

PSC NO: 8 GAS  
 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 INITIAL EFFECTIVE DATE: 8/1/05  
**ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 04-G-1047 DATED JULY 22, 2005**

STATEMENT TYPE: DAC  
 STATEMENT NO: 40

Page 1 of 1

STATEMENT OF DELIVERY ADJUSTMENT CHARGE  
 (Issued Under Authority of 16 NYCRR Sec. 270.55)

Effective With Usage On and After August 1, 2005  
 Applicable to Billings Under Service Classification Nos. 1, 2, 3, 5, 7, 8 and 9  
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 P.S.C. No. 8 - GAS

APPLICABLE SERVICE TERRITORY	<u>¢ per Ccf</u> All Territory
<b>TAKE OR PAY RECOVERY</b> Amount applicable during the period July1, 2005 through June 30, 2006 for Take or Pay Reconciliation pursuant to General Information Leaf No. 144 of P.S.C. No. 8 - Gas.	(0.0030)
<b>R &amp; D FUNDING MECHANISM</b> Amount applicable during the period August 1, 2005 through December 31, 2005 for R & D Funding Mechanism pursuant to Commission Order in Case 04-G-1047.	0.0910
<b>TRANSITION COST SURCHARGE</b> Intermediate Transition Cost Surcharge pursuant to General Information Leaf No. 148.2 applicable during the period August 1, 2005 through August 31, 2005.	0.1460
Upstream Transition Cost Surcharge pursuant to General Information Leaf No. 148.1 applicable during the period August 1, 2005 through August 31, 2005.	0.0000
<b>RESERVE CAPACITY COST ADJUSTMENT</b> Amount applicable to changes in reserve capacity costs as calculated in the attached Reserve Capacity Cost Adjustment Statement.	0.0001
<b>LOST REVENUE ASSOCIATED WITH MFC AND BILLING CHARGE</b> Amount applicable to loss revenue associated with the Merchant Function Charge and the Billing Charge.	0.0000
<b>TOTAL DELIVERY COST ADJUSTMENT</b> Commencing with the gas used on and after August 1, 2005 and thereafter until changed, the delivery cost adjustment will be.	<b>0.2341</b>

Date: July 29, 2005

Issued by D.J. Seeley, President, 6363 Main Street, Williamsville, NY 14221  
 (Name of Officer, Title, Address)