



***National Fuel Gas Distribution Corporation  
New York Division  
Gas Transportation Operating Procedures Manual***

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***August 22, 2024***

## TABLE OF CONTENTS

	PAGE
<b>A. INTRODUCTION</b>	A-1
1. Brief Description of GTOP Contents	A-1
2. Disclaimers	A-1
<b>B. OVERVIEW OF THE COMPANY</b>	B-1
1. Corporate Structure	B-1
a. Company Profile	B-1
b. Table of Organization	B-2
c. Gas Operations Organization	B-2
d. Transportation Customer and Marketer Support Personnel/Services	B-2
e. Marketer Ombudsman	B-3
2. Affiliate Transaction Standards	B-3
3. Territory	B-4
a. Municipalities within the Franchise Area	B-4
b. Franchise Area Map	B-7
c. City Gate Stations and Pipelines Serving the Franchise Area	B-8
d. Local Production	B-8
4. Service Classifications	B-8
a. Sales Services	B-9
b. Transportation and Aggregation Services	B-11
c. Utility Account Reclassification Certification Requests	B-12
5. Customer Breakdown	B-13
a. Sales Service	B-13
b. Transportation Service	B-13
<b>C. BUSINESS RULES GENERIC TO AGGREGATION AND LARGE VOLUME TRANSPORTATION CUSTOMERS</b>	C-1
<b>D. GAS DELIVERY MANAGEMENT PROCEDURE FOR RESIDENTIAL AND SMALL VOLUME TRANSPORTATION CUSTOMERS</b>	D-1
1. Marketer Qualification	D-1
2. Customer Enrollment	D-1
a. Existing Customers	D-1
b. New Customers	D-3
3. Delivery Quantity Determination Procedures	D-5
a. Determination of DDQ and ADDQ	D-5
b. City Gate Delivery Requirements	D-6
c. Daily City Gate Imbalance Charges	D-6
4. Capacity Assignment /Use Procedures	D-6
a. Upstream Capacity Requirement	D-7
b. Intermediate Capacity Requirement	D-8
c. Mandatory Upstream Transmission Capacity Release Program	D-8
d. Demonstration of Grandfathered Upstream Capacity	D-9
e. Additional Upstream Capacity Considerations (including Local Production)	D-11
f. Capacity Allocation Example	D-12

**TABLE OF CONTENTS – Continued**

	PAGE
5. Nominating Procedures	D-14
6. Balancing & Cash Out Procedures	D-15
7. Reconciliation/True-Ups	D-19
8. Standby Services	D-19
9. Storage Peaking Services	D-20
a. Supplier Storage Transfers and Monitoring	D-20
b. Storage Inventory Transfer Rates	D-22
c. Storage Capacity Assignment Quantities	D-22
d. Storage Transfer Nominations	D-24
e. Storage Injection/Upstream Capacity Considerations	D-24
10. Meter Reading	D-24
11. Summary of Applicable Fees, Charges and Penalties	D-24
12. Supplier Exit from Market/Termination of Transportation Service	D-25
13. Billing Schedules	D-27
a. Marketer Consolidated Billing	D-27
b. Utility Consolidated Billing	D-27
c. Dual Billing	D-30
d. Customer Deposits	D-30
e. Payment Processing and Remittance	D-30
f. Application of Sales Tax	D-30
g. Supplier Billing	D-32
<b>E. GAS DELIVERY MANAGEMENT PROCEDURE FOR LARGER COMMERCIAL AND INDUSTRIAL CUSTOMERS, FIRM AND INTERRUPTIBLE</b>	<b>E-1</b>
1. Customer Eligibility/Enrollment Procedures	E-4
a. Initiation of Transportation Service for a Non-Aggregation Transportation Customer	E-4
b. Enrollment for a Non-Aggregation Transportation Customer	E-5
2. Delivery Quantity Determination Procedures	E-5
3. Capacity Assignment/Use Procedures	E-5
a. Verification of Upstream Capacity	E-5
4. Nominating Procedures	E-6
5. Balancing & Cash Out Procedures	E-6
a. MMT (SC-18)	E-6
b. Daily Balancing as applied to DMT (SC-13)	E-6
c. Month End Balancing as applied to DMT (SC-13)	E-7
6. DMT Supplier Financial Requirements	E-7
a. Creditworthiness Assessment	E-7
b. Security Deposit Amount	E-9
c. Acceptable Payment of Security	E-9

**TABLE OF CONTENTS – Continued**

	PAGE
7. Reconciliation/True Ups	E-10
8. Standby Services	E-10
9. Storage Peaking Services	E-10
10. Meter Reading	E-10
a. General	E-10
b. Telemetry	E-10
c. Access to Telemetry Data	E-11
11. Summary of Applicable Fees, Charges and Penalties	E-11
12. Termination of Transportation Service	E-11
13. Billing Schedules	E-12
14. Communications Protocols for Demand Response Customers	E-12
<b>F. REQUIREMENTS FOR POOL OPERATIONS</b>	<b>F-1</b>
1. Listing of Marketer Contact Personnel	F-1
2. 7 Day, 24-Hour Communication Process	F-1
3. Distribution Contact Person Information	F-2
4. Production Pool Operations & Other Producer Issues	F-3
a. General	F-3
b. Setup Procedures & Parameters	F-3
c. Non-Telemetric Production Deliveries to Market Pools	F-4
d. Receipt Facility Measurement	F-4
e. Gas Quality: BTU Content	F-5
f. Gas Quality: Water Vapor Content	F-5
g. Gas Quality: Gas Delivery Pressure	F-6
h. Production Retest Notification and Fees	F-6
i. Late Charts/Meter Readings	F-7
j. Odorization Compatibility	F-8
k. Renewable Natural Gas	F-8
l. Renewable Natural Gas - Pre-Interconnection Testing	F-9
m. Renewable Natural Gas – RNG Periodic Testing	F-9
n. Renewable Natural Gas – RNG Interconnect Shut-Off and Restart Procedures	F-10
o. Renewable Natural Gas – RNG Testing Procedures	F-11
p. Renewable Natural Gas – Continuous Monitoring of Upgrading Process Integrity	F-11
<b>G. COMMUNICATIONS PROTOCOLS</b>	<b>G-1</b>
1. Need for Open Lines Between Marketers and LDCs	G-1
2. Electronic Bulletin Board (“EBB”)	G-1
3. Bi-Annual “Reliability Forums”	G-2
4. EDI or Other Means of Transferring Information	G-2
5. Regular Meetings/Teleconferences	G-4
6. Distribution Contact Summary	G-4
<b>H. OPERATIONAL FLOW ORDERS</b>	<b>H-1</b>
1. Description	H-1
2. Guidelines for Instituting an OFO	H-1
3. System Alerts	H-1
4. Responsibilities of Marketers/Customers and LDCs during an OFO or SA	H-2
5. Examples of Distribution OFOs	H-3

**TABLE OF CONTENTS – Continued**

	PAGE
<b>APPENDICES</b>	
<b>FORMS &amp; APPLICATIONS</b>	
NFGDC Upstream Agency Consent Form	FAA-1
NY Aggregation and Credit Application	FAA-2
Supplier Acknowledgement	FAA-4
Customer Deposit/Prepayment Affidavit	FAA-5
Market Pool/Production Pool Request	FAA-6
Utility Account Reclassification Certification Form – Residential to Non- Residential	FAA-8
Utility Account Reclassification Certification Form – Non- Residential to Residential	FAA-9
<b>ACRONYMS</b>	ACR-1
<b>DEFINITIONS</b>	DEF-1
<b>FILE FORMATS</b>	
Electronic Exchange of Daily Delivery Quantity Data	FFD-1
<b>RULES &amp; PROCEDURES</b>	
Affiliate Rules	RAP-1
Interconnection Rules and Procedures	RAP-7
<b>STANDARD-FORM AGREEMENTS</b>	
Pipeline/Gatherer Interconnection Agreement	SFA-1
Producer Interconnection Agreement	SFA-20
Daily Metered Transportation Imbalance Netting Agreement	SFA-35
Billing Service Agreement for Consolidated Billing Service	SFA-40
Transportation Service Agreement	SFA-50
Supplier Transportation, Balancing and Aggregation Service Agreement	SFA-53
National Fuel System Administrator Security Process Agency Agreement	SFA-58
Renewable Natural Gas Interconnection Agreement	SFA-61
Data Security Agreement / Self Attestation	SFA-83

## **A. INTRODUCTION**

### **1. Brief Description of GTOP Contents**

Welcome to National Fuel Gas Distribution Corporation's ("Distribution", "Company" or "NFGDC")<sup>1</sup> Transportation Program. Distribution operates more than 14,000 miles of pipeline throughout western New York and northwestern Pennsylvania and has offered transportation services since 1983.

As used throughout the Gas Transportation Operating Procedures Manual ("GTOP"), the term "Marketer" can be a gas marketer, aggregator (often referred to as "Supplier" in reference specifically to Distribution's Service Classification No. 19 – STBA Service) or one operating as an Agent for a marketer, aggregator, or customer for the purpose of arranging the delivery of gas supplies to Distribution's City Gate. Marketers or customers that designate an Agent to be their gas supplier shall clearly communicate this to Distribution. This Agent is then responsible to Distribution for the flow of gas including proper responses to System Alerts (SAs) and Operational Flow Orders (OFOs).

Throughout the GTOP there will be references to Distribution's website. For transportation purposes the URL is:

<https://www.nationalfuel.com/business-partners/>

Most selections will be no more than a couple of mouse clicks from the above link.

### **2. Disclaimers**

Those obtaining copies of the GTOP from the internet are responsible for the maintenance and monitoring of any changes. Notices of changes will be placed on the internet for convenience.

Distribution assumes no responsibility should the GTOP holder fail to download notices in a timely manner.

Procedures contained in the GTOP not set forth in Distribution's tariff - PSC No. 9 – GAS ("Tariff") are subject to change upon thirty (30) days' notice. Notice may be less than 30 days in circumstances where timely implementation of the New York Public Service Commission ("Commission") Orders are required.

If there are inconsistencies between any procedures contained in the GTOP and Distribution's Tariff, the Tariff shall control.

#### **Policy Statement Regarding Transportation Service**

National Fuel Gas Distribution Corporation ("NFGDC", "the Company") makes every effort to ensure that previous month information is carried forward for Market Pool, Production Pool, and Aggregation Group setup in NFGDC's Transportation Scheduling System ("TSS"). It is, however, the ultimate responsibility of the Operator of each of the Pools and Groups to ensure that the membership and related information of each Pool and Group is correct in TSS before the start of each Calendar Month.

Further, it is the ultimate responsibility of each Pool or Group Operator to ensure that all paperwork, supporting documentation or other written notification, or processes, as required in NFGDC's Tariff, TSS Operators' Manuals, Web site, Operating Procedures Manual, Service Agreements or binding contracts, are submitted in a timely manner as prescribed in these respective documents.

Tariff changes and changes to rules and regulations in the GTOP are subject to the prescribed notice periods. The Company will endeavor to provide thirty days notice of changes to other procedures. However, in extreme circumstances, changes and exceptions to such other procedures may be implemented on shorter notice.

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<sup>1</sup> The terms Company, Distribution and NFGDC should be read as interchangeable as referenced within the GTOP, including the contracts included in the GTOP Appendices.

## **B. OVERVIEW OF THE COMPANY**

### **1. Corporate Structure**

#### a. Company Profile

- Corporate

*National Fuel Gas Company (NYSE: NFG)*, incorporated in 1902, is a diversified energy company with its headquarters in Buffalo, New York. NFG's assets are distributed among four business segments: Exploration and Production, Pipeline and Storage, Utility, and Gathering.

- Exploration and Production

*Seneca Resources Corporation* explores for, develops and purchases natural gas and oil reserves in California and Appalachia, including the Marcellus Shale.

- Pipeline and Storage

*National Fuel Gas Supply Corporation ("NFGSC")* provides interstate natural gas transmission and storage for affiliated and non-affiliated companies through an integrated gas pipeline and storage system that covers nearly 1,600 miles from southwestern Pennsylvania to the New York-Canadian border at the Niagara River.

*Empire Pipeline, Inc. ("EPI")* provides interstate natural gas transmission for affiliated and non-affiliated companies, including large industrial customers, utilities and power producers in New York., through a 269-mile natural gas pipeline system that runs from the New York-Canadian border at the Niagara River to Syracuse, New York, from near Rochester, New York to near Corning, New York and an extension from Corning to Tioga County, Pennsylvania.

- Utility

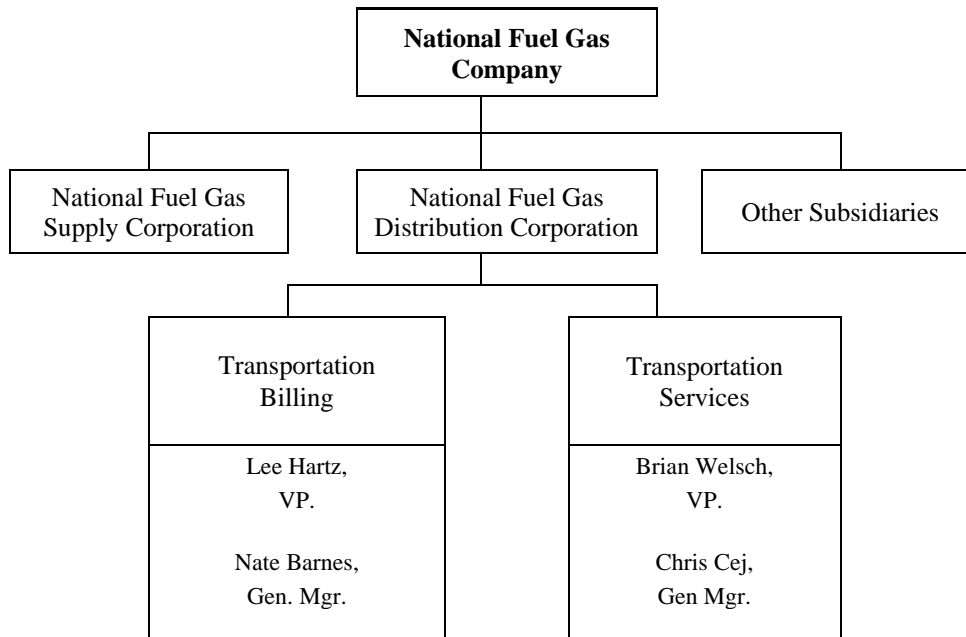
*Distribution* sells or transports natural gas to over 740,000 customers through a local distribution system located in western New York and northwestern Pennsylvania. The major areas served include Buffalo, Niagara Falls and Jamestown in New York, and Erie and Sharon in Pennsylvania.

- Gathering

*National Fuel Gas Midstream Corporation's* primary business is to build, own and operate gas processing and pipeline gathering facilities in the Appalachian region.

## b. Table of Organization

For purposes of the GTOP, Distribution's corporate organizational chart is as follows:



## c. Gas Operations Organization

The Gas Supply Administration Department manages Distribution's gas planning, purchase, upstream asset and system dispatch functions. The Vice President with responsibility over Gas Supply Administration is Brian Welsch. Questions concerning upstream capacity are handled by Gas Supply Administration and should be directed to Nick Pasquarella at (716) 857-7010 or [pasquarellan@natfuel.com](mailto:pasquarellan@natfuel.com). Marketer communications relating to operations, however, should be directed to Dan Czechowicz, as more fully described below.

## d. Transportation Customer and Marketer Support Personnel/Services

Transportation Services is Distribution's "one-stop" service organization to provide information and support to business parties involved with various aspects of transportation.

The following are the phone numbers and email addresses of the persons to whom questions may be directed:

<u>Types of Questions</u>	<u>Person</u>	<u>Phone Number</u>	<u>email Address</u>
Billing & Meter Reading	TSD Billing	(716) 857-7432	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
Nominations, Gas Scheduling & Operations	Transportation Services	(716) 857-7232	<a href="mailto:TSSSupport@natfuel.com">TSSSupport@natfuel.com</a>
Marketer Relations & General Issues	Dan Czechowicz	(716) 857-6917	<a href="mailto:CzechowiczD@natfuel.com">CzechowiczD@natfuel.com</a>



The general phone number for Transportation Services is (716) 857-7232. A more detailed chart for direct-dial numbers and names of representatives is posted on Distribution's website.

e. Marketer Ombudsman

With respect to STBA service, dispute resolution procedures are set forth in the Commission's Uniform Business Practices. Other disputes may use the UBP procedure as a guide. In the event of unresolved disputes, a Marketer Ombudsman has been designated to address those concerns and to serve as a liaison between Marketers and Distribution. The Ombudsman is Chris Cej. Mr. Cej may be contacted directly by phone; (716) 857-6985 or via email; [CejC@natfuel.com](mailto:CejC@natfuel.com).

## 2. Affiliate Transaction Standards

Affiliate Rules are included in the Appendices of this GTOP and shall become effective on the date tariff sheets are effective pursuant to an order of "Commission" adopting the Joint Proposal as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation, filed April 15, 2005 in Case 04-G-1047.

**In the event that a situation arises where there is concern that these standards are not being complied with, please contact Jeffrey Same at (716) 857-7507.**

### 3. Territory

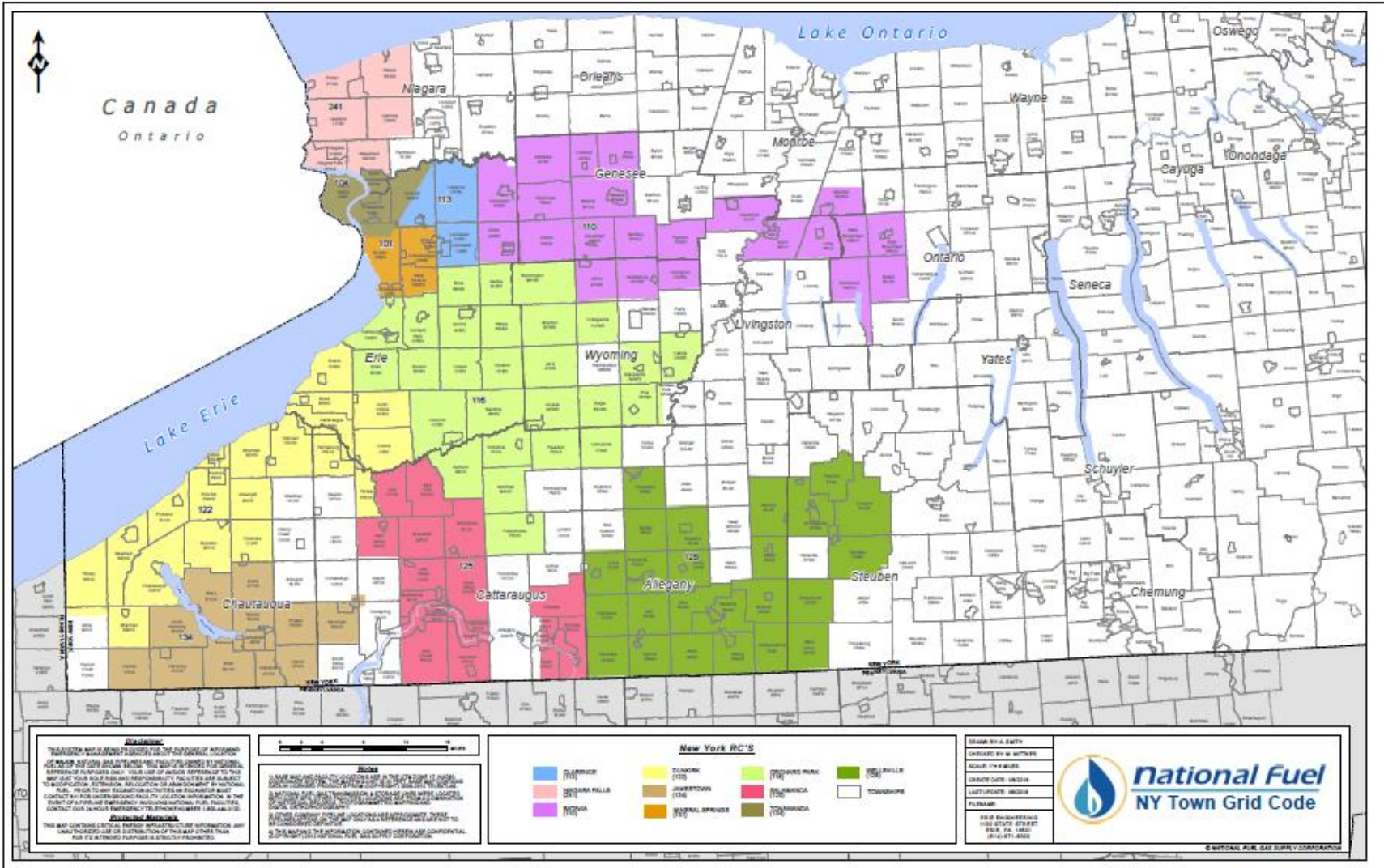
#### a. Municipalities Within Franchise Area

COUNTY	CITIES	VILLAGES	TOWNS
Allegheny		Alfred	Alfred
Allegheny			Alma
Allegheny		Almond	Almond
Allegheny			Amity
Allegheny		Andover	Andover
Allegheny		Angelica	Angelica
Allegheny		Belmont	Belfast
Allegheny		Bolivar & Richburg	Bolivar
Allegheny			Caneadea
Allegheny			Centerville
Allegheny			Clarksville
Allegheny		Cuba	Cuba
Allegheny		Friendship	Friendship
Allegheny			Genesee
Allegheny			Independence
Allegheny			Scio
Allegheny		Wellsville	Wellsville
Allegheny			Willing
Allegheny		Richburg	Wirt
Cattaraugus			Ashford
Cattaraugus			Carrollton
Cattaraugus		East Randolph	Cold Spring
Cattaraugus			East Otto
Cattaraugus		Ellicottville	Ellicottville
Cattaraugus			Farmersville
Cattaraugus		Franklinville	Franklinville
Cattaraugus			Freedom
Cattaraugus			Great Valley
Cattaraugus			Hinsdale
Cattaraugus		Little Valley	Little Valley
Cattaraugus			Machias
Cattaraugus			Mansfield
Cattaraugus		Randolph	Napoli
Cattaraugus			Randolph
Cattaraugus		Cattaraugus	New Albion
Cattaraugus	Olean		Olean
Cattaraugus			Otto
Cattaraugus		Perrysburg	Perrysburg
Cattaraugus		Gowanda	Persia
Cattaraugus		Portville	Portville
Cattaraugus			Red House
Cattaraugus	Salamanca		Salamanca
Cattaraugus		Delevan	Yorkshire
Chautauqua			Arkwright
Chautauqua	Jamestown/Bemus Point		Busti

COUNTY	CITIES	VILLAGES	TOWNS
Chautauqua		Celoron	Carroll
Chautauqua		Falconer	Charlotte
Chautauqua		Mayville & Lakewood	Chautauqua
Chautauqua		Panama	Clymer
Chautauqua	Dunkirk		Dunkirk
Chautauqua		Sinclairville	Ellery
Chautauqua			Ellicott
Chautauqua		Forestville	
Chautauqua		& Silver Creek	Hanover
Chautauqua		Harmony	
Chautauqua			Kiantone
Chautauqua			North Harmony
Chautauqua			Poland
Chautauqua		Fredonia	Pomfret
Chautauqua		Brocton	Portland
Chautauqua			Ripley
Chautauqua		Sheridan	
Chautauqua		Sherman	Sherman
Chautauqua		Cassadaga	Stockton
Chautauqua		Westfield	Westfield
Erie	Buffalo		
Erie	Lackawanna		
Erie		Alden	Alden
Erie		Williamsville	Amherst
Erie		East Aurora	Aurora
Erie			Boston
Erie		Farnham	Brant
Erie		Depew and Sloan	Cheektowaga
Erie			Clarence
Erie			Colden
Erie		Gowanda	Collins
Erie		Springville	Concord
Erie			Eden
Erie			Elma
Erie		Angola	Evans
Erie			Grand Island
Erie		Blasdell & Hamburg	Hamburg
Erie			Holland
Erie		Depew & Lancaster	Lancaster
Erie			Marilla
Erie		Akron	Newstead
Erie		North Collins	North Collins
Erie		Orchard Park	Orchard Park
Erie			Sardinia
Erie	Tonawanda	Kenmore	Tonawanda
Erie			Wales
Erie			West Seneca

COUNTY	CITIES	VILLAGES	TOWNS
Genesee			Alabama
Genesee		Alexander & Attica	Alexander
Genesee		Batavia	Batavia
Genesee			Bethany
Genesee			Darien
Genesee		Elba	Elba
Genesee		Oakfield	Oakfield
Genesee			Pavilion
Genesee		Corfu	Pembroke
Genesee			Stafford
Livingston		Lima	Lima
Monroe		Honeoye Falls	Mendon
Niagara			Cambria
Niagara		Lewiston	Lewiston
Niagara	Niagara Falls		Niagara
Niagara		Youngstown	Porter
Niagara	North Tonawanda		Wheatfield
Niagara		Wilson	Wilson
Ontario			Bristol
Ontario		E Bloomfield, Holcomb	East Bloomfield
Ontario			West Bloomfield
Ontario			Richmond
Steuben		Canisteo	Canisteo
Steuben			Fremont
Steuben			Greenwood
Steuben	Hornell	Arkport, Almond & N. Hornell	Hornellsville
Steuben			Howard
Steuben			West Union
Wyoming	Arcade	Arcade	
Wyoming		Attica	Attica
Wyoming			Bennington
Wyoming		Castile	Castile
Wyoming			Covington
Wyoming			Eagle
Wyoming		Gainesville &	
Wyoming		Silver Springs	Gainesville
Wyoming			Genesee Falls
Wyoming			Java
Wyoming		Wyoming	Middlebury
Wyoming			Orangeville
Wyoming			Pike
Wyoming			Sheldon

b. Map of Franchise Area



c. City Gate Stations and Pipelines Serving the Franchise Area

Distribution’s system has access to several interstate pipelines via interconnections with NFGSC, itself an interstate pipeline. There are six designated receipt points for nominations from NFGSC into Distribution in New York:

Point Name	Description
• 1. NFGDC – NY	GENERAL CITYGATE
• 2. NFGDC – MSMX	MINERAL SPRINGS
• 3. NFGDC – VICK	VICKSBURG
• 4. NFGDC – ZOAR	ZOAR STATION
• 5. NFGDC – NASH	NASH ROAD
• 6. NFGDC – XM8	LINE XM8

NFGSC has interconnects with the following pipelines:

- Columbia Gas Transmission (“Columbia”)
- Eastern Gas Transmission and Storage (“EGTS”)
- Empire Pipeline (“EPI”)
- Equitrans
- EMKEY Gathering, LLC
- Millennium Pipeline Company, LLC
- Tennessee Gas Pipeline (“Tennessee” or “TGP”)
- Texas Eastern Transmission (“TET”)
- Transcontinental Gas Pipeline (“Transco”)
- TransCanada Pipelines Ltd. (“TransCanada”)

A standard-form agreement that sets forth rules and regulations governing interconnection with pipeline/gathering systems (other than FERC-regulated pipelines with approved tariffs) is included in the Appendices of this GTOP.

d. Local Production

Distribution has numerous gas production meters feeding directly into its distribution system. A standard-form agreement that sets forth rules and regulations governing interconnection with producers of natural gas is included in the Appendices of this GTOP.

For the purposes of nomination, these meters are organized into pools at a logical pooling point.

## 4. Service Classifications

Distribution’s Tariff currently sets forth the service classifications identified in the following tables. The rates applicable to these services are posted on Distribution’s website at:

<https://www.nationalfuel.com/business-partners/ny-regulatory-tariff-gtop/summary-of-new-york-rates/>

## a. Sales Services

CUSTOMER SIZE	SERVICE CLASS	CUSTOMER/SERVICE TYPE	DUAL FUEL REQ'D	TYPE OF SERVICE	COMMENTS/DESCRIPTION
< 25,000 Mcf/Year	SC-1	Residential Sales Service	No	Firm	Unbundled sales and transportation service for residential customers. Delivery charges apply to sales and transportation customers. Gas sales rates apply only to sales customers.
	SC-2	Statewide Low Income Program	No	Firm	Residential heating customers who have qualified for emergency assistance under the Federal Home Energy Assistance Program ("HEAP").
	SC-3	General Sales Service	No	Firm	Unbundled sales and transportation service for predominantly small volume non-residential customers. Delivery charges apply to sales and transportation customers. Gas sales rates apply only to sales customers.
	SC-4	Supplemental Sales Service	No	Firm	A firm sales service for customers with an independent supply of gas (e.g. gas supply from a local gas well) who wish to supplement this supply by purchasing gas from Distribution.
	SC-5	Load Balancing Technology Rate Sales Service	No	Firm	A firm sales service for customers using gas in high load factor equipment such as cogeneration, gas cooling, natural gas vehicles, etc.
	SC-6	Interruptible Supplemental Sales Service	No	Interruptible	A sales service for customers with an independent supply of gas (e.g. gas supply from a local gas well) who wish to supplement this supply by purchasing gas from Distribution on an interruptible basis.
	SC-7	Sales Service for Customers Operating Natural Gas Vehicles	No	Firm	A firm sales service for customers using gas in Natural Gas Vehicles utilizing either Distribution-owned or customer-owned filling facilities.

CUSTOMER SIZE	SERVICE CLASS	CUSTOMER/SERVICE TYPE	DUAL FUEL REQ'D	TYPE OF SERVICE	COMMENTS/ DESCRIPTION
Residential Distributed Generation	SC-8	Distributed Generation Service	No	Firm	Sales to residential customers where the gas is used directly for distributed generation. Proof of operable DG unit may be required if monthly usage below 100 ccf May through November and below 250 ccf during other months.
	SC-10	Transitional Propane Service	No	Firm	The Distribution will convert and provide propane service to customers receiving natural gas service in the Distribution's service territory under Tariff specified conditions.
Transportation customers >3,500 Mcf/year	SC-11	Deficiency Imbalances Sales Service	No	Interruptible	Interruptible Sales Service available only to the extent that service to customers under firm sales classifications is not jeopardized or impaired
Transportation customers >3,500 Mcf/year	SC-12	Standby Sales Service	No	Firm	Standby Sales Service, comparable to the quality of service provided to the Distribution's firm bundled service customers, subject to the curtailment steps.
Transportation customers >3,500 Mcf/year	SC-14	Sales Service	No	Contractual	Sales Service is firm or interruptible and the degree to which such service is firm or interruptible shall be determined in the sales contract between the Distribution and the customer.
Generation <50 megawatts	SC-15	Distributed Generation Gas Sales Service	No	Firm	For non-residential customers where the gas is used directly for distributed generation less than 50 megawatts and where the Customer is anticipated to maintain a load factor of 50% or greater.



## b. Transportation and Aggregation Services

CUSTOMER SIZE	SERVICE CLASS	CUSTOMER/SERVICE TYPE	DUAL FUEL REQ'D	TYPE OF SERVICE	COMMENTS/ DESCRIPTION
<25,000 Mcf/year	SC-1	Residential Unbundled Transportation Service	No	Firm	Delivery charges for customers served by Marketers qualifying under SC-19.
	SC-2	SLIP Transportation Service	No	Firm	Delivery charges, billed by the Company, for residential heating customers who have qualified for emergency assistance under HEAP.
<5,000 Mcf/year	SC-3	Small Volume Non-Residential	No	Firm	Delivery charges for customers served by Marketers qualifying under SC-19.
Residential Distributed Generation	SC- 8	Distributed Generation Service	No	Firm	Transportation for residential customers where the gas is used directly for distributed generation. Proof of operable DG unit may be required if monthly usage below 100 ccf May through November and below 250 ccf during other months.
> 5,000 Mcf/year	SC-13	Daily Metered Transportation (DMT) Service	No	Firm	Daily metered option for large volume customers to SC-18. SC-13 requires telemetering to monitor daily deliveries and usage. Transportation rates are based on five annual volumetric categories. This is a firm transportation service that requires firm capacity on all upstream pipelines.
Generation <50 megawatts	SC-15	Distributed Generation Service	No	Firm	For non-residential customers where the gas is used directly for distributed generation less than 50 megawatts and where the Customer is anticipated to maintain a load factor of 50% or greater.
>200,000 Mcf/year	SC-16	Bypass Response-Individually Negotiated Contracts for Transportation Service	Yes	Interruptible	For customers operating large cogeneration facilities, the customer must totally revoke its right to firm service under the Distribution's Tariff for all consumption by the facility and telemetering which allows the Distribution to monitor the customer's daily usage of gas.

CUSTOMER SIZE	SERVICE CLASS	CUSTOMER/SERVICE TYPE	DUAL FUEL REQ'D	TYPE OF SERVICE	COMMENTS/ DESCRIPTION
Generation >50 megawatts	SC-17	Basic Gas for Electric Generation Service Tariff	Yes	Interruptible	For customers operating generation facilities, the customer must totally revoke its right to firm service under the Distribution's Tariff for all consumption by the facility and telemetering which allows the Distribution to monitor the customer's daily usage of gas
> 5,000 Mcf/year	SC-18	Monthly Metered Transportation (MMT) Service	No	Firm	The primary transportation service used by most large volume customers. Imbalances are resolved under SC-19. Transportation rates are based on five annual volumetric categories. This is a firm transportation service that requires firm capacity on all upstream pipelines.
Marketers: > 5,000 Mcf/year; Direct Customers: > 3,500 Mcf/year	SC-19	Supplier Transportation Balancing and Aggregation (STBA)	No	Firm	Aggregation service available to qualified Marketers and stand-alone end-user customers ("Direct Customers").

c. Utility Account Reclassification Certification Requests

Distribution relies upon a Customer's service classification to determine the Rate Schedules under which a customer may receive sales and/or transportation service. Additionally, the service classification impacts the application of sales tax as well as a customer's priority during Curtailment. For accounts with non-separately metered residential and commercial consumption, Distribution employs a 50% rule; the account will be classified based upon the predominant % of square footage (excluding common areas) associated with each type of consumption.

Distribution obtains the information to classify accounts at the time of service application. To the extent this information has become outdated, Customers should use the Reclassification Certification forms (illustrative copies shown in Appendices of this GTO) to request a change in classification. Additionally, Customers that can elect their service classification (as described in the Tariff) should use this form to request a change in classification. If accepted by Distribution, the account reclassification will become effective at the beginning of the customer's next billing cycle. The reclassification forms (in fillable PDF format) will be posted on Distribution's web site.

## 5. Customer Breakdown

Breakdown of Customers and Total Consumption (Mcf) as of February 20244:

### a. Sales Service

	<u># OF CUSTOMERS</u>	<u>ANNUAL CONSUMPTION</u>
Firm Residential Non-Heating	4,751	138,044
Firm Residential Heating	480,132	43,616,693
Firm Non-Residential (Commercial)	23,570	6,275,755
Firm Non-Residential (Industrial)	117	233,907
Interruptible	0	0
Electric Generation/Interdepartmental	0	0
Other	0	0
Total Sales	508,570	50,264,398

### b. Transportation Service

	<u># OF CUSTOMERS</u>	<u>ANNUAL CONSUMPTION</u>
<u>Small Customer Aggregation</u>		
Residential Non-Heating	225	7,501
Residential Heating	23,645	3,313,524
Non-Residential (Commercial)	10,452	10,040,298
Non-Residential (Industrial)	149	1,528,567
<u>Large Volume Transportation</u>		
Firm	0	0
Interruptible	1	627,252
Electric Generation/Interdepartmental	0	0
Other (SC-13, SC-18)	1,983	22,715,235
Total Transportation	36,455	38,232,377

## **C. BUSINESS RULES GENERIC TO AGGREGATION AND LARGE VOLUME TRANSPORTATION CUSTOMERS**

### **Uniform Business Practices ("UBPs")**

Briefly described, the UBPs govern the working relationship between the utility and the ESCOs (Marketers). On Distribution's system the UBPs apply to STBA Suppliers and to Marketers balancing SC-13 customers. Non-aggregated transportation customers who wish to conduct business as a "Direct Customer" under the UBPs should apply for STBA "stand-alone" service. Additionally, non-aggregated transportation customers may qualify to supply solely their own demand under SC-13, in which case UBP provisions would apply on a more limited basis, e.g. UBPs concerning service to other customers would not apply. Transactions in the following areas are specifically addressed by the UBPs: creditworthiness, customer information (e.g. consumption figures), utility billing and collection, new service requests, switching requirements, slamming prevention process, metering (electric only), discontinuance of service and dispute resolution.

Distribution's general retail access practices are governed by the UBPs. Specific requirements for procedures not covered by the UBPs (such as nominations procedures) will be noticed in the usual manner. The UBPs are included as an addendum to Distribution's tariff and available on the New York Public Service Commission UBP web page at:

<https://dps.ny.gov/uniform-business-practices>.

### **Distribution Specific UBPs Elections & Clarifications**

**Switching Date:** All customer switches occur on a meter read date, typically the scheduled meter read date or actual meter read date to the extent that meter read is used for billing purposes. Generally, meters are read every other month. Estimated reads are used for months where actual reads are not made, either by schedule or through meter inaccessibility.

**Fee Schedule:** The following new fees have been adopted under the UBPs:

Special Meter Reading Fee	\$20
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#### **Company contacts:**

UBPs Questions		
Dispute Resolution Procedures	Jeffrey Same	(716) 857-7507

### **Transportation Service Agreements**

Customers who transport gas are required to sign a Transportation Service Agreement ("TSA"), applicable to the rate schedule under which they receive service unless such service is received at ceiling rates under SC-1, SC-3 or SC-18.

## **D. GAS DELIVERY MANAGEMENT PROCEDURE FOR RESIDENTIAL AND SMALL VOLUME TRANSPORTATION CUSTOMERS**

### **GENERAL**

All residential and small volume non-residential customers are eligible to receive transportation service under SC-1 or SC-3 so long as they are enrolled with a STBA Supplier through the STBA Tariff, SC-19. In addition, customers with consumption 3,500 Mcf or greater annually may elect to receive service under SC-19 as a Direct Customer and thereby, must comply with the procedures contained within this section. For Customers who are taking service at ceiling rates and are enrolled consistent with UBP § 5.D in a Supplier's STBA (i.e. EDI enrollment), the enrollment acts as an affirmation that the Supplier has obtained customer consent, consistent with the UBPs. Direct Customers have implied customer consent because they act as their own Supplier and effectively enroll their own accounts when they enter into an STBA agreement.

The procedure for Marketers to apply for STBA service and begin customer enrollment is as follows:

### **1. Marketer Qualification**

A Marketer interested in serving residential and small-volume non-residential transportation customers in Distribution's service territory is required to submit an application for STBA service. Marketers must also satisfy any Commission requirements provided with the UBPs. The NY Aggregation and Credit Application form is available on Distribution's website at

<https://www.nationalfuel.com/business-partners/how-to-become-a-marketer-in-new-york/ny-aggregation-and-credit-application/>

In order to qualify all Marketers will be evaluated for creditworthiness under the procedures set forth in the UBPs. Unless a better estimate is available, the Company will presume an initial annual consumption of 5,000 Mcf for credit evaluation purposes. When required, payment of security deposits can be made by cash or acceptable form of security such as an Irrevocable Standby Letter of Credit from a financial institution with a rating acceptable to Distribution or parent guaranty in like amount provided that the guarantor is rated no lower than BBB by Standard and Poors, Baa2 by Moody's or BBB by Fitch investment services. Upon approval by Distribution, the Marketer becomes a STBA Supplier and is authorized to enroll new and existing customers in an STBA aggregation group.

If a Marketer has not enrolled customers within one year of the initial application date, the Company will send email notice to the applicant that absent a request for a one-time, one-year extension, the application and any executed service agreements will be cancelled. Such cancellation will not prevent the Marketer from reapplying for service in the future.

### **2. Customer Enrollment**

All STBA Suppliers are required to enroll customers via EDI transactions developed as a result of Case 98-M-0667 (see infra Section G.4). Upon approval of the STBA application, the STBA Supplier will receive a password for access to secured locations of the "Services for Marketers, Producers and Suppliers" sites on the website. For new Customers, there are additional initial steps (discussed below) to be completed prior to enrollment.

#### **a. Existing Customers**

Existing customers (customers served by Distribution or other STBA Suppliers) may join a STBA Supplier's STBA Group by contacting the Supplier and requesting service. Customers who contact Distribution for such service will be instructed to call a STBA Supplier and, upon request, will also be supplied with the Commission's list of approved Marketers.

#### **i. Enrollment Procedures**

STBA Suppliers are able to access all customer consumption history for the previous 24 months by entering a customer's nine-digit account number. Additionally, the following data are available for STBA Suppliers who both provide a customer's nine-digit account number and have received express customer consent:

- Customer payment history for the previous 24 months.
- Customer consent for release of payment history may be demonstrated by making customer consent or enrollment forms or contracts, containing clear language authorizing release, available for Distribution's inspection on 24 hours' notice. In addition, Distribution will accept written authorization executed by a STBA Supplier, or the STBA Supplier's agent, on behalf of a customer who has verbally agreed to such an arrangement.

After a STBA Supplier has identified customers, the actual enrollment process may begin. *The process is paperless*, but requires that the STBA Supplier maintain customer records.

- Customers for whom the STBA Supplier has received consent to enroll are processed through EDI.
- The Company mails a "verification letter" to the customer pursuant to the UBPs providing a verification period during which the Customer may notify the Company if the enrollment is unauthorized.
- Upon receipt of a valid customer's enrollment transaction, the customer's account is "locked out" of eligibility for enrollment in other STBA Groups until the earlier of (1) the next meter read date; or (2) the date a customer's denial of enrollment is registered by Distribution within the verification period.
- On or about the first scheduled meter read date following conclusion of the verification period, the customer's account will show that service has been "switched" to the STBA Supplier.

#### ii. Customer Consent

Evidence of customer consent for enrollment must be maintained by the STBA Supplier and available to Distribution on 24 hours' notice. Pursuant to the UBPs, the following items are accepted as evidence of customer consent for enrollment:

- A customer enrollment form or contract.
- Audiotapes or third party verification of verbal consent.
- Electronic transmittal that can be shown to have originated with the customer.

In addition to language clearly indicating the customer's agreement to switch, where the STBA Supplier plans to issue a single-retailer bill to the STBA Customer, all enrollment applications (or telemarketing scripts) should include the following text:

I understand that all bills for natural gas service, excluding service calls and repairs traditionally billed by Distribution, will be issued to me by the [STBA Supplier]. I also understand that, if I have any questions about my bill, I should call [STBA Supplier]. If I smell gas or have any safety-related questions, however, I will still call Distribution.

All documentation and audiotapes must be maintained by the STBA Supplier for a period of six years.

#### iii. Enrollment Disputes

If a Supplier currently serving a customer ("Incumbent ESCO") receives a pending drop for a customer and pursuant to the applicable UBPs, has determined the customer does not wish to be switched to another ESCO/Marketer ("Pending ESCO") and wants to continue receiving its supply service from the Incumbent ESCO, then an Incumbent ESCO Reinstatement Request should be submitted via EDI to cancel the

enrollment with the Pending ESCO. Provided that the EDI request has been received before the scheduled switch date, the Pending ESCO will receive an EDI notification that the pending enrollment is being canceled.

b. New Customers

New customers (applicants for initiation of distribution and sales service) may join a Supplier's STBA Group by either (1) contacting Distribution, requesting new service and then contacting a STBA Supplier; or (2) consistent with New Delivery Service provisions contained within the UBPs, applying to a STBA Supplier who, as agent on behalf of the applicant, submits the application to Distribution.

i. Generally

New service (also known as "meter service") applications must be submitted on Distribution's pre-printed form, copies of which are available by contacting Distribution's Customer Response Center ("CRC") at (716) 686-6123 or (800) 365-3234. All applications should be submitted as follows:

- Completed applications for new service should be faxed to Distribution's CRC at (716) 857-6500.
- If submitted by a Marketer, the fax cover page should state the Marketer's name, address, telephone and fax numbers, and a contact person. If the contact person cannot be reached, the application will not be regarded as complete.
- Completed applications will be processed in the order in which they are received.
- Inquiries regarding pending applications or scheduling should be directed to the CRC at (716) 686-6123 or (800) 365-3234.

ii. Requirements for Residential New Service Customers

Residential customers may apply for meter service in the following manner.

(a) Customer Initiated Application for Service

- Making an application for meter service at one of Distribution's Consumer Assistance Centers ("CAC"). If they are to be part of an STBA Group effective with the initiation of service they must have their STBA provider contact the Transportation Billing Department at 716-857-7432 or [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com) as well as place an 814 Enrollment via EDI prior to the services starting in the customer's name.
- Making a telephone application for service by calling Distribution's CRC at (716) 686-6123 or (800) 365-3234. The customer should request their order number. The customer should then notify their selected Marketer of their account number and date the service is scheduled to be turned on. The Marketer must contact the Transportation Billing Department at 716-857-7432 or [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com) to advise of the enrollment as well as place an 814 Enrollment prior to the service starting in the customer's name.

(b) Marketer Initiated Application for Service:

Marketers, acting as agents for their clients, may fax or mail completed applications on behalf of their clients.

- Completed applications must be forwarded with either a fax cover sheet or forwarding letter clearly identifying: the Marketer's name, address, telephone and fax numbers and the contact person responsible for the transaction with their direct telephone number and/or telephone extension.

- Applications will be processed in the order in which they are received. If an application cannot be processed the Marketer will be contacted and advised what is required to complete the application. (In some instances the applicant may be required to contact Distribution directly or to go to one of Distribution's CACs to discuss the matter further.)
- The residential Customer Assisted Unlock Read ("CAUR") procedure will be used wherever possible. In this case the Marketer will be advised to have the customer call Distribution at (716) 686-6123 or (800) 365-3234 with the meter reading taken on the day they move to their new location.
- If the initiation of service requires Distribution to complete an onsite visit, the Marketer will be advised of the order number and scheduled date (and time if appropriate). The Marketer should provide this information to their customer. The customer may call Distribution at (716) 686-6123 or (800) 365-3234 to reschedule, if necessary.
- Marketers may also forward the completed application with a request to place the order on hold; indicating that the customer will call to schedule the service call. This alternative must be clearly indicated on the forwarding coversheet or correspondence.

### iii. Requirements for Non-Residential Service Customers

All standard requirements for non-residential applications remain the same. The only exception is security. No security may be required if the applicant presents and allows Distribution to retain a copy of their contract with the approved STBA Marketer and provides evidence of customer consent. In the case of the latter, such evidence must be obtained from the Marketer.

Non-residential customers may apply for meter service in the following manner.

#### (a) Customer Initiated Application for Service

- The customer may make a telephone application for service by calling Distribution's CRC at (716) 686-6123 or (800) 365-3234. The customer will need to provide their Federal Taxpayer ID Number or Social Security Number in order to complete the application. The customer should request their account number. The customer should then notify their selected Marketer of their account number and date the service is scheduled to be turned on. The Marketer must contact Transportation Billing at 716-857-7432 or [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com) to advise of the enrollment as well as place an 814 Enrollment prior to the service starting in the customer's name.
- The customer may make an application for meter service at one of Distribution's CACs. The customer will be required to provide supporting documents with the application. These may include appropriate identification, copies of corporate papers, corporate filing receipts and authorization or d/b/a certificates.

#### (b) Marketer Initiated Application Service

Marketers, acting as agents for their customers, may fax or mail completed non-residential applications on behalf of their customers.

- Completed applications and evidence of customer consent must be forwarded with either a fax cover sheet or forwarding letter clearly identifying: the Marketer's name, address, telephone and fax numbers and the contact person responsible for the transaction with their direct telephone number and/or telephone extension.
- Applications will be processed in the order in which they are received. If an application cannot be processed the Marketer will be contacted and advised what is required to complete the application.



- The initiation of non-residential service requires Distribution to complete an onsite visit. The Marketer will be advised of the order number and scheduled date (and time if appropriate). The Marketer should provide this information to their customer and advise their customer that someone must be on premises to allow Distribution's representative access to the premises to check gas equipment. The customer may call Distribution at (716) 686-6123 or (800) 365-3234 to reschedule, if necessary.
- Marketers may also forward the completed application with the required supporting documentation and request to place the order on hold; indicating that the customer will call to schedule the service call. This alternative must be clearly indicated on the forwarding coversheet or correspondence. The Marketer will be advised of the work order number.

### 3. Delivery Quantity Determination Procedures

STBA Suppliers are responsible for delivering gas supply to Distribution's City Gate in amounts calculated by Distribution. For each customer, a Daily Delivery Quantity ("DDQ") is determined and combined with other customers' DDQs to produce the Aggregated Daily Delivery Quantity ("ADDQ"). When a Supplier elects to utilize an Upstream Agent to manage its upstream transportation and storage capacity, the Supplier remains ultimately responsible for meeting storage levels described herein and in the Tariff. For example, when an Upstream Agent fails to deliver a Supplier's DDQ, it is as if the Supplier itself failed to meet the DDQ requirement.

#### a. Determination of DDQ and ADDQ

Distribution will determine, based upon each customer's historical load profile and/or estimates of consumption, a STBA Customer Group's projected normalized consumption for a given period; either monthly, weekly, or daily. Consumption estimates may be adjusted in response to meter readings, as available, weather forecasts and compensated for the difference between actual weather and previous weather forecasts. Based upon this projected consumption, Distribution will determine each customer's DDQ and, by summing all DDQs of the STBA customers in the Supplier's STBA Customer Group, the Supplier's STBA Customer Group's ADDQ. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily City Gate delivery obligations. ADDQ information shall be posted by Distribution on its Transportation Scheduling System ("TSS"), or such other medium, as Distribution deems appropriate. A standard file format for DDQ data is included in the Appendices of the GTOP. Distribution will provide detailed DDQ data files in the Supplier/Customer Portal section of the Secure Transactions area of the NFGDC website.

A Supplier taking service under SC-19 (or any other Service Classification with city gate balancing governed by SC-19) accepts Distribution's calculation of the DDQ and/or ADDQ. Marketers or Direct Customers may request a change in the specified ADDQ if the Marketer or Direct Customer has specific knowledge that a customer's or customer group's consumption will be different than anticipated. Such requests should be submitted via TSS by 1:30 PM, on the business day prior to the Gas Day the change is requested to take effect. In the event of an emergency situation where TSS is unavailable, such requests may be written up and submitted via email to all three of the following: [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com), [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com). The "DDQ/PDQ Email Change Request" form is available on the NFGDC website at:

<https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/ddq-pdq-email-change-request-form/>

The request should specify the amount by which the ADDQ should be changed as well as provide justification for the change. Distribution shall not be liable for the difference between the projected consumption and the consumption determination by Distribution.

b. 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. Distribution 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. Distribution is not obligated to accept any volumes nominated by supplier in excess of a Group's ADDQ.

c. 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:

i. Charges for Daily City Gate Underdeliveries

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.

Except during OFO periods, for City Gate underdeliveries in excess of five (5) percent of the applicable ADDQ, to the extent such charges are not addressed under SC-12 service, the charge for gas supplied by Distribution shall be equal to the rate for Deficiency Imbalance supplies under SC-11.

ii. Charges for Daily City Gate Overdeliveries

Except during OFO periods, for City Gate overdeliveries nominated up to five percent of the applicable ADDQ, there will be no charge.

City Gate overdeliveries nominated in excess of five percent of the applicable ADDQ may be rejected by Distribution in its sole discretion.

See *infra* Section H.2 for more information concerning OFOs.

#### 4. Capacity Assignment/Use Procedures

Three basic capacity components are utilized to serve customers: Upstream Capacity, Intermediate Capacity and Peak Balancing Service. Based upon historic weather data, an extreme peak day requirement is calculated by multiplying 74 degree-days times customer heat load per degree-day factor and adding it to the daily customer base load. This quantity is grossed up by the Distribution retainage rate and converted to dekatherms in order to calculate the City Gate requirement. Suppliers are allocated capacity to serve a Design Peak Requirement ("DPR"), defined as the design peak day customer load determinants for 62 degree-days, above which Peak Balancing Service is utilized. Generally 33% of the DPR (depending upon the customer load factor, this percentage may be lower) is met through Intermediate Capacity consisting of EFT deliveries of ESS withdrawals. The remaining portion of the DPR is met through Upstream Capacity delivered into NFGSC. Supplies delivered through Upstream Capacity are subsequently transported to the city gate through an additional allocation of Intermediate Capacity. Except in limited cases where Suppliers utilize their own capacity or local production, capacity is provided to Suppliers through the capacity release process.

Distribution releases pipeline capacity to Suppliers on a month-to-month basis. It is the responsibility of the Supplier to ensure that it is qualified to obtain capacity based upon the FERC tariff requirements and administrative procedures for each upstream interstate pipeline. Suppliers that fail to take the necessary steps to obtain the capacity release from Distribution in time to place a timely pipeline nomination for the first day of the calendar month will be considered out of compliance with the applicable reliability requirements in the terms and conditions of Distribution's Tariff, operating agreements, or this manual. If a Supplier does not meet this requirement more than once in a 12-month period, this

event will be reported to Commission Staff. If a Supplier fails to meet this requirement more than twice in a 12-month period, the Supplier's STBA Agreement will be in default and the Supplier will be subject to the involuntary discontinuance of service procedures under the UBPs. Upon termination, the Supplier shall be prohibited from receiving service under STBA Service for a period of three (3) months.

Suppliers and/or other parties may accept upstream capacity releases/assignments, i.e. act as Upstream Agents, for other STBA Suppliers and Direct Customers. The STBA Supplier and/or Direct Customer utilizing an Upstream Agent must submit an Upstream Agency Consent Form and Affidavit (see Appendices). Upstream Agents must provide Distribution with contact information, as necessary, for nomination and other related purposes. Distribution may require Upstream Agents to provide a copy of a redacted contract with the Upstream Agent to demonstrate that the Upstream Agent is obligated to meet the STBA Supplier's load.

Distribution is not obligated to accept any party as an Upstream Agent if it is less creditworthy than the STBA Supplier(s) and/or Direct Customer(s) for whom such party intends to accept capacity releases/assignments. Acceptance of a party as an Upstream Agent is on a month-to-month basis and is contingent upon satisfaction of creditworthiness requirements and provision of any security.

#### a. Upstream Capacity Requirement

To satisfy the upstream capacity requirement under STBA service, except where Suppliers utilize their own grandfathered upstream capacity or local production (as explained below), Suppliers will receive a mandatory assignment of Distribution's upstream capacity under the Company's Mandatory Upstream Transmission Capacity ("MUTC") program. Where Suppliers utilize Grandfathered Upstream Transmission Capacity ("GUTC"), Grandfathered Intermediate Transmission Capacity ("GITC") or local production, Suppliers must demonstrate to Distribution's Gas Supply Administration Department [contact: Nick Pasquarella, (716) 857-7010, [pasquarellan@natfuel.com](mailto:pasquarellan@natfuel.com)] that they have secured such capacity to serve small volume transportation customers (customers consuming 5,000 Mcf or less with a right to receive average cost-based sales service) and large volume non-dual fuel critical service customers. Under STBA service, large volume critical service customers may satisfy the mandatory capacity requirement by demonstrating dual fuel ("DF") capabilities. The amount of GUTC or GITC available to Distribution's system cannot increase above the quantity that was established on November 1, 2007. Further, these quantities may decrease from time to time on a permanent basis as described below.

The table below summarizes the capacity and standby service requirements/options for transportation customers under both STBA service with a Supplier and Direct Customer transportation service:

Annual Mcf	Critical Service Customer		Non-Critical Service Customer	
	Supplier STBA	Direct Customer	Supplier STBA	Direct Customer
< 3500	Cap. Req'd.	N/A	Cap. Req'd.	N/A
3500 - 5000	Cap. Req'd.	Standby	Cap. Req'd.	Standby
> 5000	Cap. Req'd. or DF <sup>(1)</sup>	Cap. Req'd, Standby or DF <sup>(1)</sup>	No Cap. Req'd. <sup>(2)</sup>	No Cap. Req'd.

Note (1): DF Capable

Note (2): While STBA Customers with annual consumption exceeding 5,000 mcf do not have a mandatory capacity requirement, unless the necessary equipment allowing the Company to monitor the Customer's daily usage of gas is installed and operating, the Customer shall arrange for supply to be delivered, either directly or by displacement, on a firm basis for the entire route from the point of production to the Company's distribution system.

Note (3): While a Direct Customer may aggregate its own accounts into a Market Pool under STBA service and act as their own Supplier, the individual accounts will still have a capacity requirement based upon annual consumption. The table above pertains to Direct Customers that do not act on an aggregated basis.

Customers that are not subject to a mandatory capacity requirement, including those that waived their right to return to standard tariff rate service under the terms and conditions of Joint Proposal to Achieve a Comprehensive Restructuring of the Rates and Services of National Fuel Gas Distribution Corporation, filed January 23, 2002 in Case 00-G-1858, have a right to return to bundled incremental GAC sales service, if available.

b. Intermediate Capacity Requirement

Suppliers receive an allocation of Intermediate Transmission and Storage capacity on NFGSC to provide Suppliers with capacity from receipts into NFGSC to the City Gate. This capacity includes both EFT and ESS storage capacity. The capacity allocation is based upon a design peak day calculation. For example, 33% of the Supplier's DPR is met through EFT deliveries of ESS withdrawals when the load factor is less than 40%. For load factors in the 40% to 60% range, 22% is met through storage and in the 60% to 80% range, 11% is met through storage. Load factors over 80% are met entirely through firm transportation.

c. Mandatory Upstream Transmission Capacity Release Program

Capacity is released to Suppliers under Distribution's MUTC Release Program to satisfy the upstream capacity requirement under STBA service, except where Suppliers utilize their own grandfathered upstream capacity or local production. The amount of MUTC assigned will coincide with the Supplier's DPR established on or about the 17<sup>th</sup> of the preceding month. The rate for each capacity release path will be equal to Distribution's weighted average cost of capacity ("WACOC") and will be exempt from bidding requirements ("Retail Choice Bidding Exemption") and the prohibition against tying as described in section 284.8(h) of the FERC Regulations. MUTC releases will be recallable. No contract amendments will be permitted. Capacity may be re-released, however, any replacement shippers must remain subject to the obligations of Distribution's STBA program as described here-in, in the Tariff and any applicable state regulations governing retail choice. Flow directives requiring Suppliers to utilize the MUTC in a prescribed manner may be issued from time-to-time based upon seasonal or weather-related factors. Additionally, Distribution may issue flow directives requiring Suppliers to utilize the MUTC to deliver gas to specific points necessary to balance the system. For example, a flow directive might require Suppliers to first deliver flowing gas up to their full upstream pipeline contract quantity before delivering gas from their ESS capacity or from their FSS capacity if applicable.

Prior to April 1st each year, Distribution will evaluate its MUTC program requirements for the coming 12 months. To satisfy the upstream capacity requirement, MUTC will be released for each month, on a month to month basis, on the following pipelines in approximately the following proportions based on the aggregate quantity of capacity available to all suppliers:

Pipeline Capacity Path			MUTC Mix		Total Mix
Pipeline	Rec. Point	Del. Point	Upstream*	Intermediate	
TGP Z4 to Z4	412874	420527	47%	0%	47%
EGTS	41601	41202	0%	0%	0%
NFGSC ESS Storage	NFSTOR	NFGDC	20%	33%	53%
<b>Total</b>			<b>67%</b>	<b>33%</b>	<b>100%</b>

\*Upstream consists of TGP Z4 to Z4 (70%) and NFGSC ESS Storage (30%)

Total TGP Z4-Z4 allocations are limited by 34,000 Dth/day threshold. Once the threshold has been reached, subsequent monthly releases will include both TGP Z4 – Z4 and EGTS capacity. To the extent Distribution is able to project when the upstream capacity path will reach the 34,000 Dth/day threshold, it will endeavor to provide advance notice to Suppliers for planning purposes. Once the 34,000 Dth/day threshold is reached, subsequent releases will be on a pro-rata basis, month to month, as described below:

Pipeline Capacity Path			MUTC Mix		Total Mix
Pipeline	Rec. Point	Del. Point	Upstream	Intermediate	
TGP Z4 to Z4	412874	420527	34%	0%	34%
EGTS	41601	41202	13%	0%	13%
NFGSC ESS Storage	NFSTOR	NFGDC	20%	33%	53%
Total			67%	33%	100%

Should the above capacity become fully subscribed via the MUTC Release Program or otherwise become unavailable, Distribution will identify another mix of capacity for subsequent MUTC releases. In such cases, Distribution will post a notice to its web site identifying the pipeline capacity/paths and proportions thereof.

The Intermediate capacity consisting of Supply EFT and ESS that will be released as a part of the MUTC program will be net of Supplier GUTC, as applicable, and is additive to that assigned to meet the intermediate capacity requirement. Additionally, ESS inventory requirements (described below) are applicable to the sum of ESS capacity assigned.

d. Demonstration of Grandfathered Upstream Capacity

To qualify as an acceptable alternative to MUTC, GUTC must have primary or in-path secondary receipt point access to liquid trading point(s) listed below or point(s) otherwise acceptable to Distribution.

**Upstream Pipeline:**

Columbia\*  
EGTS  
EPI  
TGP

TET\*

Transco\*

TransCanada

**Liquid Trading Point(s)/Path(s):**

Appalachian Pool Point  
Appalachian North & South Pooling Points  
At and south of Millennium – Corning  
Firm Capacity paths with 1) receipt points at and south of Zone 0 & Zone L pooling points or, 2) receipt points in Zone 4 [300 Line East of Sta. 315 and 200 Line South of Sta. 219]  
Firm capacity path with receipt points within or south of Zone M2  
Firm capacity path with receipt points within or south of Station 210  
Dawn, AECOC Hub

\* Subject to alignment of GUTC with intermediate capacity primary receipt point(s), as described below, and a primary city gate delivery point.

To initiate the process to consider whether a liquid trading point or points should be added or removed, an interested party shall submit a written statement to Distribution identifying the proposed point(s) and providing a supporting explanation. To consider whether a point or points should be added or removed, Distribution shall conduct a Reliability Forum as described in Section G.3. Notice of receipt of a written statement will be provided by Distribution on its web site within thirty (30) days of receipt of the statement. Informal discussions addressing such proposals may be held in an effort to reach agreement on whether the identified points should be added to or removed from the above list. Upon agreement, Distribution shall modify its Gas Transportation Operating Procedures Manual to reflect the change adopted. In the event an agreement is not reached after ninety (90) days from the date that informal discussions begin, disputed matters may proceed to mediation by the Department of Public Service.

Marketers must align intermediate capacity primary receipt points with their GUTC primary delivery points, whether the Marketer utilizes GUTC or relies upon release of Distribution intermediate capacity. In the latter case, Distribution will consider, but is not obligated to accommodate, Supplier requests seeking to transfer its primary EFT receipt point capacity to those points desired by Suppliers. Supplier requests will be processed on a first-come, first-served basis (i.e. priority will be given to requests with the earlier calendar date. A table listing Distribution's primary EFT receipt capacity quantities is maintained on Distribution's web site. Marketers must demonstrate their

contract GUTC to satisfy upstream capacity requirements for a minimum five-month period effective November 1<sup>st</sup> of each year.

Suppliers demonstrating GUTC or GITC capacity must indicate to Distribution by April 1<sup>st</sup> of each year the specific capacity they intend to use to satisfy their upstream requirements for the following November through March winter period. Suppliers are required to submit for approval by the following July 1<sup>st</sup> copies of upstream contracts<sup>2</sup> indicating:

- Upstream pipeline
- Firm, non-recallable contract number
- Contract term that includes the five (5) winter months (November – March)
- Contract quantity maximum flow rate (Dth/day)
- Primary receipt point(s) and/or Distribution approved “liquid” points
- Primary delivery point(s) at Distribution approved interconnects into EFT receipt capacity

Suppliers that fail to indicate the specific capacity they plan to use for the following winter by April 1<sup>st</sup> will be required to meet the July 1<sup>st</sup> requirement within 30 days of the April 1<sup>st</sup> deadline. Assignment of receipt point capacity at a given point does not guarantee that incremental capacity will be made available to a Supplier at that point nor does it confer priority over another Supplier seeking capacity at that point. Incremental capacity at a receipt point will be allocated each month on a first-come, first-served basis based upon actual customer requirements. Further, so long as the Supplier requests the same point and has sufficient customer requirements, the point allocation will roll from month-to-month except for November.

A Supplier’s grandfathered capacity may change over time, e.g. its GUTC may relocate to another upstream pipeline(s), however, the overall quantity of GUTC that may be delivered to Supply or GITC receipt capacity may not increase. If changes are made, Suppliers shall present their upstream capacity according to the following timeline and procedure:

1. A report describing the Supplier’s plan for compliance is due to Distribution by April 1. Should a Supplier fail to submit the April 1 report or the changes to GUTC not be operationally acceptable, Distribution may consider this event to be a Supplier election to reduce its GUTC capacity.
2. A Supplier’s total capacity obligation is determined by the sum of the upstream capacity requirements for each separate STBA it operates or for which it acts as Upstream Agent for another Supplier.
3. Suppliers must demonstrate GUTC or GITC sufficient to meet their grandfathered capacity levels by July 1. Absent such demonstration, the Supplier will be assigned MUTC to satisfy the upstream capacity requirement not satisfied by remaining GUTC or GITC, if any, and Distribution will consider this event to be a Supplier election to reduce its GUTC capacity to the levels demonstrated.
4. To the extent Suppliers demonstrate GUTC with primary delivery point capacity in excess of corresponding available intermediate receipt point capacity, the following tie-breakers will guide the allocation of such capacity:
  - First to Suppliers allocated the same receipt capacity at the conclusion of the previous five (5) winter months adjusted to lesser of the July DPR or the requested amount of capacity.
  - Second to Suppliers in proportion to the lesser of each Supplier’s July DPR or the requested amount of capacity.

In either case, to the extent a Supplier places a higher priority on other requested receipt points, the DPR applicable to the contested point will be reduced accordingly.

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<sup>2</sup> Suppliers may redact confidential information.

For planning purposes, Distribution will not unreasonably reject any receipt point request that can reasonably be supported by load growth projected between the request submission date and November 1; however, priority will be given to Suppliers with actual load requirements over those with projected load requirements.

While the quantity of GUTC or GITC available to the system may never increase, it may decrease. For example, in addition to the GUTC/GITC level reduction actions described above, a Supplier may make an election to reduce its GUTC or GITC capacity, in which case if the Supplier maintains its customers, it would subsequently meet its upstream capacity requirement via MUTC.

Each April 1, the Company will compare the DPR to be served by pipeline capacity upstream of NFGSC for the thirteen (13) months from and including the last April to the current April to identify the Peak Requirement Quantity ("PRQ"). Unless the Supplier elects to reduce its GUTC or GITC, there shall be no reduction to the Supplier's GUTC or GITC quantity if the PRQ equals or exceeds the quantity of GUTC or GITC provided by the Supplier, or if the decrease in PRQ from the last such comparison is less than 500 Dth. Otherwise, the Supplier's GUTC or GITC quantity will be reduced to the PRQ. In any case, if the Supplier's PRQ is zero (0) Dth, then the Supplier's GUTC or GITC shall be reduced to zero (0) Dth. Additionally, if the Supplier has not maintained its GUTC or GITC in whole or part, the Company will treat such event as a Supplier election to permanently reduce its GUTC or GITC and the Supplier's GUTC or GITC shall be reduced by the quantity that was not maintained. For each Supplier reduction, the total quantity of GUTC or GITC available to the system will be reduced in the same quantity as applicable to the Supplier.

A Supplier may not transfer its GUTC or GITC to another Supplier unless it accompanies the sale of its entire book of STBA capacity requiring customers to a single counterparty. The GUTC or GITC entitlements transferred pursuant to such a sale will be limited to the estimated capacity requirements of the customers to be transferred at the time of the sale.

e. Additional Upstream Capacity Considerations (including Local Production)

Telemetered local production or non-telemetered local production (consistent with GTOP Section F.4) may be used to satisfy the upstream capacity requirement. Consistent with the procedures contained herein, Suppliers must demonstrate contracts to purchase such local production with terms and conditions comparable to those pertaining to upstream firm capacity contracts along with a demonstration of historic deliverability. Because local production feeds directly into Distribution's system, it also satisfies the intermediate capacity requirement (NFGSC EFT) for the quantity of local production demonstrated. When local production is demonstrated for a five-month period (November 1 – March 31) of each year, the intermediate capacity requirement associated with the upstream capacity is also satisfied for a 12-month period commencing as soon as the first day of the month that follows the date the capacity demonstration is accepted but no later than November 1. In any event, the same local production may not be used to satisfy the intermediate capacity of more than one Supplier at a time and the total amount used to satisfy capacity requirements by all Suppliers may not exceed the average daily local production available to the system.

Local Production is not suitable as a substitute for intermediate capacity (the ESS storage allocation) because it is essentially, especially under the 65% level, a base loaded supply. Even though a Supplier could change nominations to match a lower ADDQ, the gas from the local production well would continue to flow. This differs from the ESS & associated EFT scenario where nominations and flow can be adjusted balancing market needs with storage activity.

In cases where other storage capacity in a Supplier's GUTC or GITC, for example FSS, is used as a substitute for ESS capacity or as an alternative to MUTC, the Supplier is required to provide Distribution with the permission necessary to allow access to the Supplier's storage balance information comparable to the access Distribution's Tariff requires for ESS inventory information.

For Suppliers using Local Production as an alternative to MUTC, as they add customers, they have until the 24<sup>th</sup> before the month starts to demonstrate additional local production, if required. If they fail to demonstrate, the Supplier will be assigned MUTC to satisfy the incremental upstream capacity requirement associated with the new customers. As a planning strategy, Suppliers should project their customer count for the winter period and contract, in advance, for the Local Production necessary to serve the projected load. An April 1 demonstration of Local

Production in excess of that required to serve the projected customer count in subsequent months will permit Suppliers to avoid a monthly demonstration. Additionally, it may help Distribution to determine the capacity requirements for the segment of the market it will serve through sales service.

As a means of ensuring that Distribution is able to meet its obligations under the Commission's 12/21/99 "Order Concerning Reliability," Suppliers shall enable Distribution to ascertain whether firm transportation is being used at primary delivery points into NFGSC as a part of the daily nomination/confirmation process. Such information may be provided to Distribution via pipeline Electronic Bulletin Boards ("EBBs"). In absence of such information, Distribution has the right to consider Supplier deliveries to be placed on an interruptible basis and has the right to reject them.

Appalachian production delivered into NFGSC may be used as a component of Supplier's GUTC on a year-to-year basis provided that such production has real time measurement and/or an Operational Balancing Agreement ("OBA") with NFGSC. Additionally, a demonstration of historical deliverability must be provided.

f. Capacity Allocation Example

The capacity allocation is based upon a peak day calculation. The most recent consumption history for a group of customers is normalized. This means that actual weather is factored out of the consumption quantities and replaced with normal weather resulting in normalized consumption.

Normalized Annual Delivery Requirements

*Annual Base Load:* Determined by dividing the sum of July and August normalized requirements by two and then multiplying by twelve.

*Annual Heat Load:* Determined by subtracting Annual Base Load requirements from the sum of normalized requirements.

Normalized Winter Delivery Requirements

*Winter Base Load:* Determined by dividing the sum of the July and August normalized requirements by two and then multiplying by five.

*Winter Heat Load:* Determined by subtracting the Winter Base Load requirements from the sum of winter normalized requirements.

Extreme Peak Day Requirements

*Winter Heat Load/HDD:* Determined by dividing Winter Heat Load by the sum of winter normal heating degree days.

*Supplier Provided Base Load:* Determined by dividing Winter Base Load requirements by 151 winter days.

*Supplier Provided 62 HDD:* Derived by multiplying Winter Heat Load/HDD by 62.

*NFGDC Provided 12 HDD:* Derived by multiplying Winter Heat Load/HDD by 12.

*Extreme Peak Day:* Equals the sum of Supplier Provided Base Load, Supplier Provided 62 HDD and NFGDC Provided 12 HDD requirements.

Extreme Peak Day Load Factor

*Normalized Average Day:* Derived by dividing total Normalized Annual delivery requirements by 365 days in a year.

*Load Factor:* Derived by dividing normalized average requirements by Extreme Peak Day requirements.



NY STBA Capacity Release Example

As of August 2024

Refer to NFGDC website & pipeline tariffs for most current data

	Winter							Summer				
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Normal Heating Degree Days (HDD <sup>1</sup> )	728	1,082	1,244	1,085	961	576	272	64	9	18	135	443
Normalized Requirements	117,503	158,890	169,655	161,053	142,297	100,436	66,474	42,900	36,303	37,513	51,970	84,124

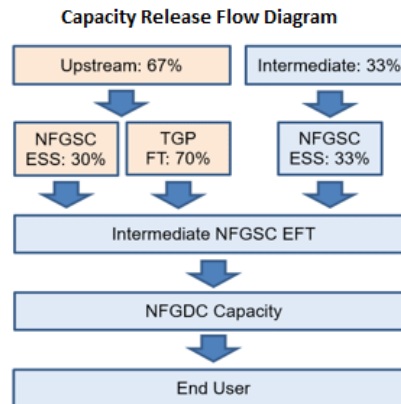
	City Gate Delivery Requirements			
	Customer Mcf	NFGDC Mcf	NFGDC Dth	NFGSC Dth
<b>Normalized Annual</b>				
Annual Base load	442,896	450,510	465,376	470,505
Annual Heat load	726,222	738,706	763,083	771,493
Annual Total	1,169,118	1,189,216	1,228,460	1,241,998
<b>Normalized Winter</b>				
Winter Base load	184,540	187,712	193,907	196,044
Winter Heat load	564,858	574,568	593,529	600,070
Winter Total	749,398	762,281	787,436	796,113

Extreme Peak Day Requirements, 74 HDD				
Winter Heat Load/HDD	111	113	116	118
Supplier Provided Base Load	1,222	1,243	1,284	1,298
Supplier Provided 62 HDD	6,867	6,985	7,215	7,295
NFGDC Provided 12 HDD	1,329	1,352	1,397	1,412
Extreme Peak Day (Base+74HDD)	9,418	9,580	9,896	10,005
Total Supplier provided	8,089	8,228	8,500	8,593
<b>Extreme Peak Day Load Factor</b>				
Normalized Average Day	3,203			
Extreme Peak Day	9,418			
Load Factor	34.0%			

Extreme Peak Day Capacity		
Extreme Peak Day Load Factor	Capacity mix	
	Upstream	Storage
0% - <40%	67%	33%
40% - <60%	78%	22%
60% - <80%	89%	11%
80% - <100%	100%	0%
Load Factor mix	67%	33%

Capacity Release Quantities & Rates <sup>2</sup>			
Pipe/Service	DTH		\$/Dth
TGP FT MDQ	4,030		\$9.2506
NFGSC ESS MDWQ	4,513		\$3.2263
MSQ	210,671		\$0.0589
MDIQ	1,239		-
NFGSC EFT MDQ	8,500		\$6.9865

Dth/Mcf factor	1.033
NFGDC fuel retainage	1.69%
NFGSC EFT fuel retainage	1.09%
Upstream mix: TGP FT	70%
NFGSC ESS	30%
NFGDC WACOC release rate	\$8.2681



<sup>1</sup> HDD: Difference between daily average temperature and 65°F

<sup>2</sup> NFGSC capacity is released at max rate

TGP capacity is released at a rate that will result in a weighted average upstream capacity release rate that is equal to the Company's weighted average cost of upstream capacity.

## 5. Nominating Procedures

### GENERAL

Distribution utilizes a pathed nomination model with a central delivery point (“CDP”). Transportation to end-use customers takes place on an Mcf basis. The "Gas In" nomination is used to nominate gas from the NFGSC City Gate or Local Production Pools to the CDP. NFGSC City Gate receipts are nominated on a Dth basis and converted to Mcf using a monthly BTU factor based upon the actual City Gate BTU, lagged by two months. The BTU factors are posted on Distribution’s website at:

<https://www.nationalfuel.com/business-partners/historical-btus-and-shrinkage-fuel-rates/>

A shrinkage factor is also applied to the volumes on the Gas In nomination. For nomination purposes, changes to shrinkage factors become effective for the first day of the calendar month on or after the Tariff effective date. The shrinkage factor is posted on Distributions website at:

<https://www.nationalfuel.com/business-partners/historical-btus-and-shrinkage-fuel-rates/>

Production Pool receipts are nominated in terms of Mcf. A BTU of 1000 is presumed for conversion purposes.

DMT Market Pool Operators and STBA Suppliers do not directly nominate to individual burner tips because a nomination to the aggregation of all burner tips in the pool is implicit within the SC-19 aggregation or SC-13 transportation service.

Marketers and Direct Customers (or their Agents) place nominations utilizing Distribution’s internet based Transportation Scheduling System ("TSS"). Distribution provides on-site nominations coverage during Normal Business Hours. Off-site after hours and weekend nomination coverage is also available by leaving a message on the Help Desk phone at (716) 857-7232. The call will be returned by an on-call analyst.

### NAESB Standard Timeline

Nomination Timeline (All times listed are Eastern Clock Time)

#### **Timely Nomination**

Regular nomination to flow beginning the next Gas Day, placed by 2:00 PM to become effective at 10:00 AM on the next calendar day.

#### **Evening Nomination**

Intraday nomination to flow beginning the next Gas Day, placed by 7:00 PM to become effective at 10:00 AM on the next calendar day.

#### **Intraday 1 Nomination**

Intraday nomination to adjust flow for the current Gas Day, placed by 11:00 AM to become effective at 3:00 PM on the same calendar day.

#### **Intraday 2 Nomination**

Intraday nomination to adjust flow for the current Gas Day, placed by 3:30 PM to become effective at 7:00 PM on the same calendar day.

#### **Intraday 3 Nomination**

Intraday nomination to adjust flow for the current Gas Day, placed by 8:00 PM to become effective at 11:00 PM on the same calendar day.

*Note: In general, scheduled intraday quantities will be calculated based upon the effective flow time for the intraday nomination and the hourly flow of gas already scheduled for the same gas day up to the effective flow time (commonly referred to as the “Elapsed Prorated Scheduled Quantity” or “EPSQ”), as well as the information*

*exchanged with the confirming party. For example, an Intraday 1 nomination to decrease flow cannot be scheduled for a total daily quantity less than what has been scheduled to flow for the first five (5) hours of the day. With the addition of the Intraday 3 cycle, effective flow start times from the Intraday 1 and Intraday 2 cycles increase the complexity of the calculations. See the Market Pool Manual on the NFGDC website for Intraday nomination scheduling examples.*

Distribution accepts intraday Gas In and Gas Out nominations for DMT, SC-16 and STBA pools. Primarily, intraday nominations should be made to reestablish supplies to Distribution pools lost due to upstream cuts. Nominating parties are reminded that timely nominations on normal business days provide the best opportunity to schedule gas.

## **6. Balancing & Cash Out Procedures**

### **BURNER TIP IMBALANCES**

Imbalances are calculated by subtracting the aggregated burner-tip consumption from the quantity of gas delivered after adjustment for line losses into an aggregation pool during a month. If gas delivered exceeds burner-tip consumption, then a surplus or “Surplus Imbalance” exists. The corresponding imbalance position is “long”. If gas delivered is less than burner-tip consumption, then a deficit or “Deficiency Imbalance” exists. The corresponding imbalance position is “short”.

The Company will resolve month end burner tip imbalances through cash out as set forth in General Information Section II.30 of the Tariff based upon a pricing mechanism as set forth in General Information Section II.29 of the Tariff. These Tariff sections are summarized below. Limited exceptions to the month end cash out mechanism are as follows:

- where specified in the Company’s Tariff
- use of SC-11 pricing to resolve Deficiency Imbalances when the Company issues a Notice of Unauthorized Period
- Company suspension of the cash-out mechanism

In reference to the last exception, the Company does not anticipate that this exception would routinely be implemented, if ever, and would not be undertaken or administered arbitrarily. The Company envisions that a suspension could occur in response to an industry event, man-made or natural, resulting in circumstances under which resolution of imbalances via cash-out would be detrimental to the integrity of the Company’s system. For example, if an earthquake occurred damaging facilities that provide access to gas supply at Eastern Gas, South, the Company might suspend the cash out mechanism if it would help to ensure that other gas supplies are delivered to serve customers. Should the cash out be suspended, the Company will post notice on its web site as soon as practicable and no later than the beginning of imbalance trading and imbalances would be resolved through the rollover mechanism.

### **CASH OUT INDEX**

The Daily Index price for the cash out of imbalances, used primarily for SC-13 service, will be established utilizing “Eastern Gas, South”, referred to in the SNL Natural Gas Index (“SNL”) as the “Dominion S” plus transportation costs (including upstream fuel shrinkage) to Company’s City Gate. For non-business days when no price is published, the price from another day for which a price was published will be utilized, consistent with industry conventions.

The Average Monthly Index, as applicable to month end imbalances for all transportation services, will be the average of each day’s Daily Index during the month.

### **CASH OUT PRICING MATRIX**

To resolve a Surplus Imbalance, the Company will purchase a volume of gas from the Imbalance Holder to reduce the imbalance volume to zero (“Cash Out Purchase”). To resolve a Deficiency Imbalance, the Company will sell a volume of gas to the Imbalance Holder to reduce the imbalance volume to zero (“Cash Out Sale”). The actual cash out volumes will be based upon ending imbalance volume following application of prior period adjustments and exchange of imbalances as described below. The cash out pricing tiers are as follows:

<b>Tier</b>	<b>Transaction</b>	<b>Imbalance Position</b>	<b>Rate</b>
Surplus Pricing Tier 3	Purchase	>20 % long	60 % of Index
Surplus Pricing Tier 2	Purchase	15% to 20 % long	85 % of Index
Surplus Pricing Tier 1	Purchase	5% to 15 % long	90 % of Index
Market Pricing Tier	Purchase or Sale	5 % long to 5% short	100% of Index
Deficiency Pricing Tier 1	Sale	5% to 15% short	110% of Index
Deficiency Pricing Tier 2	Sale	15% to 20% short	115% of Index
Deficiency Pricing Tier 3	Sale	>20% short	140% of Index

The Monthly Index price applicable to cash out activity will be posted on Distribution’s web site prior to Imbalance Trading each month.

#### IMBALANCE RESOLUTION/CASH OUT PROCESS

The Imbalance Holder is the Customer, Supplier or Marketer responsible for imbalance resolution as described in the Service Classification under which the Company provides service. Typically, the STBA Supplier or DMT Market Pool Operator are Imbalances Holders. An Imbalance Holder’s Month End Imbalance is the burner tip imbalance calculated pursuant to terms of each Service Classification under which the Company provides service to the Customers for which the Imbalance Holder bears imbalance responsibility. The process for determining imbalances and cash out responsibility is as follows:

1. Imbalances are calculated for the calendar month just completed at the Market Pool level. Total Monthly Consumption (“TMC”), as measured or estimated is subtracted from the sum of allocated transportation receipt volumes from city gate deliveries, local production pool receipts and local production excess volumes, reduced for shrinkage (allowance for losses incurred in the process of delivery).
  - a. An Imbalance Holder’s Initial System Imbalance Volume (“ISIV”) imbalance will be computed by summing the imbalances from all the market pools for which it bears imbalance responsibility and assigning the ISIV to a “Zero Pool”, e.g. NNFGS00, for imbalance trading and billing purposes.
2. In addition to having an imbalance within the range 5% long to 5% short, an Imbalance Holder may be assigned to the Market Pricing Tier through one of two safe harbors:
  - a. The Company will sum the ISIV and TMC for all Imbalance Holders into system totals. A System Imbalance Position (“SIP”) will be computed by dividing the system total ISIV by the system total TMC and converting the quotient into a percentage. If the SIP is within the range 5 % long to 5% short, then all Imbalance Holders will be assigned to the Market Pricing Tier.
  - b. For customer pools where the Company assigns an ADDQ, if the Imbalance Holder’s total receipt volumes are within 2% of the total monthly ADDQ for each pool, the Imbalance Holder will be assigned to the Market Pricing Tier. For customer pools where the Company does not assign an ADDQ, the TMC for each customer pool will be substituted for the ADDQ.

3. Absent qualifying under a safe harbor provision, an Imbalance Holder's ISIV will be categorized as follows:
  - a. If the ISIV is greater than zero, then the Imbalance Holder has a Surplus Imbalance with an initial long position.
  - b. If the ISIV is less than zero, then the Imbalance Holder has a Deficiency Imbalance with an initial short position.
  - c. A measure of the Imbalance Holder's imbalance position is calculated by dividing its ISIV by its TMC and converting the quotient into a percentage.
  - d. Based upon its initial system imbalance position, the Imbalance Holder will be assigned to an initial pricing tier.
4. Before the start of imbalance trading, an Imbalance Holder's Pre-Trading System Imbalance Volume ("PSIV") will be calculated by applying prior period adjustments, if any, to its ISIV. The Imbalance Holder's pre-trading imbalance position is calculated by dividing its PSIV by its TMC and converting the quotient into a percentage.
  - a. If the resulting imbalance percentage moves closer to zero, the Imbalance Holder will be assigned to a pre-trading pricing tier based upon the adjusted percentage.
  - b. If the resulting imbalance percentage moves further from zero, the Imbalance Holder will be assigned to a pre-trading pricing tier equal to the initial pricing tier.
  - c. If the direction of imbalance reverses (Surplus Imbalance to Deficiency Imbalance or Deficiency Imbalance to Surplus Imbalance), the pre-trading pricing tier assigned to the Imbalance Holder will be the Market Pricing Tier.

#### IMBALANCE TRADING

The Company will provide Imbalance Holders with the means to exchange Month End Imbalances. Trading sessions will typically be scheduled to begin on the 10<sup>th</sup> business day following the end of the month (approximately on the 15<sup>th</sup> of the month). Morning and afternoon trading sessions will be conducted over a three business day period. Notice of any delay or alteration of the trading schedule will be posted on the Company's web site. Upon request of the Imbalance Holder, the Company will provide other Imbalance Holders with information regarding the Imbalance Holder's imbalance status for the month.

Each trade must improve an Imbalance Holder's imbalance position, i.e. the resulting imbalance volume must be closer to zero. In no event will the Company process trades that worsen an Imbalance Holder's imbalance volume. The Imbalance Holder's post-trading or Final System Imbalance Volume ("FSIV") will be calculated by adding the volumes from its trades to the PSIV.

#### POST-TRADING RESOLUTION AND APPLICATION OF CASH OUT TIERS

An Imbalance Holder's post-trading imbalance position is calculated by dividing its FSIV by its TMC and converting the quotient into a percentage. The Imbalance Holder's post-trading imbalance position will be used to determine the post-trading imbalance tier for cash out, however, the post-trading imbalance tier will not be worse than pre-trading imbalance tier.

If the volumetric range of the Imbalance Holder's Market Pricing Tier for a month is significantly smaller or otherwise inconsistent with that occurring during the normal course of business, the Company may override the post-trading imbalance tier calculation for that month and assign the Imbalance Holder to the Market Pricing Tier. Examples of such circumstances are:

- a. During the initial month in which an Imbalance Holder has an imbalance resulting from service under an eligible Service Classifications as described above.
- b. During the final month in which an Imbalance Holder has an imbalance resulting from service under an eligible Service Classifications as described above.

Finally, if the absolute value of an Imbalance Holder's FSIV is less than 1000 Mcf, it will be assigned to the Market Pricing Tier.

The Imbalance Holder will be cashed out at the tiers, beginning at the tiers furthest from the Market Pricing Tier until the imbalance volumes within all the tiers are reduced to zero. The Market Pricing Tier will be cashed out after all other tiers have been cashed out.

Cash Out Sales and Cash Out Purchases will be reflected on the next bill issued by the Company to the Imbalance Holder following the conclusion of trading sessions.

## IMBALANCE ROLLOVER PROCEDURES

The purpose of this section is to provide certainty in the procedures to apply if the cash-out were suspended, that is, to make clear that imbalances would be resolved through the rollover mechanism if the cash out mechanism were suspended.

In the unlikely event that the Company suspended the cash out mechanism, an Imbalance Rollover process would be applied at the Market pool level. Under this methodology, any deficiency or surplus is applied to the second month after the imbalance occurs, as operating conditions permit, as an addition to, or deduction from, the ADDQs calculated for that month. In practice, this has meant that January imbalances, for example, are applied to March ADDQs.

Circumstances might exist where Distribution elects to defer adjusting ADDQs. Operating conditions under which Distribution may elect to not adjust ADDQs to address rollover imbalances would include those that resulted in ADDQs inconsistent with underlying market demand. Distribution would post notice of such an election on its web site.

For example, a negative imbalance from March would usually be resolved by increasing Supplier ADDQs for May. If it is determined that the magnitude of the ADDQ increase would result in ADDQs larger than system operations could accommodate, Distribution might suspend the ADDQ increase for any portion of a month, e.g. a day(s), a weekend(s) or the entire month, until a month during which system operations permitted cancellation of the suspension. During the suspension, the rollover imbalance would continue to grow or shrink in accordance with the usual variances between ADDQs and actual customer demand. Suppliers could also request cash out of their imbalance when the suspension of the cash out mechanism is concluded.

## CITY GATE IMBALANCES

Suppliers must deliver or cause to be delivered at the City Gate the ADDQ on each day of the month, within a tolerance band. A City Gate Imbalance exists to the extent actual City Gate deliveries differ from the ADDQ. When a City Gate Deficiency Imbalance exceeds the tolerance, an SC-11 sale will be made to adjust deliveries to be within tolerance.

## IMBALANCE PRICING CLASSIFICATION

With respect to prices charged to Customer, Supplier or Marketer for resolution of imbalances on a daily or monthly basis that are based upon the Daily Index or Average Monthly Index, respectively, the amount charged on imbalance volumes within a service classification's Market Pricing Tier, the size of which may be adjusted during an Operational Flow Order, should be considered to be a gas cost. Surcharges to the price applied for sale of gas to a Customer, Supplier or Marketer by the Company for imbalance volumes outside those that are priced at 100% of the Market Pricing Tier due to an under delivery should be classified as penalties. Additionally, discounts applied to the price credited to a Customer, Supplier or Marketer for sale of

gas to the Company for imbalance volumes outside those that are priced at 100% of the Market Pricing Tier due to an over delivery should be classified as penalties.

## 7. Reconciliation/True-Ups

Any Reconciliation/True-Up rights are identified within the immediately preceding section.

## 8. Standby Services

### SC-11: DEFICIENCY IMBALANCE SALES SERVICE FOR TRANSPORTATION CUSTOMERS

This service is applicable to all transportation service customers. SC-11 service provides for the interruptible sale of Distribution-owned gas to transportation customers to cover deficiency imbalances on an as-needed basis. Interruptible service is available only to the extent that sales service to firm sales customers is not jeopardized. The rates charged under this schedule are in addition to the charges for Transportation Service.

Authorized Periods:

Above an initial 0 – 2% tier, the deficiency imbalance sales rate is 110% of the Total Gas Cost Rate in the months of April through October (non-winter period) for the month (including GAC). During November through March (winter period), the deficiency imbalance sales rate is 125% of the Total Gas Cost Rate for the month (including GAC). The table below summarizes:

0-2% (of actual consumption)	Total Gas Cost Rate (Equivalent to Distribution's Weighted Average Cost of Gas)
Above 2% (Nov. – Mar.)	125% of Total Gas Cost Rate (SC-11)
Above 2% (Apr. – Oct.)	110% of Total Gas Cost Rate (SC-11)

Unauthorized Periods:

The deficiency imbalance sales rate is 110% of the Total Gas Cost Rate in the months of April through October (non-winter period) for the month (including GAC) plus \$7.00 per Mcf. The deficiency imbalance sales rate is 125% of the per Mcf Gas Cost Rate during November through March (winter period), for the month (including GAC) plus \$7.00 per Mcf. The \$7.00 per Mcf additional charge shall be applied to deficiency imbalance volumes. During Unauthorized Periods on days when the Daily Index exceeds the Total Gas Cost Rate for the month, the deficiency imbalance sales rate shall be calculated using the Daily Index in place of the Total Gas Cost Rate.

Distribution will provide notice of an Unauthorized Period in the same manner as is provided for System Alerts and Operational Flow Orders (see Section G). Electric generation transportation customers shall be charged \$25 per Mcf additional to the otherwise applicable OFO rate for deficiencies during OFO periods.

Additional Stipulations

- \* Subject to all applicable local, state, and federal taxes.
- \* Deficiency Imbalance shall be authorized unless Distribution issues a Notice of Unauthorized Period.

### SC-12: STANDBY SALES SERVICE FOR TRANSPORTATION CUSTOMERS

This service is applicable to all Transportation Service Customers who have entered into Standby Sales Service Agreements with the Company, mandatory for customers heating any building solely by gas where persons reside. Sales service to transportation customers reserving a nomination amount of gas to cover deficiency imbalances. While SC-12 is a firm service, it is subject to curtailment. To qualify, a

transportation customer must have entered into a Standby Sales Contract with Distribution. The rates charged under this schedule are in addition to the charges for Transportation Service.

Rate Components:

- \* Monthly Standby Demand Charge (SB-DC) which is 125% of the per Mcf Demand Gas Cost Rate for the month.
- \* Monthly Standby Commodity Charge (SB-CC) which is 125% of the per Mcf Commodity Gas Cost Rate for the month (including GAC).

SB-DC and SB-CC are applied for all customers taking service under this rate schedule and may be lowered or raised through negotiation and mutual agreement between Distribution and the customer.

Additional Stipulations:

- \* Subject to all applicable local, state, and federal taxes.
- \* The initial term of this Service Agreement shall be one year and will be automatically renewed for successive one-year terms unless the customer or Distribution terminates the Service Agreement by written notice more than 60 days prior to the end of the term.

SC-14: SALES SERVICE FOR TRANSPORTATION CUSTOMERS

This service is applicable to all transportation service customers who have entered into Sales Service Agreements with the Company. The service is an unbundled sale of Distribution-owned gas to customer nominating for monthly usage. To qualify, a transportation customer must have a Sales Service Contract with Distribution. The rates charged under this Schedule are in addition to the charges for Transportation Service.

Rate Components:

The maximum default Sales Service Rate (SSR) consumed during the month shall be as listed below:

For Sales Service in the months of April through November (non-winter period)

110% of the per Mcf Gas Cost Rate (including GAC)

For Sales Service in the months of November through March (winter period)

125% of the per Mcf Gas Cost Rate for the month for the month (including GAC)

Distribution and the customer may negotiate a lower SSR than listed above with individual customers or flexibly price to meet the needs of specific customer classes (e.g., #6 oil boiler customers).

Additional Stipulations:

- \* Service is firm or interruptible as specified by the contract.
- \* Subject to all applicable local, state, and federal taxes.

## 9. Storage Peaking Services

### a. Supplier Storage Transfers and Monitoring

STBA Suppliers receive storage capacity as a part of their intermediate capacity requirement and/or as a part of their MUTC requirement as well. Please refer to Section D.4 for a further explanation.

Suppliers will be required to follow a schedule set out by Distribution such that the particular storage levels are obtained throughout the year, to assure the Supplier's STBA customers' needs are met by the Supplier.



Suppliers must meet end-of-month (“EOM”) minimum storage inventory levels as specified in the table below:

<b>Month</b>	<b>EOM Minimum Level %</b>	<b>Month</b>	<b>EOM Minimum Level %</b>
April	No Minimum	October	95.0 %
May	12.0 %	November	89.0 %
June	29.0 %	December	71.0 %
July	46.0 %	January	46.0 %
August	63.0 %	February	28.0 %
September	80.0 %	March	No Minimum

When a Supplier elects to utilize an Upstream Agent to manage its storage capacity, the Supplier remains ultimately responsible for meeting storage levels described herein and in the Tariff. For example, when an Upstream Agent fails to meet an EOM percentage level, it is as if the Supplier itself failed to meet the requirement.

Where other storage (e.g. FSS) capacity is substituted for ESS capacity, corresponding inventory percentages will be computed (and communicated to the Supplier) equating to the deliverability of the replaced ESS capacity.

When a Supplier fails to meet an EOM percentage level, Distribution will notify the Supplier who shall correct the resulting inventory deficiency by cash out purchase from the Company as set forth in Distribution’s Tariff, except as provided below. The first 2% of inventory deficiency will be priced at the Market Pricing Tier. Any remaining inventory deficiency will be priced at the higher of the Deficiency Pricing Tier 3 or the SC-11 Rate. Additionally, if operating conditions permit, Distribution may waive the cash out for inventory deficiencies under 2%, except if the Supplier inventory deficiencies are under 2% during two consecutive months. In the latter case, the current month’s deficiency will be resolved via cash out as described above. When a Supplier is more than 2% deficient, or deficient during any two consecutive months, the Company will report a Supplier’s deficiency to Commission Staff and the Supplier. If a Supplier does not agree with the storage inventory statement and/or believes that a pending adjustment will result in an inventory that equals or exceeds the EOM percentage level, the Supplier should submit a request to defer cash out via email to [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com). Distribution will review the claim and notify the Supplier if, or how much, corrective action is still required.

If after five (5) days the Supplier fails to resolve the EOM inventory deficiency by not accepting the storage inventory transfer, Supplier’s STBA Agreement shall be in default and the Supplier may be subject to the involuntary discontinuance of service procedures under the UBPs.

In addition, Distribution shall have the right to terminate service to any Supplier that fails to meet its EOM percentage level more than twice during the previous 12-month period. Upon termination, the Supplier shall be prohibited from receiving service under STBA service for a period of three (3) months.

While there are no specific EOM storage inventory requirements for March 31 or April 30, Suppliers need to work with the service design and NFGSC tariff requirements to ensure that they are able to meet the requirements in subsequent non-heating season months.

By accepting release of storage capacity for STBA service, Suppliers grant Distribution the permission necessary to allow Distribution to obtain access to the Supplier’s storage balance information for inventory transfer and monitoring purposes described above, including cases where the Supplier utilizes an Upstream Agent.

b. Storage Inventory Transfer Rates

Distribution will utilize a “Base Storage Transfer Rate” for calculating the price of all gas in storage transferred to Suppliers. The Base Storage Transfer Rate will equal the weighted average commodity cost of gas injected into storage during the injection months (April through October)..

Storage Gas Transfer Rate shall be the sum of (1) the Base Storage Transfer Rate, plus (2) the Demand Transfer Recovery Rate (“DTR rate”). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The System Average Unrecovered Demand Charge Revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the Supplier. The DTR rate shall be filed with the Commission not less than three (3) business days prior to the beginning of the month for which the rate shall be in effect. All revenues received from such gas transfers shall be credited to the gas adjustment under Tariff General Information Section 19.F.(1). When, in the sole judgment of Distribution, operational conditions do not warrant transfers of storage gas, notice shall be issued on the Distribution website or other media advising Suppliers of a temporary suspension in storage release services. Storage inventory transfer rates are posted on Distribution’s website.

c. Storage Capacity Assignment Quantities

Assignment of ESS Storage Capacity

The assignment is based upon the capacity requirements for the Aggregation Group each month during the year.

Additional Assignment of ESS Storage Capacity

If additional Customers join a Supplier’s Aggregation Group, or if the usage history of the existing customers increase, Distribution will release additional capacity as required. The incremental capacity is assigned at the SOM during which the Supplier will begin to serve the customer. Suppliers receive the capacity together with associated storage gas inventory when they enroll customers through a mandatory transfer and purchase of gas in storage from Distribution. The quantity of gas transferred will be calculated using the transfer percentage for the month in which the capacity allocation increases. Suppliers will not have an option to purchase additional inventory from Distribution beyond what is initially transferred to Suppliers from Distribution.

In the event a Supplier is buying a book business from another Supplier, the buyer has the option to purchase the associated inventory from the seller as part of the book of business. NFGDC will apply that inventory volume transferred from the seller to the buyer as part of the start of the month ESS storage inventory requirement. NFGDC will sell any remaining inventory to the buyer that does not meet the start of month inventory requirement.

Where Storage inventory will be transferred, as a percentage of the additional released capacity, as follows:

<b>SOM Capacity Transfer</b>	<b>Transfer Percentage</b>	<b>SOM Capacity Transfer</b>	<b>Transfer Percentage</b>
April	0.0 %	October	80.0 %
May	0.0 %	November	95.0 %
June	12.0 %	December	89.0 %
July	29.0 %	January	71.0 %
August	46.0 %	February	46.0 %
September	63.0 %	March	28.0 %

In addition, the Supplier will be required to pay Distribution for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier. Distribution will inform the Marketer/capacity holder of the transfer requirements approximately ten days before the beginning of the month and will make best efforts to coordinate transfers taking place on the first of the month.

#### Return of Storage Capacity

When a Supplier returns customers to Distribution or loses customers to another Supplier or if the usage history of the existing customers decreases, the original Supplier will return the associated storage capacity to Distribution. Except by mutual agreement between the Supplier and the Company, the Supplier will sell, and Distribution will purchase at the Base Storage Transfer Rate, storage inventory in proportion to the reduction in capacity. Distribution's default position is that it will not require Suppliers to sell inventory except for situations where the Supplier's STBA Agreement is being canceled or terminated. In effect, unless the Supplier wishes to sell the inventory associated with the return of storage capacity, such inventory will remain with the Supplier. When Distribution determines that it will require Suppliers to sell inventory, it will post notice on its web site prior to the beginning of the Return Month. The amount of inventory returned, shown in the table below, is based upon the following Start-of Month percentages for the months during which customers are returned.

<b>Return Month</b>	<b>Inventory Return Requirement</b>	<b>Return Month</b>	<b>Inventory Return Requirement</b>
April	0.0 %	October	80.0 %
May	0.0 %	November	95.0 %
June	12.0 %	December	89.0 %
July	29.0 %	January	71.0 %
August	46.0 %	February	46.0 %
September	63.0 %	March	28.0 %

Distribution presumes that Suppliers prefer to either retain their inventory or transfer gas to third parties. If a Supplier does want the Company to purchase storage gas, a request must be submitted via email to the following email addresses: [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com), [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com). Such requests should be submitted at least two (2) business days prior to the start of the month. The inventory transfer must be completed within the first week of the month. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Distribution.

#### Return of Storage Capacity upon STBA Agreement Cancellation or Termination

If a Supplier's STBA Agreement is canceled or terminated, Distribution will recall ESS storage capacity that has been released to the Supplier. At its discretion, Distribution will purchase some or all of the remaining storage gas at the Base Storage Transfer Rate. The Supplier will authorize Distribution to act on Supplier's behalf so that confirmation of nominations can take place to effect to return of storage gas. Such authorization includes nominations placed by Distribution on Supplier's behalf when the Supplier fails to place the applicable nominations itself. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to Distribution.

In the event a Supplier is canceling their STBA agreement and selling their book of business to another Supplier, the purchasing party has the option to buy the associated inventory from the seller as part of the

book of business. NFGDC will apply that inventory volume transferred from the seller to the buyer as part of the start of the month ESS storage inventory requirement. NFGDC will sell any remaining inventory to the buyer that does not meet the start of month inventory requirement.

d. Storage Transfer Nominations

When the Supplier transfers gas to or from Distribution, Transportation Services will contact the Supplier to facilitate nomination of the storage transfer within NFGSC. Suppliers must submit corresponding nominations and/or confirmations to NFGSC to effectuate the transfer. When Suppliers nominate storage transfers that do not involve Distribution, they should deal directly with NFGSC.

e. Storage Injection/Upstream Capacity Considerations

Some storage fields used to provide ESS can only be filled via deliveries at specific interconnects from Tennessee into NFGSC. In addition to meeting specific monthly inventory targets, Suppliers with Tennessee capacity need to nominate deliveries such that gas is injected into NFGSC's fields as described in Section 6.4 of the EFT Rate Schedule of NFGSC's FERC Gas Tariff.

During injection months (April through October), Distribution may issue a Storage Injection System Alert ("SISA") to provide nomination instructions for Suppliers with MUTC and/or GUTC with Tennessee Zone 4 and/or Zone 5 delivery points to NFGSC. Based upon NFGSC storage inventory location and status, these instructions will require Suppliers to provide varying percentages of deliveries for ESS injections from Tennessee Zone 4 (for Hebron Storage) and/or Zone 5 (for Colden, Nashville, Perrysburg and Sheridan Storages). SISA will be communicated consistent with the procedures for System Alerts (see infra Section H.3), however, the standing condition (reason) is to direct storage injections such that storage operations are reliable, particularly during withdrawal months (November through March).

Nomination instructions provided through a SISA are in addition to ADDQ requirements at the city gate and may result in Supplier inventory levels in excess of the EOM inventory targets described above. Suppliers are hereby advised to manage storage levels such that sufficient ESS injection rights are available throughout the injection months.

By a Supplier's acceptance of a capacity release of MUTC or by Distribution's acceptance of a Supplier's GUTC with Tennessee Zone 4 and/or Zone 5 delivery points to NFGSC, Suppliers grant Distribution agency rights to access to Supplier's nomination and allocation information for deliveries of gas into NFGSC from Tennessee, from both pipelines, for monitoring purposes as described above.

## 10. Meter Reading

Most residential meters and many commercial meters are read every other month. Alternate month bills are based on estimated readings. A schedule identifying the calendar dates upon which meter cycles are read is posted on the website.

## 11. Summary of Applicable Fees, Charges and Penalties

Applicable Rates:

- Transportation charges, under the ESCO single bill option, are billed to the Supplier. Otherwise, bills are sent to the customer. See infra Section E for a schedule of SC-18 transportation rates.
- OFO related charges are billed to the Supplier.
- Charges for deliveries outside of ADDQ tolerance ranges are billed to the Supplier.

- When Distribution provides a billing service, the Supplier will be invoiced for balancing and capacity charges.
- Upstream Capacity: Surcharges/Credits for upstream capacity, as applicable, will be invoiced to the Supplier.
- STBA Delivery Charge: Each Mcf of net surplus imbalance gas exceeding the surplus imbalance tolerance level will be charged the STBA Delivery Charge at the time of delivery.

Additional Charge Information:

- All imbalances for the customers within each Supplier STBA Group will be netted against each other and combined into a single imbalance.
- Under the ESCO single bill option, all transportation-related charges and any STBA imbalance incurred under each STBA Service Agreement are compiled and billed to the STBA by Distribution.
- Daily deliveries by the Supplier must be within a 5% tolerance band of the ADDQ of all the customers in the STBA Group. During an OFO period, the tolerance band is 2%.
- STBA city gate imbalances resulting in a net deficiency of volumes of gas by a STBA Group during the month will be charged under the Standby Sales Service (SC-12) Rate Schedule up to their contracted level for Suppliers entered into a Standby Service Agreement, and under the Deficiency Imbalance Sales Service (SC-11) Rate Schedule for Suppliers not entered into a Standby Sales Service Agreement.
- A Supplier may exchange a surplus imbalance due under its STBA Service Agreement with a deficiency imbalance due from one or more Suppliers under another STBA Service Agreement or with one or more DMT Aggregators (month-end imbalances for daily transportation services) or non-aggregated SC-16 Customers upon notification of exchange before the STBA imbalance resolution due dates.
- Upon request of the Supplier, Distribution will provide other Aggregators and Suppliers with information regarding the Supplier's imbalance status for the month.
- Distribution can terminate service to an STBA Supplier that fails to deliver at least 95% of the Group's ADDQ for any three days or delivers zero one day during a single month.

## 12. Supplier Exit from Market/Termination of Transportation Service

In the event a Supplier chooses to exit the Distribution's Transportation program, notification should be made via email to [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com). Distribution asks that as much advanced notice as possible be provided so that an orderly exit plan can be established. In order to help facilitate this process, the following information should be included in this email:

- Contact name, phone number, address, and email address
- Reason for the exit (change in marketing strategy, bankruptcy, other)
- Effective date of the exit

The following areas will need to be considered as part of this exit process:

- Customer drops
- Capacity release for the upcoming month

- ESS and FSS inventory balances
- ESS start of month and end of month storage inventory requirements
- Upstream agency
- Contract and agreement termination
- Daily delivery quantities
- UBP requirements
- Other

#### SUPPLIER TRANSPORTATION, BALANCING & AGGREGATION

The UBPs must be followed to discontinue this service. In addition, the following also apply:

- Default by Supplier of any terms or conditions contained in the SC-19 Service Agreement;
- By mutual agreement of Distribution and Supplier;
- At the discretion of Distribution to the extent necessary to preserve system operational integrity;
- Pursuant to an order of the Commission; and
- Upon 30 day written notice to Distribution, per SC-19 Service Agreement.

#### INACTIVE STBA CLOSURE

An STBA pool becomes “inactive” when all customers have been removed from the group. An STBA pool can become inactive for a number of reasons that may or may not result from termination of a Marketer’s STBA. A marketer may continue to operate on the system, but may choose to “inactivate” one or more of its STBA pools while continuing to operate at least one of their other pools. It is also possible that a marketer would no longer be operating on the system at all, i.e. they would have NO active pools. This situation could arise from the voluntary decision of the marketer, or from other factors (bankruptcy, discontinuance proceedings, etc.).

Since ongoing end user adjustments (e.g. consumption adjustments) can occur for six years, an inactive pool could have end user adjustment transactions impacting its imbalance volume for up to six years from the date the pool became inactive. Procedures set forth below help to ensure that “inactive” pool imbalances are properly accounted for. It should be noted that the majority of the adjustments on these accounts generally occur within the first few months after the pool becomes inactive.

#### INACTIVE STBA CLOSURE METHODOLOGY

- An STBA will be considered to be “inactive” for the first month that all customers have been removed from the STBA group.
- Upon becoming inactive, all current and prior period imbalances as detailed on the TSS Group Imbalance Summary Listing (GISL) will be combined into a cumulative, single month imbalance.
- Prior period end use adjustments will flow into current month processing.
- The marketer will continue to have the right to trade and/or nominate their monthly imbalance during the entire six-year period following the inactivation of their pool.
- The marketer will need to continue to maintain their TSS rights if they want to avail themselves of their right to trade and/or nominate imbalances. Marketers should contact Transportation Services at (716) 857-7232 with any questions regarding TSS access rights.
- Distribution will automatically cash out any post trade/post nominated surplus or deficiency imbalance on each “inactive” STBA pool beginning with the first monthly processing after the pool becomes inactive regardless of whether Distribution is accepting cash out requests.
- In any month where Distribution cashes out the imbalance by selling gas, a bill will be generated for those and any other charges. The bill will be sent to the last known address and normal collection procedures will be utilized.
- In those months where Distribution cashes out the imbalance by purchasing gas, a check will be generated and mailed to the last known address.
- Reactivation of an inactive STBA group will be allowed.

### 13. Billing Schedules

Customers have the right, exercised through Marketer service offerings to receive a single bill for monthly service from either the Marketer or the Utility.

a. Marketer Consolidated Billing

Under Marketer Consolidated Billing (“MCB”)<sup>3</sup>, Distribution’s ESCO Consolidated Billing option, customers do not receive a utility bill. Instead, the marketer provides a consolidated (commodity and delivery) retail bill to its customers. Because customers should contact Distribution for non-billing matters, this is not full Single Retailer Model implementation. Nevertheless, customers should direct billing inquiries to their Supplier. MCB EDI data exchange is implemented via EDI Single Retailer transactions. Non-EDI Transaction protocols for MCB are posted on Distribution’s web site.

Distribution issues an invoice to the Supplier on, or about, the fifth (5<sup>th</sup>) business day of each month for the prior month. The Supplier is billed for the transportation charges and the capacity charges for all customers in their group(s), as applicable. The customer transportation/delivery charges invoiced to the Supplier are based upon the cycle consumption for their customers, therefore in most cases customer consumption will include days previous to the prior calendar month. In addition, Distribution provides a calculated Calendar Month Estimate (“CME”) of the prior month’s consumption for imbalance reconciliation purposes. Suppliers are also provided with consumption data, as applicable, on the meter read cycles. Supplier and Direct Customer questions concerning this invoice should direct their questions to TSD Billing at (716) 857-7432, [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com).

b. Utility Consolidated Billing

Distribution offers a “rate ready” UCB option, which includes a Company Purchase of Receivables (“POR”) for billing amounts due to Marketer from Customers, to all approved STBA Marketers on Distribution’s system. The POR feature is limited to accounts with consumption less than 25,000 Mcf/year. This billing service is often referred to as ‘Choice Billing’. Those selecting this option must execute a Consolidated Billing Service (“CBS”) Billing Services Agreement (“BSA”). The provisions of the BSA have been established through prior procedures and may be changed prospectively. A standard form BSA, which is presented in the GTOP Appendices as a courtesy, contains the full details of the POR program.

CBS includes budget billing plans (“Budget Plans”) for Marketer customers. Both supply and delivery charges are consolidated into one Budget Plan rather than having separate Budget Plans for supply (Marketer charges) and delivery (Distribution charges). Marketers may add current customers to Budget Plans or add new customers at the time of enrollment. Payments to Marketers for customers participating in the POR program will be based upon the billed amount rather than the previous practice of basing the payment upon the supplier budgeted amount.

Requests for initiating a CBS Service Agreement should be directed to Transportation Services at (716) 857-7232 or via email: [TSSSupport@natfuel.com](mailto:TSSSupport@natfuel.com). This agreement may be part of the initial start-up package or may be selected any time the STBA Marketer is operating on Distribution’s system. Active marketers electing to participate in this service will have accounts moved into new groups by billing cycle. Moving accounts to billing service groups identifies accounts that link to Marketer provided data necessary for Distribution to provide the billing service. Each participating Marketer provides Distribution with specific data necessary to bill on behalf of the marketer. The Marketer has the option of having their logo appear on the “Marketer portion” of the bill. The Marketer logo must be submitted in 300 dpi or higher, black and white or 16 color gray scale and be a non-web graphic.

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<sup>3</sup> Customers transporting at non-ceiling rates may be limited to Dual Billing or Utility Consolidated Billing (“UCB”) options.

CBS is not intended to be a full-blown billing and accounting service but it does include the following features:

- Specified Rate for the Commodity (Rate times Volume)
- Specified percent off NFGDC total bundled bill
- Specified percent off NFGDC commodity
- Budget Plan
- For non-POR accounts, a percentage based late payment charge, otherwise the late payment charge is set at 1.5% monthly.
- Supplier name, address, phone number(s), website, logo and up to 480 character bill message
- For non-POR accounts, payment (remittance) processing for Distribution and the Supplier
  - Wire transfers move money collected by Distribution for the Supplier to the Supplier's bank daily or as needed, based on customer payments.
- Customer payments are distributed between Distribution and the Supplier otherwise Distribution retains all customer payments.
- Company will remit payment twenty-three (23) days (plus two (2) business days for processing) following the Billing Date (or the next following business day if the 23rd day falls on a bank holiday or a Company holiday) of all Marketer charges billed to Customers in the previous month.
- Wire transfers move money collected by Distribution for the Supplier to the Supplier's bank daily.

Structured ASCII files are available to transfer information through Distribution's website to accommodate:

- Supplier additions and deletions of customers
- Miscellaneous data changes
- Billing and payment information

Suppliers utilizing CBS must have their own accounting system to fully process the data contained within the files. These files should be downloaded from Distribution's website daily and entered into Supplier systems so that in-house tracking of revenues and receivables can take place. Suppliers are responsible for reporting and paying all taxes associated with their bills.

It is recommended that Suppliers provide their rates to Distribution at least four (4) business days prior to the rate's effective date in order to ensure that the effective date can be honored. Rates received after this date but prior to preparation of the bill will be accepted on a "best efforts/first-come, first-served" basis. It is most unlikely that rates submitted after the close of business on the last business day prior to the 1st day of the month will be effective on the 1st day of the month. Rate submissions after the morning of the last business day are only slightly more advantaged, particularly when the 1<sup>st</sup> calendar day of the month falls on a weekend or if timing of a holiday period results in an extended period of non-business days at the end of a calendar month.

Some Suppliers use Distribution's Statement of Monthly Gas Supply Charge filing as a benchmark for setting their rates. Distribution's billing system provides the option of Supplier billing rates that are based upon a percentage of the Distribution rates, e.g. 99%. Suppliers that use the percentage feature do not need to change their rates each month unless they wish to change the percentage.

For those Suppliers that add or subtract a monetary amount to Distribution's rate, it is best to submit rates as soon as they become available on the Commission's web site to secure the most advantageous position in the "best-efforts/first-come, first served" queue. Generally Distribution submits its filing as soon as the third business day prior to the 1st of the month, but is unable to guarantee this timing. Distribution, as explained in the Tariff, is required to submit its filing to the Commission not less than three calendar (3) days prior to any change in the Monthly Gas Supply Charge and the Delivery Adjustment Charge, e.g. not less than three calendar (3) days prior to the 1st day of the following month. This timing falls within the natural gas industry's "bid week" which is critical in terms of the price discovery necessary to develop rates for the upcoming month.



Further, Distribution has the discretion to file a revised Monthly Gas Supply Charge Statement within five (5) calendar days of the first of the month of the initial filed Monthly Gas Supply Charge Statement when the replacement of estimated prices with actual prices results in a change in gas cost of more than 5%.

The summary of New York rates are accessible from the Business Partners, Marketer in NY web page at:

<https://www.nationalfuel.com/business-partners/ny-regulatory-tariff-gtop/summary-of-new-york-rates/>

The rate summaries are neither legal documents nor offers to form binding agreements. They do not replace the Company's tariffs. The rate summaries have been posted on this website as a courtesy for purposes of information and convenience. For all purposes relating to the Company's rates and services, the tariff shall be the governing instrument. Currently effective tariff leaves and statements can be found on the NY PSC's website:

[https://ets.dps.ny.gov/ets\\_web/search/presearch.cfm](https://ets.dps.ny.gov/ets_web/search/presearch.cfm)

Note that there is a lag between submission of the filing and availability from the Commission's website. Suppliers relying upon this filing are advised to start checking for the filing as soon as the third business day prior to the 1<sup>st</sup> of the month and submitting their rates as soon as possible. Keep in mind that while Suppliers have discretion to develop their rates in a manner of their own choosing, the timing of Distribution's filing is within the above-mentioned four (4) business days window and as described above, there is a chance and eventually likelihood that Suppliers pricing their rates as an offset to Distribution's rates will not see their rates go into effect for the 1<sup>st</sup> of the month.

Suppliers may provide an effective date for a rate change, e.g. the 1st calendar day of an upcoming month or have rate changes take effect on the next regularly scheduled bill cycle date. If the effective date is other than the next regularly scheduled bill cycle date, the new rate will be prorated based upon the effective date within the billing cycle. In either case, there is no provision to change a rate once a bill has been issued. Without instructions otherwise, rates (or percentage instructions) remain unchanged from month to month.

All rates (including DSS Choice Billing) should be submitted to Transportation Services via email to [TSD-Notify@natfuel.com](mailto:TSD-Notify@natfuel.com). The rates must be submitted as an Excel workbook attachment to the email. The format for the workbook consists of eight columns with a header row consisting of eight columns. In addition to the header row, a row should be provided for each Rate Code for which a rate change is being submitted.

An example is shown below:

<b>Marketer ID</b>	<b>Rate Effective Date</b>	<b>Rate Code</b>	<b>Rate (\$ per ccf)</b>	<b>Prorate?</b>	<b>Commodity Discount</b>	<b>Total Bill Discount</b>	<b>Zero Percent Indic</b>
999999	11/28/2012	1A	0.987654	Y			

Alternatively, a sample file may be obtained by contacting Transportation Services.

The subject line of the email should be "Marketer Rate Change Request for" followed by the name of the Supplier. A confirmation of the rate change request will be sent via email within 2-3 hours (during the business day) to the sender and all cc's on the request. If such confirmation is not received, it is advised to contact Transportation Services to verify the request was received for processing.

A report of the rate changes processed will be available as report M2 – Marketer Rate Change Verification Report in the secured section of Distribution's website:

<https://www.nationalfuel.com/business-partners/supplier-and-customer-portal/>

The report will be available each business day by approximately 12:15 PM and will list all of the rates that were entered that day. It is the Supplier's responsibility to verify that its rate changes have been entered correctly. Since it is not possible to change rates retroactively, it is critical to be sure rates are correct prior to billing. Any corrections must be made by 4:00 PM on the effective date - notify Transportation Services immediately by email and/or phone if any corrections are necessary. Be sure to get confirmation that the corrections have been processed.

Note: To avoid potential confusion, if a rate is not changing, do not submit the same rate with a new effective date. Submitted rate changes where the rate does not actually change cannot be processed and therefore will not appear on the rate change verification report.

In emergency cases when email is not available, rates may be faxed to (716) 857-7479. Questions concerning Distribution's Billing Service may be addressed by contacting TSD Billing at (716) 857-7432. Transportation Services is responsible for Supplier relations, including contracts, training and dispute resolution (billing issues).

c. Dual Billing

Customers that do not elect to receive a consolidated bill receive two bills; a bill for commodity service from the Marketer and a bill for delivery service from the Utility. The Marketer is responsible for addressing customer questions concerning commodity service and Distribution addresses concerns regarding delivery service, including questions concerning customer consumption.

d. Customer Deposits

Pursuant to the Commission Order Concerning ESCO Deposits and Prepayments, issued and effective May 9, 2002 in Case 00-M-0504, Suppliers must provide evidence of Creditworthiness to Distribution before requesting deposits or prepayments from their customers. Suppliers requesting such authority should contact Transportation Services.

As a precondition, Suppliers must provide Distribution with affidavits or statements by an officer or other authorized employee of the Supplier stating whether all forms of contract for service to Customers include prepayment or deposit provisions. A suggested form of Affidavit is included in the Appendices hereto.

Before requesting deposits or prepayments, Suppliers must demonstrate a minimum bond rating as specified in the Creditworthiness Section of the Commission's UBPs. Absent meeting this requirement, Suppliers may request deposits if they maintain Escrow Account(s) or provide a letter of credit equal to the amount of deposits for each customer. The Supplier must provide proof that it maintains sufficient escrows or possesses letters of credit from institutions with a minimum "A" credit rating on a monthly basis.

e. Payment Processing and Remittance

Unless otherwise mutually agreed to in a BSA, payment for all Supplier Transportation, Balancing and Aggregation ("STBA") invoices must be paid by wire transfer. Please note the following information is required to make the wire transfer. Payment is to be made to: *National Fuel Gas Distribution Corporation*. Your aggregator identification number must be included on the wire transfer to ensure that your payment is credited to the correct account. The correct format is: Agg # 0009999. Distribution is not obligated to accept and post payments tendered in an incorrect format or with incomplete/incorrect instructions.

Please contact Cash Management at (716) 857-7697 with any questions regarding this procedure.

f. Application of Sales Tax

Overview

On bills prepared by National Fuel, the sales tax billed a Customer for delivery charges (to the extent applicable) depends upon the customer type (residential versus non-residential); the customer's physical location (county code, town code, school district); any % reductions for partial residential usage; any "manufacturing" exemptions or other exemptions; and the effective state, county, city, and school district rates (as compiled in Publications 718 and 718-R).

Based on the NY State Tax Law, each party is individually responsible for collecting the proper tax from their customers. At the time of customer enrollment, National Fuel indicates via EDI whether it has any sales tax exemptions on file that it uses for billing, the sales tax jurisdictions applicable to the account, customer classification, etc. If this information changes, National Fuel provides notification of the change to Marketers via EDI.

When the UCB option is used, Marketers are responsible for determining any exemptions applicable to their charges on the bill and providing the effective tax rates to National Fuel when enrolling the customer via EDI.

#### New York State Department of Taxation & Finance (DTF) Information

A tool to assist Marketers in calculating the applicable sales tax rates, the DTF provides a web site at which a street address can be entered to find the sales tax jurisdiction(s), current jurisdiction code and tax rate on transactions involving sales or purchases of utilities or utility services. The URL for the Sales Tax on Utilities Jurisdiction and Rate Lookup is:

<http://www8.tax.ny.gov/JRLA/jrlaStart>

The DTF's web site does not have information indicating whether a location is residential or non-residential so it provides results for both outcomes. Additionally, the web site does not indicate if there are any Exemptions in place for the Customer, i.e. whether a DTF-385, ST-121 or other form of exemption is present.

In conjunction with Customer information provided by National Fuel (described above), Marketers can use the DTF web site to verify the sales tax rate that should be applied on the Customer's bill.

#### National Fuel Provided Information

Customer specific exemption information is made available to Marketers as a Secured Transaction (password required) within the Supplier / Customer Download Files, specifically within J0 - Aggregation Group Assignments file. The file contents consist of information available from National Fuel's billing system and either mirror or supplement the information provided through EDI. The file contents are provided on an "as is" basis. Additionally, sales tax tables identifying codes and rates applicable to the Customer accounts identified in the Aggregation Group Assignments file are provided within the General Information Files. Use of this data is governed by the Tariff and the Billing Services Agreement between National Fuel and the Marketer.

A value of "Y" in the Sales Tax Exempt field indicates that a Customer is exempt from sales tax at a given jurisdictional level (state, county, town and/or school district). If the Customer is located at an address where the school district assesses a sales tax, the code applicable to the district will be present (otherwise the field will be empty).

Marketers should be advised that National Fuel's customer-specific exemptions are not transferrable. The Marketer is responsible for obtaining its own exemption documentation from the Customer. Marketers do not need to obtain customer level exemption documentation for class-specific exemptions, i.e. the residential exemption from state sales tax. Additionally, Marketers do not need to obtain exemptions applicable to delivery charges billed by National Fuel under either the UCB or Dual Billing options.

#### Customer Classification

A Customer's service classification is used determine the Rate Schedules under which a customer may receive sales and/or transportation service. In addition to the determining which rates are billed, the service classification impacts the application of sales tax. Should a Customer or Supplier believe the account is improper, the Customer may submit a request for reclassification as described in GTOP Section B.4.c.

#### Questions

Questions concerning application of Sales Tax and/or submission of Reclassification Certifications should be directed to Transportation Services at (716) 857-7432 or by email: [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com)

#### g. Supplier Billing

Distribution issues invoices to Suppliers each month for items for supplier level charges such as, but not limited to, customer billing fees and imbalance resolution. To the extent monthly billing results in credits due to a Supplier, refunds will be issued on accounts that have a credit larger than \$500. If the credit balance is smaller, the funds will remain on the account and be applied toward the next bill. Refund requests need to be sent to [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com) and include the credit amount, aggregator ID, bank institution name, routing number and account number.

## **E. GAS DELIVERY MANAGEMENT PROCEDURE FOR LARGER COMMERCIAL AND INDUSTRIAL CUSTOMERS, FIRM AND INTERRUPTIBLE**

### **GENERAL**

For larger customers who receive aggregation service under SC-19, the same procedures that apply to residential and small commercial customers, as explained in Section D apply. Whether or not SC-19 service is engaged, the rates applied to larger customers are generally the SC-13 and SC-18 Rate Schedules. The SC-13 and SC-18 rates include both a Minimum Charge (“MC”) and a Transportation Charge (“TC”).

The MC includes the first Mcf of gas transported. The current rates applicable to these services are provided in General Information Section II.38.A of the Tariff and are posted on Distribution’s website at:

<https://www.nationalfuel.com/business-partners/ny-regulatory-tariff-gtop/summary-of-new-york-rates/>  
SC-18 - MONTHLY METERED TRANSPORTATION (MMT) SERVICE

This service is available to a single customer account that has totally revoked status as a firm sales customer under SC-1or SC-3. For Customers who are taking service at ceiling rates and are enrolled consistent with UBP § 5.D in a Supplier’s STBA (i.e. EDI enrollment), the enrollment will be accepted in lieu of a TSA. Direct Customers who are taking service at ceiling rates also receive a TSA waiver because they act as their own Supplier and effectively enroll their own accounts when they enter into an STBA agreement. Customers receiving service at non-ceiling rates must enter into a TSA with the Company. A standard form TSA is included in the Appendices hereto.

#### Qualifying Requirements:

- \* Customer arranges to deliver volumes of gas on a firm basis into Distribution’s system, except if they have installed the necessary equipment, which allows Distribution to monitor the customer’s daily usage of gas.
- \* Customers with annual consumption exceeding 55,000 Mcf under a single account must install the necessary equipment allowing Distribution to monitor customer’s daily usage of gas as a condition of service.
- \* Any customer heating any building solely by gas where persons may dwell on a permanent basis must have contracted for Standby Sales Service to meet the entire needs of their facility, unless its consumption exceeds 5,000 Mcf, in which case capacity release is another option. This customer will also be allowed only firm service.

#### Additional Stipulations:

- \* Take or Pay Recovery applies.
- \* Surcharges, applied as specified with the General Information section of the Tariff.
- \* Subject to all applicable local, state, and federal taxes.
- \* Late payment charges apply.
- \* Economic Development Zone Rate Discounts for all qualified incremental consumption are available. The rates are specified in the Tariff.
- \* Business Development Rates, which offer a discounted rate to eligible customers, may be available.
- \* Costs incurred by Distribution to engage the services of other transporters for customer requirements will be added to the applicable Base Rate.
- \* Customer delivered gas must meet TSA (if applicable) and/or Tariff specifications.
- \* Distribution has right to suspend customer service.
- \* Deliveries subject to available pipeline capacity.

- \* The initial term of the TSA (if applicable) is one year, renewable annually, unless canceled by default of any of the terms or conditions of the contract, or by the customer or Company upon 60 days written prior notice to the end of a term, or otherwise by mutual agreement. If a customer elects to migrate to SC-13 service during the term of the TSA, the SC-18 TSA (if applicable) will be considered terminated by mutual agreement.
- \* Customer, where necessary, will bear expense of installing facilities necessary to reserve firm sales or Standby Service for separately metered equipment.
- \* Customers that take gas delivery service to generate electricity must form single customer Market Pools in order to accommodate city gate imbalance rules solely applicable to electric generation customers.

### SC-13 - DAILY METERED TRANSPORTATION (DMT) SERVICE

This service is available to a single customer with a TSA that has totally revoked status as a firm sales customer under SC-1 or SC-3. This service operates under the UBPs insofar as UBP Security provisions are applicable. Enrollment transactions (e.g. pool assignments) are performed via EDI. For Customers who are taking service at ceiling rates and are enrolled consistent with UBP § 5.D in a Supplier's STBA (i.e. EDI enrollment), the enrollment will be accepted in lieu of a TSA. Direct Customers who are taking service at ceiling rates also receive a TSA waiver because they act as their own Supplier and effectively enroll their own accounts when they enter into an STBA agreement. Customers receiving service at non-ceiling rates must enter into a TSA with the Company. If a SC-18 customer elects to migrate to SC-13 service during the term of its SC-18 TSA (if applicable), a SC-13 TSA will be required. While the SC-18 TSA term is one year, renewable annually, a customer may switch to SC-13 service during the term of the SC-18 TSA. In this case the SC-18 TSA (if applicable) will be considered terminated by mutual agreement.

The following definitions are applicable to SC-13 service:

- DMT Aggregator (or DMT Supplier) – The third party (typically a Marketer) who agrees to be the Imbalance Holder, i.e. assume primary responsibility for balancing management and imbalance charges of a transportation customer in a DMT Customer pool; acting for gas supply purposes on behalf of the SC-13 customer.
- DMT Market Pool - a pool of customers who receive transportation service under rate schedule SC-13.

DMT Aggregator's relieve SC-13 customers of primary responsibility for payment of burner-tip imbalances. Burner-tip imbalances are calculated on a per customer account basis, then "netted" to produce a single imbalance figure, against which charges are applied. The DMT Aggregator is financially liable for the net imbalances, but is given the added flexibility to cash out or "trade" month end imbalances with other DMT, non-aggregated SC-16 Customers and STBA Suppliers.

A DMT Aggregator signs a Daily Metered Transportation Imbalance Netting Agreement ("DMT-INA") with Distribution to net multiple DMT Market Pools. A form of the DMT-INA agreement is included in the GTOP Appendices.

Qualifying Requirements:

- Customer arranges to deliver volumes of gas into Distribution's system.
- The customer must have installed the necessary equipment acceptable to Distribution that allows Distribution to monitor the customer's daily usage of gas. The expense of this installation, as well as the operating costs of any third-party telecommunications and/or meter data collection services, will be borne by the customer.
- Any customer heating any building solely by gas where persons may dwell on a permanent basis must have contracted for Standby Sales Service (or have Dual Fuel if annual consumption exceeds 5,000 Mcf) to meet the entire needs of their facility. Additionally, such customers may

satisfy this requirement through firm upstream capacity. In any case, such a customer will also be allowed only firm service.

Additional Stipulations:

- Daily imbalances exceeding or deficient by 10% or more of transported volumes are subject to cash out to the extent the cumulative daily imbalance of all SC-13 customers in marketer or direct customer pools exceeds or is deficient by 10% or more.
- The Index price for the cash out of imbalances will be established based upon prices at Eastern Gas, South referred in the SNL Natural Gas Index (“SNL”) as “Dominion S” plus applicable transportation costs (including fuel).
- When meter data is not available, Distribution will note on statements that data is missing. For imbalance calculation purposes, to the extent the missing readings cannot be obtained, the best available information will be used to calculate the imbalance position for the day and ultimately, for month-end.
- DMT Suppliers have the responsibility to be in contact with their DMT customers and producers when usage and/or local production are being estimated. The Marketer should submit reads to Transportation Services when the Company is unable to contact the meters. This communication should help improve the quality of estimates and reduce imbalance exposure when the actual readings become available.
- Each day’s imbalance stands on its own for imbalance calculation purposes; a prior day’s imbalance will not offset the current day’s imbalance.
- There are no month-to-month Banking/Balancing services; all SC-13 month end imbalances are resolved through a combination of imbalance trading and cash out.
- The month-end trading feature of Distribution’s daily balancing service is enabled through SC-13 service provided either to Marketers or to individual Direct Customers.
- To receive transportation service, unless an SC-13 Customer elects to receive service as a Direct Customer (and takes responsibility for its own nominations), it must be enrolled in a Marketer’s daily pool. SC-13 customers that do not elect Direct Customer status and that are not enrolled in a Marketer’s pool are eligible for sales service, as available and will not contribute towards the cumulative SC-13 imbalance position.
- SC-13 customers that are not included in any DMT Market Pool or that do not receive service as a Direct Customer for a given month are eligible for sales service.
- Take or Pay Recovery applies.
- Subject to all applicable local, state, and federal taxes.
- Transition Cost applies.
- Late payment charges apply.
- Economic Development Zone Rate Discounts for all qualified incremental consumption are available. The rates are specified in the Tariff.
- Business Development Rates, which offer a discounted rate to eligible customers, may be available.
- Costs incurred by Distribution to engage the services of other transporters for customer requirements will be added to the applicable Base Rate.
- Customer delivered gas must meet TSA and/or Tariff specifications.
- Distribution has right to suspend customer service.
- Deliveries subject to available pipeline capacity.
- The initial term of the TSA is one month, renewable month-to-month, unless canceled by default of any of the terms or conditions of the contract, or unilaterally by the Company or the Customer upon 15 days written prior notice to the end of a term, or otherwise by mutual agreement. If a SC-13 Customer is not enrolled in a DMT Market pool, the TSA is cancelled.

## DMT-INA Application Process

1. Upon request to Distribution, a NY Aggregation and Credit Application will be sent to the interested party. It is also available on the web at:

<https://www.nationalfuel.com/business-partners/how-to-become-a-marketer-in-new-york/ny-aggregation-and-credit-application/>

2. The applicant then completes the application, attaches a customer list (name and Contract Account Number) of each potential end user to be included in the applicant's DMT Market Pool, and returns both along with the required supplemental financial information to National Fuel Gas Distribution, Transportation Services, 6363 Main Street, Williamsville, NY 14221-5887.
3. The application is reviewed for determination of security deposit requirements.
4. Transportation Services forwards two original DMT-INA with applicable addenda to the applicant, along with a quotation regarding the required security deposit.
5. The applicant then signs (and has witnessed) both DMT-INA Agreements with applicable addenda and returns the executed agreements, along with the required security deposit (in any of the acceptable forms of cash, letter of credit, surety bond<sup>4</sup>, or parent guaranty).
6. Evidence of customer consent, signed by authorized individuals must be obtained by the DMT Supplier for each of the SC-13 customers to be included in the DMT Market Pool, and must be returned with the signed service agreements no later than the 15<sup>th</sup> day before the desired effective month of service initiation.

## OTHER TRANSPORTATION SERVICES

Distribution also provides transportation service available to large customers under various schedules listed in Section B.4.b of the GTOP. While many of the procedures applicable to these services mirror those applicable to SC-18 and SC-13 customers, customers should contact Transportation Services for specific detail applicable to these other transportation services. Customers receiving service under these services must enter into a TSA, if applicable, with the Company. A standard form TSA is included in the Appendices hereto.

**1. Customer Eligibility/Enrollment Procedures****a. Initiation of Transportation Service**

Contact usually starts with an inquiry from the marketer, customer, or Distribution Energy Service representative. The general phone number for Energy Services Department is (716) 857-7776. An application for Transportation Service is either faxed, mailed, or hand delivered to the inquiring party.

After the application for Transportation Service is returned, it is reviewed for completeness and Critical Service criteria (see definition in Glossary). If the account meets the Critical Service criteria, additional documents (either a Dual Fuel Affidavit or a Standby Sales Service Agreement) will be needed. If a TSA will be necessary, two original copies of the TSA are faxed, mailed, or hand delivered to the individual noted on the application for Transportation Service.

Once the signed TSA is returned, the Distribution section is completed on the application for Transportation Service. The properly executed TSA must be returned to National Fuel Gas Distribution, Transportation Services no later than the 15<sup>th</sup> day of the month (for DMT service) or 30 days (for MMT service, if

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<sup>4</sup> Instrument available only for those marketer/ESCOs that already have a surety bond in place; no new surety bonds will be accepted.



applicable) prior to the desired service initiation date. Documents received after these dates will be processed for the following month.

Copies of all forms mentioned above are included for reference in the Forms section of the GTOP.

#### b. Enrollment

Suppliers enroll transportation customers in market pools through EDI transactions (see *infra* Section D.2). Pools are segregated by rate schedule; there are no mixed DMT/MMT pools. Distribution presumes that Suppliers have authorization from Customers to add or remove said Customers to/from Market Pools. Customers may exist in only one pool at a time. STBA and DMT market pools grandfather from month to month. Additions and deletions must take place at least 10 business days prior to the next scheduled meter read date (see *infra* Section D.10), based upon billing cycle. Customers with operational telemetering are read on the first day of the calendar month. A DMT customer may only transport as part of a DMT Market Pool. A DMT pool can consist of a single DMT customer or may contain multiple DMT customers. If a DMT Supplier does not provide evidence of customer consent to the Company (when requested by the Company), the enrollment will not be processed.

## 2. Delivery Quantity Determination Procedures

DDQs apply to SC-18 customers as a basis for application of the daily city gate balancing requirement described in Section D.3. The calculation of DDQs is explained above in Section D.3. Distribution will provide detailed DDQ data files in the Secure Transactions section of the Business Partners area of the NFGDC website. Suppliers who believe that the DDQ for a particular customer is incorrect should submit a DDQ change request. Such requests should be submitted via TSS by 1:30 PM, on the business day prior to the Gas Day the change is requested to take effect. In the event of an emergency situation where TSS is unavailable, such requests should be submitted to the following [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com), [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com). The “DDQ/PDQ Email Change Request” form is available on the NFGDC website at:

<https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/ddq-pdq-email-change-request-form/>

The request should specify the amount by which the DDQ should be changed as well as provide justification for the change. Distribution shall not be liable for the difference between the projected consumption and the consumption determination by Distribution.

## 3. Capacity Assignment/Use Procedures

Capacity Assignment applies only to critical service SC-18 customers who elect STBA service. The procedures for those who require capacity are explained above in Section D.4.

#### a. Verification of Upstream Capacity

As specified in the Tariff, except where the transportation Customer has installed the necessary equipment which allows Distribution to monitor the Customer’s daily usage of gas, the Customer shall arrange for supply to be delivered, either directly or by displacement, on a firm basis for the entire route from a liquid point of receipt to Distribution’s distribution system. In order to implement this tariff provision, STBA Suppliers serving SC-18 customers will continue to be required to utilize intermediate (NFGSC) firm capacity year round except where such customers are served with third party deliveries (i.e. local production) directly attached to Distribution’s system. As such, Distribution will continue its practice, where applicable, of rejecting nominations serving SC-18 customers that do not utilize firm transportation capacity at the city gate. On upstream pipelines, Marketer Pool operators will be required to demonstrate that they possess firm transportation capacity (or purchase supplies from Suppliers with such capacity) back to a liquid receipt point during the winter months November through March.

Where local production is utilized, Marketer Pool Operators will be required to demonstrate firm purchase contracts with producers and/or Production Pool Operators at meters and/or pools demonstrating sufficient historical deliverability. In any case, each Marketer will be required to demonstrate capacity for 100% of the total Daily Delivery Quantity for all of the customers within its market pool.

During normal winter operations, Market Pool Operators will be required to demonstrate possession of compliant capacity but will not be required to utilize such capacity. However, if Distribution declares a Critical Period, utilization of compliant capacity may be required.

During the winter months November through March, Distribution will individually contact Marketer Pool Operators to spot check compliance. The Market Pool Operator will be required to demonstrate that its upstream capacity on the day of the spot check is compliant with Distribution's requirements. If Distribution determines that a Marketer's access to its firm capacity be restricted in any manner (e.g. upstream capacity released to another party on a non-recallable basis), such capacity will be considered non-compliant. Should the Market Pool Operator's upstream capacity not be compliant Distribution may reject the nomination from the marketer and apply appropriate penalties that result from the marketer failing to meet city gate delivery requirements. Further, pursuant to Distribution's Tariff, Distribution may, depending on the circumstances, either (1) terminate the customer's TSA; or (2) require that all customers receiving service from the marketer be required to install daily measurement equipment at customer expense or purchase standby service, if available, in order to continue receiving transportation service from Distribution.

#### **4. Nominating Procedures**

See Section D.5.

#### **5. Balancing & Cash Out Procedures**

##### **a. MMT (SC-18)**

Since SC-18 customers are served by STBA Suppliers, burner-tip imbalances are resolved under SC-19 (see infra D.6).

##### **b. Daily Balancing as applied to DMT (SC-13)**

Each day Distribution will determine whether or not the SC-13 customers as a whole are operating within a specified delivery to usage tolerance range. During normal operations daily deliveries should match daily customer usages within a tolerance range of + or - 10%. During OFO periods this range can be reduced to as little as + or - 2%.

To determine cash out exposure, daily percentage imbalances will be determined at the pool level. A Supplier's DMT Market Pool imbalance percentage will be computed by summing the volume of gas delivered for all customers in the pool, adjusted for line losses, divided by the sum of the burner tip usages for all customers in the pool. A Distribution system DMT imbalance percentage will be similarly calculated based upon all SC-13 customers in all Supplier DMT Market Pools.

The Index Price for the cash out of imbalances will be established based upon prices at Eastern Gas South referred in the SNL Natural Gas Index ("SNL") as "Dominion S" plus transportation costs (including upstream fuel shrinkage) to Company's city gate. For non-business days when no price is published, the price for the most recent day for which a price was published will be utilized. The DMT Supplier is responsible for all imbalance charges.

Distribution applies a No-Harm, No-Foul rule to system DMT imbalance, i.e. if the system DMT imbalance percentage is less than or equal to the applicable daily tolerance percentage then neither individual DMT Market Pools or the customers within those pools are not subject to daily cash out. If the system DMT imbalance percentage is greater than the applicable daily tolerance percentage then individual DMT Market

Pools are subject to daily cash out at the daily cash out index rate if their imbalance percentage likewise exceeds the applicable daily tolerance. Individual DMT Market Pool imbalances in excess of the applicable daily tolerance percentage, except during an OFO, are only subject to cash out if the overall system is out of tolerance for that day in the same direction. DMT Pools are not subject to cash out if they are opposite to the direction of overall system imbalance. During an OFO, any pool out of tolerance in the direction of the OFO is cashed out even if the system is in balance.

#### Daily Surplus Imbalances

If on any day a SC-13 Customer's/Marketer's imbalance exceeds 10% and the SC-13 pools as a whole are above the initial surplus tolerance band, it will be cashed-out to return them to the 10% level as follows:

10% to 15% at 90% of Index  
15% to 20% at 85% of Index  
greater than 20% at 60% of Index

#### Daily Deficiency Imbalances

As used in this Rate Schedule, "deficiency imbalances" shall mean the amount by which the volume of gas delivered, to the Company for the Customer's account during the day after adjustment for line losses is less than the total amount of gas consumed by the Customer each day. The rates set forth below shall be applied to the daily deficiency volume occurring during each day of the billing month.

If on any day a SC-13 Customer's/Marketer's deficiency exceeds 10% and the SC-13 pools as a whole are below the initial deficiency tolerance band, it will be cashed-out to return them to the 10% level as follows:

10% to 15% at 110% of Index  
15% to 20% at 115% of Index  
greater than 20% at 140% of Index

Each day's imbalance calculation stands on its own, i.e. there is no month-to-date imbalance netting. Further, DMT Suppliers may not exchange daily imbalances with other DMT Suppliers; only month-end imbalance exchanges are permitted.

NFGDC will provide daily DMT transportation reports based on the best available data for tracking purposes. Final daily and monthly imbalance positions and cash outs will be based solely on allocated volumes determined at monthly processing.

#### c. Month End Balancing as applied to DMT (SC-13)

DMT Suppliers may exchange month end imbalances with other Imbalance Holders and imbalances are resolved via cash out as described in Section D.6.

## 6. DMT Supplier Financial Requirements

### a. Creditworthiness Assessment

For those applicants that are publicly traded:

Bond ratings will be obtained (Moody's, Fitch, and Standard & Poors) to determine the initial creditworthiness of the applicant. Investment grade rated applicants must meet the minimum ratings set forth in the UBPs. These rating are: BBB from Standard and Poors, Baa2 from Moody's and BBB from Fitch. Those applicants that are not investment grade or on a credit watch for downgrade will be

required to post security. Those applicants with ratings in the mid to lower tier of investment grade may be required to provide additional information to complete a credit review. This information may include but not limited to: annual reports, the most recent three years audited financial statements, balance sheets and foot notes.

For those applicants which are not publicly traded:

Dun & Bradstreet (“D&B”) reports will be utilized as the primary source of credit information to determine the creditworthiness of the applicant. The following standards will be used: a credit risk rating referred to as the “Overall Business Risk” and a financial stress rating. Where D&B risk reports are utilized, the values for these ratings are on the following scale:

Low - assets, liabilities and payment history indicate little or no risk to creditors.

Low to Moderate - assets, liabilities and payment history indicate some risk to creditors.

Moderate - assets, liabilities and payment history indicate a moderate risk to creditors.

Moderate to High - assets, liabilities and payment history a moderate to high risk to creditors.

High or Severe - assets, liabilities and payment history indicate a high or severe risk to creditors.

Out of business/Unable to confirm - indicates that there is insufficient historical credit data available to make a reliable credit assessment of the applicant (such as the applicant being in business less than 14 months, change of ownership, etc.).

Upon receipt of the completed Credit Application, the Credit and Receivables Management Department will obtain various D&B reports for initial review and assessment. The reports will include, but not be limited to: Risk Assessment Viability Rating, Failure Score, Delinquency Score, and any special ratings. Applicants may also be required to submit the most recent three years audited financial statements including income statements and balance sheets. All non-publicly available financial information will be reviewed and maintained in a confidential manner. If necessary, a formal confidentiality agreement will be executed regarding the use of this information. In addition, other criteria will be taken into consideration in assessing Distribution’s potential risk exposure, such as: (1) established payment history of the applicant with Distribution and (2) the ratio of anticipated projected end-user volumes to assets available for payment; and (3) historical reliability of deliveries (nominations vs. deliveries).

#### Low Rating

In general, if the reports indicate an overall rating of Low, no security deposit will be required at this time, subject to changes listed below. However, if anticipated projected end user volumes indicate a substantial risk exposure over and above indicated current assets available for payment, a security deposit may be required.

#### Low to Moderate Rating

If the reports indicate an overall rating of Low to Moderate additional background investigations will be completed. These investigations will include but not limited to: (1) an assessment of the applicant’s payment history with Distribution; (2) compilation of other creditors’ and trade creditor’s reports; (3) request for financial statements, if necessary. Upon completion of a review of the additional information, a determination will be made regarding Distribution’s risk exposure and a recommendation made to request a security deposit.

### Moderate, Moderate – High, High, or Severe Rating

If the reports indicate an overall rating of Moderate, Moderate – High, High, or Severe, a security deposit will be required. No further investigations will be made unless extenuating circumstances exist and the applicant brings those situations to the attention of the reviewer.

### Unable to Confirm

Any applicant with a rating of Unable to Confirm will automatically be designated as having a rating of High or Severe; and be required to post a security deposit.

### Changes Effecting Credit Risk Ratings

All established DMT Aggregators will be periodically reviewed to determine if: (1) there is a change in their bond or credit risk rating; (2) security will be required on a previously unsecured account; (3) the amount of security being held should be increased or decreased to meet projected future usage, based upon historical usage data. Changes indicating that a credit review may be necessary include, but are not limited to: (1) negative changes in bond ratings or placed on credit watch for downgrade; (2) significant changes in D&B (or similar) credit reports; (3) credit related information obtained from reliable sources; (4) a change in the number of end users; (5) a change from the established payment history; as well as any other information received regarding the financial standing of the DMT Aggregator.

### b. Security Deposit Amount

The amount of a security deposit will be determined by the following guidelines, based upon the DMT-INA applicant's potential maximum liability.

- The average cost of gas for each month over the last three years.
  - The three (3) year period will be determined from the stated initiation date.
  - Cost of gas will include the Gross Receipts Tax ("GRT") plus the seasonal factor (either 110% in the non-winter months or 125% in the winter months) included in the proposed SC-11 rate.
- The aggregate ten day maximum consumption for the DMT Market Pool(s) based upon historical usage of each customer will be identified and multiplied by the corresponding cost of gas to determine the DMT-INA applicant's total potential liability. The ten maximum days need not be consecutive and are based upon the sum of usage for all customers during these three months.
- Monthly reviews will be conducted, based upon any changes, which may affect Distribution's risk exposure. Such reviews will be provided upon applicant request.
- Interest shall be paid to the customer upon the return of the deposit, or where the deposit has been held for a period of one year or more, the interest shall be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the expiration of each succeeding one year period.

### c. Acceptable Payment of Security

Payment of security deposits can be made by cash or acceptable form of security such as a letter of credit or a parent guaranty (provided the issuing parent meets the creditworthiness standards) in like amount. Should you have any questions regarding security deposit requirements, please contact Distribution's Credit and Receivables Management Department (Credit Department) at (716) 857-7570. Cash security deposits will be paid interest at the rate currently set by the Commission. (Refer to Index of Rates and Charges for current effective rate.) Costs associated with the procurement of a letter of credit are subject to requirements and/or negotiations with the DMT-INA

applicant's individual bank. The cost of a surety bond is subject to the requirements of the individual insurance company. Payment of these costs are not the responsibility of Distribution.

## **7. Reconciliation/True-Ups**

Any Reconciliation/True-Up rights are identified within Section E.5.

## **8. Standby Services**

SEE Section D.8.

## **9. Storage Peaking Services**

SEE Section D.9.

## **10. Meter Reading**

### **a. GENERAL**

Most large industrial and commercial meters are read every month. When a read is not unavailable, monthly bills are based on estimated readings. A schedule identifying the calendar data upon which meter cycles are read is posted on the website.

### **b. TELEMETERING**

Telemetry is add-on electronic equipment, connected to customer (usually DMT) gas meter(s) by Distribution, which collects and stores hourly readings from the meter(s) and then sends those hourly readings to a Distribution telemetry computer system. The software determines hourly consumption and posts those readings and/or consumption in any of a variety of formats. The resulting information is posted to the Distribution website for retrieval via the internet. Generally, telemetry information is available each morning between 11:00 a.m. and 12:00 p.m. for the previous Gas Day (ending at 10:00 a.m. on the current day).

DMT customer meter readings will be taken three times per day, at 10:00 a.m., 1:00 p.m., and 4:00 p.m. and reports will be made available to customers/marketers within one hour of those times on a best efforts basis.

All of the meters for each DMT Market Pool customer account must have telemetry equipment installed.

Telemetry equipment can provide the following benefits to customers and their Suppliers:

- Operation, maintenance, and accuracy of the telemetry components are all the responsibility of Distribution.
- Once each day, non-SC-13 customers receive a formatted report detailing gas consumption and meter readings; SC-13 customers receive multiple reports during the day - valuable information for production costing, scheduling, and budgeting.

The cost for telemetry components will be in amounts specified by the Company, and generally can range from about \$2,500 to about \$5,000 per meter, depending on what type of metering is in place at the customer's facility. This charge will be assessed by the Company to the Customer upon initial installation of telemetry equipment or any time that the Customer's telemetry equipment requires modification or reconfiguration. In this regard, the Customer should be aware that future additional

charges may be incurred based on customer requested changes relating to the type of telemetering equipment installed and its configuration requirements. The source of power for the telemetering and the customer's telecommunications configuration can also play a significant role in determining the installation cost.

Customers are responsible for third-party telecommunication (e.g. telephone line or wireless service and subscription) or meter data collection services related to providing meter data to the Company on a real-time basis.

The customer must supply a dedicated phone line to the meter location and must have the components listed under "Standard Requirements For Telemetering Capability," in the Telemetering Service Manual as posted on the Distribution website.

Distribution's Tariff requires that Customers with an annual consumption greater than 55,000 Mcf per year under a single account must have installed the necessary electronic telemetering equipment. SC-18 Customers with multiple meters per account may request that meters measuring de minimis account consumption be excluded from the necessary electronic telemetering equipment requirement. The Company will consider such requests provided that excluded consumption fall within industry accepted levels of measurement error, i.e. the difference between a measured value of quantity and its true value, for the remaining meters with telemetering, but never more than 2% of account consumption.

#### c. ACCESS TO TELEMETERING DATA

Distribution provides access to customer meter data for use in energy management services and for daily balancing. Data is provided to customers or their authorized representatives via the **Supplier and Customer Portal** under the Secure Transactions section of Distribution's web site at:

<https://www.nationalfuel.com/business-partners/supplier-and-customer-portal/>

A Login ID and password will be provided for up to two contacts for each customer. Data is provided in both report form and graphical form at both the meter and customer account levels. Data can also be downloaded in ASCII files with the following format:

```
"RBA_NUM","RBA_NAME","SITE_ID","GAS_DAY","READ_TIME","READ","CORR_READ"
"987654321","CUSTOMER NAME","009999999","20060601","11:00:00 ","24","87567"
```

Additionally, DMT Suppliers have access to aggregated DMT Customer telemetering data. To obtain access to telemetering data, contact the Transportation Services Help Desk at (716) 857-7232.

## 11. Summary of Applicable Fees, Charges and Penalties

Explained above and in Section D.11.

## 12. Termination of Transportation Service

For SC-18 customers with TSAs, the customer may terminate the Agreement on 60 days' notice prior to the end of an annual term. For SC-13, the customer may terminate the Agreement on 15 days' notice prior to the end of a month.

For DMT Aggregators, the DMT-INA can be for a stated period of time or can be terminated by the following events:

- Default by DMT Aggregator of any terms or conditions contained in this Agreement;

- By mutual agreement of Distribution and DMT Aggregator;
- At the discretion of Distribution to the extent necessary to preserve system operational integrity;
- Pursuant to an order of the Commission; and
- Upon 30 day written notice to Distribution
- Failure to pay invoices when due.

STBA SERVICE - See Section D.12.

### 13. Billing Schedules

SC-13 TRANSPORTATION - Customers will be billed the month following the calendar month of consumption. For example, January is the consumption month and February is when the bill is rendered.

DMT-INA - The DMT Aggregator bill is rendered after trades are completed.

#### Approximate timing of Statement and Bill

- |  |  |
|--|--|
| • 1 <sup>st</sup> week of the month following the consumption period | Statements issued via TSS to Aggregators |
| • 20 <sup>th</sup> of the month following the consumption period     | Deadline for Trading transactions        |
| • 1 <sup>st</sup> of the month following the trading period          | Bill sent to the DMT Aggregator          |

STBA SERVICE - See Section D.13.

### 14. Communications Protocols for Demand Response Customers

With respect to communication with demand response customers as provided for in Case No. 15-G-0185, Order Adopting New Communication Protocols (Issued and Effective December 16, 2016), the default mode of communications from Distribution to demand response customers will be email. In addition to email addresses, demand response (interruptible) customers must provide the company with name(s) of contacts, phone numbers, locations and/or other means of contacting the customer as a supplement to or temporary substitute (should email be unavailable) for email. Customers may provide Distribution with different notification contact information per facility or one contact for all of that customer's facilities.

Distribution will commence daily communications based upon the weather forecast it receives each morning as soon as projected average daily outside temperatures are forecast to be 15 degrees or below for the upcoming three consecutive days or during times when three days of consecutive customer interruptions occur. This temperature maintains a minimum 5-degree temperature threshold between the forecasted temperature and the temperature at which Distribution may consider initiation of demand response customer interruptions.



## **F. REQUIREMENTS OF POOL OPERATIONS**

### **1. Listing of Marketer Contact Personnel**

A listing of all approved Suppliers for Residential and Non Residential Service can be found on Distribution's website at:

<https://www.nationalfuel.com/business-partners/ny-listings-of-gas-suppliers/>

TSS is used to permit each business party to maintain its contact information over the internet under a secure format.

### **2. 7 Day, 24 Hour Communication Process**

Each Marketer and Direct Customer shall provide Distribution with the names, addresses, email addresses, fax numbers, and daytime and off-hours telephone numbers of the Marketer's personnel responsible for gas deliveries to Distribution and for responding to System Alerts and OFOs. In addition, Marketers should provide to Distribution contact information for:

- Retail sales contacts
- Billing contacts
- Regulatory contacts
- Credit contacts
- Media relations contact
- 24-hour contacts

It is critical that Distribution, Marketers and Direct Customers possess emergency contact information and have established procedures in place for reaching a responsible person at all times. Distribution, Marketers and Direct Customers are responsible for the delivery of gas to Distribution's City Gate, and so must maintain communications systems that support a 24 hour-per-day communication process. To verify the accuracy of 24-hour contact information, Distribution will conduct a Critical Day Simulation Exercise at least once per year.

Please see Section G., Communications Protocols for further information.

### 3. Distribution Contact Person Information

The contact names, phone and fax numbers and email addresses for Distribution are as follows:

General Information/Marketer Liaison:

Dan Czechowicz           (716) 857-6917           (716) 857-7479           [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com)

24-hour help desk number: (716) 857-7232

Retail sales contact:

Erik Solomon           (716) 857-7003           (716) 857-7254           [SolomonE@natfuel.com](mailto:SolomonE@natfuel.com)

Billing contact:

TSD Billing           (716) 857-7432           (716) 857-7479           [TSD-Billing@natfuel.com](mailto:TSD-Billing@natfuel.com)

Dispute Resolution/Regulatory contact:

Jeffrey Same           (716) 857-7507           (716) 857-7254           [SameJ@natfuel.com](mailto:SameJ@natfuel.com)

Credit contact:

Betty Szretter           (716) 857-7570           (716) 857-7439           [SzretterB@natfuel.com](mailto:SzretterB@natfuel.com)

Media Relations contact:

Karen Merkel\*           (716) 857-7654           (716) 857-7439           [MerkelK@natfuel.com](mailto:MerkelK@natfuel.com)

GTOP contact:

Dan Czechowicz           (716) 857-6917           (716) 857-7479           [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com)

The mailing address for the above contacts is:

National Fuel Gas Distribution Corporation  
6363 Main St  
Williamsville, NY 14221-5887

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\* 24-hour Media Relations contact is available by calling (716) 609-0438.

## 4. Production Pool Operations & Other Producer Issues

### a. General

Distribution has numerous gas production meters feeding directly into its distribution system. Non-discriminatory access is provided, however, producers must follow applicable rules and procedures. Approximately 5% of the gas flowing on Distribution's system comes from production within its New York franchise area.

### b. Setup Procedures & Parameters

For the purposes of nomination, production meters are organized into Production Pools at a logical pooling point. The Production Pools are classified as monthly or daily pools. While any meter is eligible for inclusion in a monthly pool, meters are eligible for inclusion in daily pools based upon the presence of telemetric measurement and availability of volumetric information to Distribution on a real-time basis. Market Pool Operators serving large volume daily market pools (e.g. consisting of SC-13 customers) may only nominate production receipts from Daily Production Pools. Market Pool Operators serving STBA (SC-19 customers) may nominate production receipts from either Daily Production Pools or Monthly Production Pools.

Individual local production meters may be added to or deleted from existing Production Pools prior to the start of the coming month. Using TSS, Production Pool Operators must complete pool setup by the end (11:59 PM) of the day (approximately the seventh (7<sup>th</sup>) calendar day prior to the beginning of the next month) specified as the Pool Setup Deadline on Distribution's web site. To establish a new Production Pool, the pool operator must first contact Transportation Services Help Desk at (716) 857-7232 to name and create the pool within TSS.

As a measure of projected daily deliveries from a telemetered or non-telemetered Production Pool, a Production Daily Quantity (PDQ) is based upon historical production data. The first choice for the PDQ is the same month in the previous year (e.g. June/Current Year would be based upon June/Year Ago). The second choice is the last prior actual month (June/Current Year would be based upon April/Current Year). The third choice would be zero in the absence of the first two choices (or the production pool operator could provide an estimate). Receipt nominations by Market Pool Operators from Production Pools should total to 95%-105% of the PDQ on a daily basis. This is to ensure that the system operates in balance, i.e. on a gas-in, gas-out basis. Production Pool Operators are not to deliver gas into the system during the early part of the month in anticipation of nominations later during the month. Analogously, Market Pool Operators may not over nominate Production Pools early in the month in anticipation of increased production or reduced nominations later during the month. If total nominations on a daily basis exceed the high end of this tolerance band, Distribution will cut the nomination to the volume allowed by the high-end tolerance limit.

To accommodate changes in production operations that are not reflected in historical data, a Production Pool Operator may request a change to the PDQ calculated by Distribution. For example, a gathering system operator may inform Distribution that wells may have been added to the gathering system or are shut-in. In either case, the volume of gas expected to flow may be different than the historical average daily production. Such requests will, if submitted before 1:30 PM and upon approval by Transportation Services, become effective for the next Gas Day. Requests submitted after noon become effective on the next following Gas Day, upon approval by Transportation Services. A PDQ Override may be entered which would supersede the original PDQ. Such requests should be submitted via TSS by 1:30 PM, on the business day prior to the Gas Day the change is requested to take effect. In the event of an emergency situation where TSS is unavailable, the request should be submitted via to all three of the following: [CzechowiczD@natfuel.com](mailto:CzechowiczD@natfuel.com), [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com).

The "DDQ/PDQ Email Change Request" form is available on the NFGDC website at:

<https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/ddq-pdq-email-change-request-form/>.

The request should specify the revised PDQ volume as well as provide justification for the change.

Other rules applicable to Production Pools are as follows:

- Monthly, non-telemetered, production meters may only be included in Monthly Production Pools.
- Daily, telemetered, production meters may be included in either Daily or Monthly Production Pools.
- Daily Production Pools can be nominated to either DMT or STBA pools but gas is allocated into DMT pools ahead of STBA pools.
- Both Daily and Monthly Production Pools are “balanced” to a zero-imbalance position. Excess production can be allocated to an STBA pool or purchased by the Company but it cannot be allocated to a DMT pool.
- Production meters cannot be assigned to more than one Production Pool during a given month. If a meter is listed in more than one Production Pool, those Production Pools will be invalid (no nominations will be allowed against those pools) until such time as the issue of where the meter belongs is resolved.
- New local production meters may be added to a Production Pool during a month by contacting Transportation Services.

Further details on the day-to-day operations of Production Pools are contained within the TSS Production Pool Operator Manual available on the internet at:

<https://www.nationalfuel.com/wp-content/uploads/2020/10/TSSPRODPOOLMANUAL.pdf>

c. Non-Telemetric Production Deliveries to Market Pools

To promote the use of local production without imposing a daily metering requirement, 100% of historical average daily production (represented by the PDQ) for the month shall be made available. Where Distribution has more current information concerning production deliverability, it may use such information in place of the historical daily average production. Gas must be scheduled on a daily basis to be delivered to an STBA pool. In no event shall volumes under the 95%-105% tolerance level that are not scheduled for delivery to STBA pools be made available as a carryover for nominations to STBA pools on a subsequent day during the month.

Non-telemetered gas cannot be nominated or delivered to DMT Market Pools.

d. Receipt Facility Measurement

The Company measures gas following the recommendations of the ANSI/API 2530 “Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids” (A.G.A. Report No. 3) including the A.G.A. Manual for Determination of Supercompressibility Factors of Natural Gas or the A.G.A. Transmission Measurement Committee Report No. 8 “Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases”, ANSI B109.3 “Standard for Rotary Meters” and “Measurement by Turbine Meters – Volumetric Flow Measurement” (A.G.A. Report No. 7), as appropriate to the type of measurement installed at the receipt facility. If the receipt facility gas flow characteristics are such that calculations cannot be performed consistent with the above-mentioned recommendations due to a decline in production or other operational matters, the Company shall have the right to turn off a meter until a replacement meter meeting the above specifications is installed.

Prior to executing its right to turn off a meter, Distribution shall notify the affected producer, in writing, identifying the meter(s) for which measurement calculations cannot be performed consistent with the above-mentioned recommendations. If the producer does not respond to notification, Distribution may shut off the meter 30 days after the date of such notification. If the producer responds within 30 days and agrees to

installation of a suitable replacement meter(s), the meter(s) will continue to flow until at least 60 days after the date of the initial notification. Otherwise, Distribution may shut off the meter(s).

Within 60 days of the notification, if the producer identifies a Distribution approved contractor to perform meter installation(s) and an installation date(s) is set, the meter(s) will continue to flow until such installation takes place. If the producer does not identify a contractor to perform the installation(s) and/or agree to an installation date(s), Distribution may shut off the meter(s).

If Distribution delays or cancels an installation, it shall notify the producer at least one business day in advance. A new installation date will be determined within 30 days of cancellation but will not necessarily be set within this period. The meter will continue to flow through the agreed upon new installation date. If the producer does not agree to a new installation date within 30 days of cancellation, Distribution may shut off the meter with at least one business day of written notice to the producer.

If the producer cancels a meter installation, it shall notify Distribution at least one business day in advance. A new installation date will be determined within 30 days of cancellation but will not necessarily be set within this period. The meter will continue to flow through the agreed upon new installation date. If the producer does not agree to an installation date within 30 days of cancellation, Distribution may shut off the meter with at least one business day of written notice to the producer.

If a producer cancels a meter installation without notice, Distribution may shut off the meter with at least one business day of written notice to the producer. If a producer cancels a meter installation with notice more than twice, Distribution may shut off the meter with at least one business day of written notice to the producer. Distribution may, however, elect a different course of action to the extent it believes the circumstances were beyond the producer's control and the producer is still making a good faith attempt to install suitable measurement.

e. Gas Quality: BTU Content

The Producer Interconnection Agreement (included in the Appendices of this GTO) establishes a standard "heat" content range of 967 to 1100 BTUs for receipt of supplies into Distribution's system. Distribution may also accept any supplies that, as measured by Distribution or Distribution's agent, bear a heat content outside the standard range. While a BTU conversion factor of 1000 is presumed for nomination purposes, any production gas with a BTU content of at least 967 will be allocated as if the BTU was 1000. When the BTU content falls below 967, if Distribution accepts such supplies, the volumes received will be adjusted to reflect the lower content. For example, 1000 Mcf with a heat content of 965 BTU will be adjusted to 965 Mcf for allocation purposes. There is no corresponding upward adjustment when heat content exceeds 1100 BTU for local production purchases (above the standard range) nor is there an adjustment when heat content exceeds 1000 BTU for transportation of local production.

f. Gas Quality: Water Vapor Content

NFGDC - Maximum Allowable Water Vapor Content in pounds per million cubic feet (lbs./MMCF)

Updated: 6/25/2014

Pressure (psig)	Gas/Ambient Temperature in Degrees Fahrenheit												
	Up to 35° F	36-42°	43-47°	48-51°	52-57°	58-62°	63-67°	68-72°	73-77°	78-82°	83-87°	88-92°	93-120°
Up to 30	43	50	64	76	99	99	99	99	99	99	99	99	99
31 - 35	40	47	60	72	86	99	99	99	99	99	99	99	99
36 - 40	37	43	54	65	78	99	99	99	99	99	99	99	99
41 - 45	33	39	49	60	72	86	99	99	99	99	99	99	99
46 - 50	31	36	46	55	66	79	99	99	99	99	99	99	99
51 - 55	29	33	42	51	61	73	87	99	99	99	99	99	99
56 - 60	27	31	39	47	57	68	81	99	99	99	99	99	99
61 - 70	23	28	34	41	49	59	70	83	99	99	99	99	99
71 - 80	22	25	32	38	46	55	66	78	99	99	99	99	99
81 - 90	19	23	27	33	40	48	57	67	80	99	99	99	99
91 - 100	18	21	26	31	38	46	54	65	76	99	99	99	99
101-110	16	19	24	29	35	42	50	59	70	83	99	99	99
111-120	15	18	22	26	32	39	46	55	65	77	99	99	99
121-130	14	17	21	25	30	36	43	51	60	71	84	99	99
131-140	13	15	19	23	28	34	40	48	57	67	78	99	99
141-150	12	15	18	22	27	32	38	45	53	63	74	86	99
>150	7	7	7	7	7	7	7	7	7	7	7	7	7

## Notes:

- 1.) If meter run has a temperature well, use gas temperature; otherwise, use ambient temperature, not taken in direct sunlight.
- 2.) Gas with water vapor content exceeding values indicated, or that is not merchantable, will be shut-in.
- 3.) By its tariff, NFGDC may limit the quantity of water vapor contained within the gas it receives to no more than seven (7) lbs. per MMCF of gas.

## g. Gas Quality: Gas Delivery Pressure

Producers must not jeopardize Distribution's system by delivering gas at pressures that will cause it to exceed its maximum allowable operating pressure ("MAOP"). Distribution requires that producers not exceed their required lock up pressure as set by Distribution for each area of its system. In the event a producer exceeds its designated lock up pressure, Distribution will lock the meter station and direct the producer to correct the issue.

## h. Production Retest Notification and Fees

The Producer Interconnection Agreement provides for testing of gas quality. Testing is coordinated through Distribution's Local Production Office in Erie, Pennsylvania. The point of contact for producer testing issues is:

Trevor Miodus      **Phone:** (814) 871-8520      **Fax:** (814) 871-8672      **Email:** [MiodusT@natfuel.com](mailto:MiodusT@natfuel.com)

The Local Production Office will coordinate the scheduling of the tests with Distribution's field personnel.

Where a test at an interconnection meter shows that the quality of gas does not meet Distribution's quality specifications and/or is non-standard, Distribution will shut in the meter. The producer shall take corrective action and request a retest be performed by Distribution in order for the meter to be turned back on. The procedures below will apply in cases where the initial test requires that a production meter be shut off:

1. The Gas Quality Shut-Off Notice will be faxed to Distribution's Local Production Office from the Service Center that performed the meter inspection/quality testing.
2. The Local Production Office will notify the producer by telephone of the shut off and remind the producer to contact the Local Production Office to schedule a retest when the quality issue has been addressed.
3. The shut off history on the meter for the previous 24 months is reviewed:
  - a. To determine if any additional equipment or change in procedure is required before the meter is turned back online. Distribution will notify the producer if such equipment or procedural change is necessary.
  - b. To determine the fee associated with the retest.

There is a charge of \$150 per meter for each scheduled service call to retest gas quality, up to three, within the last 24-month period. For additional service calls to retest gas quality during the same period, the

charge shall be \$250 per service call. Distribution has the right to shut off and remove the meter permanently if service calls to retest gas quality are in excess of five during the 24-month period.

4. The producer will notify Distribution by telephone that it is ready for a retest, provide the details of how it plans to mitigate the gas quality matter and, if applicable, if it has installed any required equipment. If acceptable to Distribution, a retest will be scheduled. Otherwise, Distribution will identify deficiencies in the plan and when remedied, the producer should call to indicate it is ready for a retest.
5. The Local Production Office will generate the work order instructing the Service Center to retest the meter. The Service Center will schedule the retest appointment with the producer.
6. If the retest shows the quality of gas to be satisfactory, and the installed equipment, if applicable, is functional, the meter will be turned on. If these conditions are not met, then the meter will remain off and the above process will be repeated.
7. If the retest was performed by the close of business on the 5<sup>th</sup> business day after the day the producer notified Distribution that it was ready for a retest, the Local Production Office will send an invoice to the producer in the appropriate amount.
8. In the event that Distribution performs the retest after the 5<sup>th</sup> business day, such retest will be free of charge and no invoice will be issued.
9. If the producer fails to pay the invoice by the due date, the meter will be shut in and not turned on until payment is received for the invoiced retest. An additional \$150 turn on fee must be paid prior to scheduling the turn on.
10. If a producer fails to appear for its scheduled retest, the meter will remain shut in and an invoice will be sent to the producer. The producer must call the Local Production Office again to repeat the above process.

- i. Late Charts/Meter Readings

Pursuant to the Article V. of the Producer Interconnect Agreement, month-end orifice meter charts and index readings (from the correctors on displacement meters) are due no later than the fifth (5<sup>th</sup>) working day of the month. Working days are equivalent to the business days Distribution's office is open. To minimize confusion, the actual due date will be posted on Distribution's website:

<https://www.nationalfuel.com/business-partners/general-postings/>

If charts/readings are not received on time, any gas associated with a late, end-of-the month chart or reading will not be allocated to transportation as an adjustment during a subsequent month. Instead, such volumes will be subject to cash out at 65% of the month-end Index Price. The purpose of this policy is to present an incentive for timely delivery of month-end orifice meter charts and index readings.

This index price will be based off the Eastern Gas South price (as described on Section 0 - Leaf 112 of Distribution's Tariff) and posted on the above mentioned website. In any month, Distribution reserves the right to suspend the cash out and process the gas associated with late chart(s) or index readings as transportation adjustments in the subsequent month. Distribution will post notification of suspension on its website by the 10<sup>th</sup> business day following month-end.

As a convenience, upon execution of a National Fuel System Administrator Security Process Agency Agreement, producers may enter displacement meter index readings online through a secure web site:

[https://sbsprd.natfuel.com/psp/gmprd/nfsbsgm/sbsprd/c/nfom\\_gas\\_measurement.nfoc\\_gm\\_prod\\_rdg.gbl](https://sbsprd.natfuel.com/psp/gmprd/nfsbsgm/sbsprd/c/nfom_gas_measurement.nfoc_gm_prod_rdg.gbl)

A form of the agreement, along with associated instructions, is available from the Distribution's General Producer & Supplier Postings web page at:

<https://www.nationalfuel.com/business-partners/general-postings/>

j. Odorization Compatibility

Producers that add odorant to their gas upstream of delivery to Distribution are required to use odorant that is compatible with NFGDC's system operations. Allowed odorant includes Odor Tech's SPOTLEAK 1039, or other similarly formulated compounds. Please read and refer to product literature posted on Distribution's General Producer & Supplier Postings web page at:

<https://www.nationalfuel.com/business-partners/producer-postings/>

Producers are responsible for their own procurement of odorant supplies as Distribution does not sell or supply this product. If there are any operational questions or if you wish to discuss this in more detail, please call Thomas Ferger at (716) 827-2376 or contact him at [fergert@natfuel.com](mailto:fergert@natfuel.com).

k. Renewable Natural Gas

Gas that is produced from the anaerobic decomposition of organic material may be delivered into Distribution's system provided that it is effectively processed and upgraded into merchantable Renewable Natural Gas ("RNG"). Raw biogas is known to contain constituents such that it would not be considered merchantable and therefore would not be accepted into Distribution's system. In addition to meeting the generally applicable gas quality standards specified in Distribution's tariff, parties wishing to produce RNG for delivery into Distribution's system ("RNG Operators") are required to meet supplemental Renewable Natural Gas Quality Standards for Constituents of Concern ("COC") provided in a Renewable Natural Gas Interconnection Agreement ("RNG-IA"). RNG Operators wishing to produce RNG for delivery into Distribution's system are required to execute an RNG-IA as a condition of access. A standard form RNG-IA is included in the appendices of the GTOP.

Distribution may, but is not required to, accept RNG into its system if it determines, in its sole discretion, that:

- (i) The RNG is free from bacteria, pathogens and any other substances injurious to utility facilities or people, or other constituents that would cause the gas to be unmarketable;
- (ii) The RNG can be delivered into Distribution's existing high-pressure system at a point with sufficient flows and pressures to enable blending sufficient to ensure proper dilution of constituents;
- (iii) Delivery of the RNG into Distribution's system will not jeopardize the integrity or normal operations of Distribution's system or otherwise adversely affect Distribution's customers; and
- (iv) The RNG complies with any gas quality specifications including those set forth above and any additional specifications required by Distribution.

Distribution uses the Gas Technology Institute's Interconnect Guide for Renewable Natural Gas (RNG) in New York State as a guidance document for its procedures applicable to RNG. There are four sources of RNG that may be accepted into Distribution's system:

- (i) Landfill
- (ii) Dairy, Swine
- (iii) Waste Water Treatment Plant ("WWTP")
- (iv) Food Waste

In addition, wood-waste feedstock processed into RNG by a gasifier, or other Syngas, may also be accepted into Distribution's system.

While the threshold levels provided in the RNG-IA are intended to be applicable to all COC, testing of individual COC will vary by source of RNG. Distribution may, however, change which COC are tested based upon its experience or that of others in the gas industry as applicable to RNG. Further, Distribution may change the frequency or equipment used for testing based upon its experience or that of others in the gas industry as applicable to RNG. Finally, if a mixed feedstock is utilized by the Operator, Distribution may test for all COCs.



Additionally, if Distribution determines that it will accept an Applicant's RNG into its system, the Applicant shall pay for any initial and ongoing testing and/or monitoring of the RNG, as well as any baseline and/or ongoing monitoring of Distribution's system that Distribution, in its sole discretion, deems necessary, appropriate or convenient.

Hazardous waste landfills ("Hazardous Waste Landfills") include all contiguous land and structures, and other appurtenances and improvements, on the land used for the treatment, transfer, storage, resource recovery, disposal, or recycling of hazardous waste. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling hazardous waste management units, or combinations of these units. Distribution will not accept or transport RNG from Hazardous Waste Landfills, including landfills permitted by the Department of Toxic Substances Control. Before Distribution will interconnect with the RNG Operator's system, the RNG Operator must demonstrate and certify to Distribution's satisfaction that the biogas was not collected from a Hazardous Waste Landfill.

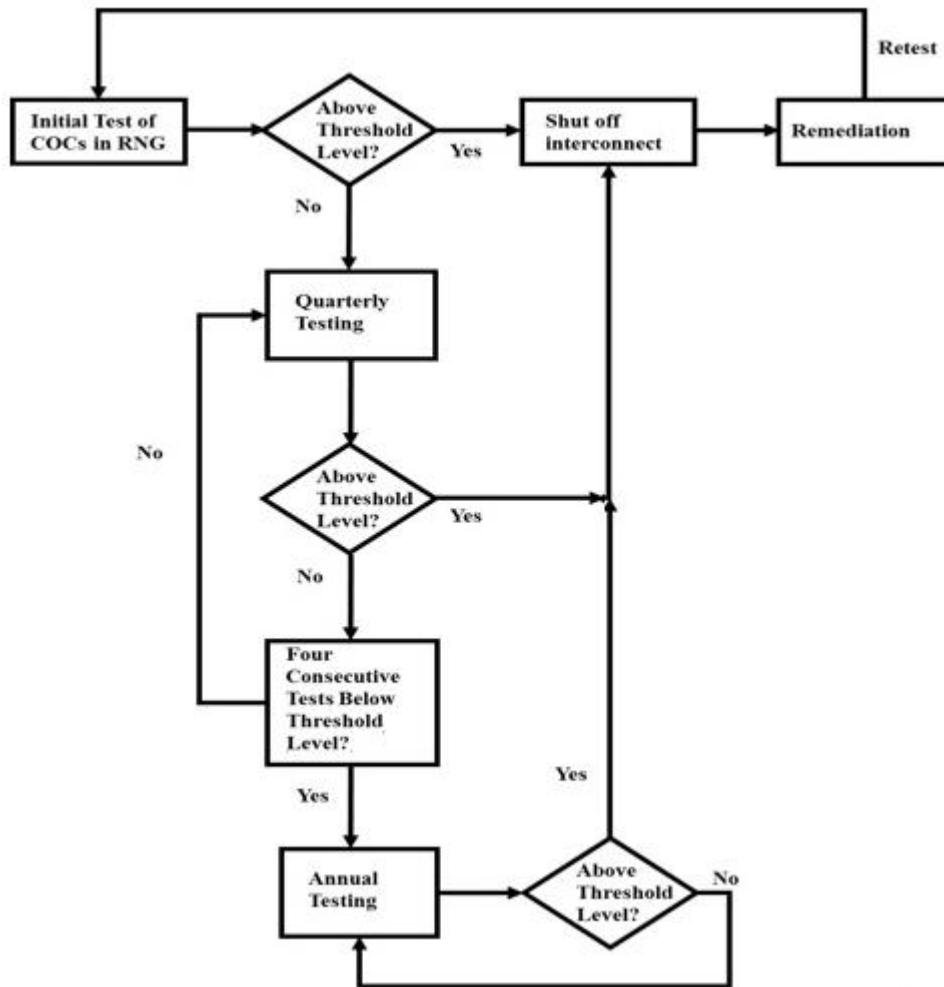
To ensure that raw biogas is effectively processed and upgraded into merchantable RNG, the following additional testing protocols will be administered:

l. Renewable Natural Gas - Pre-Interconnection Testing

- (i) Prior to the delivery of RNG to Distribution, the RNG Operator shall conduct two tests over a two to four week period for the constituents identified in Exhibit B - Table 1 of the RNG-IA for the applicable RNG source.
- (ii) Pre-interconnection testing shall be performed by the RNG Operator using Distribution-approved independent certified third party laboratories qualified to perform testing in accordance with the following methods: EPA Method 29, EPA 200.8, EPA Method 8270, TO-15, TO-11A, as applicable. Distribution shall be notified of the RNG sampling and tests and have the option to observe the samples being taken. Test results will be shared with Distribution within five calendar days of the test results being received by the Operator.
- (iii) If any COCs are found to be above the threshold level during pre-interconnection testing, the RNG cannot be accepted by Distribution. The Operator shall make necessary modifications to lower applicable COC levels below the threshold level and restart pre-interconnection testing. If those pre-interconnection COC sample test results are below threshold levels, then the Operator is authorized to commence delivering RNG to Distribution's receipt point, specified in Exhibit A of the RNG-IA.

m. Renewable Natural Gas – RNG Periodic Testing

- (i) COC testing shall be conducted quarterly upon deliveries of approved RNG (at least once during every three-month period in which deliveries occur) or any time the RNG Operator changes feedstock.
- (ii) If four consecutive quarterly test results for all COC remain below threshold levels, subsequent periodic testing frequency may be reduced to once during every 12-month period in which deliveries occur.
- (iii) If testing demonstrates that any COC levels exceed threshold levels, then Distribution shall cease RNG deliveries by shutting off the RNG interconnect, pursuant to Article 4 of the RNG-IA and the RNG Interconnect Shut-Off and Restart Procedures section below.
- (iv) The figure below demonstrates the testing protocols.

**Flowchart for Initial and Periodic COC Testing**

## n. Renewable Natural Gas – RNG Interconnect Shut-Off and Restart Procedures

The RNG interconnect may be shut off when one or both of the following occur:

- (i) The RNG Operator or Distribution determines that a change in the biogas source at the facility or a change in the RNG Operator's process or treatment equipment will potentially increase the level of any COC over the previously measured baseline levels.
- (ii) COC sample results indicate that one or more COCs exceed their allowable concentration threshold levels.

If the RNG interconnect has been shut off, deliveries of RNG may be recommenced and continued only after the following occur:

- (i) The RNG Operator fulfills the requirements set forth in Article 4 of the RNG-IA. The Operator must conduct testing of the RNG at its own expense using Distribution-approved independent certified third party laboratories qualified to perform testing in accordance with the following methods: EPA Method 29, EPA 200.8, EPA Method 8270, TO-15, TO-11A, as applicable.

- (ii) Once deliveries of RNG resume, the RNG shall be subject to the periodic testing requirements set forth in the RNG Periodic Testing section above if the test indicates the following:
  - a. the RNG complies with the gas quality specifications contained in applicable tariffs, contract(s) or agreement(s); and
  - b. the levels of all COCs are below threshold levels. Thereafter, the Operator shall reevaluate COCs to determine if the RNG is eligible for less frequent testing.
- o. Renewable Natural Gas – RNG Testing Procedures

The RNG Operator shall collect samples at the Interconnect receipt point identified in Exhibit A of the RNG-IA. Samples will be analyzed by Distribution-approved independent certified third party laboratories qualified to perform EPA 200.8 testing. Testing shall be by methods approved as, or considered to be, industry standard. Retesting shall be allowed to verify and validate the results. The cost of retesting shall be borne by the entity requesting the retest.

- p. Renewable Natural Gas – Continuous Monitoring of Upgrading Process Integrity

Absent an agreement otherwise, the RNG Operator's continuous monitoring of and compliance with applicable gas quality specifications shall be used as an indicator that the upgraded equipment or process system is effectively conditioning and upgrading the biogas to acceptable RNG standards. If the indicator(s) used to continuously monitor RNG constituent levels indicates the RNG has not been sufficiently conditioned and upgraded, the RNG Operator may accelerate the RNG periodic testing schedule and initiate immediate testing. Accelerated periodic testing shall satisfy the recommended periodic testing requirements described in the RNG Periodic Testing section above.

## **G. COMMUNICATIONS PROTOCOLS**

Day-to-day communications protocols are governed generally by the UBPs, set forth in the addendum.

### **1. Need for Open Lines Between Marketers and LDCs**

The objective of this protocol is to enhance communications among LDCs, pipelines, Marketers and Direct Customers bringing gas to the LDC City Gate. Well-developed communications will reduce errors and will provide all entities with the information necessary to properly fulfill their responsibilities. Underlying the protocol is the recognition that as customers opt for transportation service, the traditional bilateral communication between LDCs and customers becomes a communication loop including LDCs, pipelines, Marketers and Direct Customers.

Communication should be two-way, with numerous ways of communicating and in a manner that is clear and understandable. Each party must accept the responsibility for clarifying and understanding the messages being exchanged. Communication should be consistent within an organization and to the extent practical, consistent over time.

Communication among the LDC, Marketers and Direct Customers can occur on a regular basis (daily, monthly, seasonally), and on an as-needed basis (clarifications, alerts, Operational Flow Orders, etc.). Different ways of communicating (telephone, text, fax, internet website, email, mail, and face-to-face meetings) can be utilized depending upon the circumstances and the message to be conveyed.

### **2. Electronic Bulletin Board ("EBB")**

Distribution Transportation Scheduling System ("TSS")

Distribution's TSS serves as its internet-based EBB. This online system allows users to communicate via a NAESB-compliant (as applicable) Customer Activities website. This includes nominations, confirmations, trading of imbalances, and month-end reports. This system embodies all existing policies and procedures utilized in gas management as contained in the GTOP.

Distribution Website:

The website also includes up-to-date information and announcements regarding procedural changes, System Alerts, and other useful information relating to the regulatory process of unbundling. These announcements are included in the web page entitled "News/Announcements" at:

<https://www.nationalfuel.com/business-partners/news-and-announcements/>.

Distribution ensures the availability of password-secured operational information to assist Suppliers in making adequate deliveries to Distribution's City Gate. Such information includes ADDQs, pipeline contract numbers, reconciliation of differences picked up by Distribution in the confirmation process, degree-day information, SAs and OFOs, and daily consumption where there are daily meter reads.

Distribution makes every effort to ensure that previous month information is carried forward for Market Pool, Production Pool, and Aggregation Group setup in TSS. It is, however, the ultimate responsibility of the Operator of each of the Pools and Groups to ensure that the membership and related information of each Pool and Group is correct in TSS before the start of each calendar month.

Further, it is the ultimate responsibility of each Pool or Group Operator to ensure that all paperwork, supporting documentation or other written notification, or processes, as required in Distribution's Tariff, TSS Operators' Manuals, website, the GTOP, Service Agreements or binding contracts, are submitted in a timely manner as prescribed in these respective documents.

In situations that Distribution deems “extreme circumstances,” Distribution, in its sole discretion, reserves the right to make exceptions to its internal policies and procedures.

### **3. Bi-Annual “Reliability Forums”**

Reliable delivery of gas requires both communication and assets suited to service the unique operational needs of the distribution system. Discussion of reliability requirements may, upon LDC or Marketer request, be a topic on the agenda of a regularly scheduled meeting (as described in Section G.5 below).

### **4. EDI or Other Means of Transferring Information**

#### **a. General**

Distribution’s website can be used to obtain retail billing/measurement information. While access to some aspects of the historical customer information are interactive in nature, the bulk of the data is provided in structured delimited ASCII flat files.

File layouts and narrative descriptions for these flat files are available on Distribution’s website at:

<https://www.nationalfuel.com/business-partners/billing-file-layouts-and-file-transfer-instructions/>

The delimited ASCII flat files and Distribution’s form of electronic data exchange and should not be confused with X12 EDI standards required for Marketers. Access to the information available via ASCII flat files on the website is dependent upon qualification under aggregation services and a user ID/password obtained through Transportation Services.

#### **b. Billing/Consumption History Requests**

Marketers can request 24 months of consumption and billing history or for the life of the account if less than 24 months for a customer via the applicable EDI transaction. Marketers must have the consent of the customer and can access the information by using the nine-digit account number associated with the account.

Under limited special circumstances at the discretion of Distribution, such information will be provided through a manual process.

#### **c. Electronic Data Interchange**

On July 23, 2001, the New York Public Service Commission issued Opinion 01-03 in Case 98-M-0667, approving policies and data standards for the implementation of electronic data interchange (EDI) in New York. The Commission’s decision, and subsequent decisions, continues the work of a collaborative industry effort that began in New York in 1998. Several other Orders detailing transaction sets and testing procedures have been issued subsequent to Opinion 01-03. The November 21, 2003 Order in Case 98-M-1343 ultimately drives the EDI requirement for New York market participants.

To exchange data using EDI transactions with Distribution, marketers must first complete Phase I Testing, covering a prescribed series of datasets and/or transactions based upon a marketer’s business plan (e.g. depending upon the billing scenarios employed by the marketer), with one of the utilities in New York. Following Phase I Certification, marketers must successfully complete Phase III Testing and Certification with Distribution. Detailed information on EDI standards and protocols in New York is publicly available on the Commission’s website at:

<http://www3.dps.ny.gov/W/PSCWeb.nsf/ArticlesByTitle/6806CF784702477285257EC4005698D8?OpenDocument>

Distribution generally performs EDI testing on an “as needed” basis upon Marketer request. Depending upon the demand for testing, Distribution will test in batch mode. Distribution will provide notification of batch scheduling on its website on those occasions where required testing impacts all or a significant majority of Marketers. On

occasions where the Commission orders EDI changes but testing is not required by all parties and no effective date is specified within the Order, Distribution will post a schedule showing a cutover date to the updated transaction. Such date will be within 90 days of the effective date of the Order.

Phase III Testing is conducted in conformance with the New York EDI Technical Operating Profile document and its Supplements available at:

<http://www3.dps.ny.gov/W/PSCWeb.nsf/All/8D590CB291337B7E85257EC4005783F9?OpenDocument>

Distribution also provides an EDI web page that includes a links to an EDI Manual and Notices concerning EDI operations:

<https://www.nationalfuel.com/business-partners/electronic-data-interchange/>A Marketer may request EDI testing by contacting the Transportation Services at (716) 857-7232 or by email: [TSSSupport@natfuel.com](mailto:TSSSupport@natfuel.com). Marketers will also be required to sign an EDI Trading Partner Agreement (TPA) prior to the exchange of EDI transactions. The form of TPA is North American Energy Standards Board, Retail Gas Quadrant Model Business Practice RXQ.6.1, adopted June 15, 2009. The form of TPA is available from NAESB through its web site [www.naesb.org](http://www.naesb.org). Absent mutual agreement otherwise, to execute a TPA the Marketer must provide its D-U-N-S@(Number) as the Legal Entity Common Code. The D-U-N-S@(Number) from a Marketer's parent, subsidiary or any other affiliate will not be accepted.

Transportation Services will initiate the process and administer the TPAs for Distribution. Changes to Marketer information contained within the NAESB TPA Exhibits, if any, must be submitted to Distribution in written form five (5) business days in advance of the intended effective date. The written form should be an original signed letter on company letterhead, signed by a company officer. A courtesy email to Transportation Services would also be appreciated. Except for Direct Customers (as provided within the UBPs), all parties will be required to use EDI to conduct transactions covered by the UBPs, as applicable. Changes to the Trading Partner Worksheet may be communicated via email to the EDI Support Team (see EDI Contacts below) and will be verified as a part of EDI Testing.

Many Suppliers utilize third-party EDI Vendors to process EDI transactions. Should a Supplier wish to change their EDI Vendor, some (possibly all) EDI Testing may need to be re-completed. To initiate a change in EDI Vendors, the Supplier should contact Transportation Services (Attn. Gas Supply Administration -Transportation Services) in written form at least two (2) months in advance of the intended effective date in order to ensure sufficient lead time for EDI Testing. The written form should be an original signed letter on company letterhead, signed by a company officer. A courtesy email would also be appreciated.

Distribution has contracted with EC Infosystems for EDI Technical Support Services. With regard to the processing of EDI transactions, Suppliers who receive EDI services from EC Infosystems will not be afforded any advantage over, or be treated any differently than those who receive EDI services from other EDI Vendors.

The EDI Contacts for Distribution are as follows:

Types of EDI Questions      Person      Phone Number      email Address

Administrative Issues & Testing Initiation	Transportation Services	(716) 857-7232	TSSSupport@natfuel.com
Business Issues	Billing Help Desk	(716) 857-7432	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
General Technical & Processing Issues, Testing, Network Outages	EDI Support Team	(516) 739-1001 ext. 25	<a href="mailto:nfg.edisupport@vertextone.net">nfg.edisupport@vertextone.net</a>
Regulatory Issues	Jeffery Same	(716) 857-7507	<a href="mailto:SameJ@natfuel.com">SameJ@natfuel.com</a>

In cases where a Marketer's EDI system has failed unexpectedly or in cases of EDI system maintenance of extremely limited duration, the Marketer should contact Transportation Services to determine whether it is appropriate to utilize alternative means to communicate business transactions that normally occur via EDI. If appropriate, the Company will provide alternative communications on a short-term basis only.

## 5. Regular Meetings/Teleconferences

### a. Regular Meetings

Distribution conducts regularly scheduled and announced meetings among Marketers, and Direct Customers prior to, after, and as needed during the heating season. The purpose of these meetings is to address issues of concern to the LDC as system operator, and Marketers, and Direct Customers as gas Suppliers. Agendas are formulated with input from all parties, and include open discussion as part of each meeting's agenda. Announcements of any upcoming meetings may be made via email and posting on Distribution's website at:

<https://www.nationalfuel.com/business-partners/news-and-announcements/>

### b. Teleconferences

On an as-needed basis, Distribution will schedule teleconferences with natural gas Suppliers serving customers behind its system. The purpose of these teleconferences is to discuss issues that impact the safety and reliability of gas supply on Distribution's system.

Effective and consistent communications are critical in order to provide all entities with the information necessary to properly fulfill their respective responsibilities, both in normal and emergency circumstances. All Suppliers are strongly urged to participate in these teleconferences. Announcements of any upcoming meetings may be made via email and posting on Distribution's website at:

<https://www.nationalfuel.com/business-partners/news-and-announcements/>

Should a Supplier believe it is necessary to schedule a teleconference, it should contact Transportation Services at 716-857-7232 or TSSsupport@natfuel.com.

## 6. Distribution Contact Summary

As a convenience, contact phone numbers and email addresses contained elsewhere within the GTOP are reiterated below:

<u>Types of Questions</u>	<u>Person/Department</u>	<u>Phone Number</u>	<u>email Address</u>
Affiliate Transaction Issues	Jeffrey Same	(716) 857-7507	<a href="mailto:SameJ@natfuel.com">SameJ@natfuel.com</a>
ADDQ Adjustment Requests	Transportation Services	(716) 857-7232	<a href="mailto:TSSSupport@natfuel.com">TSSSupport@natfuel.com</a>
Billing	TSD Billing	(716) 857-7432	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
Credit/Security	Betty Szretter	(716) 857-7570	<a href="mailto:SzretterB@natfuel.com">SzretterB@natfuel.com</a>
Dispute Resolution	Jeffrey Same	(716) 857-7735	<a href="mailto:SameJ@natfuel.com">SameJ@natfuel.com</a>
EDI Business Issues	Transportation Services	(716) 857-7232	<a href="mailto:TSSSupport@natfuel.com">TSSSupport@natfuel.com</a>
EDI General Technical Issues	EDI Support Team	(516) 739-1001 ext. 25	

EDI Testing	EDI Support Team	(516) 739-1001 ext. 25	
GTOP Manual	Dan Czechowicz	(716) 857-6917	<a href="mailto:CzechowiczD@natfuel.com">CzechowiczD@natfuel.com</a>
Large Customer Transportation Service Application	Energy Services	(716) 857-7776	
Marketer Ombudsman	Chris Cej	(716) 857-6985	<a href="mailto:CejC@natfuel.com">CejC@natfuel.com</a>
Marketer Relations	Dan Czechowicz	(716) 857-6917	<a href="mailto:CzechowiczD@natfuel.com">CzechowiczD@natfuel.com</a>
Media Relations	Karen Merkel	(716) 857-7654	<a href="mailto:MerkelK@natfuel.com">MerkelK@natfuel.com</a>
Meter Reading	TSD Billing	(716) 857-7432	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
New Service Applications	Distribution CRC	(716) 686-6123 or (800) 365-3234	
Nominations, Gas Scheduling & Operations	Transportation Services	(716) 857-7232	<a href="mailto:TSSSupport@natfuel.com">TSSSupport@natfuel.com</a>
Producer Testing	Trevor Miodus	(814) 871-8520	<a href="mailto:MiodusT@natfuel.com">MiodusT@natfuel.com</a>
Regulatory	Jeffrey Same	(716) 857-7507	<a href="mailto:SameJ@natfuel.com">SameJ@natfuel.com</a>
Retail Sales	Erik Solomon	(716) 857-7003	<a href="mailto:SolomonE@natfuel.com">SolomonE@natfuel.com</a>
Billing Service Agreements	Transportation Services	(716) 857-7232	<a href="mailto:TSSSupport@natfuel.com">TSSSupport@natfuel.com</a>
Billing Rate Instructions	TSD Billing	(716) 857-7432	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
Trans. Services Dept. Head	Lisa Petko	(716) 857-7120	<a href="mailto:PetkoL@natfuel.com">PetkoL@natfuel.com</a>
24 Hour Emergency Uniform Business Practices	Help Desk Jeffery Same	(716) 857-7232 (716) 857-7507	<a href="mailto:SameJ@natfuel.com">SameJ@natfuel.com</a>
Upstream Capacity Demonstration	Nick Pasquarella	(716) 857-7010	<a href="mailto:PasquarellaN@natfuel.com">PasquarellaN@natfuel.com</a>
Wire Transfer Contact	Cash Management	(716) 857-7697	cashmgt@natfuel.com



## **H. OPERATIONAL FLOW ORDERS**

### **1. Description**

During any period in which Distribution determines, in its sole discretion, that its ability to accommodate imbalances is restricted or impaired (i.e. "Critical Period"), or in order to maintain system operational integrity, or to prevent a curtailment, an OFO shall be issued on a minimum 24 hours' notice. OFOs are issued when other actions have failed to eliminate reliability concerns. A Critical Period is a period of operational stress or impending potential stress that may impact the integrity of Distribution's system or a force majeure event. OFO notifications will be made via email, posting on Distribution's website, and via phone as applicable.

### **2. Guidelines for Instituting an OFO**

Distribution will provide 24 hours' notice of an OFO unless circumstances exist which require an immediate response. When an OFO is preceded by a System Alert, the 24 hour notice will begin with the issuance of the System Alert. Distribution will endeavor to provide an eight-hour notice when a SA is changed to an OFO. OFO notice will meet the time requirements above, and will note the time of issuance, date and time the OFO takes effect, and estimated duration.

The OFO notice will communicate the actions required of Marketers and Direct Customers, the reasons for those actions required, and will provide periodic update(s) to enable parties to continue their planning functions. Such actions as required in the OFO notice will be limited in scope and duration and as localized as possible to meet the required objective. OFOs will be applied on a non-discriminatory basis to all similarly situated parties. Distribution will notify the Commission's Director of the Office of Water and Gas when an OFO is declared and again when the situation returns to normal. Distribution will respond to reasonable requests for information by parties within a reasonable time of the OFO event.

### **3. System Alerts**

A System Alert ("SA") may be called during periods of projected increased or decreased consumer demand for, or supply of, natural gas that may cause system stress or threaten applicable storage or other pipeline contract limitations. A SA is a request for specific action on the part of an individual shipper, or all shippers. The shippers are expected to respond to SAs after Distribution provided notice, informing Distribution of their intended action. Where possible, a SA may be used to avoid an OFO but shall not be required as a condition to the issuance of an OFO. Email messages and/or web notices will include the following information:

- Date that the SA is issued
- Conditions (reason) for SA
- Requested action (e.g., increase or decrease nomination), if applicable
- Projected length of SA, if available

Distribution will maintain a record of the date, time, and person contacted, the requested action, and action taken. Distribution will notify affected parties via Distribution's website once the SA condition has ended.

#### **4. Responsibilities of Marketers/Customers and LDCs during an OFO or SA**

It is impossible to detail all the conditions under which a LDC may find it necessary to initiate an OFO. The following guidelines should apply to OFOs and OFO notifications:

- 1) The OFO notice shall meet minimum time requirements to designated Marketer or Direct Customer personnel and shall provide as much advance notice as possible. The date and time of issuance, date and time the OFO takes effect, and the estimated duration shall be included in the OFO notice.
- 2) The OFO notice should communicate clearly to designated Marketer or Direct Customer personnel the actions required as well as the reason for the required actions and provide periodic updates to enable parties to continue their planning functions.
- 3) Actions required by the OFO should be limited both in duration and scope to meet the required objective.
- 4) The required actions should be as localized as possible.
- 5) The OFO should be applied on a nondiscriminatory basis to all similarly situated parties.
- 6) The LDC should respond to reasonable requests for information by parties within a reasonable time after the OFO event.
- 7) The OFO shall not be issued to mitigate economic disparities.
- 8) The LDC shall notify the Director of the Office of Gas and Water of the New York State Department of Public Service when an OFO is declared and when the situation returns to normal.

Failure of the LDC to adhere to one or more of the above guidelines is not a basis for Marketers or Direct Customers not to comply with requirements of the OFO but may provide the basis for a complaint to the Commission regarding the LDC's behavior.

Some of the actions required by an OFO may include:

- Require Marketers to deliver gas to a specific point.
- Require Marketers to balance daily or to deliver a specified quantity of gas.
- Change daily nominations for customer groups being served with a flat monthly nomination.

Upon notice that an OFO will be issued, and for the duration of the OFO, the LDC must make authorized personnel available on a 24-hour-a-day, 7-day-a-week basis to handle the submission and processing of evening cycle and intraday nominations to facilitate the Marketer's and Direct Customer's response to the OFO.

If, during an OFO period, the LDC is aware of Marketers or Direct Customers that are not responding to the required actions, it should make all reasonable efforts to inform the non-responding Marketers and Direct Customers that required actions are not being taken. Lack of such notice shall not relieve any Marketer or Direct Customer of its obligations.

The Marketer, if necessary, should communicate with its customers to secure compliance with the conditions of a utility directed OFO. If the Marketer is aware of non-compliance of one or more of its customers, it shall notify the utility of the name(s), address and account number(s) of the end-user(s). During an OFO the application of penalties should be constructed not to penalize Marketers or Direct Customers whose imbalances work to benefit the integrity of the gas system.

## 5. Examples of Distribution OFOs

### General OFO

Distribution may issue any OFOs reasonably required to maintain system operational integrity and to assure continued service to its firm Sales Service customers.

### Overdelivery OFO

Overdelivery OFOs will be issued to restrict overdeliveries at the City Gate. During such a period, nominations that exceed the applicable DDQ or ADDQ by 2% shall be rejected.

### Underdelivery OFO

In accordance with Section II.20.E.b. of Distribution's Tariff, underdelivery OFOs will be issued to assure that adequate supplies are delivered to the City Gate. During such a period, the customer or customer's Supplier shall be charged the Daily Index price for the cash out of imbalances set forth in General Information Section 29 of Distribution's Tariff plus \$25.00 per Mcf exceeding two (2) percent of the applicable DDQ or ADDQ, or the customer's usage in cases where it determines its own DDQ. If the Company has simultaneously issued a Notice of Unauthorized Period, as set for in SC 11, during which the applicable SC 11 deficiency imbalance rate exceeds the applicable OFO rate, the SC 11 rate shall apply herein. Electric generation transportation customers shall be charged \$25 per Mcf additional to the otherwise applicable OFO rate. In addition to the foregoing, failure to meet DDQ and ADDQ requirements during an OFO may result in discontinuation of service.

Distribution may also issue OFOs, which apply to transportation customers receiving daily-metered service under SC-13 as follows:

### Modifications of Daily Surplus or Deficiency Tiers

The Company may lower the percentage levels of the Daily Deficiency or Surplus tiers for SC-13 service during an OFO. The Company may change the first imbalance tiers for Daily Surplus or Deficiency Imbalances as circumstances warrant. The first imbalance tier for Daily Surplus or Deficiency Imbalances may be reduced to a range of 0-2% and the second tier will be correspondingly modified to a range of 2-15%.

### Modifications of Daily Deficiency Rate during an OFO

When the Company declares a deficiency OFO for Deficiency Imbalances outside the first tier, the applicable charge shall be the higher of the rate under SC-11 or the rate produced by the index calculation at the applicable tier level.

### Suspension of "No Harm, No-Foul" Rule

During an OFO, the "no harm, no-foul" rule shall not apply to Deficiency Imbalances from 0-2%.

**APPENDICES**

**FORMS & APPLICATIONS**



**Upstream Agency Consent Form and Affidavit (“Upstream Agency Arrangement”)**

\_\_\_\_\_, (herein referred to as ‘Upstream Agent’), hereby consents to act as Upstream Agent for )\_\_\_\_\_, (hereinafter referred to as ‘Supplier’) and agrees to accept and maintain Supplier’s capacity releases or assignments from National Fuel Gas Distribution Corporation (‘NFGDC’) beginning \_\_/\_\_/\_\_ and continuing on a calendar month-to-calendar month basis. NFGDC will accept the Upstream Agency Agreement for processing capacity releases or assignments and continuing so long as Supplier’s STBA Agreement is effective, or until terminated by either party upon 15 days written notice to NFGDC or no longer acceptable to NFGDC upon 15 days notice to Upstream Agent and Supplier. Upstream Agent will become the customer of record of the applicable upstream Transportation Service Provider and assumes Supplier’s upstream transportation (including storage) management and city gate delivery responsibilities under SC 19. Further, Upstream Agent warrants that it is contractually obligated to provide gas supply sufficient to meet the Supplier’s ADDQ.

**Agent:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (Officer Level):** \_\_\_\_\_  
**Phone Number:** \_\_\_\_\_

\_\_\_\_\_, as Supplier, appoints Upstream Agent to obtain capacity releases on behalf of Supplier as provided herein. NFGDC may invoice Upstream Agent on behalf of the Supplier for charges incurred pursuant to this Upstream Agency Arrangement; however, Supplier remains ultimately responsible for payment. If Upstream Agent does not comply with tariff, NFGDC may, at its discretion, no longer accept this Upstream Agency Arrangement.

**Supplier:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_  
**Name:** \_\_\_\_\_  
**Title (Officer Level):** \_\_\_\_\_  
**Phone Number:** \_\_\_\_\_  
**Aggregation Group #:** \_\_\_\_\_

**Mail completed form to:      National Fuel Gas Distribution Corporation  
Gas Supply Administration – Transportation Services  
6363 Main Street  
Williamsville, NY 14221**

FOR GAS SUPPLY ADMINISTRATION DEPARTMENT USE ONLY

Approved By \_\_\_\_\_ Date \_\_\_\_\_

NY AGGREGATION AND CREDIT APPLICATION

Date:

Rec by:

Name of Business:	
Address:	
Billing/Mailing Address:	
Contact Person:	
Telephone #:	FAX #:
If a subsidiary, list parent company name & headquarters address	
Name: _____	
Address:	
Type of Business:	DUNS # _____
<input type="checkbox"/> Corporation	Date & State of Incorporation _____
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Partnership
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> School or School District	<input type="checkbox"/> Municipal Entity
<input type="checkbox"/> Church or Religious Institution	<input type="checkbox"/> Municipal Agency
<input type="checkbox"/> Not-for-Profit Organization	<input type="checkbox"/> Municipality

**OFFICERS / PRINCIPALS OF BUSINESS APPLICANT**

Name:	Title:
Home Address:	
Name:	Title:
Home Address:	
Name:	Title:
Home Address:	

<p>Type of Aggregation Service Requested:</p> <p>Please check all that are requested:</p> <p><input type="checkbox"/> Supplier Transportation, Balancing and Aggregation (STBA)</p> <p>Please check which billing models will be used:</p> <p>_____ Single Retailer (Marketer Consolidated Billing)</p> <p>_____ Choice (Utility Consolidated Billing) – Requires a separate Billing Service Agreement</p> <p>_____ Dual (Both Utility and Marketer Bill separately)</p> <p><input type="checkbox"/> Daily Metered Transportation Aggregation (DMT)</p>
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**ADDITIONAL APPLICANT INFORMATION:**

1. Does your company currently purchase gas or transportation services from National Fuel Gas Distribution Corporation (NFGDC)? ____ yes ____ no
2. If "yes", please enter your NFGDC account number from a recent bill: _____.
3. Have you acted as a pool agent for any transportation gas pool on National Fuel Gas Distribution Corporation's system any time in the last twelve (12) months? ____ yes ____ no
4. If applicable, when do you wish to initiate services as a Supplier Transportation, Balancing and Aggregator? _____ 20 ____.
5. If applicable, when do you wish to initiate services as a Daily Metered Transportation Aggregator? _____ 20 ____.
6. As a participant in NFGDC's STBA program, you are required to have upstream capacity on the major interstate pipeline systems. Are you an "approved bidder" or do you have an "approved agent" on National Fuel Gas Supply Corporation's and other major interstate pipeline systems? ____ yes ____ no

**BANK REFERENCES:**

Bank:	Phone #:
Address & Branch	
Bank:	Phone #:
Address & Branch	

**ADDITIONAL CREDIT / TRADE REFERENCES:**

Name:	Phone #:
Address:	
Name:	Phone #:
Address:	
Name:	Phone #:
Address:	

The undersigned hereby authorizes National Fuel Gas Distribution Corporation to make whatever credit inquiries it deems necessary in order to process this credit application; regarding any credit review or the collection of any debts accrued as a result of any credit extended as a result of their reliance on the information provided on or obtained from credit references given on this application. In addition, the undersigned hereby authorizes and instructs any person or credit reporting agency to compile and furnish National Fuel Gas Distribution Corporation any information it may have or may find necessary to obtain in response to requested credit inquiries. The undersigned further asserts that they have the authority to grant the permission to relinquish the requested information.

\_\_\_\_\_  
Signature Title Date



**SUPPLIER ACKNOWLEDGMENT FORM**

*NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
(NFGDC)*

**Applicable to NY and PA Divisions**

I am a principal, authorized agent or representative (Agent) of the marketer/ESCO/NGS identified below. Said marketer/ESCO/NGS is a "Supplier" as defined in NFGDC's tariff which is available on NFGDC's web site at [www.natfuel.com](http://www.natfuel.com) or at any Consumer Business office. On behalf of Supplier, I have reviewed and understand the provisions of NFGDC's tariff relevant to Supplier's interaction with NFGDC, including but not limited to the city gate balancing services, rules and regulations. I understand that Supplier must pay all applicable penalties and charges incurred for city gate imbalances resulting from Supplier's nominations and deliveries. I also understand that failure to comply with these rules and regulations may result in disqualification of Supplier status and rejection of future nominations. By my signature below, the promises and understandings I have made herein shall be binding on Supplier, its successors and assigns.

\_\_\_\_\_ AGENT

By: \_\_\_\_\_ AUTHORIZED SIGNATURE

\_\_\_\_\_ PRINT NAME OF SUPPLIER

\_\_\_\_\_ DATE

\_\_\_\_\_ PRINT NAME

\_\_\_\_\_ TITLE (OFFICER/MEMBER LEVEL)

\_\_\_\_\_ NOTARIZED BY

**FOR TRANSPORTATION SERVICES USE ONLY**  
Appvd. By \_\_\_\_\_ Date \_\_\_\_\_



**National Fuel**

**Customer Deposit/Prepayment Affidavit**

\_\_\_\_\_, (Hereinafter referred to as 'Supplier'), hereby affirms it has read and will comply with Distribution's Tariff at Service Classification No. 19, Section 25, concerning ESCO Requirements needed to qualify to accept Customer Deposits and Prepayments. Through this affidavit, Supplier indicates whether or not it accepts deposits or prepayments from Customers. Supplier also acknowledges responsibility to annually notify Distribution and the Commission of any changes to end user contracts and /or bond ratings.

Supplier Accepts:	Yes	No
Customer Pre-payments.	<input type="checkbox"/>	<input type="checkbox"/>
Customer Deposits.	<input type="checkbox"/>	<input type="checkbox"/>

If Supplier Accepts Customer **Pre-payments**:  
Evidence of current bond rating is attached.

If Supplier Accepts Customer **Deposits**:  
Evidence of current bond rating is attached.   
OR  
Letter from Supplier's financial institution evidencing sufficient letter of credit or escrow balance and bond rating of issuing financial institution is attached.

State of \_\_\_\_\_ )ss.:  
County of \_\_\_\_\_ )

On the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, before me the undersigned, a notary public in and for the said state, personally appeared \_\_\_\_\_ acknowledging that (he/ she) is the \_\_\_\_\_ of \_\_\_\_\_. Personally known to me to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity.

\_\_\_\_\_  
NOTARY PUBLIC

**Return To:** National Fuel Distribution Corporation  
Transportation Services Department  
6363 Main St.  
Williamsville, NY 14221-5887

<b>FOR TRANSPORTATION SERVICES DEPT. USE ONLY</b>	
Appvd. By _____	Date _____





#### Market Pool/Production Pool Request Form

This form is used when requesting creation of a new, first-time Pool, and required for initial setup of a new Market Pool or a new Production Pool. To initiate a new Pool for use in TSS, complete the **Market Pool/Production Pool Request Form** and email to [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com) or fax to Transportation Services @ (716) 857-7479

For Business Parties already transporting gas on NFGDC, *new* Pools should be established as early as possible in the month prior to the desired start month, but no later than thirty (30) business days before the new month begins. Due to training considerations, a one-month advance notice to establish new pools is required for those Business Parties new to transporting gas on NFGDC.

Transportation Services will assign the name of a new Pool and will notify the Pool Operator of the pool name. It is always best to establish new Pools as early as possible before the new month begins.



**National Fuel®**

### Market Pool / Production Pool Request Form

(Used to establish NEW pools on NFGDC)

Date     
(Month) (Day) (Year)

Business Party Name:

Gas Scheduler Name:  Phone Number ()   
(Last) (First)

Gas Scheduler Signature: \_\_\_\_\_

Proposed Pool Initiation Date:  /   
(Month) (Year)

**Note: New pools should be established at least thirty days before the beginning of the month**

Production Pool:  Daily  Monthly  NY  PA

Market Pool:

Billing Model: (NY-DMT)  Dual   
(NY-STBA)  Dual  Marketer Consolidated  Utility Consolidated   
(PA-DMT)  Dual   
(PA-SATS)  Dual  Utility Consolidated   
(PA-MMNGS)  Dual  Utility Consolidated

Pool Type (applies only to PA MMNGS): Intrastate  Interstate

**Fax to NFGDC Transportation Services @ 716-857-7479  
or Email to [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com)**

**For Transportation Services Use Only**

Approved By \_\_\_\_\_ Date \_\_\_\_\_

Pool Name \_\_\_\_\_



## Utility Account Reclassification Certification Residential to Non-Residential

Please complete this form and return it to National Fuel. Incomplete Forms will not be processed.

National Fuel Account Number	Type of Structure (college dorm, commercial with upstairs residential, etc.)		
Name	Check if applicable:    Comm.    Indus.    Pub. Auth.		
Street Address	Percentage of non-residential use at property  _____%		
City            County            State            ZIP code			
If this reclassification is for another location, provide address			
Street Address	Telephone Number (    )    -    _____		
City            County            State            ZIP code	Email Address		

**Who should complete this form?**

The Customer of record for the account indicated above should fill out and sign this form. Forms completed on behalf of Customers by Energy Service companies will not be accepted. National Fuel reserves the right to contact the Customer to verify the representations made in this form.

**Account Classification** - Consistent with National Fuel Gas Distribution Corporation's Tariff, P.S.C. No. 9 – Gas ("Tariff"):

**Residential Service Classification:** A Customer Account may be classified as Residential where consumption is less than 25,000,000 cubic feet per year for residential purposes in a one-family, two-family, three-family, or four-family dwelling, whether such service is individually or master metered, and in separately metered apartments in all other multiple-family dwellings.

**Non-Residential Service Classification:** A Customer Account may be classified as Commercial if:

- 1) the consumer is engaged in selling, warehousing, or distributing a commodity, or service, in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving the manufacturing or processing of a product; or
- 2) the Structure is an Apartment building consisting of five or more family units supplied by one meter; or
- 3) based upon the nature of consumer's primary business or economic activity at the location.

A Customer may be classified as Industrial if gas is consumed primarily to alter raw material into another form or product. Where gas is supplied to municipalities or divisions (agencies) of local, state or federal governments, a Customer may be classified as Public Authority.

**> 50% Rule:** Where gas used for non-residential and residential purposes is not separately metered, a non-residential Service Classification shall apply only if more than 50% of the pertinent structure's square footage is used for non-residential purposes.

**Allocation Formula**

Where the premises consists of both residential and non-residential (e.g. Commercial) space, the % applicable to commercial use should be calculated by the square footage of commercial use (excluding common areas) by the total square footage (excluding common areas). The result should be rounded to the nearest 10%. Hotels, motels, etc., may claim residential status for units occupied by the same occupant for at least 90 days.

**Certification**

I, the undersigned, certify that the above information is correct. Further I understand that if this information is accepted by National Fuel, my Account will be taxed as a Non-Residential Account, and to the extent any portion of the account should be taxed at residential rates or is otherwise exempt I am responsible for submitting the appropriate supporting information to National Fuel.

Mail Form to:	<b>National Fuel</b> Attn. Transportation Services 6363 Main Street Williamsville, NY 14221
or by Fax to:	<b>(716) 857-7479</b>
or by email to:	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
Questions:	<b>(716) 857-7432</b>

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

For Transportation Services Department Use Only		
SC _____	App'd By _____	Date _____
Email Date/Time Stamp		



## Utility Account Reclassification Certification Non-Residential to Residential

Please complete this form and return it to National Fuel. Incomplete Forms will not be processed.

National Fuel Account Number	Type of Structure (college dorm, commercial with upstairs residential, etc.)
Name	_____
Street Address	Percentage of residential use at property  _____ %
City            County            State            ZIP code	
If this reclassification is for another location, provide address	
Street Address	Telephone Number (     )     -
City            County            State            ZIP code	Email Address

**Who should complete this form?**

The Customer of record for the account indicated above should fill out and sign this form. Forms completed on behalf of Customers by Energy Service companies will not be accepted. National Fuel reserves the right to contact the Customer to verify the representations made in this form.

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- 2) the Structure is an Apartment building consisting of five or more family units supplied by one meter; or
- 3) based upon the nature of consumer's primary business or economic activity at the location.

A Customer may be classified as Industrial if gas is consumed primarily to alter raw material into another form or product. Where gas is supplied to municipalities or divisions (agencies) of local, state or federal governments, a Customer may be classified as Public Authority.

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**Certification**

I, the undersigned, certify that the above information is correct. Further I understand that if this information is accepted by National Fuel, my Account will be taxed as a Residential Account, and to the extent any portion of the account should be taxed at non-residential rates and/or is otherwise exempt I am responsible for submitting the appropriate supporting information to National Fuel.

Mail Form to:	National Fuel Attn. Transportation Services 6363 Main Street Williamsville, NY 14221
or by Fax to:	(716) 857-7479
or by email to:	<a href="mailto:TSD-Billing@natfuel.com">TSD-Billing@natfuel.com</a>
Questions:	(716) 857-7432

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

For Transportation Services Department Use Only		
SC _____	App'd By _____	Date _____
Email Date/Time Stamp _____		

**ACRONYMS**

<b>ADDQ</b>	Aggregated Daily Delivery Quantity
<b>AGA</b>	American Gas Association
<b>BCF</b>	Billion Cubic Feet
<b>BDR</b>	Business Development Rate
<b>BSA</b>	Billing Services Agreement
<b>BTU</b>	British Thermal Unit
<b>CAUR</b>	Customer Assisted Unlock Read
<b>CBS</b>	Consolidated Billing Service
<b>CCF</b>	100 Cubic Feet (Volumetric) or approximately 1.03 therms
<b>CDP</b>	Central Delivery Point
<b>CF</b>	Cubic Foot
<b>CIS</b>	Customer Information System
<b>CMR</b>	Cost Mitigation Reserve
<b>CME</b>	Calendar Month Estimate
<b>CTS</b>	Customer Transportation Statement
<b>CU FT/HR (CFH)</b>	Cubic Feet Per Hour
<b>°C</b>	Degrees Celsius
<b>DD</b>	Degree Day
<b>DDQ</b>	Daily Delivery Quantity
<b>DMT</b>	Daily Metered Transportation
<b>DF</b>	Duel Fuel
<b>DMT-INA</b>	Daily Metered Transportation Imbalance Netting Agreement
<b>DPR</b>	Design Peak Requirement
<b>DSA / SA</b>	Data Security Agreement / Self Attestation
<b>DTH</b>	Dekatherm, 10 Therms or 1,000,000 BTU's (Energy)
<b>DTR</b>	Demand Transfer Recovery Rate
<b>EBB</b>	Electronic Bulletin Board
<b>EBD PTR</b>	Elderly, Blind or Disabled Payment Troubled Residential Assistance Program
<b>EDZR</b>	Economic Development Zone Rate
<b>EFT</b>	Enhanced Firm Transportation
<b>EIA</b>	Energy Information Administration
<b>EPSQ</b>	Elapsed Prorated Scheduled Quantity
<b>ESCO</b>	Energy Services Company
<b>ESS</b>	Enhanced Storage Service
<b>°F</b>	Degrees Fahrenheit
<b>FERC</b>	Federal Energy Regulatory Commission
<b>FSIV</b>	Final System Imbalance Volume
<b>FSS</b>	Firm Storage Service
<b>FT</b>	Firm Transportation
<b>GAC</b>	Gas Adjustment Clause
<b>GITC</b>	Grandfathered Intermediate Transportation Capacity
<b>GRT</b>	Gross Receipts Tax
<b>GTOP</b>	Gas Transportation Operating Procedures
<b>GUTC</b>	Grandfathered Upstream Transportation Capacity
<b>HEAP</b>	Home Energy Assistance Program
<b>HEFPA</b>	Home Energy Fair Practices Act
<b>ISIV</b>	Initial System Imbalance Volume
<b>IT</b>	Interruptible Transportation
<b>LC</b>	Letter of Credit
<b>LDC</b>	Local Distribution Company, (e.g. Distribution )
<b>LIRA</b>	Low Income Residential Assistance

<b>MAOP</b>	Maximum Allowable Operating Pressure
<b>MC</b>	Minimum Charge
<b>MCF</b>	Thousand Cubic Feet (volumetric) or approx. 10 therms
<b>MDIQ</b>	Maximum Daily Injection Quantity
<b>MDQ</b>	Maximum Daily Quantity
<b>MSQ</b>	Maximum Storage Quantity
<b>MDTQ</b>	Maximum Daily Transport Quantity
<b>MDWQ</b>	Maximum Daily Withdrawal Quantity
<b>MMBTU</b>	Million British Thermal Units
<b>MMCF</b>	Million Cubic Feet
<b>MMDTH</b>	Million Dekatherms
<b>MMT</b>	Monthly metered transportation
<b>MUTC</b>	Mandatory Upstream Transportation Capacity
<b>NAESB</b>	North American Energy Standards Board
<b>NFGDC</b>	National Fuel Gas Distribution Corporation
<b>NFGSC</b>	National Fuel Gas Supply Corporation
<b>NGPA</b>	Natural Gas Policy Act of 1978
<b>NYMEX</b>	New York Mercantile Exchange
<b>NY PSC</b>	New York Public Service Commission (a.k.a. PSC)
<b>OBA</b>	Operational Balancing Agreement
<b>OFO</b>	Operational Flow Order
<b>PA PUC</b>	Pennsylvania Public Utility Commission (a.k.a. PUC)
<b>PDA</b>	Pre-determined allocation
<b>PDQ</b>	Production Daily Quantity
<b>POR</b>	Purchase of Receivables
<b>PRQ</b>	Peak Requirement Quantity
<b>PSI</b>	Predetermined Scheduling Instructions
<b>PSIV</b>	Pre-Trading System Imbalance Volume
<b>PSIG</b>	Pounds Per Square Inch Gauge
<b>RNG</b>	Renewable Natural Gas
<b>ROR</b>	Rate of Return
<b>RTS</b>	Revenue Tax Surcharge
<b>SA</b>	System Alert
<b>SC</b>	Service Class
<b>SB-CC</b>	Monthly Standby Commodity Charge
<b>SB-DC</b>	Monthly Standby Demand Charge
<b>SCF</b>	Standard Cubic Feet
<b>SIP</b>	System Imbalance Position
<b>SISA</b>	Storage Injection System Alert
<b>STBA</b>	Supplier Transportation, Balancing and Aggregation
<b>T&amp;E</b>	Transportation & Exchange
<b>TAQ</b>	Total Annual Quantity
<b>TC</b>	Transportation Charge
<b>TCF</b>	Trillion Cubic Feet
<b>Th</b>	Therm or 100,000 BTU's (Energy)
<b>TMC</b>	Total Monthly Consumption
<b>TPA</b>	Trading Partner Agreement
<b>TS</b>	Transition Surcharge
<b>TSA</b>	Transportation Service Agreement
<b>TSS</b>	Transportation Scheduling System
<b>UBPs</b>	Uniform Business Practices
<b>WACOC</b>	Weighted Average Cost of Capacity
<b>WACOG</b>	Weighted Average Cost of Gas

**DEFINITIONS**

<b>Access Controller</b>	For a non-residential customer or multiple dwelling owner or manager, it is a party known to Distribution to be in control of access to the metering equipment of a customer.
<b>Acquiring Shipper</b>	In the context of capacity release, a shipper who acquires firm capacity rights from a releasing shipper (also known as “replacement shipper”).
<b>Actual Reading</b>	One obtained by a Distribution employee from either the meter or a remote registration device attached thereto.
<b>Adjusted Gas Revenue (AGR)</b>	The revenue realized from the applicable service classification rates and charges, minus revenue taxes, the minimum charge and cost of gas.
<b>Affidavit</b>	A statement written down and sworn to be true, usually before a notary public or other authorized official.
<b>Aggregated Customers</b>	Customers receiving service under Distribution’s SC-19 STBA or SC-13.
<b>Aggregated Daily Delivery Quantity (ADDQ)</b>	The quantity of gas a Supplier-Aggregator is required to bring to Distribution each day for redelivery by Distribution to the Supplier’s market pool(s).
<b>Aggregation</b>	A) Grouping of customers organized by an Aggregator for the purpose of obtaining gas supplies from non-utility commodity suppliers. B) Also refers to the grouping of end users together to qualify for Distribution’s STBA (SC-19) and DMT (SC-13) services.
<b>Aggregation Pool Operator (AGPO)</b>	See Aggregator.
<b>Aggregator</b>	An entity or company that consolidates a number of individual users and/or supplies into a group.
<b>Aggregator Imbalance</b>	The aggregated net surplus or deficiency quantity of gas for which the aggregator is responsible. For the customers included in the Aggregator’s pool, Distribution will net all the imbalances.
<b>Alternate Fuel Capability</b>	The ability of any user such as a non-residential facility, or critical care residential facilities such as nursing homes, to use more than one fuel, including natural gas, for the same purpose(s). Implies that the facilities for such use have actually been installed, are operable, and that an adequate supply of the alternate fuel is readily available on-site.
<b>American Gas Association (AGA)</b>	The AGA represents local natural gas utilities that deliver gas to homes and businesses in all 50 states. Additionally, AGA provides services to member natural gas pipelines, marketers, gatherers, international gas companies and a variety of industry associates. AGA acts as a clearinghouse for gas energy information, as a catalyst in technical and energy policy matters and as a powerful voice for its members.
<b>Annual Period</b>	The 12 months beginning with the month in which the customer first receives service under the applicable Service Classification and each succeeding 12-month period.
<b>Application for Service</b>	The written form for requesting any of Distribution’s service offerings. Completion of an Application For Service by any residential customer or non-residential customer shall constitute an agreement to accept gas service under the terms and conditions of Distribution’s Tariff, including all applicable charges.
<b>Arrears</b>	Charges for non-residential and residential customers for which payment has not been made more than 20 calendar days after payment was due.
<b>Authorized Period</b>	A period during which SC-11 Interruptible Sales Service is available because service to Customers under firm sales classifications is not jeopardized or impaired.
<b>Average Temperature (Mean)</b>	The calculated average of the 24 hourly dry bulb atmospheric temperatures in degrees Fahrenheit recorded for each day.

<b>BTU Content</b>	British Thermal Unit as defined under Part 229 of the Commission's Regulations and, unless indicated otherwise, is expressed herein on the dry basis.
<b>Backbill</b>	The portion of any bill, other than a levelized bill, which represents charges not previously billed for service that was actually delivered to a non-residential customer during a period preceding the current billing cycle. A bill based on an actual reading rendered after one or more bills based on estimated or customer readings which exceeds by 50 percent or more the bill that would have been rendered under Distribution's standard estimation program is presumed to be a backbill.
<b>Backup Supply Service</b>	Energy provided to a pre-arranged customer to replace the loss of its sources and to cover that portion of demand that exceeds supply.
<b>Balancing</b>	Equalizing the volumes of gas withdrawn from a pipeline system with the volumes of gas injected into the pipeline. Penalties may be assessed for transportation imbalances beyond specified tolerances.
<b>Base Load</b>	The minimum amount of natural gas delivered or required over a given period of time at a steady rate. The minimum demand over a given period of time which is usually not temperature sensitive.
<b>Base Rate</b>	A charge normally set through rate proceedings by appropriate regulatory agencies and fixed until reviewed at future proceedings. It is calculated through multiplication of the rate from the appropriate rate schedule by the level of consumption. It does not include components that may vary from billing cycle to billing cycle, such as applicable surcharges.
<b>Basis</b>	The difference between the spot or cash price of a financial instrument or commodity and the price of the futures contract or a related derivative instrument. A seller is "short of the basis" if selling spot goods hedged by the purchases of futures. Someone who is "long of the basis" has bought spot goods and hedged them by the sale of futures. A basis point is one percent of one percent.
<b>Billing Agency</b>	A legal arrangement between a customer and a Marketer ("Billing Agency Agreement") in which a customer authorizes a marketer to act as Billing Agent to receive the customer's bills from Distribution; consolidate those bills with the Marketer's charges; re-bill the entire amount to the customer; receive payments from the customer and remit payments to the utility for its services. Marketers offering Billing Agency services may perform those services itself or obtain a third party to perform the services, but in either case, the Marketer is considered to be the customer's Billing Agent.
<b>Billing Agency Agreement</b>	A legal arrangement between a customer and a retail Supplier/Marketer ("Billing Agency Agreement") in which a Billing Agent is authorized by a customer to: receive the customer's bills from the utility; consolidate those bills with the retail Supplier's/Marketer's charges; rebill the entire amount to the customer in a single bill format; receive payments from the customer; and remit the appropriate part of payments to the utility. Retail Suppliers/Marketers offering billing agency services may perform those services itself or obtain a third party to perform the services, but in either case, the retail Supplier/Marketer is considered to be the customer's Billing Agent. Customers may also individually establish arrangements with third parties to perform similar services on their behalf, but those arrangements are not the subject of the UBPs.
<b>Billing Cycle</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Billing Service Agreement</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.



<b>Boiler</b>	A device for generating steam for power, processing, or heating purposes or for producing hot water for heating purposes or hot water supply. Heat from an electrical combustion source is transmitted to a fluid contained within the tubes in the boiler shell. This fluid is delivered to an end-user at a desired pressure, temperature, and quality. Boilers are often classified as steam or hot water, low pressure or high pressure, capable of burning one fuel or a number of fuels.
<b>Boiler Fuel</b>	Fuels suitable for generating steam or hot water in large industrial or electrical generating utility applications.
<b>Boiler Fuel Gas</b>	Natural gas used as fuel for the generation of steam or hot water.
<b>British Thermal Unit (BTU)</b>	The amount of heat energy necessary to raise the temperature of one pound of water one degree Fahrenheit.
<b>British Thermal Unit (Btu), Dry</b>	A measure of the heating value of natural gas that is free of moisture, or contains less than seven pounds per Mcf of water vapor.
<b>British Thermal Unit (Btu), Saturated</b>	A measure of the heating value of natural gas that is fully saturated with water vapor under standard temperature, pressure and gravity conditions.
<b>Bundled Sales Service</b>	Service under which the cost of the gas and the cost of transporting it are combined into one retail price or rate. This is to be contrasted with unbundled services under which some or all of the different rate components are separately stated.
<b>Burner Tip Consumption</b>	Consumption at end-use customer's billing meter.
<b>Burner Tip Imbalance</b>	Imbalances are calculated by subtracting the burner-tip consumption from the quantity of gas delivered. If gas delivered exceeds burner-tip consumption, then a surplus exists. If gas delivered is less than burner-tip consumption, then a deficit exists.
<b>Business Day</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Business Partner</b>	A term for Customer used within Distribution's CIS.
<b>Business Party</b>	An entity that can establish and make use of production pools, aggregation and end-use market pools, STBA, and delegations.
<b>Calendar Month Estimate (CME)</b>	An estimate of the volume used during a calendar month based upon billing cycle meter readings and/or estimates, weather and/or proration.
<b>Capacity (Gas)</b>	The maximum amount of natural gas that can be produced, transported, stored, distributed, or utilized 1) in a given period of time under design conditions or 2) pursuant to the terms of a contract.
<b>Capacity Charge</b>	One element of a multi-part pricing method often used in energy transportation transactions. The Capacity Charge, sometimes called Demand Charge, is assessed on the amount of capacity being purchased or demanded. The Capacity Charge is typically expressed in \$/Dth/month.
<b>Capacity Release</b>	The assignment, allocation or release of transportation rights to another party authorized under applicable FERC orders and/or regulations. Releases are made on a permanent or temporary basis, and generally awarded to the highest bidder, except in the case of applicable retail customer choice programs and asset management arrangements.
<b>Cash Out</b>	The resolution of imbalances at the end of a period, usually a month, through cash payments.
<b>Ceiling Rates</b>	The maximum rates applicable under a Service Classification, i.e. non-discounted rates.
<b>Central Delivery Points (CDP)</b>	Primary receipt point for on-system contracts.
<b>Choice Billing</b>	Distribution's Utility Consolidated Billing Service that combines Marketer supply charges with utility delivery charges on one bill issued to the Customer by Distribution.
<b>City Gate</b>	The interconnection point between interstate and intrastate pipelines and the LDC. Also, the location at which natural gas ownership passes from one party to another, neither of which is the ultimate consumer.

<b>City Gate Imbalance and Charges</b>	Daily deliveries of gas supplies by a Supplier to its aggregated group(s) must be within a tolerance band of the sum of the DDQs (ADDQ) of the customers in the Supplier's Market Pool. Depending upon the service classification, underdeliveries below a tolerance band may result in cash out or sales service exposure. Similarly, overdeliveries may be rejected under service specified conditions.
<b>City Gate Rate (Gate Rate)</b>	The rate charged a distribution utility by its Suppliers. It refers to the cost of the natural gas at the point at which the distribution utility historically took title to the natural gas.
<b>Class of Service</b>	A group of customers with similar characteristics (e.g., residential, commercial, industrial, etc.) that are identified for the purpose of setting a rate for service.
<b>Cogeneration</b>	(1) Any of several processes which either use waste heat produced by electricity generating to satisfy thermal needs or process waste heat to electricity or produce mechanical energy. (2) The use of a single prime fuel source in a reciprocating engine or gas turbine to generate both electrical and thermal energy to optimize fuel efficiency. The dominant demand for energy may be either electrical or thermal. Usually it is thermal with excess electrical energy, if any, being transmitted into the local power supply companies' lines.
<b>Commercial</b>	A sector of customers or service defined as non-manufacturing business establishments, including but not limited to (i.e. apartment complexes = residential usage – but if in the complex or corp. name are commercial) hotels, motels, restaurants, wholesale businesses, retail stores, and health, social, and educational institutions. A utility may classify the commercial sector as all consumers whose demand or annual use exceeds some specified limit. The limit may be set by the utility based on the rate schedule of the utility.
<b>Commission (a.k.a. PSC)</b>	Public Service Commission of the State of New York.
<b>Commodity Charge (or Rate)</b>	A charge per unit of service actually delivered to the buyer, Compare Demand Charge.
<b>Commodity Costs</b>	Those costs that are allocated on the basis of actual use of service.
<b>Competitive Transition Charge (CTC)</b>	A non-bypassable charge, however designated, for recovery of stranded costs.
<b>Confirmed Nominations</b>	Pipeline verification that a change in a customer's level of transportation service will be matched by a change in supplier quantities.
<b>Conjunctive Billing</b>	The process of billing for several natural gas demands, services, or meters as if the billing were for a single demand, service, or meter. Conjunctive Billing is sometimes referred to as Combined Billing.
<b>Consumer</b>	The ultimate user of natural gas sometimes referred to as the end user or end use consumer.
<b>Consumption Algorithm</b>	A mathematical formula used to calculate a customer's daily consumption based on a customer's historical base load and heat use per effective degree-day factors.
<b>Contract Account Number</b>	The customer's nine-digit account number; formerly the RBA plus the two-check digits.
<b>Contract Term</b>	The duration of effectiveness for a contract.
<b>Control Number</b>	The sequential number that determines a customer's meter read date.
<b>Control Date</b>	A date when a Customer's supply service may be switched from one ESCO to another ESCO or to or from Company provided sales service. See also <b>Billing Cycle</b> .
<b>Conversion to Natural Gas</b>	Changing customer's energy service to natural gas from some other fuel. The term includes adjustment of customers' appliances to perform satisfactorily with natural gas.

<b>Core Customer</b>	A customer that has no viable alternative fuel and relies on the utility for gas delivery and/or commodity service.
<b>Core Market</b>	Volumes that are transported and/or supplied by the local distribution company to firm customers with generally no alternative fuel capability.
<b>Cost Mitigation Reserve (CMR)</b>	A reserve established pursuant to the Commission's order dated October 21, 1998, issued in Case No. 98-G-1291.
<b>Cost of Service</b>	The total amount of money, including return on invested capital, operation and maintenance costs, administrative costs, taxes, and depreciation expense, to produce a utility service. Traditional utility cost of service may be expressed as Operating Costs + Taxes + (Rate of Return x [Cost of Plant Depreciation]).
<b>Cramming</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Critical Day</b>	A critical day exits when the LDC declares an OFO.
<b>Critical Period</b>	A Critical Period is a period of operational stress or impending potential stress that may impact the integrity of Distribution's system or a force majeure event.
<b>Critical Service Customer</b>	Any customer such as, but not limited to: homes, hospitals, nursing homes, residences, apartment buildings, condominiums, hotels, motels, dormitories, correctional institutions, and firehouses. Schools are not classified as critical service unless there are dormitories or other living facilities present. Similarly, churches and other religious organizations are not critical service facilities unless they include rectories and/or convents for living/sleeping.
<b>Cubic Feet per Hour (Cu. Ft./Hr. ) or (CFH)</b>	The standard unit of measurement used to express the maximum firing rate (capability) of a natural gas-fired space-heating or process-use device.
<b>Curtailment</b>	A reduction, interruption or cessation of delivery service in response to a localized or general unavailability of gas supplies and/or transmission capacity. Procedures and priorities have been established for interrupting service during a gas shortage that begin with the lowest priority categories of non-core customers and reach the highest priority categories of core customers last.
<b>Customer</b>	An individual, firm or organization that purchases service at one location under one rate classification, contract, or schedule. If service is supplied at more than one location or under more than one rate schedule, each location and rate schedule may be counted as a separate customer. See Class of Service.
<b>Customer Account Number</b>	The utility specific unique identifier associated with a utility customer; see Contract Account Number.
<b>Customer Charge</b>	A fixed amount to be paid periodically by the customer without regard to demand or energy consumption. See also Demand Charge.
<b>Customer Costs</b>	The costs directly related to serving a customer, regardless of sales volume, such as meter reading, billing, and fixed charges for the minimum investment required to serve a customer.
<b>Customer Delivery Points</b>	Metered points of entry for gas delivered from the Distribution pipeline system to a customer's facility.
<b>Customer Excess</b>	Unused current-month deliveries; i.e., the quantity of gas delivered in any month which is greater than that amount left after applying previous months' banks of customer excess to current month consumption. (a.k.a. "Surplus Imbalance")
<b>Cycle Billing</b>	A billing procedure that provides for the billing of a portion of customers each working day so that all customers are billed within a predetermined period, such as one month, two months, etc. See also Billing Cycle.
<b>Daily Delivery Quantity (DDQ)</b>	The quantity of gas a Supplier is required to deliver to the city gate on a particular day for redelivery by the Company to the end user Customer.

<b>Daily Metered Transportation (DMT)</b>	Type of service under Distribution's SC-13 whereby the customer installs the necessary electronic equipment, acceptable to Distribution, which allows Distribution to monitor the customer's daily usage of gas.
<b>Data Reference Number</b>	The standard common code used within the gas industry to uniquely identify a gas nomination point. Where EDI nominations are available, its use is mandatory.
<b>Declining Block Rate</b>	A rate structure that prices successive blocks of power use at increasingly lower per-unit prices. The more energy a customer uses the lower the average price.
<b>Deferred Payment Agreement</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Deficiency Imbalance</b>	An imbalance due to the Company which occurs when the volume of gas delivered to the Company for the Imbalance Holder during the month after adjustment for line losses is less than the total amount of gas consumed by the Imbalance Holder.
<b>Dekatherm</b>	One million BTU's of energy. Also, ten therms.
<b>Degree Day (DD)</b>	A measure of the coldness of the weather experienced, based on the extent to which the daily mean temperature falls below a reference temperature, usually 65° F. For example, on a day when the mean outdoor dry-bulb temperature is 35° F, there would be 30 degree days experienced. A measure of seasonal variation and intensity of temperature. In residential customer load, the more degree days in a year than the "average," the higher the utility bill.
<b>Deficiency Imbalance</b>	The amount of gas used by customers that is greater than the current-month deliveries.
<b>Deliverability</b>	The amount of natural gas a well, field, pipeline, or distribution system can supply in a given period of time. Also, the practical output from a gas storage reservoir.
<b>Delivery</b>	In the context of futures trading, the tendering and receipt of the physical commodity to satisfy a futures contract.
<b>Delivery Point</b>	The point on a gas pipeline's system at which it delivers natural gas that it has transported.
<b>Demand</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Demand Charge</b>	The Demand Charge portion of rate design is expected to recover the costs associated with the level of demand for the particular service and will be paid even if no service is taken by the customer; a reservation charge. Included in demand charges are capital-related costs and the cost of operation and maintenance of transmission and distribution pipeline facilities.
<b>Demand Response Customer</b>	An alternative term that includes all types of interruptible natural gas customers,
<b>Design Day</b>	A 24-hour period of demand which is used as a basis for planning gas capacity requirements.
<b>Design Peak Requirement</b>	The design peak day customer load determinants to be served by a Supplier, i.e. the portion of the extreme peak day requirement for which the Supplier may be allocated capacity.
<b>Direct Customer</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Distribution (Gas Utility) Company</b>	A company that obtains the major portion of its natural gas operating revenues from the operation of a retail gas distribution system and that operates no transmission system other than incidental connections within its own system or to the system of another company. See also Local Distribution Company.
<b>Distribution (Gas)</b>	Mains, service connections, and equipment that carry or control the supply of natural gas from the point of local supply to and including the sales meters.

<b>Distribution Line</b>	Network-like pipeline that transports natural gas from a transmission line to an end-user's service line or to other distribution lines. Generally, large pipelines are laid in principal streets, with smaller lateral lines extending along side streets and connected at their ends to form a grid; sometimes lateral lines are brought to a dead end.
<b>Distribution Loss</b>	See Line Loss.
<b>Downstream Pipeline</b>	A pipeline receiving natural gas from another pipeline at an interconnection point. Compare Upstream Pipeline.
<b>Dual Billing</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Dual Fuel (DF) Capacity</b>	The capacity of an energy burning facility to use more than one kind of fuel, alternatively.
<b>Efficiency (E)</b>	Relating to heat, a percentage indicating the available Btu input that is converted to useful purposes. It is applied, generally, to combustion equipment. E equals Btu output over Btu input.
<b>Elderly, Blind or Disabled Payment Troubled Residential Assistance Program (EBD PTR)</b>	A program designed to assist our elderly, blind or disabled customers in the reduction of arrearages and ease the burden of financially troubled participants. Eligible customers will receive a lower gas rate, arrearage forgiveness and case management counseling. In addition, they may be eligible for repairs to heating equipment and weatherization and insulation of their residences.
<b>Electronic Bulletin Board (EBB)</b>	Generic name for the system of electronic posting of pipeline delivery information as mandated by the FERC.
<b>End-User</b>	One who actually consumes energy, as opposed to one who sells or resells it.
<b>Energy Services Company (ESCO)</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Estimated Usage</b>	Customer usage based on history, estimated and used in balancing and settlement for customers whose meters have not been read for the month. When actual meter reads are obtained adjustments will be made to the account.
<b>Facility</b>	An existing or planned location/site which is or will be constructed where natural gas is defined as an energy source.
<b>Federal Energy Regulatory Commission (FERC)</b>	The federal agency which regulates, <i>inter alia</i> , the transmission and sale of energy, including natural gas, in interstate commerce. FERC generally is the federal counterpart to state regulatory commissions.
<b>Final System Imbalance Volume (FSIV)</b>	For imbalance resolution purposes, an Imbalance Holder's FSIV is the volume subject to cash out following the application of imbalance trading volumes, if any, to its PSIV.
<b>Firm Customer</b>	A customer for whom contract demand is reserved and to whom the Supplier is obligated to provide service.
<b>Firm Demand</b>	The capacity that a Supplier is required by contract to provide (except during extreme emergencies).
<b>Firm Gas</b>	Gas sold on a continuous basis for a defined contract term (e.g., one year) under rate schedules or contracts that anticipate no interruptions, regardless of class of service, except for force majeure. Compare to Interruptible Gas.
<b>Firm Service</b>	Service, e.g. transportation, offered to customers under schedules or contracts that once scheduled, anticipates no interruptions, regardless of class of service, except for force majeure.
<b>Fixed Charge</b>	The charge calculated in rate design to recover all or a portion of the fixed costs of a utility plant, including the generation facility and transmission lines, meters, and some taxes.

<b>Fixed Price</b>	A contract in which a named, exact price is specified for commodities. A fixed price contract may have variations to the fixed price such as escalators or redeterminations for increased costs or incentives for meeting various goals.
<b>Forecast Daily Requirement</b>	The estimated daily consumption of an Aggregation Group/Market Pool as calculated by the Consumption Algorithm and forecast effective degree-days, for example, the ADDQ.
<b>Force Majeure</b>	A common law concept borrowed from the French civil law. "Force majeure" means superior or irresistible force that excuses a failure to perform. It has been defined by the United States Supreme Court as a cause that is "beyond the control and without the fault or negligence" of the party excused. Force majeure events also must not have been reasonably foreseeable: e.g., a blizzard in Houston in January may be a force majeure event, but a blizzard in Montana will not qualify.
<b>Futures</b>	A standardized contract for the purchase or sale of a commodity, which is traded for delivery in the future.
<b>Futures Contract</b>	An exchange-traded contract promising to buy or sell standard commodities or securities at a future date at a set price. Futures are "paper" deals and involve profit and loss on promises to deliver, not possession of the actual commodity. The main difference between a futures contract and a forward contract is that a futures contract is cash settled, or marked-to-market, daily. Additionally, the futures market requires that all market participants - sellers and buyers - alike post a performance bond called margin.
<b>Gas Confirmation Process</b>	The process by which transporters (e.g. pipelines and LDCs) compare and verify transportation nominations at points of interconnection, upstream and downstream, to schedule gas along the path of the Supplier's nomination.
<b>Gas Day</b>	A period of 24 consecutive hours beginning at 10:00 a.m. and ending at 10:00 a.m. Eastern Clock Time, next calendar day.
<b>Gas Industry Standards Board (GISB)</b>	A nonprofit North American industry association whose mission was "to develop and promote standards to simplify and expand electronic communications, and to simplify and streamline business practices that will lead to a seamless marketplace for natural gas." This organization has been succeeded by the North American Energy Standards Board (NAESB).
<b>Gas Supply</b>	Natural gas required to meet customers' needs, including as supply, interstate pipeline transportation, storage, losses and any other services required to transport such gas to Distribution's system boundary for subsequent delivery by Distribution to its customers and/or Aggregators.
<b>Gas Transportation</b>	A process whereby customers may purchase gas supply from Qualified Sellers and have it delivered using Distribution's gas distribution system. An entity selling capacity and energy to a retail Direct Customer.
<b>Gas Week (Bid Week)</b>	Usually the last full week each month when all parties (LDCs, Marketers, Shippers, etc.) firm up and finalize their required gas purchases and transportation arrangements for the upcoming month.
<b>Gathering Line</b>	Network-like pipeline that transports natural gas from individual wellheads to a compressor station, treating or processing plant, or main trunk transmission line. Gathering lines are generally relatively short in length, operate at a relatively low pressure, and are small in diameter.
<b>Gross Receipts Tax (GRT)</b>	The tax based on the total sales revenues derived from the furnishing of utility services.

<b>Heat Content</b>	The sum of the latent heat and sensible heat contained in a substance, above the heat contained at a specified temperature and pressure expressed as Btu or calories per unit of volume or weight.
<b>Heating Degree Days</b>	See Degree Day (DD).
<b>Heating Value</b>	The amount of heat produced by the complete combustion of a unit quantity of fuel. The gross, or higher, heating value is that which is obtained when all of the products of combustion are cooled to the temperature existing before combustion, the water vapor formed during combustion is condensed, and all the necessary corrections have been made. The net, or lower, heating value is obtained by subtracting the latent heat of vaporization of the water vapor formed by the combustion of the hydrogen in the fuel from the gross, or higher, heating value.
<b>Hinshaw Pipeline</b>	A pipeline company (defined by the Natural Gas Act and exempted from FERC jurisdiction under the NGA) defined as a regulated company engaged in transportation in interstate commerce, or the sale in interstate commerce for resale of natural gas received by that company from another person within or at the boundary of a state, if all the natural gas so received is ultimately consumed within such state. A Hinshaw pipeline may receive a certificate authorizing it to transport natural gas out of the state in which it is located, without giving up its status as a Hinshaw pipeline.
<b>Home Energy Assistance Program (HEAP)</b>	A federal benefit and assistance program that helps qualifying low income households pay their heating and cooling energy costs.
<b>Home Energy Fair Practices Act (HEFPA)</b>	HEFPA is the title part of the New York Public Service Law (sections 30 et seq.). HEFPA authorizes the Commission to adopt implementing regulations; these regulations are set forth in 16 NYCRR Part 11 and are referred to as HEFPA regulations. The law and regulations cover initiation and termination of service, credit and collection policies, security deposits and related rules for transactions between utilities and their customers.
<b>Human Needs Customer</b>	High priority customers such as residences, hospitals and nursing homes, for which failure to get gas could be life threatening. See also Critical Service Customer.
<b>Imbalance Holder</b>	The Customer, Supplier or Marketer responsible for imbalance resolution as described in the Service Classification under which the Company provides service.
<b>Imbalance Trading</b>	A feature of imbalance resolution whereby Imbalance Holders may reduce their end of month imbalances by trading amongst each other. Imbalance information is provided and trades are conducted via TSS.
<b>Incremental Cost</b>	The change in total costs when output is increased or decreased by an increment or block of output for which costs can be accurately determined, usually calculated as the change in cost divided by the change in volume (for example as cents per Mcf); marginal cost.
<b>Incumbent ESCO</b>	A term describing the current Supplier, when a Customer is scheduled to be switched to another ESCO or returned to Company provided sales service as of the next Control Date.
<b>Industrial Bypass</b>	A situation in which large industrial customers buy energy and/or transportation service directly from a non-utility supplier, bypassing the local utility system. Deregulation of supply and transmission in some instances has opened up the opportunity for large users to purchase services from a Supplier other than the local retail utility.

<b>Industrial Customer</b>	An industrial customer is generally defined as one engaged in manufacturing, construction, mining, agriculture, fishing and forestry establishments, Standard Industrial Classification (SIC) codes 01-39. The utility may classify industrial service using the SIC codes, or based on demand or annual usage exceeding some specified limit. The limit may be set by the utility based on the rate schedule of the utility.
<b>Initial System Imbalance Volume (ISIV)</b>	For imbalance resolution purposes, an Imbalance Holder's ISIV is computed each month by summing the imbalances from all the market pools for which it bears imbalance responsibility.
<b>Input Rating</b>	The designed rate of fuel acceptance by a burner. Usually expressed in BTH or CFH.
<b>Interruptible Gas</b>	Gas sold to customers with a provision that permits reduction or cessation of service under certain circumstances, as specified in the service contract.
<b>Interruptible Load</b>	Demand that can be interrupted by direct action of the supplying system's system operator in accordance with contractual provisions at times of seasonal peak load. It usually involves commercial and industrial consumers. In some instances the load reduction may be affected by direct action of the system operator (remote tripping) after notice to the consumer in accordance with contractual provisions. For example, loads that can be interrupted to fulfill planning or operation reserve requirements should be reported as Interruptible Load.
<b>Interruptible Service</b>	Transportation Service that is subject to interruption due to a lack of pipeline capacity at receipt points, delivery points and/or due to flowing constraints within the pipeline as the case may be. The scheduling priority for Interruptible Service is lower than that for Firm Service.
<b>Interruptible Transportation (IT)</b>	See Interruptible Service.
<b>Interstate Gas</b>	(1) Natural gas transported in interstate pipelines and consumed in a state other than the one in which it was produced or (2) Gas transported on a pipeline which travels through more than one state (and for purposes of the GTO) is delivered to a receipt point within New York State.
<b>Interstate Pipeline</b>	A natural gas pipeline company that is engaged in the transportation of natural gas across state boundaries, and is therefore subject to FERC jurisdiction and/or FERC regulation under the NGA.
<b>Interval Meters or Hourly Meters</b>	Term used to describe a meter that measures usage in time increments during a billing period.
<b>Intrastate Gas</b>	Natural gas produced, sold and consumed in the same state without being transported in interstate commerce and not made subject to federal (FERC) jurisdiction.
<b>Intrastate Pipeline</b>	A natural gas pipeline company that is engaged in the transportation of natural gas not subject to FERC jurisdiction under the NGA.
<b>Inverted Block Rate (Graduated Rate)</b>	A rate structure that prices successive blocks of power use at increasingly higher per-unit prices. The more energy a customer uses the greater the average price.
<b>Involuntary Switch</b>	A process or situation where a customer's energy Supplier is changed from one provider to another without the customer's authorization. This would include situations where a customer returns to utility service as a result of a Supplier's failure to deliver. An involuntary switch that is not in accord with the "Discontinuance of Service" provision set forth in the rules is referred to as "slamming."
<b>Late Payment</b>	Any payment made more than 20 calendar days after the date payment was due. Payment is due whenever specified by Distribution on its bill, provided such date does not occur before personal service of the bill or three calendar days after the mailing of the bill.



<b>Line Loss</b>	The reduction in the quantity of natural gas flowing through a pipeline that results from leaks, venting, and other physical and operational circumstances on a pipeline system. Line Loss is sometimes referred to as Shrinkage or Distribution Loss.
<b>Line Pack</b>	Inventory of gas in a pipeline or in a gas distribution system.
<b>Liquefied Natural Gas (LNG)</b>	Natural gas that has been liquefied by reducing its temperature to minus 260 degrees Fahrenheit at atmospheric pressure. It remains a liquid at minus 116 degrees Fahrenheit and 673 psig. In volume, it occupies a volume 1/600 of that of the vapor.
<b>Load Balancing</b>	The process of reconciling differences that occur between the amount of natural gas delivered at the RDRP by an ESCO and the amount of natural gas delivered to the customer at the Retail Delivery Point adjusted for losses.
<b>Load Factor</b>	The ratio of average load to peak load during a specific period of time (usually a month) expressed as a percent. The load factor indicates to what degree energy has been consumed compared to maximum demand or the utilization of units relative to total system capability. It shows the variability in all customers' demand.
<b>Load Profile</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Local Distribution Company (LDC)</b>	The company whose primary function is to distribute gas supply procured by it or by Marketers or Direct Customers, to retail gas users. LDCs also provide transportation service to retail end users as well as other services.
<b>Lockbox</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Losses</b>	Losses are associated with all transmission and distribution service systems. Losses are the difference between the generation amount of energy produced and the metered amount of customer usage within a specific service area.
<b>Lost and Unaccounted for Gas (LUFG)</b>	The difference between the quantity of gas available from all sources (purchased, transported, and locally produced) and the quantity accounted for by customer usage or company uses.
<b>Low Income Residential Assistance (LIRA)</b>	A program designed to assist economically disadvantaged customers in the reduction of their arrearages. Eligible customers will receive a lower gas rate, arrearage forgiveness, a conservation credit (as earned), and case management counseling with referrals made to other available programs when appropriate.
<b>MCF</b>	One thousand (1000) cubic feet. This is a measure of gas usage. The average domestic user consumes 100-200 Mcf annually. Very roughly, 1 Mcf = 1 MMBtu = 1 Dth = 1 gigajoule.
<b>Main</b>	A main is a pipeline located on a public or private right-of-way, which is generally available or used to transport gas to more than one service line.
<b>Main, Gas</b>	Pipe used to carry natural gas from one point to another. As contrasted with service gas pipes, mains usually carry natural gas in large volume for general or collective use.
<b>Margin</b>	Money that buyers and sellers of futures and exchange-traded options must put up with the clearinghouse to assure performance on the contracts. For over-the-counter options, margins are negotiated between the counter-parties. In both cases, the amount of margin required varies with the price fluctuations of the underlying contract. Open positions are marked-to-market daily and, in times of extreme volatility, marked-to-market intra-day as well.
<b>Marginal Cost</b>	The increase or decrease in total costs brought about by a one-unit increase or decrease in output.
<b>Market Participants</b>	LDCs, Marketers or their agents, Direct Customers and pipelines involved in bringing gas to a LDC's City Gate.

<b>Market Pool</b>	A logical grouping of end-use transportation customer burner tips or an aggregation group designated and authorized to receive gas.
<b>Market Pool Operator</b>	The business party within TSS that has responsibility for setup and confirmation of Market Pools.
<b>Market Pricing Tier</b>	For imbalance resolution purposes, when an Imbalance Holder has an imbalance within the range 5% long to 5% short range, its cash outs are processed using market pricing as described in the Tariff. The cash out prices for imbalances outside this range as either surcharged or discounted, as appropriate.
<b>Marketer</b>	A competitive gas supplier, equivalent to ESCO - See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Master Metering</b>	The separate metering of individual units in a building which is required if the occupant has control over energy use in the unit and if benefits exceed costs.
<b>Maximum Allowable Operating Pressure (MAOP)</b>	The maximum pressure at which a gas system may be operated.
<b>Maximum Daily Quantity (MDQ)</b>	The contractual maximum daily quantity of gas that a customer may purchase from a supplier (in some cases, the LDC).
<b>Maximum Demand</b>	The greatest of all demands of the load that has occurred within a specified period of time.
<b>Meter, Gas</b>	An instrument for measuring and indicating, or recording, the volume of natural gas that has passed through it.
<b>Meter Read Date</b>	The date on which Distribution is scheduled to read a customer's meter each billing period.
<b>Metering</b>	Use of devices that measure and register the amount and/or direction of energy quantities relative to time.
<b>Minimum Daily Gas Index</b>	The average of the minimum daily prices from the Daily Price Survey from <u>Gas Daily</u> . To the extent that any publication or delivery area is no longer available, Distribution will, as a substitute, use equivalent prices from a standard recognized gas industry publication.
<b>Minimum Purchase</b>	Volume deducted from customer usage for minimum purchase tariff requirements associated with a customer's service class.
<b>Month End Imbalance</b>	The burner tip imbalance calculated pursuant to terms of each Service Classification under which the Company provides service to the Customers for which the Imbalance Holder bears imbalance responsibility. Generally, an Imbalance Holder's total receipt volumes (gas delivered to the Company adjusted by the allowance for losses incurred in the process of delivery) are the sum of allocated transportation receipt volumes from city gate deliveries, local production pool receipts and local production excess volumes.
<b>Monthly Metered Transportation (MMT)</b>	Transportation service offered by Distribution under SC-18 (aggregated under SC-19) in which the allocation period is the billing month. Imbalance and usage is based on cycle readings (except in the case of an OFO).
<b>Natural Gas</b>	A naturally occurring mixture of hydrocarbon and non-hydrocarbon gases found in porous geological formations beneath the earth's surface, often in association with petroleum. The principal constituent is methane, CH <sub>4</sub> .

<b>Natural Gas Policy Act of 1978 (NGPA)</b>	A federal statute enacted in 1978 to phase out producer rate regulation between January 1, 1985 and July 1, 1987. The NGPA provides “maximum lawful prices” for those categories of natural gas that it subjects to price regulation. The NGPA also provides for “self-implementing” transportation services, without the need for prior certificates of public convenience and necessity from the FERC under the NGA, for certain qualifying transportation by interstate pipelines on behalf of intrastate pipelines or LDCs or by intrastate pipelines on behalf of interstate pipelines or LDCs served by an interstate pipeline.
<b>New Delivery Customer</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>New York Mercantile Exchange (NYMEX)</b>	The commodity exchange based in New York City where the natural gas futures and options contract and other energy futures are traded.
<b>No-Bump Rule</b>	Rule which protects a Shipper with flowing gas from losing capacity (being bumped) by a higher priority shipper in the interruptible queue deciding to increase its gas volumes.
<b>No-Harm – No-Foul Rule</b>	DMT daily city gate delivery rule whereby; no imbalance cash outs are required if deliveries to the overall DMT population is within tolerance.
<b>Nominated Deliveries</b>	The volume of gas requested for delivery to a customer or pool of customers.
<b>Nomination</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Non-aggregated Transportation Customers</b>	A customer, with annual natural gas consumption in excess of 3,500 Mcf, that acts on its own behalf as a Direct Customer under the UBPs in arranging to bring natural gas to the utility’s City Gate.
<b>Non-Core Customer</b>	A customer that has multiple fuel options and does not rely solely on the flow of gas for continued heat and other operations.
<b>Non-residential Applicant</b>	Any person, corporation or other entity that has requested and made application for gas service as a non-residential customer.
<b>Non-residential Customer</b>	Any person, corporation or other entity, supplied by Distribution with gas service under Distribution’s Tariff and pursuant to an accepted application for service, who is not a residential customer as defined in Distribution’s Tariff.
<b>Non-utility Cogeneration Facility</b>	Any cogeneration facility not selling gas to the public at retail pursuant to a franchise.
<b>Notice of Proposed Rule Making (NPR)</b>	A draft generic policy change promulgated by regulatory agencies.
<b>Normal Business Hours</b>	7:30 AM to 5:00 PM on normal business days, i.e. the hours staffed during the days on which the Company is open for regular business.
<b>Normal Degree Days</b>	Estimated (normalized) degree-days for a given day based on a historical average.
<b>Normalized</b>	Adjusted for weather using weather normalization (degree-day) factors.
<b>North American Energy Standards Board (NAESB)</b>	A nonprofit North American industry association whose mission is to “propose and adopt voluntary standards and model business practices designed to promote more competitive and efficient natural gas and electric service, as such standards apply to electronic data interchange (“EDI”) record formats and communications protocols and related business practices that streamline the transactional processes of the natural gas and electric industries.”
<b>Off Peak</b>	The period during a day, week, month or year when the load being delivered by a natural gas or electric system is not at or near the maximum volume delivered by that system for a similar period of time (night vs. day; Sunday vs. Tuesday).
<b>Off-Peak Gas</b>	Natural gas supplied during periods of relatively low system demands.
<b>Open Access</b>	Non-discriminatory, fully equal access to transportation or transmission services offered by a pipeline.

<b>Operational Flow Orders (OFOs)</b>	Orders which are issued by a pipeline to protect the operational integrity of the line. The orders may either restrict service or require affirmative action by shippers, such as line pack or draft.
<b>Overdelivery</b>	See Surplus Imbalance.
<b>Payment, Timely</b>	Is considered to be made on the date when it is received by Distribution or one of its authorized agents.
<b>Peak Day</b>	The day in which the highest volume of gas is delivered into the utility's system in order to meet usage demands. Related to operational deliverability of the entire system.
<b>Peak Demand</b>	The maximum load during a specified period of time.
<b>Peak Month</b>	The month in which the highest volume of gas is delivered into the utility's system in order to supply usage demands.
<b>Pending ESCO</b>	A term describing the prospective Supplier, when a Customer is scheduled to be switched from sales service or another Supplier as of the next Control Date.
<b>Pipeline</b>	An entity engaged in the transportation of natural gas in interstate or intrastate commerce. Also, the actual facility itself.
<b>Point-to-Point Transmission Service</b>	Open Access transmission service that is reserved and/or scheduled pursuant to the provisions of Distribution's FERC Statement of Operating Conditions.
<b>Pool</b>	Pools are groups of customers supplied by one Marketer.
<b>Pool Agent</b>	The Pool Agent is responsible for establishing and maintaining a Pool. Only the Pool Agent can change the parameters of a Pool.
<b>Pool Operator</b>	A general term that is applicable to either Market Pool Operators or Production Pool Operators. In most cases, this term is interchangeable with Pool Agent.
<b>Pooling</b>	Aggregation of customers by a Pool Agent to deliver natural gas supplies delivered to Distribution's distribution systems.
<b>Pooling Point (1)</b>	A physical or logical point where gas is aggregated from many receipt points to serve a number of contracts without tying a particular receipt point to a particular contract. Pooling points have traditionally been thought of as mainline pipeline receipt points. Under Order No. 636 that definition was expanded to include places where title passes from the gas merchant to the Shipper, or where aggregation, balancing and penalties are determined.
<b>Pooling Point (2)</b>	The point (either physical or logical) at which gas is aggregated from many receipt points in order to serve several contracts without tying a specific receipt point to a specific contract. "Paper pooling" refers to aggregation as a matter of accounting, as opposed to physical pooling in a supply basin.
<b>Pre-determined Allocation (PDA)</b>	A method of allocating the excess or shortage of natural gas to a Market Pool.
<b>Pre-determined Scheduling Instructions (PSI)</b>	Production Pool Operators may modify Market Pools assigned as recipients of gas nominations from Production Pools through the modification of the PSI in TSS. Modifications to the PSI will be effective the day of the change and forward.
<b>Pre-Trading System Imbalance Volume (PSIV)</b>	For imbalance resolution purposes, an Imbalance Holder's PSIV is computed each month by applying prior period adjustments, if any, to its ISIV. The resulting volume is available for imbalance trading.
<b>Premises</b>	Any building or buildings where natural gas burning equipment is located.
<b>Price Majeure</b>	The process of retrading interruptible gas, which is the result of significant upward or downward price adjustments.
<b>Priority Allocation</b>	Customer allocations in a SC-13 pool are made in the order set by the Pool Agent (i.e. Customer One gets all his nominated volume before Customer Two, etc.)

<b>Producer</b>	A working interest owner of an oil and/or gas well. A producer may sell its share of production through the operator of the well, or through another producer.
<b>Production Pool</b>	A grouping of local production meters.
<b>Production Pool Excess Pre-determined Allocation (PPE PDA)</b>	A process, which allows Production Pool Operators to determine which Market Pools, may receive excess gas.
<b>Production Pool Operator</b>	The business party within TSS that has responsibility for setup and confirmation of Production Pools. Local production meters are added to or deleted from Production Pools by the Production Pool Operator.
<b>Production Pool Shortage Pre-determined Allocation (PPS PDA)</b>	A process, which allows Production Pool Operators to determine which Market Pools, may be shorted.
<b>Proration</b>	A methodology whereby shippers are allocated a share of the difference between scheduled quantities and measured quantities based upon the proportionate share each shipper scheduled.
<b>Public Service Commission of the State of New York (NYPSC or PSC)</b>	The appointed regulatory body in New York State that governs procurement, gas sales and transportation services of Distribution.
<b>Rate</b>	The unit charge or charges made by an energy company or utility to customers for energy. Rate structures include: <b>Block</b> A rate that provides different unit charges for consumption falling within various blocks of demand or consumption. <b>Flat</b> : A rate that provides for a specified charge irrespective of the quantity used or the contract demand. <b>Postage-Stamp</b> : Transportation rate which applies for a given zone or area rather than the distance of actual transportation.
<b>Rate Base</b>	The value of property upon which a utility is given the opportunity to earn a specified rate of return as established by a regulatory authority. The value of property used by the utility in providing service and may be calculated by any one or a combination of the following accounting methods: fair value, prudent investment, reproduction cost, or original cost. The rate base may include a working capital allowance covering such elements as cash, working capital, materials and supplies, prepayments, minimum bank balances and tax offsets. The rate base may be adjusted by deductions for accumulated provision for depreciation, contributions in aid of construction, accumulated deferred income taxes, and accumulated deferred investment tax credits.
<b>Ratepayer Billing Account (RBA)</b>	A nine-digit number assigned to a transportation customer for identification purposes replaced by the Contract Account Number. See Distribution Utility Customer Account Number within the UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Rebundling</b>	The process under which a Supplier may arrange supply, storage and/or transportation service to sell these combined services to a customer as a single product when permitted by applicable laws, rules and/or regulations, etc.
<b>Recall Rights</b>	The provision for a wholesale seller of power to cease to perform, generally in order to use such power to serve its indigenous retail loads.
<b>Receipt Points</b>	Metered points of entry for gas delivered into a transporter's system.
<b>Redelivery</b>	Delivery of natural gas by a transporter back to a Shipper or to a Shipper's account that the transporter had received from the Shipper.
<b>Releasing Shipper</b>	A Shipper who is the original capacity holder of firm space on a pipeline for which reservation fees are paid, and who desires to sell this capacity under the capacity release program.

<b>Renewable Natural Gas (RNG)</b>	Renewable natural gas (RNG), or biomethane (another term for RNG), is the product of anaerobic digestion or gasification of a wide variety of waste products. These include dairy/animal residuals (e.g., manure, etc.), landfill biomass material, wastewater treatment produced gases; digestion of agricultural wastes and, in advanced systems, co-digestion of mixed biomass substrates. Fully interchangeable with natural gas, i.e. pipeline quality, it comes from raw biogas after the biogas is cleaned of impurities.
<b>Replacement Shipper</b>	A Shipper who acquires firm transportation capacity through release by another Shipper under a pipeline's capacity release program (also known as "Acquiring Shipper").
<b>Residential</b>	Private household establishments which consume energy primarily for space heating, water heating, air conditioning, lighting, refrigeration, cooking and clothes drying. The classification of an individual consumer's account, where the use is both residential and commercial, is based on principal use.
<b>Residential Applicant/Customer</b>	Any person who requests gas service at a premises to be used as his or her residence or the residence of a third party on whose behalf the person is requesting service, and where the person meets the criteria set forth in 16 NYCRR, paragraph 11.2(a)(2).
<b>Retail Access Program</b>	The transmission, distribution, and delivery by Distribution to the customer of natural gas requirements, furnished to Distribution by the customer or by a third party on the customer's behalf pursuant to the provisions of Commission No. 207 and in particular Rule 39.
<b>Retail Delivery Metering Point</b>	The location where the gas service is metered or the location to which meter readings are compensated.
<b>Retail Delivery Point</b>	The point where Distribution's retail distribution system connects to the customer's service entrance at the customer's premises.
<b>Retail Distribution Receipt Point (RDRP)</b>	The point(s) of receipt of natural gas into the distribution system.
<b>Retail Supplier</b>	An energy services company who has registered with the Commission, been approved as a provider of natural gas service to customers in New York, and has met all other approval requirements of Distribution.
<b>Restricted STBA</b>	For purposes of EDI and creditworthiness requirements, an STBA Group that limits enrollments to STBA Customer accounts under common ownership. All Restricted STBAs are also Direct Customers.
<b>Seasonal Customer</b>	A short-term customer that can be non-residential or residential (see HEFPA and/or 16 NYCRR). This would apply to Transportation and Consumer Business type customers.
<b>Service Classification (SC)</b>	Each of Distribution's rates and service offerings is a Service Classification, such as SC-13 is Firm Transportation Service.
<b>Service Line</b>	The piping, including associated metering and pressure reducing appurtenances, that transports gas below grade from a main to the first accessible fitting inside the wall of a customer's building, when a meter is located within the building; if a meter is located outside the building, the service line will be deemed to terminate at the outside of the building foundation wall.
<b>Service Requestor</b>	The Business Party Name for the Market Pool Operator or owner.
<b>Shortfall</b>	The quantity of customer usage exceeding the quantity of gas delivered into Distribution's system for a transportation customer.
<b>Short-term Customer</b>	A customer who requested service for a period of time up to two years.
<b>Shrinkage</b>	See Line Loss.
<b>Slamming</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Special Meter Read</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.
<b>Special Needs Customer</b>	See UBP Definitions in GTOP Addendum 1, SECTION 1.

<b>Spot Market</b>	Commodity transactions in which the transaction commencement is near term (e.g., within ten days) and the contract duration is relatively short (e.g., 30 days).
<b>Spot Purchases</b>	A short-term single shipment sale of gas on an interruptible or best efforts basis. Spot purchases are often made to fulfill a certain portion of energy requirements, to meet unanticipated energy needs, or to take advantage of low prices.
<b>Standard Cubic Foot (SCF)</b>	One cubic foot of natural gas as measured at standard conditions of 60°F and one atmosphere of barometric pressure.
<b>Standby Sales Service</b>	Mandatory for all heating needs of customers which heat any building solely by gas where persons reside, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels, and other buildings where persons may dwell on a permanent basis.
<b>Standby Service</b>	Support service that is available, as needed, to supplement a consumer, a utility system, or to another utility to replace normally scheduled energy that becomes unavailable.
<b>Supplier Transportation Balancing and Aggregation (STBA)</b>	Service available under Distribution's SC-19 whereby Distribution will provide transportation and balancing services to facilitate the redelivery of gas supplies from the City Gate to the customer.
<b>Surplus Delivery</b>	See Surplus Imbalance.
<b>STBA Customer</b>	Transportation Service customer who has elected an alternative gas Supplier approved under the terms of SC-19 of Distribution's Tariff.
<b>STBA Group</b>	The Supplier's Group of STBA customers.
<b>STBA Imbalance</b>	Net imbalances developed by the STBA Group and the primary financial responsibility of the Supplier.
<b>Straight Gas Utility</b>	A utility company that derives the major portion of its total sales revenues from natural gas operations. Compare to combined gas and electric utility, a.k.a. Combination Utility.
<b>Supplier</b>	(1) Signatory to an STBA Agreement who, in the sole judgment of Distribution, has been determined creditworthy for participation in the STBA program or (2) A third party provider, aggregator or Marketer of natural gas.
<b>Surplus Imbalance</b>	An imbalance due from the Company which occurs when the volume of gas delivered to the Company for the Imbalance Holder during the month after adjustment for line losses is greater than the total amount of gas consumed by the Imbalance Holder.
<b>System Alert</b>	An announcement of actual or pending events that if unchecked may result in an OFO.
<b>System Imbalance Position (SIP)</b>	Where the "system total" is computed by summing volumes attributable to all Imbalance Holders, a percentage imbalance computed each month for by dividing the system total ISIV by the system total TMC and converting the quotient into a percentage.
<b>System Supply</b>	Natural gas supplies purchased, owned and sold by Distribution to retail sales customers.
<b>Tampered Equipment</b>	Any service-related equipment that has been subjected either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of gas service, or to unauthorized connection occurring after a company has physically-disconnected service.
<b>Tariff</b>	A document filed by a regulated entity with either a federal or state commission. It lists the services the entity will provide, rates the regulated entity will charge to provide service to its customers, and the terms and conditions that it will follow in providing service.
<b>Telemetering</b>	Process by which measured quantities of gas are transmitted through telecommunication to a remote location.

<b>Therm</b>	A unit of heating value equivalent to 100,000 British thermal units (Btu) (0.1 MMBtu).
<b>Throughput</b>	The volume of gas flowing through a pipeline or distribution system.
<b>Total Annual Quantity (TAQ)</b>	The maximum annual quantity of gas a company is contractually obligated to deliver per year.
<b>Transition Costs</b>	Costs associated with the change of an industry from a regulated, bundled service to a competitive open-access service, including "Stranded Costs."
<b>Transportation Customer</b>	Transportation Service customer of Distribution.
<b>Unauthorized Period</b>	A period during which SC-11 Interruptible Sales Service is unavailable on an authorized basis because service to customers under firm sales classifications is jeopardized or impaired. During an unauthorized period, a surcharge is applied to the rate that would be charged for SC-11 gas during an authorized period.
<b>Unbundled Services</b>	The selling and pricing of energy services separately, as opposed to offering services "bundled" into packages with a single price for the whole package. With unbundling, separate fees are charged for each service based upon only the costs of providing that service. (i.e. transportation, storage, generation, production, etc.).
<b>Uniform Business Practices (UBPs)</b>	Refers to the guidelines adopted by the Commission in Case No. 98-M-1343 as of April 15, 1999.
<b>Upstream Agent</b>	A party that upon completion of an Upstream Agency Consent Form and Affidavit accepted by Distribution takes assignment of upstream transportation and storage capacity on behalf of an STBA Supplier and assumes management and city gate delivery responsibilities under SC-19.
<b>Upstream Capacity</b>	Transportation or storage capacity on a pipeline upstream of Distribution.
<b>Upstream Pipeline</b>	(1) An interstate pipeline or intrastate pipeline to which Distribution is physically connected and from which Distribution may take deliveries of gas or (2) The pipeline delivering natural gas to a downstream pipeline at an interconnection point along the transportation path to the consumer.
<b>Voluntary Switch</b>	A process or situation where a customer's energy Supplier is changed from one provider to another with the customer's direct authorization.
<b>Website</b>	Site on internet worldwide web established and maintained by Distribution for transacting business.
<b>Weighted Average Cost of Gas (WACOG)</b>	The weighted average unit cost of a supply of natural gas; WACOG is calculated as the total cost of all natural gas purchased during a base period divided by either the total quantity purchased (unit of production) or the system throughput (unit of sales) during the same period.
<b>Weighted Average Cost of Capacity (WACOC)</b>	The weighted average cost of capacity, in terms of reservation cost, for upstream pipeline capacity released as a part of Distribution's MUTC Release Program.
<b>Wellhead Price</b>	The price received by the producer for sales at the well.
<b>Zero Pool</b>	For imbalance resolution purposes, a pool set up to handle all the imbalances for which an Imbalance Holder is responsible. The Zero Pool is also used for imbalance trading and for billing purposes, to handle cash out amounts.



## FILE FORMATS

### Electronic Exchange of Daily Delivery Quantity Data

ADDQ information (in PDF format) can be obtained through TSS each morning after 8:45 AM by executing the TSS shortcuts EADDQ (for aggregation market pools) or EEDDQ (for SC-16 market pools).

Additionally, ADDQ information is available in the standard file format for electronic exchange of daily delivery quantity data between LDCs and Marketers approved in the Commission's Opinion and Order on Implementation of Electronic Data Interchange (Opinion No. 00-05), issued April 12, 2000. As a general description, this is a flat ASCII file in comma separated value (.CSV) format. The first row of the file is comprised of the standard field names or standard abbreviations for the data elements in the order in which the corresponding data is to appear in all subsequent rows. The CSV ADDQ flat file contains one row of data per pool. Should a Marketer operate several pools, one row of data is provided per pool. In the case of non-aggregation transportation pools, one row of data is provided per Contract Account Number.

Distribution's implementation has the following file layout:

<b>Field Name</b>	<b>Abbreviation</b>
Transaction ID	Tran ID
System Date	Sys Date
Utility DUNS	TSP
Marketer DUNS	Svc Req
Transaction Type	TT
Unit of Measure For Energy	Units
ADDQ for Month/Year	Acct Per
Pool ID	Svc Req K
Account Number	Dn K
ADDQ for Day 1	A1
ADDQ for Day 2	A2
ADDQ for Day 3	A3
...	
ADDQ for Day 31	A31
Contact Name	Contact Name
Contact Phone	Contact Phone

To obtain a file in this format, TSS shortcuts EADDQF (for aggregation market pools) or EEDDQF (for MMT or DMT market pools) should be utilized.

## **RULES & PROCEDURES**

### **Affiliate Rules**

#### **NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

##### **Affiliate Rules**

### **1.0 Affiliate Relations – In General**

- 1.1 National Fuel Gas Distribution Company (“NFGD”) and National Fuel Gas Company’s (“NFG”)<sup>5</sup> other subsidiaries will be operated as separate entities.
- 1.2 Any transfer of assets or the provision of goods or services, other than tariffed services and corporate governance, administrative, legal and accounting services by NFGD to an unregulated subsidiary or an unregulated subsidiary to NFGD, will be pursuant to regulations of the Securities Exchange Commission (“SEC”) and the Public Service Commission of New York (“PSC”).
- 1.3 Cost allocation guidelines if amended and/or supplemented will be filed with the Director of the Office of Accounting and Finance of the Department of Public Service 30 days prior to becoming effective.
- 1.4 All cost allocations will be subject to review during rate proceedings.

### **2.0 Non-Discriminatory Application of Tariffed Services**

- 2.1 NFGD shall apply its tariffs in a nondiscriminatory manner.
- 2.2 NFGD shall not apply a tariff provision in any manner that would give its affiliates an unreasonable preference over other parties with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or non-delivery, and all other services provided to its affiliates.
- 2.3 Tariff provisions cannot be waived by NFGD absent prior approval of the PSC.

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<sup>5</sup> NFG holding company is registered as a holding company under the Public Utility Holding Company Act of 1935.

- 2.4 If a tariff provision is not mandatory or permits discretionary waivers, NFGD shall grant the waivers without preference to its affiliates. NFGD shall apply the provisions of its Gas Transportation Operating Procedures Manual without preference to its affiliates.
- 2.5 NFGD shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period.
- 2.6 If NFGD provides a distribution service discount, fee waiver or rebate to customers of its affiliated marketer, NFGD shall offer the same distribution service discount, fee waiver or rebate to other similarly situated parties. Offers shall not be tied to any unrelated service, incentive or offer on behalf of either the natural gas distribution company or its affiliates.

### **3.0 Personnel**

- 3.1 Unregulated affiliates will have separate operating employees.
- 3.2 Non-administrative operating officers of NFGD will not be operating officers of any of the unregulated subsidiaries.
- 3.3 Officers of NFG may be officers of NFGD.
- 3.4 Employees may be transferred between NFGD and an unregulated affiliate upon mutual agreement. Employees transferred to a marketing affiliate may not be reemployed by NFGD for a minimum of 12 months from the transfer date. Employees returning to NFGD from a marketing affiliate may not be transferred to a marketing affiliate for a minimum of 24 months from the date of return or in the case of a transfer to an unregulated affiliate, for a minimum of 12 months. The foregoing limitations will not apply to employees covered by a collective bargaining agreement.
- 3.5 NFGD will not restrict by any means the employment with marketers of employees of NFGD unless NFGD applies the same restriction to its affiliated marketer(s). NFGD may negotiate restrictive employment conditions in severance agreements with employees under which the employee, as a result of a bargained-for exchange, receives value.

- 3.6 The foregoing provision in no way restricts the loaning of employees from any affiliate to NFGD to respond to an emergency that threatens the safety or reliability of service to consumers. Nor does the foregoing provision restrict the “loaned and borrowed labor” arrangement traditionally maintained between NFGD and National Fuel Gas Supply Corporation (“NFGS”) for routine system operational purposes.
- 3.7 The compensation of NFGD employees may not be tied to the performance of any of NFG’s unregulated subsidiaries. However, the stock of NFG may be used as an element of compensation and the compensation of common officers of NFG and NFGD may be based upon the operations of NFG and NFGD.
- 3.8 The employees of NFG, NFGD, NFGS and the unregulated affiliates may participate in common pension and benefit plans.

#### **4.0 Goods, Services and Transactions Between NFGD and Affiliates**

- 4.1 NFGD shall justly and reasonably allocate to its affiliates the costs or expenses for general administration or support services provided to said entities.
- 4.2 NFGD shall not condition or tie the provision of any product, service or price agreement by it (including release of interstate pipeline capacity) to the provision of any product or service by its affiliates.
- 4.3 NFGD shall not give its affiliates preference over non-affiliated marketers in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. NFGD shall provide comparable treatment in its provision of such goods and services without regard to a customer’s chosen marketer.
- 4.4 NFGD and affiliated marketers shall not be located in the same building or share office structures or centralized computer and/or communication networks. The NFG Corporate Website and corporate-governance transactions (such as those performed for financial reporting purposes) are exempt from the restriction pertaining to joint use of centralized computer and/or communications network.

- 4.5 NFGD shall maintain separate books and records from its affiliates. Further transactions between NFGD and its affiliates shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the distribution company and affiliates. NFGD's accounts and records shall be maintained such that the costs incurred on behalf of an affiliate may be clearly identified.
- 4.6 NFGD may provide other services to affiliates, except that NFGD may not use any of its marketing or sales employees to provide services to NFGS or an affiliated marketer. NFGS and the affiliated marketers shall compensate NFGD for the services of employees performing such services in accordance with the orders, rules and regulations of the SEC governing same.
- 4.7 NFGD's affiliates, including NFGS and any affiliated marketers may provide services to NFGD, subject to any applicable requirements of this PSC, the SEC and the Federal Energy Regulatory Commission.
- 4.8 Common property/casualty and other business insurance policies may cover NFG, NFGD, NFGS, and other affiliates. The costs of such policies shall be allocated among the entities in an equitable manner.
- 4.9 Notwithstanding the above, the Commission's Order on Rehearing in Case 98-G-0122 – Proceeding on Motion of the Commission to Review the Bypass Policy Relating to Pricing of Gas for Electric Generation, dated June 29, 2001, and any additional review of that order, continues to control the issues resolved there.

## 5.0 Customer Information

- 5.1 Release of proprietary customer information relating to customers within NFGD's service territory shall be subject to the Uniform Business Practices ("UBPs") and, if required, prior authorization by the customer and subject to the customer's direction regarding the person(s) to whom the information may be released. If a customer authorizes the release of information to an affiliate and one or more of the affiliate's competitors, NFGD shall make that information available to the affiliate and such competitors on an equal and contemporaneous basis.

- 5.2 NFGD will not disclose to marketing or pipeline affiliates any customer or marketer information that it receives from a marketer, non-affiliated pipeline or gatherer, customer, or potential customer, which is not available from sources other than NFGD. Excluded from this restriction is operational information supplied to a pipeline affiliate necessary to implement changes in system operations.
- 5.3 Subject to customer privacy or confidentiality constraints, NFGD shall not disclose, directly or indirectly, any customer proprietary information to its affiliate unless authorized by the customer or the UBPs.
- 5.4 Distribution shall not disclose to its affiliates including marketing affiliates any information relating to the availability of transportation services that it does not disclose to all marketers at the same time. Excluded from this restriction is operational information supplied to a pipeline affiliate necessary to conduct day-to-day and long term system operations.

## **6.0 Customer Communications**

- 6.1 NFGD shall not directly or by implication, represent to any customer, natural gas supplier or third party that an advantage may accrue to any party through use of NFGD's affiliates, such as:
  - a. That the PSC regulated services provided by NFGD are of a superior quality when such services are purchased from its affiliated marketer; or
  - b. That the commodity services (for natural gas) are being provided by NFGD when they are in fact being provided by an affiliated marketer;
  - c. That the natural gas purchased from a non-affiliated marketer may not be reliably delivered;
  - d. That natural gas must be purchased from an affiliated marketer in order to receive the PSC regulated services.
- 6.2 On a one-time basis NFGD shall disclose to all of its affiliated marketer's customers the distinction between the LDC and its marketing affiliate. NFGD will disclose the same information to new customers of its marketing affiliate in the anti-slammng letter required by the UBPs. Proposed disclosure language shall be distributed to the marketer signatories to this agreement and shall be subject to their approval.

## 7.0 Standards of Competitive Conduct

The following standards of competitive conduct shall govern NFGD's relationship with any energy supply and energy service affiliates:

- 7.1 There are no restrictions on affiliates using the same name, trade names, trademarks, service name, service mark or a derivative of a name, of NFG or NFGD, or in identifying itself as being affiliated with NFG or NFGD. However, NFGD will not provide sales leads for customers in its service territory to any affiliate and will refrain from giving any appearance that NFGD speaks on behalf of an affiliate or that an affiliate speaks on behalf of NFGD. If a customer requests information about securing any service or product offered within the service territory by an affiliate, NFGD may provide a list of all companies known to NFGD operating in the service territory who provide the service or product, which may include an affiliate, but NFGD will not promote its affiliate.
- 7.2 NFGD will not represent to any entity that an advantage may accrue to anyone in the use of NFGD's services as a result of that customer, supplier or third party dealing with any affiliate. This standard does not prohibit two or more of the unregulated subsidiaries from lawfully packaging their services.
- 7.3 All similarly situated customers, including but not limited to energy services companies and customers of energy service companies, whether affiliated or unaffiliated, will pay the same rates for NFGD's utility services. NFGD shall apply any tariff provision in the same manner if there is discretion in the application of the provision.

## 8.0 Enforcement of Standards

- 8.1 If any competitor or customer of NFGD believes that NFGD has violated the standards of conduct established in this section of the agreement, such competitor or customer may file a complaint in writing with NFGD. NFGD will respond to the complaint in writing within 20 business days after receipt of the complaint. Within 15 business days after the filing of such response, NFGD and the complaining party will meet in an attempt to resolve the matter informally. If NFGD and the complaining party are not able to resolve the matter informally, the matter will be subject to the Dispute Resolution Procedures in accordance with the UBPs.
- 8.2 Nothing in this section prevents the PSC from taking action to enforce its statutory obligations.

## **Interconnection Rules and Procedures**

### **Rules**

1. The interconnection applicant is responsible for all reasonable incremental costs.
2. The Company shall not unreasonably restrict, constrain or deny application for or operation of an interconnection if the applicant meets the rules for such service. Provided, however, that the operation of interconnections may be restricted or constrained by the Company in furtherance of and to the extent of the Company's obligations and requirements to manage system flows, dispatching and reliability needs. The Company shall not provide any advantages, services, or competitive information to an affiliate or other entity that is not provided contemporaneously and in a similar manner to others similarly situated.
3. Interconnection procedures may distinguish among interconnections with producers, interstate pipelines, and intrastate pipelines and gatherers to the extent such distinctions are technically or operationally justified.
4. The tariff shall provide that the Company will respond within 30 days of any application for an interconnection point and the response will either accept the request or will describe modifications required to accept the application.
5. General technical, operational and engineering specifications are to be provided in the Procedures Manual within 30 days of the Commission's approval of the Joint Proposal. More detailed requirements unique to the application may be set forth in the Interconnection Agreement.
6. Any party may complain to the Commission for resolution of a problem under these rules. Any party may also raise concerns in confidence to the Department of Public Service ("Department") but the nature of those concerns may be disclosed to Distribution at the Department's discretion. The Interconnection Agreement and these rules are subject to modification by the Commission upon notice as provided by law. The parties agree that Distribution maintains all of its rights under federal and state constitutional, statutory and case law.

### **Interconnection Procedures**

1. The applicant will submit the application for interconnection service. The application must at a minimum describe gas flows on the interconnecting system.
2. The applicant must agree to some form of creditworthiness to the extent appropriate for the service being provided.



3. Distribution will provide a written response to the applicant within 30 days of receipt of an application. The response will provide an estimate of the cost of the work requested and the time of completion or, if necessary, request more information concerning the request. The Company's response will contain an estimated completion date. If the Company determines that it cannot meet the estimated completion date, it shall notify the applicant and provide an explanation together with a new estimate of the completion date.
4. The Interconnection Agreement will be executed by the parties before the Company orders equipment and work is commenced.
5. If requested by the applicant, the Company will schedule field meetings within 60 days of receipt of the fully completed application, unless field information is needed to complete the application.
6. Payment will be submitted to Distribution before construction commences.
7. Upon completion of the interconnection, gas will be accepted to flow if it meets the standards for service requested.

**STANDARD-FORM AGREEMENTS**

**Pipeline/Gatherer Interconnection Agreement**

**INTERCONNECTION AGREEMENT**

THIS INTERCONNECTION AGREEMENT (the “Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_, hereinafter, “Operator,”

and

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, 6363 Main Street, Williamsville, New York, 14221, hereinafter, “NFGDC.”

**WITNESSETH**

WHEREAS, NFGDC is a public utility authorized to purchase and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Public Utility Commission of the Commonwealth of Pennsylvania and the New York Public Service Commission; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver into facilities owned and operated by NFGDC natural gas; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NFGDC and Operator agree as follows:

**ARTICLE I.**

**DEFINITIONS**

(A) “Receipt Point” means the point of interconnection between Operator’s facilities and the facilities of NFGDC located immediately upstream of NFGDC’s measurement facility which is used to identify such point of interconnection in Exhibit A.

(B) “Exhibit A” means the document entitled “Exhibit A” which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time.

(C) “Btu” means the amount of heat required to raise the temperature of one (1) pound of water from fifty-eight degrees Fahrenheit (58° F) to fifty-nine degrees Fahrenheit (59° F).

(D) “Cubic Foot” means the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

(E) “Mcf” means one thousand (1,000) cubic feet of gas, determined on the measurement basis set forth in this Agreement.

(F) “Day” means the twenty-four (24) hour period commencing at ten o’clock a.m., Eastern Time (10:00 a.m.) on one calendar day and ending at 10:00 a.m., Eastern Time on the following calendar day.

(G) “Month” means the period commencing at ten o’clock a.m., Eastern Time (10:00 a.m.) on the first day of a calendar month and ending at 10:00 a.m., Eastern Time on the first day of the next calendar month, or as otherwise established by the Gas Industry Standards Board (“GISB”).

(H) “Operator’s Gas” means the natural gas delivered into NFGDC’s facilities at any given time at any given Receipt Point.

(I) “Written Notice” means notice by written correspondence, facsimile transmission, e-mail, or other reliable electronic means.

## ARTICLE II.

### DELIVERY OF GAS INTO NFGDC’S FACILITIES

(A) Any interconnection with NFGDC’s system shall be made consistent with the policies described in the “National Fuel Gas Distribution Corporation Meter Station Installation Policy” (the “Policy”). NFGDC shall incorporate the Policy into the Gas Transportation Operating Procedures Manual (“GTOP”) filed with the New York State Public Service Commission and applicable to operations in New York State. In addition, this Agreement is subject to NFGDC’s Interconnection Rules & Procedures as set forth in a certain Joint Proposal, at Appendix F, filed by NFGDC with the Public Service Commission of the State of New York on January 23, 2002. In the event NFGDC proposes changes to the Interconnection Rules & Procedures, NFGDC shall send such proposed changes to Operator in electronic format at least thirty (30) days prior to the effective date of such changes. In the event Operator has an objection to any such change proposed by NFGDC, Operator shall, no later than twenty (20) days after receipt of such proposed changes, raise such objection with the Public Service Commission of the State of New York (with respect to an Agreement governing interconnection in New York State) or the Public Utility Commission of the Commonwealth of Pennsylvania (with respect to an Agreement governing interconnection in Pennsylvania) in accordance with the provisions of Article XII, Paragraph G.

(B) Operator shall not deliver (or permit the delivery of) any quantity of gas into any facility owned or operated by NFGDC other than at the Receipt Point(s) identified on Exhibit A (the “Exhibit A Receipt Point(s)”). No Receipt Point shall be deemed to have been added to Exhibit A, and Exhibit A shall not be deemed to have been otherwise amended or supplemented, unless and until such amendment or supplement of Exhibit A shall be evidenced by a writing executed by Operator and NFGDC.

(C) Operator shall deliver gas at a pressure sufficient to enable such gas to enter NFGDC’s facilities against the pressure prevailing therein from time to time, provided, however, that Operator shall not deliver gas at any Receipt Point at a pressure in excess of the maximum operating pressure reasonably designated by NFGDC and posted by NFGDC on its web site.

(D) Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver gas into any NFGDC facility (“NFGDC-Related Compression Operations”) without providing fourteen (14) days written notice to NFGDC.

(E) Operator warrants that all NFGDC-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with NFGDC’s measurement at any Receipt Point, and (ii) so that compressed gas will be delivered to NFGDC at a temperature not exceeding one hundred twenty degrees Fahrenheit (120° F).

(F) Operator shall give NFGDC written notice at least twenty-four (24) hours prior to the commencement of (and any material change in) NFGDC-Related Compression Operations.

(G) Operator shall give NFGDC written notice prior to any material change in the maintenance routine applicable to any compressor used in NFGDC-Related Compression Operations.

(H) In the event that the installation, operation and/or maintenance of any compressor used in NFGDC-Related Compression Operations requires (in NFGDC’s reasonable judgment) modification(s) to any facility owned or operated by NFGDC, the cost of such modification(s) shall be borne by Operator. Upon notice from Operator that Operator plans to install or modify NFGDC-Related Compression Operations, NFGDC shall meet with Operator to discuss the need for modification(s) of any facility owned or operated by NFGDC resulting from the proposed NFGDC-Related Compression Operations. If such modification(s) are found to be necessary by NFGDC, then NFGDC shall advise Operator in a timely manner of the estimated costs of such modification(s) and the anticipated time to complete such modification(s). Notwithstanding NFGDC’s efforts to provide such notice to Operator, Operator shall remain solely responsible for costs incurred by NFGDC from planned modification(s) and/or unforeseen modification(s) of NFGDC owned and operated facilities as contemplated hereunder.

(I) Operator shall, at its own cost and expense, (i) obtain, provide NFGDC with, and maintain any easement(s) or other land interest(s) which, in NFGDC's judgment as to type and extent, are reasonably necessary for the installation, operation and maintenance of NFGDC's receipt and related measurement facilities; and (ii) provide NFGDC with a copy of the recorded instruments evidencing the same.

(J) Measurement and other equipment shall be owned by the party indicated in the Table attached as Exhibit B, except as otherwise agreed to in writing by the parties and be installed, at Operator's expense, at each Exhibit A Receipt Point facility, which, in NFGDC's reasonable judgment, may be necessary to accommodate the deliveries of gas received and projected to be received by it at the Receipt Points (the "Receipt Facilities"). The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment and other equipment shall be performed by the owner of such equipment indicated in the Table attached as Exhibit B, except as otherwise agreed to in writing by the parties. Modifications to Receipt Facilities resulting from changes in Operator's operations shall be performed at Operator's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.

(K) Nothing shall prevent NFGDC from seeking approval from the appropriate regulatory authority of a Receipt Facility Maintenance Fee(s) which shall be applicable, from time to time, pursuant to the provisions of NFGDC's Tariff. In this connection, Operator agrees that NFGDC shall have the right to file with any regulatory authority having jurisdiction, and to make effective, (i) initial and revised rates and charges applicable to NFGDC's operations hereunder, (ii) changes in any provision of the General Terms and Conditions of NFGDC's Tariff applicable to NFGDC's operations hereunder, and (iii) the terms and conditions of this Agreement (hereinafter, collectively, the "Receipt Parameters"). NFGDC agrees that Operator may protest or contest any such filing and/or may seek from any duly constituted regulatory authority having jurisdiction such revision of any one or more of the Receipt Parameters as may be necessary or appropriate to cause the same to be, in all respects, just and reasonable.

(L) Operator shall, at its own cost and expense, provide, operate and maintain in safe and efficient operating condition such regulators, relief valves, and other equipment as may be necessary in NFGDC's reasonable judgment to avoid excessive pressures (and the risk of such pressures) in facilities owned and operated by NFGDC or its customers.

(M) Operator acknowledges that:

- (1) The Receipt Points identified in Exhibit A are located on NFGDC's gas distribution facilities;
- (2) NFGDC must, at all times, be in a position to operate, maintain, enhance, and/or replace any one or more of its facilities in such a

manner, at such times, and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

(3) The maximum operating pressure applicable to Operator's delivery of gas into NFGDC's facilities may vary from time to time in order to enable NFGDC to satisfy its public service obligations, and such pressures shall be posted on NFGDC's web site. In the event NFGDC proposes changes to the maximum operating pressures posted on its web site, NFGDC shall send notice of such proposed changes to Operator in electronic format at least thirty (30) days prior to the effective date of such changes, provided however, that NFGDC shall be entitled to change such operating pressures on shorter notice, or without prior notice, to Operator as reasonably required for NFGDC to satisfy its public service obligations, provided that if NFGDC changes the maximum operating pressure without prior notice to Operator, it shall provide notice to Operator as soon as reasonably possible after such change. In those situations where NFGDC changes the maximum operating pressure on notice shorter than thirty (30) days, and upon request of Operator, NFGDC shall provide Operator with an explanation of the reason for the change in the maximum operating pressure, to the best of NFGDC's knowledge;

(4) In furtherance of its public service obligations, NFGDC reserves its right to restrict and/or completely stop Operator's deliveries at any one or more Receipt Points insofar as reasonably necessary.

### ARTICLE III.

#### MEASUREMENT

(A) The unit of volume for purposes of measurement of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be Mcf.

(B) For purposes of measurement and meter calibration, the atmospheric pressure shall be deemed to be constant at fourteen and four-tenths (14.4) pounds per square inch absolute.

(C) Unless otherwise agreed to by the parties, temperature compensation measurement equipment shall be utilized by NFGDC.

(D) The total heating value of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be determined by tests of samples of gas collected at said Receipt Points. The unit of measurement of heating value shall be Btu, as measured through chromatographic analysis, by a calorimeter, or by any other acceptable industry

method for establishing heating value, and determined on an anhydrous (dry) basis, at sixty degrees Fahrenheit (60° F), at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute. For all Receipt Points under this Agreement, NFGDC shall perform, at its expense, Btu determinations at least once annually to assess compliance with the provisions of Article IV, Paragraph A(8). Btu determinations that are made by NFGDC at Operator's request shall be made by NFGDC at Operator's cost and expense. It shall be Operator's responsibility to provide such Btu determinations to shippers on its system for purposes of delivering appropriate volumes to Exhibit A Receipt Points. NFGDC will apply Btu determinations in the same fashion as it does with respect to similarly situated regulated entities (i.e., for accounting purposes, NFGDC shall use a two (2) month lag in the application of Btu values to account for Operator's deliveries at said Receipt Point(s)).

(E) At Operator's request, NFGDC's test of the accuracy of any meter or other measurement equipment owned and used by NFGDC to measure volumes of gas delivered into its facilities shall be arranged and conducted, insofar as reasonably practicable, so as to permit representatives of Operator to be present. In those instances where Operator has not made a specific request to be present during such meter accuracy tests, NFGDC shall endeavor to contact Operator telephonically in advance of such meter accuracy tests so that Operator may be present during such test. Notwithstanding the above, for Receipt Points flowing an anticipated average daily volume greater than One Thousand (1000) DTH based on a rolling twelve (12) month average, NFGDC shall, at its expense, test the accuracy of said meters on a quarterly basis. For all other Receipt Points under this Agreement, NFGDC shall, at its expense, test the accuracy of said meters at least annually. If, upon any such test (whether conducted at Operator's request or upon NFGDC's own initiative) any such meter or measurement equipment shall be found to be inaccurate, NFGDC shall adjust the same as soon as practicable to read correctly; and

(1) If such inaccuracy is less than two percent (2%), the previous readings shall be deemed correct, and, in the event such test was conducted at Operator's request, Operator shall bear all costs of such test;

(2) If such inaccuracy is two percent (2%) or more, the previous readings shall be corrected to zero (0) error for the period of time during which such meter or other measurement equipment is known or agreed to have been inaccurate. If the length of such period of inaccuracy is not known or agreed upon, such correction shall be made for a period equal to one-half (½) of the time which has elapsed since the date of the last calibration;

(3) If any such meter or other measurement equipment is out of service, or inaccurate by two percent (2%) or more, under circumstances where the correction of previous readings of such equipment to "zero (0) error" is not feasible, then the volume of gas delivered during the period shall be estimated (a) by using data recorded by any check-measuring equipment, if installed and registering accurately, or (b) if such check-measuring equipment is not installed or registering inaccurately, by correcting the error if the percentage of error is

ascertainable by calibration, test or mathematical calculation, or (c) if neither such method is feasible, by estimating the quantity delivered based upon deliveries under similar conditions during a period when equipment was registering accurately.

This Paragraph E shall also apply to those meters owned by Operator, as indicated in Exhibit B hereto, provided that Operator shall assume the duties of NFGDC and NFGDC shall enjoy the rights of Operator as set forth earlier in this Paragraph E with respect to such meters owned by Operator.

#### ARTICLE IV.

#### GAS QUALITY

(A) Operator understands and acknowledges that NFGDC will not continuously monitor, test, or otherwise inspect Operator's Gas prior to the delivery thereof into NFGDC's facilities. Operator further acknowledges that, irrespective of the contractual disposition of Operator's Gas, all such gas is commingled with, and becomes an inseparable part of, the gas supply used by NFGDC to satisfy its obligations to its retail and transportation customers. Accordingly, Operator expressly warrants and represents that (i) Operator's Gas shall, in all respects and at all times, consist solely of gas which is merchantable, and (ii) without limitation of the generality of the foregoing, Operator's Gas shall at all times, and in all respects, meet at least the following minimum quality specifications:

(1) Operator's Gas shall be entirely free of dust, objectionable odors, and, subject to the provisions of Article IV(A)(3), all other gaseous and solid matter which might damage or interfere with the proper operation of the pipelines, regulators, meters or other equipment and apparatus through which it flows or in which it is used;

(2) Operator's Gas shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

(3) All gas delivered by Operator to NFGDC hereunder into NFGDC's facilities through any Receipt Point listed on the attached Exhibit A shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by NFGDC ("Acceptable Level"), at its sole discretion, from time to time, provided such level is not arbitrary as to Operator when compared to other third party gas entering NFGDC's facilities. In no event shall the Acceptable Level, as determined by NFGDC, be required to be less than seven (7) pounds of water vapor (H<sub>2</sub>O) per million cubic feet. NFGDC shall provide Operator with a chart designating the Acceptable Level for each



respective Receipt Point. NFGDC shall also provide Operator with thirty (30) days' notice of any change in an Acceptable Level;

(4) Operator's Gas shall contain not more than twenty (20) grains of total sulfur (S), nor more than three-tenths (0.3) grain of hydrogen sulfide (H<sub>2</sub>S) per one hundred (100) cubic feet;

(5) Operator's Gas shall contain not more than two-tenths of one percent (0.02 of 1%) by volume of oxygen (O<sub>2</sub>);

(6) Operator's Gas shall contain not more than five percent (5%) by volume of a combined total of carbon dioxide (CO<sub>2</sub>) and nitrogen (N<sub>2</sub>) components; provided, however, (i) that the total carbon dioxide (CO<sub>2</sub>) content of Operator's Gas shall not exceed two percent (2%) by volume, and, (ii) that Operator's Gas shall be entirely free of NOx compounds;

(7) Operator's Gas shall have a temperature of not more than one hundred twenty degrees Fahrenheit (120° F); and

(8) Operator's Gas shall have a total heat content of not less than nine hundred sixty seven (967) Btu per cubic foot, and not more than eleven hundred (1,100) Btu per cubic foot (determined on the measurement basis set forth in this Agreement), provided, however, that NFGDC shall have the option (but never the obligation) to accept Operator's Gas having a heat content outside of said range, when in NFGDC's sole judgment, such different heat content does not prevent such gas from being merchantable and fit for use in NFGDC's retail markets.

(B) Operator shall make every reasonable effort to keep Operator's Gas entirely free of oxygen (O<sub>2</sub>).

(C) Operator shall furnish, install, operate, maintain and keep in efficient and safe operating condition, at Operator's sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, treatment facilities, and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article.

(D) In addition to any other remedy which may be available to NFGDC hereunder, or under any provision of law, in respect of Operator's undertakings expressed in this Article, NFGDC shall have and be entitled to exercise any one or more of the following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any one or more of said undertakings, to wit:

- (1) Upon notice to Operator, treat or process Operator's Gas, at Operator's sole cost and expense, insofar as reasonably necessary in NFGDC's judgment to cause the same to conform to the quality specifications set forth in this Article, provided that said notice shall include NFGDC's anticipated cost to treat or process said gas;
- (2) Continue to receive Operator's Gas, with or without treatment or processing thereof;
- (3) Discontinue receiving Operator's Gas at the affected Receipt Point(s) until the occasion(s) for the exercise of a remedy by NFGDC has, in NFGDC's reasonable judgment, been corrected;
- (4) Terminate this Agreement as respects the delivery of Operator's Gas into NFGDC's facilities at the affected Receipt Point(s) in the event that, in NFGDC's reasonable judgment, the occasion for NFGDC's exercise of a remedy cannot be corrected at a reasonable cost in a reasonable time. NFGDC shall not terminate this Agreement pursuant to this provision unless Operator has failed to cure any breach of this Agreement within thirty (30) days following written notice of such breach by NFGDC; and
- (5) Clean-up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by the occasion for NFGDC's exercise of a remedy.

## ARTICLE V.

### CHART CHANGES AND INDEX READINGS

(A) Operator shall, at its own cost and expense, (i) change the charts on each orifice meter associated with the Exhibit A Receipt Points (the "Charts"), on the first (1st) working day of each month, (ii) mail the removed Charts to NFGDC on or before the fifth (5th) working day of each month, (iii) change the Charts regularly, once each seven (7) day period following said first (1st) working day, and (iv) mail these removed Charts to NFGDC within three (3) working days of each such Chart change.

(B) Insofar as applicable, Operator shall, at its own cost and expense, read each displacement meter associated with any Exhibit A Receipt Point on the first (1st) working day of each month and shall mail all such index information to NFGDC on or before the fifth (5th) working day of each month.

(C) All Charts and all index information shall be addressed to "NATIONAL FUEL GAS DISTRIBUTION CORPORATION, GAS MEASUREMENT DEPARTMENT, 717 STATE STREET – SUITE 700, ERIE, PENNSYLVANIA, 16501.

(D) Operator understands that NFGDC is not able to account for and/or allocate Operator's Gas without using the Chart or index information (as the case may be) referred to in this Article. Accordingly, given (i) the incremental expense and other costs which will be incurred by NFGDC in the event of its tardy receipt of the Chart or index information referred to in this Article; (ii) the difficulty of quantifying such costs and expenses, and (iii) the inconvenience and practical infeasibility of otherwise providing an adequate remedy in respect of Operator's breach of its undertakings expressed in this Article, it is agreed as follows:

In the event that either of the following conditions are met, to wit: (i) Operator shall fail to mail any Chart or index information as stipulated in this Article, or (ii) NFGDC shall fail to receive said Chart or index information on or before the fifth (5th) working day following the mailing date stipulated in this Article, then NFGDC shall be relieved of any obligation to account for any of the production in a timely manner, but NFGDC will endeavor to account for such production in the next accounting cycle. This provision shall not apply if the measurement of gas does not require said Chart or index information.

## ARTICLE VI.

### TERM

(A) This Agreement shall have no force or effect unless and until it shall have been executed by each of the parties identified on the first page hereof (the "Effective Date").

(B) The term of this Agreement shall extend until the first anniversary of the Effective Date, and, unless otherwise lawfully terminated, this Agreement shall continue in effect month to month thereafter, until the same is terminated by Operator, by written notice to NFGDC, no later than thirty (30) days prior to the termination date. Notwithstanding the above, either party shall be entitled to terminate this Agreement for cause.

(C) Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to NFGDC hereunder or under any provision of law, NFGDC shall have the following rights, exercisable at NFGDC's sole option, to wit:

(1) Terminate this Agreement and remove all Receipt Facilities owned by NFGDC at the Exhibit A Receipt Points, or suspend or cease receiving Operator's Gas at any one or more of the Exhibit A Receipt Points, upon thirty (30) days' prior written notice to Operator, in the event that Operator should (i) for any reason experience a loss or cancellation of the security required to be provided by Operator pursuant to Article X hereof, or (ii) for any reason unrelated to NFGDC's inability or

unwillingness to receive Operator's Gas at one or more of the Exhibit A Receipt Points, deliver through each of the affected Exhibit A Receipt Points a volume of less than three hundred (300) Mcf during any period of three hundred sixty five (365) consecutive calendar days following the Effective Date; and

(2) Terminate this Agreement as to the affected Receipt Point(s) and remove all Receipt Facilities owned by NFGDC at the affected Receipt Point(s), or suspend or cease receiving Operator's Gas at any affected Receipt Point(s), upon thirty (30) days' prior written notice to Operator, in the event that Operator should repeatedly violate, in NFGDC's opinion, the standards contained in Article IV. For purposes of this Section, the term "repeatedly violate" shall mean six (6) or more violations in any given two (2) year period, each of which violation Operator fails to cure within thirty (30) days of notice by NFGDC. Notwithstanding the above, NFGDC shall be fully entitled to discontinue receiving Operator's gas at any affected Receipt Point(s) in the event of a violation by Operator, in accordance with the provisions of Article IV, Paragraph(D)(3).

## ARTICLE VII.

### GOVERNMENTAL REGULATION

(A) This Agreement and the respective obligations of the parties hereunder shall be subject to all valid applicable federal, state and local laws, orders, rules and regulations, whether in effect on the date hereof, or becoming effective thereafter. The parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities. Nothing contained herein, however, shall be construed as affecting any party's right(s) to contest the validity or applicability of any such law, order, rule or regulation.

(B) It is agreed that each party, and their respective obligations under this Agreement are, or in the future may become, subject to the continuing jurisdiction of various regulatory authorities, and that this Agreement may be modified by the rules, regulations, orders or directives of such authorities. In the event any such regulatory authority issues a rule, regulation, order or directive modifying or requiring modification of this Agreement, this Agreement will become effective as modified, unless either party objects to such modification and elects to terminate this Agreement by providing written notice to the other party within thirty (30) days of such regulatory authority's action. In the event of such a termination, this Agreement shall be null and void.

ARTICLE VIII.

FORCE MAJEURE

(A) In the event either NFGDC or Operator is rendered unable, in whole or in part, by force majeure to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to maintain minimum gas quality specifications, it is agreed that the obligations of the party claiming such inability to perform, so far as they are affected by such force majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; provided that the party claiming such inability gives notice and reasonably full particulars of such force majeure event relied upon; and provided further that the party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

(B) The term “force majeure” as employed herein shall mean, without limitation, acts of God, governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or pipelines, freezing of pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the party claiming inability to perform and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

(C) The settlement of strikes, lockouts or any such labor disputes shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure event shall be remedied promptly and diligently shall not require the settlement of strikes, lockouts or other labor disputes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty.

ARTICLE IX.

NOTICE

(A) All notices required by the following sections:

Article II, Paragraph A  
Article II, Paragraph C  
Article II, Paragraph M(3)  
Article III, Paragraph (E)

shall be provided in accordance with the provisions of such sections. Any other notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent by prepaid mail, facsimile, or by overnight delivery, addressed to the party to whom given, at such party's address stated below, or at such other address as such party may in and by such notice direct hereafter, provided however that any notice of default, breach or termination of this Agreement by either party shall be sent by certified mail, addressed to the party to whom given, at such party's address stated below. Facsimile notices, requests, statements, bills or invoices shall be deemed given only when facsimile receipt is confirmed.

Notice shall be sent:

(1) To NFGDC:

National Fuel Gas Distribution Corporation  
Gas Measurement Department  
717 State Street – Suite 700  
Erie, PA 16501  
24-Hour Telephone: (800) 444-3130 Emergencies Only  
Facsimile: (814) 871-8672

(2) To Operator:

(B) The parties shall provide each other with a current telephone number, facsimile number and address at which the party or the party's representatives may be contacted at all hours. For themselves and their agents, NFGDC and Operator agree to the recording of all telephone conversations during which NFGDC notifies Operator to suspend or cease deliveries into any facility owned or operated by NFGDC.

## ARTICLE X.

### OPERATOR'S CREDITWORTHINESS

(A) At its option, NFGDC may (i) suspend its receipt of Operator's Gas, or (ii) terminate this Agreement, in the event that Operator is or has become insolvent or fails within a reasonable period, upon NFGDC's request, to demonstrate creditworthiness, or in

the event that Operator incurs a poor credit history with respect to any service provided by NFGDC or as established by a reliable reporting agency.

(B) With respect to Operator's creditworthiness, subject to NFGDC's approval as to below subsection X(B)(3), any of the following means of security shall be accepted by NFGDC as sufficient security in respect to any remedy afforded NFGDC under this Agreement or any provision of law:

(1) A security deposit in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher, to be held in a non-interest-bearing general account by NFGDC for the term of this Agreement;

(2) An irrevocable letter of credit issued by a financial institution acceptable to NFGDC and in a form acceptable to NFGDC with a face amount of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher for the term of this Agreement; or

(3) At Operator's option and subject to NFGDC's approval, a copy of the most recent audited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth in excess of Thirty Thousand Dollars (\$30,000), or a copy of the most recent unaudited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth of at least Forty Thousand Dollars (\$40,000), in which event, Operator shall also provide NFGDC with evidence of its ownership of unencumbered assets valued, in the aggregate, in excess of Seventeen Thousand Five Hundred Dollars (\$17,500) or higher in each state in which Operator conducts any business with NFGDC.

(C) In connection with Article X, Paragraph B(3), NFGDC reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

## **ARTICLE XI.**

### **RESPONSIBILITY FOR GAS**

(A) Nothing in this Agreement shall affect the title to gas tendered by Operator for receipt by NFGDC.

(B) Operator shall be deemed in exclusive control and possession of gas while on Operator's system until such gas has been delivered to NFGDC at the Receipt Point(s). NFGDC shall be deemed to be in exclusive control and possession of such gas while on NFGDC's system.

(C) Operator represents that it will have, at the time of delivery of gas to NFGDC, good right to deliver the gas and, provided Operator has good right to deliver said gas, NFGDC represents that it will have, at the time of delivery of gas to NFGDC, good right to receive said gas.

(D) Except insofar as NFGDC is in breach of its obligations or has an obligation to indemnify and save Operator harmless pursuant to this Article XI, Operator agrees to indemnify NFGDC and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas and/or to royalties, taxes, license fees, or charges thereon which are applicable for such delivery of gas to NFGDC and to indemnify NFGDC and save it harmless from all taxes or assessments which may be levied or assessed upon such delivery and which are by law payable by and the obligation of the party making such delivery.

(E) Except insofar as Operator is in breach of its obligations or has an obligation to indemnify and save NFGDC harmless pursuant to this Article XI, NFGDC agrees to indemnify Operator and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of any adverse claims of any and all persons to said gas accepted for receipt by NFGDC and/or to royalties, taxes, license fees, or charges thereon which are applicable for such receipt of gas to NFGDC and to indemnify Operator and save it harmless from all taxes or assessments which may be levied or assessed upon such receipt and which are by law payable by and the obligation of the party receiving such delivery.

(F) If Operator's right to deliver gas to be accepted by NFGDC is questioned, disputed or involved in any action, Operator shall not qualify for and/or shall be ineligible to continue to receive service hereunder until such time as Operator's right to deliver is free from question; provided, however, NFGDC shall allow Operator to qualify for and/or continue receiving service hereunder if Operator furnishes security satisfactory to NFGDC.

## ARTICLE XII.

### MISCELLANEOUS

(A) This document shall not be construed as an agreement running with the land.

(B) No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

(C) No waiver by any party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.



(D) Operator (or its designee) and NFGDC shall respond to requests for confirmations of shipper nominations within the applicable time limits set forth in the GISB standards. Operator acknowledges that NFGDC is under no obligation to schedule unconfirmed nominations.

(E) Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of NFGDC or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

(F) The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the parties and shall not be used in any manner in construing this Agreement.

(G) (1) Agreement Governing Interconnection in New York State:

This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of New York, and, in the event that such court lacks subject matter jurisdiction, to the New York State Supreme Court, Erie County, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the Public Service Commission of the State of New York, to that Commission, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the Public Service Commission of the State of New York according to dispute resolution procedures under NFGDC's Interconnection Rules & Procedures approved by the Public Service Commission of the State of New York and set forth in a certain Joint Proposal, at Appendix F, filed by NFGDC with the Public Service Commission of the State of New York on January 23, 2002.

(2) Agreement Governing Interconnection in Pennsylvania

This Agreement shall be construed, enforced and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of Pennsylvania, and, in the event that such court lacks subject matter jurisdiction, to the Erie County Court of Common Pleas, Commonwealth of Pennsylvania, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the Pennsylvania Public Utility

Commission, to that Commission, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the Pennsylvania Public Utility Commission according to that Commission’s applicable procedures.

(H) So that there will be certainty as to the actual agreement between the parties, it is mutually understood and agreed that this Interconnection Agreement and the Exhibit A attached hereto, as the same may be impacted by any applicable provision of NFGDC’s Tariff, is intended to constitute the final expression, as well as the complete, exclusive and integrated statement, of the terms of the parties’ agreement relative to the interconnection and other transactions described therein.

(I) No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

(J) This Agreement establishes rights and obligations only as between the parties to this Agreement and only with respect to the subject matter of this Agreement.

(K) This document and the agreement memorialized thereby shall be without force and effect unless all of the parties identified on the first page of this document shall have fully executed the same prior to \_\_\_\_\_, 20\_\_, as evidenced by duplicate or counterpart originals thereof which are in each party’s possession prior to five o’clock p.m. (5:00 p.m.) Eastern Time on that date.

Operator	NATIONAL FUEL GAS DISTRIBUTION CORPORATION
By _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

INTERCONNECTION AGREEMENT

Between

NFGDC and \_\_\_\_\_

EXHIBIT A

Receipt Points(s):

## EXHIBIT B

## Table of Equipment Ownership and Responsibilities

<u>Equipment</u>	<u>Installed by</u>	<u>Owned by</u>	<u>Maintained by</u>	<u>Paid by</u>
Meter/Recording instrument	NFGDC	NFGDC	NFGDC	NFGDC
Meter run and valves	Operator	Operator	Operator	Operator
Regulator	Operator	Operator	Operator	Operator
Drying Equipment	Operator	Operator	Operator	Operator
Odorizing Equipment	NFGDC	NFGDC	NFGDC	Operator
“Pop-offs”/Relief valves	Operator	NFGDC	NFGDC	Operator
Heaters	Operator	Operator	Operator	Operator
Water separator/drips	Operator	Operator	Operator	Operator
Communications facilities	Operator	Operator	Operator	Operator
Telemetrics/Teleflow	NFGDC	NFGDC	NFGDC	Operator

**Standard-Form Producer Interconnection Agreement**

## PRODUCER INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter, "Operator,"

and

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, 6363 Main Street, Williamsville, New York, 14221-5887, hereinafter, "NFGDC."

## WITNESSETH

WHEREAS, NFGDC is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Public Service Commission of the State of New York hereinafter, "NYSPSC"; and

WHEREAS, NFGDC is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Pennsylvania Public Utility Commission, hereinafter, "PAPUC"; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver to, and deliver into facilities owned and operated by NFGDC natural gas produced in the State of New York or deliver into facilities owned and operated by NFGDC natural gas produced in the Commonwealth of Pennsylvania; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NFGDC and Operator agree as follows:

ARTICLE 1. DEFINITIONS

1.1 "Receipt Point" means the point of interconnection between Operator's facilities and the facilities of NFGDC located immediately upstream of NFGDC's measurement facility which is used to identify such point of interconnection in Exhibit A.

1.2 "Exhibit A" means the document entitled "Exhibit A" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time.

1.3 "Btu" or "British Thermal Unit" means, generally, the amount of heat required to raise the temperature of 1 pound of liquid water by 1°F at a constant pressure of one atmosphere and is a measure of heat value (energy content). Btu is calculated in conformance with applicable ANSI/API and A.G.A. recommendations.

1.4 "Cubic Foot" means the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

1.5 "Mcf" means one thousand (1,000) cubic feet of gas, determined on the measurement basis set forth in this Agreement.

1.6 “Meter Location” means the state, New York or Pennsylvania, in which an individual meter on Exhibit A is geographically located.

1.7 “NFGDC’s Tariff” or “Tariff” means NFGDC’s Schedule For Gas Service Applicable In The Entire Territory (PSC No. 9 – GAS, as amended from time to time, or any superseding tariff), for gas delivered by Operator in New York or Rates, Rules And Regulations Governing The Furnishing of Natural Gas Service (Gas--Pa. P.U.C. No. 9, as amended from time to time, or any superseding tariff) for gas delivered by Operator in Pennsylvania. Meter Location determines the applicable Tariff.

1.8 “Gas Transportation Operating Procedures Manual” or “GTOP” is a document describing operating procedures, protocols and business practices for transportation service, as amended from time to time. The GTOP applicable to gas delivered by Operator in New York is filed with the NYSpsc and the GTOP applicable to gas delivered by Operator in Pennsylvania is filed with the PAPUC. Each GTOP is posted on the NFGDC web site. Meter Location determines the applicable GTOP.

1.9 “Day” means the twenty-four (24) hour period commencing at an hour specified in the Tariff of an interstate pipeline delivering gas to NFGDC at a city gate station, or as otherwise specified in NFGDC’s GTOP.

1.10 “Month” means the period commencing on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

1.11 “Operator’s Gas” means the natural gas delivered into NFGDC’s facilities at any given time at any given Receipt Point.

1.12 “Commission” means the NYSpsc or PAPUC depending on Meter Location.

1.13 “NFGDC Contacts Addendum” means the document so entitled which is attached hereto (and by such attachment, made a part hereof), providing NFGDC contact information pertinent to this Agreement. Said document may be amended or supplemented, from time to time by NFGDC and communicated to Operator through facsimile, e-mail or a posting to the NFGDC website,

1.14 “Operator Contacts Addendum” means the document so entitled which is attached hereto (and by such attachment, made a part hereof), providing Operator contact information pertinent to this Agreement. Said document may be amended or supplemented, from time to time by Operator and communicated to NFGDC as provided therein.

1.15 “Gas Scheduling” means the administrative function(s) of arranging for Operator’s Gas to be delivered for the account of NFGDC transportation customers and/or their suppliers, including nominations, confirmations, pool assignments and related activities.

## ARTICLE 2. DELIVERY OF GAS INTO NFGDC FACILITIES

2.1 Operator shall not deliver (or permit the delivery of) any gas into any facility owned or operated by NFGDC other than at a Receipt Point identified on Exhibit A at the time of such delivery (the “Exhibit A Receipt Point(s)”). No Receipt Point shall be deemed to have been added to Exhibit A, and Exhibit A shall not be deemed to have been otherwise amended or supplemented, unless and until such amendment or supplement of Exhibit A shall be evidenced by a writing executed by Operator and NFGDC.

2.2 Operator warrants and represents as follows:

2.2.1 All gas delivered into NFGDC's facilities at any one Receipt Point shall be gas produced exclusively from wells configured to deliver to such Receipt Point.

2.2.2 Gas produced or scheduled by Operator to be produced from additional well(s) flowing through a Receipt Point identified in Exhibit A shall be authorized and gas received therefrom accepted by Distribution at the designated Receipt Point so long as:

2.2.2.1 Operator provides Distribution with 15 days written notice of its intent to add said additional well(s), together with the scheduled turn-on date; and

2.2.2.2 The well has been tested by or caused to be tested by Distribution and the results therefrom meet Distribution's satisfaction;

2.2.2.3 Provided, however, if Distribution fails to perform or cause to perform such well test by Operator's scheduled turn-on date, as provided in subdivision (i) above, said well(s) may nonetheless be turned on and production therefrom shall be accepted by Distribution at the designated Receipt Point, subject to Operator's sole liability for damages resulting from such production, and further subject to Distribution's determination, upon testing at any later date, that such gas is not acceptable pursuant to the terms and conditions of this Agreement.

2.2.2.4 The criteria contained in paragraph 2.2.2 shall also apply to new or different formations of gas that are accessed from an existing well already flowing through a Receipt Point identified on Exhibit A.

2.3 Operator shall deliver gas at a pressure sufficient to enable such gas to enter NFGDC's facilities against the pressure prevailing therein from time to time, provided, however, that Operator shall not deliver gas at any Receipt Point at a pressure in excess of the pressure designated by NFGDC.

2.4 Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver gas into any NFGDC facility ("NFGDC-Related Compression Operations") without the express prior written consent of NFGDC, which consent shall not be unreasonably withheld.

2.5 Operator warrants that all NFGDC-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with NFGDC's measurement at any Receipt Point, and (ii) so that compressed gas will be delivered to NFGDC at a temperature not exceeding one hundred twenty degrees Fahrenheit (120° F).

2.6 Operator shall give NFGDC written notice at least fourteen (14) days prior to the commencement of (and any material change in) authorized NFGDC-Related Compression Operations.

2.7 Operator shall give NFGDC written notice at least twenty-four (24) hours prior to any material change in the maintenance routine applicable to any compressor used in NFGDC-Related Compression Operations. For purposes of this subsection, "material" shall mean any change that may produce a variance in gas volumes or pressure.

2.8 In the event that the installation, operation and/or maintenance of Operator's compressor used in NFGDC-Related Compression Operations requires (in NFGDC's reasonable judgment) modification(s) to any facility owned or operated by NFGDC, the cost of such modification(s) shall be borne by Operator. Operator shall consult with NFGDC so as to assist NFGDC in ascertaining the extent to which such modification may be indicated, and on the basis of such consultation and NFGDC's own judgment, NFGDC shall endeavor to notify Operator of its determination prior to the date scheduled by Operator for such installation, operation and/or maintenance. Notwithstanding

NFGDC's efforts to provide such notice to Operator, Operator shall remain solely responsible for costs incurred by NFGDC in the event resulting and reasonably unforeseen modification of NFGDC facilities are required.

2.9 Operator shall, at its own cost and expense, (i) obtain, provide NFGDC with, and maintain any easement(s) or other land interest(s) which, in NFGDC's judgment as to type and extent, are reasonably necessary for the installation, operation and maintenance of NFGDC's receipt and related measurement facilities; and (ii) upon NFGDC's request, provide NFGDC with a copy of the recorded instruments evidencing such land interests and NFGDC's beneficial interest therein.

2.10 Receipt facilities shall be installed, owned and maintained by and at the expense of either NFGDC or Operator according to the below schedule. Such equipment shall be installed at each Exhibit A Receipt Point facility, which, in NFGDC's reasonable judgment, may be necessary to accommodate the deliveries of gas received and projected to be received by it at the Receipt Points. The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment shall be performed by the owner of the equipment. Modifications to Receipt Facilities resulting from changes in Operator's operations shall be performed at Operator's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.

<b>Equipment</b>	<b>Install By</b>	<b>Own By</b>	<b>Maintain By</b>	<b>Paid By</b>
Meter/Recording instrument	NFGDC	NFGDC	NFGDC	Either*
Meter run and valves	Either	Either	Either	Operator
Regulator	Operator	Operator	Operator	Operator
Drying Equipment	Operator	Operator	Operator	Operator
Odorizing Equipment	NFGDC	NFGDC	NFGDC	Operator
"Pop-offs"/Relief valves	Either	Either	NFGDC	Operator
Mainline valve	Either**	NFGDC	NFGDC	Operator
Heaters	Operator	Operator	Operator	Operator
Water separator/drips	Operator	Operator	Operator	Operator
Communications facilities	Operator	Operator	Operator	Operator
Telemetrics/Teleflow	NFGDC	NFGDC	NFGDC	Operator

\* NFGDC for initial installation and replacements due to normal wear and tear; otherwise by Operator except on a case by case basis.

\*\*Pursuant to a determination by NFGDC

2.11 Operator shall pay to NFGDC the Receipt Facility Maintenance Fee(s), if any, which shall be applicable, from time to time, pursuant to the provisions of NFGDC's Tariff. In this connection, Operator agrees that NFGDC shall have the unilateral right, exercisable at its sole option, to file with any regulatory authority having jurisdiction, and to make effective, (i) initial and revised rates and charges applicable to NFGDC's operations hereunder, (ii) changes in any provision of the General Terms and Conditions of NFGDC's Tariff applicable to NFGDC's operations hereunder, and (iii) the terms and conditions of this Agreement (hereinafter, collectively, the "Receipt Parameters"). NFGDC agrees that Operator may protest or contest any such filing and/or may seek from any duly constituted regulatory authority having jurisdiction such revision of any one or more of the Receipt Parameters as may be necessary or appropriate to cause the same to be, in all respects, just and reasonable.

2.12 Operator shall, at its own cost and expense, provide, operate and maintain in safe and efficient operating condition such regulators, relief valves, and other equipment as may be necessary in NFGDC's reasonable judgment to avoid excessive pressures (and the risk of such pressures) in facilities owned and operated by NFGDC or its customers.



### 2.13 Operator acknowledges that:

2.13.1 The Receipt Points identified in Exhibit A are located on NFGDC's gas distribution facilities;

2.13.2 NFGDC must, at all times, be in a position to operate, maintain, enhance, and/or replace any one or more of its facilities in such a manner, at such times, and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

2.13.3 The maximum and/or minimum delivery pressures or other parameters applicable to Operator's delivery of gas into NFGDC's facilities may vary from time to time, in light of the above, and in order to enable NFGDC to satisfy its retail market requirements, including but not limited to its firm service obligations, transportation obligations, and to ensure the maintenance of safe operating conditions throughout its system, including, but not limited to, the maintenance, enhancement and/or improvement of its facilities;

2.13.4 Operator acknowledges NFGDC's right (a) to restrict and/or completely stop Operator's deliveries at any one or more Receipt Points insofar as reasonably necessary in NFGDC's judgment to accommodate the above requirements, and/or (b) to designate and re-designate, from time to time, the maximum pressure or other delivery parameter(s) temporarily applicable to deliveries of gas by Operator at any one or more Receipt Points; and

2.13.5 Without limitation of the remedies available to NFGDC in respect of any breach of this Agreement, a breach of any one or more of the obligations undertaken by Operator under paragraphs 2.1, 2.2, 2.3 and 2.5 of this Article 2 shall constitute a material breach of this Agreement.

## ARTICLE 3. MEASUREMENT

3.1 Measurement of Operator's Gas shall be in accordance with the Tariff and GTOP requirements applicable to gas delivered into NFGDC's facilities for transportation service and/or applicable to production facility gas measurement.

3.2 The unit of volume for purposes of measurement of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be Mcf.

3.3 The total heating value of the gas delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be determined by tests of samples of gas collected at said Receipt Points at such time(s) as may be determined by NFGDC. The unit of measurement of heating value shall be Btu. Btu determinations shall be made as often as NFGDC deems appropriate, and at NFGDC's expense, provided, however, that Btu determinations which are made by NFGDC at Operator's request shall be made by NFGDC at Operator's cost and expense.

3.4 If undertaken at Operator's request, NFGDC's test of the accuracy of any meter or other measurement equipment owned and used by NFGDC to measure volumes of gas delivered into its facilities shall be arranged and conducted, insofar as reasonably practicable, so as to permit representatives of Operator to be present. If, upon any such test (whether conducted at Operator's request or upon NFGDC's own initiative) any such meter or measurement equipment shall be found to be inaccurate, NFGDC shall adjust the same as soon as practicable to read correctly; and

3.4.1 If such inaccuracy is less than three percent (3%), the previous readings shall be deemed correct, and, in the event such test was conducted at Operator's request, Operator shall bear all costs of such test;

3.4.2 If such inaccuracy is three percent (3%) or more, the previous readings shall be corrected to zero (0) error for the period of time during which such meter or other measurement equipment is known or agreed to have been inaccurate. If the length of such period of inaccuracy is not known or agreed upon, such correction shall be made for a period equal to one-half (½) of the time which has elapsed since the date of the last calibration, provided, however, that such correction period shall not exceed thirty (30) days.

If any such meter or other measurement equipment is out of service, or inaccurate by three percent (3%) or more, under circumstances where the correction of previous readings of such equipment to “zero (0) error” is not feasible, then the volume of gas delivered during the period shall be estimated (a) by using data recorded by any check-measuring equipment, if installed and registering accurately, or (b) if such check-measuring equipment is not installed or registering inaccurately, by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or (c) if neither such method is feasible, by estimating the quantity delivered based upon deliveries under similar conditions during a period when equipment was registering accurately.

#### ARTICLE 4. GAS QUALITY

4.1 Operator understands and acknowledges that NFGDC will not continuously monitor, test, or otherwise inspect Operator’s Gas prior to the delivery thereof into NFGDC’s facilities. Operator further acknowledges that, irrespective of the contractual disposition of Operator’s Gas, all such gas is commingled with, and becomes an inseparable part of, the gas supply used by NFGDC to satisfy its obligations to its retail and transportation customers. Accordingly, Operator expressly warrants and represents that (i) Operator’s Gas shall, in all respects and at all times, consist solely of gas which is merchantable and fit for use by NFGDC’s retail customers, and (ii) without limitation of the generality of the foregoing, Operator’s Gas shall at all times, and in all respects, shall conform to the Tariff and GTOP requirements applicable to gas delivered into NFGDC’s facilities for transportation service, and meet at least the following minimum quality specifications:

4.1.1 Operator’s Gas shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

4.1.2 All gas delivered by Operator to NFGDC hereunder into NFGDC’s facilities through any Receipt Point listed on the attached Exhibit A shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by NFGDC, at its sole discretion, from time to time. In no event shall the acceptable level, as determined by NFGDC, be required to be less than the maximum water vapor (H<sub>2</sub>O) per million cubic feet level specified in the Tariff;

4.1.3 Operator’s Gas shall be entirely free of NO<sub>x</sub> compounds;

4.2 To the extent accepting Operator’s Gas does not prevent gas delivered to customers from being merchantable and fit for use in its retail markets, NFGDC shall have the option (but never the obligation), to relax gas quality requirements, from time to time, by describing permissible variations in its GTOP.

4.3 Operator shall furnish, install, operate, maintain and keep in efficient and safe operating condition, at Operator’s sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, treatment facilities, and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article.

4.4 In addition to any other remedy which may be available to NFGDC hereunder, or under any provision of law, in respect of Operator’s undertakings expressed in this Article, NFGDC shall

have and be entitled to exercise any one or more of the following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any one or more of said undertakings, to wit:

- 4.4.1 Upon notice to Operator, treat or process Operator's Gas, at Operator's sole cost and expense, insofar as reasonably necessary in NFGDC's judgment to cause the same to conform to the quality specifications set forth in this Article;
- 4.4.2 Continue to receive Operator's Gas, with or without treatment or processing thereof;
- 4.4.3 Discontinue receiving Operator's Gas at the affected Receipt Point(s) until the occasion(s) for the exercise of a remedy by NFGDC has, in NFGDC's reasonable judgment, been corrected;
- 4.4.4 Terminate this Agreement as respects the delivery of Operator's Gas into NFGDC's facilities at the affected Receipt Point(s) in the event that, in NFGDC's reasonable judgment, the occasion for NFGDC's exercise of a remedy cannot be corrected at a reasonable cost in a reasonable time;
- 4.4.5 Require Operator to cease receiving into Operator's facilities production attributable to the source which occasioned NFGDC's exercise of a remedy; and
- 4.4.6 Clean-up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by the occasion for NFGDC's exercise of a remedy. NFGDC shall endeavor to notify the Operator prior to taking such remedial action.

#### ARTICLE 5. CHART CHANGES AND INDEX READINGS

5.1 Operator shall, at its own cost and expense, (i) change the charts on each orifice meter associated with the Exhibit A Receipt Points (the "Charts"), on the first (1st) working day of each month, (ii) mail the removed Charts to NFGDC on or before the fifth (5th) working day of each month, (iii) change the Charts regularly, once each seven (7) day period following said first (1st) working day, or on a 31-day cycle in the case of 31-day charts, and (iv) mail these removed Charts to NFGDC within three (3) working days of each such chart change.

5.2 Insofar as applicable, Operator shall, at its own cost and expense, read each displacement meter associated with any Exhibit A Receipt Point on the first (1st) working day of each month and shall mail, or, with confirmed receipt, e-mail or fax all such index information to NFGDC on or before the fifth (5th) working day of each month.

5.3 All charts and all index information shall be addressed to "NATIONAL FUEL GAS DISTRIBUTION CORPORATION" at the address provided for Gas Measurement in the NFGDC Contacts Addendum.

5.4 Operator understands that NFGDC is not able to account for and/or allocate Operator's Gas without using the Chart or index information (as the case may be) referred to in this Article. Accordingly, given (i) the incremental expense and other costs which will be incurred by NFGDC in the event of its tardy receipt of the Chart or index information referred to in this Article; (ii) the difficulty of quantifying such costs and expenses, and (iii) the inconvenience and practical infeasibility of otherwise providing an adequate remedy in respect of Operator's breach of its undertakings expressed in this Article, it is agreed as follows:

In the event that either of the following conditions are met, to wit: (i) Operator shall fail to mail any Chart or index information as stipulated in this Article, or (ii) NFGDC shall fail to receive said Chart or index information on or before the fifth (5th) working day following the mailing date stipulated in this Article, then

NFGDC shall be relieved of any obligation to account for any of the production in a timely manner but will endeavor to account for such production in the next accounting period.

#### ARTICLE 6. TERM

6.1 This Agreement shall have no force or effect unless and until it shall have been executed by each of the parties identified on the first page hereof and by each of the parties identified in the Addendum thereto, if any (the "Effective Date"). Thereafter, and unless and until NFGDC shall have notified each of the other parties who executed this Agreement (the "Non-NFGDC Parties") that all applicable gas disposition agreements have become effective, no right or entitlement shall accrue to any Non-NFGDC Party due to the execution of this Agreement.

6.2 The term of this Agreement shall extend until the first anniversary of the Effective Date, and, unless otherwise lawfully terminated, this Agreement shall continue in effect thereafter, until the same is terminated by any party to this Agreement, if any, by written notice to all other such parties, no later than thirty (30) days prior to the beginning of a calendar month.

6.3 Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to NFGDC hereunder or under any provision of law, NFGDC shall have the following rights, exercisable at NFGDC's sole option, to wit:

6.3.1 Terminate this Agreement and remove all Receipt Facilities at the Exhibit A Receipt Points, or suspend or cease receiving Operator's Gas at any one or more of the Exhibit A Receipt Points, upon thirty (30) days' prior written notice to Operator, in the event that Operator should for any reason experience a loss or cancellation of the security required to be provided by Operator pursuant to Article IX hereof; and

6.3.2 Terminate this Agreement as to the affected Receipt Point(s) and remove all Receipt Facilities at the affected Receipt Point(s), or suspend or cease receiving Operator's Gas at any affected Receipt Point(s), upon thirty (30) days' prior written notice to Operator, in the event that Operator should (i) fail to provide satisfactory title to the production or (ii) repeatedly violate, in NFGDC's sole opinion, the standards contained in Article IV.

#### ARTICLE 7. GOVERNMENTAL REGULATION

7.1 This Agreement and the respective obligations of the parties hereunder shall be subject to all valid applicable federal, state and local laws, orders, rules and regulations, whether in effect on the date hereof, or becoming effective thereafter. The parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities. Nothing contained herein, however, shall be construed as affecting any party's right(s) to contest the validity or applicability of any such law, order, rule or regulation.

#### ARTICLE 8. FORCE MAJEURE

8.1 In the event either NFGDC or Operator is rendered unable, in whole or in part, by force majeure to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to maintain minimum gas quality specifications, it is agreed that the obligations of the party claiming such inability to perform, so far as they are affected by such force majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; provided that the party claiming such inability gives notice and

reasonably full particulars of such force majeure event relied upon; and provided further that the party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

8.2 The term “force majeure” as employed herein shall mean, without limitation, acts of God, Governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or pipelines, freezing of pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the party claiming inability to perform and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

8.3 The settlement of strikes, lockouts or any such labor disputes shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure event shall be remedied promptly and diligently shall not require the settlement of strikes, lockouts or other labor disputes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty.

8.4 Force majeure shall not include failure or disruption of technical systems or products within the reasonable control of the party claiming force majeure which arise as a result of any leap year.

#### ARTICLE 9. NOTICE

9.1 Every notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent by prepaid mail, facsimile, or by overnight delivery, addressed to the party to whom given, at such party's address stated below, or at such other address as such party may in and by such notice direct hereafter. Facsimile notices, requests, statements, bills or invoices shall be deemed given only when facsimile receipt is confirmed.

9.1.1 Notice to NFGDC shall be sent to the address provided for Notices in the NFGDC Contacts Addendum.

9.1.2 Notice to Operator shall be sent to the address provided for Notices in the Operator Contacts Addendum.

9.2 Operator shall provide NFGDC with a current telephone number, facsimile number and E-mail address at which Operator or Operator's representatives may be contacted at all hours using the Operator Contacts Addendum or other mutually agreeable form that minimally provides the same information contained therein. For themselves and their agents, NFGDC and Operator agree to the recording of all telephone conversations during which NFGDC notifies Operator to suspend or cease deliveries into any facility owned or operated by NFGDC.

#### ARTICLE 10. OPERATOR'S CREDITWORTHINESS

10.1 At its sole option, NFGDC may (i) suspend its receipt of Operator's Gas, or (ii) terminate this Agreement, in the event that Operator is or has become insolvent or fails within a reasonable period, upon NFGDC's request, to demonstrate creditworthiness, or in the event that Operator incurs a poor credit history with respect to any service provided by NFGDC or as established by a reliable reporting agency.

10.2 As a demonstration of Operator's creditworthiness and as security in respect of any remedy afforded NFGDC under this Agreement or under any provision of law, Operator agrees to provide

NFGDC, prior to the Effective Date, and to keep in force throughout the term of this Agreement, any one of the following:

10.2.1 A security deposit in the amount of Ten Thousand Dollars (\$10,000), to be held in a non-interest-bearing general account by NFGDC;

10.2.2 An irrevocable letter of credit issued by a financial institution acceptable to NFGDC and in a form acceptable to NFGDC with a face amount of Ten Thousand Dollars (\$10,000); or

10.2.3 At NFGDC's sole discretion, a copy of the most recent audited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth in excess of Thirty Thousand Dollars (\$30,000), or a copy of the most recent unaudited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth of at least Forty Thousand Dollars (\$40,000), in which event, Operator shall also provide NFGDC with evidence of its ownership of unencumbered assets valued, in the aggregate, in excess of Ten Thousand Dollars (\$10,000) in each state in which Operator conducts any business with NFGDC.

10.2.4 Security, in a form acceptable to NFGDC, provided on behalf of Operator by a creditworthy third party, including but not limited to a marketer, individual, or other entity.

10.3 NFGDC reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

#### ARTICLE 11. TITLE TO GAS

11.1 Nothing in this Agreement shall affect the title to Operator's Gas.

11.2 Operator shall indemnify NFGDC against, and hold it harmless from, and undertake the defense of NFGDC with respect to, all suits, actions, claims, debts, accounts, damages, costs, losses and expenses (including attorneys' fees) arising from or out of adverse claims of any and all persons or entities to Operator's Gas, or to royalties, overriding royalties or other payments with respect thereto, or to taxes, licenses, fees, or charges with respect to Operator's Gas or the disposition thereof (hereinafter, respectively "Adverse Claim To Operator's Gas"). Except insofar as Operator is in breach of its obligations or has an obligation to indemnify and save NFGDC harmless pursuant to this section XI (B), NFGDC agrees to indemnify and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the natural gas after receipt by NFGDC of Operator's gas for redelivery by NFGDC (whether by means of transportation service or NFGDC commodity service) according to NFGDC's Tariff.

11.3 In the event of any Adverse Claim To Operator's Gas, NFGDC may, at its sole discretion, suspend receipts of Operator's Gas at the Receipt Point(s) where the affected gas is delivered into NFGDC's facilities (without incurring any liability to Operator or any other entity interested in Operator's Gas) until such claim is finally determined and the prevailing party(ies) agree(s) to be bound by this Agreement, or until Operator furnishes NFGDC a bond, in form and amount and with sureties acceptable to NFGDC, conditioned to hold NFGDC harmless from any such Adverse Claim To Operator's Gas, or until Operator demonstrates, to NFGDC's satisfaction, that such gas subject to an adverse claim does not constitute any portion of Operator's Gas

11.4 Operator agrees to provide NFGDC, upon request, evidence reasonably satisfactory to NFGDC of Operator's right to handle and deliver into NFGDC's facilities, one hundred percent (100%) of the gas comprising Operator's Gas.

#### ARTICLE 12. REMEDIES

12.1 In addition to any other remedy available to NFGDC under this Agreement or any provision of law, Operator shall indemnify NFGDC against, hold it harmless from, and undertake the defense of NFGDC with respect to all suits, actions, claims, losses, damages (including punitive damages and economic losses), injuries (including personal injury and death), debts, accounts, costs and expenses (including attorneys' fees and other expenses incurred by NFGDC in responding to, and in partial or full satisfaction of, any such suits, actions, claims, losses, damages and injuries) related to and/or arising from or out of any breach by Operator of any provision of this Agreement.

#### ARTICLE 13. MISCELLANEOUS

13.1 This document shall not be construed as an agreement running with the land.

13.2 No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

13.3 No waiver by any party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

13.4 Not less than five (5) working days prior to the first day of each calendar month during the term of this Agreement, Operator shall provide NFGDC with update(s), if any, to the identity of the entity and person who shall conduct Gas Scheduling for Operator's Gas at each of the Exhibit A Receipt Points. In the absence of Operator's timely notification to this effect, NFGDC may (but shall not be obligated to) deem the authority of the entity and person identified in Operator's last previous timely notification to continue until its receipt of the Operator's next timely notification under this paragraph.

13.5 Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of NFGDC or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

13.6 The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the parties and shall not be used in any manner in construing this Agreement.

13.7 With respect to Meter Location, this Agreement shall be construed, enforced and interpreted in accordance with the laws of

13.7.1 the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of New York, and, in the event that such court lacks subject matter jurisdiction, to the New York State Supreme Court, Erie County, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the NYSPSC, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the NYSPSC according to dispute resolution procedures under NFGDC's Interconnection Rules and Procedures set forth in NFGDC's GTOP.

13.7.2 the Commonwealth of Pennsylvania, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of Pennsylvania, and, in the event that such court lacks subject matter jurisdiction, to the Court of Common Pleas of Erie County, Pennsylvania, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the PAPUC, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may follow the dispute resolution procedures applicable to Suppliers as set forth in NFGDC's Tariff under Rate Schedule SATS, Special Provision § U(19), as revised.

13.8 So that there will be certainty as to the actual agreement between the parties, it is mutually understood and agreed that this Interconnection Agreement and the Exhibit A attached hereto, as the same may be impacted by any applicable provision of NFGDC's Tariff and GTO, are intended to constitute the final expression, as well as the complete, exclusive and integrated statement, of the terms of the parties' agreement relative to the interconnection and other transactions described therein. If there is any inconsistency between this Agreement and the Tariff, either as presently in effect or as amended, then the provisions of the Tariff shall apply.

13.9 No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

(OPERATOR)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**PRODUCER INTERCONNECTION AGREEMENT  
NFGDC CONTACTS ADDENDUM**

**CONTACT INFORMATION:**

24-Hour Telephone: (800) 444-3130 EMERGENCIES ONLY

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

Legal/Contract Notices/Contracting	<b>Legal Department</b> 6363 Main Street Williamsville, NY 14221 Facsimile: (716) 857-7688 Attn. Jeffery Same Email: SameJ@natfuel.com
Gas Measurement/Gas Testing	<b>Local Production Department</b> 717 State Street – Suite 700 Erie, PA 16501 Phone (844) NFG-WELL (844) 634-9355 Facsimile: (814) 871-8672 Email: NFG_GM@natfuel.com
Field Operations/Meter Sets	<b>Gas Measurement Department</b> 717 State Street – Suite 700 Erie, PA 16501 Phone (814) 871-8520 Facsimile: (814) 871-8672 Email: MiodusT@natfuel.com
Gas Scheduling	<b>Gas Supply Administration Department - Transportation Services</b> 6363 Main Street Williamsville, NY 14221 Phone (716) 857-7232 Facsimile: (716) 857-7479 Email: TSSsupport@natfuel.com
Credit	<b>Credit &amp; Receivables Management</b> 6363 Main Street Williamsville, NY 14221 Phone (716) 857-7570 Facsimile: (716) 857-7439 Email: SzretterB@natfuel.com

PRODUCER INTERCONNECTION AGREEMENT  
OPERATOR CONTACTS ADDENDUM

CONTACT INFORMATION: Operator: \_\_\_\_\_

Legal/Contract Notices	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Emergency (24-Hour)	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Field/Gas Testing/Operations	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Accounting/Invoices	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Other: _____	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____

Updated Addendums should be sent to NFGDC by facsimile: (814) 871-8672 or E-mail: [NFG\\_GM@natfuel.com](mailto:NFG_GM@natfuel.com)

**INTERCONNECTION AGREEMENT**

Between

NFGDC and Operator

**EXHIBIT A**

Receipt Points(s):

**Daily Metered Transportation - Imbalance Netting Agreement (DMT-INA)****DAILY METERED TRANSPORTATION  
IMBALANCE NETTING AGREEMENT**

AGREEMENT made as of the \_\_\_\_ day of 20\_\_\_\_, by and between \_\_\_\_\_  
Aggregator Name

("Aggregator") having offices at \_\_\_\_\_ and  
Aggregator Address

National Fuel Gas Distribution Corporation, a New York corporation, with offices at 6363 Main Street, Williamsville, New York, 14221-5887 ("Company").

**DEFINITIONS APPLICABLE TO THIS AGREEMENT**

Terms and conditions in this Agreement not defined below shall have their meaning as defined or utilized in the Company's Tariff for gas service, PSC No. 9 - GAS.

Aggregator	Signatory to this Agreement who, in the judgment of Company, has been determined creditworthy for participation in DMT Customer imbalance management (i.e. the DMT Supplier or Marketer under SC-13.)
DMT	Daily Metered Transportation
DMT Customer	SC-13 Transportation service customer who has appointed Aggregator.
DMT Market Pool	The pool or group of DMT Customers enrolled by the Aggregator.
DMT Imbalance	Net imbalances developed by the DMT Market Pool and the primary financial responsibility of the Aggregator.
Commission	Public Service Commission of the State of New York
SC-13	Service Classification No. 13 under Company's Tariff.
Tariff	Company's Schedule of Gas service, P.S.C. No. 9, GAS, or successor.
Transportation Customer	Transportation service customer of Company pursuant to an effective Transportation Service Agreement.
UBPs	Uniform Business practices as adopted by the Commission.

**WHEREAS**, Aggregator desires to participate in Company's DMT program by performing imbalance management services for DMT Customer(s) under SC-13;

**WHEREAS**, Aggregator wishes to assume responsibility for payment, on behalf of its DMT Customer(s), of DMT Imbalance charges incurred by DMT Customer account(s) in Aggregator's DMT Market Pool;

**WHEREAS**, Aggregator wishes to do all things necessary to effectuate all services under Company's DMT program as set forth under SC-13;

**WHEREAS**, Company is willing to provide such services to Aggregator as are necessary and sufficient to effectuate the DMT program under SC-13 in accordance with all laws, rules, regulations, permits, orders and authorization applicable to the DMT program, or any part thereof.

The parties agree as follows:

**A. Designation as Aggregator:**

Company shall accept designation and appointment of Aggregator, and identification of DMT Market Pool, upon receipt of a valid enrollment, upon the terms and conditions contained in this Agreement and SC-13. The Aggregator, upon request, shall provide the Company with evidence of Customer consent.

**B. Identification of DMT Customer:**

DMT Customers shall be identified by the Aggregator by enrolling DMT Customers into the Aggregator's DMT Market Pool, subject to the terms and conditions contained therein and under SC-13. All necessary customer information shall be communicated to the Company via Electronic Data Interchange (EDI), the Company's Web Site or other protocol established by the Company. Notification and execution of Customer switches including switches from the Company to the Aggregator, as well as the timing thereof, shall be governed by the applicable provisions of the UBPs.

**C. Term of Agreement:**

The term of this Agreement shall commence on \_\_\_\_\_ and shall continue through \_\_\_\_\_  
(beginning date)  
\_\_\_\_\_, and renew annually for successive terms ending each \_\_\_\_\_ unless  
(ending date)  
otherwise terminated by the following events:

1. Default by Aggregator of any terms or conditions contained in this Agreement;
2. By mutual agreement of Company and Aggregator;
3. At the discretion of Company to the extent necessary to preserve system operational integrity;
4. Pursuant to an order of the Commission.

**D. Aggregator's Duties and Obligations:**

1. Aggregator hereby assumes primary responsibility for DMT Customer transportation nominations and for DMT Imbalances as calculated and billed by Company under SC-13.
2. DMT Imbalances shall be resolved as described under SC-13. Aggregator shall be billed for applicable imbalance services pursuant to the Tariff.
3. All other terms and conditions under SC-13 and Company's Tariff apply as if fully stated herein, and as amended from time to time.

**E. Company's Duties and Obligations:**

1. Company shall accept Aggregator's DMT Market Pool, as described in B above, and shall provide all services required to effectuate service under SC-13.
2. Company shall bill Aggregator on a monthly basis for DMT Imbalance charges and imbalance cash out charges (as applicable), plus applicable fees, taxes and surcharges incurred.
3. Company shall bill DMT Customer for DMT delivery charges, plus applicable fees, taxes and surcharges incurred.

- 4. All other terms and conditions under SC-13 and Company's Tariff apply as if fully stated herein.

**F. Rates and Charges:**

Applicable rates and charges for DMT service shall be billed to Aggregator pursuant to SC-13.

**G. Consequences of Default:**

In the event Aggregator fails to comply with any of the terms and conditions set forth herein and under SC-13, this Agreement shall terminate and Company shall refund Aggregator's security deposit minus amounts due Company for services rendered under SC-13 or any applicable Service Classification for past DMT Imbalances, fees, and residual DMT Imbalances, if applicable.

**H. Incorporation by Reference:**

A copy of the currently effective form of SC-13 is attached hereto and is incorporated herein. All terms not otherwise defined in the Agreement shall have the same meaning as set forth in SC-13. If there is any inconsistency between this Agreement, SC-13 and other provisions of the Tariff, either as presently effective or as amended, then the provisions of SC-13 and the Tariff shall apply.

**I. Notices:**

All notices, invoices and billing should be directed in care of the Transportation Services Department; inquiries regarding rates should be directed to the Energy Services Dept.; nominations and other correspondence pursuant to this Agreement shall be sent to the Transportation Services Department at the following address:

To Company:                   National Fuel Gas Distribution Corporation  
                                       6363 Main Street  
                                       Williamsville, New York 14221-5887

To Aggregator:               \_\_\_\_\_

(name)

\_\_\_\_\_

(address)

\_\_\_\_\_

\_\_\_\_\_

**J. Limitation on Company's Liability:**

Company shall not be liable for any error in judgment or any mistake of law or fact or any act done in good faith in the exercise of the powers and authority herein conferred or for any loss, damage, delay or failure to perform in whole or in part resulting from causes beyond Company's control, including, but not limited to, fires, strikes, insurrections, riots, embargoes, shortages in supplies, delays in transportation, or requirements of any governmental authority. Furthermore, in no event shall Company be liable for consequential, punitive, incidental, indirect or special damages in the provision of services hereunder.

**K. Aggregator Indemnity Obligations:**

Aggregator shall indemnify, save harmless and, at Company's option, defend Company from and against any and all losses, claims, demands, damages, costs (including, without limitations, reasonable attorneys' fees), expenses, liabilities, proceedings, suits, actions, restrictions, injunctions, fines, judgments, penalties and assessments which Company may suffer for, on account of, by reason of or in connection with any adverse claim of any person or persons to the gas purchased by Company under SC-13, regarding purchases of DMT Month End Surplus Imbalances, and in

connection with any bodily injury, including death to any person or persons (including, without limitation, Aggregator's employees) or any damage to or destruction of any property, including, without limitation, loss of use thereof, arising out of, in any manner connected with or resulting from the goods, work or services furnished by Aggregator with respect to this Agreement. The provisions of this Paragraph K shall survive the termination or expiration of this Agreement.

**L. Entire Contract:**

This agreement and express incorporations sets forth the entire contract between the parties concerning the subject hereof, and supersedes all prior and contemporaneous written or oral negotiations and agreements between them concerning the subject hereof.

**M. Modification of Agreement:**

Any amendment to this Agreement may be made in the sole discretion of Company so long as such changes are not inconsistent with the Tariff and any modification of this Agreement must be in writing and signed by both parties, except that modifications of the Tariff affecting this Agreement shall modify this agreement automatically with no further writings.

**N. Interpretation of Agreement:**

The interpretation, construction, and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law regarding the conflicts of law, and the parties to this Agreement hereby submit and consent to the jurisdiction of the courts of the State of New York (including, without limitation, the federal courts located within the State of New York) in any action brought to enforce (or otherwise relating to) this Agreement.

**O. Drafting Presumptions:**

No presumption shall operate in favor of Aggregator or against Company as a result of drafting this Agreement.

**P. Waiver:**

No waiver by any party of any one or more defaults by the other in performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

**Q. Assignment:**

Aggregator shall not assign this Agreement, or any of its rights, duties or obligations hereunder without the prior written consent of Customer.

**R. Severability:**

If any provision of this Agreement is determined to be invalid or unenforceable or contrary to Commission Rules or law, the provision shall be deemed to be void as of the date of this Agreement and shall not be part of this Agreement and shall otherwise be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement. If any provision of this Agreement does not comply with any law, ordinance or regulation of any governmental or quasi-governmental authority, now existing or hereinafter enacted, such provision shall to the extent possible be interpreted in such a manner so as to comply with such law, ordinance or regulation, or if such interpretation is not possible, it shall be deemed amended to satisfy the requirements thereof.

**S. Creditworthiness:**

In order to qualify for service hereunder, DMT Aggregator will be required to meet Company's credit requirements according to criteria contained in the Commission's Uniform Business Practices. Aggregator agrees to execute, on an ongoing basis, at the discretion of Company, any other agreements necessary in order to remain qualified as a DMT Aggregator. Failure to execute said other Agreements shall constitute default.

**IN WITNESS WHEREOF**, the parties, intending to be legally bound, have caused this Agreement to be signed by their duly authorized officers as of the day and year first above written.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

\_\_\_\_\_  
(Witness)

By: \_\_\_\_\_

Title: \_\_\_\_\_  
(please type/print name & title of person signing)

\_\_\_\_\_  
(Witness)

By: \_\_\_\_\_

Title: \_\_\_\_\_  
(please type/print name & title of person signing)



**Billing Services Agreement for Consolidated Billing Service****Billing Services Agreement for Consolidated Billing Service  
Under Service Classification No. 19**

BILLING SERVICES AGREEMENT ("Agreement") entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between National Fuel Gas Distribution Corporation ("Company") and \_\_\_\_\_ ("Marketer") (the "Parties").

WHEREAS Marketer is receiving service from Company as a "Supplier" under Service Classification No. 19, Supplier Transportation, Balancing and Aggregation ("STBA" or "STBA Tariff"), such service classification being contained and subsumed in Company's tariff, P.S.C. No. 9 – GAS ("Tariff");

WHEREAS by means of such STBA service Marketer purchases natural gas commodity on behalf of STBA customers ("Customers") on Company's system and causes such natural gas commodity to be delivered to the Company for redelivery, or transportation, by the Company to Marketer's Customers;

WHEREAS as a result, Marketer is interested in charging such Customers ("Customer Accounts") for Marketer's commodity service ("Marketer charges"), and Company is interested in charging the same Customers for Company's transportation and other services ("Company charges"), on a single bill that includes Marketer charges and Company charges;

WHEREAS Marketer has elected to receive, and Company agrees to provide, a consolidated billing service ("CBS"), pursuant to the STBA tariff;

WHEREAS, with respect to Customer Accounts for Customers that consume less than 25,000 Mcf annually, Marketer has requested that Company purchase, free and clear of all liens, claims and encumbrances, without recourse except as described in this Agreement, all amounts billed by Company hereunder on Marketer's behalf and make payments to Marketer relating to such purchases;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants, conditions and terms set forth below, Marketer and Company agree as follows:

**A. Applicable Tariff and Operating Procedures**

1. **Tariff and Operating Procedures.** The terms and conditions of the Tariff, STBA agreements, Gas Transportation Operating Procedures ("GTOP" or "Operating Procedures") and the New York State Public Service Commission's ("NYPSC") Uniform Business Practices ("UBPs"), as applicable, are fully incorporated in this Agreement except as otherwise expressly stated herein.

2. Tariff Controls. If there is any inconsistency between this Agreement and the Tariff (including the STBA tariff contained within the Tariff), in its current form or as subsequently amended, then the provisions of the Tariff shall apply.

B. Consolidated Billing and Purchase of Accounts Receivable

1. Billing Service. Pursuant to the STBA tariff, Marketer hereby elects to receive CBS and authorizes Company to perform certain retail billing functions for Marketer's Customers, as defined in the STBA tariff and the UBPs, including invoicing, remittance processing and customer service activities. Marketer and Company shall comply in every respect with the provisions of CBS under the STBA tariff, Company's Tariff and, where applicable, the UBPs. Service hereunder is available only to Customers and not for retail customers under any other service classifications.

2. Purchase of Accounts Receivable.

a. For Customer Accounts with annual consumption less than 25,000 Mcf and subject to the other terms and conditions of this Agreement: Marketer hereby assigns, sells and conveys to Company free and clear of all liens, claims and encumbrances, and Company agrees to purchase without recourse except as described in sections B ¶11 and ¶12 below, Marketer's right, title and interest in all accounts receivable, being amounts due from all such Customers as shown on CBS bills issued by Company on and after the effective date of this Agreement ("Purchased Customer Accounts").

b. Title to Marketer's Purchased Customer Accounts shall pass to Company as of the date bills are issued by Company (the "Billing Date"), and as of such Billing Date Marketer shall have no rights in or to the Purchased Customer Accounts and shall not seek to collect in any manner such amounts from Customers or pledge or attempt to encumber such amounts as security.

3. Rate-Ready Service. CBS is a "rate ready" service, as defined in the UBPs. Marketer shall provide to Company all rates, charges and other information, including Customer Account information, necessary for billing purposes, in a form and manner determined by Company, at least four (4) business days prior to the Customers' Meter Read Date. Such information shall be deemed received for processing only upon Company's express confirmation of receipt. Company shall not be responsible for billing errors or delays caused by Marketer's failure to timely and properly provide accurate billing information to Company. Marketer agrees to indemnify Company against any and all actions, charges, complaints, proceedings, liabilities, damages, penalties and fines resulting from errors caused by untimely or inaccurate information provided by Marketer.

4. Bills based on Meter Reads. Bills issued by Company shall be based on actual or estimated meter readings retrieved by Company in the manner, and according to procedures, utilized for Company's general billing practices. Meter readings are recorded for billing purposes on the Meter Read Date or on such other special reading date as the Company may determine appropriate. Marketer will not be responsible for billing errors resulting from meter reading inaccuracies or errors. Consumption adjustments shall be reflected on subsequent Customer bills in the ordinary course of billing. Company reserves the right; however, to re-bill Customers or issue corrected

bills if justified by the circumstances and as permitted by the UBPs and Company's Tariff.

5. Bill Content. CBS bills will display Marketer's charges. The Company will calculate the Customer's total Marketer charge(s) by multiplying the commodity rate(s), provided by Marketer, by the consumption determined by Company. CBS bills will also identify Marketer as the Customer's natural gas Marketer, and will set forth a phone number at which Marketer can be reached for Customer inquiries. Company's charges will also be displayed on the bill in the manner prescribed by the Tariff and NYPSC directives, orders, rules and regulations.

6. Taxes. Company is not responsible for the paying or remitting to the applicable taxing authorities, on behalf of Marketer, of any federal, state or local taxes as a result of this Agreement. Company will calculate and identify the sales and use tax applicable to Marketer's charges and will provide such calculations to Marketer. Marketer shall be liable for and pay all such taxes and shall indemnify, defend and hold harmless Company from and against any and all liability for such taxes and any interest, penalties and attorney fees.

7. Late Payment Charges. Late payment charges ("LPC") shall be assessed on Customers by Company for untimely payment of amounts billed. The LPC for unpaid Company charges shall be 1.5% per month (also assessed on unpaid LPCs), or as otherwise directed by the NYPSC. The LPC for unpaid Marketer charges shall be 1.5% per month. Provided, however, that for Customer Accounts that are not Purchased Customer Accounts, the LPC shall be designated by Marketer (subject to Company's billing capabilities) pursuant to Marketer's agreement with the Customer. The LPC, if assessed, shall be inclusive of all billed charges. To the extent necessary, Marketer hereby grants, assigns and delegates to Company all of Marketer's rights to assess and collect a LPC on the Marketer's charges included in the CBS bill. LPC proceeds collected on Purchased Customer Accounts shall be retained by the Company. LPC proceeds collected on Customer Accounts that are not Purchased Customer Accounts shall be remitted to Marketer.

8. Budget Billing. Company offers budget billing (also known as balanced billing) through CBS for the entire bill as a Customer option, and will provide such service according to Company procedures for Budget Billing.

9. Authorized Payment Agencies. Customers may pay CBS bills at authorized payment agencies in the same manner as is permitted for Company bills.

10. Billing and Collection Procedures; Security Interest; Setoff.

a. Company charges and Marketer charges will be shown on CBS bills and collected by Company. Company shall have the exclusive right to receive and process Customer payments, and will perform for itself and on behalf of Marketer required billing and collection activities on Customer Accounts in conformance with the Home Energy Fair Practices Act ("HEFPA") with respect to residential Customers and in accordance with Part 13 of 16 NYCRR with respect to non-residential Customers.

b. Marketer hereby grants, assigns and delegates to Company all of Marketer's rights under New York law and regulations to terminate and suspend Marketer's service to a Customer who fails to make full payment of all amounts due for such service on the CBS bill.

c. Company agrees to indemnify Marketer against any and all actions, charges, complaints, proceedings, liabilities, damages, penalties and fines resulting from Company's failure to properly apply HEFPA procedures for billing and collection activities as provided in this Agreement.

d. For non-residential Customers, Company shall terminate its transportation service and the Marketer's commodity service where: (i) the Customer fails to make full payment of all amounts due on the CBS bill; (ii) the Customer Account is a Purchased Customer Account; and (iii) the Marketer has executed and furnished Company with an affidavit from an officer of Marketer attesting to the representation and warranty set forth below at section C ¶5. The Company's receipt of such properly executed affidavit shall be condition of service under this Agreement. Marketer will indemnify Company for any cost, expense, or penalty incurred if any of Marketer's Customer's service is terminated for non-payment and the Customer establishes that it did not receive such notification.

e. Any Customer payment or portion thereof that is billed by Company and received by Marketer shall be held by Marketer in trust as the property of Company and shall be remitted in full to Company within three (3) business days without any deduction or set-off by Marketer.

f. For Customer Accounts that are not Purchased Customer Accounts, Marketer agrees to permit Company to set-off any unsatisfied Marketer obligations to Company with proceeds received from Customers' payments of Marketer charges, with the remainder, if any, remitted to Marketer in the ordinary course. Marketer hereby grants a security interest in such Customer Accounts and Company may in its discretion perfect a security interest in such Customer Accounts to the extent necessary in order to give effect to this Agreement.

11. Purchase Amount. Subject to the other terms and conditions of this Agreement: For Purchased Customer Accounts, Company shall pay Marketer an amount equal to \_\_\_\_\_% for residential amounts billed (inclusive of taxes pursuant to above section B ¶6), and \_\_\_\_\_% of non-residential amounts billed (also inclusive of taxes) hereunder. The above payment percentages are subject to changes as approved by the NYPSC. For current balances on Purchased Customer Accounts, Company will remit payment twenty-three (23) days (plus two (2) business days for processing) following the Billing Date (or the next following business day if the 23rd day falls on a bank holiday or a Company holiday) of all Marketer charges billed to Customers in the previous month. For Budget Billing CBS bills, the amount purchased shall be based on the total billed amount without regard to current debit or credit balances.

12. Other Deductions.

a. Company's payment obligation to Marketer in accordance with above section B ¶11 shall be subject to netting of all amounts owed to Company by the Marketer for STBA services and/or other charges under the Tariff or GTOP, including (but not limited to):

- Special meter read fees;
- Customer usage history fees;
- Gas imbalance charges;
- Billing and payment processing charges;
- Amounts due under other Marketer accounts;
- Amounts disputed by Marketer's Customers as described below; and
- At the time the amount is written off by the Company or when Customer's service is restored with a different marketer, billed amounts in excess of the amount necessary to restore Customer service pursuant to Public Service Law §32(5)(d).

Such amounts deducted from Company's payment to Marketer in accordance with section B ¶11 shall be itemized and described by Company at the time of payment. At Marketer's request, Company agrees to provide Marketer with calculations and other documentation supporting such deductions.

b. Disputed Amounts. An amount is deemed disputed if a Customer initiates a bill complaint under Part 12 of the NYPSC's Rules of Procedure (16 NYCRR Part 12) questioning the validity of Marketer's bill, charges or services. A Customer's claim of inability to pay or inaccurate meter reading shall not constitute a dispute for purposes of Company's obligation to pay Marketer amounts billed.

13. Bill Format. Company shall determine CBS bill format, subject to changes at Company's discretion and to accommodate bill content requirements under the UBPs and applicable directives of the NYPSC. At Marketer's option, Marketer's logo will be printed (according to the capabilities of CBS) so long as Marketer's logo is provided in an acceptable electronic format at least thirty (30) days before it is to be used. Both Parties' bill message spacing shall be governed by the Parties' agreement and CBS capabilities but shall not be less than four hundred eighty (480) characters for either Party. Information required by statute, regulation or order shall be printed on or inserted into CBS bills without additional charge so long as inserts do not exceed one-half ounce in weight. Additional bill inserts may be provided at negotiated rates. Company reserves the right to reject bill message or bill insert content requested by Marketer if Company in its sole judgment finds such content inappropriate or otherwise offensive.

14. Customer Inquiries. Company will receive and endeavor to process Customer inquiries relating to the CBS bill. Provided, however, that Customer inquiries relating to Marketer's rates or services shall be directed to Marketer's phone number shown on the bill. Marketer shall remain obligated to maintain a system capable of handling Customer complaints.

15. Security Deposits. Marketer hereby grants, assigns and delegates to Company Marketer's complete right to obtain security deposits and other forms of security. Existing deposits held on Customer Accounts shall be refunded to Customer or transferred to Company within five (5) days of commencement of service hereunder.

### C. Representation and Warranties

1. Agreement Not for the Benefit of Third Parties. Marketer warrants and hereby agrees that it is not entitled to and shall not pledge Company's credit for any purpose whatsoever. This Agreement is for the benefit of the Parties hereto and not for the benefit of third parties, except to the extent of any amounts payable to Marketer under this Agreement to the extent Marketer grants a security interest to its bona fide lender in amounts due to Marketer pursuant to this Agreement.

2. Marketer Eligibility. Marketer represents and warrants, and shall demonstrate at Company's request, that it has satisfied all requirements to qualify as an eligible gas marketer in New York State for service to the class of Customers served under this Agreement, and will continue to be in compliance with such requirements and subsequently adopted laws and regulatory requirements throughout the term of this Agreement.

3. No Encumbrances. Marketer warrants and shall demonstrate to Company that Purchased Customer Accounts are unencumbered and not subject to a security interest or lien held by a third party. Marketer further warrants that it will not allow any interest or permit any third party to assert a claim of any type on those Purchased Customer Accounts or any new Purchased Customer Accounts opened during the term of this Agreement.

4. Late Payment Charge. Marketer represents and warrants that Marketer's Customers billed under this Agreement have received notice that a LPC of 1.5% per month shall be assessed as described in this Agreement and any and all Customer Accounts or portions thereof are subject to a LPC at such rate.

5. Non-residential Service Termination. Marketer represents and warrants and shall demonstrate at Company's request that it has notified its current non-residential Customers and will notify its future non-residential Customers that Company is permitted to terminate the non-residential Customer for non-payment of Marketer charges.

6. Marketer charges. Marketer represents and warrants that Marketer charges reflect and are limited exclusively to charges for Marketer's gas commodity service or other authorized charges as provided under the STBA tariff or Commission regulations, orders or directives.

7. Security Deposits. Marketer represents and warrants that deposits previously held on Customer Accounts will be returned to Customers or refunded to Company within five (5) business days of commencement of service hereunder.

#### D. Term of Agreement

Service shall commence under this Agreement on the date an executed copy of this Agreement is received or the date set forth on the signature page attached hereto and continues on a month-to-month basis unless terminated as follows: Either Party shall have the right to terminate this Agreement on thirty (30) days written notice; provided, however, that this Agreement may be terminated by Company (i) on one (1) day's written notice if the STBA agreement is terminated for any reason or if Marketer or a creditor commences a proceeding or any other action under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to Company or any creditor, or seeking to adjudicate Marketer as bankrupt or insolvent, or seeking reorganization, dissolution, winding up, liquidation or other relief with respect to Marketer or Marketer's debts, or seeking appointment of a receiver, trustee, custodian or other similar official for Marketer, or Marketer makes a general assignment for the benefit of Marketer's creditors; (ii) on not less than fifteen (15) days written notice if Marketer breaches any provision hereof and does not cure said breach within the fifteen (15) day period, such fifteen (15) day periods to run concurrently; or (iii) on one (1) day's written notice following issuance of an order or ruling by the NYPSC materially impacting any of the terms or conditions herein. Termination of this Agreement shall not suspend or discontinue Marketer's right to offer single-retailer billing or dual billing.

#### E. Miscellaneous

1. Liability. Company shall not be liable for any damages arising from CBS bills rendered based on untimely or inaccurate rate information provided by Marketer. Company's total cumulative liability to Marketer for all claims of any kind associated with Company's performance under this Agreement shall in no case exceed the payment or remittance amounts otherwise due under this Agreement. In no event, shall Company be liable for special, punitive, indirect or consequential damages, nor shall any action or inaction on Marketer's part, constitute a waiver by Company of any cause of action or defense. Company shall have no obligation to pursue, or assist Marketer in pursuing, any claim Marketer may have against any third party.

2. Further Indemnification. Marketer, to the fullest extent allowed by law, shall indemnify, defend and hold harmless and shall reimburse Company, from and against any and all damages, losses, liabilities, obligations, judgments, orders, writs, injunctions, decrees, fines, penalties, taxes, costs, suits, charges, expenses (including attorneys' fees), claims, investigations, proceedings, or causes of action (collectively, "Damages") which may at any time be imposed on, incurred by, or asserted against Company by third parties (including Customers) that are directly or indirectly caused by, arise out of or under, associated with, incident to or in connection with this Agreement, including, but not limited to any of the following: (i) Marketer's acts or omissions regarding Customer Accounts or Marketer charges; (ii) any claim, demand, cause of action, litigation, suit, proceeding, hearing or investigation (collectively, "Claims") by any persons for payments based upon any agreement or understanding alleged to have been made by such person, directly or indirectly, with Marketer or any of its representatives, in connection with any of the transactions contemplated by this Agreement; (iii) any Claims with respect to the action or inaction of Marketer or its representatives, which is contrary to the requirements of this Agreement; (iv) any inaccuracy in or other breach of any representation or warranty made by Marketer in this Agreement; (v) any failure by Marketer to perform or comply, in

whole or in part, with any covenant, agreement or provision of this Agreement; and (vi) any costs and expenses, including reasonable fees and attorneys' fees associated with all Damages incurred by Company in connection with any Claims subject to indemnification rights as provided herein.

3. Force Majeure. Any delays in or failure of performance by the Parties shall not constitute a default and shall be excused under this Agreement, if and to the extent such delays or failures of performance are caused by occurrences that are both: (1) beyond the reasonable control of the Parties, including, but not limited to, acts of God, compliance with any order or request of any governmental or judicial authority, compliance with Company's public service obligations, riots or strikes or other concerted acts of workers, storms, fires, floods, and accidents; and (2) beyond the ability of the Parties to prevent, by the exercise of reasonable diligence.

4. Additional Personnel. Marketer agrees that Company shall have no obligation to Marketer to add personnel, equipment or facilities in order to perform any activities under this Agreement.

5. Notice. Any notice to be provided under this Agreement will be deemed given, and any other document to be delivered hereunder will be deemed delivered, if in writing and (a) delivered by hand, (b) deposited for next business day delivery (fee prepaid) with an established overnight delivery service, or (c) mailed by certified mail (return receipt requested) postage prepaid, addressed to the recipient at the address set forth below for that Party (or at some other address as that Party may from time-to-time designate by giving written notice thereof).

Notice to: National Fuel Gas Distribution Corporation  
Rates & Regulatory Affairs  
6363 Main Street  
Williamsville, NY 14221  
Fax no. (716) 857-7254

Attention:  
Jeffrey Same

Marketer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Financing Statements. At Company's request, Marketer shall execute and deliver to Company all financing statements, and amendments thereof, and other documents and instruments that Company may request to perfect, protect or establish the security interests granted hereunder or to provide notice of Company's purchase of Marketer's Purchased Customer Accounts, or Company may execute and file any financing statements and amendments without Marketer's signature which Marketer hereby authorizes. Marketer hereby ratifies and consents to the filing of any such financing statements by Company prior to the date this Agreement is executed.



7. Complete Agreement. This Agreement is the complete agreement between the Parties as to the subject matter hereof, all prior contracts, commitments, proposals, negotiations concerning the subject matter hereof are superseded and merged herein.

8. Amendments. Notwithstanding any provision of this Agreement, Company may at any time propose and file with the NYPSC changes to the rates, terms and conditions of the Tariff, and/or Operating Procedures. Such amendment or modification shall be effective with respect to service pursuant to this Agreement on the date specified by the NYPSC.

9. Assignment. Neither Party shall assign any of its rights or obligations under this Agreement without the prior written consent of the non-assigning Party, which consent shall not be unreasonably withheld, except that Marketer, upon ten (10) days' prior written notice to Company, may assign all or any part of the monies payable by Company under this Agreement without the consent of Company, to any party, lender, or financial institution. Marketer shall at all times remain liable for the repayment on demand to Company of all obligations owed Company. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations are expressly assumed by the assignee in writing.

10. Waiver and Modification. No modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties. No such waiver shall apply prospectively to subsequent events unless expressly stated. No delay or failure on Company's part in exercising any right, privilege or option hereunder shall operate as a waiver of such or of any other right, privilege or option.

11. Dispute Resolution. Dispute resolution procedures, if utilized, shall be governed by the UBPs.

12. Applicable Law. This Agreement is made in the State of New York and shall be governed by and construed in accordance with the laws of New York State, without regard to conflict of law principles.

13. Venue. At Company's option, all actions and proceedings based on, arising from or relating to this Agreement shall be litigated in the Supreme Court of the State of New York, County of Erie. Marketer consents to the jurisdiction of such court and waives any and all rights to transfer or change the venue of any such action or proceeding to any other court.

14. Waiver of Jury Trial. MUTUAL WAIVER OF RIGHT TO JURY TRIAL. MARKETER AND COMPANY EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION BASED UPON, ARISING FROM, OR IN ANY WAY RELATING TO: (I) THIS AGREEMENT, OR ANY SUPPLEMENT OR AMENDMENT HERETO; OR (II) ANY OTHER PRIOR, PRESENT OR FUTURE INSTRUMENT OR AGREEMENT BETWEEN COMPANY AND MARKETER; OR (III) ANY CONDUCT, ACTS OR OMISSIONS BY COMPANY OR MARKETER OR ANY OF COMPANY'S OR MARKETER'S RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH COMPANY OR MARKETER; IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

15. Captions and Headings. The captions and headings herein are for convenience only and are not to be construed as a part of this Agreement, nor shall the same be construed as defining or limiting in any way the scope or intent of the provisions hereof.

The above terms and conditions are acknowledged and agreed as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

MARKETER

By \_\_\_\_\_  
Signed Print Name & Title

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By \_\_\_\_\_  
Signed Print Name & Title



# National Fuel®

## TRANSPORTATION SERVICE AGREEMENT

**PARTIES:** The parties to this Transportation Service Agreement (“**Agreement**”) are **National Fuel Gas Distribution Corporation**, having an address of 6363 Main Street, Williamsville, New York 14221 (“**Company**”) and

**[Add Customer's Full Legal Name]**  
Customer Name (“**Customer**”)

**[Add RBA #]**  
RBA #

**[Add Customer Facility Address]**  
Customer Service Address (the “**Facility**”)

**[Add Customer Phone #]**  
Customer Phone Number (including weekends)

**[Add Company Fax #]**  
Fax Number

**PURPOSE:** Upon Company’s receipt and approval of this Agreement, Customer will be entitled to transportation service pursuant to Company’s **Service Classification No. SC [ADD SC#]** (the “**Service Classification**”), at the negotiated terms as more fully set forth in **Attachment A** hereto.

**RIGHTS & DUTIES:**

Company shall render service pursuant to the applicable terms and conditions contained in said Service Classification.\* All general terms and conditions set forth in Company’s tariff for natural gas service (P.S.C. No. 8-GAS) (the “**Tariff**”) apply as if fully stated herein. Customer expressly acknowledges that this Agreement incorporates the terms and conditions applicable to transportation service set forth in the Tariff, as amended from time-to-time.

(\*- At the rate and under the additional terms and conditions as set forth on Attachment A hereto).

**BILLING:** Bills for service hereunder are due upon receipt. Customer may appoint an Agent for billing purposes, subject to Company’s approval.

**DEFAULT:** Failure to comply with any of the terms, conditions, rules or regulations contained and incorporated in this Agreement shall constitute default, whereupon the nondefaulting party may elect to terminate this Agreement.

**I. ACKNOWLEDGMENT:**

**[CUSTOMER'S FULL LEGAL NAME]**

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

By: \_\_\_\_\_  
Printed Name:

By: \_\_\_\_\_  
**Brian M. Welsch**  
Vice President

Title:  
Date:

Date:

The parties acknowledge that they are fully bound by the terms and conditions of this Agreement. Customer also acknowledges that it has been offered a copy of the Service Classification set forth above and the Company’s Gas Transportation Operating Procedures Manual (“**GTOP**”).

**ATTACHMENT A  
TO TRANSPORTATION SERVICE AGREEMENT**

Pursuant to the provisions of the Service Classification, the parties to this Agreement have agreed to the following negotiated rates, terms and conditions:

1. **Rate.** The Customer shall receive service at the Service Classification specified in this Agreement. The Customer shall pay all charges applicable to customers in said Service Classification, provided, however, that the Customer's transportation service rate and minimum monthly charge during the term of this Agreement shall be the **Base Rate** specified in **Annex A**, subject to any Rate Adjustment(s) (if any) as may be specified in Annex A. The Base Rate was developed to induce Customer to receive service at the Service Classification from the Company in lieu of a bypass alternative. With the exception of the New York State Temporary State Energy and Utility Service Conservation Assessment, the Transportation Charge of the Base Rate is subject to all applicable taxes, assessments, adjustments and surcharges set forth in the Tariff.
2. **Term.** This Agreement shall become binding and effective on the date when both parties have executed this Agreement (the "**Effective Date**") and shall commence on the **Commencement Date** specified in **Annex A** and remain effective through the **Termination Date** specified in **Annex A** (the "**Term**").
3. **Minimum Annual Volume.** Customer agrees to deliver through National Fuel the **Minimum Annual Volume** of natural gas as specified in **Annex A** to the Customer's Facility in each 12-month period commencing on the Commencement Date and resetting on each anniversary of the Commencement Date during the Term of this Agreement. In the event that the actual volume of natural gas delivered by Customer through National Fuel in any such 12-month period is less than the Minimum Annual Volume, Customer shall, after receipt of an invoice for said shortfall from National Fuel, pay National Fuel the difference between the Minimum Annual Volume and Customer's actual volume delivered through National Fuel during such 12-month period multiplied by the current Base Rate.
4. **Filing with New York Public Service Commission; Confidentiality.** This Agreement or portions thereof, will be filed with the New York Public Service Commission pursuant to its rules and regulations. Except as required under the New York Public Service Law, the parties agree to not disclose any part of this Attachment A, and the negotiations between the parties related thereto, to any third party and that the parties shall treat the terms of this Attachment A as Confidential Information. Customer disclosure of the terms contained in this Attachment A without Company's prior written approval shall constitute material breach, after which the Company may, in its discretion, terminate and cancel this Agreement.
5. **Corporate Authority.** Customer represents and warrants that Customer has full power and authority to enter into and perform the obligations under this Agreement, and that the undersigned is duly authorized to execute this Agreement for and on behalf of the Customer.
6. **Counterparts/Electronic Execution.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement. Additionally, this Agreement may be executed via wet-ink or digital signature and delivery may be effectuated via e-mail or DocuSign. In this regard, the Parties agree that an electronic version of this Letter, when properly executed, shall be considered for all purposes an original document.
7. **Integration.** This Agreement represents the entire and integrated agreement between the parties hereto and supersedes all prior and contemporaneous negotiations, representations, and agreements, either written or oral, regarding the Project. Notwithstanding the foregoing, this Agreement shall not impact or otherwise modify any other obligation which the Customer has incurred to National Fuel.

**ANNEX A  
TO TRANSPORTATION SERVICE AGREEMENT**

**Rate Information:**

<b>Term</b>	<b>Definition</b>												
<b>Service Classification</b>	[ADD NY SC - Make Sure Same as Specified on p. 1]*  *Provided the Customer maintains the eligibility criteria for service under this Service Classification. If the Customer loses eligibility, then this Service Classification will automatically adjust to that service classification authorized by the Tariff.												
<b>Base Rate</b>	<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;"><b>Minimum Charge</b></td> <td style="width: 10%;"></td> <td style="width: 60%;">Prevailing Charge for the Service Classification</td> </tr> <tr> <td></td> <td></td> <td>(currently US \$        per Mcf per month)</td> </tr> <tr> <td></td> <td style="text-align: center;">Plus</td> <td></td> </tr> <tr> <td><b>Transportation Charge</b></td> <td style="text-align: center;">\$</td> <td>per Mcf per year</td> </tr> </table>	<b>Minimum Charge</b>		Prevailing Charge for the Service Classification			(currently US \$        per Mcf per month)		Plus		<b>Transportation Charge</b>	\$	per Mcf per year
<b>Minimum Charge</b>		Prevailing Charge for the Service Classification											
		(currently US \$        per Mcf per month)											
	Plus												
<b>Transportation Charge</b>	\$	per Mcf per year											
<b>Rate Adjustment</b>	<p><u>Rate Adjustment A – Tariff Adjustment:</u> Beginning in the second year of this Agreement, any future increase in the prevailing base rate charged by the Company to customers receiving service under the Service Classification will result in an equivalent percentage increase to the Customer's Base Rate specified herein for each remaining year of this Agreement. For example, if the prevailing Service Class rate as set forth in Company's then current Tariff increases by 1%, Company will increase Customer's Base Rate by 1%, accordingly. Any increase in the prevailing base rate during any year does not preclude subsequent rate increases during the term of this Agreement.</p> <p><u>Rate Adjustment B – GDIP Adjustment:</u> The Base Rate will be adjusted on [Month] 1, 20[##] and each succeeding [Month] 1st thereafter based on the Gross Domestic Product Implicit Price Deflator.</p>												
<b>Minimum Annual Volume (MAV)</b>	[Quantity] Mcf												

**Other Terms Used in This Agreement:**

<b>Term</b>	<b>Definition</b>
<b>Commencement Date</b>	[DATE], 20##
<b>Termination Date</b>	[DATE], 20##

**Supplier Transportation, Balancing and Aggregation Service Agreement**

STBA Service Agreement No. \_\_\_\_\_

SERVICE AGREEMENT FOR  
SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION  
UNDER SERVICE CLASSIFICATION NO. 19

AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_,  
by and between \_\_\_\_\_, a \_\_\_\_\_ corporation having offices at  
\_\_\_\_\_ (“Supplier”) and National Fuel Gas Distribution Corporation, a New  
York corporation, with offices at 6363 Main Street, Williamsville, New York, 14221 (“Company”).

**DEFINITIONS APPLICABLE TO THIS AGREEMENT**

Terms and conditions in this Agreement not defined below shall have their meaning utilized in the Company’s Tariff for gas service, PSC No. 9 - GAS.

Control Date	Customer’s meter read date.
Supplier	Signatory to this Agreement who, in the sole judgment of Company, has been determined creditworthy for participation in the STBA program
STBA	Supplier Transportation, Balancing and Aggregation
STBA Customer	Transportation service customer who has selected Supplier under an effective Customer Consent Form
STBA Group	The Supplier’s group of STBA Customers
STBA Imbalance	Net imbalances developed by the STBA Group and the primary financial responsibility of the Supplier
Commission	Public Service Commission of the State of New York
SC-19	Service Classification No. 19 under Company’s Tariff
Transportation Customer	Transportation service customer of Company pursuant to an effective Transportation Service Agreement.
UBPs	Uniform Business Practices as adopted by the Commission
Web Site	Site on internet world-wide web established and maintained by Company for transacting business hereunder

WHEREAS, Supplier desires to participate in Company’s STBA program under SC-19;

WHEREAS, Supplier wishes to do all things necessary to effectuate all services under Company’s STBA program as set forth under SC-19;

WHEREAS, Company is willing to provide such services to Supplier as are necessary and sufficient to effectuate the STBA program under SC-19 in accordance with all laws, rules, regulations, permits, orders and authorizations applicable to the STBA program, or any part thereof.

The parties agree as follows:

A. Designation as Supplier:

Company shall accept designation and appointment of Supplier, and identification of STBA Group, upon the terms and conditions contained in this Agreement and SC-19.

B. Identification of STBA Customers:

STBA Customers shall be identified by the Supplier on a list provided to the Company showing the name and account number of each Customer properly enrolled. All information shall be communicated to the Company via Electronic Data Interchange (EDI), the Company's Web Site or other protocol established by the Company. Notification and execution of Customer switches, including switches from the Company to a Supplier, shall be governed by the applicable provisions of the UBPs. All switches shall occur on the Customer's Control Date.

C. Term of Agreement:

The term of this Agreement shall commence on \_\_\_\_\_ and shall continue through \_\_\_\_\_ unless otherwise terminated by mutual agreement or default of any terms and conditions applicable to service hereunder.

D. Supplier further agrees as follows:

1. Supplier will deliver natural gas to the Company's City Gate on behalf of STBA Customers included in Supplier's STBA Group.
2. Supplier is bound by the terms and conditions of the transportation service classification applicable to the STBA Customers in Supplier's STBA Group and Service Classification No. 19 in accordance with any changes or modifications thereof as approved by the Commission.
3. Supplier warrants that all information provided to the Company for the purpose of qualifying for service under Service Classification No. 19 is true, timely and accurate and Supplier acknowledges that such information has been provided to the Company for the purpose of inducing the Company to provide service pursuant to Service Classification No. 19.
4. As a condition of service under Service Classification No. 19, Supplier shall satisfy the credit criteria set forth in the General Information section of Company's Tariff. Supplier acknowledges that its creditworthiness may be periodically reviewed during service hereunder, and any security requirement modified as determined by the Company to accommodate changes in the Supplier's financial standing, fitness to serve or ADDQ for Supplier's STBA Group.
5. Supplier acknowledges that its obligations to deliver natural gas on behalf of its STBA Customers will not be abated under any circumstances, including a breach of the obligations by any STBA Customer to the Supplier, except for events of Force Majeure as specified in Service Classification No. 19 or actions by the Company that prevent performance by Supplier.
6. Supplier shall comply with all applicable provisions of the UBPs for transacting business hereunder.

E. Company's Duties and Obligations:

1. Company shall accept Supplier’s STBA Group, as determined according to STBA enrollment procedures, and shall provide all services required to effectuate service under SC-19.
2. Company shall bill Supplier on a monthly basis for services rendered or to be rendered.
3. Company shall comply with all applicable provisions of the UBPs for transacting business hereunder.
4. All other terms and conditions under SC-19 and Company’s Tariff apply as if fully stated herein.

F. Rates and Charges:

Rates and charges for STBA service shall be billed to Supplier pursuant to SC-19.

G. Incorporation by Reference:

A copy of the currently-effective form of SC-19 is attached hereto and is incorporated herein. If there is any inconsistency between this Agreement and SC-19, either as presently effective or as amended, then the provisions of SC-19 shall apply.

H. Notices:

All notices, invoices and other correspondence sent pursuant to this Agreement shall be addressed to the following parties:

To Company: National Fuel Gas Distribution Corporation  
 Transportation Services Department  
 6363 Main Street  
 Williamsville, NY 14221

To Supplier: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

I. Limitation on Company’s Liability:

Company shall not be liable for any error in judgment or any mistake of law or fact or any act done in good faith in the exercise of the powers and authority herein conferred or for any loss, damage, delay or failure to perform in whole or in part resulting from causes beyond Company’s control, including, but not limited to, fires, strikes, insurrections, riots, embargoes, shortages in supplies, delays in transportation, or requirements of any governmental authority. Furthermore, in no event shall Company be liable for consequential, punitive, incidental, indirect or special damages in the provision of services hereunder.

J. Supplier Indemnity Obligations:

Supplier shall indemnify, save harmless and, at Company’s option, defend Company from and against any and all losses, claims, demands, damages, costs (including, without limitations, reasonable attorneys’ fees), expenses, liabilities, proceedings, suits, actions, restrictions, injunctions, fines, judgments, penalties and assessments which Company may suffer for, on account of, by reason of or in connection with any adverse claim of any person or persons to



the gas purchased by Company under SC-19, regarding cash out purchases of Burner Tip Net Surplus Imbalances, and in connection with any bodily injury, including death to any person or persons (including, without limitation, Supplier's employees) or any damage to or destruction of any property, including, without limitation, loss of use thereof, arising out of, in any manner connected with or resulting from the goods, work or services furnished by Supplier with respect to this Agreement. The provisions of this Paragraph J shall survive the termination or expiration of this Agreement.

K. Entire Contract:

This agreement and express incorporation sets forth the entire contract between the parties concerning the subject hereof, and supersedes all prior and contemporaneous written or oral negotiations and agreements between them concerning the subject hereof.

L. Modification of Agreement:

Any amendment to this Agreement may be made in the sole discretion of Company so long as such changes are not inconsistent with the applicable tariff(s) and any modification of this Agreement must be in writing and signed by both parties.

M. Interpretation of Agreement:

The interpretation, construction, and performance of this Agreement shall be in accordance with the laws of the State of New York, without recourse to the law regarding the conflicts of law, and the parties to this Agreement hereby submit and consent to the jurisdiction of the courts of the State of New York (including, without limitation, the federal courts located within the State of New York) in any action brought to enforce (other otherwise relating to) this Agreement.

N. Drafting Presumptions:

No presumption shall operate in favor of Supplier or against Company as a result of drafting this Agreement.

O. Waiver:

No waiver by any party of any one or more defaults by the other in performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or different character.

P. Assignment:

Supplier shall not assign this Agreement, or any of its rights, duties or obligations hereunder without the prior written consent of the Company.

Q. Severability:

If any provision of this Agreement is determined to be invalid or unenforceable or contrary to Commission rules or law, the provision shall be deemed to be void as of the date of this Agreement and shall not be part of this Agreement and shall otherwise be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement. If any provision of this Agreement does not comply with any law, ordinance or regulation of any governmental or quasi-governmental authority, now existing or hereinafter enacted, such provision shall to the extent possible be interpreted in

such a manner so as to comply with such law, ordinance or regulation, or if such interpretation is not possible, it shall be deemed amended to satisfy the requirements thereof.

- R. Service under this Agreement is in accordance with SC-19, as amended from time to time. If there is any inconsistency between this Agreement and SC-19, either as presently in effect or as amended, then the provisions of SC-19 shall apply.
- S. Unless specified otherwise, business transactions under this Agreement shall be governed by the UBPs.
- T. Unauthorized Customer switches, called "slamming," are strictly prohibited. Suppliers shall be subject to penalties under the UBPs for any confirmed slamming activities.

IN WITNESS WHEREOF, the parties, intending to be legally bound, have caused this Agreement to be signed by their duly authorized officers as of the day and year first above written.

\_\_\_\_\_  
Company Representative

Title: \_\_\_\_\_

\_\_\_\_\_  
Supplier Representative

Title: \_\_\_\_\_

## National Fuel System Administrator Security Process Agency Agreement

### AGENCY AGREEMENT

**Applicable for use on the National Fuel Gas Supply Corporation (“NFG”), Empire Pipeline, Inc. (“Empire”), and National Fuel Gas Distribution Corporation (“Distribution”) systems**

**Internal Tracking - Agency Agreement No. \_\_\_\_\_<sup>6</sup>**

This Agency Agreement (“Agreement”) is entered into effective as of the Effective Start Date specified below, by \_\_\_\_\_ and \_\_\_\_\_ (“Principal”) and \_\_\_\_\_ (“Agent”), which for existing Principals shall be the date the National Fuel Gas Supply Corporation’s (“NFG”) FERC gas tariff implementing the National Fuel System Administrator Security Process (“SA System”) becomes effective or for new Principals the date specified below.

WHEREAS, Principal is an entity that ships gas or produces natural gas that is received into NFG, Empire or Distribution’s (“Transporter”) system subject to provisions specified in applicable tariffs (either FERC for NFG or Empire or the New York Public Service Commission approved tariff and/or Pennsylvania Public Utility Commission approved tariff for Distribution (collectively or individually, “Tariff”) (as supplemented by Distribution’s Gas Transportation Operating Procedures Manual (“GTOP”) for the applicable state jurisdiction);

WHEREAS, Principal has rights and obligations with Transporter;

WHEREAS, Principal desires to transfer certain rights and obligations to Agent; and Agent is willing to act as agent for Principal, as described herein;

NOW THEREFORE, Principal and Agent agree as follows:

Principal hereby authorizes Agent to exercise the rights and/or perform the obligations (“Agency Business Functions”) as set forth in Exhibit A and as described on NFG’s web site to enter meter/index readings. Such authorization shall begin on the Effective Start Date and end on the End Date, as defined below. Agency Business Functions will be as permitted and described on NFG’s web site. Exhibit A is incorporated by reference and made a part of this Agreement for all purposes. Principal and Agent agree that they are required to comply with all provisions of the contracts listed on Exhibit A and all provisions of Transporter’s Tariff and GTOP.

Effective Start Date: The Agreement start date shall be for activity for Gas Day \_\_\_\_\_.<sup>7</sup> This Agreement must be executed, via NFG’s web site or, if unavailable, then by email delivery to Transporter (as specified on Transporter’s web site) of a fully executed Agreement, at least two (2) business days prior to the Effective Start Date, unless otherwise allowed by Transporter.

End Date: Principal’s designation and appointment of Agent shall end upon termination by either Party, unless otherwise allowed by Transporter; provided however, that this Agreement may be terminated at any time by the Principal or Agent, but no such termination shall be effective as to Transporter until terminated via NFG’s web site by the terminating party. By execution hereof, Agent accepts its designation and appointment as agent for Principal and agrees to act as agent for Principal in accordance with the terms hereof. Agent shall clearly specify it is acting on behalf of Principal in all

<sup>6</sup> The Agency Agreement No. will be assigned upon implementation of the SA System. After implementation, the Agency Agreement No. will be assigned upon executing the agreement.

<sup>7</sup> The Effective Start Date shall be the date NFG’s FERC Gas tariff implementing the SA System becomes effective. For Agreements entered into after that date, the Effective Start Date is that specified within this Agreement.

actions taken in its role of Agent. Communications with, or actions by, Agent shall be deemed communications with, or actions by, Principal, and Principal accepts and agrees that Transporter may rely on all such communications by Agent on behalf of Principal rendered under the terms of this Agreement.

In the event that a communication(s) or action(s) taken by Principal and Agent are, in Transporter's sole opinion, inconsistent or conflicting, with respect to the Agency Business Functions and contracts listed on Exhibit A, then Principal understands and agrees that Transporter shall comply with the later communication or action taken by Principal or Agent, provided that such communication or action is not inconsistent with Transporter's Tariff and/or GTOP, including applicable deadlines therein, or the terms of the applicable contract, in Transporter's sole opinion.

Correspondence concerning the above-mentioned delegated duties shall be directed to Agent and Principal at the following address:

**Principal**  
**Contact Person:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

**Agent**  
**Contact Person:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Telephone:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Email Address:** \_\_\_\_\_

Principal shall remain liable to Transporter for all of its obligations as Principal under the contracts listed on Exhibit A, including but not limited to all payments to Transporter of all fees and charges for any services rendered under Transporter's Tariff and/or GTOP. Principal and Agent, each, hereby indemnify and hold Transporter harmless from any and all liabilities, losses, damages, expenses and other obligations of any nature whatsoever that Transporter may suffer as a result of any and all claims, demands, costs, attorney fees and judgments against Transporter resulting from Transporter's reliance on communications and actions of Agent, including but not limited to payment made by

Transporter to Agent or actions taken by Transporter pursuant to Agent's communication(s), action(s) or inaction(s) given on behalf of Principal pursuant to this Agreement.

This Agreement shall be subject to all applicable governmental statutes, orders, rules, and regulations and Transporter's Tariff and/or GTOP as it exists from time-to-time, and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval or authorization is not so obtained or continued.

The interpretation and performance of this Agreement shall be in accordance with the laws of the state of New York without regard to choice of law doctrine that refers to the laws of another jurisdiction.

In the event of a conflict between the provisions of this Agreement and the provisions of Transporter's Tariff and/or GTOP, the provisions of the Tariff and/or GTOP shall govern.

The Parties agree and stipulate that the services to be performed pursuant to this Agreement by each Party are uniquely tied to the Parties performing the services. Therefore the rights and obligations pursuant to this Agreement may not be assigned. The parties acknowledge that the execution of this Agreement via NFG's web site shall constitute a valid enforceable agreement and shall legally bind the parties accordingly.

**PRINCIPAL**

**AGENT**

\_\_\_\_\_  
**(Principal Name)**

\_\_\_\_\_  
**(Agent Name)**

By: \_\_\_\_\_  
(Please Sign)

By: \_\_\_\_\_  
(Please Sign)

Name: \_\_\_\_\_  
(Please Print)

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_  
(Must be an authorized officer)

Title: \_\_\_\_\_  
(Must be an authorized officer)

## Standard-Form Renewable Natural Gas Interconnection Agreement

### RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT

THIS INTERCONNECTION AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, hereinafter, "Operator" or "RNG Operator," and

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, 6363 Main Street, Williamsville, New York, 14221-5887, hereinafter, "NFGDC."

#### WITNESSETH

WHEREAS, NFGDC is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Public Service Commission of the State of New York hereinafter, "NYSPSC"; and

WHEREAS, NFGDC is a public utility authorized and obligated to receive and transport natural gas and to provide retail natural gas service subject to the jurisdiction of the Pennsylvania Public Utility Commission, hereinafter, "PAPUC"; and

WHEREAS, by means of facilities operated by it, Operator proposes to deliver Renewable Natural Gas ("RNG") into facilities owned and operated by NFGDC in the State of New York or into facilities owned and operated by NFGDC in the Commonwealth of Pennsylvania; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, NFGDC and Operator agree as follows:

#### ARTICLE 1. DEFINITIONS

1.1 "Receipt Point" means the point of interconnection between Operator's Plant and the facilities of NFGDC located immediately upstream of NFGDC's measurement facility which is used to identify such point of interconnection in Exhibit A.

1.2 "Exhibit A" means the document entitled "Exhibit A" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time.

1.3 "Exhibit B" means the document entitled "Exhibit B" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time specific to RNG.

1.4 "Exhibit C" means the document entitled "Exhibit C" which is attached hereto (and by such attachment, made a part hereof), as said document may be amended or supplemented, from time to time specific to RNG.

1.5 "Btu" or "British Thermal Unit" means, generally, the amount of heat required to raise the temperature of 1 pound of liquid water by 1°F at a constant pressure of one atmosphere and is a measure of heat value (energy content). Btu is calculated in conformance with applicable ANSI/API and A.G.A. recommendations.

1.6 “Cubic Foot” means the volume of gas contained in one (1) cubic foot of space at a standard pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute and a standard temperature of sixty degrees Fahrenheit (60° F), under standard gravitational force.

1.7 “Mcf” means one thousand (1,000) cubic feet of gas, determined on the measurement basis set forth in this Agreement.

1.8 “Meter Location” means the state, New York or Pennsylvania, in which an individual meter on Exhibit A is geographically located.

1.9 “NFGDC’s Tariff” or “Tariff” means NFGDC’s Schedule For Gas Service Applicable In The Entire Territory (PSC No. 9 – GAS, as amended from time to time, or any superseding tariff), for gas delivered by Operator in New York or Rates, Rules And Regulations Governing The Furnishing of Natural Gas Service (Gas--Pa. P.U.C. No. 9, as amended from time to time, or any superseding tariff) for gas delivered by Operator in Pennsylvania. Meter Location determines the applicable Tariff.

1.10 “Gas Transportation Operating Procedures Manual” or “GTOP” is a document describing operating procedures, protocols and business practices for transportation service, as amended from time to time. The GTOP applicable to RNG delivered by Operator in New York is filed with the NYSPSC and the GTOP applicable to RNG delivered by Operator in Pennsylvania is filed with the PAPUC. Each GTOP is posted on the NFGDC web site. Meter Location determines the applicable GTOP.

1.11 “Day” means the twenty-four (24) hour period commencing at an hour specified in the Tariff of an interstate pipeline delivering gas to NFGDC at a city gate station, or as otherwise specified in NFGDC’s GTOP.

1.12 “Month” means the period commencing on the first Day of a calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

1.13 “Operator’s Gas” means the RNG delivered into NFGDC’s facilities at any given time at any given Receipt Point.

1.14 “Commission” means the NYSPSC or PAPUC depending on Meter Location.

1.15 “NFGDC Contacts Addendum” means the document so entitled which is attached hereto (and by such attachment, made a part hereof), providing NFGDC contact information pertinent to this Agreement. Said document may be amended or supplemented, from time to time by NFGDC and communicated to Operator through facsimile, e-mail or a posting to the NFGDC website.

1.16 “RNG Operator Contacts Addendum” means the document so entitled which is attached hereto (and by such attachment, made a part hereof), providing Operator contact information pertinent to this Agreement. Said document may be amended or supplemented, from time to time by Operator and communicated to NFGDC as provided therein.

1.17 “Gas Scheduling” means the administrative function(s) of arranging for Operator’s RNG to be delivered for the account of NFGDC transportation customers and/or their suppliers, including nominations, confirmations, pool assignments and related activities.

1.18 “Renewable Natural Gas” or “RNG” means the gas produced by Operator at its Plant which meets NFGDC RNG Quality Standards, specified in Exhibit B, as well as the gas quality standards specified in NFGDC’s Tariff.

1.19 "Plant" means the digester, gasifier, and other upgrading and processing facilities used to produce biomethane. Such Plants shall be limited to non-hazardous landfills, dairy farms, wastewater treatment plants, food waste processing facilities and Plants producing NFGDC approved syngas.

1.20 "Security Requirement Amount" means the dollar amount of security NFGDC deems appropriate, in its sole discretion, based upon circumstances attributable to the Operator and Operator's facility.

1.21 "Hazardous Waste Landfill" refers to the facilities as defined by the United States Environmental Protection Agency – 40 CFR 260.10, New York State Department of Environmental Conservation – 6 NYCRR Part 370.2 or Pennsylvania Solid Waste Management Act, 35 Pennsylvania Statutes (Pa. Stat.) 6018.101 to 6018.1003 and rules at 25 Pennsylvania Code (Pa. Code) 260a to 270a, and 25 Pa. Code 298

## ARTICLE 2. DELIVERY OF RNG INTO NFGDC FACILITIES

2.1 Operator shall not deliver (or permit the delivery of) any RNG into any facility owned or operated by NFGDC other than at a Receipt Point identified on Exhibit A at the time of such delivery (the "Exhibit A Receipt Point(s)"). No Receipt Point shall be deemed to have been added to Exhibit A, and Exhibit A shall not be deemed to have been otherwise amended or supplemented, unless and until such amendment or supplement of Exhibit A shall be evidenced by a writing executed by Operator and NFGDC.

2.2 Operator warrants and represents as follows:

2.2.1 All gas delivered into NFGDC's facilities at any one Receipt Point shall be RNG produced exclusively from Plant(s) configured to deliver to such Receipt Point.

2.2.2 RNG delivered into NFGDC's facilities was not collected from a Hazardous Waste Landfill including landfills permitted by the Department of Toxic Substances Control.

2.2.3 RNG produced or scheduled by Operator to be produced from additional Plant(s) flowing through a Receipt Point identified in Exhibit A shall be authorized and RNG received therefrom accepted by Distribution at the designated Receipt Point so long as:

2.2.3.1 Operator provides NFGDC with 30 days written notice of its intent to add Plant(s), together with the scheduled turn-on date; and

2.2.3.2 The Plant has been tested by or caused to be tested by NFGDC and the results therefrom meet NFGDC's satisfaction;

2.2.3.3 The criteria contained in paragraph 2.2.3.2 shall also apply to new or different RNG that is formulated with new or modified feedstock source at an existing Plant already flowing through a Receipt Point identified on Exhibit A.

2.2.3.4 The criteria contained in paragraph 2.2.3.2 shall also apply to new or different Plant operations including installation of new processing equipment or modification to existing processing equipment.

2.3 Operator shall deliver RNG at a pressure sufficient to enable such RNG to enter NFGDC's facilities against the pressure prevailing therein from time to time, provided, however, that Operator shall not deliver RNG at any Receipt Point at a pressure in excess of the pressure designated by NFGDC.



2.3.1 Sufficient delivery pressure does not guarantee access to NFGDC's facilities. In addition to pressure, nearby distribution system market demand and the priority of service of the parties shipping gas from the Receipt Point(s) shall also be determinative for the purpose of access to NFGDC's facilities.

2.4 Operator shall not install or operate (or permit any other entity to install or operate) compression facilities in order to deliver RNG into any NFGDC facility ("NFGDC-Related Compression Operations") without the express prior written consent of NFGDC, which consent shall not be unreasonably withheld.

2.5 Operator warrants that all NFGDC-Related Compression Operations shall be conducted in a manner (i) so as to prevent the pulsations therefrom from interfering with NFGDC's measurement at any Receipt Point, and (ii) so that compressed RNG will be delivered to NFGDC at a temperature not exceeding seventy-three degrees Fahrenheit (73° F). Operator shall ensure safeguards to prevent compressing air (e.g. low pressure shut off or oxygen shut off) into NFGDC's system are present and operational.

2.6 Operator shall give NFGDC written notice at least fourteen (14) days prior to the commencement of (and any material change in) authorized NFGDC-Related Compression Operations.

2.7 Operator shall give NFGDC written notice at least twenty-four (24) hours prior to any material change in the maintenance routine applicable to any compressor used in NFGDC-Related Compression Operations. For purposes of this subsection, "material" shall mean any change that may produce a variance in RNG volumes or pressure.

2.8 In the event that the installation, operation and/or maintenance of Operator's compressor used in NFGDC-Related Compression Operations requires (in NFGDC's reasonable judgment) modification(s) to any facility owned or operated by NFGDC, the cost of such modification(s) shall be borne by Operator. Operator shall consult with NFGDC so as to assist NFGDC in ascertaining the extent to which such modification may be indicated, and on the basis of such consultation and NFGDC's own judgment, NFGDC shall endeavor to notify Operator of its determination prior to the date scheduled by Operator for such installation, operation and/or maintenance. Notwithstanding NFGDC's efforts to provide such notice to Operator, Operator shall remain solely responsible for costs incurred by NFGDC in the event resulting and reasonably unforeseen modification of NFGDC facilities are required.

2.9 Operator shall, at its own cost and expense, (i) obtain, provide NFGDC with, and maintain any easement(s) or other land interest(s) which, in NFGDC's judgment as to type and extent, are reasonably necessary for the installation, operation and maintenance of NFGDC's receipt and related measurement facilities; and (ii) upon NFGDC's request, provide NFGDC with a copy of the recorded instruments evidencing such land interests and NFGDC's beneficial interest therein.

2.10 Receipt facilities shall be installed, owned and maintained by and at the expense of either NFGDC or Operator according to the below schedule. Such equipment shall be installed at each Exhibit A Receipt Point facility, which, in NFGDC's reasonable judgment, may be necessary to accommodate the deliveries of RNG received and projected to be received by it at the Receipt Points. The normal operation, calibration, maintenance, adjustment and repair of the measurement equipment shall be performed by the owner of the equipment. Modifications to Receipt Facilities resulting from changes in Operator's operations shall be performed at Operator's cost and expense. The Receipt Facilities shall be operated in accordance with the applicable specifications of the Gas Measurement Committee of the Natural Gas Department of the American Gas Association, as

amended from time to time, or in accordance with any other mutually agreeable standard commonly accepted in the industry.

<b>Equipment</b>	<b>Install By</b>	<b>Own By</b>	<b>Maintain By</b>	<b>Paid By</b>
Meter/Recording instrument	NFGDC	NFGDC	NFGDC	Operator
Meter run and valves	NFGDC	NFGDC	NFGDC	Operator
Regulator	Operator	NFGDC	NFGDC	Operator
Drying Equipment	Operator	Operator	Operator	Operator
Odorizing Equipment	NFGDC	NFGDC	NFGDC	Operator
“Pop-offs”/Relief valves	Operator	NFGDC	NFGDC	Operator
Mainline valve	NFGDC	NFGDC	NFGDC	Operator
Heaters	Operator	Operator	Operator	Operator
Water separator/drips	Operator	Operator	Operator	Operator
Communications facilities	Operator	Operator	Operator	Operator
Telemetrics/Teleflow	NFGDC	NFGDC	NFGDC	Operator
Gas Quality Equipment	NFGDC	NFGDC	NFGDC	Operator
Real-Time Analyzer	NFGDC	NFGDC	NFGDC	Operator

2.11 Operator shall pay to NFGDC the Receipt Facility Maintenance Fee(s), if any, which shall be applicable, from time to time, pursuant to the provisions of NFGDC’s Tariff. In this connection, Operator agrees that NFGDC shall have the unilateral right, exercisable at its sole option, to file with any regulatory authority having jurisdiction, and to make effective, (i) initial and revised rates and charges applicable to NFGDC’s operations hereunder, (ii) changes in any provision of the General Terms and Conditions of NFGDC’s Tariff applicable to NFGDC’s operations hereunder, and (iii) the terms and conditions of this Agreement (hereinafter, collectively, the “Receipt Parameters”). NFGDC agrees that Operator may protest or contest any such filing and/or may seek from any duly constituted regulatory authority having jurisdiction such revision of any one or more of the Receipt Parameters as may be necessary or appropriate to cause the same to be, in all respects, just and reasonable.

2.12 Operator shall, at its own cost and expense, provide, operate and maintain in safe and efficient operating condition such regulators, relief valves, and other equipment as may be necessary in NFGDC’s reasonable judgment to avoid excessive pressures (and the risk of such pressures) in facilities owned and operated by NFGDC or its customers.

2.13 Operator acknowledges that:

2.13.1 The Receipt Points identified in Exhibit A are located on NFGDC’s gas distribution facilities;

2.13.2 NFGDC must, at all times, be in a position to operate, maintain, enhance, and/or replace any one or more of its facilities in such a manner, at such times, and under such circumstances as will enable it to furnish and provide facilities and service which are safe and adequate and in all respects just and reasonable;

2.13.3 The maximum and/or minimum delivery pressures or other parameters applicable to Operator’s delivery of RNG into NFGDC’s facilities may vary from time to time, in light of the above, and in order to enable NFGDC to satisfy its retail market requirements, including but not limited to its firm service obligations, transportation obligations, and to ensure the maintenance of safe operating conditions throughout its system, including, but not limited to, the maintenance, enhancement and/or improvement of its facilities;

2.13.4 Operator acknowledges NFGDC's right (a) to restrict and/or completely stop Operator's deliveries at any one or more Receipt Points insofar as reasonably necessary in NFGDC's judgment to accommodate the above requirements, and/or (b) to designate and redesignate, from time to time, the maximum pressure or other delivery parameter(s) temporarily applicable to deliveries of RNG by Operator at any one or more Receipt Points; and

2.13.5 Without limitation of the remedies available to NFGDC in respect of any breach of this Agreement, a breach of any one or more of the obligations undertaken by Operator under paragraphs 2.1, 2.2, 2.3 and 2.5 of this Article 2, or under any of the paragraphs of Article 4, shall constitute a material breach of this Agreement.

### ARTICLE 3. MEASUREMENT

3.1 Measurement of Operator's RNG shall be in accordance with the Tariff and GTO requirements applicable to gas delivered into NFGDC's facilities for transportation service and/or applicable to production facility gas measurement.

3.2 The unit of volume for purposes of measurement of the RNG delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be Mcf.

3.3 The total heating value of the RNG delivered into NFGDC's facilities at the respective Exhibit A Receipt Points shall be determined by chromatographic analysis using equipment provided at Operator's expense but installed, owned and maintained by NFGDC. The unit of measurement of heating value shall be Btu.

3.4 If undertaken at Operator's request, NFGDC's test of the accuracy of any meter or other measurement equipment owned and used by NFGDC to measure volumes of RNG delivered into its facilities shall be arranged and conducted, insofar as reasonably practicable, so as to permit representatives of Operator to be present. If, upon any such test (whether conducted at Operator's request or upon NFGDC's own initiative) any such meter or measurement equipment shall be found to be inaccurate, NFGDC shall adjust the same as soon as practicable to read correctly; and

3.4.1 If such inaccuracy is less than three percent (3%), the previous readings shall be deemed correct, and, in the event such test was conducted at Operator's request, Operator shall bear all costs of such test;

3.4.2 If such inaccuracy is three percent (3%) or more, the previous readings shall be corrected to zero (0) error for the period of time during which such meter or other measurement equipment is known or agreed to have been inaccurate. If the length of such period of inaccuracy is not known or agreed upon, such correction shall be made for a period equal to one-half ( $\frac{1}{2}$ ) of the time which has elapsed since the date of the last calibration, provided, however, that such correction period shall not exceed thirty (30) days.

If any such meter or other measurement equipment is out of service, or inaccurate by three percent (3%) or more, under circumstances where the correction of previous readings of such equipment to "zero (0) error" is not feasible, then the volume of RNG delivered during the period shall be estimated (a) by using data recorded by any check-measuring equipment, if installed and registering accurately, or (b) if such check-measuring equipment is not installed or registering inaccurately, by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation, or (c) if neither such method is feasible, by estimating the quantity delivered based upon deliveries under similar conditions during a period when equipment was registering accurately.

#### ARTICLE 4. GAS QUALITY

4.1 Operator understands and acknowledges that while NFGDC will continuously monitor, test, or otherwise inspect Operator's RNG prior to the delivery thereof into NFGDC's facilities, this does not mean that every Constituent of Concern, as identified in Exhibit B – Table 1, will be continuously monitored and tested. Operator further acknowledges that, irrespective of the contractual disposition of Operator's RNG, all such RNG may be commingled with, and become an inseparable part of, the gas supply used by NFGDC to satisfy its obligations to its retail and transportation customers. Accordingly, Operator expressly warrants and represents that (i) Operator's RNG shall, in all respects and at all times, consist solely of RNG which is merchantable and fit for use by NFGDC's retail customers, and (ii) without limitation of the generality of the foregoing, Operator's RNG shall at all times, and in all respects, shall conform to the Tariff and GTOP requirements applicable to gas delivered into NFGDC's facilities for transportation service, and meet at least the following minimum quality specifications:

4.1.1 Operator's RNG shall be entirely free of all hydrocarbon liquids and other material in liquid form, including, without limitation, water, glycol, brines, condensate and oil;

4.1.2 All RNG delivered by Operator to NFGDC hereunder into NFGDC's facilities through any Receipt Point listed on the attached Exhibit A shall be dehydrated by Operator for removal of water present therein in a vapor state to a level determined acceptable by NFGDC, at its sole discretion, from time to time. In no event shall the acceptable level, as determined by NFGDC, be required to be less than the maximum water vapor (H<sub>2</sub>O) per million cubic feet level specified in the Tariff;

4.1.3 Operator's RNG shall be entirely free of NO<sub>x</sub> compounds;

4.1.4 Operator's RNG must also comply with all additional requirements specified in Exhibit B, including but not limited to, having a composition that does not exceed the threshold level for any Constituent of Concern identified in Exhibit B – Table 1.

4.2 To the extent accepting Operator's RNG does not prevent gas delivered to customers from being merchantable and fit for use in its retail markets, NFGDC shall have the option (but never the obligation), to relax RNG quality requirements, from time to time, by describing permissible variations in its GTOP.

4.3 Except as identified in 2.10 above, Operator shall furnish, install, operate, maintain and keep in efficient and safe operating condition, at Operator's sole cost and expense, such drips, separators, dehydrators, alcohol bottles, gas cleaners, treatment facilities, equipment to provide real-time gas quality analysis ("Real-Time Analyzer"), automated shut-off valves and any other devices or equipment as may be or become reasonably necessary to effect compliance with the quality specifications set forth in this Article.

4.4 Operator shall inform NFGDC of changes in its RNG feedstock source prior to such changes or as soon as practicable thereafter.

4.5 In addition to any other remedy which may be available to NFGDC hereunder, or under any provision of law, in respect of Operator's undertakings expressed in this Article, NFGDC shall have and be entitled to exercise any one or more of the following rights, options and remedies, on a non-exclusive basis, in the event of any breach by Operator of any one or more of said undertakings, to wit:

4.5.1 Upon notice to Operator, treat or process Operator's RNG, at Operator's sole cost and expense, insofar as reasonably necessary in NFGDC's judgment to cause the same to conform to the quality specifications set forth in this Article;

4.5.2 Continue to receive Operator's RNG, with or without treatment or processing thereof;

4.5.3 Discontinue receiving Operator's RNG at the affected Receipt Point(s) until the occasion(s) for the exercise of a remedy by NFGDC has, in NFGDC's reasonable judgment, been corrected;

4.5.4 Terminate this Agreement as respects the delivery of Operator's RNG into NFGDC's facilities at the affected Receipt Point(s) in the event that, in NFGDC's reasonable judgment, the occasion for NFGDC's exercise of a remedy cannot be corrected at a reasonable cost in a reasonable time;

4.5.5 Require Operator to cease receiving into Operator's facilities RNG feedstock attributable to the source which occasioned NFGDC's exercise of a remedy; and

4.5.6 Clean-up and/or repair, at Operator's sole cost and expense, all facilities, equipment and apparatus affected by the occasion for NFGDC's exercise of a remedy. NFGDC shall endeavor to notify the Operator prior to taking such remedial action.

#### ARTICLE 5. CHART CHANGES AND INDEX READINGS

5.1 Insofar as applicable, Operator shall, at its own cost and expense, read each rotary, ultrasonic or turbine meter associated with any Exhibit A Receipt Point on the first (1st) working day of each month and shall enter associated meter readings online through a secure web site as provided in NFGDC's GTOP all such meter reading information to NFGDC on or before the fifth (5th) working day of each month.

5.32 All written correspondence concerning measurement shall be addressed to "NATIONAL FUEL GAS DISTRIBUTION CORPORATION" at the address provided for Gas Measurement in the NFGDC Contacts Addendum.

5.3 Operator understands that NFGDC is not able to account for and/or allocate Operator's RNG without using the meter reading information (as the case may be) referred to in this Article. Accordingly, given (i) the incremental expense and other costs which will be incurred by NFGDC in the event of its tardy receipt of the meter reading information referred to in this Article; (ii) the difficulty of quantifying such costs and expenses, and (iii) the inconvenience and practical infeasibility of otherwise providing an adequate remedy in respect of Operator's breach of its undertakings expressed in this Article, it is agreed as follows:

In the event that either of the following conditions are met, to wit: (i) Operator shall fail to provide any meter reading information as stipulated in this Article, or (ii) NFGDC shall fail to receive said meter reading information on or before the fifth (5th) working day following the date stipulated in this Article, then NFGDC shall be relieved of any obligation to account for any of the production in a timely manner but will endeavor to account for such production in the next accounting period.

#### ARTICLE 6. TERM

6.1 This Agreement shall have no force or effect unless and until it shall have been executed by each of the parties identified on the first page hereof and by each of the parties identified in the

Addendum thereto, if any (the "Effective Date"). Thereafter, and unless and until NFGDC shall have notified each of the other parties who executed this Agreement (the "Non-NFGDC Parties") that all applicable RNG disposition agreements have become effective, no right or entitlement shall accrue to any Non-NFGDC Party due to the execution of this Agreement.

6.2 The term of this Agreement shall extend until the first anniversary of the Effective Date, and, unless otherwise lawfully terminated, this Agreement shall continue in effect thereafter, until the same is terminated by any party to this Agreement, if any, by written notice to all other such parties, no later than thirty (30) days prior to the beginning of a calendar month.

6.3 Notwithstanding any other provision of this Agreement, and in addition to any other right or remedy available to NFGDC hereunder or under any provision of law, NFGDC shall have the following rights, exercisable at NFGDC's sole option, to wit:

6.3.1 Terminate this Agreement and remove all Receipt Facilities at the Exhibit A Receipt Points, or suspend or cease receiving Operator's RNG at any one or more of the Exhibit A Receipt Points, upon thirty (30) days' prior written notice to Operator, in the event that Operator should for any reason experience a loss or cancellation of the security required to be provided by Operator pursuant to Article IX hereof; and

6.3.2 Terminate this Agreement as to the affected Receipt Point(s) and remove all Receipt Facilities at the affected Receipt Point(s), or suspend or cease receiving Operator's RNG at any affected Receipt Point(s), upon thirty (30) days' prior written notice to Operator, in the event that Operator should (i) fail to provide satisfactory title to the production or (ii) repeatedly violate, in NFGDC's sole opinion, the standards contained in Article 4.

## ARTICLE 7. GOVERNMENTAL REGULATION

7.1 This Agreement and the respective obligations of the parties hereunder shall be subject to all valid applicable federal, state and local laws, orders, rules and regulations, whether in effect on the date hereof, or becoming effective thereafter. The parties shall be entitled to regard all laws, orders, rules and regulations issued by any federal, state or local regulatory or governmental body as valid and may act in accordance therewith until such time as same shall have been invalidated by final judgment (no longer subject to judicial review) of a court of competent jurisdiction. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities. Nothing contained herein, however, shall be construed as affecting any party's right(s) to contest the validity or applicability of any such law, order, rule or regulation.

## ARTICLE 8. FORCE MAJEURE

8.1 In the event either NFGDC or Operator is rendered unable, in whole or in part, by force majeure to carry out their respective obligations under this Agreement, other than to make payments due hereunder or to maintain minimum RNG quality specifications, it is agreed that the obligations of the party claiming such inability to perform, so far as they are affected by such force majeure, shall be suspended from the inception of and during the continuance of such inability so caused but for no longer period; provided that the party claiming such inability gives notice and reasonably full particulars of such force majeure event relied upon; and provided further that the party claiming such inability shall promptly and diligently take such action as may be necessary and reasonably practicable to correct, or cause to be corrected, such inability.

8.2 The term "force majeure" as employed herein shall mean, without limitation, acts of God, Governmental action or regulation, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes,

fires, hurricanes, tornadoes, storms, storm warnings, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accidents to machinery or pipelines, the necessity for making repairs to or alterations of machinery or pipelines, freezing of pipelines, and any other causes, whether of the kind herein enumerated or otherwise, not under or within the control of the party claiming inability to perform and which, by the exercise of reasonable diligence, such party is unable to prevent or overcome.

8.3 The settlement of strikes, lockouts or any such labor disputes shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure event shall be remedied promptly and diligently shall not require the settlement of strikes, lockouts or other labor disputes by acceding to the demands of any opposing party when such course is inadvisable in the discretion of the party having the difficulty.

8.4 Force majeure shall not include failure or disruption of technical systems or products within the reasonable control of the party claiming force majeure which arise as a result of any leap year.

#### ARTICLE 9. NOTICE

9.1 Every notice, request, statement, bill or invoice provided for in this Agreement shall be in writing, unless otherwise provided herein, and shall be sent by prepaid mail, facsimile, or by overnight delivery, addressed to the party to whom given, at such party's address stated below, or at such other address as such party may in and by such notice direct hereafter. Facsimile notices, requests, statements, bills or invoices shall be deemed given only when facsimile receipt is confirmed.

9.1.1 Notice to NFGDC shall be sent to the address provided for Notices in the NFGDC Contacts Addendum.

9.1.2 Notice to Operator shall be sent to the address provided for Notices in the RNG Operator Contacts Addendum.

9.2 Operator shall provide NFGDC with a current telephone number, facsimile number and Email address at which Operator or Operator's representatives may be contacted at all hours using the Operator Contacts Addendum or other mutually agreeable form that minimally provides the same information contained therein. For themselves and their agents, NFGDC and Operator agree to the recording of all telephone conversations during which NFGDC notifies Operator to suspend or cease deliveries into any facility owned or operated by NFGDC.

#### ARTICLE 10. OPERATOR'S CREDITWORTHINESS

10.1 At its sole option, NFGDC may (i) suspend its receipt of Operator's RNG, or (ii) terminate this Agreement, in the event that Operator is or has become insolvent or fails within a reasonable period, upon NFGDC's request, to demonstrate creditworthiness, or in the event that Operator incurs a poor credit history with respect to any service provided by NFGDC or as established by a reliable reporting agency.

10.2 As a demonstration of Operator's creditworthiness and as security in respect of any remedy afforded NFGDC under this Agreement or under any provision of law, Operator agrees to provide NFGDC with security in an amount, not less than Ten Thousand Dollars (\$10,000), or as determined by NFGDC ("Security Requirement Amount"), prior to the Effective Date, and to keep in force throughout the term of this Agreement, any one of the following:

10.2.1 A security cash deposit equal to the Security Requirement Amount, to be held in a non-interest-bearing general account by NFGDC;

10.2.2 An irrevocable letter of credit issued by a financial institution acceptable to NFGDC and in a form acceptable to NFGDC with a face amount of the Security Requirement Amount; or

10.2.3 At NFGDC's sole discretion, a copy of the most recent audited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth in excess three times the Security Requirement Amount, or a copy of the most recent unaudited financial statements of Operator (or of a guarantor of Operator's performance hereunder) showing a net worth of at least four three times the Security Requirement Amount, in which event, Operator shall also provide NFGDC with evidence of its ownership of unencumbered assets valued, in the aggregate, in excess of the Security Requirement Amount in each state in which Operator conducts any business with NFGDC.

10.2.4 Security, in a form acceptable to NFGDC, provided on behalf of Operator by a creditworthy third party, including but not limited to a marketer, individual, or other entity.

10.3 NFGDC reserves the right to require Operator to establish or demonstrate its creditworthiness, from time to time, during the term of this Agreement.

#### ARTICLE 11. TITLE TO GAS

11.1 Nothing in this Agreement shall affect the title to Operator's RNG.

11.2 Operator shall indemnify NFGDC against, and hold it harmless from, and undertake the defense of NFGDC with respect to, all suits, actions, claims, debts, accounts, damages, costs, losses and expenses (including attorneys' fees) arising from or out of adverse claims of any and all persons or entities to Operator's RNG, or to royalties, overriding royalties or other payments with respect thereto, or to taxes, licenses, fees, or charges with respect to Operator's RNG or the disposition thereof (hereinafter, respectively "Adverse Claim To Operator's RNG"). Except insofar as Operator is in breach of its obligations or has an obligation to indemnify and save NFGDC harmless pursuant to this section 11.2, NFGDC agrees to indemnify and save Operator harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of adverse claims of any and all persons to the RNG after receipt by NFGDC of Operator's RNG for redelivery by NFGDC (whether by means of transportation service or NFGDC commodity service) according to NFGDC's Tariff.

11.3 In the event of any Adverse Claim To Operator's RNG, NFGDC may, at its sole discretion, suspend receipts of Operator's RNG at the Receipt Point(s) where the affected RNG is delivered into NFGDC's facilities (without incurring any liability to Operator or any other entity interested in Operator's RNG) until such claim is finally determined and the prevailing party(ies) agree(s) to be bound by this Agreement, or until Operator furnishes NFGDC a bond, in form and amount and with sureties acceptable to NFGDC, conditioned to hold NFGDC harmless from any such Adverse Claim To Operator's RNG, or until Operator demonstrates, to NFGDC's satisfaction, that such RNG subject to an adverse claim does not constitute any portion of Operator's RNG

11.4 Operator agrees to provide NFGDC, upon request, evidence reasonably satisfactory to NFGDC of Operator's right to handle and deliver into NFGDC's facilities, one hundred percent (100%) of the gas comprising Operator's RNG.

#### ARTICLE 12. REMEDIES

12.1 In addition to any other remedy available to NFGDC under this Agreement or any provision of law, Operator shall indemnify NFGDC against, hold it harmless from, and undertake the defense of NFGDC with respect to all suits, actions, claims, losses, damages (including punitive damages and economic losses), injuries (including personal injury and death), debts, accounts, costs and



expenses (including attorneys' fees and other expenses incurred by NFGDC in responding to, and in partial or full satisfaction of, any such suits, actions, claims, losses, damages and injuries) related to and/or arising from or out of any breach by Operator of any provision of this Agreement.

12.2 Under no circumstances shall NFGDC be liable to Operator or any third party for any direct, special, indirect, incidental, punitive or consequential losses or damages of any kind whatsoever (including, but not limited to, lost business, lost profits, lost revenues, or lost data) however arising, whether claims for said losses or damages are premised on agreement, tort (including negligence), strict liability or otherwise, irrespective of the number or nature of the claims.

### ARTICLE 13. MISCELLANEOUS

13.1 This document shall ***not*** be construed as an agreement running with the land.

13.2 Operator shall release, protect, defend, indemnify and save harmless NFGDC, its affiliates and related companies and their directors, officers and employees, from and against each and every suit, demand or cause of action and any and all liabilities, expenses, liens, losses, claims, damages, costs (including court costs and reasonable attorneys' fees) for or based upon personal injury, disease or death, or on account of property damage, resulting from, in connection with, or in any way arising out of, relating to, or incident to its activities under this Agreement, except to the extent such damage, injury, or loss is caused in whole or in part by the negligence or willful misconduct of NFGDC. For purposes of enforcing this paragraph, Operator waives as a complying employer its immunity provided under the Pennsylvania Worker's Compensation Laws and/or related laws rules and regulations.

13.3 Operator shall comply with the insurance requirements set forth in Exhibit C to this Agreement.

13.4 Operator covenants and represents that no "hazardous substance" as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA), petroleum or petroleum products, "asbestos-containing material" as that term is defined in 40 CFR Part 61 Subpart M, polychlorinated biphenyls (PCBs), "solid waste" as that term is defined in the Federal Resource Conservation Recovery Act (RCRA) or other toxic, hazardous, or deleterious substance (individually or collectively referred to herein as an "Environmentally Deleterious Substance"), is currently at, or will be leaked, spilled, deposited, conveyed through the Interconnect or otherwise released by Operator on, at, adjacent to or through NFGDC's property. If any Environmentally Deleterious Substance is released or discovered on, at, through or adjacent to said property, Operator shall immediately notify NFGDC of the discovery and existence of said Environmentally Deleterious Substance. In the event of Operator's breach of the covenants and representations contained in this section, the full responsibility for the handling, investigation, remediation, treatment, storage or disposal of any such Environmentally Deleterious Substance, including the management and handling of such materials in compliance with all federal, state, or local laws, rules, regulations pertaining to the protection of the environment ("Environmental Laws"), shall remain with Operator and Operator shall indemnify NFGDC for any loss, injury, damage to persons or property, or fines, penalties or compliance order issued by any governmental agency pursuant to any Environmental Law relating to the existence of such Environmentally Deleterious Substance on, at, or adjacent to said. This section shall survive the termination of this Agreement.

13.5 No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

13.6 No waiver by any party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

13.7 Not less than five (5) working days prior to the first day of each calendar month during the term of this Agreement, Operator shall provide NFGDC with update(s), if any, to the identity of the entity and person who shall conduct Gas Scheduling for Operator's RNG at each of the Exhibit A Receipt Points. In the absence of Operator's timely notification to this effect, NFGDC may (but shall not be obligated to) deem the authority of the entity and person identified in Operator's last previous timely notification to continue until its receipt of the Operator's next timely notification under this paragraph.

13.8 Any company which shall succeed by purchase, merger or consolidation of the RNG related properties, substantially as an entirety, of NFGDC or of Operator, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

13.9 The headings contained in this Agreement are intended solely for convenience and do not constitute any part of the agreement between the parties and shall not be used in any manner in construing this Agreement.

13.10 With respect to Meter Location, this Agreement shall be construed, enforced and interpreted in accordance with the laws of

13.10.1 the State of New York, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of New York, and, in the event that such court lacks subject matter jurisdiction, to the New York State Supreme Court, Erie County, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the NYSPSC, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may bring disputed matters before the NYSPSC according to dispute resolution procedures under NFGDC's Interconnection Rules and Procedures set forth in NFGDC's GTOP.

13.10.2 the Commonwealth of Pennsylvania, excluding, however, any such law which would direct the application of the law of another jurisdiction. The parties (i) submit to the jurisdiction of the United States District Court for the Western District of Pennsylvania, and, in the event that such court lacks subject matter jurisdiction, to the Court of Common Pleas of Erie County, Pennsylvania, and, as respects those matters which are subject to the exclusive or primary jurisdiction of the PAPUC, and (ii) waive any right or entitlement which they or any of them might otherwise have to cause any dispute arising under this Agreement to be adjudicated, determined or resolved pursuant to the law of any other jurisdiction, or, in or by any other court(s) or tribunal(s). Provided, however, that the parties may follow the dispute resolution procedures applicable to Suppliers as set forth in NFGDC's Tariff under Rate Schedule SATS, Special Provision § U(19), as revised.

13.11 So that there will be certainty as to the actual agreement between the parties, it is mutually understood and agreed that this Interconnection Agreement, the Exhibit A, the Exhibit B and the

Exhibit C attached hereto, as the same may be impacted by any applicable provision of NFGDC's Tariff and GTOP, are intended to constitute the final expression, as well as the complete, exclusive and integrated statement, of the terms of the parties' agreement relative to the interconnection and other transactions described therein. If there is any inconsistency between this Agreement and the Tariff, either as presently in effect or as amended, then the provisions of the Tariff shall apply.

13.12 No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

(OPERATOR)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT  
NFGDC CONTACTS ADDENDUM**

CONTACT INFORMATION:

24-Hour Telephone: (800) 444-3130 EMERGENCIES ONLY

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION**

Legal/Contract Notices/Contracting	<b>Legal Department</b> 6363 Main Street Williamsville, NY 14221 Facsimile: (716) 857-7688 Attn. Dominick Sisinni Email: SisinniD@natfuel.com
Gas Measurement/Gas Testing	<b>Local Production Department</b> 717 State Street – Suite 700 Erie, PA 16501 Phone (844) NFG-WELL (844) 634-9355 Facsimile: (814) 871-8672 Email: NFG_GM@natfuel.com
Field Operations/Meter Sets	<b>Gas Measurement Department</b> 717 State Street – Suite 700 Erie, PA 16501 Phone (814) 871-8520 Facsimile: (814) 871-8672 Email: Miodus@natfuel.com
Gas Scheduling	<b>Gas Supply Administration Department - Transportation Services</b> 6363 Main Street Williamsville, NY 14221 Phone (716) 857-7232 Facsimile: (716) 857-7479 Email: TSSsupport@natfuel.com
Credit	<b>Credit &amp; Receivables Management</b> 6363 Main Street Williamsville, NY 14221 Phone (716) 857-7570 Facsimile: (716) 857-7439 Email: SzretterB@natfuel.com

RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT  
 RNG OPERATOR CONTACTS ADDENDUM

CONTACT INFORMATION: RNG Operator: \_\_\_\_\_

Legal/Contract Notices	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Emergency (24-Hour)	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Field/Gas Testing/Operations	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Accounting/Invoices	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____
Other: _____	Name: _____ Address: _____ Title: _____ City/State/Zip: _____ Phone(1): _____ Phone(2): _____ Facsimile: _____ Email: _____

Updated Addendums should be sent to NFGDC by facsimile: (814) 871-8061 or mailed.

RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT

Between

NFGDC and \_\_\_\_\_

**EXHIBIT A**

Receipt Points(s):

## RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT

Between

NFGDC and \_\_\_\_\_ (“RNG Operator”)

**EXHIBIT B****Renewable Natural Gas Quality Standards**

Renewable Natural Gas Quality Standards are based on the feedstock source utilized at the RNG Operator’s Plant to generate Biogas that is processed and treated to produce RNG. RNG constituent testing shall be based on the following table:

TABLE 1: Constituents of Concern (COC)

Parameter	Threshold Level	Testing Required				
		Landfill	Dairy, Swine	WWTP	Food Waste	Gasifier, Syngas
Water Content	7 lbs. vapor per MMcf **	Yes	Yes	Yes	Yes	Yes
Sulfur (S)	20 grains of total S per ccf **	Yes	Yes	Yes	Yes	Yes
Hydrogen Sulfide (H <sub>2</sub> S)	0.3 grain of H <sub>2</sub> S per ccf **	Yes	Yes	Yes	Yes	Yes
Carbon Dioxide	2 vol% **	Yes	Yes	Yes	Yes	Yes
Carbon Dioxide and Nitrogen	5 vol% **	Yes	Yes	Yes	Yes	Yes
Oxygen	0.2 vol% **	Yes	Yes	Yes	Yes	Yes
Siloxanes	0.1 mg Si/m <sup>3</sup>	Yes	N/A	Yes	Yes	N/A
Ammonia	0.001 vol%	Yes	Yes	Yes	Yes	Yes
Hydrogen	0.1 vol%	Yes	Yes	Yes	Yes	Yes
Mercury	0.08 mg/m <sup>3</sup>	Yes	N/A	Yes	Yes	Yes
Biologicals	≠	Yes	Yes	Yes	Yes	N/A
Volatile Metals						
Arsenic	0.38 mg/m <sup>3</sup>	Yes	N/A	N/A	Yes	Yes
Antimony	9 mg/m <sup>3</sup>	Yes	N/A	N/A	Yes	Yes
Copper	0.9 mg/m <sup>3</sup>	Yes	N/A	N/A	Yes	Yes
Lead	1.125 mg/m <sup>3</sup>	Yes	N/A	N/A	Yes	Yes
Volatile Organic Compounds						
Ethylbenzene	120 ppmv	Yes	N/A	Yes	Yes	Yes
Toluene	3600 ppmv	Yes	N/A	Yes	Yes	Yes
Semi-volatile Organic Compounds						
n-Nitroso-di-n-propylamine	0.12 ppmv	Yes	N/A	N/A	N/A	Yes

TABLE 1: Constituents of Concern (COC) - continued

Parameter	Threshold Level	Testing Required				
		Landfill	Dairy, Swine	WWTP	Food Waste	Gasifier, Syngas
Halocarbons						
p-Dichlorobenzenes	19 ppmv	Yes	N/A	Yes	Yes	Yes
Vinyl Chloride	6.6 ppmv	Yes	N/A	Yes	Yes	Yes
Aldehydes and Ketones						
Methacrolein	5.55 ppmv	Yes	Yes	Yes	Yes	Yes
Polychlorinated biphenyls (PCBs)	Below Detectable Limit	Yes	N/A	N/A	N/A	N/A
Pesticides	Below Detectable Limit	Yes	N/A	Yes	Yes	N/A

≠ 4 x 10<sup>4</sup>/scf (qPCR per APB, SRB, IOB<sup>a</sup> group) and commercially free of bacteria of >0.2 microns

\*\* Tariff specified limit.

Note: If mixed feedstock sources are utilized by the RNG Operator, NFGDC may test for all COCs.



## RENEWABLE NATURAL GAS INTERCONNECTION AGREEMENT

Between

NFGDC and \_\_\_\_\_ (“RNG Operator”)

**EXHIBIT C****Insurance Requirements**

RNG Operator shall furnish insurance listed below. Insurance shall be placed with insurance carriers acceptable to NFGDC. Any insurance carrier providing such insurance must have at least an A- rating and financial category of VII or better as defined by A. M. Best. RNG Operator shall maintain this insurance at all times during performance of this Contract. In addition, if insurance is written on a “claims-made” basis, such insurance shall be maintained by RNG Operator for a minimum period of three years after the completion of the Contract. RNG Operator may elect to extend the discovery period under the existing policy for not less than three years.

RNG Operator, and any subcontractors, shall have NFGDC named as an additional insured under the insurance policies required below (with the exception of the professional liability policy (if applicable) and the workers’ compensation policy which shall include alternate employer endorsement), including any excess or umbrella policies for ongoing/current and completed operations. The coverage must be provided on a primary non-contributing basis and the limits will be exhausted before any other insurance is to apply.

RNG Operator shall require all subcontractors to the extent such are permitted, to furnish insurance listed below and such insurance shall be in accordance with all requirements of this section. In the event that subcontractors’ insurance does not meet the minimum requirements, RNG Operator’s insurance will respond.

Each insurance policy required by this section shall contain a waiver of the right of subrogation, as well as the right of set off and any right of deduction, by the respective underwriter(s) of such policy, and shall be endorsed to provide for severability of interest, cross liability or cross suit protection, so that each insured is treated separately under the policy. The waiver of the right of subrogation, setoff and deduction shall also extend to parent companies, subsidiaries and affiliates of NFGDC and the officers, directors, agents, and employees of such entities. These provisions must survive expiration, termination or cancellation of this Contract.

RNG Operator or subcontractor that is a legally permitted and qualified self-insurer in the state in which services are to be performed, may furnish proof that it is such a self-insurer and evidence of any excess coverage. RNG Operator will maintain financial responsibility of any-self-insured retention or deductible.

**The Following Insurance Policies Are Required**

Workers’ Compensation and Employer’s Liability Insurance - RNG Operator or subcontractor, shall maintain Workers’ Compensation and Employer’s Liability Insurance of the state in which the services are to be performed.

- a) RNG Operator shall determine if the work to be performed under this Contract requires coverage by any Federal Compensation statutes including, but not limited to, the

Longshoremen's and Harbor Workers' Compensation Act or Jones Act and provide such coverage.

- b) The Commercial Umbrella and/or Employer's Liability limits must be in an amount not less than the amount for each accident included in the workers' compensation policy or separately obtained in those states that do not provide employer liability under the workers' compensation policy.

Commercial General Liability and Commercial Umbrella Liability Insurance - Commercial general liability insurance and commercial umbrella liability insurance with a combined limit for Bodily Injury and Property Damage of not less than \$5,000,000 each occurrence. Such insurance policies must include, at a minimum, coverage for contractual liability, personal injury and advertising, broad form property damage, premises/operations, independent operators, and products and completed operations and shall remain in force for a period of at least 5 years after completion of the work. Any exclusion for "Explosion", "Collapse" and/or "Underground" (XCU) operations shall be removed from such coverage RNG Operator, and any subcontractors, shall have NFGDC named as an additional insured including any excess or umbrella policies for ongoing/current and completed operations.

Business Automobile Liability and Commercial Umbrella Liability Insurance - Business automobile liability insurance and commercial umbrella liability insurance with a combined single limit of not less than \$5,000,000 each occurrence. Such insurance policies must include, at a minimum, coverage for owned, hired and non-owned vehicles and related equipment.

Professional Liability Insurance - Professional liability insurance with a limit of not less than \$5,000,000 each claim and aggregate. This is to provide coverage for claims arising out of the performance of professional services under this Contract and caused by any error, omission, or negligent act for which RNG Operator is held liable. RNG Operator shall maintain this insurance for a minimum period of three years after the completion of the Contract. (The Professional Liability Insurance requirement is applicable if the RNG Operator or subcontractor performs professional services for any reason as part of the Contract.)

Certificates of insurance shall state that the insurance carrier has issued the policies providing for the insurance specified herein, that such policies are in force, that NFGDC is an additional insured under the policies for ongoing/current and completed operations, that all policies contain contractual liability coverage, and RNG Operator will give NFGDC thirty (30) days prior written notice of any material change in, non-renewal, or cancellation of, such policies. If such insurance policies are subject to any exceptions to the terms specified herein, such exceptions shall be explained in full in such certificates. NFGDC may, at its discretion, require RNG Operator, or any subcontractor to obtain insurance policies that are not subject to any exceptions to the terms specified herein. For such time as insurance is required under this Contract, RNG Operator shall provide NFGDC with annual current certificates of insurance 15 days prior to the anniversary date of each policy evidenced. At the request of NFGDC, RNG Operator shall provide NFGDC with current copies of all insurance policies and related endorsements required under this section.

**FAILURE TO MAINTAIN THE INSURANCE COVERAGE PROVIDED HEREIN THROUGHOUT THE LIFE OF THIS CONTRACT SHALL CONSTITUTE A MATERIAL BREACH OF THE CONTRACT. IT IS THE RNG OPERATOR'S OBLIGATION TO PROVIDE NFGDC WITH CURRENT CERTIFICATES OF INSURANCE.**

### **Certificate of Insurance Requirements**

- a) Before entering the project site or starting work, the RNG Operator will give the NFGDC a certificate of insurance issued by a duly authorized representative of their insurer certifying that at least the minimum coverages required herein are in effect. The NFGDC will have the right, but not the obligation, of prohibiting the RNG Operator or sub-RNG Operator from entering the project site until such certificates or other evidence that insurance has been placed in complete compliance with these requirements is received and approved by the NFGDC. Certificates of insurance shall be sent to:

National Fuel  
Risk Management Department  
P. O. Box 2081  
Erie, PA 16512

- b) Failure of the NFGDC to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the NFGDC to identify a deficiency from evidence provided will not be construed as a waiver of the RNG Operator's obligation to maintain insurance.
- c) The acceptance of delivery by the NFGDC of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by the NFGDC that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.
- d) If the RNG Operator fails to maintain the insurance as set forth herein, the NFGDC will have the right, but not the obligation, to purchase said insurance at the RNG Operator's expense. Alternatively, the RNG Operator's failure to maintain the required insurance may result in termination of this Contract at the NFGDC's option
- e) If any of the coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage will be submitted with the RNG Operator's final invoice.

## **DATA SECURITY AGREEMENT**

This Data Security Agreement ("Agreement") effective \_\_\_\_\_, is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ by and between National Fuel Gas Distribution Corporation, 6363 Main Street, Williamsville, NY 14221 ("Utility") and \_\_\_\_\_, an Energy Service Entity ("ESE") with offices at \_\_\_\_\_; and together with Utility the ("Parties" and each, individually, a "Party").

#### RECITALS

WHEREAS, ESE desires to have access to Confidential Customer Utility Information, or the New York State Public Commission ("Commission") has ordered Utility to provide to ESE customer information; and

WHEREAS, ESE has obtained consent<sup>1</sup> from all customers from whom the ESE intends to obtain information from Utility; and

WHEREAS, ESE may utilize a third party to fulfill its Service obligations, including but not limited to, Electronic Data Interchange ("EDI") communications with Utility, data collection or analysis, or billing; and

WHEREAS, ESE utilization of a third party provider does not relieve ESE of their transactional obligation; and

WHEREAS, Utility and ESE also desire to enter into this Agreement to establish, among other things, the full scope of ESE's obligations of security and confidentiality with respect to the Confidential Customer Utility Information in a manner consistent with the orders, rules and regulations of the Commission and requirements of Utility, as well as the obligations of the Utility under this Agreement; and

NOW, THEREFORE, in consideration of the premises and of the covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

#### 1. Definitions.

- a. "Confidential ESE Information" means information that ESE is: (A) required by the Uniform Business Practices ("UBP"), DERS UBP ("UBP DERS") or Commission order or rule to receive from the end use customer and provide to Utility to enroll the customer or (B) any other information provided by ESE to Utility and marked confidential by the ESE, but excludes (i) information which is or becomes generally available to the public other than as a result of a disclosure by Receiving Party or its Representatives; (ii) information which was already known to Receiving Party on a non-confidential basis prior to being furnished to Receiving Party by Disclosing Party; (iii) information which becomes available to Receiving Party on a non-confidential basis from a source

<sup>1</sup> Customer consent is not obtained by the ESE when Green Button Connect (GBC) is utilized as the data sharing mechanism.

other than Disclosing Party or a representative of Disclosing Party if such source was not subject to any prohibition against transmitting the information to Receiving Party and was not bound by a confidentiality agreement with Disclosing Party; (iv) information which was independently developed by the Receiving Party or its Representatives without reference to, or consideration of, the Confidential Information; or (v) information provided by the customer with customer consent where the customer expressly agrees that the information is public.

- b. "Confidential Customer Utility Information" means information that Utility is: (A) required by the UBP at Section 4: Customer information (C)(2), (3) or UBP DERS at Section 2C: Customer Data (C)(2), to provide to ESE or (B) any other information provided to ESE by Utility and marked confidential by the Utility at the time of disclosure, but excludes (i) information which is or becomes generally available to the public other than as a result of a disclosure by Receiving Party or its Representatives; (ii) information which was already known to Receiving Party on a non-confidential basis prior to being furnished to Receiving Party by Disclosing Party; (iii) information which becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party or a representative of Disclosing Party if such source was not subject to any prohibition against transmitting the information to Receiving Party and was not bound by a confidentiality agreement with Disclosing Party; (iv) information which was independently developed by the Receiving Party or its Representatives without reference to, or consideration of, the Confidential Information; or (v) information provided by the customer with customer consent where the customer expressly agrees that the information is public.
- c. "Confidential Information" means, collectively, Confidential Customer Utility Information or Confidential ESE Information.
- d. "Cybersecurity and Data Privacy Protections" refer to controls addressing the risk to IT systems and data. These cybersecurity requirements are applicable to ESE or its Third-Party Representative that electronically exchange Confidential Customer Utility Information, not including by email, with Utility. These controls also implement and address the risk of improper access, or misuse, of Confidential Customer Utility Information. The data privacy protections are required of any ESE that process Confidential Customer Utility Information
- e. "Data Protection Requirements" means, collectively, (A) all national, state, and local laws, regulations, or other government standards relating to the protection of information that identifies or can be used to identify an individual that apply with respect to ESE or its Representative's Processing of Confidential Customer Utility Information; (B) industry best practices or frameworks to secure information, computer systems, network, and devices using a defense-in-depth approach, such as and including, but not limited to, NIST SP 800-53, ISO 27001 / 27002, COBIT, CIS Security Benchmarks, Top 20 Critical Controls as best industry practices and frameworks may evolve

over time; and (C) the Commission rules, regulations, and guidelines relating to data access, Cybersecurity and Data Privacy Protection, including the Commission-approved UBP and UBP DERS. Subject to the above, The ESE will determine and implement the necessary Cybersecurity and Data Privacy Protections to be in compliance with the Commission's Order Establishing Minimum Cybersecurity and Data Privacy Protections and Making Other Findings in Cases 18-M-0376, 15-M-0180 and 98-M-1343 at page 49 issued and effective October 17, 2019.

- f. "Data Security Incident" means a situation when Utility or ESE reasonably believes that there has been: (A) the loss or misuse (by any means) of Confidential Information; (B) the unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of Confidential Information, or Private Information as defined by GBL § 899-aa, computer systems, network and devices used by a business; (C) any other act or omission that compromises the security, confidentiality, or integrity of Confidential Information, or (D) any material breach of any Data Protection Requirements in relation to the Processing of Confidential Information, including by any current or former Representatives.
- g. "DER Supplier" or "DERS" has the meaning set forth in the UBP DERS approved by the Commission and as it may be amended from time to time, which is "[a] supplier of one or more DERs that participates in a Commission authorized and/or utility or DSP-operated program or market. DERS may choose to provide DERs as standalone products or services, or may choose to bundle them with energy commodity. CDG Providers and On-Site Mass Market DG Providers are included within the definition of DERS. Entities which sell both DERs and energy commodity are both DERS and ESCOs."
- h. "Direct Customer" has the meaning set forth in the UBP approved by the Commission and as it may be amended from time to time, which is "An entity that purchases and schedules delivery of electricity or natural gas for its own consumption and not for resale. A customer with an aggregated minimum peak connected load of 1 MW to a designated zonal service point qualifies for direct purchase and scheduling of electricity provided the customer complies with NYISO requirements. A customer with annual usage of a minimum of 3,500 dekatherms of natural gas at a single service point qualifies for direct purchase and scheduling of natural gas."
- i. "ESCO" has the meaning set forth in the UBP approved by the Commission and as it may be amended from time to time, which is "An entity eligible to sell electricity and/or natural gas to end-use customers using the transmission or distribution system of a utility. ESCOs may perform other retail service functions."
- j. "ESE" means any entity (including, but not limited to, ESCOs, Direct Customers, DERS, and contractors of such entities with an electronic connection to the Utility other than by email) that provides energy or performs

- an energy related service and is seeking access to Confidential Customer Utility Information.
- k. "Green Button Connect" or "GBC" provides a set of standards for allowing interoperable communications of energy usage and billing information between utilities and ESEs.
  - l. "PSC" or "Commission" shall have the meaning attributed to it in the Recitals.
  - m. "Processing" (including its cognate, "process") means any operation, action, error, omission, negligent act, or set of operations, actions, errors, omissions, or negligent acts that is performed using or upon Confidential Information or Utility Data, whether it be by physical, automatic or electronic means, including, without limitation, collection, recording, organization, storage, access, adaptation, alteration, retrieval, use, transfer, hosting, maintenance, handling, retrieval, consultation, use, disclosure, dissemination, exfiltration, taking, removing, copying, processing, making available, alignment, combination, blocking, deletion, erasure, or destruction.
  - n. "Third-Party Representatives" or "Representatives" means those agents acting on behalf of ESEs that are contractors or subcontractors and that store, transmit or process Confidential Customer Utility Information. For the avoidance of doubt, Third-Party Representatives do not include ESEs and their members, directors, officers or employees who need to know Confidential Customer Utility Information for the purposes of providing Services.
  - o. "Services" mean any assistance in the competitive markets provided by ESEs to end use customers or ESCOs, Direct Customers or DERS that also require interaction with a Utility, including but not limited to the electronic exchange of information with a Utility, and must be provided in accordance with Commission Orders, the UBP or UBP DERS, where applicable. Commission Orders, the UBP or the UBP DERS may not apply to Third Party Representatives that are not electronically interconnected with a utility other than by email.
  - p. "Utility Data" means data held by Utility, whether produced in the normal course of business or at the request of ESE.
2. **Scope of the Agreement.** This Agreement shall govern the Cybersecurity and Data Privacy Protections of ESEs that electronically receive or exchange customer information, other than email, from a direct connection with the Utility IT systems and the privacy protections that apply to Confidential Information disclosed to ESE or to which ESE is given access by Utility, including all archival or back-up copies of the Confidential Information held or maintained by ESE (or its Representatives) and Confidential ESE Information. No financial information, other than billing information, will be provided pursuant to this Agreement. If any information is inadvertently sent to ESE or Utility, ESE or Utility will immediately notify the Utility/ESE and destroy any such information in the appropriate manner.



3. **ESE Compliance with all Applicable Commission Uniform Business Practices.** The Parties agree that the Commission's UBP and UBP DERS set forth rules governing the protection of Confidential Customer Utility Information and electronic exchange of information between the Parties, including but not limited to EDI.
4. **Customer Consent.** The Parties agree that the UBP, UBP DERS, Federal, State and local laws, and the orders, rules and regulations of the Commission govern an ESE's obligation to obtain informed consent from all customers before ESE requests Confidential Customer Utility Information from Utility. The ESE agrees to comply with the UBP, UBP DERS (when applicable), Federal, State and local laws, the orders, rules and regulations of the Commission, and the Utility's tariffs regarding customer consent.
5. **Provision of Information.** Utility agrees to provide to ESE or its Third-Party Representatives, certain Confidential Customer Utility Information, as requested, provided that: (A) if the utility has identified a potential Cybersecurity or Data Privacy Protection issue ESE (and its Third-Party Representatives with an electronic connection to the utility other than by email) are in compliance with the terms of this Agreement in all material respects; (B) if required by Utility due to the identification of a potential or actual Data Security Incident, ESE shall undergo an audit, at the ESE's expense<sup>2</sup>; (C) ESE (and its Third-Party Representatives with an electronic connection to the utility other than by email) shall have and maintain throughout the term, systems and processes in place and as detailed in the Self-Assessment to protect utility IT systems, Data Privacy Protections and Confidential Customer Utility Information. Provided the foregoing prerequisites have been satisfied, ESE shall be permitted access to Confidential Customer Utility Information and/or Utility shall provide such Confidential Customer Utility Information to ESE. Nothing in this Agreement will be interpreted or construed as granting either Party any license or other right under any patent, copyright, trademark, trade secret, or other proprietary right or any right to assert any lien over or right to withhold from the other Party any Data and/or Confidential Information of the other Party. Utility will comply with the security requirements set forth in its Assessment.
6. **Confidentiality.** ESE shall: (A) hold all Confidential Customer Utility Information in strict confidence pursuant to the UBP or UBP DERS and Commission's orders and rules; except as otherwise expressly permitted by Section 7 herein; (B) not disclose Confidential Customer Utility Information to any Third-Party Representatives, or affiliates, except as set forth in Section 7(a) of this Agreement; (C) not Process Confidential Customer Utility Information other than for the Services defined in the Recitals as authorized by this Agreement; (D) limit

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<sup>2</sup> An audit related to a Data Security Incident is used to verify that the necessary Cybersecurity and Data Privacy Protections are in place for the utility to provide certain Confidential Customer Utility Information to the ESE or its Third-Party Representatives with an electronic connection to the utility, other than by email. The same audit requirements will apply as in Section 9. However, the ESE will be responsible for the cost of the audit in order to be re-authorized to receive data from the utility.

reproduction of Confidential Customer Utility Information; (E) store Confidential Customer Utility Information in a secure fashion at a secure location that is not accessible to any person or entity not authorized to receive the Confidential Customer Utility Information under the provisions hereof; and (F) otherwise use at least the same degree of care to avoid publication or dissemination of the Confidential Customer Utility Information as ESE employs (or would employ) with respect to its own confidential information that it does not (or would not) desire to have published or disseminated, but in no event less than reasonable care. At all times, Utility shall have the right for cause to request reasonable further assurances that the foregoing restrictions and protections concerning Confidential Customer Utility Information are being observed and ESE shall be obligated to promptly provide Utility with the requested assurances. An ESE may provide Confidential Customer Utility Information to a Third-Party representative without a direct electronic connection with the Utility, to assist the ESE in providing permitted Services, but an ESE utilizing such Third party Representative shall be solely responsible and fully liable for the actions of the Third Party Representative.

Utility shall: (A) hold all Confidential ESE Information in strict confidence; except as otherwise expressly permitted by Section 7 herein; (B) not disclose Confidential ESE Information to any other person or entity except as set forth in Section 7(a) of this Agreement; (C) not Process Confidential ESE Information other than for the Services defined in the Recitals as authorized by this Agreement; (D) limit reproduction of Confidential ESE Information; (E) store Confidential ESE Information in a secure fashion at a secure location that is not accessible to any person or entity not authorized to receive the Confidential ESE Information under the provisions hereof; (F) otherwise use at least the same degree of care to avoid publication or dissemination of the Confidential ESE Information as Utility employs (or would employ) with respect to its own confidential information that it does not (or would not) desire to have published or disseminated, but in no event less than reasonable care; and (G) to the extent required by ESE, each Third Party Representative with a need to know the Confidential ESE Information shall sign the Third-Party Representative Agreement set forth as Exhibit B to this Agreement. At all times, ESE shall have the right for cause to request reasonable further assurances that the foregoing restrictions and protections concerning Confidential ESE Information are being observed and Utility shall be obligated to promptly provide ESE with the requested assurances.

This Section 6 supersedes prior data security agreements between the Parties pertaining to Confidential Information.

- 7. Exceptions Allowing ESE to Disclose Confidential Customer Utility Information.**
  - a. Disclosure to Representatives.** Notwithstanding the provisions of Section 6 herein, the Parties may disclose Confidential Information to their Third-Party Representatives who have a legitimate need to know or use such Confidential Customer Utility Information for the purposes of providing Services in accordance with the UBP, UBP DERS and Commission orders and rules,

provided that each such Third-Party Representative first is advised by the disclosing Party of the sensitive and confidential nature of such Confidential Customer Utility Information. Notwithstanding the foregoing, the ESE shall be liable for any act or omission of its Third-Party Representative, including without limitation, those acts or omissions that would constitute a breach of this Agreement.

- b. **Disclosure if Legally Compelled.** Notwithstanding anything herein, in the event that a Party or any of its Third-Party Representatives receives notice that it has, will, or may become compelled, pursuant to applicable law or regulation or legal process to disclose any Confidential Information (whether by receipt of oral questions, interrogatories, requests for information or documents in legal proceedings, subpoenas, civil investigative demands, other similar processes, or otherwise), that Party shall, except to the extent prohibited by law, within one (1) business day, notify the other Party, orally and in writing, of the pending or threatened compulsion. To the extent lawfully allowable, the Parties shall have the right to consult and the Parties will cooperate, in advance of any disclosure, to undertake any lawfully permissible steps to reduce and/or minimize the extent of Confidential Information that must be disclosed. The Parties shall also have the right to seek an appropriate protective order or other remedy reducing and/or minimizing the extent of Confidential Information that must be disclosed. In any event, the Party and its Third-Party Representatives shall disclose only such Confidential Information which they are advised by legal counsel that they are legally required to disclose in order to comply with such applicable law or regulation or legal process (as such may be affected by any protective order or other remedy obtained by the Party) and the Party and its Third-Party Representatives shall use all reasonable efforts to ensure that all Confidential Information that is so disclosed will be accorded confidential treatment.
8. **Return/Destruction of Information.** Within thirty (30) days after Utility's written demand, ESE shall (and shall cause its Third-Party Representatives to) cease to access and Process Confidential Customer Utility Information and shall at the Utility's option: (A) return such Confidential Customer Utility Information to Utility in such manner, format, and timeframe as reasonably requested by Utility or, if not so directed by Utility, (B) shred, permanently erase and delete, degauss or otherwise modify so as to make unreadable, unreconstructible and indecipherable ("Destroy") all copies of all Confidential Customer Utility Information (including any and all extracts, compilations, studies, or other documents based upon, derived from, or containing Confidential Customer Utility Information) that has come into ESE's or its Third-Party Representatives' possession, including Destroying Confidential Customer Utility Information from all systems, records, archives, and backups of ESE and its Third-Party Representatives, and all subsequent access, use, and Processing of the Confidential Customer Utility Information by ESE and its Third-Party Representatives shall cease, provided any items required to be maintained by governmental administrative rule or law or necessary for legitimate business or legal needs will not be destroyed until permitted and will remain subject

to confidentiality during the retention period. A Utility making a written demand of an ESE for the return or destruction of Confidential Customer Utility Information will specify the reason for the demand. ESE agrees that upon a customer revocation of consent, ESE warrants that it will no longer access through Utility Confidential Customer Utility Information and that it will Destroy any Confidential Customer Utility Information in its or its Third-Party Representative's possession. Notwithstanding the foregoing, ESE and its Third-Party Representatives shall not be obligated to erase Confidential Customer Utility Information contained in an archived computer system backup maintained in accordance with their respective security or disaster recovery procedures, provided that ESE and its Third-Party Representatives shall: (1) not have experienced an actual Data Security Incident; (2) maintain Cybersecurity and Data Privacy Protections to limit access to or recovery of Confidential Customer Utility Information from such computer backup system and; (3) keep all such Confidential Customer Utility Information confidential in accordance with this Agreement. ESE shall, upon request, certify to Utility that the destruction by ESE and its Third-Party Representatives required by this Section has occurred by (A) having a duly authorized officer of ESE complete, execute, and deliver to Utility a certification and (B) obtaining substantially similar certifications from its Third-Party Representatives and maintaining them on file. Compliance with this Section 8 shall not relieve ESE from compliance with the other provisions of this Agreement. The written demand to Destroy or return Confidential Customer Utility Information pursuant to this Section may occur if the ESE has been decertified pursuant to the UBP or UBP DERS, the Utility has been notified of a potential or actual Data Security Incident and Utility has a reasonable belief of potential ongoing harm or the Confidential Customer Utility Information has been held for a period in excess of its retention period. The obligations under this Section shall survive any expiration of termination of this Agreement. Subject to applicable federal, state and local laws, rules, regulations and orders, at ESE's written demand and termination of electronic exchange of data with Utility, Utility will Destroy or return, at ESE's option, Confidential ESE Information.

9. **Audit.** Upon thirty (30) days notice to ESE, ESE shall permit an auditor selected by the Utility through a competitive solicitation and agreed ("CSA") to by the ESE to audit and inspect, at Utility's sole expense (except as otherwise provided in this Agreement), and provided that the audit may occur no more often than once per twelve (12) month period (unless otherwise required by Utility's regulators). The audit may include (A) the facilities of ESE and ESE's Third-Party Representatives where Confidential Customer Utility Information is Processed by or on behalf of ESE; (B) any computerized or paper systems used to Process Confidential Customer Utility Information; and (C) ESE's security practices and procedures, facilities, resources, plans, procedures, and books and records relating to the privacy and security of Confidential Customer Utility Information. Such audit rights shall be limited to verifying ESE's compliance with this Agreement, including all applicable Data Protection Requirements. If the ESE provides a SOC II report or its equivalent to the Utility, or commits to complete an independent third-party audit of ESE's compliance with this Agreement acceptable to the Utility at ESE's sole expense, within one hundred eighty (180) days, no audit by an auditor selected by

the Utility through a CSA and conducted at Utility's sole expense is necessary absent a Data Security Incident. Any audit must be subject to confidentiality and non-disclosure requirements set forth in Section 6 of this Agreement. The auditor will audit the ESE's compliance with the required Cybersecurity and Data Privacy Protections and provide those results to the utility and ESE. The audit report sent to the utility shall not include any ESE confidential information, it will simply provide an assessment as to the ESE's compliance with the terms of this Agreement. In the event of a "failed" audit dispute, the dispute resolution processes outlined in the UBP can be utilized or a complaint can be brought to the Department of Public Service's Office of Consumer Services Staff. Utility shall provide ESE with a report of the findings as a result of any audit carried out by an auditor selected by a CSA. ESE shall, within thirty (30) days, or within a reasonable time period agreed upon in writing between the ESE and Utility, correct any deficiencies identified in the audit, and provide the SOC II audit report or its equivalent or the report produced by the independent auditor at ESE expense to the Utility and provide a report regarding the timing and correction of identified deficiencies to the Utility.

10. **Investigation.** Upon notice to ESE, ESE shall assist and support Utility in the event of an investigation by any regulator or similar authority, if and to the extent that such investigation relates to Confidential Customer Utility Information Processed by ESE on behalf of Utility. Such assistance shall be at Utility's sole expense, except where such investigation was required due to the acts or omissions of ESE or its Representatives, in which case such assistance shall be at ESE's sole expense.
11. **Data Security Incidents.** ESE is responsible for any and all Data Security Incidents involving Confidential Customer Utility Information that is Processed by, or on behalf of, ESE. ESE shall notify Utility in writing immediately (and in any event within forty-eight (48) hours) whenever ESE reasonably believes that there has been a Data Security Incident. After providing such notice, ESE will investigate the Data Security Incident, and immediately take all necessary steps to eliminate or contain any exposure of Confidential Customer Utility Information and keep Utility advised of the status of such Data Security Incident and all matters related thereto. ESE further agrees to provide, at ESE's sole cost: (1) reasonable assistance and cooperation requested by Utility and/or Utility's designated representatives, in the furtherance of any correction, remediation, or investigation of any such Data Security Incident; (2) and/or the mitigation of any damage, including any notification required by law or that Utility may determine appropriate to send to individuals impacted or potentially impacted by the Data Security Incident; and (3) and/or the provision of any credit reporting service required by law or that Utility deems appropriate to provide to such individuals. In addition, within thirty (30) days of confirmation of a Data Security Incident, ESE shall develop and execute a plan, subject to Utility's approval, which approval will not be unreasonably withheld, that reduces the likelihood of a recurrence of such Data Security Incident. ESE agrees that Utility may at its discretion and without penalty immediately suspend performance hereunder and/or terminate the Agreement if a Data Security Incident occurs and it has a reasonable belief of potential ongoing

harm. Any suspension made by Utility pursuant to this paragraph 11 will be temporary, lasting until the Data Security Incident has ended, the ESE security has been restored to the reasonable satisfaction of the Utility so that Utility IT systems and Confidential Customer Utility Information are safe and the ESE is capable of maintaining adequate security once electronic communication resumes. Actions made pursuant to this paragraph, including a suspension will be made, or subject to dispute resolution and appeal as applicable, pursuant to the UBP or UBP DERS processes as approved by the Commission.

12. **No Intellectual Property Rights Granted.** Nothing in this Agreement shall be construed as granting or conferring any rights, by license, or otherwise, expressly, implicitly, or otherwise, under any patents, copyrights, trade secrets, or other intellectual property rights of Utility, and ESE shall acquire no ownership interest in the Confidential Customer Utility Information. No rights or obligations other than those expressly stated herein shall be implied from this Agreement.
13. **Additional Obligations.**
  - a. ESE shall not create or maintain data which are derivative of Confidential Customer Utility Information except for the purpose of performing its obligations under this Agreement, as authorized by the UBP or UBP DERS, or as expressly authorized by the customer, unless that use violates Federal, State, and local laws, tariffs, rules, and regulations. For purposes of this Agreement, the following shall not be considered Confidential Customer Utility Information or a derivative thereof: (i) any customer contracts, customer invoices, or any other documents created by ESE that reference estimated or actual measured customer usage information, which ESE needs to maintain for any tax, financial reporting or other legitimate business purposes consistent with the UBP or UBP DERS; and (ii) Data collected by ESE from customers through its website or other interactions based on those customers' interest in receiving information from or otherwise engaging with ESE or its partners.
  - b. ESE shall comply with all applicable privacy and security laws to which it is subject, including without limitation all applicable Data Protection Requirements and not, by act or omission, place Utility in violation of any privacy or security law known by ESE to be applicable to Utility.
  - c. ESE shall have in place appropriate and reasonable processes and systems, including an Information Security Program, defined as having completed an accepted Attestation as reasonably determined by the Utility in its discretion, to protect the security of Confidential Customer Utility Information and protect against a Data Security Incident, including, without limitation, a breach resulting from or arising out of ESE's internal use, processing, or other transmission of Confidential Customer Utility Information, whether between or among ESE's Third-Party Representatives, subsidiaries and affiliates or any other person or entity acting on behalf of ESE, including without limitation Third-Party Representatives. The Utility's determination is subject to the dispute resolution process under the UBP or UBP DERS.

- d. ESE and Utility shall safely secure or encrypt during storage and encrypt during transmission all Confidential Information, except that no encryption in transit is required for email communications.
  - e. ESE shall establish policies and procedures to provide reasonable and prompt assistance to Utility in responding to any and all requests, complaints, or other communications received from any individual who is or may be the subject of a Data Security Incident involving Confidential Customer Utility Information Processed by ESE to the extent such request, complaint or other communication relates to ESE's Processing of such individual's Confidential Customer Utility Information.
  - f. ESE shall establish policies and procedures to provide all reasonable and prompt assistance to Utility in responding to any and all requests, complaints, or other communications received from any individual, government, government agency, regulatory authority, or other entity that is or may have an interest in the Confidential Customer Utility Information, data theft, or other unauthorized release of Confidential Customer Utility Information, disclosure of Confidential Customer Utility Information, or misuse of Confidential Customer Utility Information to the extent such request, complaint or other communication relates to ESE's accessing or Processing of such Confidential Customer Utility Information.
  - g. ESE will not process Confidential Customer Utility Information outside of the United States or Canada absent a written agreement with Utility. For the avoidance of doubt, Confidential Customer Utility Information stored in the United States or Canada, or other countries as agreed upon in writing will be maintained in a secure fashion at a secure location pursuant to the terms and conditions of this Agreement.
- 14. Specific Performance.** The Parties acknowledge that disclosure or misuse of Confidential Customer Utility Information in violation of this Agreement may result in irreparable harm to Utility, the amount of which may be difficult to ascertain and which may not be adequately compensated by monetary damages, and that therefore Utility shall be entitled to specific performance and/or injunctive relief to enforce compliance with the provisions of this Agreement. Utility's right to such relief shall be in addition to and not to the exclusion of any remedies otherwise available under this Agreement, at law or in equity, including monetary damages, the right to terminate this Agreement for breach and the right to suspend in accordance with the UBP, UBP DERS and the Commission's rules and orders the provision or Processing of Confidential Customer Utility Information hereunder. ESE agrees to waive any requirement for the securing or posting of any bond or other security in connection with Utility obtaining any such injunctive or other equitable relief.
- 15. Indemnification.** To the fullest extent permitted by law, ESE shall indemnify and hold Utility, its affiliates, and their respective officers, directors, trustees, shareholders, employees, and agents, harmless from and against any and all loss,

cost, damage, or expense of every kind and nature (including, without limitation, penalties imposed by the Commission or other regulatory authority or under any Data Protection Requirements, court costs, expenses, and reasonable attorneys' fees) arising out of, relating to, or resulting from, in whole or in part, the breach or non-compliance with this Agreement by ESE or any of its Third-Party Representatives except to the extent that the loss, cost, damage or expense is caused by the negligence, gross negligence or willful misconduct of Utility.

16. **Notices.** With the exception of notices or correspondence relating to potential or pending disclosure under legal compulsion, all notices and other correspondence hereunder shall be sent by first class mail, by personal delivery, or by a nationally recognized courier service. Notices or correspondences relating to potential or pending disclosure under legal compulsion shall be sent by means of Express Mail through the U.S. Postal Service or other nationally recognized courier service which provides for scheduled delivery no later than the business day following the transmittal of the notice or correspondence and which provides for confirmation of delivery. All notices and correspondence shall be in writing and addressed as follows:

If to ESE, to:

ESE Name:  
Name of Contact:  
Address:  
Phone:  
Email:

If to Utility, to:

Utility Name: National Fuel Gas Distribution Corporation  
Name of Contact: GSA – Transportation Services  
Address: 6363 Main Street  
Phone: Williamsville, NY 14221  
Email: [TSSsupport@natfuel.com](mailto:TSSsupport@natfuel.com)

A Party may change the address or addressee for notices and other correspondence to it hereunder by notifying the other Party by written notice given pursuant hereto.

17. **Term and Termination.** This Agreement shall be effective as of the date first set forth above and shall remain in effect until terminated in accordance with the provisions of the service agreement, if any, between the Parties or the UBP or UBP DERS and upon not less than thirty (30) days' prior written notice specifying the effective date of termination, provided, however, that any expiration or termination shall not affect the respective obligations or rights of the Parties arising under this Agreement prior to the effective date of termination. Utility may terminate this Agreement if the ESE is decertified under Commission Orders, the UBP or DER UBP, where applicable, has not served customers for two (2) years, or has not had



electronic communication, other than by email, with Utility for one (1) year. Further, Utility may terminate this Agreement immediately upon notice to ESE in the event of a material breach hereof by ESE or its Third-Party Representatives. For the purpose of clarity, a breach of Sections 3-4, 6-11, 12, 13, 15, and 23 shall be a material breach hereof. The Breaching Party will provide the non-breaching Party with a written description and notice of material breach. Upon the expiration or termination hereof, neither ESE nor its Third-Party Representatives shall have any further right to Process Confidential Customer Utility Information or Customer Information, unless the customer has given written or electronic consent to do so, and shall immediately comply with its obligations under Section 8 and the Utility shall not have the right to process Confidential ESE Information and shall immediately comply with its obligations under Section 8.

- 18. Consent to Jurisdiction; Selection of Forum.** ESE irrevocably submits to the jurisdiction of the Commission and courts located within the State of New York with regard to any dispute or controversy arising out of or relating to this Agreement. ESE agrees that service of process on it in relation to such jurisdiction may be made by certified or registered mail addressed to ESE at the address for ESE pursuant to Section 11 hereof and that such service shall be deemed sufficient even under circumstances where, apart from this Section, there would be no jurisdictional basis for such service. ESE agrees that service of process on it may also be made in any manner permitted by law. ESE consents to the selection of the New York State and United States courts within Erie, County, New York as the exclusive forums for any legal or equitable action or proceeding arising out of or relating to this Agreement. If the event involves all of the Utilities jurisdiction will be in Albany County, New York.
- 19. Governing Law.** This Agreement shall be interpreted, and the rights and obligations of the Parties determined in accordance with the laws of the State of New York, without recourse to such state's choice of law rules.
- 20. Survival.** The obligations of ESE under this Agreement shall continue for so long as ESE and/or ESE's Third-Party Representatives continue to have access to, are in possession of or acquire Confidential Customer Utility Information even if all Agreements between ESE and Utility have expired or been terminated.
- 21. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. Copies of this Agreement and copies of signatures on this Agreement, including any such copies delivered electronically as a .pdf file, shall be treated for all purposes as originals.
- 22. Amendments; Waivers.** Except as directed by the Commission, this Agreement may not be amended or modified except if set forth in writing signed by the Party against whom enforcement is sought to be effective. No forbearance by any Party to require performance of any provisions of this Agreement shall constitute or be deemed a waiver of such provision or the right thereafter to enforce it. Any waiver shall be effective only if in writing and signed by an authorized representative of

the Party making such waiver and only with respect to the particular event to which it specifically refers.

23. **Assignment.** This Agreement (and the Utility's or ESE's obligations hereunder) may not be assigned by Utility, ESE or Third-Party Representatives without the prior written consent of the non-assigning Party, and any purported assignment without such consent shall be void. Consent will not be unreasonably withheld.
24. **Severability.** Any provision of this Agreement which is determined by any court or regulatory body having jurisdiction over this Agreement to be invalid or unenforceable will be ineffective to the extent of such determination without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such remaining provisions.
25. **Entire Agreement.** This Agreement (including any Exhibits hereto) constitutes the entire Agreement between the Parties with respect to the subject matter hereof and any prior or contemporaneous oral or written Agreements or understandings with respect to such subject matter are merged herein. This Agreement may not be amended without the written Agreement of the Parties.
26. **No Third-Party Beneficiaries.** This Agreement is solely for the benefit of, and shall be binding solely upon, the Parties and their respective agents, successors, and permitted assigns. This Agreement is not intended to benefit and shall not be for the benefit of any party other than the Parties and the indemnified parties named herein, and no other party shall have any right, claim, or action as a result of this Agreement.
27. **Force Majeure.** No Party shall be liable for any failure to perform its obligations in connection with this Agreement, where such failure results from any act of God or governmental action or order or other cause beyond such Party's reasonable control (including, without limitation, any mechanical, electronic, or communications failure) which prevents such Party from performing under this Agreement and which such Party is unable to prevent or overcome after the exercise of reasonable diligence. For the avoidance of doubt a Data Security Incident is not a force majeure event.
28. **Relationship of the Parties.** Utility and ESE expressly agree they are acting as independent contractors and under no circumstances shall any of the employees of one Party be deemed the employees of the other for any purpose. Except as expressly authorized herein, this Agreement shall not be construed as authority for either Party to act for the other Party in any agency or other capacity, or to make commitments of any kind for the account of or on behalf of the other.
29. **Construction.** This Agreement shall be construed as to its fair meaning and not strictly for or against any party.
30. **Binding Effect.** No portion of this Agreement is binding upon a Party until it is executed on behalf of that Party in the space provided below and delivered to the other Party. The Utility shall execute and deliver a signed original copy of this

Agreement to the ESE within five (5) business days of receiving an executed Agreement with a complete SA, if the ESE has an electronic interconnection with the utility other than by email, from the ESE. Prior to such execution and delivery by the Parties, neither the submission, exchange, return, discussion, nor the negotiation of this document, whether or not this document is then designated as a "draft" document, shall have any binding effect on a Party.

*[signature page follows]*

**IN WITNESS WHEREOF**, the Parties have executed and delivered this Agreement as of the date first above written.

**UTILITY: NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION**

**ESE:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## SELF-ATTESTATION OF Cybersecurity Protections

Each Utility, for itself only, represents that for all information received from ESE, in response or pursuant to this Self-Attestation, that is marked CONFIDENTIAL by ESE (Confidential Self-Attestation Information) Utility shall: (A) hold such Confidential Self-Attestation Information in strict confidence; (B) not disclose such Confidential Self-Attestation Information to any other person or entity; (C) not Process such Confidential Self-Attestation Information outside of the United States or Canada; (D) not Process such Confidential Self-Attestation Information for any purpose other than to assess the adequate security of ESE pursuant to this Self-Attestation and to work with ESE to permit it to achieve adequate security if it has not already done so; (E) limit reproduction of such Confidential Self-Attestation Information; (F) store such Confidential Self-Attestation Information in a secure fashion at a secure location in the United States or Canada that is not accessible to any person or entity not authorized to receive such Confidential Self-Attestation Information under the provisions hereof; (G) otherwise use at least the same degree of care to avoid publication or dissemination of such Confidential Self-Attestation Information as Utility employs (or would employ) with respect to its own confidential information that it does not (or would not) desire to have published or disseminated, but in no event less than reasonable care.

The Cybersecurity protections listed below are required before ESEs will be allowed access to Utility IT systems or electronically exchange Confidential Customer Utility Information with Utility.

This SELF-ATTESTATION OF INFORMATION SECURITY CONTROLS ("Attestation"), is made as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, an ESE to Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., Central Hudson Gas & Electric Corporation, National Fuel Gas Distribution Corporation, The Brooklyn Union Gas Company d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation (together, the New York State Joint Utilities or "JU").

WHEREAS, ESE desires to obtain or retain access to Utility IT systems and electronically exchange Confidential Customer Utility Information<sup>3</sup> (as defined in this Data Security Agreement) with Utility, ESE must THEREFORE self-attest to ESE's compliance with the Cybersecurity Protections ("Requirements") as listed herein. ESE acknowledges that non-compliance with any of the Requirements may result in the termination of utility data access as per the discretion of any of the JU, individually as a Utility or collectively, in whole or part, for its or their system(s). Any termination process will proceed pursuant to the Uniform Business Practices or Distributed Energy Resources Uniform Business Practices.

- \_\_\_\_\_ An Information Security Policy is implemented across the ESE's corporation which includes officer level approval.
- \_\_\_\_\_ An Incident Response Procedure is implemented that includes notification within 48 hours of knowledge of a potential incident alerting utility when Confidential Customer Utility Information is potentially exposed, or of any other potential security breach.
- \_\_\_\_\_ Role-based access controls are used to restrict system access to authorized users and limited on a need-to-know basis.
- \_\_\_\_\_ Multi-factor authentication is used for all remote administrative access, including, but not limited to, access to production environments.
- \_\_\_\_\_ All production systems are properly maintained and updated to include security patches on a periodic basis. Where a critical alert is raised, time is of the essence, and patches will be applied as soon as practicable.
- \_\_\_\_\_ Antivirus software is installed on all servers and workstations and is maintained with up-to-date signatures.
- \_\_\_\_\_ All Confidential Customer Utility Information is encrypted in transit utilizing industry best practice encryption methods, except that Confidential Information does not need to be encrypted during email communications.

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<sup>3</sup> "Confidential Customer Utility Information" means information that Utility is: (A) required by the UBP at Section 4: Customer information (C)(2), (3) or UBP DERS at Section 2C: Customer Data (C)(2), to provide to ESE or (B) any other information provided to ESE by Utility and marked confidential by the Utility at the time of disclosure, but excludes (i) information which is or becomes generally available to the public other than as a result of a disclosure by Receiving Party or its Representatives; (ii) information which was already known to Receiving Party on a non-confidential basis prior to being furnished to Receiving Party by Disclosing Party; (iii) information which becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party or a representative of Disclosing Party if such source was not subject to any prohibition against transmitting the information to Receiving Party and was not bound by a confidentiality agreement with Disclosing Party; (iv) information which was independently developed by the Receiving Party or its Representatives without reference to, or consideration of, the Confidential Information; or (v) information provided by the customer with customer consent where the customer expressly agrees that the information is public.

- \_\_\_\_\_ All Confidential Customer Utility Information is secured or encrypted at rest utilizing industry best practice encryption methods, or is otherwise physically secured.
- \_\_\_\_\_ It is prohibited to store Confidential Customer Utility Information on any mobile forms of storage media, including, but not limited to, laptop PCs, mobile phones, portable backup storage media, and external hard drives, unless the storage media or data is encrypted.
- \_\_\_\_\_ All Confidential Customer Utility Information is stored in the United States or Canada only, including, but not limited to, cloud storage environments and data management services.
- \_\_\_\_\_ ESE monitors and alerts their network for anomalous cyber activity on a 24/7 basis.
- \_\_\_\_\_ Security awareness training is provided to all personnel with access to Confidential Customer Utility Information.
- \_\_\_\_\_ Employee background screening occurs prior to the granting of access to Confidential Customer Utility Information.
- \_\_\_\_\_ Replication of Confidential Customer Utility Information to non-company assets, systems, or locations is prohibited.
- \_\_\_\_\_ Access to Confidential Customer Utility Information is revoked when no longer required, or if employees separate from the ESE or Third Party Representative.

Additionally, the attestation of the following item is requested, but is NOT part of the Requirements:

- \_\_\_\_\_ ESE maintains an up-to-date SOC II Type 2 Audit Report, or other security controls audit report.

IN WITNESS WHEREOF, ESE has delivered accurate information for this Attestation as of the date first above written.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_