

PSC NO: 8 GAS
COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 2/1/06

STATEMENT TYPE: RCC
STATEMENT NO: 63

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RESERVE CAPACITY COST ADJUSTMENT STATEMENT
AND
RESERVE CAPACITY COST STATEMENT

Effective With Usage During Billing Period Commencing February 1, 2006
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 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 | 92,303.2 | 1,107,638.4 | 2.1345 | \$2,364,254 |
| NFGSC ESS Capacity Temperature Swing | 646,122.7 | 7,753,472.4 | 0.0432 | \$334,950 |
| Nexen | 27,412.0 | 328,944.0 | 5.0167 | \$1,650,213 |
| Empire Peaking | 27,412.0 | 328,944.0 | 0.7694 | \$253,090 |
| 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 | 1.3000 | \$374,400 |
| Total Daily Temperature Swing/Peaking Reserve Capacity Costs | | | | \$13,263,452 |
| Peaking to classes other than TC 4.0 - % | | | | 95.359% |
| Peaking to classes other than TC 4.0 - \$ | | | | \$12,647,895 |
| Total Annual Normalized Sales and Total Aggregation Volumes (Mcf) | | | | 86,317,594 |
| Daily Temperature Swing/Peaking Reserve Capacity Costs per Mcf | | | | \$0.14653 |
| Base Reserve Capacity Charge | | | | \$0.14632 |
| Reserve Capacity Cost Adjustment (\$/Mcf) (.14633-.14632) | | | | \$0.00021 |
| (applicable to SC1,2,3,5,7, 9 and Non-Large Industrial 13M) | | | | |
| DMT Factor | | | | 10.770% |
| Non-Large Industrial SC 13D | | | | \$0.00002 |

Date: January 27, 2006

Issued by D.J. Seeley, 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 February 1, 2006
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 | 92,303.2 | 1,107,638.4 | 2.1345 | \$2,364,254 |
| NFGSC ESS Capacity Temperature Swing | 646,122.7 | 7,753,472.4 | 0.0432 | \$334,950 |
| Nexen | 27,412.0 | 328,944.0 | 5.0167 | \$1,650,213 |
| Empire Peaking | 27,412.0 | 328,944.0 | 0.7694 | \$253,090 |
| 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 | 1.3000 | \$374,400 |
| Total Daily Temperature Swing/Peaking Reserve Capacity Costs | | | | \$13,263,452 |
| Peaking to TC 4.0 - % | | | | 4.641% |
| Peaking to TC 4.0 - \$ | | | | \$615,557 |
| Total Annual Normalized Sales and Total Aggregation Volumes (Mcf) | | | | 10,107,459 |
| Daily Temperature Swing/Peaking Reserve Capacity Costs per Mcf | | | | \$0.06090 |
| Base Reserve Capacity Charge | | | | \$0.05332 |
| Reserve Capacity Cost Adjustment (\$/Mcf) (.05332-.05332) (applicable to SC13M TC 4.0) | | | | \$0.00758 |
| DMT Factor | | | | 13.540% |
| SC 13D TC 4.0 | | | | \$0.00103 |

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