

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: 265.1
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

- (iv) Suppliers must satisfy all applicable upstream pipeline requirements as well as applicable federal regulations necessary to accept assignment of MUTC. When a Supplier's failure to meet such requirements leads to an inability to accept assignment of upstream capacity, the Supplier will be unable to serve its customers and the Company may terminate the Supplier's STBA agreement.
- (v) If the assignment of MUTC includes storage capacity, the Supplier shall be required to provide the Company with the permission necessary to allow the Company to obtain access to the Supplier's storage balance information. All requirements described in Section 2.(2)(a) above apply to NFGSC ESS capacity assigned for MUTC. In the case of storage capacity on other pipelines, the inventory requirements will be adjusted to account for differences in storage service deliverability.
- (vi) If a Supplier's STBA agreement is cancelled or terminated the Company may recall MUTC capacity that has been released to the Supplier. In the case of storage capacity on other pipelines, the Supplier will transfer associated storage gas to the Company as described in Section 2.(2)(a)(iii) above.

(b) Grandfathered Upstream Transmission Capacity

GUTC is capped at a threshold level of 93,385 Dth/day delivered into NFGSC based upon qualifying Supplier upstream pipeline capacity available to serve existing STBA customer load as of September 1, 2007. The total primary receipt point rights and upstream pipelines into NFGSC held by the Company and available to Suppliers for GUTC will be posted on the Company's web site. As to such capacity, the following requirements shall apply:

- (i) Supplier must maintain five (5) winter months (November - March) of primary firm capacity upstream of NFGSC sufficient to meet Supplier's extreme peak day ADDQ. Supplier shall produce proof of such contracted primary firm capacity to the Company as provided in the Procedures Manual prior to receiving service under this Rate Schedule. GUTC must have a capacity path between the point where gas is produced and the interconnection with released NFGSC capacity as described above. Alternatively, where gas is available at "liquid points," Suppliers are not required to show firm capacity upstream of such points. Acceptable "liquid points" for this purpose are identified in the Procedures Manual.
- (ii) Supplier's GUTC must include primary delivery points which coincide with Company's primary receipt rights on the NFGSC capacity retained by the Company or the Supplier's GITC.

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