

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 02/28/07

LEAF: 266.3  
REVISION: 4  
SUPERSEDING REVISION: 3

## SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

A Supplier may exchange an imbalance due the Company under its STBA Service Agreement with an imbalance due from another Supplier under another STBA Service Agreement, a non-aggregated SC 16 Customer or a Customer/Marketer under a SC 13D Service Agreement. Exchange of imbalances shall be accomplished upon notification of the exchange by the applicable Supplier before the STBA Imbalance resolution due dates. Upon request of the Supplier, the Company will provide other Suppliers with information regarding the Supplier's imbalance status for the month.

Each trade conducted during a monthly trading period must improve the STBA Supplier's relative imbalance position. That is, the result of an STBA's Supplier's imbalance trading activity will achieve an imbalance position closer to zero, i.e. the volume owed to the Company (negative position) or owed to the STBA Supplier (positive position) is smaller after each trade has been completed. In no event will the Company process trades that result in a larger imbalance position for the STBA Supplier.

5. Operational Flow Order ("OFO")

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

6. Discontinuance of Service

a. Discontinuance for Failure to Deliver Daily Quantity

The Company shall have the right to terminate service under this Service Classification to any Supplier that 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. Upon termination, Supplier shall be prohibited from receiving service under this Service Classification for a period of not more than three

Issued by R. J. Tanski, President, 6363 Main Street, Williamsville, NY 14221  
(Name of Officer, Title, Address)