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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 4

INITIAL EFFECTIVE DATE: 05/01/02 SUPERSEDING REVISION: 3

STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 4/18/02.

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SERVICE CLASSIFICATION No. 13M (Cont*d)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

UPSTREAM CAPACITY REQUIREMENTS:

Except where the transportation Customer has installed the necessary equipment which allows the Company to monitor the Customer's daily usage of gas, the Customer shall arrange for supply to be delivered, either directly or by displacement, on a firm basis for the entire route from the point of production to the Company's distribution system throughout the term of the Service Agreement.

SPECIAL PROVISIONS:

- 1. The expense of installing facilities necessary to receive and meter gas delivered by or for the account of Customer shall be borne by the Customer.
- 2. Deliveries by or for the account of the Customer will be subject to the availability of sufficient pipeline capacity and will be made against line pressure at a maximum pressure to be designated by the Company from time to time in is sole discretion. Gas has delivered to the Company shall not be compressed except where specifically permitted by the Company.
- 3. Gas delivered by the Customer must satisfy the quality specifications set forth in the Transportation Service Agreement. Deliveries must be made at an approriate Company facility located within the Territory described in Part I of this Schedule, or at another point or points acceptable the Company.
- 4. If a Customer receiving gas transported by the Company uses less than the amount of gas delivered into the into the Company's system for transportation to such Customer ("surplus imbalances"), the Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining surplus imbalances of gas from the Customer at a rate equal to the Company's average commodity cost of locally-produced gas during the current month. The banking/balancing period shall be the three billing months after the billing month in which the Company received surplus imbalances on behalf of the Customer.
- 5. As allowance for losses incurred in the process of delivery, the Customer shall provide the Company with a volume of gas equal to 2.0% of the amount delivered to the Company. For transportation of gas purchased by the Customer from the Company under Service Classification Nos.: SC 11, SC 12 and SC 14, such allowances shall be recovered through the rate charged under SC 11, SC 12 and SC 14 and shall not be charged again under this Rate Schedule.

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