

SERVICE CLASSIFICATION No. 19 – continued

5. Daily Cash Out Penalties

a) City Gate Balancing Penalty Charge

The City Gate Balancing Penalty Charge is equal to \$10.00 per dekatherm and is charged on any day that the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDO

b) Operational Flow Order (“OFO”) Penalty Charge

The Operational Flow Order Penalty Charge is equal to \$25.00 per dekatherm and is charged to Sellers on any day the Company issues an OFO and the total quantity of gas delivered to the city gate by the Seller is less than 98% of the Seller's DDO.

6. Monthly Cash Out Prices

Applicable to Sellers participating in either the Company's Monthly Balancing Program or Daily Balancing Program.

a) Monthly Balancing Program

The Monthly Cash Out Price is the Transco Zone 6 Index published at the start of each month in the Platt's Gas Daily Price Guide, Market Center Spot Gas Prices for the Northeast and is reflected as a per dekatherm price.

b) Daily Balancing Program

The Monthly Cash Out Price is determined for each Seller based on the simple average of the Daily Cash Out Prices that were in effect during the month.

7. Mandatory Capacity Program

Applicable to Sellers participating in the Company's Mandatory Capacity Program.

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