SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION

A. APPLICABLE TO USE FOR:

Service hereunder is available to any party (hereinafter called the Supplier) which (1) with the consent and appointment of the relevant transportation Customer and/or Customers (“STBA Customer(s)”) agrees to assume the primary responsibility for all transportation service obligations for the designated STBA Customers, (2) meets the requirements for creditworthiness as established by the Company, and (3) has entered into a STBA Service Agreement with the Company. STBA Customers are limited to a single STBA Agreement.

Customers with annual consumption exceeding 5,000 Mcf may receive service hereunder, solely for their own single account and will be considered a Direct Customer as defined in the UBPs. Customers with annual consumption between 3,500 and 5,000 Mcf, under a single account where the Customer receives transportation service under SC 1 and SC 3, enters into a Transportation Service Agreement with the Company, solely for their own single account and will be considered a Direct Customer as defined in the UBPs.

B. CHARACTER OF SERVICE:

Transportation aggregation and balancing service billed to Supplier. The Supplier assumes all obligations of its STBA Customers for all unbundled services rendered to the STBA Customer by the Company including, but not limited to, transportation, balancing, capacity release, and standby. The Company will bill the Supplier for services rendered by the Company to the Supplier’s STBA Customers.

(1) Transportation Service

The Company will provide transportation and balancing services to facilitate the redelivery of gas supplies from the City Gate to the STBA Customer(s). The Supplier shall be billed the sum of the charges for the transportation services rendered for each of its STBA Customers at the appropriate transportation rate for which each STBA Customer qualifies. A STBA Service Agreement may aggregate only like transportation services (i.e. a STBA Service Agreement may not aggregate a mix of monthly and daily metered transportation Customers).

C. CAPACITY:

(1) Upstream Capacity Requirements & Availability

Available to STBA Suppliers for STBA volumes associated with customers, the capacity requirements listed in this Service Classification are mandatory for all Suppliers serving Customers receiving service from the Company under SC 1 and SC 3 and voluntary to other STBA Customers. The Company will attempt, on an as available basis, to satisfy such voluntary requests for a minimum annual term.

Upstream capacity requirements shall be satisfied through a combination of NFGSC storage and

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NFGSC transmission intermediate capacity assigned to the Supplier by the Company ("Intermediate Capacity"), upstream pipeline capacity assigned to the Supplier by the Company ("Mandatory Upstream Transmission Capacity"), local production, and grandfathered pipeline capacity provided by the Supplier. Suppliers must satisfy all applicable pipeline requirements as well as applicable federal regulations necessary to accept assignment of capacity. When a Supplier's failure to meet such requirements leads to an inability to accept assignment of upstream capacity, the Supplier will be unable to serve its customers and the Company may terminate the Supplier's STBA agreement.

(2) Intermediate Capacity

a. Storage and Pipeline Transmission Capacity Allocation

i. Requirements

The percentage of extreme peak day requirements to be served through Company's Enhanced Storage Service ("ESS") storage capacity on NFGSC shall be as follows:

Aggregated Load Factor (Based on Extreme Peak Day Consumption)	Percent of Extreme Peak Day Requirement Met by Upstream Capacity	Percent of Extreme Peak Day Requirement Met by NFGSC Storage
Less Than 40%	67%	33%
Greater Than or Equal to 40% but Less Than 60%	78%	22%
Greater Than or Equal to 60% but Less Than 80%	89%	11%
Equal to or Greater Than 80%	100%	0%

Supplier shall take release of such storage capacity from the Company at the maximum rate under NFGSC's gas tariff filed with the F.E.R.C.

ii. Initial Assignment of ESS Storage Capacity

If additional Customers join a Supplier's STBA Group after April 1, the Company will release additional capacity as required, based on the allocation set forth at C.(2).a.i. above. Such capacity shall also include a transfer of gas in storage required to meet the start of the month enrollment requirements for the additional Customers added to the Supplier's STBA Group. The Supplier will be required to pay the Company storage gas transfer rate and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier.

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When, in the sole judgment of the Company, operational conditions do not warrant transfers of storage gas, notice shall be issued over an electronic bulletin board or other media, advising Suppliers of a temporary suspension in storage release services.

iii. Return of Storage Capacity

Return Due to Decreased Customer usage:
If a Supplier that has received storage capacity returns Customers to the Company, has Customers transfer to another Supplier or has a reduced storage obligation due to reductions in Customer usage, the Supplier will return the storage capacity associated with the reductions in Customer usage to the Company. Except by mutual agreement between the Supplier and the Company, the Supplier will transfer the associated storage gas to the Company at the base storage transfer rate. When the Company purchases inventory, the volume purchased will be sufficient to serve Customers based upon the start of the month targets set forth in (iv) below for the months during which Customers are returned. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company

Return Due to Termination of STBA Agreement:
If a Supplier's STBA Agreement is canceled or terminated, the Supplier will return the storage capacity to the Company and transfer the storage gas to the Company at the base storage transfer rate. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company. The Supplier also authorizes the Company to act on the Supplier's behalf to confirm all nominations necessary to give effect to this clause.

iv. Required Storage Inventory Levels

In addition to meeting the City Gate balancing requirements set forth infra, Suppliers must maintain the start of the month (SOM) and end of the month (EOM) storage inventory levels as follows:

Month	Enrollment SOM Target	EOM Target	Month	Enrollment SOM Target	EOM Target
April	0.00%	0.00%	October	80.00%	95.00%
May	0.00%	12.00%	November	95.00%	89.00%
June	12.00%	29.00%	December	89.00%	71.00%
July	29.00%	46.00%	January	71.00%	46.00%
August	46.00%	63.00%	February	46.00%	28.00%
September	63.00%	80.00%	March	28.00%	0.00%

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The Company may elect to temporarily make a downward adjustment to the monthly minimum storage inventory level applicable to all Suppliers by posting notice on its website at least 5 business days prior to the last day of the first month to which an adjusted limit would apply. Such notice shall include modified monthly minimum storage inventory level (expressed as a percentage) and the months to which the notice applies. If the monthly minimum storage inventory level applicable to the last day of a calendar month has been adjusted, the same percentage shall apply to the volumes of storage gas transferred as a percentage of released capacity effective the first day of the following month.

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

Taking storage service injection rights into consideration, Suppliers should manage their storage inventories to equal or exceed SOM targets during April through October. Similarly, taking storage service withdrawal rights into consideration, Suppliers should manage their storage inventories equal or exceed EOM targets during November through March.

When Suppliers enroll Customers after the capacity allocation effective April 1, they will be allocated incremental storage capacity. The incremental capacity is assigned at the SOM during which the Supplier will begin to serve the Customer. For Customers enrolled after April 1, Suppliers receive the capacity together with associated storage gas inventory through a mandatory transfer and purchase of gas in storage from the Company. Suppliers will not have an option to purchase additional inventory from the Company beyond what is initially transferred to Suppliers from the Company.

When a Supplier fails to meet an EOM percentage level ("target"), the Company will notify the Supplier who shall correct the resulting inventory deficiency by cash out purchase from the Company as set forth in General Information Section 30, except as provided below. The first 2% of inventory deficiency will be priced at the Market Pricing Tier. Any remaining inventory deficiency will be priced at the higher of the Deficiency Pricing Tier 3 or the SC 11 Rate. In addition, the Supplier will be required to pay the Company all taxes and pipeline fees associated with moving or transferring the storage inventory to the Supplier. When a Supplier is more than 2% deficient, or deficient during any two consecutive months, the Company will report a Supplier's deficiency to Staff. If the Supplier fails to accept the storage transfer or remit payment for the storage inventory transferred, Supplier's STBA Agreement will be in default and the Supplier will be subject to the involuntary discontinuance of service procedures under the UBPs. In addition, the Company shall have the right to terminate service to any Supplier that fails to meet its EOM target more than twice during the previous 12-month period. Upon termination, the Supplier shall be prohibited from receiving service under STBA Service for a period of three (3) months.

If operating conditions permit, Company may waive the cash out for inventory deficiencies under 2%, except if the Supplier inventory deficiencies are under 2% during two consecutive months. In the latter case, the current month's deficiency will be resolved via cash out as described above. When the Company does not report a deficiency to Staff, the deficiency will not count as a failure to meet the Supplier's EOM target.

Also, the Supplier shall be required to provide the Company with the permission necessary to allow the Company to obtain access to the Supplier's storage balance information for the release described above.

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

b. Assignment of Pipeline (NFGSC EFT) Transmission Capacity

Except where a Supplier provides Grandfathered Intermediate Transmission Capacity ("GITC"), or local production directly connected to the Company's system, one hundred percent (100%) of extreme peak day requirements shall be served through the Company's Enhanced Firm Transportation ("EFT") capacity on NFGSC. The Supplier shall take release of such EFT capacity from the Company at the maximum rate under NFGSC's gas tariff filed with the FERC. If a Supplier's STBA agreement is cancelled or terminated the Company may recall EFT capacity that has been released to the Supplier.

c. NFGSC Appalachian Production Receipts

Suppliers using NFGSC Appalachian production as an alternative to pipeline capacity upstream of NFGSC must request access to primary receipt points that coincide with the production area in which the Appalachian production is located.

(3) Upstream Transmission Capacity

The percentage of extreme day requirements to be served by pipeline capacity upstream of NFGSC obtained by the Supplier shall be as determined at Section C.(2).a.i. above.

a. Mandatory Upstream Transmission Capacity

Mandatory Upstream Transmission Capacity ("MUTC") will be assigned to Suppliers to meet their capacity requirements not otherwise satisfied through Grandfathered Upstream Transmission Capacity ("GUTC") or by local production directly connected to the Company's system. The pipelines and primary delivery point quantities available for MUTC assignment will be posted on the Company's web site. As to such capacity, the following requirements shall apply:

i. Supplier will be assigned twelve (12) months of primary firm capacity upstream of NFGSC sufficient to meet Supplier's extreme peak day ADDQ. The Company shall release capacity, on a pre-arranged basis, each month to accommodate incremental changes in the load served by each Supplier. The Company will calculate a capacity release rate for MUTC to be effective each April 1st for the twelve (12) month release term equal to the weighted average cost of upstream capacity ("WACOC") that the Company has contracted for under each upstream pipeline's gas tariff filed with FERC. If in any month the actual WACOC should differ from the calculated WACOC by more than five percent (5%), the Company will recalculate the capacity release rate applied to MUTC capacity releases for the remainder of the twelve (12) month release term. The Company will post the WACOC on its web site. In cases where capacity release offers are not eligible for an exemption from bidding under F.E.R.C. Rules, in order to maintain eligibility under this service classification Suppliers will need to match competing

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

bids, as necessary, to be awarded capacity by the pipeline(s).

ii. If a Supplier requests access to a receipt point currently not available or if a receipt point is fully subscribed by other Suppliers, the Company will attempt to provide access to such receipt point, subject to operational considerations.

iii. Primary delivery points, primary receipt points and associated quantities for MUTC may be changed based on Company's contractual commitments and F.E.R.C. rules and regulations. Suppliers will receive thirty (30) days written notice of any such change, after which the original locations and quantities subject to such change shall be fully superseded and replaced by the revised locations and quantities, as applicable.

iv. If the assignment of MUTC includes storage capacity, the Supplier shall be required to provide the Company with the permission necessary to allow the Company to obtain access to the Supplier's storage balance information. All requirements described in Section C.(2).a. above apply to NFGSC ESS capacity assigned for MUTC. In the case of storage capacity on other pipelines, the inventory requirements will be adjusted to account for differences in storage service deliverability.

v. If a Supplier's STBA agreement is cancelled or terminated the Company may recall MUTC capacity that has been released to the Supplier. In the case of storage capacity on other pipelines, the Supplier will transfer associated storage gas to the Company as described in Section C.(2).a.iii. above.

vi. From time to time, the Company may post instructions on its web site to Suppliers regarding minimum flow requirements applicable to MUTC delivery points. Such instructions shall be advisory unless the Company posts a notice that Supplier compliance with such instructions is mandatory, based upon market and seasonal requirements. Postings requiring mandatory Supplier compliance shall be issued on a minimum 24 hours notice. Also, the Supplier shall be required to provide the Company with the permission necessary to allow the Company to obtain access to the Supplier's upstream transportation information to monitor compliance with the advisory and mandatory instructions herein.

b. Grandfathered Upstream Transmission Capacity

The total primary receipt point rights and upstream pipelines into NFGSC held by the Company and available to Suppliers for GUTC, including a cap level of GUTC capacity delivered into NFGSC, will be posted on the Company's web site. As to such capacity, the following requirements shall apply:

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

i. Supplier must maintain five (5) winter months (November - March) of primary firm capacity upstream of NFGSC sufficient to meet Supplier's extreme peak day ADDQ. Supplier shall produce proof of such contracted primary firm capacity to the Company as provided in the Procedures Manual prior to receiving service under this Rate Schedule. GUTC must have a capacity path between the point where gas is produced and the interconnection with released NFGSC capacity as described above. Alternatively, where gas is available at "liquid points", Suppliers are not required to show firm capacity upstream of such points. Acceptable "liquid points" for this purpose are identified in the Procedures Manual.

ii. Supplier's GUTC must include primary delivery points which coincide with Company's primary receipt rights on the NFGSC capacity retained by the Company or the Supplier's GITC.

iii. Each April 1, the Company will compare the quantity of extreme day requirements to be served by pipeline capacity upstream of NFGSC for the past thirteen (13) months to identify the Peak Requirement Quantity ("PRQ"). Unless the Supplier elects to reduce its GUTC, there shall be no reduction to the Supplier's GUTC quantity if the PRQ exceeds the quantity of GUTC provided by the Supplier, or if the decrease in PRQ is less than 500 Dth. Otherwise, the Supplier's GUTC quantity will be reduced to the PRQ. In any case, if the Supplier's PRQ is zero (0) Dth, then the Supplier's GUTC shall be reduced to zero (0) Dth. Additionally, if the Supplier has not satisfied Section C.(3).b.i. above in whole or part, the Company will treat such event as a Supplier election to reduce it's GUTC and the Supplier's GUTC shall be reduced by the Dth that was not maintained. For each Supplier reduction, the total quantity of GUTC available to the system will be reduced in the same quantity as applicable to the Supplier.

iv. A Supplier may not transfer its GUTC to another Supplier unless it accompanies the sale of its entire book of customers.

c. Grandfathered Intermediate Transmission Capacity

Prior to September 1, 2007, pursuant to its then effective tariff, the Company granted waiver of the Intermediate Capacity requirement for Suppliers upon a showing, to the Company's satisfaction, of comparable replacement capacity. Such capacity will be grandfathered and capped at a threshold receipt quantity level of 40,745 Dth/day. As to such capacity, the following requirements shall apply:

i. Supplier's GITC must include primary receipt points which coincide with Company's primary delivery rights on the upstream pipeline capacity retained by the Company or the Supplier's GUTC.

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ii. Each April 1, the Company will compare the quantity of extreme day requirements to be served by pipeline capacity upstream of NFGSC for the past thirteen (13) months to identify the Peak Requirement Quantity ("PRQ"). Unless the Supplier elects to reduce its GITC, there shall be no reduction to the Supplier's GITC quantity if the PRQ exceeds the quantity of GITC provided by the Supplier, or if the decrease in PRQ is less than 500 Dth. Otherwise, the Supplier's GITC quantity will be reduced to the PRQ. In any case, if the Supplier's PRQ is zero (0) Dth, then the Supplier's GITC shall be reduced to zero (0) Dth. Additionally, if the Supplier has not maintained its GITC in whole or part, the Company will treat such event as a Supplier election to reduce its GITC and the Supplier's GITC shall be reduced by the quantity that was not maintained. For each Supplier reduction, the total quantity of GITC available to the system will be reduced in the same quantity as applicable to the Supplier.

iii. A Supplier may not transfer its GITC to another Supplier unless it accompanies the sale of its entire book of customers.

d. Local Production

With respect to local production attached directly to the Company's system, 100% of the historical average daily production for the month will be accepted to meet the percentage of extreme peak day requirements. The quantity of local production available to replace pipeline capacity is independent of the GUTC and GITC quantities and may increase or decrease from year to year. Where the Company has more current information concerning production deliverability, it may apply the 100% factor to the resulting projection of average daily production for the month. As to such production, the following requirements apply:

i. While 100% of historical daily average shall be made available (except as noted above), gas must be scheduled on a daily basis to be delivered to an STBA Pool in order for such volumes to be allocated that day.

ii. Except for volumes within a 5% tolerance band of the 100% level, in no event shall volumes under the 100% level that are not scheduled for delivery to STBA Pools be made available as a carryover for nominations to STBA Pools on a subsequent day during the month.

iii. Quality of such production shall meet the requirements applicable to transportation service under SC 13 and SC 18, as set forth in General Information Section 26.

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(4) Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company shall determine, based upon each Customer's historical load profile and/or estimates of consumption, a Supplier's projected normalized consumption for a given period; either monthly, weekly, or daily. Consumption estimates may be adjusted in response to weather forecasts. Based upon this projected consumption, the Company will determine each Customer's DDQ and, by summing all DDQs of the STBA Customers in the Supplier's STBA Customer Group, the Supplier's STBA Customer Group's ADDQ. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily City Gate delivery obligations, and the specific rates and charges as outlined in this Rate Schedule. ADDQ information shall be posted by the Company on the Company's internet web site, or such other medium as the Company deems appropriate.

A Supplier taking service under this Rate Schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

a. Request for Exemption from Company Determination of DDQs

In cases where SC 18 Customers have a load profile that is not responsive to the factors The Company uses to calculate DDQs or is otherwise indeterminate, e.g. an asphalt plant or dispatchable gas-fired electric generation, the customer may submit a request to Transportation Services to be exempted from the DDQ calculation. If the request is granted, the customer will be considered an "Exempt MMT Customer" and be placed in an "Exempt Market Pool" where it will be segregated from Market Pools containing customers subject to DDQ calculations.

When requested by the Company, Exempt MMT Customers are required to provide, as soon as practicable, with their anticipated daily flow rates for the current, next and/or subsequent gas days over weekend/holiday periods. The Company will customize the notification requirements to reflect the unique load characteristics of each customer and may require Exempt MMT Customers to provide anticipated hourly flow rates within each gas day. Provision of such information creates no service obligations beyond the Character of Service provided in SC 18.

Even though the calculated DDQ will not be utilized, city gate balancing requirements shall be the responsibility of the party that nominates supply deliveries on behalf of the Exempt MMT Customer. The Company's expectation is that city gate deliveries will balance the Exempt MMT Customer's consumption and as such, intraday nominations should be utilized to minimize any potential imbalance.

Should an imbalance occur, the party that nominates supply deliveries on behalf of the Exempt MMT Customer should coordinate with Transportation Services to arrange

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imbalance resolution as soon as practicable but before the end of the month. The existence of an imbalance does not create a right to payback or relieve the imbalance; The Company, in its sole discretion may agree to receive and to transport, during any twenty-four hour period, a volume in excess of the Exempt MMT Customer's expected consumption during the same twenty-four hour period. Market demand projections and the operational characteristics of the Company's system will be taken into consideration for the determination of whether imbalance relief can be scheduled.

The Company reserves the right to suspend, restrict or revoke the DDQ exemption at any time to the extent necessary to maintain reliability of its system, particularly during periods when System Alerts, System Maintenance Orders or Operational Flow Orders are in effect.

For month end imbalance calculation purposes, the Exempt MMT Customer's actual consumption will serve as a proxy for the DDQ. Month end imbalances from Exempt Market Pools will be processed under the same provisions applicable to other market pools.

D. CITY GATE BALANCING

(1) City Gate Delivery Requirements

Receipt of natural gas at the City Gate under this Service Classification shall be limited to the sum of the DDQs for all Customers in a Supplier's STBA group (the ADDQ). The Supplier must deliver or cause to be delivered at the City Gate the ADDQ on each day of the month, within the tolerance band described below. The Company will deliver to each individual Customer the Customer's gas requirements and will provide daily City Gate balancing services to the extent actual City Gate deliveries differ from the ADDQ. Burner tip ("on-system") imbalances will be addressed as described below. The Company is not obligated to accept any volumes nominated by Supplier in excess of a group's ADDQ.

(2) Daily City Gate Imbalance Charges

For amounts delivered to the City Gate by the Supplier that differ from the applicable ADDQ, the Supplier will incur the following charges:

a. Charges for daily City Gate underdeliveries:

i. Except during OFO periods, for City Gate underdeliveries up to or equal to five (5) percent of the applicable ADDQ, there will be no charge.

ii. Except during OFO periods, for City Gate underdeliveries in excess of five (5) percent of the applicable ADDQ, the charge for gas supplied by the Company shall be charged the highest rate for Deficiency Imbalance

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sales service under SC 11.

b. Charges for daily City Gate Overdeliveries:

i. Except during OFO periods, for daily City Gate overdeliveries up to five (5) percent of the applicable ADDQ, there will be no charge.

ii. City Gate overdeliveries in excess of five (5) percent of the applicable ADDQ may be rejected by the Company in its sole discretion.

E. MONTH END BURNER TIP BALANCING, IMBALANCE EXCHANGE AND CASH OUT

(1) Definition of STBA Burner Tip Imbalance

For the Customers included in the Supplier's STBA Service Agreement, ("STBA Group") the Company will net all the imbalances for which the Supplier is responsible pursuant to this Rate Schedule into a single imbalance ("STBA Imbalance") at the end of each month. A Supplier's STBA Service Agreement may aggregate only like transportation services (i.e., a STBA Service Agreement may aggregate only monthly metered transportation services with identical imbalances tolerances.

(2) Resolution of STBA Burner Tip Imbalances - General

The Company will resolve burner tip imbalances through either a rollover to subsequent months or a cash-out. The default method of resolution for STBA Imbalances will be through cash-out as set forth in General Information Section 30 except for Deficiency Imbalances when the Company issues a Notice of Unauthorized Period.

(3) Resolution of Burner Tip Imbalances Resulting in Net Deficiency During Unauthorized Periods

For STBA Imbalances which result in a net deficiency of volumes of gas by a STBA Group during the month when the Company issues a Notice of Unauthorized Period as set forth in SC 11, the Company shall charge the Supplier under the Standby Sales Service Rate Schedule if the Supplier has entered into a Standby Service Agreement or under the Deficiency Imbalance Sales Service Rate Schedule if the Supplier has not entered into a Standby Sales Service Agreement.

F. OPERATIONAL FLOW ORDER ("OFO")

The Company reserves the right to issue Operational Flow Orders as described in General Information Section 20.E.

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

G. DISCONTINUANCE OF SERVICE

(1) Discontinuance for Failure to Deliver Daily Quantity

The Company shall have the right to terminate service under this Service Classification to any Supplier that:

a. fails for any three (3) days to deliver at least ninety-five (95) percent of the applicable ADDQ for the Supplier's STBA Group, measured during a single month period; or

b. fails, except under force majeure conditions, to deliver natural gas (provides zero quantity) for the Supplier's STBA Group.

Upon termination, Supplier shall be prohibited from receiving service under this Service Classification for a period of not more than three (3) calendar months. In addition, Customers in the Supplier's STBA Group may elect to join an alternate STBA Group, subject to the alternate STBA's approval and satisfaction of an applicable security adjustment, as determined by the Company. This provision does not limit the Company's remedies available under the UBPs.

(2) Discontinuance Procedure

Discontinuance of service hereunder shall be performed according to the procedures set forth in the UBPs.

H. QUALIFIED SUPPLIERS

(1) Service under this Service Classification is contingent upon the Supplier meeting the Company's creditworthiness standards. Applicants for service hereunder will be required to complete a Credit Application for evaluation by the Company based on the criteria set forth in General Information Section 2.C.(8). The results of the creditworthiness checks performed by the Company will be communicated to the applicant within two weeks of the Company's receipt of the properly completed application. For purposes of EDI and creditworthiness requirements, a "Restricted STBA" is an STBA Group that limits enrollments to STBA Customer accounts under common ownership. All Restricted STBAs are also Direct Customers.

(2) The Supplier's application shall certify that a Supplier has secured the consent of each Customer in the Supplier's proposed STBA Group. Upon twenty-four (24) hours notice, Supplier shall produce for Company's inspection evidence of customer consent requested by the Company.

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(3) Except where Supplier agrees to accept the accuracy of the Company's balancing, automated meter reading devices must be installed at Supplier's expense for all transportation Customers in the Supplier's STBA Group that are converting from tariff sales service.

I. CONSUMER PROTECTIONS

(1) In addition to satisfying the above creditworthiness criteria, Suppliers seeking to obtain service hereunder to sell gas to Customers must demonstrate that they have met the following requirements:

a. Contracts between Suppliers and residential Customers must contain specific language advising Customers of protections that have been waived in the transaction. Each Supplier must file with the staff of the Office of Consumer Services, Department of Public Service, Three Empire State Plaza, Albany, NY 12223, a copy of its standard contract.

b. A system to handle residential Customer complaints is operational and that the Public Service Commission help and hotline numbers are provided to Customers.

c. The bills rendered will be clear and in plain language and the staff of the Consumer Services Division, Department of Public Service, shall receive a sample copy.

d. Procedures are in place to ensure residential Customers receive adequate prior notice of termination of gas supply services as provided in the UBPs.

(2) STBA Service on Behalf of Non-Residential Customers

a. Contracts between Suppliers and non-residential Customers must contain a statement advising the Customers of protections that have been waived in the transaction. Each Supplier will file with the staff of the Office of Consumer Services, Department of Public Service, Three Empire State Plaza, Albany, NY 12223, a copy of its standard contract.

b. Pursuant to UBP Section: 8 (or its successor), non-residential Customers may approach the Department of Public Service for resolution of disputes.

J. BILLING SERVICE OPTIONS

(1) The default billing service under this Service Classification is the Marketer Combined Bill, by which the Supplier issues a single bill directly to the Customer. The Company prescribes no specific form or content requirements for the Supplier's bill.

(2) In place of or in addition to the Marketer Combined Bill, Supplier may elect either the dual-billing option, as described in the UBPs, and/or the Company's utility combined bill option under which

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SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

Supplier agrees to permit the Company to perform all retail billing functions for Supplier's STBA Customers, including invoicing, remittance processing and customer service activities, Consolidated Billing Service ("CBS") which incorporates a Purchase of Accounts Receivable Program ("POR") as outlined in Case 04-G-1047.

CBS billing and payment processing practices are defined below and in the CBS Agreement and Procedures Manual. Billing and payment processing practices set forth in the Commission's Order Establishing Uniform Retail Access Billing and Payment Processing Practices, Appendix A, dated May 18, 2001, in Case Nos. 99-M-0631 and 98-M-1343 ("Billing and Payment Practices") (as found on the Commission's website), as modified from time-to-time.

Provisions of CBS:

a. CBS includes invoicing, remittance processing and call center activities. Distribution representatives can assist Customers with inquiries regarding utility charges, service and bill calculation. Customers with questions relating to a Supplier's rate or services will be instructed to contact the Supplier.

b. Company will bill a Supplier's STBA Customers for gas supplies sold by the Supplier together with Company's STBA charges, excluding current balancing charges and associated penalties, if any, which will be billed directly to STBA Supplier.

c. Customer payments received by the Company will be applied according to the procedures adopted by the Commission in its order issued on December 5, 2003 in Cases 03-M-0117 et al. and reflected in the UBPs.

d. CBS is a "rate-ready" service. Accordingly, the STBA Supplier must timely provide the Company with billing rate data in an acceptable form and manner.

e. Customer Budget billing is available under CBS.

f. CBS bills are issued according to the Company's traditional cycle billing schedule, based on meter-read dates available for inspection on the Company's web site.

g. For utility services, Customers receiving CBS billing shall receive consumer protections available to bundled service utility Customers (under, e.g., SC 1 and 3).

h. Supplier is obligated to maintain consumer response capabilities for Customer inquiries regarding Supplier's services and rates.

(3) CBS POR Provisions:

a. For a pilot period of three years, terminable by the Company at the end of the third year

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following 12 months prior notice to participating Suppliers, the Company will purchase CBS accounts receivable as described herein and further detailed in the CBS Agreement.

b. Accounts receivable shall be purchased at a discount. The discount rate for CBS bills issued will be 3.31% for residential Customers and 0. 57% for commercial and industrial Customers. For STBA Customers with good payment history that enrolled in a Restricted STBA Group existing as of April 15, 2005, the discount shall be zero.

c. In order to qualify for CBS service, the Supplier's shall also agree to grant any and all authority to the Company necessary to enable the Company to manage CBS billing, payment and remittance processing, customer care including termination procedures according to the provisions of the Home Energy Fair Practices Act ("HEFPA"), HEFPA regulations and regulations governing the provision of service to nonresidential customers, as applicable.

d. A CBS Agreement will set forth additional terms and conditions of service consistent with applicable provisions.

K. STBA SERVICE AGREEMENT

The initial term of the STBA Service Agreement shall be one year, renewable annually for successive one-year terms unless canceled by default of any terms or conditions hereof, or by Supplier on sixty (60) days written notice prior to the end of the term, or otherwise by mutual agreement.

L. SPECIAL PROVISIONS:

(1) Force Majeure

Supplier will be excused from delivering the required daily quantity of supply on any given day for Force Majeure events which directly and substantially affect a Supplier's natural gas deliveries to the Company and for which alternate supply arrangements cannot be obtained by Supplier or, if the Supplier is unsuccessful in obtaining alternate supplies, for which the Company cannot obtain supplies on behalf of the Supplier. For supplies provided by the Company, the Supplier shall be charged the higher of the rate for deficiency imbalance sales service under SC 11 or the highest Daily Index price as set forth in General Information Section 29 for each day such alternate supplies are delivered on behalf of Supplier. For purposes of this Service Classification, 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 Force Majeure event that curtails the Supplier's firm transportation service on an upstream pipeline that ultimately feeds a downstream pipeline, which directly and substantially affects a Supplier's natural gas deliveries to the Company, and for which no alternative supplies are available from the Company or other sources will excuse a Supplier from performing pursuant to this Service Classification to the extent of such curtailment. If at such time the Supplier is

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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 Supplier 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 Supplier 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.

Volumes curtailed pursuant to this Special Provision must be made up by Supplier as soon as possible at a delivery rate to be established by the Company. Any curtailed volumes which are not made-up within thirty (30) days will be sold to Supplier at a rate which is the higher of $10.00 per Mcf or the Deficiency Pricing Tier 3 as set forth in General Information Section 30 for the month during which volumes were curtailed.

(2) Supplies accepted by the Company for service hereunder shall meet the quality standards set forth in the Company's standard Transportation Service Agreement in General Information Section 26.

(3) A Supplier taking service under this Service Classification accepts the Company's calculation of the DDQ or ADDQ. The Company shall not be liable for errors in the calculation of the applicable DDQ or ADDQ.

(4) Supplier warrants that, at the time of delivery of gas to the Company's City Gate, Supplier or Customer shall have good title to deliver all volumes made available.

(5) After Supplier delivers gas or causes gas to be delivered to the Company at the Company's City Gate, the Company shall be deemed to be in control and possession of the gas until it is redelivered to the Customer at Customer's meter.

(6) Supplier shall include on the STBA Service Agreement a phone number by which Supplier can be reached on a twenty-four (24) hour basis.

(7) Suppliers (or authorized applicants) shall be entitled to receive, free of charge, twenty-four (24) months (or life of the account, if less) of a Customer's most recent usage and billing information. For each year of data beyond the twenty-four (24) month period and for any third request for the twenty-four (24) months data in any twelve (12) month period there shall be a charge of fifteen dollars ($15).

(8) Customer payment history for the most recent twenty-four (24) months shall be available to Supplier (or authorized applicants) upon the express written authorization by the Customer. A fee of fifteen dollars ($15) shall be charged for each additional year of information. "Payment history" shall mean whether or not the Customer had late payments or was disconnected during the past twenty-four (24) months.

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(9) With respect to all qualified low-income Customers in a STBA Group operated for the purpose of providing low income Customers with reasonably priced gas service, including but not limited to Customers identified as participating in any program operated by or on behalf of an authorized county Department of Social Services (or a successor agency with similar public service), the Company may issue an information-only bill directly to the end-use retail Customer. Such information-only bills issued by the Company shall separately identify STBA Supplier's charges. Mutually agreed terms and conditions of STBA Supplier payment and remittance processing shall be addressed in the STBA Service Agreement. Bills issued by the Company in connection with these services shall be provided on behalf of the STBA Supplier and for a charge equal to the BIPP charge as set forth in General Information Section 48.

(10) Demonstration of Customer Contracts

Suppliers offering retail contracts that include prepayment or deposit provisions must meet additional creditworthiness requirements set forth below. All Suppliers are required to submit an affidavit or statement to the Company, on Supplier's letterhead and signed by an authorized employee or officer, reporting whether any of Supplier's retail contracts include prepayment or deposit provisions. If at any point following the submittal of such statement or affidavit Supplier offers contracts with prepayment or deposit provision, an updated statement shall be submitted to the Company. Statements or affidavits found to be false or misleading shall be grounds for discontinuance of service.

(11) ESCO Requirements needed to qualify to accept Customer Deposits and Prepayments Pursuant to the Commission Order issued May 9, 2002 in Case 00-M-0504, the following requirements must be met before a Supplier may be permitted to accept deposits or prepayments from Customers.

a. Acceptable Security

The following security instruments have been deemed by the Commission to be acceptable qualifications for a Supplier to be permitted to accept Customer prepayments and deposits.

i. Minimum Bond Rating

Suppliers shall be permitted to accept Customer deposits and prepayments if the Supplier maintains a minimum bond rating as specified in the Creditworthiness Section of the Commission's UBPs. Suppliers shall be required to submit evidence of their bond ratings to the Commission and the Company at the initiation of service to Customers and each August 1 thereafter.

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ii. Escrow Account

Suppliers shall be permitted to accept Customer deposits if the Supplier maintains an Escrow Account(s) equal to the amount of Customer deposits for each Customer. Such Escrow Accounts must be maintained at financial institutions with a minimum "A" bond rating. Suppliers shall be required to file with the Commission and the Company proof of sufficient Escrow Account balances to cover current Customer deposits at the initiation of service to Customers and each August 1 thereafter.

iii. Letter of Credit

Suppliers shall be permitted to accept Customer deposits if the Supplier maintains a Letter of Credit from financial institutions with a minimum "A" bond rating. Suppliers shall be required to file with the Commission and the Company proof of a sufficient Letter of Credit to cover current Customer deposits at the initiation of service to Customers and each August 1 thereafter.

b. Failure to meet Security Reporting Requirements

Failure to meet any of the security reporting requirements specified above will result in termination of a Supplier's ability to receive service under this Service Classification upon Order by the Commission of a violation of the security reporting requirements.

M. RATES AND CHARGES:

(1) Distribution Services

The sum of the charges rendered for each of its STBA Customers at the appropriate rates for which each STBA Customer qualifies. Such services shall include, but not be limited to, transportation, balancing, capacity release and standby.

(2) City Gate Imbalance Charges

The sum of City Gate underdelivery charges specified in Section D.(2) above.

(3) Storage Gas Transfer Rate

The Storage Gas Transfer Rate shall be the sum of (1) the base storage transfer rate, plus (2) the demand transfer recovery ("DTR") rate.

The base storage transfer rate will equal the weighted average commodity cost of gas injected into storage during the injection months (April through October). The DTR rate shall equal the per Mcf system

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average unrecovered demand charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The system average unrecovered demand charge revenue shall equal the sum of the difference between the average demand charge revenues and the average fixed demand cost beginning the month of April through the initial month that storage capacity is released to the Supplier. The base storage transfer rate and DTR shall be filed with the Public Service Commission not less than three (3) business days prior to the beginning of the month for which the rate shall be in effect.

All revenues received from such gas storage transfers shall be credited to the Monthly Gas Supply Charge under General Information Section 19.F.(1).

(4) Charge for Suspension of Service under Section 32(5) of Public Service Law

The charge to affect a physical suspension of service pursuant to Section 32(5) of Public Service Law shall be $87.00. This charge shall be billed to the Supplier each time a Company representative visits the Customer's location for attempted or completed suspensions. The charge shall also be applied for each post-suspension follow-up visit, to the extent performed as required.

(5) Community Choice Aggregation Data Fees

As applicable, the Company may charge for the provision of data to support Community Choice Aggregation Programs pursuant to General Information Section 52.