PSC NO: 8 GAS COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION INITIAL EFFECTIVE DATE: 04/01/05

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RESERVE CAPACITY COST ADJUSTMENT STATEMENT AND RESERVE CAPACITY COST STATEMENT

Effective With Usage During Billing Period Commencing April 1, 2005 Applicable to Usage Under Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 AND 13D and 13M NATIONAL FUEL GAS DISTRIBUTION CORPORATION

P.S.C. No. 8 - GAS

Daily Temperature Swing/Peaking Reserve Capacity Costs	Total NY Monthly Capacity <u>Dth</u> (A)	Total NY Annual Capacity <u>Dth</u> (B)	April Demand Rate <u>\$/Dth</u> (C)	Total Demand <u>Cost</u> (D=BxC)	
NFGSC EFT Capacity Temperature Swing NFGSC ESS Delivery Temperature Swing NFGSC ESS Capacity Temperature Swing Nexen Empire Peaking Total Daily Temperature Swing/Peaking Reserve Capacity Costs	111,844.0 84,980.0 3,994,060.0 27,412.0 27,412.0	1,342,128.0 1,019,760.0 47,928,720.0 328,944.0 328,944.0	\$3.5569 \$2.1345 \$0.0432 \$5.0167 \$0.7694	\$4,773,815 \$2,176,678 \$2,070,521 \$1,650,213 <u>\$253,090</u> \$10,924,317	
Total Annual Normalized Sales and Total Aggregation Volumes (Mcf)				72,321,881	
Daily Temperature Swing/Peaking Reserve				\$0.1511	
Capacity Costs per Mcf Base Reserve Capacity Charge Reserve Capacity Cost Adjustment (\$/Mcf) (.	15111418)			<u>\$0.1418</u>	<u>\$0.0093</u>
Applicable to SC1, 2, 3, 5, 7, 8, and 9 Less: Storage and Capacity Costs Recovered through SC 13M Rates				<u>\$0.0928</u>	
Reserve Capacity Cost Charge (\$/Mcf) (.151) Applicable to 13M and 13D rates	10928)				<u>\$0.0583</u>

Date: March 29, 2005

Issued by <u>D.F. Smith, President, 6363 Main Street, Williamsville NY 14221</u> (Name of Officer, Title, Address)