PSC NO. 8 GAS NATIONAL FUEL GAS DISTRIBUTION CORPORATION INITIAL EFFECTIVE DATE: 01/01/04 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 02-M-0515 DATED 12/03/03.

LEAF: 301 REVISION: 1 SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION No. 23 (Cont'd)

DISTRIBUTED GENERATION SERVICE - Continued

SPECIAL PROVISIONS:

- A. Applicable to both delivery service only and Customers also purchasing gas supply from the Company.
 - 1. Customers served under this Service Classification receive firm service and shall have the same curtailment priority as all other firm commercial and industrial Customers. Service is subject to the pertinent provisions of Section 20 as hereinbefore set forth under General Information.
 - 2. Service under this Service Classification shall be separately metered. Metering requirements shall be subject to the pertinent provisions of Section 7 as hereinbefore set forth under General Information.
 - 3. The authorized agents of the Company shall, at all reasonable times, have such free access to the premises of the Customers receiving service under this Service Classification as may be necessary to confirm that gas supplied under this Service Classification is used only in DG equipment.
 - 4. Adjustment of the Maximum Daily Delivery Contracted Demand ("MDDCD") The MDDCD shall be established in the service agreement with the Customer receiving service under the three part rate structure. Once the MDDCD is established, it shall remain in effect for a 12-month period. In the event that the Customer subsequently exceeds the MDDCD during the calendar months of December, January or February, the MDDCD shall be reestablished at the higher volume. The reestablished MDDCD shall remain in effect and shall be used for billing the Customer, for a 12-month period starting with the billing month following the day it was established.
 - 5. Adjustment of the Maximum Daily Natural Gas Supply Contracted Demand ("MDSCD") The MDSCD shall be established in the service agreement with the Customer receiving service under the three part rate structure. Once the MDSCD is established, it shall remain in effect for a 12-month period. In the event that the Customer subsequently exceeds the MDSCD during the calendar months of December, January or February, the MDSCD shall be reestablished at the higher volume. The reestablished MDSCD shall remain in effect, and shall be used for billing the Customer, for a 12-month period starting with the billing month following the day it was established.
 - 6. The non-gas cost component of the base rates provided in this Service Classification shall be capped at the current rate level through at least December 31, 2006.

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