

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 11/01/07
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 07-G-0299 DATED 8/30/07.

LEAF: 266
REVISION: 8
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

(d) Local Production

With respect to local production attached directly to the Company's system, 100% of the historical average daily production for the month will be accepted to meet the percentage of extreme peak day requirements. The quantity of local production available to replace pipeline capacity is independent of the GUTC and GITC quantities and may increase or decrease from year to year. Where the Company has more current information concerning production deliverability, it may apply the 100% factor to the resulting projection of average daily production for the month. As to such production, the following requirements apply:

- (i) While 100% of historical daily average shall be made available (except as noted above), gas must be scheduled on a daily basis to be delivered to an STBA Pool in order for such volumes to be allocated that day.
- (ii) Except for volumes within a 5% tolerance band of the 100% level, in no event shall volumes under the 100% level that are not scheduled for delivery to STBA Pools be made available as a carryover for nominations to STBA Pools on a subsequent day during the month.
- (iii) Quality of such production shall meet the requirements applicable to transportation service under SC 13D and SC 13M, as set forth in General Information Section 26.

(4) Determination of Daily Delivery Quantities and Aggregate Daily Delivery Quantities

The Company shall determine, based upon each Customer's historical load profile and/or estimates of consumption, a Supplier's projected normalized consumption for a given period; either monthly, weekly, or daily. Consumption estimates may be adjusted in response to weather forecasts. Based upon this projected consumption, the Company will determine each Customer's DDQ and, by summing all DDQs of the STBA Customers in the Supplier's STBA Customer Group, the Supplier's STBA Customer Group's ADDQ. The DDQs and ADDQ so calculated will be used to determine the Supplier's daily City Gate delivery obligations, and the specific rates and charges as outlined in this Rate Schedule. ADDQ information shall be posted by the Company on the Company's internet web site, or such other medium as the Company deems appropriate.

A Supplier taking service under this Rate Schedule accepts the Company's calculation of the DDQ and/or ADDQ. The Company shall not be liable for the difference between the projected consumption and the consumption determination by the Company.

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