

..DID: 7987
..TXT: PSC NO: 8 GAS LEAF: 266.2
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION:
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/
Cancelled by 1 Rev. Leaf No. 266.2 Effective 05/01/2002
RECEIVED: 03/31/99 STATUS: Cancelled EFFECTIVE: 04/01/99
SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

If additional Customers join a Supplier's STBA Group, or if a Supplier elects to take an assignment of storage capacity after the enrollment period described above, the Company will release additional capacity as required, based on the allocation set forth at c.(2)(i) above. In addition, the Supplier will be required to pay the Company for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier. Storage gas transfer rate shall be the sum of (1) the higher of the Company's fiscal year weighted average cost (including all pipeline demand and storage costs), or the Market Price of gas for that day as posted in The Gas Daily Index, "Daily Price Survey" for "Appalachia," "CNG North Point," plus all transportation costs to the Company's City Gate, plus (2) the Demand Transfer Recovery Rate ("DTR rate"). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The System Average Unrecovered Demand Charge Revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the Supplier. The DTR rate shall be filed with the Public Service Commission not less than three (3) business days prior to the beginning of the month for which the rate shall be in effect.

All revenues received from such gas transfers shall be credited to the gas adjustment under General Information Section 19.f.(1).

Storage gas shall be transferred with released capacity as specified in section 2.b.(3)(i) of this Service Classification No. 19.

When, in the sole judgment of the Company, operational conditions do not warrant transfers of storage gas, notice shall be issued over an electronic bulletin board or other media advising Suppliers of a temporary suspension in storage release services.

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)