

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 10/01/04

LEAF: 161
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION No. 3 (Cont'd)

GENERAL - Continued

2. Gas Usage

a. New Customers

The gas consumed by an applicant at a qualifying facility shall be eligible for this rate if it is demonstrated that the facility will have gas consumption in excess of 2,400 Mcf Per year.

b. Existing Customers

Incremental gas consumed by an applicant at a qualifying facility shall be eligible for this rate provided that the incremental load is 20% greater than the applicant's prior year's normalized load or 2,400 Mcf per year, whichever is less. However, such incremental gas usage will not qualify unless the incremental load totals at least 1,200 Mcf per year. To determine qualifying gas usage the incremental load will be measured against the gas consumed by the applicant normalized over the prior 12 month period.

3. Classification

Applicants who qualify for one of the following classifications pursuant to the Standard Industrial Classification Manual (1972 edition as amended) will be eligible for this rate:

- a. Manufacturing Division - major groups 20-39;
- b. Wholesale Trade Division - major groups 50 and 51;
- c. Finance, Insurance and Real Estate - major groups 60, 61, 62, 63 and 67;
- d. Real Estate - major group 65; provided that the customer meets the following requirements: (i) the customer must demonstrate to the Company's satisfaction that at least 75% of the leasable space at the premises where the qualifying facility is located is leased to tenants within the Standard Industrial Service Classifications set forth in subparagraphs a through c; (ii) the customer can demonstrate to the Company's satisfaction that the tenants are ultimately responsible for paying for the natural gas consumed at the premises; and (iii) the customer's leases with its tenants have a term exceeding five years or the customer files an annual statement on the anniversary date of the commencement of service under this rider, that the leasable space at the premises continues to be occupied by tenants satisfying clauses (i) and (ii) of this paragraph.

4. Application

Applications for this rate must be received by the Company thirty (30) days prior to start up of the new or expanded facility.

	Business Development Rate Discount				
	Years (1)	(2)	(3)	(4)	(5)
Per C.C.F. for all qualified incremental consumption	.070	.070	.070	.038	.038

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