

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 5/01/06
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 04-G-1047 DATED 4/26/06.

LEAF: 156.6
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 2B

LOW INCOME CUSTOMER AFFORDABILITY ASSISTANCE PROGRAM (LICAAP) - Continued

ARREARAGE FORGIVENESS

When the Customer enters the program and is placed on this rate, any arrearage of that Customer is suspended and placed in a hold account. These arrearages will be forgiven at a rate of 1/24 per month for each month the bill is paid in full and on time, during the first two years on this rate.

DISCONNECTION FOR NONPAYMENT

If a LICAAP Customer is delinquent, to avoid disconnection of service the LICAAP Customer must pay the specified notice amount prior to any scheduled disconnection date.

Once a LICAAP Customer is disconnected for non-payment, the LICAAP participant may obtain reinstatement to LICAAP if the applicant meets the following requirements:

- (1) Pay the entire arrearage that occurred while a LICAAP program participant;
- (2) Pay a reconnection charge; and
- (3) If the applicant had a pre-program arrearage in his or her name, the applicant must agree to:
 - (a) pay a down payment towards arrearages equal to one month's budget amount plus the monthly arrangement amount;
 - (b) negotiate a payment arrangement including the budget amount plus a monthly amount sufficient to amortize any remaining unforgiven pre-LICAAP arrearage;
 - (c) the duration of the arrangement will consider the size of the unpaid LICAAP balance, the ability of the ratepayer to pay, the payment history of the ratepayer, and the length of time over which the balance accumulated. Absent extraordinary circumstances, arrangement duration will not exceed the following guidelines:

Income Level	Maximum Time Period
Tier #1 (0 - 20% of State median)	48 Months
Tier #2 (21% - 40% of State median)	36 Months
Tier #3 (41% - 60% of State median)	24 Months

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