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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0  
INITIAL EFFECTIVE DATE: 04/01/98 SUPERSEDING REVISION:  
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GENERAL INFORMATION (Cont\*d)

## II. 19.f. CONTINUED

## 1) Demand Costs

## a) Interruptible Sales

No demand charges will be assigned to interruptible sales.

## b) Firm Sales

For firm sales contracts with a term of one year or more ("long term firm sales contracts"), the demand cost of gas shall be based upon the rolling 12 month volume weighted purchased gas demand charges allocable to long term firm sales contracts which are listed as the demand charges and storage charges billed to the Company by upstream pipelines and producers which is sufficient to recover the cost of all purchased gas demand charges allocable to long term firm sales contracts.

For firm sales contracts with a term of less than one year ("short term firm sales contracts"), no demand charges will be directly allocated. In lieu of a direct allocation of demand charges, all revenues net of gas costs from short term firm sales contracts will be included in the calculation of transportation sales and transportation service credits defined in Section 19.i. of the General Information.

## 2) Commodity Costs

## a) Non-Streamed Sales

The cost of gas shall be the weighted average commodity cost of gas delivered to the Company through upstream pipelines as calculated in the Company's monthly gas adjustment.

## b) Streamed Sales

The cost of gas shall be the particular gas supply allocated to the customer as identified in the customer's SC 14 contract.

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