In accordance with the provisions of our Pennsylvania tariff, NFGDC is declaring an Underdelivery Operational Flow Order for gas scheduled to flow to Monthly-Metered Transportation (MMT) market pools beginning at 10:00 a.m. Eastern Standard time on January 15, 2004. This action is being taken to safeguard the operational integrity of the NFGDC system given the forecasted colder than normal weather.

We anticipate that this OFO will continue in effect for the two day period ending 10:00 a.m. Eastern Standard time on January 17, 2004, and may be extended if necessary. We will provide prior notice if this is to occur.

Deliveries to MMT pools on the NFGDC system must be at least 100% of the aggregated daily delivery quantities (ADDQ’s) for January 2004 that were provided to pool operators prior to the beginning of the month. SATS deliveries must be at least 100% of the ADDQ’s posted daily on the NFG website. Deliveries less than the above stated percentages will be subject to penalty charges specified in the tariff. City Gate overdeliveries will not be rejected during the OFO period. Therefore, Suppliers that wish to deliver in excess of 120% of any Market Pool's ADDQ during this period should request DDQ changes per standard operating procedures.

Service classes not identified in the above OFO shall remain subject to the System Alert that was issued on 01/09/2004.

If you have any questions, please contact Jeff Hart at (716) 857-6977, or David Wolford at (716) 857-7483.