Received: 02/01/1999 Status: CANCELLED Effective Date: 04/01/1999

..DID: 7060

..TXT: PSC NO: 8 GAS LEAF: 148.1

COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0

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

STAMPS: ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 93-G-0932 DATED 11/03/98.

Cancelled by 1 Rev. Leaf No. 148.1 Effective 04/01/1999

RECEIVED: 02/01/99 STATUS: Cancelled EFFECTIVE: 04/01/99

GENERAL INFORMATION (Cont*d)

II. CONTINUED

42. STRANDED CAPACITY COST CHARGE

a. Determination of Stranded Capacity Volume

For Customers converting from firm service under Service Classification Nos. 1, 2, 3, 4, 5, 7, 8, 9, 12, or 20 to any transportation service offered by the Company under Service Classification Nos. 13M, 13D, or 21, on or after May 1, 1996, the amount of capacity identified as stranded shall be the amount of capacity associated with Customers or their Suppliers using their own capacity to bring gas to the Company's City Gate to meet the Customers' extreme peak day requirements, less upstream pipeline capacity terminated by the Company after April 1, 1999 which has been replaced by Supplier-held capacity.

b. Determination of Stranded Capacity Costs

The amount of capacity costs identified as stranded shall be calculated as follows:

cap = tcap/ucap x ucap

Where:

\$cap = Amount of capacity costs identified as stranded.

tcap = The amount of capacity associated with Customers or their Suppliers using their own capacity to bring gas to the Company*s City Gate to meet the Customers* extreme peak day requirements, less upstream pipeline capacity terminated by the Company after April 1, 1999 which has been replaced by Supplier-held capacity, as determined in Section 42.a.

ucap = Total upstream pipeline capacity contracted by the Company for delivery to the Company*s City Gate.

ucap\$ = Total annual cost of all upstream capacity contracted by the Company including storage and intermediate pipeline capacity net of capacity costs included in the Reliability Capacity Charge under Service Classification No. 21, other capacity costs recovered directly through transportation rates and capacity release revenues credited towards gas cost as defined under General Information Section 19.g.

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