

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 05/01/04

LEAF: 222
REVISION: 10
SUPERSEDING REVISION: 9

SERVICE CLASSIFICATION No. 13M (Cont'd)

MONTHLY METERED TRANSPORTATION (MMT) SERVICE - Continued

- b. Increase in Rates in Municipality Where Service is Supplied
All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification and the Transportation Service Agreement, shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service.
- c. Transition costs associated with FERC Order No. 636
The rates for service rendered pursuant to the Service Classification shall be subject to a monthly transition cost surcharge as described in General Information Sections 19.j. and k.
- d. Weather Normalization Adjustment
T-1.0 rates shall be subject to a refund/surcharge as set forth in Section 36, General Information.
- e. Revenue Credit
All gas transported under this Service Classification shall be subject to the revenue credits identified in the Statement of Revenue Credits filed with the Commission.
- f. Upstream and Intermediate Pipeline Transition Surcharge
All gas transported under this Service Classification shall be subject to a surcharge as described in General Information Section 42 and 42A.
- g. Research and Development Surcharge
All gas transported under this Service Classification shall be subject to the R & D surcharge as described in General Information Section 43.
- h. Reserve Capacity Cost Charge
Beginning with rates in effect July 1, 2001; the rates in this Service Classification shall be increased by the Reserve Capacity Cost Charge ("RCC") for all Customers that receive gas supply service from a qualified Supplier under the Company's SC 19. The RCC shall recover the purchased gas demand costs associated with the capacity the Company must retain in order to provide for Customer peaking and temperature swing requirements. The RCC shall be established monthly (and filed with the Company's DAC Statement). Such purchased gas costs collected through the RCC shall be included as revenues for the recovery of purchased gas costs as specified in General Information Section 19.f.(1).

6. Discount for Certain Economic Development Zone Rate Customers

Base rates applicable to Customers who have qualified for the Economic Development Zone Rate under SC 3 will be discounted as follows:

		Economic Development Zone Rate Discount				
<u>Years</u>		<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5-10)</u>
Per Mcf for all qualified incremental consumption	TC-1	\$.86	\$.86	\$.86	\$.43	\$.43
	TC-1.1	\$.62	\$.62	\$.62	\$.31	\$.31
	TC-2	\$.36	\$.36	\$.36	\$.18	\$.18
	TC-3	\$.16	\$.16	\$.16	\$.00	\$.00
	TC-4	\$.09	\$.09	\$.09	\$.00	\$.00
	TC-4.1	\$.11	\$.11	\$.11	\$.00	\$.00

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