

..DID: 1943
..TXT: PSC NO: 8 GAS LEAF: 25
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:
STAMPS:
Cancelled by 1 Rev. Leaf No. 25 Effective 06/01/1999
RECEIVED: 01/05/98 STATUS: Cancelled EFFECTIVE: 04/01/98
GENERAL INFORMATION (Cont*d)

II. 2.c. CONTINUED

background investigations will be completed. These investigations will include but not be limited to: (1) an assessment of the applicant's payment history with the Company, (2) compilation of other creditors and trade creditor's reports, (3) request for financial statements, if necessary. Upon completion of a review of the additional information a determination will be made regarding the Company's risk exposure and a recommendation made to waive or request a security deposit.

"C" Rating:

If the reports indicate an overall rating of "C" a security deposit will be required. No further investigations will be made unless extenuating circumstances exist and the applicant brings those situations to the attention of the reviewer.

"Unrated" or "Blank":

Any applicant with a rating of "uncoded" will automatically be designated as having a rating of "C".

Changes affecting credit risk ratings:

All approved Suppliers will be periodically reviewed to determine if: (1) there is a change in their credit risk rating; (2) security needs to be required on a previously unsecured account; (3) the amount of security being held should be increased or decreased to meet projected future usage, based upon historical usage data. Changes indicating that a credit review may be necessary include, but are not limited to: (1) significant changes in Dun & Bradstreet credit reports; (2) credit related information obtained from reliable sources; (3) a change in the number of end users; (4) a change from the established payment history; as well as any other information received regarding the financial standing of the Supplier. Security deposits will be refunded to the Supplier when it is determined that the Supplier meets the level of creditworthiness criteria that no longer requires a security deposit.

Determination of Security Deposits:

The amount of a security deposit will be determined by the following guidelines, based upon the Supplier applicant's potential maximum liability.

- * The average cost of gas for each month over the last 3 years.
- The 3 year period will be determined from the stated initiation date.

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