Received: 11/26/2004 Status: CANCELLED Effective Date: 12/01/2004

PSC NO: 8 GAS STATEMENT TYPE: RCC COMPANY: NATIONAL FUEL GAS DISTRIBUTION CORPORATION STATEMENT NO: 49

INITIAL EFFECTIVE DATE: 12/01/04

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RESERVE CAPACITY COST ADJUSTMENT STATEMENT AND RESERVE CAPACITY COST STATEMENT

Effective With Usage During Billing Period Commencing December 1, 2004 Applicable to Usage Under Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 AND 13D and 13M NATIONAL FUEL GAS DISTRIBUTION CORPORATION

P.S.C. No. 8 - GAS

Daily Temperature Swing/Peaking Reserve Capacity Costs	Total NY Monthly Capacity <u>Dth</u> (A)	Total NY Annual Capacity <u>Dth</u> (B)	December Demand Rate \$/Dth (C)	Total Demand Cost (D=BxC)	
NFGSC EFT Capacity Temperature Swing	111,844.0	1,342,128.0	\$3.5568	\$4,773,681	
NFGSC ESS Delivery Temperature Swing	84,980.0	1,019,760.0	\$2.1345	\$2,176,678	
NFGSC ESS Capacity Temperature Swing	3,994,060.0	47,928,720.0	\$0.0432	\$2,070,521	
Nexen	27,412.0	328,944.0	\$5.0167	\$1,650,213	
Empire Peaking	27,412.0	328,944.0	\$0.7694	<u>\$253,090</u>	
Total Daily Temperature Swing/Peaking				\$10,924,183	
Reserve Capacity Costs					
Total Annual Normalized Sales and Total Aggregation Volumes (Mcf)				72,321,881	
Daily Temperature Swing/Peaking Reserve Capacity Costs per Mcf				\$0.1510	
Base Reserve Capacity Charge Reserve Capacity Cost Adjustment (\$/Mcf) (.15101418)			<u>\$0.1418</u>	\$0.0092
Applicable to SC1, 2, 3, 5, 7, 8, and 9 Less: Storage and Capacity Costs Recovered through SC 13M Rates Reserve Capacity Cost Charge (\$/Mcf) (.151 Applicable to 13M and 13D rates				<u>\$0.0928</u>	<u>\$0.0582</u>

Date: November 26, 2004

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