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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. 266 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. Delivery Requirements

Supplier's deliveries of natural gas at the City Gate under this Rate Schedule (both from direct deliveries at the City Gate under Section 2.a. and a result of deliveries to upstream capacity Sections 2.b. and 2.c.) shall meet the Supplier's ADDQ requirements within the tolerance band described below. The Company will deliver to each CTBA Customer sufficient supplies to meet the Customer's full requirements.

To the extent the Supplier's City Gate deliveries differ from the ADDQ provided to the Supplier by the Company then a City Gate Imbalance shall occur and charges for such City Gate Imbalance will be applied as described below.

The Company is not obligated to accept any quantities nominated or tendered by Supplier in excess of the posted ADDQ.

c. City Gate Imbalance Charges

For City Gate deliveries by the Supplier that differ from the applicable ADDQ, the Supplier will be billed the following charges:

(1) Charges for daily City Gate underdeliveries:

- (a) For City Gate underdeliveries up to or equal to two percent (2%) of the applicable ADDQ, there shall be no charge.
- (b) Except during OFO periods, for City Gate underdeliveries in excess of two percent (2%) 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) City Gate overdeliveries in excess of five percent (5%) of the applicable ADDQ may be rejected by the Company in its sole discretion.

4. Burner Tip Imbalances

a. Aggregation of CTBA Customer Burner Tip Imbalances

For the CTBA Customers included in Supplier's CTBA Customer Group, the Company will net all of the individual burner tip imbalances into a single, aggregated imbalance ("CTBA Imbalance").

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