

PSC NO: 9 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 05/31/2016

SECTION: 19 LEAF: 10
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

imbalance resolution as soon as practicable but before the end of the month. The existence of an imbalance does not create a right to payback or relieve the imbalance; The Company, in its sole discretion may agree to receive and to transport, during any twenty-four hour period, a volume in excess of the Exempt MMT Customer's expected consumption during the same twenty-four hour period. Market demand projections and the operational characteristics of the Company's system will be taken into consideration for the determination of whether imbalance relief can be scheduled.

The Company reserves the right to suspend, restrict or revoke the DDQ exemption at any time to the extent necessary to maintain reliability of its system, particularly during periods when System Alerts, System Maintenance Orders or Operational Flow Orders are in effect.

For month end imbalance calculation purposes, the Exempt MMT Customer's actual consumption will serve as a proxy for the DDQ. Month end imbalances from Exempt Market Pools will be processed under the same provisions applicable to other market pools.

D. CITY GATE BALANCING

(1) 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.

(2) 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:

a. Charges for daily City Gate underdeliveries:

- i. 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.
- ii. 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

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