

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: 158  
REVISION: 9  
SUPERSEDING REVISION: 7

## SERVICE CLASSIFICATION No. 3 (Cont'd)

GENERAL - Continued

- d. Research and Development (R&D) Surcharge  
All gas delivered under this Service Classification shall be subject to the R&D surcharge per 100 cubic feet described in General Information Section 43.
  - e. Transition Costs Associated with FERC Order No. 636  
All gas delivered under this Service Classification shall be subject to the monthly Order No. 636 transition cost surcharge per 100 cubic feet as described in General Information Section 19.k.
  - f. 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.
  - g. 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.
3. Weather Normalization Adjustment  
All gas delivered under this Service Classification shall be subject to a refund/surcharge per 100 cubic feet as set forth in Section 36, General Information.

## MONTHLY COST OF GAS:

In addition to the above delivery service charges Customers purchasing their gas supply service from the Company will pay the Monthly Gas Supply Charges per 100 cubic feet of gas supplied by the Company which shall be the sum of the Monthly Gas Supply Cost as explained in General Information Section 19.b.(1)(b), plus the Merchant Function Charge as specified in General Information Section 46.

## INCREMENTAL MONTHLY COST OF GAS:

Under special circumstances when transportation Customers return from Marketers to sales service under periods of rising prices the Company may, at its discretion, establish a incremental Monthly Gas Supply Charge to be billed to the returning Customers. Notice of such rate shall be published in a monthly statement as appropriate.

## INCREASE IN RATES WHERE SERVICE IS SUPPLIED:

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

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