

PSC NO: 8 GAS  
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 2/1/04

STATEMENT TYPE: DG  
STATEMENT NO: 2

## STATEMENT OF GAS COST FOR SERVICE CLASSIFICATION NO. 23 - DISTRIBUTED GENERATION

Effective With Usage During Billing Period Commencing February 1, 2004  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
P.S.C. No. 8 - GAS

Based on Gas Cost Rates in Effect February 1, 2004

## Calculation of 70% Load Factor Monthly Gas Supply Charge in Volumetric Rate Structure

1)	Current Monthly Average Commodity Cost of Gas	\$0.64170 /Ccf
2)	Current Monthly Average Demand Cost of Gas	\$0.12932 /Ccf
3)	70% Load Factor Demand Cost Multiplier	<u>0.60034</u>
4)	Current Monthly 70% Load Factor Demand Cost Component	<u>\$0.07764 /Ccf</u>
5)	Total 70% Load Factor Monthly Gas Supply Charge	\$0.71934 /Ccf
6)	Total Monthly Adjustments	<u>\$0.00102 /Ccf</u>
7)	Total 70% Load Factor Monthly Gas Supply Charge W/Adjustments	<u><u>\$0.72036 /Ccf</u></u>

## Calculation of Demand and Commodity Gas Costs in Demand Commodity Rate Structure

## Calculation of Commodity Rate

1)	Current Monthly Average Commodity Cost of Gas	\$0.64170 /Ccf
2)	Total Monthly Adjustments	<u>\$0.00102 /Ccf</u>
3)	Total Commodity Cost of Gas	<u><u>\$0.64272 /Ccf</u></u>

## Calculation of Demand Rate

1)	Current Monthly Average Demand Cost of Gas	\$0.12932 /Ccf
2)	Demand Cost Multiplier	<u>12.78230</u>
3)	Total Demand Cost of Gas	<u><u>\$1.65301 /Ccf MDDQ</u></u>

Date: January 29, 2004

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