

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 12/28/07
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-G-0141 DATED 12/21/07.

LEAF: 148.7
REVISION: 3
SUPERSEDING REVISION: 1

GENERAL INFORMATION (Cont'd)

II. CONTINUED

45. LOST REVENUE RECOVERY CHARGE

a. Filing of Lost Revenue Recovery Rate Statement

Each year for the 12 months ended December 31, the Company shall calculate billing revenues resulting from Customers migrating from sales to transportation service. Revenues are lost if there has been a decline in imputed billing activity as a result of customers migrating from sales to transportation service. The imputed billing service activity shall be 5,745,741 bills. The lost billing revenues shall be recovered in the Delivery Adjustment Charge ("DAC") to the delivery rates of SC 1 and SC 3 Customers for the 12 months beginning March 1 of each year.

The determination of lost billing revenue shall be based on actual migrated Customers. The actual migration activity shall be determined by summing bills associated with Customers migrating from Company-provided billing service commencing January 1, 2008.

The Company will include in its lost revenue calculation for the 12 months ended December 31, 2008, the amount of lost revenues associated with billing revenues and MFC revenues for the period August 1, 2007 through December 31, 2007, as determined for this period under the previously effective Lost Revenue Recovery Charge Mechanism.

Issued by R. J. Tanski, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)