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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 5
INITIAL EFFECTIVE DATE: 06/21/02 SUPERSEDING REVISION: 4
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 4/18/02.
RECEIVED: 06/20/02 STATUS: Effective EFFECTIVE: 06/21/02
SERVICE CLASSIFICATION No. 21

BASIC GAS-FOR-ELECTRIC-GENERATION-SERVICE TARIFF - Continued

BASE RATE:

Base rate per Mcf transported during the month \$0.185 per Mcf

Base rates and terms different from the rates and terms shown in this Schedule may be negotiated with the Company when competitive and operational circumstances warrant.

ADJUSTMENT OF THE RATE:

The base rate per Mcf transported shall be adjusted each month by the Spark Spread Factor ("SSF") for the month as determined below. In no circumstances shall the level of adjustment lead to a unit rate for the month of less than \$0.085 per Mcf. If the variables required for calculating the SSF are not available the SSF shall be set to \$0.0000. The equations for determining the SSF and the definition of the variables included in the equations are provided below.

SSF = .05 x (CMSS-BMSS)

BMSS = BMEP-BMFC

CMSS = CMEP-CMFC

SSF = Spark Spread Factor for the month per Mcf.

BMSS = Base Month Spark Spread which shall be calculated for each month of the base year. The base year shall be the first full year of the Customer's electric generation plant operation during a period in which the New York State Independent System Operator ("NYISO") has established wholesale electric prices for New York State.

BMEP = Base Month Electric Price per MWH which shall equal the weighted average of the Daily Market Electric Price and the Customer output expressed in MWH for each day of the base month.

Issued by D. F. Smith, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)