SERVICE CLASSIFICATION No. 11 (Cont'd)

DEFICIENCY IMBALANCE SALES SERVICE FOR TRANSPORTATION CUSTOMERS - Continued

2. Unauthorized Periods

For Ccf deficiency imbalance sales in the months of April through October	110% of the per Ccf Total Gas Cost Rate for the month plus \$0.70 per Ccf
For Ccf deficiency imbalance sales	125% of the per Ccf Total Gas
in the months of November through	Cost Rate for the month
March	plus \$0.70 per Ccf

For all other delivery deficiencies, including City Gate deficiency imbalances (where applicable), the rates set forth at subparagraph nos. 1 and 2 above shall apply for all volumes except during Unauthorized Periods on days when the Daily Index, as set forth in General Information Section 51, exceeds the Total Gas Cost Rate for the month. On these days, the deficiency imbalance sales rate shall be calculated using the Daily Index in place of the Total Gas Cost Rate in subparagraph no. 2 above.

3. Increase in Rates in Municipality Where Service is Supplied

All rates and charges under this Service Classification shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service.

SPECIAL PROVISIONS:

- 1. Service is subject to the pertinent provisions under General Information, Section 20.
- 2. Deficiency imbalances shall be authorized unless the Company issues a Notice of Unauthorized Period, during which period the rates set forth under Paragraph 2, above shall apply. Notice shall be issued in a form and manner to be prescribed by the Company in its sole discretion according to operational considerations.
- 3. A \$7.00 per MCF additional charge during Unauthorized Periods shall be applied to deficiency imbalance volumes exceeding 5% of consumption before trading. The surcharge will be imposed only once per deficiency.
- 4. Charges under this Rate Schedule are in addition to charges under SC 13D or SC 13M.

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