

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 05/01/04

LEAF: 290
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION No. 21

BASIC GAS-FOR-ELECTRIC-GENERATION-SERVICE TARIFF - Continued

MINIMUM CONTRACT VOLUME:

No less than fifty percent (50%) of the electric generator's maximum annual quantity.

DAILY BURNER TIP BALANCING REQUIREMENT:

Customers receiving service under this rate schedule are required to balance their deliveries of natural gas to the system for their account and the actual daily usage of gas by their account on a daily basis.

DAILY BURNER TIP SURPLUS IMBALANCES:

As used in this rate schedule, burner tip surplus imbalances shall be defined as daily deliveries for the Customer's account in excess of daily usage.

For burner tip surplus imbalances greater than 2% of actual daily usage the Customer shall be charged the maximum interruptible storage rate which is charged by National Fuel Gas Supply Corporation at the time of delivery multiplied by the amount of excess supply delivered above 2% of actual daily usage. When operationally feasible, and only if, in the sole judgment of the Company, such transaction will not jeopardize or impair service to firm Customers, the Company may allow surplus imbalances associated with the Customer's account under this Service Classification to be nominated and delivered for the Customer's usage under this account.

DAILY BURNER TIP DEFICIENCY IMBALANCES:

As used in this rate schedule, daily burner tip deficiency imbalances shall be defined as daily deliveries for the Customer's account that is less than daily usage. For daily burner tip deficiency imbalances greater than 2% for the actual usage the Customer shall be charged the higher of the rate for deficiency imbalance service under SC 11 or the highest price reported in the "Appalachia, Dominion South Point" Index of the Gas Daily "Daily Price Survey" for the day that the deficiency occurs.

All daily burner tip deficiency imbalances less than 2% must be resolved within the next calendar month. When operationally feasible, and only if, in the sole judgment of the Company, such transaction will not jeopardize or impair service to firm Customers, the Company may allow the Customer to deliver surplus gas supplies at later dates in order to balance any daily burner tip imbalances less than 2% incurred in the previous month. If at the end of the next calendar month such daily burner tip deficiency imbalances less than 2% are not resolved, the Customer shall be charged the higher of the rate for deficiency imbalance service under SC 11 or the highest price reported in the "Appalachia, Dominion South Point" Index of the Gas Daily "Daily Price Survey" for the day that the deficiency occurred.

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