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..TXT: PSC NO: 8 GAS LEAF: 199
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 10/01/00 SUPERSEDING REVISION: 1
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN C. 00-G-0996 DATED 08/24/00.
RECEIVED: 09/27/00 STATUS: Effective EFFECTIVE: 10/01/00
SERVICE CLASSIFICATION No. 10 (Cont'd)

SALES SERVICE FOR
CUSTOMERS OPERATING COGENERATION FACILITIES - Continued

Additional Requirements of the Sales Agreement -

This Sales Agreement shall specify:

1. The maximum hourly quantity of gas which will be provided.
2. The maximum daily quantity of gas which will be provided.
3. The nominated annual quantity of gas which will be provided.
4. The nominated monthly quantity of gas which will be provided each month throughout the year.
5. Procedures for daily nomination and control of gas deliveries during the winter period.

The Company shall not be required to provide gas in excess of the quantities so established in items 1 through 5 above, but may do so based solely upon its own judgement and discretion.

TERMS OF PAYMENT:

All bills are due and are subject to a late payment charge in accordance with the provisions of Section 8.e., General Information.

Pursuant to Section 2, General Information, the Company may require the Customer to provide security for payment of charges for gas consumed by the Customer.

DEMONSTRATION OF ADEQUATE ALTERNATE FUEL SUPPLIES:

For Customers that utilize distillate fuel oil as their alternate fuel course or are human needs Customers, 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)