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..TXT: PSC NO: 8 GAS LEAF: 224
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 03/29/99 SUPERSEDING REVISION: 0
STAMPS:
CANCELLED effective 04/08/99
RECEIVED: 01/04/99 STATUS: Cancelled EFFECTIVE: 04/07/99
SERVICE CLASSIFICATION No. 13M (Cont*d)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

UPSTREAM CAPACITY REQUIREMENTS:

1. Transportation Customers as of April 30, 1996 and transportation Customers not converting from Tariff Sales Service.

Except where the transportation Customer has installed the necessary equipment which allows the Company to monitor the Customer's daily usage of gas, the Customer shall arrange for supply to be delivered, either directly or by displacement, on a firm basis for the entire route from the point of production to the Company's distribution system throughout the term of the Service Agreement.

2. Converting Sales Customers

For the period ending September 30, 1999 or until the effective date of the Company's restructured services filed in response to the Policy Statement issued on November 3, 1998 in Case 97-G-1380 et al., whichever occurs first, the Company will require sales customers converting to transportation service who have not contracted for standby service to meet the entire needs of their facility, or their duly appointed agent, to take assignment of the Company's upstream interstate pipeline transmission capacity based on such Customer's sales service requirements. The Customers, or their duly appointed agent, shall negotiate with the Company to determine by mutual agreement the actual pipeline capacity to be released. The price of such released capacity shall equal the weighted average cost of upstream pipeline transmission capacity as calculated in the Company's monthly gas adjustment. To the extent that the actual cost of such pipeline capacity agreed to be released is greater than the weighted average cost of upstream pipeline transmission capacity, the Customer shall receive a refund for such difference in capacity costs for the billing month. To the extent that the actual cost of such pipeline capacity agreed to be released is less than the weighted average cost of upstream pipeline transmission capacity, the Customer shall be surcharged for such difference in capacity costs for the billing month. The Company will make available for release to the converting Customer no less capacity than average day usage during the peak month, normalized for weather. Released capacity shall be subject to recall by the Company at its sole option as follows:

- a. To the extent that the Customers non-utility supplies are reduced and the resulting supply deficiency is replaced by Company-owned supplies; and
- b. To the extent necessary in force majeure situations in order to stabilize system reliability; and

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