Received: 03/21/2003 Status: CANCELLED Effective Date: 03/22/2003

..DID: 21892

..TXT: PSC NO: 8 GAS LEAF: 220

COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2

INITIAL EFFECTIVE DATE: 03/22/03 SUPERSEDING REVISION: 1

STAMPS: ISSUED IN COMPLIANCE TO ORDER IN CASE NO. 02-G-0858 DATED 03/20/03.

RECEIVED: 03/21/03 STATUS: Effective EFFECTIVE: 03/22/03

SERVICE CLASSIFICATION No. 13M (Cont*d)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

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 minimum rate level which may be established in negotiations is \$0.1000 per Mcf.

- 3. Burner Tip (On-System) Imbalance Charges
 - a. Surplus Imbalance Charges

As used in this Rate Schedule, "Surplus Imbalances" shall mean the cumulative amount by which the volume of gas delivered, since the commencement of transportation service by the Company for the Customer under any rate schedule, to the Company for the Customer's account, after adjustment for line losses and after elimination of volumes purchased from the Customer by the Company, exceeds the total amount of transportation service volumes taken by the Customer from the Company under any Rate Schedule since the commencement of transportation service for the Customer by the Company. Such cumulative surplus imbalances shall be computed as of the end of each billing month.

If, at the end of any billing month, the Customer has surplus imbalances in excess of 10% of the volume of SC 13M transportation service gas transported to the Customer by the Company in the billing month, the charge for such surplus imbalances up to 29% of the volume of SC 13M gas transportation service gas transported to the Customer by the Company in the billing month shall be \$0.3053 per Mcf.

For surplus imbalances equal to or more than 29% of the volume of SC 13M transportation service gas transported to the Customer by the Company during the billing month, the charge for such surplus imbalances shall be \$0.5136 per Mcf.

The Company and the Customer may negotiate higher or lower surplus imbalance charges and tolerance thresholds for interruptible service under this Rate Schedule.

b. Deficiency Imbalance Charges

Deficiency imbalances, measured as described below, shall be billed pursuant to the Deficiency Imbalance Sales Service for Transportation Customers Rate Schedule.

- 4. City Gate Balancing
 - a. Supplier Responsibility

Issued by D. F. Smith, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)