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GENERAL INFORMATION (Cont\*d)

## II. CONTINUED

### 19. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS

#### a. Factor of Adjustment

Except as provided in Section II.19.a.1. below, the rates for gas service under Service Classification Nos. 1, 2, 3, 5, 7, 8 and 9, shall be subject each month to an addition or deduction of \$.0001 per 100 cubic feet for each \$.0001 per 100 cubic feet increase or decrease in the Average Cost of Gas (see Section II.19.c.) above or below the specified Base Cost of Gas (see Section II.19.b.). Such increase or decrease shall be multiplied by the factor of adjustment ratio of 2.60% as determined in Case 95-G-1009 and rounded to the nearest \$.0001 per 100 cubic feet.

- (1) The rates for gas service customers enrolled in the FPO program under Service Classifications Nos. 1, 2 and 3 shall be subject to an addition or deduction of \$.0001 per 100 cubic feet for each \$.0001 per 100 cubic feet increase or decrease in the Average Cost of Gas (see Section II.19.c.) as determined by the Company less the Base Cost of Gas (see Section II.19.b.). Such addition or deduction shall be fixed for the billing period December through April. The result shall be multiplied by the factor of adjustment ratio of 2.60% as determined in Case 95-G-1009 and rounded to the nearest \$.0001 per 100 cubic feet.

#### b. Base Cost of Gas

- (1) The Base Cost of Gas per 100 cubic feet, used to calculate the factor of adjustment explained in Section II.19.a. above, is 30.6787 cents.
- (2) The Base Cost of Gas per 100 cubic feet included in the base rates of Service Classification Nos. 1, 2, and 3 is 30.6787 cents.

The Base Cost of Gas per 100 cubic feet included in the base rates of Service Classification No. 5 is divided into demand and commodity components. The demand component is equal to the average annual supplier demand and winter requirements charges included in the Company's rates under Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 for the current billing month, expressed on a billing demand unit basis. The commodity component is the Base Cost of Gas as defined in Section II.19.b.(1) above, minus the average annual supplier demand and winter requirements charges included in the Company's rate under Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 for the current billing month

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