SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

3. 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 Customers in a Supplier's STBA group (the ADDQ). The 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 Customer the 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 Supplier in excess of a group's ADDQ.

   b. Daily City Gate Imbalance Charges

   For amounts delivered to the City Gate by the Supplier that differ from the applicable ADDQ, the 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 five (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 charged the highest rate for Deficiency Imbalance sales service under SC 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 A. M. Cellino, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)