

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 8/01/05
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 04-G-1047 DATED 7/22/05.

LEAF: 74.2
REVISION: 3
SUPERSEDING REVISION: 1

GENERAL INFORMATION (Cont'd)

II. CONTINUED

(2) Gas Cost Recovery for Service Classification Nos. 7, 8 and 9.

- (a) The Base Reserve Capacity Rate included in Service Classification Nos. 7, 8, and 9 shall be equal to \$0.014632 per 100 cubic feet.

(b) Reserve Capacity Cost Adjustment

The Reserve Capacity Cost Adjustment included in the Monthly Distribution Adjustment Charge for Service Classification Nos. 1, 2 and 3 as calculated in Section 19.b.(1)(a)ii. shall be charged to Customers under Service Classification Nos. 7, 8 and 9.

(c) Calculation of 100% Load Factor Cost of Gas Included in Service Classification No. 7 Rates

The 100% load factor cost of gas included in SC 7 rates shall be the sum of the Commodity Cost of Gas and the 100% load factor demand cost of gas. The Commodity Cost of Gas shall equal the Average Monthly Commodity Cost of Gas as calculated in Section 19.b.(1)(b)i. The 100% load factor demand cost of gas shall equal the average demand cost of gas as calculated in Section 19.b.(1)(b)ii. multiplied by 49.572%.

(d) Calculation of Gas Costs Included in Service Classification No. 8 Rates

The cost of gas included in SC 8 rates shall be determined on a seasonal basis. For the months of October, November, December, January, February, March and April, the cost of gas for SC 8 shall equal the Monthly Gas Supply Charge calculated in Section 19.b.(1)(b). For the months of May, June, July, August and September, the cost of gas for SC 8 shall equal the Commodity Cost of Gas included in the Monthly Gas Supply Charge as calculated in Section 19.b.(1)(b)i.

(d) Calculation of the 85% Load Factor Cost of Gas Included in Service Classification No. 9 Rates

The 85% load factor cost of gas included in SC 9 rates shall be the sum of the Commodity Cost of Gas and the 85% load factor demand cost of gas. The Commodity Cost of Gas shall equal the Average Monthly Commodity Cost of Gas as calculated in Section 19.b.(1)(b)i. The 85% load factor demand cost of gas shall equal the average demand cost of gas as calculated in Section 19.b.(1)(b)ii. multiplied by 58.320%.

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