

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 03/16/09  
STAMPS:

LEAF: 265  
REVISION: 9  
SUPERSEDING REVISION: 8

SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

(b) Assignment of Pipeline (NFGSC EFT) Transmission Capacity

Except where a Supplier provides Grandfathered Intermediate Transmission Capacity ("GITC"), or local production directly connected to the Company's system, one hundred percent (100%) of extreme peak day requirements shall be served through the Company's Enhanced Firm Transportation ("EFT") capacity on NFGSC. The Supplier shall take release of such EFT capacity from the Company at the maximum rate under NFGSC's gas tariff filed with the FERC. If a Supplier's STBA agreement is cancelled or terminated the Company may recall EFT capacity that has been released to the Supplier.

(c) NFGSC Appalachian Production Receipts

Suppliers using NFGSC Appalachian production as an alternative to pipeline capacity upstream of NFGSC must request access to primary receipt points that coincide with the production area in which the Appalachian production is located.

(3) Upstream Transmission Capacity

The percentage of extreme day requirements to be served by pipeline capacity upstream of NFGSC obtained by the Supplier shall be as determined at Section 2.(2)(a)(i) above.

(a) Mandatory Upstream Transmission Capacity

Mandatory Upstream Transmission Capacity ("MUTC") will be assigned to Suppliers to meet their capacity requirements not otherwise satisfied through Grandfathered Upstream Transmission Capacity ("GUTC") or by local production directly connected to the Company's system. The pipelines and primary delivery point quantities available for MUTC assignment will be posted on the Company's web site. As to such capacity, the following requirements shall apply:

- (i) Supplier will be assigned twelve (12) months of primary firm capacity upstream of NFGSC sufficient to meet Supplier's extreme peak day ADDQ. The Company shall release capacity, on a pre-arranged basis, each month to accommodate incremental changes in the load served by each Supplier. The Company will calculate a capacity release rate for MUTC to be effective each April 1<sup>st</sup> for the twelve (12) month release term equal to the weighted average cost of upstream capacity ("WACOC") that the Company has contracted for under each upstream pipeline's gas tariff filed with FERC. If in any month the actual WACOC should differ from the calculated WACOC by more than five percent (5%), the Company will recalculate the capacity release rate applied to MUTC capacity releases for the remainder of the twelve (12) month release term. The Company will post the WACOC on its web site. In cases where capacity release offers are not eligible for an exemption from bidding under F.E.R.C. Rules, in order to maintain eligibility under this service classification Suppliers will need to match competing bids, as necessary, to be awarded capacity by the pipeline(s).
- (ii) If a Supplier requests access to a receipt point currently not available or if a receipt point is fully subscribed by other Suppliers, the Company will attempt to provide access to such receipt point, subject to operational considerations.

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