

PSC NO: 8 GAS
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 1/1/2007

STATEMENT TYPE: RCC
STATEMENT NO: 74

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RESERVE CAPACITY COST ADJUSTMENT STATEMENT
AND
RESERVE CAPACITY COST STATEMENT

Effective With Usage During Billing Period Commencing January 1, 2007
Applicable to Usage Under Service Classification Nos. 1, 2, 3, 5, 7, 8, 9 and Non-Large Industrial 13M and 13D9
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

	Total NY Monthly Capacity <u>Dth</u> (A)	Total NY Annual Capacity <u>Dth</u> (B)	Demand Rate <u>Dth</u> (C)	Total Demand <u>Cost</u> (D=BxD)
<u>Daily Temperature Swing/Peaking Reserve Capacity Costs</u>				
NFGSC EFT Capacity Temperature Swing	158,367.0	1,900,404.0	3.5570	\$6,759,737
NFGSC ESS Delivery Temperature Swing	104,467.0	1,253,604.0	2.1345	\$2,675,818
NFGSC ESS Capacity Temperature Swing	731,269.0	8,775,228.0	0.0432	\$379,090
Nexen	15,000.0	180,000.0	4.5400	\$817,200
Empire Peaking	0.0	0.0	0.0000	\$0
Nexen	16,000.0	192,000.0	4.5400	\$871,680
Central NY Oil & Gas	24,264.0	291,168.0	2.2500	\$655,128
Tennessee Lateral	24,000.0	288,000.0	1.3077	\$376,618
Total Daily Temperature Swing/Peaking Reserve Capacity Costs				\$12,535,271
Peaking to classes other than TC 4.0 - %				95.359%
Peaking to classes other than TC 4.0 - \$				\$11,953,509
Total Annual Normalized Sales and Total Aggregation Volumes (Mcf)				83,927,152
Daily Temperature Swing/Peaking Reserve Capacity Costs per Mcf				\$0.14243
Base Reserve Capacity Charge				\$0.14632
Reserve Capacity Cost Adjustment (\$/Mcf) (.13848-.14632)				(\$0.00389)
(applicable to SC1,2,3,5,7, 9 and Non-Large Industrial 13M)				
DMT Factor				10.770%
Non-Large Industrial SC 13D				(\$0.00042)

Date: December 29, 2006

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

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RESERVE CAPACITY COST ADJUSTMENT STATEMENT
AND
RESERVE CAPACITY COST STATEMENTEffective With Usage During Billing Period Commencing January 1, 2007
Applicable to Usage Under Service Classification Nos. 13M and 13D TC 4.0
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

	Total NY Monthly Capacity Dth (A)	Total NY Annual Capacity Dth (B)	Demand Rate Dth (C)	Total Demand Cost (D=BxD)
<u>Daily Temperature Swing/Peaking Reserve Capacity Costs</u>				
NFGSC EFT Capacity Temperature Swing	158,367.0	1,900,404.0	3.5570	\$6,759,737
NFGSC ESS Delivery Temperature Swing	104,467.0	1,253,604.0	2.1345	\$2,675,818
NFGSC ESS Capacity Temperature Swing	731,269.0	8,775,228.0	0.0432	\$379,090
Nexen	15,000.0	180,000.0	4.5400	\$817,200
Empire Peaking	0.0	0.0	0.7694	\$0
Nexen	16,000.0	192,000.0	4.5400	\$871,680
Central NY Oil & Gas	24,264.0	291,168.0	2.2500	\$655,128
Tennessee Lateral	24,000.0	288,000.0	1.3077	\$376,618
Total Daily Temperature Swing/Peaking Reserve Capacity Costs				\$12,535,271
Peaking to TC 4.0 - %				4.641%
Peaking to TC 4.0 - \$				\$581,762
Total Annual Normalized Sales and Total Aggregation Volumes (Mcf)				9,388,599
Daily Temperature Swing/Peaking Reserve Capacity Costs per Mcf				\$0.06196
Base Reserve Capacity Charge				\$0.05332
Reserve Capacity Cost Adjustment (\$/Mcf) (.05756-.05332) (applicable to SC13M TC 4.0)				\$0.00864
DMT Factor				13.540%
SC 13D TC 4.0				\$0.00117

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