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..TXT: PSC NO: 8 GAS LEAF: 232
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 06/21/02 SUPERSEDING REVISION: 1
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. 15 (Cont*d)

LARGE INDUSTRIAL INCENTIVE RATE (LIIR)
TRANSPORTATION RATE - Continued

2. For Customers expanding existing facilities, the Customer must demonstrate to the Company's satisfaction that the expansion will result in a minimum employment increase of 5% of the facility's employee level prior to the expansion.
3. The Customer must have an anticipated annual incremental natural gas energy use at the facility of three hundred thousand Mcf (300,000 Mcf).
4. The Customer must have executed an Incentive Rate Transportation Agreement.

RATE: (Per Month)

The Customer and the Company shall negotiate a rate for the first year that service is provided under this Service Classification ("Base Year Rate"). The Base Year Rate shall be a minimum of \$.10/Mcf and a maximum of \$.2862/Mcf plus the applicable TOP Surcharge. The Base Year Rate will remain in effect for a one year period commencing at the time that service was first provided under this Service Classification and ending twelve months thereafter. After the base year, the rate charged will be adjusted annually to reflect increases or decreases of the applicable alternative fuel which would be used by the Customer during periods of interruption. However, the rate shall never be greater than \$.2862/Mcf nor less than \$.10/Mcf plus the applicable TOP Surcharge. The parties shall mutually agree on the index to be used to calculate the adjustment of the rate.

ADJUSTMENT OF THE RATE:

The rate will remain in effect for one year and will be adjusted annually based on the then current effective price of the alternate fuel displaced. The pricing source to be used for

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