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

REVISION: 9 SUPERSEDING REVISION: 7

SERVICE CLASSIFICATION No. 20

DEPARTMENT OF SOCIAL SERVICES TRANSPORTATION, BALANCING AND AGGREGATION - Continued

2. Delivery Adjustment Charge

a. Take or Pay Recovery

Transportation rates shall be subject to a surcharge per Mcf as set forth in Section 38, General Information.

b. Transition Costs Associated with FERC Order No. 636

The rates for service rendered pursuant to the Service Classification shall be subject to a monthly transition cost surcharge as described in General Information Sections 19.j. and k.

c. Revenue Credit

All gas transported under this Service Classification shall be subject to the revenue credits identified in the Statement of Revenue Credits filed with the Commission.

A credit against Customer bills added under the authority of Case Nos. 00-G-1495 and 00-G-1858, in the annual amount of \$5 million, shall terminate on October 1, 2004, upon the Commission's approval of the Company's filing rebutting the bill credit submitted the preceding June 1.

d. Upstream and Intermediate Pipeline Transition Surcharge

All gas transported under this Service Classification shall be subject to a surcharge as described in General Information Section 42 and 42A.

e. Research and Development (R&D) Surcharge

All gas transported under this Service Classification shall be subject to the R&D surcharge as described in General Information Section 43.

f. Reserve Capacity Cost Adjustment

All gas delivered under this Service Classification shall be subject to the reserve capacity cost adjustment surcharge per 100 cubic feet as described in General Information Section 19.b.(1)(a)ii..

3. Weather Normalization Adjustment

SC 20 rates shall be subject to a refund/surcharge as set forth in Section 36, General Information.

4. Increase in Rates in Municipality Where Service is Supplied

All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification and the Transportation Service Agreement, shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Public Assistance Customer is taking service.

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