Received: 12/29/2010

Status: CANCELLED Effective Date: 01/01/2011

PSC NO: 8 GAS COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION INITIAL EFFECTIVE D/ $1/1/2011\,$

STATEMENT TYPE: CIP STATEMENT NO: 10

Page 1 of 1

STATEMENT OF CONSERVATION INCENTIVE PROGRAMS COST RECOVERY

Effective With Usage During Billing Period Commencing January 1, 2011

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 2B, SC 3, SC 5, SC 7, SC 8, SC 9, SC 23 and SC 24

| a.) To recover annual amount of \$10,040,000 Reconciliation for TME 12/31/09 applicable 3/1/10 - 2/28/11 | | \$0.015401 per Ccf (\$0.001720) per Ccf |
|---|-------------|--|
| b.) To recover \$89,482 of CIP costs through 12/31/11 associated with the commercial and industrial new construction program | | \$0.000101 per Ccf |
| c.) To recover cost through 12/31/11 associated with the following programs as approved by Commission in Case 07-M-0548 issued June 24, 2010. | | |
| High Performance with Energy Star Program | \$1,483,170 | \$0.002275 per Ccf |
| New York Energy Star Homes | \$1,092,862 | • |
| Assisted Home Performance with Energy Star Program | \$434,251 | \$0.000666 per Ccf |
| EmPower New York | \$610,243 | \$0.000936 per Ccf |
| Grand Total recovered in Delivery Adjustment Charge | | \$0.019335 per Ccf |

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

| Costs through 12/31/11 | TC 1.1 \$/Mcf | TC 2.0 \$/Mcf | TC 3.0 \$/Mcf | TC 4.0 \$/Mcf | TC 4.1 \$/Mcf |
|---|------------------|------------------|------------------|------------------|------------------|
| Multi Family annual - \$1,623,421 | \$0.097370 | \$0.097370 | \$0.097370 | \$0.000000 | \$0.097370 |
| Existing Facilities annual - \$106,113 | \$0.004460 | \$0.004460 | \$0.004460 | \$0.004460 | \$0.004460 |
| Commer. & Industrial annual - \$581,128 | \$0.024440 | \$0.024440 | \$0.024440 | \$0.024440 | \$0.024440 |
| Commer. & Indus. New Construction annual - \$89,482 | \$0.001010 | \$0.001010 | \$0.001010 | \$0.001010 | \$0.001010 |
| Agriculture Energy Efficiency annual - \$35,023 | \$0.001470 | \$0.001470 | \$0.001470 | \$0.001470 | \$0.001470 |
| Industrial & Process Efficiency annual - \$405,463 | \$0.017050 | \$0.017050 | \$0.017050 | \$0.017050 | \$0.017050 |
| Flex Tech annual - \$89,696 | \$0.003770 | \$0.003770 | \$0.003770 | \$0.003770 | \$0.003770 |
| Grand Total recovered in SC 13M & SC 13D rates | \$0.149570 | \$0.149570 | \$0.149570 | \$0.052200 | \$0.149570 |

Date: December 29, 2010

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