

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 12/28/07
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-G-0141 DATED 12/21/07.

LEAF: 83
REVISION: 7
SUPERSEDING REVISION: 5

GENERAL INFORMATION (Cont'd)

II. 19. CONTINUED

i. Credit for Transportation Sales and Transportation Service Benefits

The monthly gas supply charge as computed shall be adjusted to reflect the benefits available to Customers subject to the monthly gas supply charge from transportation sales (SC 12, SC 14), transportation service (SC 13D, SC 13M, SC 17, SC 15 and SC 16) and cogeneration (SC 9 and SC 10) service as follows:

- (1) The Determination Period to be used in the computation shall be the twelve month period beginning on the first day of January and ending on the thirty-first day of the following December.
- (2) The Refund/Surcharge Period shall refer to the twelve month period beginning three months following a given Determination Period (April 1st through March 31st).
- (3) At the conclusion of each determination period, net transportation sales and transportation service benefits will be computed by adding (i) transportation sales (SC 12 and SC 14) gas revenues derived during the Determination Period net of gas costs and revenue tax revenues; (ii) revenues derived during the Determination Period from base rates under SC 13D, SC 13M, SC 15, SC 16 and SC 17 and cogeneration (SC 9 and SC 10) gas revenues derived during the Determination Period net of gas costs, reserve capacity costs, R&D surcharge and revenue tax less \$26,037,525, and further reduced by revenues associated with sales volume shortfalls caused by migration of customers from SC 3 to SC 10 (Sales Service), SC 13D, SC 13M, SC 15, SC 16 or SC 17 (Transportation Service). Such sales volume shortfalls shall be determined for each SC 10, SC 13D, SC 13M, SC 15, SC 16 or SC 17 transportation customer as the lesser of (a) the volume by which the sales forecast for that customer, as adopted by the Commission in Case 07-G-0141 exceeds actual sales to that customer during the Determination Period, and (b) the volume by which the volumes transported for that customer during the Determination Period exceed the transportation forecast for that customer, as adopted by the Commission in Case 07-G-0141. A negative difference derived in (a) or (b) shall be presumed equal to

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(Name of Officer, Title, Address)