

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: 267.1
REVISION: 2
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION No. 19

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

Provisions of CBS:

- a. CBS shall incorporate the above features of TIBS, together with the following:
 - i. For a pilot period of three years, terminable by the Company at the end of the third year following 12 months prior notice to participating Suppliers, the Company will purchase CBS accounts receivable as described herein and further detailed in the CBS Agreement. The purchase of CBS accounts receivable shall replace payment processing and remittance procedures under TIBS set forth at Special Provisions paragraph nos. 9 and 9 (c) above.
 - ii. Accounts receivable shall be purchased at a discount. The discount rate for CBS bills issued on or after December 28, 2007 will be 3.31% for residential Customers and 0.57% for commercial and industrial Customers. For STBA Customers with good payment history that enrolled in a Restricted STBA Group existing as of April 15, 2005, the discount shall be zero. In compliance with Case 07-G-0141, 6.34% of the residential discount rate and 19.30% of the commercial and industrial discount rate is the Records and Collection Component. This Records and Collection component will be reconciled annually. The annual reconciliation target is \$0.832 million and the recovery of the reconciliation will be accomplished through the Delivery Adjustment Charge. The annual reconciliation shall be the 12 months ended December 31 of each year. Over or under recovery of reconciled POR Record and Collection component shall be refunded or surcharged to Customers through the DAC and to SC 13M Customers for a 12-month period beginning March 1 after the reconciliation period.
 - iii. In order to qualify for CBS service, the Supplier's shall also agree to grant any and all authority to the Company necessary to enable the Company to manage CBS billing, payment and remittance processing, customer care including termination procedures according to the provisions of the Home Energy Fair Practices Act ("HEFPA"), HEFPA regulations and regulations governing the provision of service to nonresidential customers, as applicable.
 - iv. A CBS Agreement will set forth additional terms and conditions of service consistent with applicable provisions.

10. STBA Service Agreement

The initial term of the STBA Service Agreement shall be one year, renewable annually for successive one-year terms unless canceled by default of any terms or conditions hereof, or by Supplier on sixty (60) days written notice prior to the end of the term, or otherwise by mutual agreement.

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