

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

LEAF: 211
REVISION: 7
SUPERSEDING REVISION: 6

SERVICE CLASSIFICATION No. 13D (Cont'd)

DAILY METERED TRANSPORTATION (DMT) SERVICE - Continued

g. Research and Development Surcharge

Rates under this Service Classification shall be subject to the R&D surcharge per 100 cubic feet 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 the RCC shall be included as revenues for the recovery of purchased gas costs as specified in General Information Section 19.f.(1).

7. 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				
Years		(1)	(2)	(3)	(4)	(5-10)
Per Mcf for	TC-1	\$.86	\$.86	\$.86	\$.43	\$.43
all qualified	TC-1.1	\$.62	\$.62	\$.62	\$.31	\$.31
incremental	TC-2	\$.36	\$.36	\$.36	\$.18	\$.18
consumption	TC-3	\$.16	\$.16	\$.16	\$.00	\$.00
	TC-4	\$.09	\$.09	\$.09	\$.00	\$.00
	TC-4.1	\$.11	\$.11	\$.11	\$.00	\$.00

Revocation of firm sales status pursuant to this Service Classification will not disqualify a Customer from eligibility for Economic Development Zone Rates.

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