

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 02/01/12

LEAF: 266.2  
REVISION: 5  
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

4. Month End Burner Tip Balancing, Imbalance Exchange and Cash Out

a. Definition of STBA Burner Tip Imbalance

For the Customers included in the Supplier's STBA Service Agreement, ("STBA Group") the Company will net all the imbalances for which the Supplier is responsible pursuant to this Rate Schedule into a single imbalance ("STBA Imbalance") at the end of each month. A Supplier's STBA Service Agreement may aggregate only like transportation services (i.e., a STBA Service Agreement may aggregate only monthly metered transportation services with identical imbalances tolerances.

b. Resolution of STBA 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 resolution for STBA Imbalances will be through cash-out as set forth in General Information Section 52 except for Deficiency Imbalances when the Company issues a Notice of Unauthorized Period. Should industry events lead to circumstances under which resolution of imbalances via cash-out is detrimental to the integrity of the Company's system, as operating conditions permit or require, the Company may suspend the cash-out and resolve imbalances through rollover. In this case, the Company will post notice on its web site as soon as practicable and no later than the beginning of imbalance trading. After imbalance trading is complete, the Company shall adjust the applicable ADDQ for the next following month that operating conditions permit, upward to reconcile a net STBA deficiency in the billing month, or downward to reconcile a net STBA surplus in the billing month.

(1) Burner Tip Imbalances Resulting in Net Deficiency During Unauthorized Periods

For STBA Imbalances which result in a net deficiency of volumes of gas by a STBA Group during the month when the Company issues a Notice of Unauthorized Period as set forth in SC 11, the Company shall charge the Supplier 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.

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