

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: 265.2
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

- (iii) Each April 1, the Company will compare the quantity of extreme day requirements to be served by pipeline capacity upstream of NFGSC for the past thirteen (13) months to identify the Peak Requirement Quantity ("PRQ"). Unless the Supplier elects to reduce its GUTC, there shall be no reduction to the Supplier's GUTC quantity if the PRQ exceeds the quantity of GUTC provided by the Supplier, or if the decrease in PRQ is less than 500 Dth. Otherwise, the Supplier's GUTC quantity will be reduced to the PRQ. In any case, if the Supplier's PRQ is zero (0) Dth, then the Supplier's GUTC shall be reduced to zero (0) Dth. Additionally, if the Supplier has not satisfied Section 2.(3)(b)(i) above in whole or part, the Company will treat such event as a Supplier election to reduce its GUTC and the Supplier's GUTC shall be reduced by the Dth that was not maintained. For each Supplier reduction, the total quantity of GUTC available to the system will be reduced in the same quantity as applicable to the Supplier.
- (iv) A Supplier may not transfer its GUTC to another Supplier unless it accompanies the sale of its entire book of customers.

(c) Grandfathered Intermediate Transmission Capacity

Prior to September 1, 2007, pursuant to its then effective tariff, the Company granted waiver of the Intermediate Capacity requirement for Suppliers upon a showing, to the Company's satisfaction, of comparable replacement capacity. Such capacity will be grandfathered and capped at a threshold receipt quantity level of 33,498 Dth/day. As to such capacity, the following requirements shall apply:

- (i) Supplier's GITC must include primary receipt points which coincide with Company's primary delivery rights on the upstream pipeline capacity retained by the Company or the Supplier's GUTC.
- (ii) Each April 1, the Company will compare the quantity of extreme day requirements to be served by pipeline capacity upstream of NFGSC for the past thirteen (13) months to identify the Peak Requirement Quantity ("PRQ"). Unless the Supplier elects to reduce its GITC, there shall be no reduction to the Supplier's GITC quantity if the PRQ exceeds the quantity of GITC provided by the Supplier, or if the decrease in PRQ is less than 500 Dth. Otherwise, the Supplier's GITC quantity will be reduced to the PRQ. In any case, if the Supplier's PRQ is zero (0) Dth, then the Supplier's GITC shall be reduced to zero (0) Dth. Additionally, if the Supplier has not maintained its GITC in whole or part, the Company will treat such event as a Supplier election to reduce its GITC and the Supplier's GITC shall be reduced by the quantity that was not maintained. For each Supplier reduction, the total quantity of GITC available to the system will be reduced in the same quantity as applicable to the Supplier.
- (iii) A Supplier may not transfer its GITC to another Supplier unless it accompanies the sale of its entire book of customers.

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