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..TXT: PSC NO: 8 GAS LEAF: 255
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 255 Effective 10/29/1998
RECEIVED: 01/05/98 STATUS: Cancelled EFFECTIVE: 04/01/98
SERVICE CLASSIFICATION No. 17 (Cont*d)

TRANSPORTATION SERVICE
FOR CUSTOMERS OPERATING COGENERATION FACILITIES - Continued

3. Gas delivered by the Customer must satisfy the quality specifications set forth in the Transportation Service Agreement. Deliveries must be made at an appropriate Agreement. Deliveries must be made at an appropriate Company facility located within the territory described in Section I of this Schedule, or at another point or points acceptable to the Company.
4. If a Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("surplus imbalances"), the Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining surplus imbalances of gas from the Customer at a rate equal to the Company's average commodity cost of locally-produced gas during the current month. The banking/balancing period shall be the three billing months after the billing month in which the Company received surplus imbalances excess deliveries in behalf of the Customer.
5. As allowance for losses incurred into the process of delivery, the Customer shall provide the Company with a volume of gas equal to 2.60% of the amount delivered to the Company.
6. The Company reserves the right to suspend its receipt of gas on behalf of the Customer at any location if it believes that such action is required by its obligation to provide safe and adequate service to its Customers.
7. The Customer may receive sales service or transportation service from the Company for other gas burning equipment or appliances at the premises. The cogeneration facilities and all other facilities must be separately metered. The expense of installing facilities necessary to accomplish such separate metering, along with the electronic equipment necessary to monitor the Customer's daily usage of gas, shall be borne by the Customer.

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