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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 0

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GENERAL INFORMATION (Cont*d)

II. 8.d. CONTINUED

The Company shall render a downwardly revised backbill as soon as reasonably possible and within two months after the Company becomes aware that the first backbill was excessive.

The Company shall not render a backbill for any underbilling when the reason for the underbilling is apparent from the customer's service application, or could have been revealed in a service application and the Company failed to obtain and retain one.

When the failure to bill at an earlier time was due to Company deficiency, the Company shall not bill a non-residential customer for service rendered more than 12 months before the Company actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the non-residential customer knew or reasonably should have known that the original billing was incorrect.

The Company shall not bill a customer for service rendered more than 24 months before the utility actually became aware of the circumstance, error, or condition that caused the underbilling, unless the Company can demonstrate that the customer knew or reasonably should have known that the original billing was incorrect.

(4) Fixed-Factor Billing

The Company may use Fixed-Factor Billing in lieu of pressure correcting devices to determine the actual gas consumption of those customers receiving gas at a regulated metering pressure higher than normal delivery pressure of 0.25 pounds per square inch gauge. The Fixed-Factor Method involves the application of Boyle's Law (volume correction for pressure) to the uncorrected registration of the gas meter.

In instances where the Fixed-Factor Method is used, the amount of gas determined from the meter reading shall be multiplied by a factor derived from the following formula:

<u>(Pb & Pm) (Fpb)</u>² = Billing Multiplier PB

Pb is the average barometric pressure, calculated for the Company's service area, and measured in pounds per square inch absolute.

Pm is the delivery or metering pressure measured in pounds per square inch gauge.

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