

PSC NO: 9 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 05/31/2016

SECTION: 16 LEAF: 4
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 16 (Cont'd)

BYPASS RESPONSE - INDIVIDUALLY NEGOTIATED CONTRACTS FOR TRANSPORTATION
SERVICE FOR CUSTOMERS OPERATING LARGE COGENERATION FACILITIES - Cont'd

P. BURNER TIP DEFICIENCY IMBALANCES:

Deficiency imbalances, when available, will be billed at the SC 11 sales rate, unless otherwise provided by mutual agreement.

The Company will curtail deficiency imbalances before it imposes any curtailments on its gas sales Customers under General Information Section 20.E. Upon notice from the Company that deficiency imbalances will not be available, the Customer must control its usage and deliveries to ensure that further deficiency imbalances do not occur during the time period specified. The Customer shall pay to the Company an additional penalty of \$7.00 for each Mcf of deficiency imbalances taken in violation of such curtailment.

Q. MONTH END BURNER TIP BALANCING, IMBALANCE EXCHANGE AND CASH OUT:

Month end burner tip imbalances, excluding deficiency imbalances billed at the SC 11 sales rate as described above, will be resolved as follows:

a. Aggregated Customers or Direct Customers

Burner tip imbalances are governed by the terms of SC 19.

b. Non-aggregated Customers

A Customer may exchange a month end imbalance due the Company under its SC 16 Service Agreement with an imbalance due from an Imbalance Holder as set forth in General Information Section 30 but is not subject to the cash out provisions contained therein.

R. DELIVERIES OF SURPLUS IMBALANCES DURING SUBSEQUENT MONTHS:

The Company shall have the right to purchase, without further notice, the amount of gas above the in excess of 5% of the volume of SC 16 service gas transported to the Customer by the Company in the billing month 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 Customer will have the opportunity to elect that the Company cash out its imbalance at the end of the trading period. The Customer 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 a month.

When operationally feasible, and only if, in the sole judgment of the Company, such transaction will not jeopardize or impair service to firm service Customers, the Company may allow a transportation Customer to receive net surplus imbalances of a SC 16 Customer for transportation to the Customer

Issued by C. M. Carlotti, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)