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..TXT: PSC NO: 8 GAS LEAF: 269  
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1  
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0  
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 93-G-0932 DATED 11/03/98.  
Cancelled by 2 Rev. Leaf No. 269 Effective 04/01/1999  
RECEIVED: 02/01/99 STATUS: Cancelled EFFECTIVE: 04/01/99  
SERVICE CLASSIFICATION No. 19 (Cont\*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

9. Termination of Service for Failure to Reliably Perform

- a. The Company shall have the right to terminate service under this Rate Schedule to any Supplier that (1) fails for any three (3) days to deliver at least 90 percent of the applicable ADDQ for the Supplier's CTBA Customer Group, measured during a single thirty-day period; or (2) fails to comply with an OFO ("Terminated Supplier"). At the Company's option, the Terminated Supplier may be prohibited from receiving service under this Rate Schedule for the greater of six (6) months or until such time as another Enrollment Period as defined in Section 13. is established by the Company. Terminated Supplier's CTBA Customers shall receive service from the Company pending such Customers' voluntary switch to a qualified Supplier. Gas supplies in storage and capacity reserved by Supplier for said Customers shall be transferred to the Company through sale and recall as follows:
- (1) Upon notice by the Company to the Terminated Supplier, the Company at its option may recall the capacity that it has released to the Terminated Supplier, and or require release of the Supplier's capacity described in Section 2.b.
  - (2) Inventory remaining in storage shall be acquired by the Company at a price equal to the Company's lowest monthly weighted average commodity cost experienced during the previous twelve (12) months.
  - (3) The Terminated Supplier shall be responsible for any and all fees and taxes associated with moving or transferring the storage inventory to the Company.
  - (4) Supplier's CTBA Customers shall be notified by the Company as to the Customers' transfer to Company service, together with a statement that the transfer is the result of the Supplier's failure to perform as required. The Company shall recover the cost of such notice from the Supplier by either (i) adjusting the inventory sales price described in above subsection (2); or (ii) drawing down the Supplier's security deposit or other security instrument.

This Section 9. shall not be construed to limit or diminish the Company's ability to terminate service to Supplier for any other appropriate reasons under this Service Classification, the STBA Service Agreement or as provided by law.

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