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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:
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GENERAL INFORMATION (Cont'd)

II. 20.f. CONTINUED

(2) Priority of Service

The gas supplies available to the Company will be allocated among its sales customers in accordance with the priorities of use listed below. Customers in higher priority will not be curtailed until all customers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, implementation will be pro-rata. The Company reserves the right to limit curtailment to specific portions of its service territory, geographically or otherwise defined, if such action will allow the Company to meet firm daily requirements without resorting to system-wide curtailment.

The Company shall take such actions as are necessary and appropriate to attempt to satisfy its customers requirements and avoid curtailment hereunder, including limiting or restricting interruptible services as provided in the tariff or under contract. The Company shall not proceed with curtailment hereunder without first interrupting service for all contractually interruptible requirements within the terms of such interruptible service contracts.

Following are the priority categories listed in descending order:

- (a) Residential and firm critical service customer needs.
- (b) Firm residential and critical service customer requirements with alternate energy capability.
- (c) Firm small commercial customer requirements, excluding critical service requirements in Categories 1 and 2, and firm large commercial and industrial customer requirements for plant protection.
- (d) Firm small industrial customer requirements.
- (e) Firm large commercial and industrial usage requirements, excluding firm critical service customer requirements in Categories 1 and 2.
- (f) Firm small commercial and industrial usage requirements with alternate energy capability.
- (g) Firm large commercial and industrial usage requirements with alternate energy capability other than customer requirements for electric power generation and boiler fuel use.
- (h) Firm large commercial and industrial usage requirements for electric power generation or boiler fuel use with alternate energy capability.

Within all categories, curtailment of residential customers would begin only after full curtailment of all commercial and industrial customers in the same category.

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