SERVICE CLASSIFICATION No. 13D

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

- f. Research and Development Surcharge Rates under this Service Classification shall be subject to the R&D surcharge per 100 cubic feet as described in General Information Section 43.
- g. Reserve Capacity Cost Charge

Beginning with rates in effect July 1, 2001; the rates in this Service Classification shall be increased by the Reserve Capacity Cost Charge ("RCC") for all Customers that receive gas supply service from a qualified Supplier under the Company's SC 19. The RCC shall recover the purchased gas demand costs associated with the capacity the Company must retain in order to provide for Customer peaking and temperature swing requirements. The RCC shall be established monthly (and filed with the Company's DAC Statement). Such purchased gas costs collected the RCC shall be included as revenues for the recovery of purchased gas costs as specified in General Information Section 19.f.(1).

h. PSC Assessment Charge

All gas delivered under this Service Classification shall be subject to the PSC Assessment Charge as described in General Information Section 48.

7. Discount for Business Development Rate Customers

Base rates applicable to Customers who have qualified for the Business Development Rate under SC 3 will be discounted as follows:

		Business Development Rate Discount						
	<u>Years</u>	(1)	(2)	(3)	(4)	(5)		
Per Mcf for	TC-1.1	\$.63	\$.47	\$.32	\$.15	\$.08		
all qualified	TC-2	\$.53	\$.39	\$.26	\$.14	\$.07		
incremental	TC-3	\$.28	\$.21	\$.14	\$.07	\$.03		
consumption	TC-4	\$.15	\$.12	\$.08	\$.04	\$.01		
	TC-4.1	\$.18	\$.13	\$.10	\$.05	\$.02		

8. Discount for Certain Economic Development Zone Rate Customers

Base rates applicable to Customers who have qualified for the Economic Development Zone Rate under SC 3 will be discounted as follows:

		Econor	Economic Development Zone Rate Discount					
	<u>Years</u>	(1)	(2)	(3)	(4-6)	(7-10)		
Mcf for	TC-1.1	\$.78	\$.78	\$.78	\$.47	\$.15		
all qualified	TC-2	\$.65	\$.65	\$.65	\$.39	\$.14		
incremental	TC-3	\$.35	\$.35	\$.35	\$.21	\$.07		
consumption	TC-4	\$.19	\$.19	\$.19	\$.12	\$.04		
	TC-4.1	\$.23	\$.23	\$.23	\$.13	\$.05		

Issued by R. J. Tanski, President, 6363 Main Street, Williamsville, NY 14221 (Name of Officer, Title, Address)