

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 8/01/05
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 04-G-1047 DATED 7/22/05.

LEAF: 209.1
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 13D (Cont'd)

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

The net effect of all trades conducted during a monthly trading period must improve the SC 13D Customer's/Marketer's relative imbalance position. That is, the net result of SC 13D Customer's/Marketer's imbalance trading activity will achieve an imbalance position closer to zero, i.e. the absolute value of the volume owed to the Company (negative position) or owed to the SC 13D Customer/Marketer (positive position) is smaller after all trades have been completed. In no event will the Company process trades that result in a larger negative position for the SC 13D Customer/Marketer.

c. Month End Surplus Cash Out

Month End Surplus Imbalances not resolved via 4 (a) or 4 (b) above will be cashed-out as follows:

(i) For each of the five consecutive months November through March,

0% to 5% at Index
5% to 15% at 90% of Index
15% to 20% at 85% of Index
> than 20% at 60% of Index

(ii) In all other months,

0% to 10% at Index
10% to 15% at 90% of Index
15% to 20% at 85% of Index
> than 20% at 60% of Index

d. Month End Deficiency Cash Out

Month End Deficiency Imbalances not resolved via 4 (a) or 4 (b) above will be cashed-out as follows:

(i) For each of the five consecutive months November through March,

0% to 5% at Index
5% to 15% at 110% of Index
15% to 20% at 115% of Index
> than 20% at 140% of Index

(ii) In all other months,

0% to 10% at Index
10% to 15% at 110% of Index
15% to 20% at 115% of Index
> than 20% at 140% of Index

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