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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 93-G-0932 DATED 11/03/98.
Cancelled by 2 Rev. Leaf No. 267 Effective 04/01/1999
RECEIVED: 02/01/99 STATUS: Cancelled EFFECTIVE: 04/01/99
SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

b. Resolution of Burner Tip Imbalances

The Company will resolve burner tip imbalances through either a rollover to subsequent months or a cash-out. Subject to operational conditions, the default method of resolving burner tip imbalances shall be a rollover.

(1) Rollover of CTBA Imbalances

At the close of the billing month, the Company will calculate the CTBA Imbalance, as described above, for each CTBA Customer Group. The Company will adjust the applicable ADDQ for the next following month that operating conditions permit, upward to reconcile a net deficiency in the billing month, or downward to reconcile a net surplus in the billing month.

(2) Cash Out Option

(a) Burner Tip Imbalances Producing a Net Surplus CTBA Imbalance

For burner tip imbalances which produce a net surplus of volumes of gas by a CTBA Customer Group during the month, the Company shall have the right to purchase, without further notice, the surplus volumes at a rate equal to the lowest commodity price the Company offers to pay for monthly spot purchases of gas produced directly into the Company's system.

(b) Burner Tip Imbalances Producing a Net Deficiency CTBA Imbalance

For burner tip imbalances which produce a net deficiency of volumes of gas by a CTBA Customer Group during the month, the Company shall charge the Supplier for the gas supplied by the Company 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.

5. Gas Quality

Gas delivered by the Supplier must satisfy the quality specifications set forth in General Information Section II.26.

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