

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 10/01/04

LEAF: 266
REVISION: 5
SUPERSEDING REVISION: 4

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

The above-listed "Dth Rights" values may be changed based on Company's contractual commitments and F.E.R.C. rules and regulations. Suppliers will receive thirty (30) days written notice of any such change, after which the value subject to such change shall be fully superseded and replaced by the noted value.

- (iii) If a Supplier requests access to a receipt point currently not available or if a receipt point is fully subscribed by other Suppliers, the Company will attempt to provide access to such receipt point, subject to operational considerations.
- (iv) Suppliers using Appalachian production as an alternative to elective upstream pipeline capacity must request access to primary receipt points which coincide with the production area in which the Appalachian production is located.
- (v) With respect to Appalachian, 100% of the historical average daily production for the month will be accepted to meet the percentage of extreme day requirements otherwise served by capacity upstream of intermediate pipeline capacity. While 100% of historical daily average shall be made available, 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. In no event shall volumes 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. 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) Mandatory Upstream Capacity Assignment

The Elective Upstream Transmission Capacity option under subsection (3) above shall remain available until Phase II of the below schedule becomes effective. Upon the achievement of Customer migration levels consuming volumes exceeding the level of Elective Upstream Capacity identified below, further migration of Customers to STBA service shall be subject to Mandatory Upstream Capacity Assignment. The following procedure shall apply, as further defined in the GTO:

- (i) Phase I is continuation of the Elective Upstream Transmission Capacity program: Up to 110,000 Dth/day of Elective Upstream Transmission Capacity and Intermediate Capacity according to the above procedures. Phase I elective capacity serves approximately 175,000 Customers.

Issued by D. E. Smith, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)