

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 8/01/05  
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO.04-G-1047 DATED 7/22/05.

LEAF: 270  
REVISION: 10  
SUPERSEDING REVISION: 9

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

19. Demonstration of Customer Contracts

Suppliers offering retail contracts that include prepayment or deposit provisions must meet additional creditworthiness requirements set forth below. All Suppliers are required to submit an affidavit or statement to the Company, on Supplier's letterhead and signed by an authorized employee or officer, reporting whether any of Supplier's retail contracts include prepayment or deposit provisions. If at any point following the submittal of such statement or affidavit Supplier offers contracts with prepayment or deposit provision, an updated statement shall be submitted to the Company. Statements or affidavits found to be false or misleading shall be grounds for discontinuance of service.

20. ESCO Requirements needed to qualify to accept Customer Deposits and Prepayments

Pursuant to the Commission Order issued May 9, 2002 in Case 00-M-0504, the following requirements must be met before a Supplier may be permitted to accept deposits or prepayments from Customers.

a. Acceptable Security

The following security instruments have been deemed by the Commission to be acceptable qualifications for a Supplier to be permitted to accept Customer prepayments and deposits.

1. Minimum Bond Rating

Suppliers shall be permitted to accept Customer deposits and prepayments if the Supplier maintains a minimum bond rating as specified in the Creditworthiness Section of the Commission's UBPs. Suppliers shall be required to submit evidence of their bond ratings to the Commission and the Company at the initiation of service to Customers and each August 1 thereafter.

2. Escrow Account

Suppliers shall be permitted to accept Customer deposits if the Supplier maintains an Escrow Account(s) equal to the amount of Customer deposits for each Customer. Such Escrow Accounts must be maintained at financial institutions with a minimum "A" bond rating. Suppliers shall be required to file with the Commission and the Company proof of sufficient Escrow Account balances to cover current Customer deposits at the initiation of service to Customers and each August 1 thereafter.

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