..DID: 15852 ..TXT: PSC NO: 8 GAS LEAF: 78 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 3 INITIAL EFFECTIVE DATE: 06/01/01 SUPERSEDING REVISION: 2 STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 00-G-1858 DATED 05/30/01. Cancelled by 4 Rev. Leaf No. 78 Effective 05/01/2002 RECEIVED: 06/01/01 STATUS: Cancelled EFFECTIVE: 06/01/01 GENERAL INFORMATION (Cont*d)

- II. 19.e. CONTINUED
 - (3) Interest shall be computed on the unrefunded balance from the date of receipt of the refund

until the refund is returned to the customers, at least at the rate prescribed by the Commission for consumer deposits.

(4) Where exceptional circumstances warrant, the utility may petition the Commission for waiver

of the above refunded plan.

f. Annual Surcharge or Refund

A surcharge or refund to recover gas adjustment undercollections or refund gas adjustment overcollections shall be computed as follows:

(1) By taking the cost of purchased gas adjusted for supplier refunds and liquefied petroleum feedstocks including enrichment products used in the manufacture of gas as recorded on the Company's books during the determination period, adjusting that cost to reflect a level of purchased gas commensurate with actual sales and the fixed factor of adjustment as

determined in the preceding rate proceeding, and subtracting therefrom an amount equal to

(i) the Base Cost of Gas as defined in Section II.19.b.(2) above multiplied by the quantities

of gas purchased by the Company for each Service Classification as computed in Section

II.19.c.(1) above, (ii) the Gas Adjustment revenues adjusted to eliminate the revenue tax effect, (iii) the costs assignable to gas sold to nonjurisdictional customers, (iv) the costs assignable to gas sold under Service Classification Nos. 4, 5 (Demand and Commodity Base Rate Components), 10, 11, 12, and 14, (v) the surplus imbalance amount collected from

all classes of transportation customers, (vi) purchase gas cost revenues recovered under the balancing charges included in the monthly metered transportation rates and the daily metered transportation rates, (vii)(a) the previous year's overcollections with interest to the extent not refunded, or (b) adding the previous year's undercollection with interest to the extent not recovered, (viii) storage gas transfer rate revenue, including any Demand Transfer Recovery

Rate Revenue, associated with gas in storage transferred to Suppliers under SC 19, (ix) purchase gas cost revenues recovered under the Reserve Capacity Cost Charge included in

the rates and charges of Service Classification Nos. 13D and 13M, and (x) the Transition Surcharge revenues recovered through the rates and charges of the Service Classification

numbers identified in General Information Section 42.

(2) The costs assignable to gas sold under Service Classifications Nos. 11, 12, and 14 will be determined as follows: