

National Fuel Gas Distribution Corporation  
6363 Main Street  
Williamsville, NY 14221

November 25, 2009

Hon. Jaclyn A. Brilling, Secretary  
New York State Department of Public Service  
Three Empire State Plaza  
Albany, NY 12223-1350

Dear Secretary Brilling:

Enclosed is an electronic version of Monthly Gas Supply Charge Statement No. 99 applicable to Service Classification Nos. 1, 2, and 3, and Delivery Adjustment Charge Statement No. 93 applicable to Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 of our Rate Schedule P.S.C. No. 8 – Gas. The Monthly Gas Supply Charge Statement No. 99 and the Delivery Adjustment Charge Statement No. 93 will be effective commencing with gas used on or after December 1, 2009.

The estimated amount related to surcharges and credits included in Statements No. 93 & 99 is \$2,530,000 based on estimated December 2009 sales of 57,040,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is an increase of \$1,216,800 on a monthly basis.

The surcharge calculation for December 2009 Intermediate Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.2 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.01880 /Mcf is applicable for December 1, 2009 through December 31, 2009.

The surcharge calculation for December 2009 Upstream Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.1 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.00000 /Mcf is applicable for December 1, 2009 through December 31, 2009.

The Company's Interim Annual Reconciliation filing for the twelve months ended August 31, 2010, pursuant to General Information Leaf No. 81 of P.S.C. No. 8- Gas is included. The unit refund of \$0.8558/Mcf is applicable for the period December 1, 2009 through August 31, 2010. This interim reconciliation corresponds to a reduction of \$30.8 million of gas cost revenues for the period December 1, 2009 through August 31, 2010. Based on current market price projections the Company is projecting an overcollection of gas costs for the twelve months ending August 31, 2010 of \$65.5 million. This projection of overcollected gas costs is subject to the actual level of market prices for the upcoming months which have been demonstrated to be extremely volatile over the past 18 months. Given this volatility, the Company has based its interim reconciliation on refunding 50% of the overcollection of gas costs (\$61.5 million) actually experienced in the month September 2009. This interim reconciliation (assuming current projections occur) would reduce the annual reconciliation amount to be refunded beginning January 1, 2011 from \$65.5 (\$1.4707/Mcf refund) to \$34.8 million (\$0.7806/Mcf refund). As can be seen from sheet 4 of the interim reconciliation schedule, the interim reconciliation will result in more stable gas rates to customers associated with this element of their gas cost rate for the winter 2010-2011. The Company will monitor its projection of gas cost under and over recovery on a monthly basis and may adjust this interim reconciliation refund if needed.

The Company is also including in its workpapers the revised Conservation Incentive Program rate calculation in compliance with the Commission's order in Case No. 07-G-0141 dated October 19, 2009.

In addition, Deficiency Imbalance Sales Service Rate Statement No. 149, Demand Transfer Recovery Rate Statement No. 144, Gas Transportation Statement No. 144, Natural Gas Vehicle Statement No. 149, Standby Sales Service Rate Statement No. 149, Transportation Sales Service Rate Statement No. 151, Reserve Capacity Cost Statement No. 110, Weather Normalization Clause Multipliers Statement No. 93, Distributed Generation Statement No. 78, LIRA Minimum Charge Statement No. 54, Merchant Function Charge Statement No. 59, Incremental Monthly Gas Supply Charge Statement No. 55, Low Income Customer Affordability Assistance Program Statement No. 45, State Income Tax Credits Statement No. 25, Mandatory Upstream Transmission Capacity ("MUTC") Statement No. 8 and Temporary State Assessment Charge ("TSA") Statement No. 6 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,

Eric H. Meini  
General Manager  
Rates & Regulatory Affairs

Encl.