

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 10/01/04

LEAF: 266.1  
REVISION: 3  
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

(4) Mandatory Upstream Capacity Assignment (continued)

- (ii) Phase II. Upon notification by the Company that Phase I capacity has been fully subscribed, Suppliers shall be required to take release, on a proportional basis, of capacity from each of a portfolio of capacity contracts that includes Distribution's upstream capacity with Southwest receipt points and related storage capacity, as further identified in the GTOP. Phase II capacity serves approximately 226,000 customers.
- (iii) Phase III. Upon notification by the Company that Phase II capacity has been fully subscribed, Suppliers shall be required to take release, on a proportional basis, of capacity from each of a portfolio of capacity contracts, including Dominion Transmission storage, Tennessee Niagara, Empire State Pipeline and others as further identified in the GTOP. Phase II capacity serves approximately 112,000 customers.
- (v) Phase IV. Upon notification by the Company that Phase III capacity has been fully subscribed, Suppliers shall be required to take release, on a proportional basis, of Distribution capacity on Transcontinental Pipeline Company, as further described in the GTOP.

(5) Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company shall determine, based upon each Customer's historical load profile and/or estimates of consumption, a Supplier's projected normalized consumption for a given period; either monthly, weekly, or daily. Consumption estimates may be adjusted in response to weather forecasts. Based upon this projected consumption, the Company will determine each Customer's DDQ and, by summing all DDQs of the STBA Customers in the Supplier's STBA Customer Group, the Supplier's STBA Customer Group's ADDQ. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily City Gate delivery obligations, and the specific rates and charges as outlined in this Rate Schedule. ADDQ information shall be posted by the Company on the Company's internet web site, or such other medium as the Company deems appropriate. The Company will also issue upstream delivery requirements applicable to Mandatory Upstream Capacity Assignment.

A Supplier taking service under this Rate Schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

Issued by D. E. Smith, President, 6363 Main Street, Williamsville, NY 14221  
(Name of Officer, Title, Address)