

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 10/01/03
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 9/18/03.

LEAF: 94
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION (Cont'd)

II. 20.e. CONTINUED

or Customer's agent shall be charged the greater of \$10.00 or 125% of the highest per Mcf cost of gas purchased in Company's gas supply portfolio during the days the OFO is applicable.

- (2) The Company may also issue OFOs which apply to transportation Customers receiving daily metered service under SC 13D as follows:

(a) Modifications of Daily Surplus or Deficiency Tiers

The Company may lower the percentage levels of the Daily Deficiency or Surplus tiers for SC 13D service during an OFO. The Company may change the first imbalance tiers for Daily Surplus or Deficiency Imbalances as circumstances warrant. The first imbalance tier for Daily Surplus or Deficiency Imbalances may be reduced to a range of 0-2% and the second tier will be correspondingly modified to a range of 2-15%.

(b) Modifications of Daily Deficiency Rate during an OFO

When the Company declares a deficiency OFO for Deficiency Imbalances outside the first tier, the applicable charge shall be the higher of the rate under SC 11 or the rate produced by the index calculation at the applicable tier level.

(c) Suspension of "No Harm, No-Foul" Rule

During an OFO, the "no harm, no-foul" rule shall not apply to Deficiency Imbalances from 0-2%.

- (3) The Company may issue any other OFOs reasonably required to maintain system operational integrity and to assure continued service to its firm sales service Customers.

f. Long Term Curtailment of Service

This section applies to long-term curtailments, defined as curtailments due to other than force majeure events. For short-term, force majeure interruption, see infra Section II.20.f.(5), Short Term Curtailments.

Issued by D. F. Smith, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)