

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 01/01/10
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-M-0548 DATED 10/23/09.

LEAF: 148.9
REVISION: 5
SUPERSEDING REVISION: 4

GENERAL INFORMATION (Cont'd)

II. 47. CONSERVATION INCENTIVE PROGRAM ("CIP") COST RECOVERY MECHANISM

a. Recovery of CIP Costs

The Company shall recover annually \$10,290,000 of CIP costs through a monthly surcharge to the Delivery Adjustment Charge of SC 1, SC 2, SC 2A and SC 3 Customers of \$0.015784/Ccf.

The Company shall recover annually \$1,326,620 of CIP costs associated with the multi-family program approved by the Commission in Case 07-M-0548 issued July 27, 2009 through a monthly surcharge to SC 13M and SC 13D, TC 1.1, TC 2.0, TC 3.0, and TC 4.1 Customers (exclusive of customers receiving negotiated rates pursuant to the competitive rate provisions of those rate schedules) of \$0.07957/Mcf.

The Company shall recover annually \$604,545 of CIP costs associated with the industrial and large commercial energy efficiency program approved by the Commission in Case 07-M-0548 issued August 24, 2009 and October 23, 2009 through a monthly surcharge to SC 13M and SC 13D, TC 1.1, TC 2.0, TC 3.0, TC 4.0 and TC 4.1 Customers (exclusive of customers receiving negotiated rates pursuant to the competitive rate provisions of those rate schedules) of \$0.02542/Mcf.

b. CIP Cost Reconciliation

The Company shall reconcile actual CIP costs recovered through the CIP cost rate for the 12-month period ended December 31 with the actual CIP costs incurred for the 12 months ended December 31. Any over or under recovery of CIP costs shall be refunded or surcharged to the applicable Service Classification Customers for a 12-month period beginning March 1.

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