

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 01/16/04
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 02-M-0515 DATED 12/03/03.

LEAF: 298
REVISION: 2
SUPERSEDING REVISION: 1

SERVICE CLASSIFICATION No. 23

DISTRIBUTED GENERATION SERVICE

APPLICABLE TO USE OF SERVICE FOR:

Consumption of natural gas by a non-residential Customer where the gas is used directly for distributed generation ("DG") less than 50 megawatts, and the Customer is anticipated to maintain a load factor of 50% or greater for the DG facilities receiving service under this rate. The Company shall calculate the load factor for the DG facilities under this Rate Schedule at the Customer's annual contract anniversary date. If the Customer's annual load factor falls below 50 percent, the Customer shall be placed on the otherwise applicable Rate Schedule for consumption at the DG facility for a period of at least one (1) year. Provided, however, that the Customer may remain on this Rate Schedule when its annual load factor is below 50 percent if the Customer can provide mitigating circumstances why the load factor has fallen below 50 percent and the Customer can provide a reasonable demonstration that the future annual load factor will be above 50 percent.

CHARACTER OF SERVICE:

Customers Purchasing Gas Supply From Company

Continuous, primarily natural gas, minimum B.T.U. content 1,000, normal pressure not less than four (4) inches.

Customers Purchasing Gas Supply from a Marketer

Transportation of Customer-owned gas from a Supplier that has met the qualifications of service under SC 19 Transportation, Balancing and Aggregation Service. Transportation will be on a firm basis from a Company receipt point to the Customer's delivery point.

MONTHLY DELIVERY SERVICE RATES: (per month)

1. Base Rates:

a. Volumetric Rate Structure

Customers with DG units less than one (1) megawatt and Customers with DG units between one (1) and five (5) megawatts may elect to receive under a volumetric rate structure or a three part demand/commodity rate structure. The default level of service for these Customers will be the volumetric rate structure.

i. Volumetric Rate Structure for Customers with DG units less than one (1) megawatt

First 1,000 cu.ft. or less	\$ 22.33
For all consumption over 1,000 cu.ft. per 100 cu.ft. during the months of November through March	\$ 0.101972
For all consumption over 1,000 cu.ft per 100 cu.ft. during the months of April through October	\$ 0.089098

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