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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 10/01/00 SUPERSEDING REVISION: 0
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN C. 00-G-0996 DATED 8/24/00.
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LARGE INDUSTRIAL INCENTIVE RATE (LIIR)
TRANSPORTATION RATE - Continued

action is required by its obligation to provide safe and adequate service to its Sales Customers.

7. The Customer may receive sales service from the Company for dedicated gas burning equipment at the premises. Dedicated equipment identified in the Incentive Rate Transportation Agreement must be separately metered and volumes will be billed at the commodity cost of gas plus the rate stated above. The expense of installing such separate metering along with any electronic equipment necessary to monitor the Customer's daily usage of gas, shall be borne by the Customer.

8. The Company shall provide a minimum of four hours notice that service to the Customer will be interrupted. The notice will be provided to the individual designated by the Customer to receive such notice. The Customer is required to provide the Company with the name and phone numbers of the individual the Company should contact to inform the Customer of an interruption of service. During a period of interruption, the Customer is prohibited from using gas service. If the Customer takes gas service during a period of interruption, the Customer shall pay to the Company an additional $7.00 per Mcf for such gas taken during the interruption period.

9. The Customer is required to provide the Company such information and documentation that the Company reasonably requests to calculate the adjustments to the rate. Such information and documentation shall be provided to the Company, in writing, within 30 days of when the Company makes said request. The Company will provide written notice to the Customer of any adjustment to the rate.

10. On or before November 1 of each year, the Customer is required to:

    a. be contractually and physically capable and ready to withstand an interruption of utility-provided natural gas sales or delivery service to its facility; or

    b. maintain alternative fuel supply necessary to meet its operating requirements in the event of interruption hereunder. For purposes of this subsection, alternate fuel supply "necessary to meet its operating requirements" shall be provable storage capacity and alternate fuel on hand to withstand interruptions of service for at least ten (10) consecutive days. If a customer's on-site storage capacity is less than ten (10) days' supply, a full tank will be required plus a showing that firm arrangements have been made to replenish the fuel during winter periods as it nears depletion. Customers will be responsible for subsequent refills from any alternate fuel source not dependent upon spot market purchases.

    The Customer shall demonstrate its compliance with this requirement upon the request of the Company. If, as determined by the Company, the customer is not in compliance with this requirement, the Company shall charge the Customer, in addition to the charges previously specified in this tariff (including any penalty charges for failure to interrupt), a rate equal to 110% of the oil gas equivalent price (as published in the Journal of Commerce) for all usage beginning on November 1 and until the Customer demonstrates compliance. Upon such a demonstration, the additional charge shall end.

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

ISSUED IN COMPLIANCE WITH ORDER IN C. 00-G-0996 DATED 8/24/00.
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