Received: 01/28/2005 Status: CANCELLED Effective Date: 02/01/2005

PSC NO: 8 GAS COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION

INITIAL EFFECTIVE DATE: 02/01/05

STATEMENT TYPE: DISS STATEMENT NO: 85

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STATEMENT OF DEFICIENCY IMBALANCE SALES SERVICE RATE

Effective With Usage During Billing Period Commencing February 1, 2005
Applicable to Billings Under Service Classification No. 11
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
P.S.C. No. 8 - GAS

| | \$ Per Ccf |
|--|-------------------|
| Billing Rate | |
| Monthly Gas Cost | \$0.830470 |
| Plus: Base Reserve Capacity Cost | \$0.014180 |
| Plus: Delivery Adjustment Charge | <u>\$0.004070</u> |
| Rate for Delivery Deficiencies between $0-2\%$ of total monthly throughput | \$0.848720 |
| Seasonal Premium Factor (November - March) | 125% |
| Rate for Delivery Deficiencies above 2% of total monthly throughput | \$1.060900 |

The rates listed above are in addition to the appropriate transportation service rate charged to the customer for the volumes of gas purchased by the customer under this service classification.

Date: January 28, 2005

Issued by D.F. Smith, President, 6363 Main Street, Williamsville NY 14221 (Name of Officer, Title, Address)