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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
INITIAL EFFECTIVE DATE: 05/01/02 SUPERSEDING REVISION: 0
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GENERAL INFORMATION (Cont*d)

II. 19.f. CONTINUED

- (i) 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
 - (j) the Stranded Capacity revenues recovered through the rates and charges of the Service Classification numbers identified in General Information Section 42 and 42A.
- (2) The costs assignable to gas sold under Service Classification Nos. 11, 12 and 14 will be determined as follows:

(a) Service Classification No. 11 - Deficiency Imbalance Sales Service

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 Supply Charge.

(b) Service Classification No. 12 - Standby Sales Service

1) Demand Costs

For standby contracts with a term of one year or more ("long term standby contracts"), the demand cost of gas shall be based upon the rolling 12 month volume weighted purchased gas demand charges allocable to long term standby 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 standby contracts.

For standby contracts with a term of less than one year ("short term standby contracts"), no demand charges will be directly allocated. In lieu of a direct allocation of demand charges, all revenues from short term standby demand charges 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

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 Supply Charge.

(c) Service Classification No. 14 - Sales Service For Transportation Customers

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(Name of Officer, Title, Address)