PSC NO: 8 GAS COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION INITIAL EFFECTIVE DATE: 10/1/2006

STATEMENT TYPE: MFC STATEMENT NO: 18

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MERCHANT FUNCTION CHARGE

Effective With Usage During Billing Period Commencing October 1, 2006 Applicable to Billings Under Service Classification Nos. 1, 2, 2A, and 3 NATIONAL FUEL GAS DISTRIBUTION CORPORATION P.S.C. No. 8 - GAS

	Residential ¢ per Ccf	Non-Residential ¢ per Ccf
Monthly Gas Supply Charge	65.0597	65.0597
Merchant Function Charge Factor	2.7420%	0.3040%
Merchant Function Charge	1.7839	0.1978

Date: September 28, 2006

Issued by <u>R.J. Tanski, President, 6363 Main Street, Williamsville, NY 14221</u> (Name of Officer, Title, Address)