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GENERAL INFORMATION (Cont*d)

II. 20.f. CONTINUED

Curtailment of all other categories will be on the basis of size, with the largest customers being curtailed first.

(3) For the purposes of this Section II.20.f., the following definitions shall apply:

Alternate Energy Capability - the ability, on four hours notice, to convert to an alternate fuel or other form of energy, including electric, propane and heating oil, to meet the facility's energy needs served by the Company.

Commercial use - gas usage by customers engaged primarily in the sale of goods or services including, but not limited to, consumption by retail stores, office buildings, institutions, schools and government agencies. Commercial use shall not include use of gas for manufacturing or electric power generation.

Critical service customers - any buildings heated solely by natural gas where persons reside, including apartment houses, prisons, dormitories, nursing homes, hospitals, hotels and motels.

Firm service - transportation or commodity service pursuant to schedules or contracts under which the Company is expressly obligated to deliver specific volumes within a given time period or which anticipates no interruptions except during periods of curtailment hereunder.

Industrial usage - all usage of gas, including utilization for space heating, for the manufacture or processing of goods and materials. Also includes customers who utilize gas for electric power generation.

Interruptible service - service pursuant to schedules or contracts under which the Company expressly or impliedly reserves the option to interrupt, limit or suspend deliveries without declaring a curtailment hereunder.

Large customers - a customer whose annual consumption is 12,000 Mcf or more.

Plant protection use - minimum volumes of natural gas required to prevent physical harm to the plant facilities or danger to plant personnel when such protection cannot be maintained through the use of an alternate fuel. Plant protection requirements include volumes necessary for the protection of such material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

Residential use - gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.

Small customers - a customer whose annual consumption is less than 12,000 Mcf.

(4) Compensation for Redirected Supplies

In the event of an redirection of supplies to serve core system or transportation service customers, the non-core entity whose gas was taken in such instances shall be compensated under the schedule and in the same manner set forth in Section II.20.f.(5), Short Term Curtailment.

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