

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 10/01/04

LEAF: 158
REVISION: 8
SUPERSEDING REVISION: 7

SERVICE CLASSIFICATION No. 3 (Con'd)

GENERAL - Continued

- d. Research and Development (R&D) Surcharge
All gas delivered under this Service Classification shall be subject to the R&D surcharge per 100 cubic feet described in General Information Section 43.
 - e. Transition Costs Associated with FERC Order No. 636
All gas delivered under this Service Classification shall be subject to the monthly Order No. 636 transition cost surcharge per 100 cubic feet as described in General Information Section 19.k.
 - f. Reserve Capacity Cost Adjustment
All gas delivered under this Service Classification shall be subject to the Reserve Capacity Cost Adjustment charge per 100 cubic feet as described in General Information Section 19.b.(1)(a)ii.
 - g. Allowance for Uncollectible Expense Tracker
All gas delivered under this Service Classification shall be subject to the Allowance for Uncollectible Expense Surcharge/Refund per 100 cubic feet as described in General Information Section 45.
- 3. Weather Normalization Adjustment
All gas delivered under this Service Classification shall be subject to a refund/surcharge per 100 cubic feet as set forth in Section 36, General Information.
 - 4. Aggregation Billing Choice Cost Surcharge
All bills rendered under this Service Classification shall be subject to the Aggregation Billing Choice Cost Surcharge as set forth in General Information Section 46.

MONTHLY COST OF GAS:

In addition to the above delivery service charges Customers purchasing their gas supply service from the Company will pay the Monthly Gas Supply Charges per 100 cubic feet of gas supplied by the Company as explained in General Information Section 19.b.(1)(b).

INCREMENTAL MONTHLY COST OF GAS:

Under special circumstances when transportation Customers return from Marketers to sales service under periods of rising prices the Company may, at its discretion, establish a incremental Monthly Gas Supply Charge to be billed to the returning Customers. Notice of such rate shall be published in a monthly statement as appropriate.

INCREASE IN RATES WHERE SERVICE IS SUPPLIED:

The rates and charges under this Service Classification including charges specified under Special Provisions of this Service Classification, Base Rates, Delivery Adjustment Charge, Weather Normalization Adjustment, and Monthly Cost of Gas, shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service.

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