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..TXT: PSC NO: 8 GAS LEAF: 251
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:
STAMPS:
RECEIVED: 01/05/98 STATUS: Effective EFFECTIVE: 04/01/98
SERVICE CLASSIFICATION No. 17 (Cont*d)

TRANSPORTATION SERVICE
FOR CUSTOMERS OPERATING COGENERATION FACILITIES - Continued

TERM OF TRANSPORTATION AGREEMENT:

The Company and Customer shall enter into a Transportation Agreement for a term not less than two (2) years nor greater than ten (10) years. The term of each contract shall be the subject of negotiation between the parties.

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.

APPLICATION OF CONSUMPTION:

The Customer's monthly consumption will be applied first to the Customer's nominated firm requirement for that month, second to excess Customer deliveries from the prior month, and third to current month transportation. Volumes consumed in excess of the above will be billed pursuant to the Section entitled "Deficiency Imbalance Volumes."

INCREASE IN RATES IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification and the Transportation Service Agreement, shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service. This Section shall not apply to any delivery costs incurred by the Company to have other parties transport gas on the Customer's behalf.

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