

..DID: 14295
..TXT: PSC NO: 8 GAS LEAF: 140
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 01/02/01 SUPERSEDING REVISION: 0
STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE 00-M-1556 DATED 12/21/00.
RECEIVED: 12/29/00 STATUS: Effective EFFECTIVE: 01/02/01
GENERAL INFORMATION (Cont'd)

II. 35. CONTINUED

The tax imposes a net income tax under Article-9A of the New York State Law. The State income tax surcharge (SIT) will be the difference between gross receipts tax prior to the tax law change and the gross receipts tax surcharge currently in effect until the SIT is rolled into base billing rates.

Pursuant to the October 11, 2000 procedure effective January 1, 2000 the Company will match any over-collections resulting from the gross receipt tax phase-down against under-collections of the SIT. Net over-collections will be deferred for either pass back to customers or matching against future undercollections. Net underecollections will be deferred until they are exceeded by over-collections or until the Company determines there will be no net savings from the legislation.

Issued by D.F. Smith, President, 10 Lafayette Square, Buffalo NY 14203
(Name of Officer, Title, Address)