

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 11/01/07  
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 06-G-0059 DATED 08/23/07.

LEAF: 97  
REVISION: 5  
SUPERSEDING REVISION: 4

## GENERAL INFORMATION

### II. 20.f. CONTINUED

During a curtailment hereunder, the Company may in its sole discretion divert, or acquire, non-core supplies in order to meet core sales or transportation service obligations. Customers from whom such supplies are acquired or diverted shall be compensated in an amount equal to the replacement cost of the customer's alternate fuel, or as otherwise previously established by mutual agreement. If gas is diverted from a customer who must switch to an alternate fuel, the replacement cost of fuel shall be the market value of the equivalent quantity of such alternate fuel on the day(s) of such diversion. Otherwise, the Supplier/Direct Customer will be the party compensated for the diverted gas. To the extent individual Supplier customers are affected by directing the payment to the Supplier, they would enter into contractual arrangements with the Supplier that clearly spell out the resolution of compensation issues between the customer and the Supplier related to occasions when gas supplies are diverted. If gas is diverted from a customer who does not utilize an alternate fuel, the default replacement cost of fuel shall be the market value of the diverted gas on the day(s) of such diversion. The market value of gas shall be determined by reference to the Gas Daily Index, "Daily Price Survey" for "Appalachia," "Dominion South Point," plus applicable transportation charges to the Company's City Gate. If the Supplier/Direct Customer can demonstrate to the Company's satisfaction that (a) a contract calls for a higher price; and (b) the contract price is reasonable, the Company will reimburse the Supplier/Direct Customer at the contract price.

The cost of supplies purchased by the Company for the purposes hereunder shall be recovered as a gas cost under General Information Section 19.

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