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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. 222 Effective 09/01/1999

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SERVICE CLASSIFICATION No. 13M (Cont*d)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

b. Take or Pav Recovery

Transportation rates shall be subject to a surcharge per Mcf as set forth in Section 38, General Information.

c. Increase in Rates in Municipality Where Service is Supplied

All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification and the Transportation Service Agreement, shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service.

Transition costs associated with F.E.R.C. Order No. 636.

The rates for service rendered pursuant to the Service Classification shall be subject to a monthly transition cost surcharge as described in General Information Sections 19.j. and k.

e. Weather Normalization Adjustment

TC-R and T-1.0 rates shall be subject to a refund/surcharge as set forth in Section 36, General Information.

f. Revenue Credit

All gas transported under this Service Classification shall be subject to the revenue credits identified in the Statement of Revenue Credits filed with the Commission.

g. Transition Surcharge

All gas transported under this Service Classification shall be subject to the Transition Surcharge as described in General Information Section 42.

Reliability Capacity Charge

The rates in this Service Classification shall be increased by the Reliability Capacity Charge ("RCC") for all Customers that receive gas supply service from a qualified Supplier under the Company's Service Classification No. 19. The RCC shall recover the purchased gas demand costs associated with the capacity the Company must retain in order to ensure system reliability. The RCC shall be established monthly (and filed with the Company's monthly GAC Statement). Such purchased gas costs collected through the RCC shall be included as revenues for the recovery of purchased gas costs as specified in General Information Section 19.f.(1).

6. Discount for Certain Economic Development Zone Rate Customers

Base rates applicable to Customers who have qualified for the Economic Development Zone Rate under Service Classification No. 3 will be discounted as follows:

	Economic Development Zone Rate Discount				
	Years (1) (2) (3)	(4) (5-	-10)
Per Mcf for	TC-1 \$.86	\$.86	\$.86	\$.43	\$.43
all qualified	TC-1.1 \$.58	\$.58	\$.58	\$.29	\$.29
incremental	TC-2 \$.36	\$.36	\$.36	\$.18	\$.18
consumption	TC-3 \$.16	\$.16	\$.16	\$.00	\$.00
	TC-4 \$.09	\$.09	\$.09	\$.00	\$.00
	TC-4.1 \$.11	\$.11	\$.11	\$.00	\$.00

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