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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 98-G-0263 DATED 3/19/98.
Cancelled by 1 Rev. Leaf No. 279 Effective 05/01/2002
RECEIVED: 03/31/98 STATUS: Cancelled EFFECTIVE: 04/01/98
SERVICE CLASSIFICATION No. 20

DEPARTMENT OF SOCIAL SERVICES
TRANSPORTATION, BALANCING AND AGGREGATION - Continued

an effective date of April 1. Fifteen (15) days prior to the close of nominations for the November billing month, the Company will reduce the quantity of storage capacity released to match the DSS Supplier's revised winter requirements based on the number of Public Assistance Customers aggregated by the DSS Supplier, to be effective November 1, so long as said capacity to be returned to the Company includes an equal volume of storage gas. The Company shall compensate the DSS Supplier for such storage gas transferred at a price equal to the Company's lowest monthly weighted average commodity cost of gas delivered to the Company's City Gate during the previous storage injection period (April through October), plus applicable storage demand capacity charges since April 1 for such returned volumes. The DSS Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

If additional Public Assistance Customers join a DSS Supplier's DSS Group, or if a DSS Supplier elects to take an assignment of storage capacity after the enrollment period described above, the Company will release additional capacity as required, based on the formula set forth at 3.a. above. In addition, the DSS Supplier will be required to pay the Company for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the DSS Supplier. Storage gas transfer rate shall be the sum of (1) the higher of the Company's fiscal year weighted average cost of gas (including all pipeline demand and storage costs), or the Market Price of gas for that day which shall be determined by reference to The Gas Daily Index, "Daily Price Survey" for "Appalachia," "CNG North Point," plus all transportation costs to the Company's City Gate, plus (2) the Demand Transfer Recovery Rate ("DTR rate"). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the DSS Supplier. The System Average Unrecovered Demand Charge revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the DSS Supplier. The DTR rate shall be filed with the Public Service Commission not less than three (3) business days prior to the beginning of the month for which the rate shall be in effect.

All revenues received from such storage gas transfers shall be credited to the gas adjustment under General Information Section 19.

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)