

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

February 27, 2012

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. 127 applicable to Service Classification Nos. 1, 2, and 3, and Delivery Adjustment Charge Statement No. 120 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. 127 and the Delivery Adjustment Charge Statement No. 120 will be effective commencing with gas used on or after March 1, 2012.

The estimated amount related to surcharges and credits included in Statements No. 120 & 127 is \$1,383,000 based on estimated sales of 67,370,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is a decrease of \$1,390,700 on a monthly basis.

The surcharge calculation for March 2012 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 \$0.02230 /Mcf is applicable for March 1, 2012 through March 31, 2012.

The surcharge calculation for March 2012 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 March 1, 2012 through March 31, 2012.

Included as workpapers are the reconciliation filings associated with the Merchant Function Charge for Procurement, Records and Collection, and Storage Inventory Carrying Costs. Also included are the reconciliation filings for Conservation Incentive Program, Lost Revenue and Purchase of Receivables to be included in the DAC. The reconciliation period is TME 12/31/11, to be applicable for the period March 1, 2012 through February 28, 2013.

Also included is a unit surcharge of \$0.03260/Mcf for the Revenue Decoupling Mechanism applicable for the period March 1, 2012 through February 28, 2013.

In addition, Deficiency Imbalance Sales Service Rate Statement No. 177, Demand Transfer Recovery Rate Statement No. 172, Gas Transportation Statement No. 171, Natural Gas Vehicle Statement No. 177, Standby Sales Service Rate Statement No. 177, Transportation Sales Service Rate Statement No. 179, Reserve Capacity Cost Statement No. 137, Weather Normalization Clause Multipliers Statement No. 120, Distributed Generation Statement No. 106, LIRA Minimum Charge Statement No. 81, Merchant Function Charge Statement No. 87, Incremental Monthly Gas Supply

Charge Statement No. 83, Low Income Customer Affordability Assistance Program Statement No. 72, State Income Tax Credits Statement No. 52, Mandatory Upstream Transmission Capacity ("MUTC") Statement No. 35, Temporary State Assessment Charge ("TSA") Statement No. 33 and Conservation Incentive Programs Cost Recovery ("CIPs") Statement No.24 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. Meinel
General Manager
Rates & Regulatory Affairs

Encl.