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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1  
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SERVICE CLASSIFICATION No. 20

DEPARTMENT OF SOCIAL SERVICES  
TRANSPORTATION, BALANCING AND AGGREGATION - Continued

5. DSS Supplier Burner Tip Imbalances

a. Definition of DSS Supplier Burner Tip Imbalance

For the Public Assistance Customers included in the DSS Supplier's DSS Service Agreement, ("DSS Group") the Company will net all the imbalances for which the DSS Supplier is responsible pursuant to this Rate Schedule into a single imbalance ("DSS Imbalance").

b. Resolution of DSS Burner Tip Imbalances

The Company will resolve burner tip imbalances through either a rollover to subsequent months or a cash-out. The default method of burner tip imbalances resolution will be cash-out.

(1) Rollover Option

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

(2) Cash Out Option

(a) DSS Burner Tip Imbalances Resulting in Net Surplus

For DSS Imbalances which result in a net surplus of volumes of gas by a DSS Group during the month, the Company shall have the right to purchase, without further notice, the amount of surplus 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.

The DSS Supplier will have the opportunity to elect that the Company cash out its imbalances at the end of the trading period. The DSS Supplier must nominate the cash-out choice each month if it desires month-end imbalance positions to be cashed out. The Company may elect not to satisfy cash-out purchase requests or cash-out sales requests during the month.

(b) DSS Burner Tip Imbalances Resulting in Net Deficiency

For DSS Imbalances which result in a net deficiency of volumes of gas by a DSS Group during the month, the Company shall charge the DSS Supplier under the Standby Sales Service Rate Schedule if the DSS Supplier has entered into a standby service agreement or under the Deficiency Imbalance Sales Service Rate Schedule if the DSS Supplier has not entered into a Standby Sales Service Agreement.

Issued by D. F. Smith, President, 10 Lafayette Square, Buffalo NY 14203  
(Name of Officer, Title, Address)