

PSC NO: 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 8/01/05
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO.04-G-1047 DATED 7/22/05.

LEAF: 296
REVISION: 3
SUPERSEDING REVISION: 2

CLASSIFICATION No. 22

TRANSITIONAL PROPANE SERVICE - Continued

7. Reserve Capacity Cost Adjustment

All gas delivered under this Service Classification shall be subject to the Reserve Capacity Cost Adjustment charge per 100 cubic feet as described in General Information Section 19.b.(1)(a)ii..

8. Propane Adjustment for Transitional Propane Customers

Rates for Transitional Propane Customers shall include an annual adjustment equal to: 1) beginning in the second year of service Transitional Propane Customers shall be charged a Propane Adjustment equal to 20% of the difference between the cost of propane and the Company's cost of natural gas included in SC 1 and SC 3 sales rates; 2) beginning in the third year of service Transitional Propane Customers shall be charged a Propane Adjustment equal to 40% of the difference between the cost of propane and the Company's cost of natural gas included in SC 1 and SC 3 sales rates; 3) beginning in the fourth year of service Transitional Propane Customers shall be charged a Propane Adjustment equal to 60% of the difference between the cost of propane and the Company's cost of natural gas included in SC 1 and SC 3 sales rates; and 4) beginning in the fifth year of service Transitional Propane Customers shall be charged a Propane Adjustment equal to 84% of the difference between the cost of propane and the Company's cost of natural gas included in SC 1 and SC 3 sales rates.

9. Increase in Rates in Municipality Where Service is Supplied

The rates and charges under this Service Classification including charges specified under Special Provisions of this Service Classification, Delivery Adjustment and Monthly Gas Supply Charge shall be increased pursuant to Section 35, General Information, to reflect the tax rates applicable within the municipality where the Customer is taking service.

10. Lost Revenue Recovery Charge

All gas delivered under this Service Classification shall be subject to the Lost Revenue Recovery Charge as described in General Information Section 45.

MINIMUM CHARGE

Customers receiving service under this rate schedule shall pay a minimum charge as specified in the rate section of this tariff.

TERMS OF PAYMENT

All bills are due and are subject to a late payment charge in accordance with the provisions of Section 8.e., General Information.

Payment for gas service may also be made in the manner prescribed in Section 16 as hereinbefore set forth under General Information.

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