

PSC NO. 8 GAS  
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 INITIAL EFFECTIVE DATE: 12/01/10  
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-G-0141 DATED 11/22/10.

LEAF: 148.9  
 REVISION: 8  
 SUPERSEDING REVISION: 7

GENERAL INFORMATION (Cont'd)

II. 47. CONSERVATION INCENTIVE PROGRAM ("CIP") COST RECOVERY MECHANISM

a. Recovery of CIP Costs

A CIPS Statement will be filed and included in the Monthly Gas Supply Rates of SC 1, SC 2, SC 2A, SC 3, SC 13 M and 13D TC 1.0, TC 1.1, TC 2.0, TC 3.0, TC 4.0 and TC 4.1.

The Company shall recover annually \$10,040,000 of CIP costs through a monthly surcharge to the Delivery Adjustment Charge of SC 1, SC 2, SC 2A and SC 3 Customers of \$0.015401/Ccf.

The Company shall recover annually \$1,326,620 of CIP costs through December 31, 2010 associated with the multi-family program approved by the Commission in Case 07-M-0548 issued July 27, 2009 through a monthly surcharge to SC 13M and SC 13D, TC 1.1, TC 2.0, TC 3.0, and TC 4.1 Customers (exclusive of customers receiving negotiated rates pursuant to the competitive rate provisions of those rate schedules) of \$0.07957/Mcf.

The Company shall recover annually \$684,135 of CIP costs through December 31, 2010 associated with the industrial and large commercial energy efficiency program approved by the Commission in Case 07-M-0548 issued August 24, 2009 and October 23, 2009 through a monthly surcharge to SC 13M and SC 13D, TC 1.1, TC 2.0, TC 3.0, TC 4.0 and TC 4.1 Customers (exclusive of customers receiving negotiated rates pursuant to the competitive rate provisions of those rate schedules) of \$0.03087/Mcf.

The Company shall recover \$56,329 of CIP costs through December 31, 2010 associated with the commercial and industrial new construction program approved by the Commission in Case 07-M-0548 issued January 4, 2010 through a monthly surcharge to SC 1, SC 2, SC 2A, SC 3, 13M and 13D TC 1.1, TC 2.0, TC 3.0, TC 4.0 and TC 4.1 Customers (exclusive of customers receiving negotiated rates pursuant to the competitive rate provisions of those rate schedules) of \$0.00116/Mcf.

The Company shall recover the following costs through December 31, 2010 associated with the following programs approved by the Commission in Case 07-M-0548 issued January 4, 2010 though a monthly surcharge to the Delivery Adjustment Charge to SC 1, SC 2, SC 2A and SC 3 Customers:

	<u>Amount</u>	<u>Rate</u>
Home Performance With Energy Star Program	\$1,112,377	\$0.03288/Mcf
New York Energy Star Homes	\$ 819,646	\$0.02423/Mcf
Assisted Home Performance with Energy Star Program	\$ 325,688	\$0.00963/Mcf
EmPower New York	\$ 325,688	\$0.00963/Mcf

Issued by A. M. Cellino, President, 6363 Main Street, Williamsville, NY 14221  
 (Name of Officer, Title, Address)