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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 4
INITIAL EFFECTIVE DATE: 06/21/02 SUPERSEDING REVISION: 3
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 4/18/02.
RECEIVED: 06/20/02 STATUS: Effective EFFECTIVE: 06/21/02
SERVICE CLASSIFICATION No. 13M (Cont*d)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

City Gate balancing requirements shall be the responsibility of the party that nominates supply deliveries on behalf of the Customer (the "Supplier"). If the Supplier is not the Customer hereunder, service under this Service Classification shall be contingent on the Company's receipt of the Supplier's signed acknowledgment of the rules and regulations governing City Gate balancing as set forth below.

b. City Gate Balancing Services, Rules and Regulations

Receipt of natural gas under this Service Classification shall be limited to the DDQ for individual transportation service Customers or, in the case of aggregation, the ADDQ for all Customers in a STBA Group as provided in SC 19. The Customer must deliver or cause to be delivered at the City Gate the DDQ for each day of the month, within the tolerance band described below.

- (1) Aggregated Customers
City Gate balancing requirements for Customers receiving aggregation service are governed by the Rules and Regulations set forth in SC 19.
- (2) Non-aggregated Customers
The DDQ shall be the Customer's daily average normalized consumption for the month. The Company may reject nominations in excess of 120% of the DDQ. Undeliveries greater than 20% of the applicable DDQ shall be charged the applicable rate for Deficiency Imbalance supplies under SC 11. The tolerance band may be adjusted during period of an OFO. The tolerance band herein shall expire on September 30, 2003.
- (3) Effective October 1, 2003 MMT Customers or their marketing agents will be required to deliver a minimum of 90% and no more than 110% of their daily average normalized consumption for the month. The Company may reject nominations in excess of 110% of the DDQ. Underdeliveries greater than 10% of the applicable DDQ shall be charged the applicable rate for deficiency imbalance supplies under SC 11. The tolerance band may be adjusted during the period of an OFO.

OPERATIONAL FLOW ORDER ("OFO"):

The Company reserves the right to declare Operational Flow Orders as described in General Information Section 20.e.

5. Miscellaneous Surcharges

- a. Take or Pay Recovery
Transportation rates shall be subject to a surcharge per Mcf as set forth in Section 38, General Information.

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