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

STATEMENT TYPE: DAC STATEMENT NO: 21

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

Effective With Usage On and After January 1, 2004 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
TAKE OR PAY RECOVERY Amount applicable during the period July 1, 2003 through June 30, 2004 for Take or Pay Reconciliation pursuant to General Information Leaf No. 144 of P.S.C. No. 8 - Gas	(0.003)
TRANSITION COSTS Amount applicable for the recovery of transition costs from Transportation customers in accordance with the Commission's Order in Case 93-G-0932 issued on March 28, 1999	0.000
R & D FUNDING MECHANISM Amount applicable during the period January 1, 2004 through December 31, 2004 For R & D Funding Mechanism pursuant to Commission Order in Case 99-G-1369	0.149
TRANSITION COST SURCHARGE Intermediate Transition Cost Surcharge pursuant to General Information Leaf No. 148.2 applicable during the period January 1, 2004 through January 31, 2004	0.103
Upstream Transition Cost Surcharge pursuant to General Information Leaf No. 148.1 applicable during the period January 1, 2004 through January 31, 2004	0.007
RESERVE CAPACITY COST ADJUSTMENT Amount Applicable to changes in reserve capacity costs as calculated in the attached Reserve Capacity Cost Adjustment Statement	0.052
TOTAL DELIVERY COST ADJUSTMENT Commencing with the gas used on and after January 1, 2004 And therafter until changed, the delivery cost adjustment will be	0.308

Date: December 29, 2003

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