

National Fuel Gas Distribution Corporation  
6363 Main Street  
Williamsville, NY 14221

December 29, 2010

Hon. Jaclyn A. Brilling, Secretary  
New York State Department of Public Service  
Three Empire State Plaza  
Albany, NY 12223-1350

Dear Secretary Brilling:

Enclosed is an electronic version of Monthly Gas Supply Charge Statement No. 113 applicable to Service Classification Nos. 1, 2, and 3, and Delivery Adjustment Charge Statement No. 106 applicable to Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 of our Rate Schedule P.S.C. No. 8 – Gas. The Monthly Gas Supply Charge Statement No. 113 and the Delivery Adjustment Charge Statement No. 106 will be effective commencing with gas used on or after January 1, 2011.

The estimated amount related to surcharges and credits included in Statements No. 106 & 113 is \$3,564,000 based on estimated January 2011 sales of 77,250,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is an increase of \$1,790,000 on a monthly basis.

The surcharge calculation for January 2011 Intermediate Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.2 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.01610 /Mcf is applicable for January 1, 2011 through January 31, 2011.

The surcharge calculation for January 2011 Upstream Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.1 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.00000 /Mcf is applicable for January 1, 2011 through January 31, 2011.

The CIPs Statement No. 10 has been updated to include rates effective January 1, 2011 pursuant to General Leaf Nos. 148.9.1 and 148.9.2 of P.S.C. No 8 – Gas.

The Company's Annual Reconciliation filing for the twelve months ended August 31, 2010, pursuant to General Leaf Nos. 78 and 81 of P.S.C. No. 8 – Gas is included. The unit refund of \$0.5290/Mcf is applicable for the period January 1, 2011 through December 31, 2011.

The calculation for the Research and Development Funding Mechanism pursuant to Commission Order in Case 04-G-1047 is included as a workpaper. The unit surcharge of \$0.0048/Mcf is applicable for the period January 1, 2011 through December 31, 2011.

In addition, Deficiency Imbalance Sales Service Rate Statement No. 163, Demand Transfer Recovery Rate Statement No. 158, Gas Transportation Statement No. 157, Natural Gas Vehicle Statement No. 163, Standby Sales Service Rate Statement No.163, Transportation Sales Service Rate Statement No. 165, Reserve Capacity Cost Statement No. 123, Weather Normalization Clause Multipliers Statement No. 106, Distributed Generation Statement No. 92, LIRA Minimum Charge Statement No. 67, Merchant Function Charge Statement No. 73, Incremental Monthly Gas Supply Charge Statement No. 69, Low Income Customer Affordability Assistance Program Statement No. 58, State Income Tax Credits Statement No. 38, Mandatory Upstream Transmission Capacity ("MUTC") Statement No. 21, Temporary State Assessment Charge ("TSA") Statement No. 19 and Conservation Incentive Programs Cost Recovery ("CIPs") Statement No.10 are included.

This statement is filed in compliance with 16 NYCRR, Section 270.55. Information pertaining to section 270.55d(7) will be delivered under separate cover letter.

In connection with this filing, the Company is also required to submit information that contains trade secrets. Accordingly, the Company has filed the required information with the Department Records Access Officer, together with a request for trade secret protection under the Commission's regulation. The instant filing includes redacted copies of the documents submitted to the Department Records Access Officer. The information for which trade secret protection has been requested is deleted. Copies of the same documents, with the redacted sections shaded (but legible) for identification, are being submitted to the Department Records Access Office under separate cover.

Very truly yours,

Eric H. Meini  
General Manager  
Rates & Regulatory Affairs

Encl.