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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:

STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 98-G-0263 DATED 3/19/98.

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SERVICE CLASSIFICATION No. 20

DEPARTMENT OF SOCIAL SERVICES TRANSPORTATION, BALANCING AND AGGREGATION - Continued

4. City Gate Balancing

a. 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 Public Assistance Customers in a DSS Supplier*s DSS Group (the ADDQ). The DSS 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 Public Assistance Customer the Public Assistance 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 the DSS Supplier in excess of a DSS Group*s ADDQ.

b. Daily City Gate Imbalance Charge

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

- (1) Charges for Daily City Gate Underdeliveries:
 - (a) Except during OFO periods, for City Gate underdeliveries up to or equal to (5) percent of the applicable ADDQ, there will be no charge.
 - (b) 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 equal to the published rate for Deficiency Imbalance supplies under Service Classification No.11.
- (2) Charges for Daily City Gate Overdeliveries:
 - (a) Except during OFO periods, for daily City Gate overdeliveries up to five (5) percent of the applicable ADDQ, there will be no charge.
 - (b) City Gate overdeliveries in excess of five (5) percent of the applicable ADDQ may be rejected by the Company in its sole discretion.

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)