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..TXT: PSC NO: 8 GAS LEAF: 261
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 93-G-0932 DATED 11/03/98.
Cancelled by 2 Rev. Leaf No. 261 Effective 04/01/1999
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SERVICE CLASSIFICATION No. 19 (Cont*d)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Continued

b. Utility Single-Bill Method

Supplier may request to include its charges on the Company's bill issued to Supplier's CTBA Customers. Payments made by the Supplier's CTBA Customers shall be applied first against amounts due for past service under an amortization agreement between the Company and the CTBA Customer, next to current bills due to the Company; next to Supplier's gas supply charges, and lastly to charges for other services. The terms and charges for the Supplier billing service will be negotiated between the Company and the Supplier. The Company shall be under no obligation to provide Supplier billing services.

2. Upstream Capacity Requirement

Upstream capacity requirements shall be satisfied through a combination of mandatory capacity assignment, elective upstream pipeline capacity and capacity maintained by Company.

a. Mandatory Storage and Associated Transmission Capacity

(1) Requirements

Thirty-six percent (36%) of extreme peak day requirements shall be served through Company's Enhanced Storage Service ("ESS") storage capacity and associated Enhance Firm Transportation ("EFT") transmission capacity on National Fuel Gas Supply Corporation ("NFGSC"). Supplier shall take release of such storage and transmission capacity at the maximum rate under NFGSC's gas tariff filed with the F.E.R.C.

(2) Initial Assignment of ESS Storage Capacity

Each year, interested Suppliers may request an initial assignment of storage capacity, based on the formula set forth at 2.a.(1) above, to meet the Supplier's estimate of market share for the winter period. The request deadline for such assignments will be March 15 for an effective date of April 1. Fifteen (15) days prior to the close of nominations for the November billing month, the Company will reduce the quantity of storage capacity released to match the Supplier's revised winter requirements based on the number of Customers aggregated by the Supplier, to be effective November 1, so long as said capacity to be returned to the Company includes an equal volume of storage gas. The Company shall compensate Supplier for such storage gas transferred at a price equal to the Company's lowest monthly weighted average commodity cost of gas delivered to the Company's City Gate during the previous storage injection period (April through October), plus applicable storage demand capacity charges since April 1 for such returned volumes. The Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

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