

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 02/28/07

LEAF: 148.7
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION (Cont'd)

II. CONTINUED

45. LOST REVENUE RECOVERY CHARGE

a. Filing of Lost Revenue Recovery Rate Statement

Each year for the 12 months ended December 31, the Company shall calculate lost MFC and Billing revenues resulting from Customers migrating from sales to transportation service. Revenues are lost if there has been a decline in imputed billing and MFC activity based on weather normalized volumes as a result of customers migrating from sales to transportation service. The imputed billing service activity shall be 5,745,741 bills. The imputed MFC volumes shall be 44,175,218 Mcf for SC 1 and 8,491,722 Mcf for SC 3. The lost billing revenues and lost MFC revenues shall be recovered in the Delivery Adjustment Charge ("DAC") to the delivery rates of SC 1 and SC 3 Customers for the 12 months beginning March 1 of each year. The Company shall file the lost revenue calculation with its annual gas cost reconciliation filing.

The determination of lost billing and lost MFC revenue shall be based on actual migrated Customers and actual weather normalized Customer consumption. The actual migration activity shall be determined by summing volumes and bills associated with Customers migrating from Company-provided firm natural gas supply service and billing service commencing January 1, 2008.

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