Received: 03/31/1999 Status: CANCELLED Effective Date: 04/01/1999

..DID: 7981

..TXT: PSC NO: 8 GAS LEAF: 212

COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 3

INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 2

STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/

Cancelled by 4 Rev. Leaf No. 212 Effective 09/01/1999

RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99

SERVICE CLASSIFICATION No. 13D (Cont*d)

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

Reliability Capacity Charge

The rates in this Service Classification shall be increased by the Reliability Capacity Charge ("RCC") for all Customers that received gas supply service from a qualified Supplier under the Company's Service Classification No. 19. The RCC shall recover the purchased gas demand costs associated with the capacity the Company must retain in order to ensure system reliability. The RCC shall be established monthly (and filed with the Company's monthly GAC Statement). Such purchased gas costs collected through the RCC shall be included as revenues for the recovery of purchased gas costs as specified in the General Information Section 19.f.(1).

5. Discount for Certain Economic Development Zone Rate Customers

Base rates applicable to Customers who have qualified for the Economic Development Zone Rate under Service Classification No. 3 will be discounted as follows:

		Economic Development Zone Rate Discount				
	<u>Years</u>	(1)	(2)	(3)	(4)	(5-10)
Per Mcf for						
all qualified	TC-1	\$.86	\$.86	\$.86	\$.43	\$.43
incremental	TC-1.1	\$.58	\$.58	\$.58	\$.29	\$.29
consumption	TC-2	\$.36	\$.36	\$.36	\$.18	\$.18
	TC-3	\$.16	\$.16	\$.16	\$.00	\$.00
	TC-4	\$.09	\$.09	\$.09	\$.00	\$.00
	TC-4.1	\$.11	\$.11	\$.11	\$.00	\$.00

Revocation of firm sales status pursuant to this Service Classification will not disqualify a Customer from eligibility for Economic Development Zone Rates.

DELIVERY COSTS INCURRED BY THE COMPANY:

In the event that the provision of transportation service to the Customer requires the Company to engage the services of other transporters of gas, an amount reflecting the costs incurred by the Company will be added to the applicable rate.

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