SERVICE CLASSIFICATION NO. 5
FIRM GAS SALES AND TRANSPORTATION SERVICE (CONTINUED)

SPECIAL PROVISIONS APPLICABLE TO FIRM TRANSPORTATION SERVICE: (continued)

10. The Company reserves the right to reject any application for service or nominations under this Service Classification where, in the sole discretion of the Company, the provision of service would or might result in a reduction in the Company's rights or ability to receive service, purchase gas or utilize capacity on the transmission system of its pipeline supplier(s), impair or interfere with the Company's operations, or impose costs in excess of those subject to recovery under these rates.

11. During the Term of Service Agreement, customer's equipment supplied with gas hereunder will not be supplied with gas purchased under another Service Classification.

12. Niagara Mohawk's obligations to deliver customer-owned gas are defined in Rule 3.2 of **GENERAL INFORMATION**.

13. Firm transportation service will be provided only when and to the extent that the Company in its sole judgment has sufficient capacity available.

14. Existing Human Needs Customers as defined in Rule 3.2.2 of the **GENERAL INFORMATION** Section of this tariff must participate in Monthly Balancing Service under S.C. 11, unless the customer certifies dual fuel capability to the Company. If an existing Human Needs Customer certifies dual fuel capability, he/she will be eligible for Daily Balancing Service but will give up his/her ability to obtain future Gas Supply Service under the Company's tariff.

    14.1 Existing Human Needs Customers may, in lieu of certification of dual fuel capability, certify that they maintain or have continuous access to five (5) winter months (November – March) of primary firm capacity from a receipt point, acceptable to the Director of Gas Supply, into the Company's east/west city gate, as applicable, sufficient to meet the customers' Maximum Peak Day Quantity. Customer shall produce proof of such contracted primary firm capacity to the Company as provided in the Gas Transportation Operating Procedures Manual prior to receiving service under Daily Balancing.

    There is no dual fuel or primary firm capacity requirement for core daily balancing customers.

15. Service taken under this Service Classification may be eligible for a limited-duration bill reduction treatment as described in Rule 23 Empire Zone Rider.