

PSC NO: 8 GAS
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 8/1/2006

STATEMENT TYPE: IGC
STATEMENT NO: 12

Page 1 of 2

STATEMENT OF INCREMENTAL MONTHLY GAS SUPPLY CHARGE
(Issued Under Authority of 16 NYCRR Sec. 270.55)

Effective With Usage On and After August 1, 2006
Applicable to Billings Under Service Classification Nos. 1 and 3 for Customers above 3,500 Mcf
per Year Returning to Sales Service from Transportation Service
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

| APPLICABLE SERVICE TERRITORY | <u>¢ per Ccf</u> All Territory |
|--|-----------------------------------|
| AVERAGE COST OF GAS | |
| The average cost of gas (as defined in Leaf No. 74) determined on September 30, 2005 by applying the rates and charges of the Company's gas suppliers' in effect on August 1, 2006 | |
| AVERAGE COST - COMMODITY | 81.5676 |
| AVERAGE COST - DEMAND | <u>10.8868</u> |
| TOTAL AVERAGE COST | 92.4544 |
| LOST AND UNACCOUNTED FOR | |
| Adjustment of gas sold, pursuant to Factor of Adjustment Provision on General Information Leaf Nos. 74 of P.S.C. No. 8 -Gas. Commencing with the gas used on and after August 1, 2006 | 1.8398 |
| ANNUAL REFUND/SURCHARGE | |
| Adjustment of gas sold, pursuant to Annual Surcharge or Refund Provision on General Information Leaf Nos. 78 and 81 of P.S.C. No. 8 - Gas. Amount applicable during the period January 1, 2005 through December 31, 2005 referable to gas adjustment undercollection for the twelve months ended August 31, 2004. | (1.1830) |
| INTERIM ANNUAL REFUND/SURCHARGE | |
| Adjustment of gas sold, pursuant to Interim Annual Surcharge or Refund provision on General Information Leaf No. 81 of P.S.C. No. 8 - Gas. Amount applicable during the period February 1, 2006 through August 31, 2006 referable to gas adjustment undercollection for the twelve months ending August 31, 2006. | 5.0700 |

Issued by R.J. Tanski, President, 6363 Main Street, Williamsville, NY 14221
(Name of Officer, Title, Address)

Page 2 of 2

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|--|-----------------------------------|
| BOILER FUEL SALES AND TRANSPORTATION SERVICE BENEFITS | |
| Adjustment of gas sold, pursuant to Boiler Fuel Sales and Transportation Service Benefits on General Information Leaf No. 83 and 84 of P.S.C. No. 8 - Gas; Surcharge applicable during the period January 1, 2005 through December 31, 2005. | 1.3280 |
| OFF-SYSTEM SALES, CAPACITY RELEASE CREDIT AND SC11 MARGIN | |
| Amount applicable during the period November 1, 2005 through March 31, 2006 for Off-System Sales, Capacity Release Credit, and Service Class 11 Margin pursuant to General Information Leaf No. 82 of P.S.C. No. 8 - Gas. | - |
| REFUND PROVISION | |
| Amount applicable for Gas Supplier Redunds pursuant to General Information Leaf No. 77 of P.S.C. No. 8 - Gas. | 0.0000 |
| TOTAL ADJUSTMENTS | 7.0548 |
| TOTAL INCREMENTAL MONTHLY GAS SUPPLY CHARGE BEFORE MFC FOR SC1 AND SC3 | 99.5092 |
| MERCHANT FUNCTION CHARGE FOR SC 1 | 2.7285 |
| Commencing with the gas used on and after August 1, 2006 and thereafter until changed, the incremental monthly gas supply charge will be for SC 1 | 102.2377 |
| MERCHANT FUNCTION CHARGE FOR SC 3 | 0.3025 |
| Commencing with the gas used on and after August 1, 2006 and thereafter until changed, the incremental monthly gas supply charge will be for SC 3 | 99.8117 |

Date: July 28, 2006

Issued by R.J. Tanski, President, 6363 Main Street, Williamsville, NY 14221
 (Name of Officer, Title, Address)