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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 1
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/
Cancelled by 3 Rev. Leaf No. 261 Effective 05/01/2002
RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99
SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

a. Upstream Pipeline Transmission Capacity Only Option

(1) Determination of Allocated Upstream Pipeline Transmission Capacity

Capacity allocated to Customers within the STBA Group and assigned to the Supplier pursuant to the Upstream Capacity Requirements section of Service Classification No. 13M.

(2) Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company, based upon each Customer's historical load profile and/or estimates of consumption, shall determine a Supplier's projected normalized consumption each month. Based upon this projected consumption, the Company will determine each Customer's Daily Delivery Quantity (DDQ) by dividing the projected monthly consumption by the number of days in the month and the Company will also determine the Supplier's STBA Customer Group's Aggregate Daily Delivery Quantity (ADDQ) by summing all DDQs of the STBA Customers in the Supplier's STBA Customer Group. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily delivery obligations, and the specific rates and charges as outlined in this Rate Schedule.

A Supplier taking service under this Rate Schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

b. Upstream Pipeline Transmission and Storage Capacity Option

(1) Availability

The storage allocation option is available to STBA Suppliers for STBA volumes associated with Customers converting from sales to transportation service after April 30, 1996 ("converting customers"). Aggregated annual load for such Customers must be no less than 5,000 Mcf.

(2) Determination of Allocated Upstream Pipeline Transmission and Storage Capacity

Suppliers shall receive from the Company released pipeline capacity (subject to recall upon default by the Supplier), at the maximum rate. Such capacity shall be comprised of a portion of the Company's pipeline transportation capacity upstream of National Fuel Gas Supply Corporation ("NFGSC") as well as a portion of the Company's transportation and storage capacity on NFGSC based upon the Supplier's STBA Customer Group's load factor (normalized average daily consumption projected for the year divided by estimated peak day consumption) and the Supplier's STBA Customer Group's projected winter period (November through March) consumption for a 10% colder than normal period. The percentage allocation of storage and pipeline capacity released to the Supplier shall be as follows:

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