

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: 174
REVISION: 4
SUPERSEDING REVISION: 2

SERVICE CLASSIFICATION No. 5 (Cont'd)

LOAD BALANCING TECHNOLOGY RATE - Continued

of the Customer during the winter period. The P.G.D.C. is equal to the average annual supplier demand and winter requirements charges included in the Company's rate under SC Nos. 1, 2, 3, 5, 7, 8, and 9 for the current billing month, expressed on a Billing Demand Unit basis.

Commodity Component -

The commodity charge per Mcf for all gas consumed under this Service Classification is equal to \$.1281, plus the sum of the Average Monthly Commodity Cost of Gas and the Base Reserve Capacity Rate as defined in General Information Section 19 of the Company's tariff, adjusted in accordance with the terms of that Section, plus the Merchant Function Charge as specified in General Information 46.

DETERMINATION OF BILLING DEMAND UNITS:

The Customer's billing demand units ("B.D.U.") shall be calculated as follows:

$$\text{B.D.U.} = \text{Consumption during the peak billing month} \times \frac{30}{\text{Number of billed days in billing month}}$$

The Customer's B.D.U. is established at the Customer's peak winter monthly usage for a billing month ending in December, January, February or March. Once the B.D.U. is established, the B.D.U. shall remain in effect for a 12-month period. In the event that the Customer subsequently exceeds the B.D.U. during billing months ending in December, January, February or March, then the B.D.U. shall be reestablished at the higher volume. The reestablished B.D.U. shall remain in effect and shall be used for billing the Customer for a 12-month period.

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