behalf of the Seller, in order for the Seller to serve his pool's demand.

Seller's Base Component: The non-temperature sensitive related sales reflected in dekatherms per day of the Seller's Pool of transportation customers served under SC 5 or SC17.

Seller's Slope Component: The temperature sensitive related sales reflected in dekatherms per Heating Degree Day of the Seller's Pool of transportation customers served under SC 5 or SC17.

Seller Service Agreement: The agreement between the Company and Seller to provide service, the form of which is included in this Schedule for Gas Service, and the term of which shall be for a period of no less than twelve months.

Service Agreement: An agreement executed by an eligible Customer that chooses to purchase natural gas from a qualified seller.

Supplier: A party that sells the commodity of natural gas.

Swing Service – The Company provides swing service under the monthly balancing program to manage imbalances that arise when weather deviates from normal and the quantity of gas actually consumed by the Seller's Pool differs from the quantity of gas delivered by the Seller to the Pool. The Company will rely on upstream pipeline, storage, peaking and supply assets to provide the Swing Service.

Tariff – Document filed by the Company with the Public Service Commission that sets out the Company rates, terms and conditions of service referred to as P.S.C. No. 12 Tariff for KEDNY and P.S.C. No. 1 Tariff for KEDLI.

Transporter: An interstate pipeline transporting gas to points of receipt on the Company's delivery system for the Pool's account.

Unaccounted for Gas ("UFG"): The company's system losses stated as a percentage of (sales or sendout) determined in accordance with Tariff Leaf 73 for KEDNY and Tariff Leaf 17.1 for KEDLI.

Unitized Fixed Cost Credits: Unitized Fixed Cost Credits are applicable to Sellers

serving transportation customers and are determined in accordance with tariff specifications.

Upstream: From a reference point, any point located nearer to the origin of flow than the reference point.

Weighted Average Cost of Capacity (“WACOC”): the unitized weighted average cost of 1) KEDNY/KEDLI’s Pipeline Transporters’ Fixed Costs for firm domestic and unbundled Canadian pipeline transportation capacity used to deliver flowing gas supplies to the city gate, excluding transportation capacity used to deliver gas withdrawn from storage, plus 2) the fixed costs or basis premium of KEDNY/KEDLI’s bundled city gate winter supply contracts. The WACOC will be updated as required to reflect changes to rates and prices.

Weighted Average Cost of Storage Capacity (“Storage WACOC”) – the unitized weighted average cost of the Company’s Fixed Costs for Storage Assets and the associated transportation assets to deliver gas withdrawn from storage to the Company’s city gates, which will also include an allocation of the revenues/credits arising from asset management agreements equivalent to the ESCO customers’ proportionate responsibility for the upstream storage services provided by the Company that is subject to the AMAs that result in the revenues/credits. The Company will also include any other revenues/credits that are associated with the ESCO customers’ proportionate responsibility of upstream storage services provided by the Company. The Storage WACOC will be updated as required to reflect changes to underlying interstate pipeline and storage provider rates.

4 Appendix D Example Calculations

Tier I – Capacity Release

Winter Allocation Calculation Example:

ESCO A:	Base	Slope	
Customer A:	3.665	0.5269	UFG factor for NY = 1.0153
Customer B:	2.250	0.2439	
Customer C:	0.834	0.1430	
ESCO A	6.749	0.9138	

- A. Total Base for all ESCOs = **66,640.24 * 1.0153 = 67,659.84**
- B. Base for all firm sales customers = **98,545.53 * 1.0153 = 100,053.27**
- C. Total Company Transportation Capacity (not including trans associated with storage) = **1,258,829 * 60.7673% = 764,956.39**
- D. ESCO A Base = **6.749 * 1.0153 = 6.852**
- E. ESCO A Slope = **0.9138**
- F. Slope for all Firm customers (Firm transportation and Firm sales) = **23,754.58**

Formula: = 6.852+((0.9138/23,754.58)*(764,956.39-(67,659.84+100,053.27)))

Daily volume of transportation that ESCO A will receive = **30 dths**

Marketer Base with UFG + ((Marketer Slope/All NY Slope) * (Total NY Transportation Capacity - (All NY Transportation Base with UFG + All NY Sales Base with UFG)))

Tier I – Capacity Release

Summer Allocation Calculation Example:

ESCO A:	Base	Slope	
Customer A:	3.665	0.5269	UFG factor for NY = 1.0153
Customer B:	1.2500	0.4689	
Customer C:	0.2360	0.4290	
ESCO A	5.1510	1.42477	

- A. Total NY Slope (Sales and Transportation) = 23,718.94
- B. Total NY Transportation Capacity (1,341,106 * 60.7543% NY allocation) = 814,779.56
- C. Total NY Storage (48,805,886 * 60.7543% NY allocation) = 29,651,674
- D. Desired % Full of Total System Storage for November 1 = 97%
- E. NY System Ending Inventory = 8,895,502.32
- F. Refill Storage Days = 184
- G. NY Sales Base with UFG + NY Transportation Base with UFG = 167,694.20
- H. ESCO Base with UFG 5.1510*1.0153 = 5.23
- I. ESCO Slope 1.42477

Formula: 5.23+((1.42477/23,718.94)*((814,779.56-(((29,651,674*97%)-8,895,502.32)/184))-(167,694.2)))

Daily volume of transportation that ESCO A will receive = **38 dths**

Marketer Base with UFG + ((Marketer Slope/All NY Slope) * ((Total NY Transportation Capacity - (NY Total Storage Capacity * The Desired % Full of Total System Storage for November 1st) - The Total System Ending Inventory Balance for NY) / Number of Days to Refill Storage)) - (All NY Transportation Base with UFG + All NY Sales Base with UFG))

Tier 2B Retail Access Storage

■ Allocation Storage Capacity Example:

Retail Access Storage will be available from November 1 through April 30th

- A. ESCO A Slope = **0.9138**
- B. All Firm Customer Slope (Firm Transportation and Firm Sales) = **19,391.5740**
- C. Total Storage capacity = $62,809,314 * 0.67 = 42,082,240.38$ dths
- D. Max Daily Withdrawal Capacity = $851,792 * 0.67 = 570,700.64$ dths

Formula: $(A/B) * C = \text{ESCO A Allocated Storage}$

$$(0.9138 / 19,391.5740) * 42,082,240.38 = 1,983 \text{ Dths}$$

$(A/B) * D = \text{ESCOS A max daily withdrawal}$

$$(0.9138 / 19,391.5740) * 570,700.64 = 27 \text{ Dths}$$

Retail Access Storage Must Turn

	<p>For example, ESCO's utilize 55% of total Retail Access Storage by March 31st. ESCOs that fail to meet storage minimum utilization percentages will be charged for the volumes they did not utilize at the higher of:</p> <ol style="list-style-type: none">1. $SMTP = (P - 0.45) \times RAS \times \frac{EGTS}{TRA} \times C$2. $SMTP = (P - 0.45) \times RAS \times TRA$ <p>SMTP = Storage must turn penalty P = ESCO percentage of RAS inventory level on March 31 RAS = ESCO Retail Access Storage allocation <u>EGTS</u> = Current <u>EGTS</u> fuel retention percentage multiplied by 2 C = Highest of the Retail Access Storage Commodity prices for Nov – Apr TRA = C – (Lowest of the Transco Z6 FOM prices for Nov – Apr)</p> <p>The percentages are subject to change and will be dependent upon the March ending LDC inventory percentage.</p>

Peaking example with no penalty, ESCO is above the rule curve for Retail Access Storage.

Tier 3: Peaking Supply Pricing

- Requirement = 1000 dths

Max Tier 1 = 900 dths

Max storage daily withdrawal = 60 dths

Above the rule curve for retail Access Storage

Peaking price = \$7.52

Example 1: 1000 dths – 900 dths – 60 dth = 40 dths of peaking

40 dths * \$7.52 = \$300.80

Peaking example with penalty, ESCO is below the rule curve for Retail Access Storage.

Tier 3: Peaking Supply Pricing

- Requirement = 1000 dths
Max Tier 1 = 900 dths
Max storage daily withdrawal = 60 dths
*Below the rule curve for retail access storage
Peaking price = \$7.52
Average Daily index price = \$8

(ESCO Should get 40dths of Peaking, since they are below the rule curve they have no access to Tier2B)

Example 2:

Peaking:	$1000 \text{ dths} - 900 \text{ dths} - 60 \text{ dth} = 40 \text{ dths}$
City Gate Shortage:	$1000 \text{ dths} - 900 \text{ dths} - 40 \text{ dth} = 60 \text{ dths}$
Peaking Cash-out:	$40 \text{ dths} * \$7.52 = \300.80
Penalty Cash-out:	$(60 \text{ dths} * \$25) + (60 * \$8) = \$1,980$

Total = \$2,280.80

*ESCO is will not be able to nominate Tier 2B

Uniform Business Practice Rules

The most recent Uniform Business Practice Rules may be accessed at the New York State Public Service Commission's website at www.dps.ny.gov under the heading Natural Gas/ Power to Choose – Industry and ESCO Competitive Market Information.

5 Illustrative Supply and Demand Dispatch Interruptibility Matrix

	Circumstance	Tier 1 Sales Customers	Tier 2 Sales Customers	Tier 1 Transport Customers	Tier 2 Transport Customers	Interruptible Power Plants (j)
1	Temperature is ABOVE 20°F and NO LNG or Peaking Supplies are dispatched	On	On	On	On	On
2	Temperature is 20°F and NO LNG or Peaking Supplies are dispatched	On	Off	On	Off	On
3	Temperature is ABOVE 15°F and NO LNG or Peaking Supplies are dispatched	On	Off	On	Off	On
4	Temperature is 15°F or BELOW and NO LNG or Peaking Supplies are dispatched	Off	Off	Off	Off	On (a)
5	Peaking Supplies are dispatched to meet firm requirements and temperature is ABOVE 15°F	Off (b) (i)	Off (b), (i)	Off (b) (i)	Off (b) (i)	On (c), (f)
6	Peaking Supplies are dispatched to meet firm requirements and temperature is 15°F or BELOW	Off	Off	Off	Off	On (c),(f)
7	Isolated gas system operational issue and LNG is dispatched for short duration (h)	On (a), (d)	On (c), (d)	On (a), (c), (d)	On (a), (c), (d)	On (a), (c), (d)
8	LNG is dispatched to meet firm requirements.	Off	Off	On (c), (f), (g)	On (c), (f), (g)	On (c), (f)
9	Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is ABOVE 20°F (e)	On	Off	On	On	On
10	Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is 20°F or BELOW (e)	On	Off	On	Off	On (c), (f)
11	Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is ABOVE 15°F (e)	On	Off	On	On	On
12	Peaking Supplies and/or LNG are dispatched for least-cost dispatch purposes and temperature is 15°F or BELOW (e)	Off	Off	On	On (c), (f)	On (c), (f)

<u>Notes:</u>			
(a) Balancing OFO MAY be issued. Non-complying customers may also be interrupted for system reliability.			
(b) Peaking Supplies may be dispatched when non-firm demand response customers are ON in the following circumstances:			
1. If peaking supplies must be dispatched ratably across a weekend and/or holiday with varying temperatures above and below 15°F.			
2. Peaking supplies based on a day ahead call option are dispatched based on a forecasted low temperature of 15°F or below. If the actual low temperature exceeds the forecasted low temperature, then the non-firm demand response customers may be allowed to burn gas if the system load decreases accordingly.			
3. In all cases where non-firm demand response customers are on, LNG and non-ratable peaking will be minimized to preserve winter deliverability.			
(c) One or more non-firm demand response customers may be interrupted if needed for gas system reliability.			
(d) Depends on distribution system location - may need to interrupt individual customers.			
(e) Peaking Supplies to be dispatched based upon a DESIGN rule curve in ALL cases. Least-cost dispatch of LNG will not occur:			
(1) prior to February 15th or 2) if system and/or portfolio reliability is threatened. LNG use for training/testing does not apply.			
(f) Balancing OFO WILL be issued. Non-complying customers will be interrupted for system reliability.			
(g) Monthly balanced interruptible transportation customers will be interrupted.			
(h) Maximum of FOUR hours of LNG sendout. LNG sendout for plant idling/cool down does not apply.			
(i) Non-Firm Demand Response Tier 2 Sales Customers will be interrupted as described above as soon as practical.			
(j) Interruptible Power Plants operating on KEDNY SC 14 and SC18 and KEDLI SC7 and SC14 may have contractual limits on the number of days of allowed interruptibility.			
(k) Note that the 15 °F temperature is illustrative. The applicable Designated Interruption Temperature is set each year. Tier 1 customers in KEDNY will be interrupted when the Company receives a report that the LAGUARDIA AIRPORT TEMPERATURE has reached the Designated Interruption Temperature. Tier 1 customers in KEDLI will be interrupted when the Company receives a report that the FARMINGDALE AIRPORT TEMPERATURE has reached the Designated Interruption Temperature.			
(l) Note that the 20 °F temperature is illustrative. The applicable Designated Interruption Temperature is set each year. Tier 2 customers in KEDNY will be interrupted when the Company receives a report that the LAGUARDIA AIRPORT TEMPERATURE has reached the Designated Interruption Temperature. Tier 2 customers in KEDLI will be interrupted when the Company receives a report that the FARMINGDALE AIRPORT TEMPERATURE has reached the Designated Interruption Temperature.			

6 Community Choice Aggregation and Municipal Gas Aggregation DUNS+4

Community Choice Aggregation (CCA) - Municipal Gas Aggregations (MGA)
Downstate - KEDLI/KEDNY
New Aggregation DUNS + 4
The ESCO will have to go through Onboarding process and EDI Testing.
The ESCO will receive separate DDQ's for each aggregation pool.
If the aggregation begins in any month except May or November, ESCO will only be released capacity on Transco. ESCO will not be eligible for a Circuit Breaker until ESCO receives May or November Capacity.
There will be separate imbalances for each aggregation pool.
There will be a separate ESCO invoice for each aggregation pool.
The ESCO name on the customer's bill will reflect the aggregation name.
The Call center reps will be able to determine that customers are part of an aggregation pool.
The Company will be able to accommodate any future decisions (should the resets order dictate) whereby there are different rules which would apply to aggregation customers as compared to traditional ESCO customers.