

..DID: 2095  
 ..TXT: PSC NO: 8 GAS LEAF: 195  
 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0  
 INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:  
 STAMPS:  
 RECEIVED: 01/05/98 STATUS: Effective EFFECTIVE: 04/01/98  
 SERVICE CLASSIFICATION No. 10 (Cont\*d)

SALES SERVICE FOR  
CUSTOMERS OPERATING COGENERATION FACILITIES - Continued

MAXIMUM MARGIN:

The rate determined as the non-gas cost embedded within the penultimate rate block of Service Classification No. 3, Schedule P.S.C. No. 8 - Gas.

The Base Year Margin will remain in effect for a one-year period commencing at the time service is first provided to the cogeneration facility and ending twelve (12) months thereafter. After the Base Year, the margin will be adjusted annually in accordance with the Annual Rate Adjustment Factor. However, the margin shall be limited within the range set forth above.

Adjustment of the Rate: Annual Rate Adjustment Factor

The Base Year Margin and the Base Year Winter Requirements Charge shall remain in effect for a one year period and shall be adjusted annually thereafter. These portions of the rate shall be adjusted as provided in the following:

The Customer will elect pursuant to contracting for service under this Service Classification one of the two Annual Rate Adjustment Factor Methodologies specified herein to remain in effect for the duration of service under this Service Classification.

Method 1: Energy Cost Adjustment

$$R = \frac{(PTU) \times (TE)}{(PTU \times TE) + (PEU \times EE)}(T) + \frac{(PEU) \times (EE)}{(PTU \times TE) + (PEU \times EE)}(E)$$

R = Annual Rate Adjustment Factor

TE = Thermal Efficiency of Cogeneration Unit (HHV)

PTU = Percent of Thermal Energy Utilized

EE = Electrical Efficiency of Cogeneration Unit (HHV)

PEU = Percent of Electric Energy Utilized  
(Displacement + Sell-Back)

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203  
 (Name of Officer, Title, Address)