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 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
 INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 1
 STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/
 Cancelled by 3 Rev. Leaf No. 262 Effective 05/01/2002
 RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99
 SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

Aggregated Load Factor (Based on Estimated Peak Day Consumption)	Percent of Winter Demand Met by Upstream Capacity	Percent of Winter Demand Met by NFGSC Storage
Less Than 40%	70%	30%
Greater Than or Equal to 40% but Less Than 60%	80%	20%
Greater Than or Equal to 60% but Less Than 80%	90%	10%
Equal to or Greater Than 80%	100%	0%

Daily pipeline capacity upstream of NFGSC will be released to the Supplier based on the following formula:

$$\text{Daily Pipeline Capacity Allocated} = \frac{\text{Total Aggregated Winter Period Demand (November through March)} \times \text{Percent of Winter Demand Met by Upstream Capacity}}{151 \text{ Days}}$$

The actual pipeline capacity path upstream of NFGSC to be released to the Supplier by the Company shall be designated by the Company based on availability. The Company will attempt to accommodate a Supplier's request for particular capacity.

All capacity shall be released to Suppliers at the maximum rate under the pipeline's FERC gas tariff. To the extent that the demand cost of released upstream pipeline transmission capacity agreed to be released is greater than the Company's weighted average demand cost of upstream pipeline transmission capacity, the Supplier shall receive a credit for such difference in capacity costs for the billing month. To the extent that the actual demand cost of released upstream pipeline transmission capacity is less than the Company's weighted average demand cost of the upstream pipeline transmission capacity, the Supplier shall be surcharged for such difference in capacity costs for the billing month.

Credit received by the Company from the interstate pipeline for such release shall be credited to the gas adjustment as described in General Information Section 19.g. All refunds and surcharges applied to Customer bills for the difference in actual capacity release costs and the weighted average cost of upstream pipeline transmission capacity shall be credited to the gas adjustment as described in General Information Section 19.g.

Suppliers will also obtain from the Company released transmission capacity on NFGSC to transport gas: 1) in and out of storage; and 2) from the upstream pipeline to the City Gate. Such capacity shall equal the Supplier's assigned amount of transmission capacity upstream of NFGSC plus the peak day deliverability associated with the assigned amount of NFGSC storage capacity. Notwithstanding the above,

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203
 (Name of Officer, Title, Address)