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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
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STAMPS:
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SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

to the Gas Daily Index, "Daily Price Survey" for "Appalachia," "CNG North Point," plus associated variable transportation costs to the Company's City Gate. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

If a Supplier's STBA Agreement is canceled or terminated, the Company will recall storage capacity that has been released to the Supplier. The Company shall have the right but not the obligation to purchase the remaining storage gas at the lesser of (a) 95% of the Company's lowest monthly weighted average commodity cost of gas during the previous injection period (April through October), plus associated variable transportation costs to the Company's City Gate and storage demand capacity charges on such volumes since April 1; or (b) 95% of the Market Price of gas for that day which shall be determined by reference to the Gas Daily Index, "Daily Price Survey" for "Appalachia," "CNG North Point," plus associated variable transportation costs to the Company's City Gate and storage demand capacity charges on such volumes since April 1. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

d. Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company, based upon each customer's historical load profile and/or estimates of consumption, shall determine a Supplier's projected normalized consumption for a given period; either monthly, weekly, or daily. Based upon this projected consumption, the Company will determine each customer's Daily Delivery Quantity (DDQ) and, by summing all DDQs of the STBA Customers in the Supplier's STBA Customer Group, the Supplier's STBA Customer Group's Aggregate Daily Delivery Quantity (ADDQ). The DDQs and ADDQ so calculated will be used to determine the Supplier's daily delivery obligations, and the specific rates and charges as outlined in this Rate Schedule.

A Supplier taking service under this Rate Schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

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

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