SCHEDULE B

GAS BALANCING SERVICE (Cont'd)

TYPE OF BALANCING SERVICE (Cont'd)
  A) Daily Balancing Service (Cont'd)
  6. Balancing Charge
  The Distribution Customer will be charged a balancing charge for each therm of gas delivered to the service points in its Balance Control Account. The balancing charge will consist of a charge to cover the Distribution Provider's costs for FTNNGSS deliverability, GSS deliverability, GSS capacity, FTNN capacity, and administrative costs. The balancing charge shall be calculated each month as follows:

  a) The FTNNGSS deliverability portion of the balancing charge is calculated by:

$$BC_{FTNNGSS} = (T_{DDAY} * B_{TOL} * R_{FTNNGSS}) / T_{ANNUAL}$$

  Where:
  $BC_{FTNNGSS}$ = the FTNNGSS portion of the balancing charge.
  T_{DDAY} = the design day throughput in DT for all retail customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
  B_{TOL} = the tolerance band for Daily Balancing Service.
  $R_{FTNNGSS}$ = the annualized DTI FTNNGSS I reservation charge per DT.
  T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and Service Class No. 7 and are included in a Daily Balancing Balance Control Account.

  b) The GSS deliverability portion of the balancing charge is calculated by:

$$BC_{GSSDEL} = (T_{DDAY} * B_{TOL} * R_{GSSDEL}) / T_{ANNUAL}$$

  Where:
  BC_{GSSDEL} = the GSS deliverability portion of the balancing charge.
  T_{DDAY} = the design day throughput in DT for all retail customer service points which are being served under Service Classification No. 3 and are included in a Daily Balancing Balance Control Account.
  B_{TOL} = the tolerance band for Daily Balancing Service.
  R_{GSSDEL} = the annualized DTI GSS deliverability reservation charge per DT.
  T_{ANNUAL} = the total normalized annual (twelve months rolling average) throughput for all retail customer service points which are being served under Service Classification No. 3 and Service Class No. 7 and are included in a Daily Balancing Balance Control Account.

(Continued on next leaf)

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