

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: 262
 REVISION: 9
 SUPERSEDING REVISION: 8

SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

(iii) Return of Storage Capacity

Return Due to Decreased Customer usage:

If a Supplier that has received storage capacity returns Customers to the Company, has Customers transfer to another Supplier or has a reduced storage obligation due to reductions in Customer usage, the Supplier will return the storage capacity associated with the reductions in Customer usage to the Company and transfer the associated storage gas to the Company at the base storage transfer rate. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company

Return Due to Termination of STBA Agreement:

If a Supplier's STBA Agreement is canceled or terminated, the Supplier will return the storage capacity to the Company and transfer the storage gas to the Company at the base storage transfer rate. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company. The Supplier also authorizes the Company to act on the Supplier's behalf to confirm all nominations necessary to give effect to this clause.

(iv) Required Storage Inventory Levels

In addition to meeting the City Gate balancing requirements set forth *infra*, Suppliers must maintain the start of the month (SOM) and end of the month (EOM) storage inventory levels as follows:

| <u>Month</u> | Enrollment | |
|--------------|-----------------------------|-----------------------------|
| | <u>SOM</u> <u>Target</u> | <u>EOM</u> <u>Target</u> |
| April | 0.00% | 0.00% |
| May | 14.00% | 11.00% |
| June | 29.00% | 30.00% |
| July | 43.00% | 48.00% |
| August | 57.00% | 66.00% |
| September | 71.00% | 84.00% |
| October | 86.00% | 96.00% |
| November | 100.00% | 90.00% |
| December | 80.00% | 78.00% |
| January | 60.00% | 48.00% |
| February | 40.00% | 20.00% |
| March | 20.00% | 0.00% |
| March 15 | | 12.00% |

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