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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 05/01/02 SUPERSEDING REVISION: 1
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 4/18/02.
RECEIVED: 04/22/02 STATUS: Effective EFFECTIVE: 05/01/02
SERVICE CLASSIFICATION No. 13D (Cont*d)

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

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

3. 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 imbalance shall be computed each day, and the rates set forth below shall be applied to the maximum daily surplus imbalance volume occurring during the billing month.

For Customers that choose a surplus imbalance tolerance of 2%, if the Customer in any billing month has surplus imbalances in excess of 2%, the Customer shall be subject to additional charges each month. For maximum daily surplus imbalance volume between 2% and 29% of the volume of SC 13D service gas transported to the Customer in the billing month, the charge for surplus imbalances shall be \$0.3053 per Mcf. For surplus imbalances equal to or more than 29% of the volume of SC 13D 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.

For Customers that choose a surplus imbalance tolerance of 10%, if the Customer in any billing month has surplus imbalances in excess of 10%, the Customer shall be subject to additional charges each month. For maximum daily surplus imbalance volume between 10% and 29% of the volume of SC 13D service gas transported to the Customer in the billing month, the charge for surplus imbalances shall be \$0.3053 per Mcf. For surplus imbalances equal to or more than 29% of the volume of SC 13D 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 overdelivery charges and tolerance thresholds for interruptible service under this Rate Schedule.

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