

LEAF: 406.3
REVISION: 7
NEW REVISION: 6

F. CORE MONTHLY BALANCING PROGRAM - continued

c) The sum of (a) and (b) above will comprise the Seller's Monthly Imbalance Account and the Seller will be responsible for eliminating this imbalance through monthly imbalance trading and/or cash out.

Sellers serving customers taking transportation service under SC 18 may elect to participate in either the Company's Non-Core Monthly Balancing Program or Daily Balancing Program.

Sellers that participate in the Company's Daily Balancing Program will be allowed to return to the Non-Core Monthly Balancing Program on a best efforts basis. If approved to switch by the Company, the Sellers's customers must remain in the Non-Core Monthly Balancing Program for at least 12 months.

The following provisions are applicable to the Non-Core Monthly Balancing Program:

Each month, the Company shall determine the Seller's Non-Core DDQ and the Seller shall be obligated to deliver this amount each day to the Company's City Gate unless otherwise notified by the Company.

The Seller shall provide to the Company notice of the natural gas scheduled for delivery at the City Gate by pipeline transporters for each day of the succeeding month. The scheduled nomination must equal Seller's Non-Core DDQ.

The Company is not obligated to accept any volumes that have been nominated by the Seller to the extent that such nomination exceeds Seller's Non-Core DDO.

The Company will utilize upstream assets and gas supply to manage differences between the quantity of gas delivered each day by the Seller and the quantity of gas actually consumed each day by Seller or Seller's Customers.

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