

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 11/02/04
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 02-M-0515 DATED 8/04/04.

LEAF: 74.3
REVISION: 1
SUPERSEDING REVISION: 0

GENERAL INFORMATION (Cont'd)

II. CONTINUED

- (f) Calculation of the 70% Load Factor Cost of Gas Included in SC 23 Rates for Customers with DG Units less than five (5) megawatts

The 70% load factor cost of gas included in SC 23 rates shall be the sum of the Commodity Cost of Gas and the 70% 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 70% 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 60.034%.

- (g) Calculation of the Demand and Commodity Cost of Gas included in SC 23 Rates for Customers with DG Units greater than five (5) and less than 50 megawatts

The Commodity Cost of Gas shall equal the Average Monthly Commodity Cost of Gas as calculated in Section 19.b(1)(b)i.. The Monthly Natural Gas Supply Demand cost of gas, recovered through a charge to the Customer based on peak daily purchased gas demand as defined under SC 23, shall equal the average demand cost of gas calculated in Section 19.b.(1)(b)ii. multiplied by 12.7823.

- (h) Calculation of the 50% Load Factor Cost of Gas Included in SC 24 Rates.

The 50% load factor cost of gas included in SC 24 rates shall be the sum of the Commodity Cost of Gas and the 50% 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 50% 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 59.790%.

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