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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0

INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:

STAMPS:

RECEIVED: 01/05/98 STATUS: Effective EFFECTIVE: 04/01/98

SERVICE CLASSIFICATION No. 14 (Cont*d)

SALES SERVICE FOR TRANSPORTATION CUSTOMERS - Continued

The Company may also establish rates lower than the ceiling rates specified above for specific groups of Customers provided that the Company files the qualification criterion and the applicable rate with the Department of Public Service, not less than three business days prior to the beginning of the month for which the rate will be in effect. Provided, however, that the Company may increase said lowered default rate up to the maximum default rate at any time during the month twenty four hours after providing the Department of Public Service notice of such increase.

The Company may enter into at its sole discretion streaming arrangements with individual Customers or groups of Customers as defined in the Commission's Opinion No. 94-26 where non-participants would be worse off without the streaming transaction. Streaming arrangements may be entered into with Customers that are potential bypass Customers or where alternate fuel is installed and workable at the Customer's site. A demonstration of the alternate fuel operation must be performed with a Company representative present.

2. Miscellaneous Surcharges

a. Increase in Rates in Municipality Where Service is Supplied

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

CONTRACT TERM:

The term of the contract shall be negotiated between the Customer and the Company.

SPECIAL PROVISIONS:

- 1. To the extent that gas supply over and above the SC 1, SC 3, SC 4, SC 5, SC 6, SC 7, SC 8, SC 9, and SC 10 service requirements and existing contracted firm transportation requirements is not available to the Company at a price less than or equal to the default rate, the Company is under no obligation to enter into any new Sales Service Agreements or renew existing Sales Service Agreements at the end of their term.
 - 2. Nominations. Customer receiving service at any non-default rate

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