

PSC NO: 8 GAS
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE 6/1/2010

STATEMENT TYPE: CIP
STATEMENT NO: 3

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STATEMENT OF CONSERVATION INCENTIVE PROGRAMS COST RECOVERY

Effective With Usage During Billing Period Commencing June 1, 2010
Applicable to Usage Under Service Classification Nos. 1, 2, 2A, 2B, 3, 5, 7, 8, 9, 13D, 13M, 23 and 24
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

Pursuant to Tariff Leaf No. 148.9 PSC No. 8 GAS the following rates will be in effect to recover cost associated with the Company's Conservation Incentive Programs ("CIPs")

1. Monthly surcharge recovered in the Delivery Adjustment Charge of SC 1, SC 2, SC 2A, SC 3, SC 5, SC 7, SC 8, and SC 9

| | | | | | |
|---|-------------|------------|---------|--|--|
| a.) To recover annual amount of \$10,290,000 Reconciliation for TME 12/31/09 applicable 3/1/10 - 2/28/11 | | | | | \$0.015784 per Ccf (\$0.001720) per Ccf |
| b.) To recover \$56,329 of CIP costs through 12/31/10 associated with the commercial and industrial new construction program | | | | | \$0.000116 per Ccf |
| c.) To recover cost through 12/31/10 associated with the following programs as approved by Commission in Case 07-M-0548 issued January 4, 2010. | | | | | |
| High Performance with Energy Star Program | \$1,112,377 | \$0.003288 | per Ccf | | |
| New York Energy Star Homes | \$819,646 | \$0.002423 | per Ccf | | |
| Assisted Home Performance with Energy Star Program | \$325,688 | \$0.000963 | per Ccf | | |
| EmPower New York | \$325,688 | \$0.000963 | per Ccf | | |

Grand Total recovered in Delivery Adjustment Charge **\$0.021817** per Ccf

2. Monthly surcharge recovered from SC 13M and SC 13D

| | TC 1.1 \$/Mcf | TC 2.0 \$/Mcf | TC 3.0 \$/Mcf | TC 4.0 \$/Mcf | TC 4.1 \$/Mcf |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Multi Family annual amount of \$1,326,620 | \$0.079570 | \$0.079570 | \$0.079570 | \$0.000000 | \$0.079570 |
| Commercial & Industrial annual amount of \$684,135 | \$0.030870 | \$0.030870 | \$0.030870 | \$0.030870 | \$0.030870 |
| Commercial & Industrial New Construction Program cost of \$56,329 recovered through 12/31/10 | \$0.001160 | \$0.001160 | \$0.001160 | \$0.001160 | \$0.001160 |
| Grand Total recovered in SC 13M & SC 13D rates | <u>\$0.111600</u> | <u>\$0.111600</u> | <u>\$0.111600</u> | <u>\$0.032030</u> | <u>\$0.111600</u> |

Date: May 28, 2010

Issued by A.M. Cellino, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)