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COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION STATEMENT NO: 39

INITIAL EFFECTIVE DATE: 06/01/01

STAMPS:

Cancelled by Statement WACC Number 40 Effective 07/01/2001

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STATEMENT OF UPSTREAM PIPELINE WEIGHTED AVERAGE CAPACITY COST

Effective With Usage During Billing Period Commencing June 1, 2001
Applicable to Usage Under Service Classification No. 19
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

Option 1) Upstream Pipeline Transmission Capacity Only

Upstream Pipeline Transmission Capacity allocated to customers within the STBA group and assigned to the Supplier pursuant to the Upstream Capacity Requirements section of Service Classification No. 13M. The cost of a pro-rata share of upstream pipeline transmission capacity (*inclusive* of transmission capacity on National Fuel Gas Supply Corporation) is \$15.4638 /Mcf per daily quantity released per month.

Option 2) Upstream Pipeline Transmission Capacity and Storage Capacity Allocation

Upstream Pipeline Transmission Capacity and Storage Capacity allocated to the Supplier pursuant to the Determination of Allocated Upstream Pipeline Transmission and Storage Capacity section of Service Classification No. 19. The cost of a pro-rata share of upstream pipeline transmission capacity (*exclusive* of transmission capacity on National Fuel Gas Supply Corporation) is \$11.7491 /Mcf per daily quantity released per month.

The applicable transmission and storage capacity on National Fuel Gas Supply Corporation shall be released at the maximum rates for such services.

Date: May 29, 2001

Issued by <u>D.F. Smith, President, 10 Lafayette Square, Buffalo NY 14203</u> (Name of Officer, Title, Address)