

PSC NO: 8 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 05/01/04

LEAF: 97  
REVISION: 1  
SUPERSEDING REVISION: 0

## GENERAL INFORMATION (Cont'd)

### II. 20.f. CONTINUED

#### (5) Short-term Curtailment

In the event of a short term interruption, or force majeure curtailment situation, the Company may, in its sole discretion, declare a short-term curtailment in order to meet sales or transportation core service obligations. A short-term interruption or force majeure situation, as used herein, includes, but is not limited to, a short-term event that occurs upstream of the Company's City Gate, such as a pipeline rupture or well freeze-off, that interrupts the delivery of supplies and, as determined at the sole discretion of the Company, impairs or may impair the Company's ability to meet its core service obligations.

During a short-term 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. If gas is diverted from a customer who does not utilize an alternate fuel, the 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.

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

Customers subject to supply diversion or acquisition hereinabove described shall receive at least four (4) hours notice, by telephone, written facsimile or as mutually agreed in advance, before commencement of a short-term curtailment period. Said notice shall identify the date and time of commencement of the short-term curtailment period. So long as conditions permit, the Company may, in its discretion, provide an estimate of the duration of the short-term curtailment period, except that no such short-term curtailment period shall exceed in ninety-six (96) hours. During the length of a short-term curtailment period, such customers shall not consume utility-delivered supplies. For any utility-delivered supplies consumed by said customers during a short-term curtailment period, the customer or customer's agent shall be charged the higher of \$10.00 per Mcf or 125% of the highest per Mcf cost of gas purchased in Company's gas supply portfolio during the calendar month.

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