

PSC NO: 8 GAS
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 INITIAL EFFECTIVE DATE: 11/01/07
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-G-0299 DATED 8/30/07.

LEAF: 261
 REVISION: 5
 SUPERSEDING REVISION: 3

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

Upstream capacity requirements shall be satisfied through a combination of NFGSC storage and NFGSC transmission intermediate capacity assigned to the Supplier by the Company ("Intermediate Capacity"), upstream pipeline capacity assigned to the Supplier by the Company ("Mandatory Upstream Transmission Capacity"), local production, and grandfathered pipeline capacity provided by the Supplier.

- (1) Availability
 Available to STBA Suppliers for STBA volumes associated with Customers. Aggregated annual load for such Customers must be no less than 5,000 Mcf.
- (2) Intermediate Capacity
 - (a) Storage and Pipeline Transmission Capacity Allocation
 - (i) Requirements
 The percentage of extreme peak day requirements to be served through Company's Enhanced Storage Service ("ESS") storage capacity on NFGSC shall be as follows:

Aggregated Load Factor (Based on Estimated Peak Day Consumption)	Percent of Extreme Peak Day Requirement Met by <u>Upstream Capacity</u>	Percent of Extreme Peak Day Requirement Met by <u>NFGSC Storage</u>
Less Than 40%	67%	33%
Greater Than or Equal to 40% but Less Than 60%	78%	22%
Greater Than or Equal to 60% but Less Than 80%	89%	11%
Equal to or Greater Than 80%	100%	0%

Supplier shall take release of such storage capacity from the Company at the maximum rate under NFGSC's gas tariff filed with the F.E.R.C.

- (ii) Initial Assignment of ESS Storage Capacity
 If additional Customers join a Supplier's STBA Group after April 1, the Company will release additional capacity as required, based on the allocation set forth at (2)(i) above. For Customers converting from sales service, such capacity shall also include a transfer of gas in storage required to meet the start of the month enrollment requirements for the additional Customers added to the Supplier's STBA Group. The Supplier will be required to pay the Company storage gas transfer rate and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier.

When, in the sole judgment of the Company, operational conditions do not warrant transfers of storage gas, notice shall be issued over an electronic bulletin board or other media advising Suppliers of a temporary suspension in storage release services.

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