

PSC NO: 8 GAS
 COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 INITIAL EFFECTIVE DATE: 8/1/05
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 04-G-1047 DATED JULY 22, 2005

STATEMENT TYPE: MFC
 STATEMENT NO: 1

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MERCHANT FUNCTION CHARGE

Effective With Usage During Billing Period Commencing August 1, 2005
 Applicable to Billings Under Service Classification Nos. 1, 2, 2A, and 3
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 P.S.C. No. 8 - GAS

	Residential ¢ per Ccf	Non-Residential ¢ per Ccf
Monthly Gas Supply Charge	92.1133	92.1133
Merchant Function Charge Factor	<u>2.7420%</u>	<u>0.3040%</u>
Merchant Function Charge	<u><u>2.5257</u></u>	<u><u>0.2800</u></u>

Pursuant to the terms of the Settlement Agreement and Joint Proposal in Case 04-G-1047 the amount of the LIRA discount may be adjusted downward by the Company if it is anticipated that the amount of discount at forecast enrollment levels will cause the Company to exceed the \$5 million expense cap.

Date: July 29, 2005

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