PSC NO: 8 GAS

LEAF: 74

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

REVISION: 8

INITIAL EFFECTIVE DATE: 02/28/07

SUPERSEDING REVISION: 7

GENERAL INFORMATION (Cont'd)

II.   CONTINUED

19.   ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS

a.   Factor of Adjustment

The gas cost rates included in this Section will include a factor of adjustment ratio of 1.90%.

b.   Calculation of Monthly Gas Cost Recovery Rates

(1)   Gas Cost Recovery for SC 1, SC 2 and SC 3.

The gas costs associated with SC1, SC 2 and SC 3 shall be recovered through the monthly delivery rates and the monthly gas supply service rates.

(a)   Calculation of Gas Costs Recovered in Delivery Rates.

The delivery rates of SC 1, SC 2 and SC 3 shall include charges to recover gas costs associated with reserve capacity.

i.   Base Reserve Capacity Rate
The Base Reserve Capacity Rate shall be equal to $0.32001 per 100 cubic feet for the Winter period December through March of each year and $0.00000 per 100 cubic feet for the Non-Winter period April through November of each year.

ii.   Reserve Capacity Cost Adjustment
The Reserve Capacity Cost Adjustment shall be calculated monthly and included in the Monthly Distribution Adjustment Charge for SC 1, SC 2 and SC 3. The Reserve Capacity Cost Adjustment shall be equal to the difference between the Average Cost of Reserve Capacity per Ccf and the Base Reserve Capacity Rate.

The Average Cost of Reserve Capacity per Ccf shall equal the total Reserve Capacity Cost divided by the projected normalized consumption for which the Reserve Capacity Charge is applied for SC 1, SC 2, SC 3, SC 5, SC 7, SC 8, SC 9 and SC 13M.

(b)   Calculation of Gas Costs Recovered through the Monthly Gas Supply Charge.

The Monthly Gas Supply Charge shall be equal to the sum of the Average Monthly Gas Supply Cost as calculated herein, and the Annual Refund/Surcharge amount as calculated in Section 19.f.

The Average Monthly Gas Supply Cost shall be equal to the sum of the Average Monthly Commodity Cost of Gas and the Average Demand Cost of Gas per Ccf.

Issued by R. J. Tanski, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)

Cancelled by supplement No. 30 effective 12/27/2007
Suspended to 12/28/2007 by order in Case 07-G-0141. See Supplement No. 27. Th e supplement filing date was 06/25/2007
Suspended to 06/28/2007 by order in Case 07-G-0141. See Supplement No. 25. Th e supplement filing date was 02/21/2007