

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 02/01/12

LEAF: 291
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION No. 21

BASIC GAS-FOR-ELECTRIC-GENERATION-SERVICE TARIFF - Continued

DAILY DEFICIENCY IMBALANCES:

As used in this rate schedule, Daily Deficiency Imbalances shall be defined as daily deliveries for the Customer's account that is less than daily usage. For daily deficiency imbalances greater than 2% for the actual usage the Customer shall purchase gas from the Company. The deficiency in excess of 2% will be cashed-out according to the following price schedule:

10% to 15% at 110% of Index
15% to 20% at 115% of Index
> than 20% at 140% of Index

When operationally feasible, and only if, in the sole judgment of the Company, such transaction will not jeopardize or impair service to firm Customers, the Company may allow the Customer to deliver surplus gas supplies at later dates in order to balance any daily burner tip imbalances less than 2% incurred in the current month.

MONTH END BURNER TIP BALANCING, IMBALANCE EXCHANGE AND CASH OUT:

At the end of the month, a Customer's Daily Surplus Imbalances and Daily Deficiency Imbalances that were not cashed-out will be summed into a net imbalance volume for the Customer. A Month End Deficiency Imbalance occurs when the net imbalance volume is a quantity less than zero (imbalance due to the Company) and a Month End Surplus Imbalance occurs when the net imbalance volume is a quantity greater than zero (imbalance due from the Company).

A Customer may exchange a net imbalance volume under its SC 21 Service Agreement as set forth in General Information Section 52. Month End Surplus Imbalances not resolved via Exchange of Net Imbalances and Month End Deficiency Imbalances will be cashed-out as set forth in General Information Section 52.

Issued by A. M. Cellino, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)