

..DID: 20872
..TXT: PSC NO: 8 GAS LEAF: 270
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 8
INITIAL EFFECTIVE DATE: 11/19/02 SUPERSEDING REVISION: 7
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-M-0504 DATED 05/09/02.
RECEIVED: 11/15/02 STATUS: Effective EFFECTIVE: 11/19/02
SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

23. A competition Back-out Credit Report for Suppliers using the Company's billing system shall be provided to the Supplier each month.
24. 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.
25. 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.F.Smith, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)