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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0

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SERVICE CLASSIFICATION No. 16 (Cont*d)

BYPASS RESPONSE - INDIVIDUALLY NEGOTIATED CONTRACTS FOR TRANSPORTATION SERVICE FOR CUSTOMERS OPERATING LARGE COGENERATION FACILITIES - Continued

Customers in a STBA Group as provided in Service Classification No. 19. The Customer must deliver or cause to be delivered at the City Gate the DDQ for each day of the month, within the tolerance band described below.

a. Aggregated Customers

City Gate balancing requirements for Customers receiving aggregation service are governing by the Rules and Regulations set forth in Service Classification No. 19.

b. Non-aggregated Customers

The DDQ shall be the amount forecasted to be consumed by the Customer. The Company may reject nominations in excess of two times the current daily average delivered volume, as calculated in compliance with the Company*s operating procedures. An explanation of the Company*s operating procedures with respect to this balancing requirement will be served on the Supplier upon request. The tolerance band may be adjusted during the period of an OFO.

OPERATIONAL FLOW ORDER ("OFO"):

The Company reserves the right to declare Operational Flow Orders as described in General Information Section 20.e.

MAXIMUM DAILY QUANTITY:

The "Maximum Daily Quantity", as set forth in the Transportation Service Agreement, shall be the maximum quantity of natural gas in Mcf which the Company shall receive on any day from the Customer.

Upon request of the Customer, the Company may, at the Company*s sole discretion, receive on any day, volumes of gas in excess of the Maximum Daily Quantity. The Company shall not be obligated to receive during any single hour more than 1/24 of the Maximum Daily Quantity.

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