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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1

INITIAL EFFECTIVE DATE: 04/01/99 SUPERSEDING REVISION: 0

STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 97-G-1380 ET AL. DATED 03/

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GENERAL INFORMATION (Cont*d)

II. CONTINUED

c. Recovery of Transition Surcharge

The Company shall calculate a surcharge each month to be billed under the rates and charges of the following Service Classification Nos.: 1, 2, 3, 4, 5, 6, 7, 8, 9, and 20 and 13D and 13M Customers receiving service from Suppliers under Service Classification No. 19.

The monthly Transition Surcharge shall be calculated as follows:

ts (\$/ccf) = \$cap/tput

Where:

ts = Transition Surcharge (\$/ccf).

\$cap = Amount of capacity costs identified as stranded in General Information Section 42.b.

tput = Historical normalized consumption (in ccf) for the most recent twelve (12) month period for the following Service Classification Nos.: 1, 2, 3, 4, 5, 6, 7, 8, 9, and 20, and 13D and 13M Customers receiving service from Suppliers under Service Classification No. 19.

The ts rate shall be calculated monthly and filed with the Company's monthly Statement of Gas Adjustment. All revenues collected through the ts shall be included as purchase gas cost revenue for determining the Annual Surcharge or Refund under General Information Section 19.f.

Issued by P.C. Ackerman, President, 10 Lafayette Square, Buffalo NY 14203 (Name of Officer, Title, Address)