..DID: 7977 ..TXT: PSC NO: 8 GAS LEAF: 206 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 2 STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/ Cancelled by 4 Rev. Leaf No. 206 Effective 05/01/2002 RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99 SERVICE CLASSIFICATION No. 13D (Cont*d)

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

The Company will require sales Customers converting to transportation service who have not contracted for standby service to meet the entire needs of their facility, or their duly appointed agent, to (1) take assignment of a pro-rata share of the Company's upstream interstate pipeline transmission capacity based on such Customer's sales service requirements or (2) receive gas supply service from a qualified Supplier under the Company's Service Classification No. 19. The Company will make available for release to the converting Customer no less capacity than average day usage during the peak month, normalized for weather. Released capacity shall be subject to recall by the Company at its sole option as follows:

1. To the extent that the Customer's non-utility supplies are reduced and the resulting supply deficiency is replaced by Company-owned supplies; and

2. To the extent necessary in force majeure situations in order to stabilize system reliability; and

3. From November 1 to April 1, subject to Customer*s approval, if such released capacity is not fully utilized by the Customer for on-system requirements and the Company requires additional upstream capacity to meet system operational needs. Upon recall, the Company shall release to the Customer that portion of the recalled capacity necessary to meet Customer*s actual on-system requirements. Company and Customer shall negotiate an appropriate means by which Customer shall be compensated for such recall.

The Company shall have no obligation to recall capacity, even if such capacity is not utilized by the Customer and the Company supplies service under its Standby Sales Service.

Credit received by the Company from the interstate pipeline for such release shall be credited to the gas adjustment as described in General Information Section 19.g. The Customer and the Company may negotiate a different allocation of upstream interstate pipeline transmission capacity upon mutual agreement.

RATE:

1. Minimum Charge

The monthly Minimum Charge ("MC") applicable to Customers in the following classifications are given below:

The monthly MC shall include the transportation charge for the first Mcf of gas transported by the Customer.

Issued by <u>P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203</u> (Name of Officer, Title, Address)