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..TXT:

National Fuel Gas Distribution Corporation
10 Lafayette Square
Buffalo, NY 14203

August 27, 1999

Hon. Debra Renner, Acting Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Dear Acting Secretary Renner:

Enclosed is an electronic version of Gas Adjustment Statement No. 18 applicable to Service Classification Nos. 1, 2, 3, 5, 7, 8 and 9 of our Rate Schedule P.S.C. No. 8 - Gas. The Gas Adjustment Statement No. 18 will be effective commencing with gas used on or after September 1, 1999.

The estimated amount related to surcharges and credits included in Statement No. 18 is \$70,000 based on estimated September 1999 sales of 19,004,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is an increase of \$29,499,100 on an annual basis.

The surcharge calculation for July 1999 in accordance with the Gas Cost Incentive Mechanism described in General Information Leaf Nos. 87 and 88 of P.S.C. No. 8 is included. Surcharge reconciliation for June 1999 is also included. The unit surcharge of \$0.0134/Mcf is applicable for September 1, 1999 through September 30, 1999.

The surcharge calculation for September 1999 Transition Cost Surcharge pursuant to General Leaf No. 148.2 of P.S.C. No 8 - Gas is included as a workpaper. The unit surcharge of \$0.0934 /Mcf is applicable for September 1, 1999 through September 30, 1999.

In addition, Customer Balancing and Aggregation Statement No. 18, Deficiency Imbalance Sales Service Rate Statement No. 18, Demand Transfer Recovery Rate Statement No. 18, Gas Transportation Statement No. 18, Natural Gas Vehicle Statement No. 18, Standby Sales Service Rate Statement No. 18, Transportation Sales Service Rate Statement No. 18, Upstream Pipeline Weighted Average Capacity Cost Statement No. 18, Revenue Credit Statement No. 11 and Reliability Capacity Cost Statement No. 7 are included.

This statement is filed in compliance with 16 NYCRR, Section 270.55. Information pertaining to section 270.55d(7) will be delivered under separate cover letter.

In connection with this filing, the Company is also required to submit information that contains trade secrets. Accordingly, the Company has filed the required information with the Department Records Access Officer, together with a request for trade secret protection under the Commission's regulation. The instant filing includes redacted copies of the documents submitted to the Department Records Access Officer. The information for which trade secret protection has been requested is deleted. Copies of the same documents, with the redacted sections shaded (but legible) for identification, are being submitted to the Department Records Access Office under separate cover.

Very truly yours,

Ronald J. Grabowski
General Manager, Valuation

Encl.