

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

PENNSYLVANIA DIVISION

53.53 III. BALANCE SHEET AND OPERATING STATEMENT

A. ALL UTILITIES

25. Submit details of expenditures for advertising (National and Institutional and Local Media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:
- a. *Public health and safety.*
 - b. Conservation of energy.
 - c. Explanation of billing practices, rates, etc.
 - d. Provision of factual and objective data programs in educational institutions.
 - e. Other advertising programs.
 - f. Total advertising expense.

For a schedule of advertising expense by major media categories for the twelve months ended January 31, 2004, 2005, and 2006, see Page 2.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ADVERTISING SUMMARY**

Exhibit No. 4
Schedule 8
Witness: Friedrich-Alf
Page 2

	<u>Period Ending 1/31/2006</u>	<u>Period Ending 1/31/2005</u>	<u>Period Ending 1/31/2004</u>
<u>NEWSPAPER</u>			
a. Public Health & Safety	\$4,694	\$0	\$0
b. Conservation	165,385	38,339	52,848
c. Billing, Rates, Supply, etc.	75,272	195,391	104,297
d. Educational Institutional Programs	0	0	0
e. Other Advertising Programs	31,135	15,489	20,772
Total Newspaper Advertising Expense	\$276,486	\$249,219	\$177,917
<u>TELEVISION</u>			
a. Public Health & Safety	\$0	\$0	\$0
b. Conservation	77,515	38,945	93,755
c. Billing, Rates, Supply, etc.	12,123	1,885	16,000
d. Educational Institutional Programs	0	0	0
e. Other Advertising Programs	250	250	14,695
Total Television Advertising Expense	\$89,888	\$41,080	\$124,450
<u>RADIO</u>			
a. Public Health & Safety	\$0	\$0	\$0
b. Conservation	68,696	32,777	53,600
c. Billing, Rates, Supply, etc.	23,133	13,002	62,075
d. Educational Institutional Programs	0	0	0
e. Other Advertising Programs	248	99	1,210
Total Radio Advertising Expense	\$92,077	\$45,878	\$116,885
<u>MAGAZINES & MISCELLANEOUS</u>			
a. Public Health & Safety	\$500	\$778	\$0
b. Conservation	59,682	52,795	53,778
c. Billing, Rates, Supply, etc.	5,538	1,926	945
d. Educational Institutional Programs	0	0	0
e. Other Advertising Programs	36,802	39,388	39,773
Total Mag. & Misc. Advertising Expense	\$102,522	\$94,887	\$94,496
<u>BILL INSERTS & BROCHURES</u>			
a. Public Health & Safety	\$7,304	\$2,406	\$0
b. Conservation	0	0	2,615
c. Billing, Rates, Supply, etc.	18,174	13,115	21,221
d. Educational Institutional Programs	0	0	0
e. Other Advertising Programs	7,356	3,619	10,172
Total Bill Insert Advertising Expense	\$32,834	\$19,141	\$34,008
Grand Total	\$593,807	\$450,204	\$547,756

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

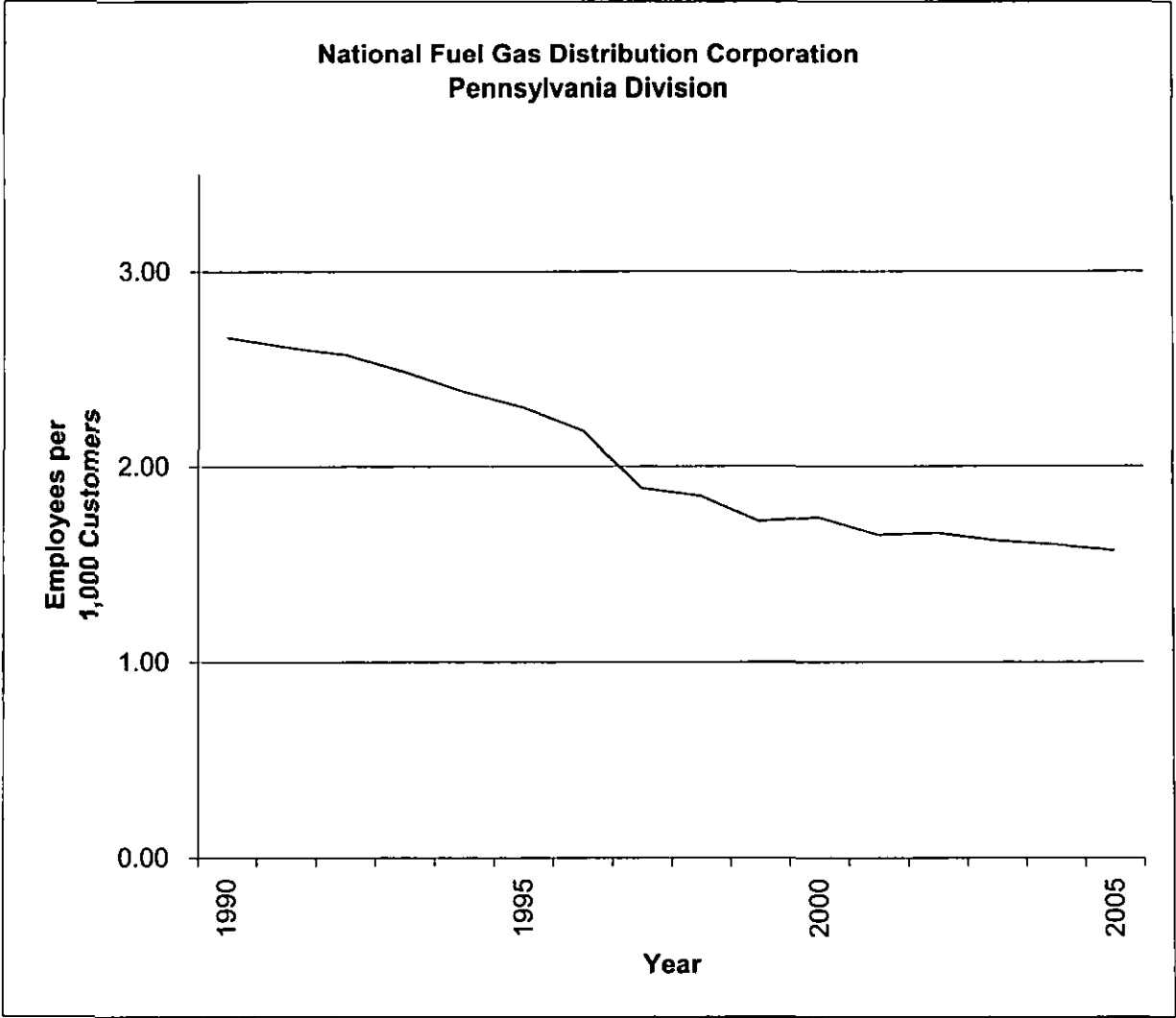
29. Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.

National Fuel Gas Distribution Corporation – Pennsylvania Division has incurred Research and Development expenditures as described in Statement No. 14 and as shown in Exhibit No. 104 Schedule 2.

National Fuel Gas Distribution Corporation
Pennsylvania Division

53.53 III. Balance Sheet and Operating Statement
A. All Utilities

33. Provide a Labor Productivity Schedule



NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

22 Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:

- a. Supply a copy of contracts, if applicable.
- b. Explain the nature of the services provided.
- c. Explain basis on which charges are made.
- d. If charges allocated, identify allocation factors used.
- e. Supply the components and amounts comprising the expense in this account.
- f. Provide details of initial source of charge and reason thereof.

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- a. See Pages 2 - 12.
 - b. See Pages 2 - 12.
 - c. Charges are made on a direct charge basis at the time services are rendered.
 - d. See Pages 13 - 16.
 - e. See Pages 13 - 16.
 - f. See Pages 2 - 12.

SERVICE AGREEMENT

AGREEMENT, dated as of the 4th day of January,
1993, between NATIONAL FUEL GAS COMPANY, a New Jersey
corporation ("National"), NATIONAL FUEL GAS DISTRIBUTION
CORPORATION, a New York corporation ("Distribution"), NATIONAL
FUEL GAS SUPPLY CORPORATION, a Pennsylvania corporation
("Supply"), SENECA RESOURCES CORPORATION, a Pennsylvania
corporation ("Seneca"), PENN-YORK ENERGY CORPORATION, a New York
corporation ("Penn-York"), EMPIRE EXPLORATION, INC., a New York
corporation ("Empire"), UTILITY CONSTRUCTORS, INC., a
Pennsylvania corporation ("UCI"), HIGHLAND LAND AND MINERALS,
INC., a Pennsylvania corporation ("Highland"), ENEROP
CORPORATION, a New York corporation ("Enerop"), DATA-TRACK
ACCOUNT SERVICES, INC., a New York corporation ("Data-Track")
and NATIONAL FUEL RESOURCES, INC., a New York corporation
("NFR").

WITNESSETH:

WHEREAS, Distribution, Seneca, Penn-York, Supply, Empire,
UCI, Highland, Enerop, Data-Track and NFR are wholly-owned
subsidiaries of National and therefore, affiliated members of
the National Fuel Gas System ("System"), which is organized for,
and presently engaged primarily in, the business of producing,
storing, transporting and distributing natural gas; and

WHEREAS, National and its affiliates desire, need and require from time to time the administrative, engineering and technical aid, assistance and advice of personnel experienced in the operation and management of gas and other properties who are employed by members of the System, and have agreed concerning the nature and extent of the assistance and service required, and the amounts to be paid as compensation therefor, and do hereby desire to evidence their agreement in writing;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the parties hereto agree as follows:

ARTICLE I

SERVICES TO BE FURNISHED BY
SUPPLY, DISTRIBUTION, SENECA, PENN-YORK,
EMPIRE, UCI, HIGHLAND, ENEROP, DATA-TRACK AND NFR

Supply, Distribution, Penn-York, Seneca, Empire, UCI, Highland, Enerop, Data-Track and NFR may from time to time furnish personnel, equipment and other resources on either a regular or emergency basis in order to perform administrative, engineering, accounting, maintenance, management or other functions on behalf of one or more of the other operating companies in the System, which, without limiting the generality of the foregoing, shall include the following:

A. Administrative. Assistance in developing recommendations and guidelines for computing and allocating expenses; advice as to the need for additions to, or improvements in property, plant and equipment; guidance in developing appropriate changes in rates, rules and regulations for the various affiliates; and assistance in the conduct of proceedings before those regulatory bodies exercising jurisdiction over the various subsidiaries.

B. Engineering. Engineering services designed to assist in the planning, operation, maintenance and construction of plant facilities, including specifically: maintenance and operation of measuring and regulating station equipment and supervision and operation of storage facilities, gas holders and purification equipment, as well as transmission and distribution mains, regulating stations, compressor stations, production facilities and fuel measuring equipment. Engineering services shall also include the conduct of field investigations in order to obtain information required for the preparation of studies, reports, maps, designs and drawings, as well as the development of cost estimates, specifications and contracts for actual construction.

C. Employee Relations. Assistance in the procurement and employment of qualified personnel, establishment of appropriate

rates of pay, and advice in negotiating with bargaining units representing employees of the various System companies.

D. Accounting. Maintenance of the general books of accounts, preparation of monthly financial statements and analysis of accounts including assistance in calculating the expenses and costs associated with storing, transporting, producing and distributing natural gas, and operating regulating stations, production facilities, compressor stations, gas holders and other facilities. Additional accounting services shall also include preparation of tax returns, development of financial statements required pursuant to National's indenture and assistance in reviewing and developing billing and accounting practices and related systems and procedures.

E. Data Processing. System analysis and programming, general accounting records and other financial analyses, as well as the development of projected Supply load requirements.

F. Maintenance. Providing such personnel, equipment and other resources as are required to maintain efficient and economical gas service and production, as well as repairing and replacing essential distribution and transmission mains, compressor stations and other physical plant.

This Agreement shall apply to incidental services explained above provided by members of the System to each other and shall not apply to the principal businesses of any subsidiaries of National. The principal businesses of each subsidiary, that shall not be the subject of this Agreement, are as follows:

<u>Subsidiary</u>	<u>Business</u>
Distribution	Natural gas sales, transportation and all other services governed by its tariffs filed with the New York Public Service Commission and the Pennsylvania Public Utility Commission
Supply	Natural gas sales, transportation, storage and all other services governed by its tariff filed with the Federal Energy Regulatory Commission
Seneca	Exploration for, and purchase and development of, oil and gas reserves; sale of production of such reserves and production and sale of timber and coal
Penn-York	Natural gas storage service, transportation and all other services governed by its tariff filed with the Federal Energy Regulatory Commission
Empire	Exploration for, and purchase and development of, oil and gas reserves and sale of production from such reserves
UCI	Pipeline construction, well-drilling and other construction
Highland	Operation of a sawmill and kiln and sale of production from the sawmill and kiln

Enerop	Invests in research and development projects related to the natural gas industry
Data-Track	Account collection and customer contact services
NFR	Natural gas marketing and brokerage

ARTICLE II

SERVICES TO BE FURNISHED BY NATIONAL

National may perform on behalf of Distribution, Supply, Penn-York, Empire, Seneca, UCI, Highland, Enerop, Data-Track and NFR those certain services as are described generally below:

A. Taxes. Prepare federal income tax returns for the System on a consolidated basis and file same with the Internal Revenue Service and coordinate any tax audits which may be associated with the aforesaid filing. Review and assist in the preparation and filing of state and local returns, and continually monitor and advise as to tax developments affecting the operations of System companies.

B. Treasury. Develop and implement financing programs on behalf of the System and arrange for the sale of System securities including the preparation of necessary papers, documents, statements, prospectuses, applications and declarations. Further, National may prepare the reports to be filed with, and reply to the inquiries made by security holders and bond and debenture trustees, assist in system cash

management, negotiate bank lines of credit and establish temporary investment programs.

C. Other Services. National shall make appropriate arrangements for the performance of transfer agent, registrar, shareholder relations, annual meeting, SEC disclosure, annual report and related holding company services.

The expenses incurred by National in its performance of such services described in this Article II shall be allocated to the subsidiaries on the basis of a common expense factor which shall be developed on the basis of net plant operated or other appropriate allocation factor.

ARTICLE III

PAYMENT OF CHARGES

Except as provided in Article II, in consideration of the services to be rendered as provided above, the companies receiving such services agree to pay their fair share of the costs thereof, as it is the intention of this Agreement that the payment for services rendered to System companies shall cover all the costs of providing said services, including overhead expenses but excluding capital costs.

The extent of services rendered by personnel for another company or in common with another company shall be based on actual time spent by such personnel as reflected in their daily time sheets or other mutually acceptable means of determination.

All costs incurred in connection with services rendered which can be identified and related exclusively to a company shall be charged directly to that Company. All costs, including out-of-pocket expenses, incurred in rendering services in common which cannot be identified to a specific company shall be allocated among all companies using allocation methods generally accepted by the industry for ratemaking and financial reporting purposes, except that data processing services shall be allocated on a time use basis with the data processing function treated as a separate cost center.

ARTICLE IV

DETERMINATION OF COST

In determining the cost to be assessed as provided in ~~Article III~~, there shall be added to the salaries of all employees for whom service charges are to be made, a percentage sufficient to cover the general overhead associated with such personnel which will include an allowance for sickness and vacation pay, payroll taxes and all employee benefits. Unit hourly equipment costs shall be developed based on operating expenses, insurance, maintenance and depreciation costs attributable to each individual class of equipment. Material costs shall be computed based on the average cost of the item as shown on the books of account of the individual company supplying the item.

In making the foregoing calculations, no overhead shall be charged by National and no general overhead of any System Company shall be added to costs incurred for services of non-affiliated consultants employed by such Company.

ARTICLE V

BILLING PRACTICES

As soon as practical after the last day of each month, or such other period as may be agreed upon by the respective companies, a billing shall be rendered for all amounts due for services and expenses for such period, computed pursuant to this Agreement. These bills shall be in sufficient detail to show separately the charge for each class of service rendered. All amounts so billed shall be paid within a reasonable time after receipt. The System companies shall keep their books and records available at all times for inspection by representatives of the other companies or by regulatory bodies having jurisdiction over them and upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof and the allocation of such costs among all companies party to this Agreement.

This Agreement shall be in full force and effect as of the date first mentioned above, subject to any necessary approval of governmental agencies having jurisdiction over this matter, and shall continue until terminated by any of the parties hereto

giving the others ninety days written notice of termination; provided, however, this Agreement shall terminate immediately with regard to any party as of the date such company ceases to be an affiliated member of the System.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

Attest:

By: *R. M. DiValerio*
R. M. DiValerio, Secretary

NATIONAL FUEL GAS COMPANY

By: *P. C. Ackerman* *CMC*
P. C. Ackerman, Senior Vice President

Attest:

By: *D. F. Smith*
D. F. Smith, Secretary

NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

By: *W. J. Hill* *CMC*
W. J. Hill, President

Attest:

By: *R. M. DiValerio*
R. M. DiValerio

NATIONAL FUEL GAS
SUPPLY CORPORATION

By: *R. Hare* *CMC*
R. Hare, President

Attest:

By: *G. T. Wehrin*
G. T. Wehrin, Secretary

SENECA RESOURCES CORPORATION

By: *P. C. Ackerman* *CMC*
P. C. Ackerman, President

Attest:

By: *R. M. DiValerio*
R. M. DiValerio, Secretary

PENN-YORK ENERGY CORPORATION

By: *P. C. Ackerman* *CMC*
P. C. Ackerman, President

Attest:

By: *R. J. Tanski*
R. J. Tanski, Secretary

EMPIRE EXPLORATION, INC.

By: *P. C. Ackerman* *enc*
P. C. Ackerman, President

Attest:

By: *D. F. Smith*
D. F. Smith, Secretary

UTILITY CONSTRUCTORS, INC.

By: *P. C. Ackerman* *enc*
P. C. Ackerman, President

Attest:

By: *J. P. Pawlowski*
J. P. Pawlowski, Secretary

HIGHLAND LAND AND MINERALS, INC.

By: *P. C. Ackerman* *enc*
P. C. Ackerman, President

Attest:

By: *R. M. DiValerio*
R. M. DiValerio, Secretary

ENEROP CORPORATION

By: *P. C. Ackerman* *enc*
P. C. Ackerman, President

Attest:

By: *D. F. Smith*
D. F. Smith, Secretary

DATA-TRACK ACCOUNT SERVICES, INC.

By: *P. C. Ackerman* *enc*
P. C. Ackerman, President

Attest:

By: *R. J. Tanski*
R. J. Tanski, Secretary

NATIONAL FUEL RESOURCES, INC.

By: *D. F. Smith* *enc*
D. F. Smith, President

CHARGES TO NATIONAL FUEL GAS DISTRIBUTION CORPORATION FROM
NATIONAL FUEL GAS SUPPLY CORPORATION
TWELVE MONTHS ENDED January 31, 2006
PENNSYLVANIA DIVISION

<u>ACCOUNT</u>	<u>FUNCTION</u>	<u>BASIS OF CHARGE</u>	<u>AMOUNT</u>
	<u>Operating</u>		
401200	Natural Gas Production	Actual	\$ 323
401300	Gas Supplies	"	66,578
401400	Storage	"	1,533
401500	Transmission	"	221,793
401600	Distribution	"	1,480,400
401700	Customer Accounts	"	73,508
401800	Customer Service	"	32,498
401900	Administrative & General	"	197,889
	<u>Maintenance</u>		
402200	Natural Gas Production	"	-
402300	Gas Supplies	"	7,384
402400	Storage	"	5,966
402500	Transmission	"	59,686
402600	Distribution	"	259,535
402900	Administrative & General	"	644
			<u>\$ 2,407,737</u>

CHARGES TO NATIONAL FUEL GAS DISTRIBUTION CORPORATION FROM
DATA-TRACK ACCOUNT SERVICES, INC.
TWELVE MONTHS ENDED January 31, 2006
PENNSYLVANIA DIVISION

<u>ACCOUNT</u>	<u>FUNCTION</u>	<u>BASIS OF CHARGE</u>	<u>AMOUNT</u>
<u>Operating</u>			
401200	Natural Gas Production	Actual	\$ -
401300	Gas Supplies	"	-
401400	Storage	"	-
401500	Transmission	"	-
401600	Distribution	"	-
401700	Customer Accounts	*Allocation	42,651
401800	Customer Service	"	-
401900	Administrative & General	"	-
<u>Maintenance</u>			
402200	Natural Gas Production	"	-
402300	Gas Supplies	"	-
402400	Storage	"	-
402500	Transmission	"	-
402600	Distribution	"	-
402900	Administrative & General	"	-
			<u>\$ 42,651</u>

*Allocated based on number of customer contacts

CHARGES TO NATIONAL FUEL GAS DISTRIBUTION CORPORATION FROM
NATIONAL FUEL GAS SUPPLY CORPORATION
TWELVE MONTHS ENDED January 31, 2005
PENNSYLVANIA DIVISION

<u>ACCOUNT</u>	<u>FUNCTION</u>	<u>BASIS OF CHARGE</u>	<u>AMOUNT</u>
<u>Operating</u>			
401200	Natural Gas Production	Actual	\$ 468
401300	Gas Supplies	"	47,939
401400	Storage	"	1,040
401500	Transmission	"	202,024
401600	Distribution	"	1,297,557
401700	Customer Accounts	"	39,994
401800	Customer Service	"	7,832
401900	Administrative & General	"	171,942
<u>Maintenance</u>			
402200	Natural Gas Production	"	-
402300	Gas Supplies	"	6,586
402400	Storage	"	66
402500	Transmission	"	40,149
402600	Distribution	"	153,937
402900	Administrative & General	"	<u>538</u>
			<u>\$ 1,970,073</u>

CHARGES TO NATIONAL FUEL GAS DISTRIBUTION CORPORATION FROM
DATA-TRACK ACCOUNT SERVICES, INC.
TWELVE MONTHS ENDED January 31, 2005
PENNSYLVANIA DIVISION

<u>ACCOUNT</u>	<u>FUNCTION</u>	<u>BASIS OF CHARGE</u>	<u>AMOUNT</u>
<u>Operating</u>			
401200	Natural Gas Production	Actual	\$ -
401300	Gas Supplies	"	-
401400	Storage	"	-
401500	Transmission	"	-
401600	Distribution	"	-
401700	Customer Accounts	*Allocation	47,884
401800	Customer Service	"	-
401900	Administrative & General	"	-
<u>Maintenance</u>			
402200	Natural Gas Production	"	-
402300	Gas Supplies	"	-
402400	Storage	"	-
402500	Transmission	"	-
402600	Distribution	"	-
402900	Administrative & General	"	-
			<u>\$ 47,884</u>

*Allocated based on number of customer contacts

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

23. Describe costs relative to leasing equipment , computer rental and office space, including terms and conditions of the lease, State the method of calculating monthly or annual payments.

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National Fuel Gas Distribution Corporation, Pennsylvania Division has leasing arrangements with various companies for the leasing of office and computer equipment, vehicles, meters and office space. Listed below are the leases with an explanation of the method used for calculating the monthly or annual payments.

	<u>Annual Payments</u>
<u>D.L. PETERSON</u>	\$ 807,908

Under this agreement, National Fuel leases vehicles and construction equipment for use in its operations. The schedules have lease terms of sixty, eight-four, ninety-six, and one hundred and twenty months. Monthly lease payments are based on "stepped lease" lease rate factors applied to the equipment cost for each unit, and are constant for each twelve month period.

<u>BANK OF AMERICA</u>	\$ 300,893
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Under this agreement, National Fuel leased gas meters for use in its operations. The lease schedules have terms of twelve years. The monthly payments were based on lease rate factors applied to the equipment for for each schedule, and remain constant throughout the lease term.

<u>M & T BANK / CREDIT CORP.</u>	\$ 70,933
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Under this agreement, National Fuel leased office technology equipment for use in its operations. The lease schedules have terms of three years. The monthly payments were based on lease rate factors applied to the equipment for for each schedule, and remain constant throughout the lease term.

Annual Payments

XEROX CORPORATION \$ 5,192

Under this agreement, National Fuel leases copiers for use in its operations. The lease schedules have a term of 5 years. Monthly payments are based on lease rate factors in effect at lease inception, and fixed for the length of the lease term.

AIRGAS GREAT LAKES, INC. \$ 884

Under this agreement, National Fuel rents/leases gas cylinders as needed for use in its operations. Rentals vary between 1 month - 1 year, with monthly payments at vendor's current monthly rental rate.

BOBCAT OF ERIE \$ 853

Under this agreement, National Fuel procured short term rental and transport of construction equipment as needed for use in its operations. The rentals typically have terms of 1 - 2 months, with monthly payments at vendor's current monthly rental rate.

DE LAGE LANDEN FINANCIAL SERVICES \$ 766

Under this agreement, National Fuel leased a copier for use in its operations. The lease schedule has a term of 5 years. Monthly payments are based on lease rate factors in effect at lease inception, fixed for the length of the lease term.

TOTAL \$ 1,187,428.81

Building leases

The following are the lease payments for Pennsylvania work locations:

1100 State St., Erie, PA - administrative office \$ 305,028
Harrisburg Apt. \$ 9,180

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

24. Submit detailed calculation (or best estimates) of the cost resulting from major storm damages.

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None.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

27. Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.

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During the twelve months ended January 31, 2006, the Pennsylvania Division paid \$825 for memberships to the Erie Club.

28. Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expense, for the test year and prior two comparable years.

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See pages 2 through 4 for an analysis of Account 923 - Outside Services Employed ; Account 928 - Regulatory Commission Expense and Account 930.2 - Miscellaneous General Expenses for the twelve months ended January 31, 2006, 2005 and 2004.

31. Provide a detailed analysis of Special Services - Account 795.

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The System of Accounts does not include Account 795 as Special Services.

32. Provide a detailed analysis of Miscellaneous General Expense - Account 801.

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The System of Accounts does not include Account 801 as Miscellaneous General Expense.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ACCOUNT 923 - OUTSIDE SERVICES EMPLOYED
TWELVE MONTHS ENDED JANUARY 31, 2006, 2005 & 2004

<u>VENDOR</u>	<u>1/31/06</u>	<u>1/31/05</u>	<u>1/31/04</u>
	\$	\$	\$
3 E Company	-	-	2,175
American Red Cross	60	3,600	-
Berkowitz Attorney Search	-	16,050	-
Bernard J Kennedy	-	10,194	24,332
Cambridge Advisory Group	8,651	-	-
Carney & Good	35,158	3,941	(1,185)
Common Expense	212,076	129,446	110,782
Compensation & Benefits Consulting	4,593	-	-
Connors & Vilaro, LLP	1,550	-	-
EMED Co., Inc.	-	-	-
Engineering & Fire Investigations	-	1,050	6,840
Francis J. Conway-Investigations, Inc.	7,441	1,863	3,094
Freed, Maxick & Battaglia, PC	3,976	6,419	5,007
Gannett Fleming, Inc.	1,550	-	-
Gary Cabday	903	-	-
Harter Secrest & Emery, LLP	-	-	3,778
Hay Group, Inc.	400	425	638
Hearing Conservation Associates	-	1,400	-
INCOM, Inc.	784	-	625
James W Sewall Company	8,310	-	-
Keefer Wood Allen & Rahal	-	2,476	6,918
Knox Law Firm	8,505	-	-
Knox, McLaughlin, Gornall & Sennet, PC	7,180	16,344	11,527
Miscellaneous	1,323	1,509	1,828
Morgan, Lewis, & Bockius	3,452	-	-
Occumed of WNY	-	1,815	-
Oracle USA, Inc.	10,436	-	-
Ostrowski & Associates	-	-	4,642
PA Field Services	-	-	2,108
Peoplesoft USA, Inc.	41,765	45,186	40,716
Phillips Lytle, LLP	49,248	-	-
PricewaterhouseCoopers, LLP	54,968	60,012	62,509
Professional Utility Service, Inc.	-	-	5,506
Quinn, Buseck, Leemhuis, Toohey & Kroto, Inc.	20,195	20,578	27,146
Richard Paul Bonfiglio, MD	-	8,825	6,225
Schmidt Long & Associates, Inc.	-	2,380	4,694
Sungard Availability Services, LP	406	487	-
Target Promotions, Inc.	-	3,149	-
Technical Assistance Bureau	-	-	37,925
United Field Services, Inc.	13,958	14,728	5,619
York Claims Service, Inc.	891	-	-
Total	<u>497,780</u>	<u>351,877</u>	<u>373,449</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ACCOUNT 928 - REGULATORY COMMISSION EXPENSES
TWELVE MONTHS ENDED JANUARY 31, 2006, 2005 & 2004

VENDOR	1/31/06	1/31/05	1/31/04
	\$	\$	\$
American Express	989	256	533
AUS Consulting	27,042	42,534	93,319
Engell Oneill	-	10,569	1,278
Federal Express	2,040	7,681	6,500
Flight Options	2,727	3,466	30,584
Gannett Fleming	5,133	19,973	20,999
Labor & Benefits	466,380	654,780	469,184
Matrix Imaging	2,382	-	-
Miscellaneous	520	299	191
Morgan, Lewis & Bockius	322,899	371,499	599,570
PaPUC Assessment	840,466	730,327	733,362
Phillips Lytle LLP	-	229	-
Post & Schell, PC	3,962	-	-
R.J. Rudden Associates, Inc.	-	-	4,226
Rapid Ray's Printing & Copying	-	-	1,551
The Farthing Press, Inc.	7,351	10,468	-
Wolf, Block, Schorr & Solis-Cohen, LLP	4,853	-	3,724
Total	1,686,742	1,852,081	1,965,020

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ACCOUNT 930.2 - MISCELLANEOUS GENERAL EXPENSES
TWELVE MONTHS ENDED JANUARY 31, 2006, 2005 & 2004

<u>VENDOR</u>	<u>1/31/06</u>	<u>1/31/05</u>	<u>1/31/04</u>
	\$	\$	\$
American Gas Association	110,100	86,208	96,944
Bank Service Fees	223,773	199,007	219,815
Common Expenses	(2,408)	7,139	11,979
Energy Association of Pennsylvania	59,100	-	54,310
General Management Training	416	6,654	2,338
Miscellaneous	35,707	20,165	36,903
Quality of Service	348	16,333	8,330
	<u>427,036</u>	<u>335,506</u>	<u>430,618</u>
Total			

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

30. Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.

.....

Note that the amount listed below is recorded below the line. As such, Distribution Corporation is not seeking recovery of this expense.

.....

National Fuel Gas Distribution Corporation
Pennsylvania Division
Account 426.1 - Miscellaneous Income Deductions - Donations
Twelve Months Ended January 31, 2006

Dr. Gertrude A. Barber Center 5,000.00

Total \$5,000.00

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

34. List and explain all non-recurring, abnormal or extraordinary expenses incurred in the test year which will not be present in future years.

.....

There were no non-recurring, abnormal or extraordinary expenses during the twelve months ended January 31, 2006.

35. List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g. - Non-yearly maintenance programs, etc.)

.....

None.

36. Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.

.....

For the twelve months ended January 31, 2006, no adjustments to operating and maintenance expense were made due to changes in accounting procedure.

37. Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.

.....

During the twelve months ended January 31, 2006, no expenses recorded on the books of the Company were due to the placement of major plant additions in service, or removal of plant from operating service.

38. Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.

.....

None.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

29. Provide intrastate operations percentages by expense categories for two years prior to the test year.

.....

See Page 2.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATION PERCENTAGE BY EXPENSE CATEGORIES
FOR THE TWELVE MONTHS ENDED JANUARY 31, 2006, 2005 AND 2004

	January 31, 2006		January 31, 2005		January 31, 2004	
	<u>Amount</u> \$	<u>Percent</u> %	<u>Amount</u> \$	<u>Percent</u> %	<u>Amount</u> \$	<u>Percent</u> %
NATURAL GAS PRODUCTION						
401200 Operation	4,468	0.01%	9,307	0.02%	5,251	0.01%
402200 Maintenance	<u>57,545</u>	<u>0.08%</u>	<u>467</u>	<u>0.00%</u>	<u>2,143</u>	<u>0.05%</u>
Total	<u>62,013</u>	0.09%	<u>9,774</u>	0.02%	<u>7,394</u>	0.02%
OTHER GAS SUPPLY						
401300 Operation	613,297	0.89%	680,945	1.12%	539,298	1.10%
402300 Maintenance	<u>33,475</u>	<u>0.05%</u>	<u>24,065</u>	<u>0.04%</u>	<u>15,506</u>	<u>0.03%</u>
Total	<u>646,772</u>	0.93%	<u>705,010</u>	1.16%	<u>554,804</u>	1.13%
STORAGE						
401400 Operation	0	0.00%	0	0.00%	0	0.00%
402400 Maintenance	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>
Total	<u>0</u>	0.00%	<u>0</u>	0.00%	<u>0</u>	0.00%
TRANSMISSION						
401500 Operation	555,049	0.80%	596,023	0.98%	405,179	0.82%
402500 Maintenance	<u>131,668</u>	<u>0.19%</u>	<u>136,478</u>	<u>0.22%</u>	<u>103,384</u>	<u>0.21%</u>
Total	<u>686,717</u>	0.99%	<u>732,501</u>	1.21%	<u>508,563</u>	1.04%
DISTRIBUTION						
401600 Operation	9,641,750	13.92%	9,129,644	15.02%	8,798,757	17.91%
402600 Maintenance	<u>3,468,561</u>	<u>5.01%</u>	<u>3,365,288</u>	<u>5.54%</u>	<u>3,081,971</u>	<u>6.27%</u>
Total	<u>13,110,311</u>	18.92%	<u>12,494,932</u>	20.56%	<u>11,880,728</u>	24.19%
CUSTOMER ACCOUNTS						
401700 Operation	22,996,803	33.19%	14,300,604	23.53%	12,292,003	25.02%
CUSTOMER SERVICE						
401800 Operation	4,849,343	7.00%	4,003,028	6.59%	4,180,355	8.51%
SALES PROMOTION						
401850 Operation	179,181	0.26%	146,216	0.24%	191,122	0.39%
ADMIN. & GENERAL						
401900 Operation	26,653,009	38.47%	28,292,484	46.55%	19,421,895	39.54%
402900 Maintenance	<u>94,551</u>	<u>0.14%</u>	<u>90,784</u>	<u>0.15%</u>	<u>86,952</u>	<u>0.18%</u>
Total	<u>26,747,560</u>	38.61%	<u>28,383,268</u>	46.70%	<u>19,508,847</u>	39.71%
Subtotal	<u>69,278,700</u>	100.00%	<u>60,775,333</u>	100.00%	<u>49,123,816</u>	100.00%
PURCHASED GAS						
401999 Operation	<u>277,661,794</u>	100.00%	<u>234,883,214</u>	100.00%	<u>231,280,476</u>	100.00%
Total Operation and Maintenance Expenses	<u>346,940,494</u>		<u>295,658,547</u>		<u>280,404,292</u>	

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

33. Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:

- (i) Gas Production Maintenance Expenses per Mcf production, per \$1,000 Mcf production, and per \$1,000 of Gross Production Plant;
- (ii) Transmission Maintenance Expenses per Mmcf mile and per \$1,000 of Gross Transmission Plant;
- (iii) Distribution Maintenance Expenses per customer and per \$1,000 per \$1,000 of Gross Distribution Plant;
- (iv) Storage Maintenance Expenses per Mmcf of Storage Capacity and per \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

.....

See Page 2.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
SCHEDULE OF MAINTENANCE EXPENSES AND GROSS PLANT
JANUARY 31, 2006, 2005, 2004 & 2003

	12 Months Ended			
	<u>1/31/06</u>	<u>1/31/05</u>	<u>1/31/04</u>	<u>1/31/03</u>
	\$	\$	\$	\$
I. Gas Production Maintenance Expenses	57,545	467	2,143	3,989
Gross Production Plant	2,609,866	2,571,689	2,602,411	2,550,810
Gas Production Maintenance Expenses				
Per Mcf Production	N/A	N/A	N/A	N/A
Per \$1,000 Mcf Production	N/A	N/A	N/A	N/A
Per \$1,000 of Gross Production Plant	22.05	0.18	0.82	1.56
II. Transmission Maintenance Expenses	131,668	136,478	103,384	62,405
Gross Transmission Plant	32,997,785	32,957,939	32,768,117	32,391,912
Transmission Maintenance Expenses				
Per Mmcf mile	N/A	N/A	N/A	N/A
Per \$1,000 of Gross Transmission Plant	3.99	4.14	3.16	1.93
III. Distribution Maintenance Expenses	3,468,561	3,365,288	3,081,971	1,941,387
Gross Distribution Plant	368,312,113	358,462,687	348,061,687	339,196,559
Distribution Maintenance Expenses				
Per Customer	16.14	15.58	14.26	8.98
Per \$1,000 of Gross Distribution Plant	9.42	9.39	8.85	5.72
IV. Storage Maintenance Expenses	0	0	0	0
Gross Storage Plant	N/A	N/A	N/A	N/A
Storage Maintenance Expenses				
Per Mmcf of Storage Capacity	N/A	N/A	N/A	N/A

(National Fuel Gas does not forecast the data indicated above beyond the historic test year in the manner requested.)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

34. Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts).

- a. Column 1 - Test Year
- b. Column 2 and 3 - The two previous years.

Provide the annual recorded expenses by accounts.

.....

See Pages 2 - 9 for a schedule of Operating and Maintenance Expenses for the Twelve Months Ended January 2006, 2005 and 2004.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

	<u>TME</u> <u>JANUARY 2006</u>	<u>TME</u> <u>JANUARY 2005</u>	<u>TME</u> <u>JANUARY 2004</u>
NATURAL GAS PRODUCTION			
401200 Operation	4,468	9,307	5,251
402200 Maintenance	57,545	467	2,143
Total	<u>62,013</u>	<u>9,774</u>	<u>7,394</u>
OTHER GAS SUPPLY			
401300 Operation	613,297	680,945	539,298
402300 Maintenance	33,475	24,065	15,506
Total	<u>646,772</u>	<u>705,010</u>	<u>554,804</u>
STORAGE			
401400 Operation	0	0	0
402400 Maintenance	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>
TRANSMISSION			
401500 Operation	555,049	596,023	405,179
402500 Maintenance	131,668	136,478	103,384
Total	<u>686,717</u>	<u>732,501</u>	<u>508,563</u>
DISTRIBUTION			
401600 Operation	9,641,750	9,129,644	8,798,757
402600 Maintenance	3,468,561	3,365,288	3,081,971
Total	<u>13,110,311</u>	<u>12,494,932</u>	<u>11,880,728</u>
CUSTOMER ACCOUNTS			
401700 Operation	22,996,803	14,300,604	12,292,003
CUSTOMER SERVICE			
401800 Operation	4,849,343	4,003,028	4,180,355
SALES PROMOTION			
401850 Operation	179,181	146,216	191,122
ADMIN. & GENERAL			
401900 Operation	26,653,009	28,292,484	19,421,895
402900 Maintenance	94,551	90,784	86,952
Total	<u>26,747,560</u>	<u>28,383,268</u>	<u>19,508,847</u>
TOTAL OPERATION	65,492,900	57,158,251	45,833,860
TOTAL MAINTENANCE	3,785,800	3,617,082	3,289,956
PURCHASED GAS			
401999 Operation	277,661,794	234,883,214	231,280,476
GRAND TOTAL O&M	<u>346,940,494</u>	<u>295,658,547</u>	<u>280,404,292</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DIVISION
 OPERATING AND MAINTENANCE EXPENSES
 TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>NATURAL GAS PRODUCTION</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401200 OPERATION</u>			
750 Operation Supervision & Engineering	44	34	25
751 Production Maps & Records	0	373	1,446
752 Gas Well Expense	0	0	0
753 Field Line Expense	1,123	5,166	1,738
754 Field Compressor Station Expenses	0	0	0
755 Field Compressor Station Fuel & Power	74	71	69
756 Field Meas. & Reg. Station Expense	37	12	48
757 Purification Expense	1,013	974	967
758 Gas Well Royalties	62	0	0
759 Other Expenses	2,115	286	958
760 Rents	0	0	0
776 Operation Supplies & Expenses	0	2,391	0
Total Operation	4,468	9,307	5,251
 <u>402200 MAINTENANCE</u>			
761 Maintenance Supervision & Engineering	0	0	0
762 Maintenance of Structures & Improvements	5	37	523
763 Maintenance of Producing Gas Wells	0	121	0
764 Maintenance of Field Lines	54,578	168	704
765 Maint. of Field Compressor Station Equipment	0	0	0
766 Maint. of Field Meas. & Reg Station Equipment	2,893	0	54
767 Maintenance of Purification Equipment	0	0	0
768 Maintenance of Drilling & Cleaning Equipment	0	0	0
769 Maintenance of Other Equipment	69	141	862
Total Maintenance	57,545	467	2,143
TOTAL NATURAL GAS PRODUCTION	62,013	9,774	7,394

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>OTHER GAS SUPPLY</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401300 OPERATION</u>			
807.1 Wells Expense Purchased Gas	0	0	0
807.2 Oper. of Purchased Gas Meas. Station	49,965	30,866	21,697
807.3 Maint. of Purchased Gas Meas. Station	26,359	21,927	15,506
807.4 Purchased Gas Calculation Expense	15,396	36,590	32,903
807.5 Other Purchased Gas Expense	634,314	675,612	535,646
810 Gas Used for Comp. Station Fuel	0	0	0
812 Gas Used for Other Utility Oper.	(79,262)	(59,985)	(50,448)
813 Other Gas Supply Expense	0	0	(500)
TOTAL OTHER GAS SUPPLY EXPENSE	646,772	705,010	554,804

<u>401999 PURCHASED GAS SOLD</u>			
801 Natural Gas Field Line Purchases	238,392,034	173,990,360	197,138,282
803 Natural Gas Transmission Line Purchases	0	0	0
803.1 Transmission Line Purchases-Supply	0	0	0
804 Natural Gas City Gate Purchases	49,836	45,170	41,440
805 Other Gas Purchases	(1,869,490)	1,109,732	4,580,445
805.1 Purchases Gas Adjustment	119,763	7,578,211	(21,738,587)
805.2 Other Gas Purchases-Ashland	0	0	0
805.3 Other Gas Purchases-Columbia	0	0	0
808.1 Gas Withheld From Storage Dr	87,165,120	80,592,499	89,353,461
808.2 Gas Delivered To Storage Cr	(90,355,262)	(72,680,130)	(87,755,196)
826.1 Storage Rents	12,905,145	12,836,127	13,885,432
858.1 Transportation & Compression By Others	31,254,648	31,411,245	35,775,199
TOTAL PURCHASED GAS SOLD	277,661,794	234,883,214	231,280,476

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DIVISION
 OPERATING AND MAINTENANCE EXPENSES
 TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>STORAGE</u>	TME <u>JANUARY 2006</u> \$	TME <u>JANUARY 2005</u> \$	TME <u>JANUARY 2004</u> \$
<u>401400 Operation</u>			
814 Supervision & Engineering	0	0	0
816 Well Expenses	0	0	0
817 Line Expenses	0	0	0
818 Compressor St Exp	0	0	0
820 Meas & Regulator Exp	0	0	0
824 Other Expenses	0	0	0
Total Operation	<u>0</u>	<u>0</u>	<u>0</u>
 <u>402400 Maintenance</u>			
831 Maintenance Structures	0	0	0
832 Maintenance Reservoirs & Wells	0	0	0
833 Maintenance Lines	0	0	0
834 Maintenance Comp. Sta. Equip	0	0	0
835 Maintenance Meas & Reg Sta Equi	0	0	0
Total Maintenance	<u>0</u>	<u>0</u>	<u>0</u>
 TOTAL STORAGE	0	0	0

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>TRANSMISSION</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401500 Operation</u>			
850 Supervision & Engineering	27,847	25,602	17,369
851 System Control & Load Dispatching	3,751	738	10,872
853 Compressor Station Labor & Expenses	5,597	5,045	847
854 Other Fuel & Power for Compressor Stations	0	923	1,164
856 Mains Expense	379,606	411,179	262,763
857 Measure & Regulation Station Expense	66,976	73,330	66,256
858 Trans. & Comp. of Gas by Others	0	0	0
859 Other Expense	70,972	78,906	45,608
860 Rents	300	300	300
Total Operation	555,049	596,023	405,179
 <u>402500 Maintenance</u>			
861 Maintenance Supervision & Engineering	0	0	0
862 Maintenance of Structures	1,373	9,580	9,196
863 Maintenance of Mains	82,362	91,737	56,837
864 Maintenance of Compressor Station Equipment	(117)	1,113	57
865 Maintenance Meas. & Reg Station Equipment	34,216	29,973	34,308
867 Maintenance of Other Equipment	13,834	4,075	2,986
Total Maintenance	131,668	136,478	103,384
TOTAL TRANSMISSION	686,717	732,501	508,563

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>DISTRIBUTION</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401600 OPERATION</u>			
870 Operation Supervision & Engineering	1,680,171	1,465,679	1,336,074
871 Distribution Load Dispatching	646,496	605,726	493,470
872 Compressor Station Labor & Expenses	8,029	8,733	4,675
873 Compressor Station Fuel & Power	0	66	0
874 Mains & Services Expenses	2,023,565	1,912,492	1,926,860
875 Meas. & Reg. Station Expense-General	218,153	210,458	232,874
876 Meas. & Reg. Station Expense-Industrial	112,981	116,536	115,384
877 Meas. & Reg. Station Expense-City Gate	13,487	15,185	15,017
878 Meter & House Regulators Expense	1,145,828	1,137,722	1,134,750
879 Customer Installation Expense	635,729	654,679	661,895
880 Other Expense	3,126,028	2,976,798	2,855,522
881 Rents	31,283	25,570	22,236
Total Operation	9,641,750	9,129,644	8,798,757
 <u>402600 MAINTENANCE</u>			
885 Maintenance Supervision & Engineering	719,728	682,890	664,510
886 Maintenance of Structures & Improvements	261,840	225,599	222,419
887 Maintenance of Mains	1,441,447	1,505,990	1,267,904
888 Maintenance of Compressor Station Equipment	0	71	450
889 Maint. of Meas. & Reg Station Equipment-General	79,218	57,459	82,927
890 Maint. of Meas. & Reg Station Equipment-Industrial	60,190	55,579	58,878
891 Maint. of Meas. & Reg Station Equipment-City Gate	0	0	0
892 Maintenance of Services	297,159	371,519	303,284
893 Maintenance of Meter & House Regulators	468,640	350,535	400,709
894 Maintenance of Other Equipment	140,339	115,646	80,890
Total Maintenance	3,468,561	3,365,288	3,081,971
TOTAL DISTRIBUTION EXPENSE	13,110,311	12,494,932	11,880,728

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>CUSTOMER ACCOUNTS</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401700 OPERATION</u>			
901 Supervision	570,374	562,895	606,122
902 Meter Reading Expense	1,449,523	1,411,798	1,326,145
903 Customer Records & Collections	5,814,049	5,586,635	5,362,164
904 Uncollectible Accounts	14,727,687	6,298,164	4,564,415
905 Miscellaneous Customer Accounts Expense	435,170	441,112	433,157
TOTAL CUSTOMER ACCOUNTS EXPENSE	<u>22,996,803</u>	<u>14,300,604</u>	<u>12,292,003</u>
 <u>CUSTOMER SERVICE</u>			
<u>401800 OPERATION</u>			
909 Supervision	353,514	346,977	357,824
910 Customer Assistance	2,887,086	2,078,198	2,134,472
911 Informational Advertising	420,884	286,708	496,286
912 Miscellaneous Customer Service Expense	1,187,859	1,291,145	1,191,773
913 Rents	0	0	0
TOTAL CUSTOMER SERVICE EXPENSE	<u>4,849,343</u>	<u>4,003,028</u>	<u>4,180,355</u>
 <u>SALES PROMOTION</u>			
<u>401850 OPERATION</u>			
915 Supervision	0	0	0
916 Demo & Selling Expenses	0	0	0
917 Promotional Advertising Expense	179,181	146,216	191,122
918 Miscellaneous Sales Promotion Expense	0	0	0
TOTAL SALES PROMOTION EXPENSE	<u>179,181</u>	<u>146,216</u>	<u>191,122</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
OPERATING AND MAINTENANCE EXPENSES
TWELVE MONTHS ENDED JANUARY 2006, 2005 AND 2004

<u>ADMINISTRATIVE & GENERAL</u>	<u>TME</u> <u>JANUARY 2006</u> \$	<u>TME</u> <u>JANUARY 2005</u> \$	<u>TME</u> <u>JANUARY 2004</u> \$
<u>401900 OPERATION</u>			
920 Administrative & General Salaries	5,027,813	4,495,509	4,359,291
921 Office Supplies & Expenses	2,872,200	2,964,179	2,316,641
922 Administrative Expense-Transfer Credit	(466,458)	(393,548)	(357,854)
923 Outside Services Employed	497,780	351,877	373,449
924 Property Insurance	20,623	26,072	36,281
925 Injuries & Damages	1,475,017	2,665,954	1,990,315
926 Employee Pensions & Benefits	14,531,451	15,392,684	7,188,011
927 Franchise Requirement	750	650	1,010
928 Regulatory Commission Expense	1,686,742	1,852,081	1,965,020
929 Duplicate Charges - Credit	0	0	0
930.1 Institutional Advertising	0	0	0
930.2 Miscellaneous General Expense	427,036	335,506	430,618
931 Rents	580,055	601,520	1,119,113
Total Operation	26,653,009	28,292,484	19,421,895
 <u>402900 MAINTENANCE</u>			
932 Maintenance of General Plant	94,551	90,784	86,952
Total Maintenance	94,551	90,784	86,952
TOTAL ADMINISTRATIVE & GENERAL EXPENSE	26,747,560	28,383,268	19,508,847
TOTAL OPERATION & MAINTENANCE EXPENSE	69,278,700	60,775,333	49,123,816

National Fuel Gas Distribution Corporation
Pennsylvania Division
Statement of Annual Depreciation Expense at Present Rates
Twelve Months Ended January 31, 2006

Annual Depreciation Accruals related to Gas Plant in Service at January 31, 2006	\$11,487,255
plus: 5 Year Amortization of Negative Net Salvage at January 31, 2006	<u>1,241,823</u>
Total	<u><u>\$12,729,078</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES; ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006

Depreciable Group (1)	Survivor Curve (2)	Original Cost (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)	
DEPRECIABLE PLANT								
303	Miscellaneous Intangible Plant	10-SQ	2,182,260.46	1,083,414	1,098,848	222,162	4.9	10.18
Production Plant								
325.4	Rights of Way	60-R4	47,059.43	26,993	20,068	524	38.3	1.11
328	Measuring & Regulating Station Struct.	30-L2.5	10,095.84	8,768	1,326	104	12.8	1.03
329	Other Structures	40-SQ	2,650.00	61	2,589	67	38.6	2.53
332	Field Lines	45-R1.5	538,011.28	459,355	78,657	2,959	26.6	0.55
334	Measuring & Regulating Station Equip.	20-O1	1,317,850.59	657,399	660,452	72,464	9.1	5.50
Total Production Plant			1,915,667.14	1,152,576	763,092	76,118		
Transmission Plant								
365.2	Rights of Way	70-R4	943,076.78	258,275	684,800	13,865	49.4	1.47
366	Structures and Improvements	55-R2	163,151.73	96,567	66,585	2,385	27.9	1.48
367.1	Mains - Excl. Cathodic Protection	55-R2	25,561,229.38	11,259,486	14,301,747	437,774	32.7	1.71
367.2	Mains - Cathodic Protection	24-S2	2,570,848.43	677,295	1,893,556	151,001	12.5	5.87
369	Measuring and Regulating Station Equip.							
	1980 and Prior	28-R0.5	388,208.73	304,666	83,543	8,428	9.9	2.17
	1981 and Subsequent	21-R2	3,684,035.80	2,410,088	1,273,947	129,251	9.9	3.51
Total Account 369			4,072,244.53	2,714,754	1,357,490	137,679	9.9	3.38
Total Transmission Plant			33,310,550.85	15,006,377	18,304,178	742,704		

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006

Depreciable Group (1)	Survivor Curve (2)	Original Cost (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
Distribution Plant							
374.2	Rights of Way	70-R4	4,863,566.07	960,061	3,903,500	72,844	1.50
375.3	Structures and Improvements - Large	Various	6,737,138.43	3,090,560	3,646,580	278,513	4.13
375.4	Structures and Improvements - Small	40-R0.5	411,857.61	195,093	216,770	12,343	3.00
376.1	Mains - Excl. Cathodic Protection	57-L1.5	196,128,712.67	56,547,576	139,581,136	4,186,155	2.13
376.2	Mains - Cathodic Protection	24-S2	1,632,626.90	585,415	1,047,212	93,853	5.75
378	Measuring and Regulating Station Equip.	30-S0	5,844,255.61	3,184,521	2,659,733	171,569	2.94
380	Services	39-L0.5	126,738,717.12	42,518,486	84,220,233	3,979,427	3.14
381	Meters	36-R4	6,670,543.96	2,666,205	4,004,339	273,740	4.10
381.1	Meters - Automated Reading Equipment	14-S2	6,120,128.24	6,013,839	106,290	29,666	0.48
382	Meter Installations	39-L0.5	3,160,551.59	1,425,305	1,735,244	80,832	2.56
384	House Regulator Installations	39-L0.5	818,703.88	354,706	463,999	21,713	2.65
385	Industrial Meas and Reg Station Equip.	42-R1.5	8,966,107.52	2,943,057	6,023,050	237,430	2.65
387	Other Equipment	33-R2	742,697.08	590,246	152,454	12,256	1.65
Total Distribution Plant			368,835,606.68	121,075,070	247,760,540	9,450,341	
General Plant							
390.11	Other Small Structures	40-R0.5	64,679.19	(102,937)	167,616	8,161	12.62
391.1	Office Furniture and Equip. - Furniture	25-SQ	756,941.55	518,135	238,808	26,308	3.48
391.2	Office Furniture and Equip. - Equipment	15-SQ	559,135.65	184,023	375,113	30,199	5.40
391.3	Office Furniture and Equip. - Computers	5-SQ	2,451,629.66	1,075,805	1,375,825	439,063	17.91
392	Transportation Equipment	6.5-L3	899,874.87	165,200	734,675	153,727	17.08
393	Stores Equipment	30-SQ	8,705.24	7,025	1,681	340	3.91
394	Tools and Work Equipment	25-SQ	3,281,482.75	1,406,074	1,875,408	142,584	4.35
396	Power Operated Equipment and Tools						
	Unamortized	23-S1	1,199,311.79	83,345	1,115,967	64,778	5.40
	Amortized	15-SQ	54,769.32	54,769			
Total Account 396			1,254,081.11	138,114	1,115,967	64,778	

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006

<u>Depreciable Group</u> (1)	<u>Survivor Curve</u> (2)	<u>Original Cost</u> (3)	<u>Book Reserve</u> (4)	<u>Future Accruals</u> (5)	<u>Annual Accrual Amount</u> (6)	<u>Composite Remaining Life</u> (7)	<u>Annual Accrual Rate, Percent</u> (8)
397	Communication Equipment	1,371,725.50	428,240	943,484	130,752	7.2	9.53
398	Miscellaneous Equipment	447.97	353	95	18	5.3	4.02
Total General Plant		10,648,703.49	3,820,032	6,828,672	995,930		
TOTAL DEPRECIABLE GAS PLANT		416,892,788.62	142,137,469	274,755,330	11,487,255		
Nondepreciable Plant							
INTANGIBLE PLANT	Nondepreciable	123,845.54					
PRODUCTION PLANT	Nondepreciable	2,840.80	(12,396)				
WEAVER PLANT	Fully Accrued	634,495.12	634,495				
TRANSMISSION PLANT	Nondepreciable	37,795.06					
DISTRIBUTION PLANT	Nondepreciable	948,957.04	(16,201)				
GENERAL PLANT	Nondepreciable	51,798.54	(16,289)				
Total Nondepreciable Plant		1,799,732.10	589,609				
TOTAL GAS PLANT IN SERVICE		418,692,520.72	142,727,078	274,755,330	11,487,255		
Total Gas Plant		418,692,520.72	142,727,078	274,755,330	11,487,255		

* Life Span Procedure was used. Interim Survivor Curves are 70-R1.5 and 65-O1.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 2. SUMMARY OF COST OF REMOVAL AND GROSS SALVAGE
AND AMORTIZATION OF EXPERIENCED NET SALVAGE

<u>YEAR</u>	<u>COST OF REMOVAL</u>	<u>GROSS SALVAGE</u>	<u>NET SALVAGE</u>
2001	927,471.71	134,286.79	(793,184.92)
2002	1,158,997.87	25.00	(1,158,972.87)
2003	1,268,522.38		(1,268,522.38)
2004	1,521,959.84		(1,521,959.84)
2005	<u>1,467,046.33</u>	<u>581.66</u>	<u>(1,466,464.67)</u>
TOTAL	6,343,998.13	134,893.45	(6,209,104.68)

5-YEAR AMORTIZATION OF NEGATIVE NET SALVAGE (1,241,821)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT

A. ALL UTILITIES

50. Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories:
- a. Social Security
 - b. Unemployment.
 - c. Capital Stock.
 - d. Public Utility Realty.
 - e. P.U.C. Assessment.
 - f. Other Property.
 - g. Any Other Appropriate Categories.

Refer to Exhibit No. 6 Schedule 1.

E. GAS UTILITIES

35. Submit a schedule showing Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.

Not Applicable

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Statement of Projected Taxes Other Than Income Taxes at Present Rates
 Twelve Months Ended January 2006

	(1) Per Books Twelve Months Ended January 2006	(2) Adjustments	(3) Normalized Twelve Months Ended January 2006
FICA	\$1,014,000	\$22,030	\$1,036,030
Federal Unemployment	16,182	(1,392)	14,790
State Unemployment	35,338	13,579	48,917
Property Tax	32,133	0	32,133
Capital Stock	520,722	345,682	866,404
Public Utility Realty Tax	92,000	(2,252)	89,748
Misc.	3,957	0	3,957
Total Taxes Other Than Income Taxes	<u>\$1,714,331</u>	<u>\$377,647</u>	<u>\$2,091,978</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Taxes Other Than Income Taxes
 To Annualize Increase In FICA Tax
 Normalized Twelve Months Ended January 2006

	<u>Per Book</u>	<u>Normalized January 2006</u>
<u>FICA Base and Medical</u>		
O&M Labor Dollars Forecasted Note 1 Rate	14,029,186	\$14,333,960 <u>7.2278%</u>
Total FICA Tax to O&M	1,014,000	\$1,036,030
Pennsylvania O&M Labor	\$14,029,186	
O&M FICA Tax Total	\$1,014,000	
O&M FICA Tax / O&M Labor Dollar	7.2278%	

Note 1: See Exhibit 4 Schedule 2 (PAD Labor)

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Taxes Other Than Income Taxes
 To Annualize Increase In State and Federal Unemployment Tax
 Normalized Twelve Months Ended January 2006

	<u>Per Book</u> <u>January 2006</u>	<u>Adjustment</u>	<u>Normalized</u> <u>January 2006</u>
<u>Pennsylvania State Unemployment</u>			
Base Labor Dollars Applicable			\$8,000
Number of Full Time Employees		332	
Number of Permanent Part Time		<u>11</u>	<u>343</u>
Gross Labor Applicable			\$2,744,000
Rate			<u>2.3152%</u>
State Unemployment Adjusted			\$63,529
Percent to O&M			77.00%
State Unemployment O&M Adjusted	<u>\$35,338</u>	<u>\$13,579</u>	<u>\$48,917</u>
<u>Federal Unemployment</u>			
Base Labor Dollars Applicable			\$7,000
Number of Full Time Employees		332	
Number of Permanent Part Time		<u>11</u>	<u>343</u>
Gross Labor Applicable			\$2,401,000
Rate			<u>0.8000%</u>
Federal Unemployment Adjusted			\$19,208
			77.00%
Federal Unemployment O&M Adjusted	<u>\$16,182</u>	<u>(\$1,392)</u>	<u>\$14,790</u>

National Fuel Gas Distribution Corporation
Pennsylvania Division
Taxes Other Than Income Taxes
Pennsylvania Public Utility Realty Tax
and Capital Stock Tax
Twelve Months Ended January 2006

Public Utility Realty Tax

State Taxable Value at December 31, 2005	\$3,179,700	
Utility Realty Tax Rate	<u>2.82254%</u>	
Utility Realty Tax Liability Note (1)		\$89,748

Capital Stock Tax Liability

Value of Capital Stock (2004 Return)	\$495,045,036	
Allocating Percentage (2004 Return)	<u>29.2179%</u>	
Taxable Value allocated to Pennsylvania	144,641,764	
Tax Rate - 2005	<u>0.599%</u>	
Capital Stock Tax Liability Note (2)		<u>\$866,404</u>

Note (1) PURTA valuation due May 1, 2006.

Note (2) Capital Stock Tax Liability will be filed in July 2006.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT

A. ALL UTILITIES

48. Provide a copy of the latest capital stock tax report and the latest capital stock tax settlement.

See Exhibit 6 Schedule 2 page 2 for a copy of the Pennsylvania Corporate Tax Report 2003 for the tax year ended September 30, 2004, which is the latest report filed; and Exhibit 6 Schedule 2 page 3 for a copy of the latest capital stock tax settlement which is for the tax year ended September 30, 2003.

49. Submit details of calculations for Taxes, Other than Income where a company is assessed taxes for doing business in another state, or on its property located in another state.

See Exhibit 6 Schedule 2 page 4.

10100032524

NAME NATIONAL FUEL GAS DISTRIBUTION
 ACCOUNT ID 6020824 TAX YEAR END 09302004

RCT-101 PAGE 2 OF 6 PA CORPORATE TAX REPORT 2003

SECTION A: CS/FF

OLDEST PERIOD FIRST	TAX PERIOD BEGINNING	TAX PERIOD ENDING	BOOK INCOME			
YEAR 1	10011999	09302000	57661757	Investment in LLC	XX	N
YEAR 2	10012000	09302001	60707129	Holding Company	XX	N
YEAR 3	10012001	09302002	49504918	Family Farm	XX	N
YEAR 4	10012002	09302003	56808004			
YEAR 5	0	0				
YEAR 6	0	0				
YEAR 7	0	0				
CUR YR	0	0	46717524	WHOLE DOLLARS ONLY		

2. TOTAL BOOK INCOME (sum of income for all tax periods up to, but not over 5 years total)	2	271399332
3. DIVISOR (In years and part years rounded to three decimal places) See Instructions	3	5.000
4. Divide Line (2) by Line (3)	4	54279866
5. AVERAGE BOOK INCOME - Enter Line (4) or if Line (4) is less than zero enter "0"	5	54279866

6. Divide Line (5) by 0.095	6	571367011
7. Shareholders' equity at the END of the current period	7	558630747
8. Shareholders' equity at the BEGINNING of the current period	8	548313223
9. If Line (7) is more than twice as great or less than half as much as Line (8), add Lines (7) and (8) and divide by 2. Otherwise enter Line (7).	9	558630747

10. NET WORTH - Enter Line (9) or if Line (9) is less than zero enter "0"	10	558630747
11. Multiply Line (10) by 0.75	11	418973060
12. Add Lines (6) and (11)	12	990340071
13. Divide Line (12) by 2	13	495170036
14. \$125,000 valuation deduction	14	-125000
15. CAPITAL STOCK VALUE - Line (13) less Line (14) but not less than "0". If 100% Taxable, enter Line (15) on Line (17).	15	495045036

16. Proportion of taxable assets or apportionment proportion (From Schedule A-1, Line 5)	16	0.292179
17. TAXABLE VALUE - Multiply Line (15) by Line (16). If less than zero, enter "0".	17	144641764
18. CAPITAL STOCK/FOREIGN FRANCHISE TAX - Multiply Line (17) by 0.00724	18	1047206

REPORT RECEIVED 07/13/04

Commonwealth of Pennsylvania
DEPARTMENT OF REVENUE

BUREAU OF CORPORATION TAXES
PO BOX 280703
HARRISBURG PA 17128-0703



REV-57 CT APP (3-05)

OFFICIAL NOTICE OF SETTLEMENT

PA ACCOUNT ID: 6020-824
TAXABLE YEAR: 10/01/02 TO 09/30/03
DLN: 45-2-06273

NATIONAL FUEL GAS DISTRIB
6363 MAIN ST
WILLIAMSVILL NY 14221

OFFICIAL SETTLEMENT HAS BEEN MADE BY THE PA DEPARTMENT OF REVENUE AND THE DEPARTMENT OF THE AUDITOR GENERAL FOR THE TAXES LISTED BELOW:

----- SECTION A - CAPITAL STOCK/FRANCHISE TAX -----		
TAX	AS REPORTED	AS SETTLED
	1,061,756	1,061,756

----- SECTION B - LOANS TAX -----		
TAX	AS REPORTED	AS SETTLED
	0	0

----- SECTION C - CORPORATE NET INCOME TAX -----		
TAX	AS REPORTED	AS SETTLED
	1,294,198	1,328,389

DEPARTMENT OF REVENUE
(717)783-6031
ANDREW BURGER

MAILING DATE
11/02/05

AUDITED AND APPROVED BY
DEPARTMENT OF AUDITOR GENERAL
HARRY E ADAMS

11/01/05

TO FORMALLY CONTEST THIS SETTLEMENT, A PETITION FOR RESETTLEMENT, ALONG WITH A COPY OF THIS SETTLEMENT NOTICE, MUST BE FILED WITHIN 90 DAYS OF THIS NOTICE MAILING DATE. APPEALS, SIGNED BY A CORPORATE OFFICER, MAY BE FILED VIA THE INTERNET @ WWW.BOARDOFAPPEALS.STATE.PA.US, OR MAILED TO: BOARD OF APPEALS, DEPT 2810215, HARRISBURG, PA. 17128-1021.

LOANS SETTLED AS REPORTED

ADJUSTMENTS NOTED ON THE NEXT PAGE ARE EXPLAINED BELOW:

- * DEPARTMENT OF REVENUE COMPUTATION DIFFERS FROM SUBMITTED FIGURE
- PY PRIOR YEAR SETTLEMENT FIGURES EMPLOYED.
- S9 REVENUE MILES FACTOR SHOULD BE EXPRESSED IN GROSS RECEIPTS.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
TAXES OTHER THAN INCOME TAXES
TWELVE MONTHS ENDED JANUARY 31, 2006

<u>DESCRIPTION OF TAX</u>	<u>PER BOOK</u>
<u>Federal</u>	
Federal Insurance Contribution Act	4,432,539
Unemployment Compensation	134,324
<u>Pennsylvania</u>	
Corporate Franchise	520,722
Unemployment Compensation	35,338
Utility Realty	92,000
Property	32,133
<u>New York</u>	
Gross Income - 186A	4,174,835
Cities Gross Income - 186A	8,154,451
Property Tax	28,760,690
Sales Tax - Gas Used by Company	55,736
Unemployment Insurance	102,708
Insurance Premium Tax	25,170
<u>Other</u>	
Ohio	830
	<u><u>46,521,476</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 II. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

8. State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases:
- a. Actual test year
 - b. Annualized test year-end
 - c. Proposed test year-end

The debt interest utilized for income tax purposes are:

- a. Actual for the twelve months ended January 31, 2006 is \$6,332,000
 - b. Annualized twelve months ended January 31, 2006 is \$8,558,000
 - c. Proposed for the twelve months ended January 31, 2006 is \$8,558,000
9. State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases:
- a. Actual test year
 - b. Annualized test year-end
 - c. Proposed test year-end

The amount of debt interest used for the income tax calculation is not allocated from an affiliate. Instead, interest is "synchronized" by application of the embedded debt cost rate used to determine the fair rate of return to the rate base of National Fuel Gas Distribution Corporation.

26. Provide the following income tax data:
- a. Consolidated income tax adjustment, if applicable.
 - b. Interest for tax purposes (basis.)

For the twelve months ended January 31, 2006

- a. Not applicable
- b. Computation for the Interest Deduction for Tax Purposes

Net Measure of Value (Rate Base)	\$282,438,000
Total Debt Ratio	48.5%
Subtotal	\$136,982,430
Cost Rate	6.25%
Interest Expense	\$8,558,000

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

51. Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.

There have been no forms filed for the last five years to claim federal refunds on behalf of the Pennsylvania Division of National Fuel Gas Distribution Corporation.

52. Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property increases productive capacity and ADR rates on property. (Separate between state and federal; also, rate used).

- a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.
- b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.

See Exhibit 7 Pages 3 through 17 for detailed computations showing the derivation of deferred income taxes.

- a. Tax depreciation is not based on all rate base items claimed at the end of the test year. Federal tax Depreciation of \$15,006,000 is the annual tax depreciation at the end of the test year.
- b. Not applicable

Tax Year:2006
 Tax Depreciation Type: FED

NATIONAL FUEL GAS
 FY 2004 - Tax Return
 FORM 4562 REPORT

Page 4 of 6
 Study Date: 04/25/2006
 Report Date: 04/25/2006 2:10 PM

Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	Basis for Depreciation	Depreciation	Capitalized Depreciation	Net Depreciation	Amortization From Sales
Current Vintage					
MACRS 15	1,450,000.00	72,500.00	0.00	72,500.00	0.00
MACRS 20	14,739,000.00	552,712.50	0.00	552,712.50	0.00
MACRS 39	113,000.00	1,448.66	0.00	1,448.66	0.00
MACRS 7	1,667,000.00	238,214.30	0.00	238,214.30	0.00
SL 3YR	0.00	0.00	0.00	0.00	0.00
Current Vintage Total	17,969,000.00	864,875.46	0.00	864,875.46	0.00
Historical Vintages					
ACRS	59,928,290.00	(4,885.85)	0.00	(4,885.85)	0.00
ADR	80,188,164.54	47,903.78	0.00	47,903.78	0.00
BONUS	51,133,015.00	2,152,642.62	0.00	2,152,642.62	0.00
MACRS	270,478,333.29	11,945,843.08	0.00	11,945,843.08	0.00
NON DD&A	7,228.00	0.00	0.00	0.00	0.00
OTHER	0.00	0.00	0.00	0.00	0.00
Historical Vintages Total	461,735,030.83	14,141,503.63	0.00	14,141,503.63	0.00
FED Total	479,704,030.83	15,006,379.09	0.00	15,006,379.09	0.00

NATIONAL FUEL GAS
 FY 2004 - Tax Return
 FORM 4562 REPORT

Tax Year:2006

Tax Depreciation Type: STATE W/O BONUS

Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	Basis for Depreciation	Depreciation	Capitalized Depreciation	Net Depreciation	Amortization From Sales
Current Vintage					
MACRS 15	1,450,000.00	72,500.00	0.00	72,500.00	0.00
MACRS 20	14,739,000.00	552,712.50	0.00	552,712.50	0.00
MACRS 39	113,000.00	1,448.66	0.00	1,448.66	0.00
MACRS 7	1,667,000.00	238,214.30	0.00	238,214.30	0.00
SL 3YR	0.00	0.00	0.00	0.00	0.00
Current Vintage Total	17,969,000.00	864,875.46	0.00	864,875.46	0.00
Historical Vintages					
ACRS	59,928,290.00	(4,885.85)	0.00	(4,885.85)	0.00
ADR	80,188,164.54	47,903.78	0.00	47,903.78	0.00
BONUS	51,144,025.00	3,166,528.47	0.00	3,166,528.47	0.00
MACRS	270,467,323.29	11,945,560.78	0.00	11,945,560.78	0.00
NON DD&A	7,228.00	0.00	0.00	0.00	0.00
OTHER	0.00	0.00	0.00	0.00	0.00
Historical Vintages Total	461,735,030.83	15,155,107.18	0.00	15,155,107.18	0.00
STATE W/O BONUS Total	479,704,030.83	16,019,982.64	0.00	16,019,982.64	0.00

Tax Year:2006
 Deferred Tax Type:FEDERAL
 Timing Difference:AFUDC

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	Initial Provision	AFUDC	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA DISTRIBUTION P V1999	0.00	209.24	(209.24)	0.00000	0.00	0.00	0.00
PA DISTRIBUTION P Total	0.00	209.24	(209.24)	0.00000	0.00	0.00	0.00
PA DISTRIBUTION U V1999	0.00	82.69	(82.69)	0.00000	0.00	0.00	0.00
PA DISTRIBUTION U Total	0.00	82.69	(82.69)	0.00000	0.00	0.00	0.00
PA GENERAL P V1999	0.00	104.40	(104.40)	0.00000	0.00	0.00	0.00
PA GENERAL P Total	0.00	104.40	(104.40)	0.00000	0.00	0.00	0.00
PA GENERAL U V1999	0.00	0.13	(0.13)	0.00000	0.00	0.00	0.00
PA GENERAL U Total	0.00	0.13	(0.13)	0.00000	0.00	0.00	0.00
PA PRODUCTION U V1999	0.00	0.07	(0.07)	0.00000	0.00	0.00	0.00
PA PRODUCTION U Total	0.00	0.07	(0.07)	0.00000	0.00	0.00	0.00
PA TRANSMISSION P V1999	0.00	93.45	(93.45)	0.00000	0.00	0.00	0.00
PA TRANSMISSION P Total	0.00	93.45	(93.45)	0.00000	0.00	0.00	0.00
PA TRANSMISSION U V1999	0.00	165.48	(165.48)	0.00000	0.00	0.00	0.00
PA TRANSMISSION U Total	0.00	165.48	(165.48)	0.00000	0.00	0.00	0.00
AFUDC Total	0.00	655.46	(655.46)	0.00000	0.00	0.00	0.00

Tax Year:2006
Deferred Tax Type:FEDERAL
Timing Difference:LIFE FED

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	SL Tax Life	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA SU GROUP4 P V1978	20.67	20.67	0.00	0.00000	0.00	0.00	0.00
PA SU GROUP4 P Total	20.67	20.67	0.00	0.00000	0.00	0.00	0.00
LIFE FED Total	20.67	20.67	0.00	0.00000	0.00	0.00	0.00

Tax Year:2006
Deferred Tax Type:FEDERAL
Timing Difference:METHOD FED

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Tax Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA SU GROUP4 P V1978	0.00	20.67	(20.67)	0.00000	0.00	0.00	0.00
PA SU GROUP4 P Total	0.00	20.67	(20.67)	0.00000	0.00	0.00	0.00
METHOD FED Total	0.00	20.67	(20.67)	0.00000	0.00	0.00	0.00

Tax Year:2006
 Deferred Tax Type:FEDERAL
 Timing Difference:METHOD LIFE FED

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA CAPITALIZED SOFTWARE							
V19101	0.00	159,602.28	(159,602.28)	35.00000	(55,860.80)	0.00	55,860.80
PA CAPITALIZED SOFTWARE Total	0.00	159,602.28	(159,602.28)	35.00000	(55,860.80)	0.00	55,860.80
PA DISTRIBUTION P							
V1970	1,976.72	0.00	1,976.72	0.00000	0.00	0.00	0.00
V1971	234.70	84.42	150.28	0.00000	0.00	0.00	0.00
V1972	142.79	125.25	17.54	0.00000	0.00	0.00	0.00
V1973	227.49	199.55	27.94	0.00000	0.00	0.00	0.00
V1974	72.02	63.18	8.84	0.00000	0.00	0.00	0.00
V1975	271.52	238.18	33.34	0.00000	0.00	0.00	0.00
V1976	41.13	36.08	5.05	0.00000	0.00	0.00	0.00
V1977	278.36	244.18	34.18	0.00000	0.00	0.00	0.00
V1978	555.86	487.60	68.26	0.00000	0.00	0.00	0.00
V1979	229.34	201.18	28.16	0.00000	0.00	0.00	0.00
V1980	512.60	449.65	62.95	0.00000	0.00	0.00	0.00
V1981	0.00	64,097.80	(64,097.80)	41.08422	(26,334.08)	0.00	26,334.08
V1982	0.00	52,097.33	(52,097.33)	40.53048	(21,115.30)	0.00	21,115.30
V1983	0.00	52,927.13	(52,927.13)	39.73435	(21,030.25)	0.00	21,030.25
V1984	0.00	56,997.83	(56,997.83)	38.90015	(22,172.24)	0.00	22,172.24
V1985	0.00	81,750.98	(81,750.98)	37.83235	(30,928.32)	0.00	30,928.32
V1986	0.00	66,579.55	(66,579.55)	36.52479	(24,318.04)	0.00	24,318.04
V1987	93,831.13	52,595.93	41,235.20	35.00000	14,432.32	14,432.32	0.00
V1987A	0.00	15,270.25	(15,270.25)	35.04180	(5,350.97)	0.00	5,350.97
V1988	135,914.71	76,185.38	59,729.33	35.00001	20,905.27	20,905.27	0.00
V1989	157,898.76	88,508.28	69,390.48	35.00000	24,286.67	24,286.67	0.00
V1990	198,213.64	111,106.30	87,107.34	35.00000	30,487.57	30,487.57	0.00
V1991	196,257.08	110,009.58	86,247.50	35.00001	30,186.63	30,186.63	0.00
V1992	180,664.83	101,269.53	79,395.30	35.00001	27,788.36	27,788.36	0.00
V1993	156,194.33	87,552.88	68,641.45	35.00000	24,024.51	24,024.51	0.00
V1994	138,334.35	77,541.68	60,792.67	34.99999	21,277.43	21,277.43	0.00
V1995	116,469.91	65,285.83	51,184.08	35.00000	17,914.43	17,914.43	0.00
V1996	136,287.34	76,394.25	59,893.09	35.00000	20,962.58	20,962.58	0.00
V1997	186,001.67	104,261.03	81,740.64	35.00000	28,609.22	28,609.22	0.00
V1998	151,391.58	84,860.75	66,530.83	35.00000	23,285.79	23,285.79	0.00
V1999	172,092.67	95,184.00	76,908.67	34.99999	26,918.03	26,918.03	0.00
PA DISTRIBUTION P Total	2,024,094.53	1,522,605.56	501,488.97	31.87101	159,829.61	311,078.81	151,249.20
PA DISTRIBUTION U							
V19100	552,985.08	282,712.21	270,272.87	35.00000	94,595.50	94,595.50	0.00
V19101	577,926.52	273,639.45	304,287.07	35.00000	106,500.47	106,500.47	0.00
V19102	484,177.90	302,663.28	181,514.62	35.00000	63,530.12	63,530.12	0.00
V19103	305,662.07	176,741.30	128,920.77	35.00000	45,122.27	45,122.27	0.00
V19104	468,194.68	350,550.08	117,644.60	35.00000	41,175.61	41,175.61	0.00

Tax Year:2006
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 Timing Difference:METHOD LIFE FED

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V1971	629.20	707.33	(78.13)	0.00000	0.00	0.00	0.00
V1972	194.63	170.73	23.90	0.00000	0.00	0.00	0.00
V1973	461.61	404.93	56.68	0.00000	0.00	0.00	0.00
V1974	13.28	11.65	1.63	0.00000	0.00	0.00	0.00
V1975	1,403.34	1,231.00	172.34	0.00000	0.00	0.00	0.00
V1976	115.48	101.30	14.18	0.00000	0.00	0.00	0.00
V1977	516.90	453.43	63.47	0.00000	0.00	0.00	0.00
V1978	437.67	383.93	53.74	0.00000	0.00	0.00	0.00
V1979	470.11	412.38	57.73	0.00000	0.00	0.00	0.00
V1980	780.62	684.75	95.87	0.00000	0.00	0.00	0.00
V1981	0.00	86,015.48	(86,015.48)	40.82528	(35,116.06)	0.00	35,116.06
V1982	0.00	119,629.40	(119,629.40)	40.23194	(48,129.23)	0.00	48,129.23
V1983	0.00	125,230.73	(125,230.73)	39.44809	(49,401.13)	0.00	49,401.13
V1984	0.00	132,188.88	(132,188.88)	38.62373	(51,056.28)	0.00	51,056.28
V1985	0.00	155,975.25	(155,975.25)	37.61346	(58,667.69)	0.00	58,667.69
V1986	0.00	236,032.75	(236,032.75)	36.39143	(85,895.69)	0.00	85,895.69
V1987	253,736.00	142,228.70	111,507.30	35.00000	39,027.56	39,027.56	0.00
V1987A	0.00	42,393.90	(42,393.90)	35.02719	(14,849.39)	0.00	14,849.39
V1988	461,464.92	258,668.68	202,796.24	35.00000	70,978.68	70,978.68	0.00
V1989	461,014.72	258,416.33	202,598.39	35.00000	70,909.44	70,909.44	0.00
V1990	523,159.69	293,250.95	229,908.74	35.00000	80,468.06	80,468.06	0.00
V1991	515,918.66	289,192.08	226,726.58	35.00000	79,354.30	79,354.30	0.00
V1992	504,324.09	282,692.88	221,631.21	35.00000	77,570.92	77,570.92	0.00
V1993	554,649.52	310,902.20	243,747.32	35.00000	85,311.56	85,311.56	0.00
V1994	515,349.52	288,873.05	226,476.47	35.00000	79,266.76	79,266.76	0.00
V1995	564,977.50	316,691.43	248,286.07	35.00000	86,900.12	86,900.12	0.00
V1996	480,113.34	269,121.83	210,991.51	35.00000	73,847.03	73,847.03	0.00
V1997	563,541.74	315,886.63	247,655.11	35.00000	86,679.29	86,679.29	0.00
V1998	414,475.03	232,329.05	182,145.98	35.00000	63,751.09	63,751.09	0.00
V1999	412,196.11	227,984.58	184,211.53	35.00000	64,474.04	64,474.04	0.00
V2001B	23,429.51	15,833.48	7,596.03	34.99999	2,658.61	2,658.61	0.00
V2003B5	131,839.72	106,735.53	25,104.19	35.00001	8,786.47	8,786.47	0.00
V2005	620,180.60	214,743.98	405,436.62	35.00000	141,902.82	141,902.82	0.00
V2005B	60,872.39	42,167.08	18,705.31	35.00001	6,546.86	6,546.86	0.00
v2006	496,462.50	330,975.00	165,487.50	35.00000	57,920.63	57,920.63	0.00
PA DISTRIBUTION U Total	9,951,674.65	6,485,027.60	3,466,647.05	34.15873	1,184,162.74	1,527,278.21	343,115.47
PA GEN STR P							
V1969	12,638.70	11,375.97	1,262.73	0.00000	0.00	0.00	0.00
V1970	5,397.82	4,858.52	539.30	0.00000	0.00	0.00	0.00
V1982	0.00	187.54	(187.54)	44.00661	(82.53)	0.00	82.53
V1983	0.00	453.30	(453.30)	43.15906	(195.64)	0.00	195.64
V1984	0.00	18.82	(18.82)	41.28587	(7.77)	0.00	7.77

Exhibit No. 7
 Witness: Malachowski
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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V1986	0.00	798.58	(798.58)	36.88547	(294.56)	0.00	294.56
V1987	1,793.56	1,130.16	663.40	42.99668	285.24	0.00	(285.24)
V1987A	1,374.12	1,446.84	(72.72)	35.32728	(25.69)	0.00	25.69
V1989	1,331.94	839.28	492.66	34.57760	170.35	0.00	(170.35)
V1990	(643.45)	(405.32)	(238.13)	35.00189	(83.35)	(83.35)	0.00
V1991	1,708.12	1,076.32	631.80	34.77208	219.69	0.00	(219.69)
V1992	(235.24)	(148.18)	(87.06)	34.99885	(30.47)	(30.47)	0.00
V1993	4,906.97	3,091.98	1,814.99	35.00019	635.25	635.25	0.00
V1994	63.74	49.72	14.02	34.95007	4.90	0.00	(4.90)
V1995	522.34	407.44	114.90	35.01305	40.23	0.00	(40.23)
V1996	604.82	471.78	133.04	34.99699	46.56	18.08	(28.48)
V1997	235.58	183.76	51.82	35.00579	18.14	18.14	0.00
PA GEN STR P Total	29,699.02	25,836.51	3,862.51	18.13199	700.35	557.65	(142.70)
PA GEN STR TR P							
V1984	0.00	620.84	(620.84)	40.36628	(250.61)	0.00	250.61
V1985	0.00	4.14	(4.14)	37.92271	(1.57)	0.00	1.57
PA GEN STR TR P Total	0.00	624.98	(624.98)	40.35009	(252.18)	0.00	252.18
PA GEN STR TR U							
V1984	0.00	247.04	(247.04)	39.99757	(98.81)	0.00	98.81
V1985	0.00	176.12	(176.12)	38.44538	(67.71)	0.00	67.71
PA GEN STR TR U Total	0.00	423.16	(423.16)	39.35155	(166.52)	0.00	166.52
PA GEN STR U							
V19100	3,568.09	2,783.22	784.87	34.99943	274.70	274.70	0.00
V19101	2,968.14	2,315.24	652.90	35.00077	228.52	228.52	0.00
V19102	463.42	361.48	101.94	35.00098	35.68	35.68	0.00
V19103	3,797.13	2,961.88	835.25	35.00030	292.34	292.34	0.00
V1970	1,541.17	1,387.19	153.98	0.00000	0.00	0.00	0.00
V1981	0.00	823.18	(823.18)	44.25156	(364.27)	0.00	364.27
V1983	0.00	105.56	(105.56)	42.97082	(45.36)	0.00	45.36
V1984	0.00	273.12	(273.12)	41.46163	(113.24)	0.00	113.24
V1986	0.00	272.62	(272.62)	36.77280	(100.25)	0.00	100.25
V1987	721.67	454.74	266.93	34.95298	93.30	0.00	(93.30)
V1987A	595.76	626.56	(30.80)	35.29221	(10.87)	0.00	10.87
V1988	880.05	554.36	325.69	34.59118	112.66	0.00	(112.66)
V1989	1,531.20	964.84	566.36	34.61403	196.04	0.00	(196.04)
V1990	2,831.43	1,783.58	1,047.85	34.68340	363.43	0.00	(363.43)
V1992	85.28	53.72	31.56	34.72750	10.96	0.00	(10.96)
V2003B5	282.30	220.20	62.10	35.00805	21.74	21.74	0.00
V2005	1,608.58	1,254.74	353.84	35.00170	123.85	0.00	(123.85)
V2005B	698.66	544.98	153.68	35.00130	53.79	0.00	(53.79)
v2006	1,448.66	2,260.00	(811.34)	35.00012	(283.97)	(283.97)	0.00

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA GEN STR U Total	23,021.54	20,001.21	3,020.33	29.43553	889.05	569.01	(320.04)
PA GENERAL P							
V1995	0.00	9,793.97	(9,793.97)	35.00031	(3,427.92)	0.00	3,427.92
V1996	0.00	13,838.70	(13,838.70)	34.99953	(4,843.48)	0.00	4,843.48
V1997	0.00	(10,813.48)	10,813.48	34.99946	3,784.66	0.00	(3,784.66)
V1998	164.65	68,601.34	(68,436.69)	35.00000	(23,952.84)	0.00	23,952.84
V1999	1,164.62	2,175.95	(1,011.33)	35.00044	(353.97)	0.00	353.97
PA GENERAL P Total	1,329.27	83,596.48	(82,267.21)	35.00003	(28,793.55)	0.00	28,793.55
PA GENERAL U							
V19100	15,650.24	14,620.35	1,029.89	34.99985	360.46	360.46	0.00
V19101	7,855.93	7,338.96	516.97	35.00010	180.94	180.94	0.00
V19102	21,963.20	29,297.16	(7,333.96)	35.00005	(2,566.89)	0.00	2,566.89
V19103	98,242.94	93,603.76	4,639.18	34.99994	1,623.71	1,623.71	0.00
V19104	247,005.06	235,341.09	11,663.97	35.00000	4,082.39	4,082.39	0.00
V1995	0.00	17,221.66	(17,221.66)	34.99999	(6,027.58)	0.00	6,027.58
V1996	0.00	1,337.36	(1,337.36)	34.99806	(468.05)	0.00	468.05
V1997	0.00	11,791.61	(11,791.61)	34.99980	(4,127.04)	0.00	4,127.04
V1998	63.34	26,386.03	(26,322.69)	34.99999	(9,212.94)	0.00	9,212.94
V1999	5,212.93	9,739.76	(4,526.83)	34.99999	(1,584.39)	0.00	1,584.39
V2001B	656.68	875.96	(219.28)	35.00091	(76.75)	0.00	76.75
V2003B5	1,857.23	2,477.40	(620.17)	35.00008	(217.06)	0.00	217.06
V2005	169,030.47	57,514.53	111,515.94	35.00000	39,030.58	39,030.58	0.00
V2005B	46,473.45	31,626.23	14,847.22	35.00002	5,196.53	5,196.53	0.00
v2006	231,069.30	134,744.61	96,324.69	35.00000	33,713.64	33,713.64	0.00
PA GENERAL U Total	845,080.77	673,916.47	171,164.30	35.00003	59,907.55	84,188.25	24,280.70
PA GROUP4 P							
V1967	0.00	24,445.38	(24,445.38)	0.00000	0.00	0.00	0.00
V1968	0.00	10,856.68	(10,856.68)	0.00000	0.00	0.00	0.00
V1969	0.00	18,352.00	(18,352.00)	0.00000	0.00	0.00	0.00
V1970	0.00	20,710.21	(20,710.21)	46.78813	(9,689.92)	0.00	9,689.92
V1971	0.00	17,000.82	(17,000.82)	46.68357	(7,936.59)	0.00	7,936.59
V1972	0.00	27,868.87	(27,868.87)	46.48420	(12,954.62)	0.00	12,954.62
V1973	0.00	25,215.74	(25,215.74)	46.13063	(11,632.18)	0.00	11,632.18
V1974	0.00	11,420.77	(11,420.77)	45.72678	(5,222.35)	0.00	5,222.35
V1975	0.00	31,143.32	(31,143.32)	45.36954	(14,129.58)	0.00	14,129.58
V1976	0.00	23,984.39	(23,984.39)	44.52037	(10,677.94)	0.00	10,677.94
V1977	0.00	54,462.13	(54,462.13)	44.14354	(24,041.51)	0.00	24,041.51
V1978	62.18	38,248.71	(38,186.53)	43.34950	(16,553.67)	0.00	16,553.67
V1979	2,988.23	41,842.24	(38,854.01)	42.59733	(16,550.77)	0.00	16,550.77
V1980	13,059.55	66,849.03	(53,789.48)	41.93418	(22,556.18)	0.00	22,556.18
V1981	20.56	77.88	(57.32)	41.43405	(23.75)	0.00	23.75

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA GROUP4 P Total	16,130.52	412,478.17	(396,347.65)	38.34236	(151,969.06)	0.00	151,969.06
PA GROUP4 U							
V1968	0.00	19,714.27	(19,714.27)	0.00000	0.00	0.00	0.00
V1971	0.00	29,949.52	(29,949.52)	46.00007	(13,776.80)	0.00	13,776.80
V1972	0.00	32,051.38	(32,051.38)	46.62392	(14,943.61)	0.00	14,943.61
V1973	0.00	54,189.94	(54,189.94)	46.41136	(25,150.29)	0.00	25,150.29
V1974	0.00	6,272.39	(6,272.39)	45.47836	(2,852.58)	0.00	2,852.58
V1975	0.00	60,741.11	(60,741.11)	45.62694	(27,714.31)	0.00	27,714.31
V1976	0.00	32,695.98	(32,695.98)	45.06747	(14,735.25)	0.00	14,735.25
V1977	0.00	64,196.50	(64,196.50)	44.55073	(28,600.01)	0.00	28,600.01
V1978	0.00	73,635.47	(73,635.47)	43.82168	(32,268.30)	0.00	32,268.30
V1979	0.00	49,709.36	(49,709.36)	42.96762	(21,358.93)	0.00	21,358.93
V1980	0.00	84,653.90	(84,653.90)	42.19719	(35,721.57)	0.00	35,721.57
V1981	5.39	44.90	(39.51)	41.78689	(16.51)	0.00	16.51
PA GROUP4 U Total	5.39	507,854.72	(507,849.33)	42.75641	(217,138.16)	0.00	217,138.16
PA PRODUCTION P							
V1982	0.00	1.20	(1.20)	47.50000	(0.57)	0.00	0.57
V1983	0.00	141.44	(141.44)	45.37613	(64.18)	0.00	64.18
V1984	0.00	168.56	(168.56)	42.92833	(72.36)	0.00	72.36
V1985	0.00	422.16	(422.16)	40.27383	(170.02)	0.00	170.02
V1986	0.00	4,231.20	(4,231.20)	37.73941	(1,596.83)	0.00	1,596.83
V1987	0.00	2,037.16	(2,037.16)	35.37768	(720.70)	0.00	720.70
V1987A	0.00	528.16	(528.16)	35.28855	(186.38)	0.00	186.38
V1988	0.00	1,211.52	(1,211.52)	34.17938	(414.09)	0.00	414.09
V1989	0.00	564.16	(564.16)	34.23674	(193.15)	0.00	193.15
V1990	0.00	1,376.60	(1,376.60)	34.32588	(472.53)	0.00	472.53
V1991	0.00	703.44	(703.44)	34.48624	(242.59)	0.00	242.59
V1992	0.00	(19.32)	19.32	34.62733	6.69	0.00	(6.69)
V1993	0.00	3,591.20	(3,591.20)	34.95238	(1,255.21)	0.00	1,255.21
V1994	0.00	1,152.00	(1,152.00)	35.00174	(403.22)	0.00	403.22
V1995	0.00	642.72	(642.72)	35.00124	(224.96)	0.00	224.96
V1996	0.00	24.40	(24.40)	35.04098	(8.55)	0.00	8.55
V1997	0.00	211.64	(211.64)	34.99811	(74.07)	0.00	74.07
V1998	0.27	52.80	(52.53)	34.98953	(18.38)	0.00	18.38
PA PRODUCTION P Total	0.27	17,041.04	(17,040.77)	35.86164	(6,111.10)	0.00	6,111.10
PA PRODUCTION U							
V19100	271.99	121.97	150.02	35.00200	52.51	52.51	0.00
V19101	6,229.10	2,793.32	3,435.78	34.99991	1,202.52	1,202.52	0.00
V19102	6,437.16	4,121.76	2,315.40	35.00000	810.39	810.39	0.00
V19103	1,513.67	692.28	821.39	35.00043	287.49	287.49	0.00
V19104	9,014.41	4,122.76	4,891.65	35.00005	1,712.08	1,712.08	0.00

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V1982	0.00	185.20	(185.20)	45.99892	(85.19)	0.00	85.19
V1983	0.00	130.32	(130.32)	45.38828	(59.15)	0.00	59.15
V1984	0.00	57.44	(57.44)	42.89694	(24.64)	0.00	24.64
V1986	0.00	2,795.80	(2,795.80)	37.94513	(1,060.87)	0.00	1,060.87
V1987	0.00	2,155.08	(2,155.08)	35.45205	(764.02)	0.00	764.02
V1987A	0.00	(48.52)	48.52	35.40808	17.18	0.00	(17.18)
V1988	0.00	13,561.84	(13,561.84)	34.18120	(4,635.60)	0.00	4,635.60
V1989	0.00	3,205.32	(3,205.32)	34.23933	(1,097.48)	0.00	1,097.48
V1990	0.00	10,731.76	(10,731.76)	34.33174	(3,684.40)	0.00	3,684.40
V1991	0.00	1,945.16	(1,945.16)	34.49022	(670.89)	0.00	670.89
V1992	0.00	1,353.32	(1,353.32)	34.74418	(470.20)	0.00	470.20
V1993	0.00	2,218.68	(2,218.68)	34.95231	(775.48)	0.00	775.48
V1994	0.00	984.88	(984.88)	34.99716	(344.68)	0.00	344.68
V1995	0.00	579.44	(579.44)	34.99931	(202.80)	0.00	202.80
V1996	0.00	951.32	(951.32)	35.00189	(332.98)	0.00	332.98
V1997	0.00	860.92	(860.92)	34.99977	(301.32)	0.00	301.32
V1999	625.70	561.17	64.53	35.00697	22.59	22.59	0.00
V2003B5	172.17	110.24	61.93	35.00727	21.68	21.68	0.00
V2005	6,145.52	1,003.76	5,141.76	35.00008	1,799.62	1,799.62	0.00
V2005B	(4,772.37)	(1,558.96)	(3,213.41)	34.99989	(1,124.69)	(1,124.69)	0.00
v2006	7,145.00	2,000.00	5,145.00	35.00000	1,800.75	1,800.75	0.00
PA PRODUCTION U Total	32,782.35	55,636.26	(22,853.91)	34.60056	(7,907.58)	6,584.94	14,492.52
PA SU PRODUCTION P							
V1983	0.00	189.67	(189.67)	45.40518	(86.12)	0.00	86.12
V1984	0.00	972.60	(972.60)	42.91178	(417.36)	0.00	417.36
V1985	0.00	3,564.52	(3,564.52)	40.27218	(1,435.51)	0.00	1,435.51
V1986	0.00	893.96	(893.96)	37.74218	(337.40)	0.00	337.40
V1987	0.00	925.20	(925.20)	40.74470	(376.97)	0.00	376.97
V1988	0.00	817.08	(817.08)	34.13007	(278.87)	0.00	278.87
V1989	0.00	250.04	(250.04)	34.22652	(85.58)	0.00	85.58
V1990	0.00	115.08	(115.08)	34.31526	(39.49)	0.00	39.49
V1991	0.00	25.28	(25.28)	34.53323	(8.73)	0.00	8.73
V1993	0.00	3.68	(3.68)	35.32609	(1.30)	0.00	1.30
PA SU PRODUCTION P Total	0.00	7,757.11	(7,757.11)	39.54217	(3,067.33)	0.00	3,067.33
PA SU PRODUCTION U							
V1983	0.00	434.06	(434.06)	45.40386	(197.08)	0.00	197.08
V1984	0.00	571.24	(571.24)	42.91366	(245.14)	0.00	245.14
V1985	0.00	2,093.44	(2,093.44)	40.27343	(843.10)	0.00	843.10
V1986	0.00	525.00	(525.00)	37.73524	(198.11)	0.00	198.11
V1987	0.00	543.36	(543.36)	40.65445	(220.90)	0.00	220.90
V1988	0.00	479.88	(479.88)	34.13562	(163.81)	0.00	163.81
V1989	0.00	146.88	(146.88)	34.21160	(50.25)	0.00	50.25

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V1990	0.00	67.56	(67.56)	34.38425	(23.23)	0.00	23.23
V1991	0.00	14.84	(14.84)	34.63612	(5.14)	0.00	5.14
V1993	0.00	3,642.80	(3,642.80)	34.95882	(1,273.48)	0.00	1,273.48
PA SU PRODUCTION U Total	0.00	8,519.06	(8,519.06)	37.80041	(3,220.24)	0.00	3,220.24
PA TRANS C&G P							
V1976	0.00	0.12	(0.12)	50.00000	(0.06)	0.00	0.06
PA TRANS C&G P Total	0.00	0.12	(0.12)	50.00000	(0.06)	0.00	0.06
PA TRANS C&G U							
V1980	0.00	119.50	(119.50)	43.28033	(51.72)	0.00	51.72
PA TRANS C&G U Total	0.00	119.50	(119.50)	43.28033	(51.72)	0.00	51.72
PA TRANSMISSION P							
V1981	0.00	692.68	(692.68)	42.66472	(295.53)	0.00	295.53
V1982	0.00	528.93	(528.93)	41.73142	(220.73)	0.00	220.73
V1983	0.00	605.97	(605.97)	40.59607	(246.00)	0.00	246.00
V1984	0.00	209.97	(209.97)	39.50088	(82.94)	0.00	82.94
V1985	0.00	3,737.72	(3,737.72)	38.36965	(1,434.15)	0.00	1,434.15
V1986	0.00	4,576.71	(4,576.71)	36.92827	(1,690.10)	0.00	1,690.10
V1987	0.00	123.95	(123.95)	35.11093	(43.52)	0.00	43.52
V1987A	0.00	258.14	(258.14)	35.17084	(90.79)	0.00	90.79
V1988	0.00	3,850.90	(3,850.90)	34.51037	(1,328.96)	0.00	1,328.96
V1989	0.00	5,378.27	(5,378.27)	34.59068	(1,860.38)	0.00	1,860.38
V1990	22.05	1,023.86	(1,001.81)	34.68821	(347.51)	0.00	347.51
V1991	1,056.16	832.75	223.41	34.99843	78.19	78.19	0.00
V1992	1,576.60	621.55	955.05	35.00026	334.27	334.27	0.00
V1993	20,512.94	8,086.97	12,425.97	35.00000	4,349.09	4,349.09	0.00
V1994	24,651.44	9,718.52	14,932.92	34.99999	5,226.52	5,226.52	0.00
V1995	14,282.37	5,630.64	8,651.73	35.00005	3,028.11	3,028.11	0.00
V1996	2,192.09	864.20	1,327.89	34.99989	464.76	464.76	0.00
V1997	120.60	47.54	73.06	34.99863	25.57	25.57	0.00
V1998	30,120.92	11,874.79	18,246.13	35.00002	6,386.15	6,386.15	0.00
V1999	35,821.84	14,122.30	21,699.54	35.00000	7,594.84	7,594.84	0.00
PA TRANSMISSION P Total	130,357.01	72,786.36	57,570.65	34.47397	19,846.89	27,487.50	7,640.61
PA TRANSMISSION U							
V19100	42,767.39	16,860.50	25,906.89	34.99999	9,067.41	9,067.41	0.00
V19101	49,218.00	18,375.77	30,842.23	35.00000	10,794.78	10,794.78	0.00
V19102	(2,283.58)	(1,095.66)	(1,187.92)	34.99983	(415.77)	(415.77)	0.00
V19103	8,498.23	3,669.71	4,828.52	34.99996	1,689.98	1,689.98	0.00
V19104	29,410.59	16,002.11	13,408.48	35.00001	4,692.97	4,692.97	0.00
V1981	0.00	6,883.82	(6,883.82)	42.60062	(2,932.55)	0.00	2,932.55
V1982	0.00	12,036.52	(12,036.52)	41.59151	(5,006.17)	0.00	5,006.17
V1983	0.00	23,092.60	(23,092.60)	40.43837	(9,338.27)	0.00	9,338.27

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Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	SL Book Life	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V1984	0.00	11,428.64	(11,428.64)	39.26924	(4,487.94)	0.00	4,487.94
V1985	0.00	16,490.81	(16,490.81)	39.05133	(6,439.88)	0.00	6,439.88
V1986	0.00	24,911.99	(24,911.99)	37.17748	(9,261.65)	0.00	9,261.65
V1987	0.00	21,169.16	(21,169.16)	35.04627	(7,419.00)	0.00	7,419.00
V1987A	0.00	3,162.99	(3,162.99)	35.11772	(1,110.77)	0.00	1,110.77
V1988	0.00	93,390.25	(93,390.25)	34.51718	(32,235.68)	0.00	32,235.68
V1989	0.00	72,763.58	(72,763.58)	34.58920	(25,168.34)	0.00	25,168.34
V1990	1,394.95	64,886.47	(63,491.52)	34.67869	(22,018.03)	0.00	22,018.03
V1991	53,566.81	42,236.07	11,330.74	35.00001	3,965.76	3,965.76	0.00
V1992	119,875.79	47,259.51	72,616.28	35.00000	25,415.70	25,415.70	0.00
V1993	58,217.54	22,951.53	35,266.01	34.99999	12,343.10	12,343.10	0.00
V1994	47,295.76	18,645.75	28,650.01	34.99999	10,027.50	10,027.50	0.00
V1995	33,206.62	13,091.29	20,115.33	35.00002	7,040.37	7,040.37	0.00
V1996	16,518.47	6,512.20	10,006.27	34.99996	3,502.19	3,502.19	0.00
V1997	27,526.92	10,852.14	16,674.78	34.99998	5,836.17	5,836.17	0.00
V1998	10,269.84	4,048.75	6,221.09	34.99998	2,177.38	2,177.38	0.00
V1999	50,629.16	19,959.90	30,669.26	35.00000	10,734.24	10,734.24	0.00
V2003B5	6,821.20	4,123.21	2,697.99	35.00013	944.30	944.30	0.00
V2005	4,398.88	1,077.03	3,321.85	35.00008	1,162.65	1,162.65	0.00
V2005B	11,418.10	5,591.26	5,826.84	34.99993	2,039.39	2,039.39	0.00
v2006	72,500.00	33,727.00	38,773.00	35.00000	13,570.55	13,570.55	0.00
PA TRANSMISSION U Total	641,250.67	634,104.90	7,145.77	(11.60981)	(829.61)	124,588.67	125,418.28
METHOD LIFE FED Total	13,695,425.99	10,687,931.49	3,007,494.50	31.58670	949,968.28	2,082,333.04	1,132,364.76

Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	Initial Provision	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
PA CIAC							
V19100	9,282.00	0.00	9,282.00	35.00000	3,248.70	0.00	(3,248.70)
V19101	6,750.85	0.00	6,750.85	35.00004	2,362.80	0.00	(2,362.80)
V19102	6,451.61	0.00	6,451.61	34.99995	2,258.06	0.00	(2,258.06)
V19103	5,464.75	0.00	5,464.75	34.99995	1,912.66	0.00	(1,912.66)
V19104	5,709.56	0.00	5,709.56	35.00007	1,998.35	0.00	(1,998.35)
V1987	15,633.55	0.00	15,633.55	42.99970	6,722.38	0.00	(6,722.38)
V1988	18,076.42	0.00	18,076.42	33.99976	6,145.94	0.00	(6,145.94)
V1989	2,667.35	0.00	2,667.35	33.99854	906.86	0.00	(906.86)
V1990	496.67	0.00	496.67	34.00648	168.90	0.00	(168.90)
V1991	557.37	0.00	557.37	34.00434	189.53	0.00	(189.53)
V1992	222.15	0.00	222.15	34.00855	75.55	0.00	(75.55)
V1995	593.14	0.00	593.14	34.99848	207.59	0.00	(207.59)
V1996	5,021.34	0.00	5,021.34	34.99962	1,757.45	0.00	(1,757.45)
V1997	4,548.93	0.00	4,548.93	34.99966	1,592.11	0.00	(1,592.11)
V1998	9,917.08	0.00	9,917.08	35.00002	3,470.98	0.00	(3,470.98)
V1999	7,803.37	0.00	7,803.37	35.00001	2,731.18	0.00	(2,731.18)
V2003B5	2,032.21	0.00	2,032.21	34.99983	711.27	0.00	(711.27)
V2005	7,392.49	0.00	7,392.49	34.99998	2,587.37	0.00	(2,587.37)
PA CIAC Total	108,620.84	0.00	108,620.84	35.94861	39,047.68	0.00	(39,047.68)
PA SERVICE LINE RAR							
V1979	706.11	0.00	706.11	45.99992	324.81	0.00	(324.81)
V1980	1,944.65	0.00	1,944.65	45.99954	894.53	0.00	(894.53)
PA SERVICE LINE RAR Total	2,650.76	0.00	2,650.76	45.99964	1,219.34	0.00	(1,219.34)
PA UNICAP							
V19100	71,789.99	0.00	71,789.99	35.00000	25,126.50	0.00	(25,126.50)
V19101	82,817.38	0.00	82,817.38	35.00000	28,986.08	0.00	(28,986.08)
V19102	64,630.35	0.00	64,630.35	35.00000	22,620.62	0.00	(22,620.62)
V19103	44,684.07	0.00	44,684.07	34.99999	15,639.42	0.00	(15,639.42)
V19104	50,448.82	0.00	50,448.82	35.00001	17,657.09	0.00	(17,657.09)
V1988	40,851.41	0.00	40,851.41	34.00005	13,889.50	0.00	(13,889.50)
V1989	30,708.66	0.00	30,708.66	34.00012	10,440.98	0.00	(10,440.98)
V1990	33,608.64	0.00	33,608.64	34.00001	11,426.94	0.00	(11,426.94)
V1991	37,075.98	0.00	37,075.98	34.00005	12,605.85	0.00	(12,605.85)
V1992	35,321.01	0.00	35,321.01	34.00005	12,009.16	0.00	(12,009.16)
V1993	35,486.26	0.00	35,486.26	34.74996	12,331.46	0.00	(12,331.46)
V1994	42,627.83	0.00	42,627.83	34.99993	14,919.71	0.00	(14,919.71)
V1995	67,239.50	0.00	67,239.50	34.99996	23,533.80	0.00	(23,533.80)
V1996	82,353.94	0.00	82,353.94	35.00000	28,823.88	0.00	(28,823.88)
V1997	124,390.74	0.00	124,390.74	34.99998	43,536.74	0.00	(43,536.74)
V1998	98,054.71	0.00	98,054.71	35.00000	34,319.15	0.00	(34,319.15)
V1999	73,709.00	0.00	73,709.00	35.00000	25,798.15	0.00	(25,798.15)

Tax Year:2006
 Deferred Tax Type:FEDERAL
 Timing Difference:TAX DIFFS

NATIONAL FUEL GAS
 FY 2004 - Tax Return Def Tax
 DEFERRED TAX SUMMARY REPORT

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 Study Date: 04/25/2006
 Report Date: 04/25/2006 2:33 PM

Tax Class Range:PA - DISTRIBUTION Vintage Range:All Vintages	FED	Initial Provision	Timing Difference	ARAM Rate	Deferred Tax	Provision	Amortization
V2003B5	16,616.84	0.00	16,616.84	34.99998	5,815.89	0.00	(5,815.89)
V2005	117,898.05	0.00	117,898.05	35.00000	41,264.32	0.00	(41,264.32)
v2006	56,250.00	1,500,000.00	(1,443,750.00)	35.00000	(505,312.50)	(525,000.00)	(19,687.50)
PA UNICAP Total	1,206,563.18	1,500,000.00	(293,436.82)	35.63536	(104,567.26)	(525,000.00)	(420,432.74)
TAX DIFFS Total	1,317,834.78	1,500,000.00	(182,165.22)	35.29776	(64,300.24)	(525,000.00)	(460,699.76)
FEDERAL Total	15,013,281.44	12,188,628.29	2,824,653.15	31.35493	885,668.04	1,557,333.04	671,665.00

53. Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, proforma existing rates, and under proposed rates.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Deferred Income Taxes
 Twelve Months Ended January 31, 2006
 \$000

		(1) Per Books Twelve Months Ended January 31, 2006	(2) Present Rates Adjustments	(3) Normalized Twelve Months Ended January 31, 2006	(4) Proposed Rates Adjustments	(5) Normalized Twelve Months Ended January 31, 2006
Liberalized Depreciation	Note 1	\$1,430	(\$19)	\$1,411	\$0	\$1,411
Gas Costs	Note 2	632	(632)	0	0	0
Bad Debt Expense	Note 3	(2,751)	2,751	0	0	0
Contribution in Aid of Construction	Note 3	78	(78)	0	0	0
Pension Costs	Note 3	(498)	498	0	0	0
Capitalized Overheads	Note 3	(560)	560	0	0	0
Other	Note 3	(1,033)	1,033	0	0	0
Prior Year	Note 3	610	(610)	0	0	0
Total		(\$2,092)	\$3,503	\$1,411	\$0	\$1,411

Note 1: Regulation 53.53 III.A. 52

Note 2: To eliminate Deferred Taxes applicable to gas costs deferred per books.

Note 3: To eliminate non Rate Base or non-recurring items.

54. Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.

Exhibit 7 Pages 20 - 24 provides the breakdown of the accumulated investment tax credits.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Former Pennsylvania Gas Company
Option 2 Amortization of the Balance of
Deferred Investment Tax Credit as of July 1, 1974

Eligible Property	Deferred Investment Credit	Amortization Percentage	Amortization for the Twelve Months Ended January 31, 2006
Gas Plant Additions	\$138,000	2.9%	\$4,000

PREPARED BY: DJB
 UPDATED BY:
 DATE PRINTED: 02:39:50 PM 19-Apr-06

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 DEFERRED INVESTMENT TAX CREDIT
 10-01-2005 TO 9-30-2006

FILE name: ITCamort	FISCAL YEAR	PGC - PA	UNG - PA	IROQUODIS - NY	PGC - NY	TOTAL PA DIV.	TOTAL NY DIV.	TOTAL COMPANY
BALANCE PER BOOKS	30-Sep-05	679,985.78	1,459,801.38	4,035,539.24	317,424.02	2,139,787.16	4,352,963.26	6,492,750.42
FISCAL YEAR ADJUSTMENT	30-Sep-05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADJUSTED BOOK BALANCE AT TRANSFER FORM SUPPLY	30-Sep-05	679,985.78	1,459,801.38	4,035,539.24	317,424.02	2,139,787.16	4,352,963.26	6,492,750.42
FISCAL YEAR PROVISION FY 1977-87 RAR FY PROVISION	30-Sep-06	(77,000.12)	(147,508.02)	(382,414.73)	(33,610.15)	(224,508.14)	(416,024.88)	(640,533.02)
BALANCE PER BOOKS	30-Sep-06	602,985.66	1,312,293.36	3,653,124.51	283,813.87	1,915,279.02	3,936,938.38	5,852,217.40
FY 1977-87 RAR NET DEFERRED						32,306.00	42,353.00	74,659.00
						<u>1,947,585.02</u>	<u>3,979,291.38</u>	<u>5,926,876.40</u>

REQUIRED FISCAL YR. END BALANCES:

=====

ACCT. 411100 - ITC ADDITIONS								
ACCT. 420000 - CHICORA SALE								
ACCT. 411100 - ITC DEFERRED		0.00	0.00	0.00	0.00	0.00	0.00	0.00
ACCT. 411100 - AMORT. OPTION 2		(639.47)	0.00	0.00	(707.43)	(639.47)	(707.43)	(1,346.90)
ACCT. 420000 - AMORT. OPTION 1		(76,360.65)	(147,508.02)	(382,414.73)	(32,902.72)	(223,868.67)	(415,317.45)	(639,186.12)
ACCT. 255000 - ACCUM. DEF. - NET		77,000.12	147,508.02	382,414.73	33,610.15	224,508.14	416,024.88	640,533.02
DIFFERENCE DUE TO ROUNDING								

FY 1977-87 IRS AUDIT ADJUSTMENST

ACCT. 420000 - AMORT. OPTION 1						(10,317.00)	(21,862.00)	(32,179.00)
ACCT. 255000 - ACCUM. DEF. - NET						10,317.00	21,862.00	32,179.00

TOTAL ITC AMORT

ACCT. 411100 - ITC ADDITIONS						0.00	0.00	0.00
ACCT. 420000 - CHICORA SALE						0.00	0.00	0.00
ACCT. 411100 - ITC DEFERRED						0.00	0.00	0.00
ACCT. 411100 - AMORT. OPTION 2						(639.47)	(707.43)	(1,346.90)
ACCT. 420000 - AMORT. OPTION 1						(234,185.67)	(437,179.45)	(671,365.12)
ACCT. 255000 - ACCUM. DEF. - NET						234,825.14	437,886.88	672,712.02

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DEFERRED INVESTMENT TAX CREDIT
10-01-2005 TO 9-30-2006

02:35:00 PM 19-Apr-06

DESCRIPTION	ITC DEFERRAL			BALANCE AT 30-Sep-06	ANNUAL PERCENTAGE AMORTIZED	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-05	2005 AMORTIZATION RATE	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-06	ACCUMULATED AMORTIZATION 30-Sep-06	ACCUMULATED DEFERRAL NET 30-Sep-06	CURRENT YEAR PROVISION 30-Sep-06	OPTION 2 AMORTIZATION 30-Sep-06
	BALANCE AT 30-Sep-05	2005 ADDITIONS	ITC RECAPTURE									
FORMER PGC - PA												
1970 LEASED (10) - 3%	0.00			0.00	0.2000	1.0000	0.0000	1.0000	0.00	0.00	0.00	
1971 LEASED (5) - 4%	2,034.28			2,034.28	0.2000	1.0000	0.0000	1.0000	2,034.28	0.00	0.00	
1971 LEASED (10) - 4%	437.73			437.73	0.1000	1.0000	0.0000	1.0000	437.73	0.00	0.00	
1971 OTHER PROP. - 4%	2,258.47			2,258.47	0.0290	1.0000	0.0000	1.0000	2,258.47	0.00	0.00	
1971 OTHER PROP. - 7%	32,891.70			32,891.70	0.0290	1.0000	0.0000	1.0000	32,891.70	0.00	0.00	
1972 LEASED (5) - 4%	3,174.10			3,174.10	0.2000	1.0000	0.0000	1.0000	3,174.10	0.00	0.00	
1972 LEASED (10) - 4%	287.00			287.00	0.2000	1.0000	0.0000	1.0000	287.00	0.00	0.00	
1972 OTHER PROP. - 4%	24,280.40			24,280.40	0.0290	0.9787	0.0213	1.0000	24,280.40	0.00	(518.39)	
1972 OTHER PROP. - 7%	37,044.87			37,044.87	0.0290	0.9787	0.0213	1.0000	37,044.87	0.00	(790.91)	
1973 LEASED (5) - 4%	2,509.92			2,509.92	0.2000	1.0000	0.0000	1.0000	2,509.92	0.00	0.00	
1973 LEASED (10) - 4%	318.10			318.10	0.1000	1.0000	0.0000	1.0000	318.10	0.00	0.00	
1973 OTHER PROP. - 4%	22,718.17			22,718.17	0.0290	0.9497	0.0290	0.9787	22,233.14	485.03	(658.83)	
1973 OTHER PROP. - 7%	(22,907.99)			(22,907.99)	0.0290	1.0000	0.0000	1.0000	(22,418.90)	(489.09)	664.33	
1/1 - 9/30/74 LEASED (5) - 4%	4,076.20			4,076.20	0.2000	1.0000	0.0000	1.0000	4,076.20	0.00	0.00	
1/1 - 9/30/74 LEASED (10) - 4%	178.62			178.62	0.1000	1.0000	0.0000	1.0000	178.62	0.00	0.00	
1/1 - 9/30/74 OTHER PROP. - 4%	(22,907.99)			(22,907.99)	0.0290	0.9207	0.0290	0.9497	(21,754.57)	(1,153.42)	664.33	(839.47)
7/1 - 9/30/74 LEASED (5) - 4%	352.86			352.86	0.2000	1.0000	0.0000	1.0000	352.86	0.00	0.00	
7/1 - 9/30/74 LEASED (10) - 4%	237.94			237.94	0.1000	1.0000	0.0000	1.0000	237.94	0.00	0.00	
7/1 - 9/30/74 OTHER PROP. - 4%	26,052.26			26,052.26	0.0290	0.9063	0.0290	0.9353	24,365.38	1,686.88	(755.52)	
7/1 - 9/30/74 OTHER PROP. - 7%	2,397.63			2,397.63	0.0290	0.9063	0.0290	0.9353	2,242.38	155.25	(89.53)	
10/1/74 - 1/31/75 LEASED (5) - 4%	356.30			356.30	0.2000	1.0000	0.0000	1.0000	356.30	0.00	0.00	
10/1/74 - 1/31/75 LEASED (10) - 4%	3,217.12			3,217.12	0.1000	1.0000	0.0000	1.0000	3,217.12	0.00	0.00	
10/1/74 - 1/31/75 OTHER PROP. - 7%	8,720.44			8,720.44	0.0290	0.8990	0.0290	0.9280	8,092.57	627.87	(252.89)	
10/1/74 - 1/31/75 OTHER PROP. - 4%	20,846.38			20,846.38	0.0290	0.8990	0.0290	0.9280	19,345.44	1,500.94	(604.54)	
2/1 - 9/30/75 LEASED (5)	6,955.91			6,955.91	0.2000	1.0000	0.0000	1.0000	6,955.91	0.00	0.00	
2/1 - 9/30/75 LEASED (10)	20,896.66			20,896.66	0.1000	1.0000	0.0000	1.0000	20,896.66	0.00	0.00	
2/1 - 9/30/75 OTHER PROP.	117,443.62			117,443.62	0.0290	0.8993	0.0290	0.9183	107,852.00	9,591.62	(3,405.87)	
1976 LEASED (5)	9,584.17			9,584.17	0.2000	1.0000	0.0000	1.0000	9,584.17	0.00	0.00	
1976 LEASED (10)	5,176.50			5,176.50	0.1000	1.0000	0.0000	1.0000	5,176.50	0.00	0.00	
1976 OTHER PROP.	137,787.87			137,787.87	0.0290	0.8700	0.0290	0.8990	123,871.30	13,916.57	(3,995.85)	
1977 LEASED (5)	7,876.37			7,876.37	0.2000	1.0000	0.0000	1.0000	7,876.37	0.00	0.00	
1977 LEASED (10)	8,328.75			8,328.75	0.1000	1.0000	0.0000	1.0000	8,328.75	0.00	0.00	
1977 OTHER PROP.	318,739.29			318,739.29	0.0290	0.8410	0.0290	0.8700	277,303.18	41,436.11	(8,243.44)	
1978 LEASED (5)	15,569.92			15,569.92	0.2000	1.0000	0.0000	1.0000	15,569.92	0.00	0.00	
1978 LEASED (10)	58,965.21			58,965.21	0.1000	1.0000	0.0000	1.0000	58,965.21	0.00	0.00	
1978 OTHER PROP.	198,405.03			198,405.03	0.0290	0.8120	0.0290	0.8410	166,858.63	31,546.40	(5,753.75)	
1979 LEASED (5)	12,041.78			12,041.78	0.2000	1.0000	0.0000	1.0000	12,041.78	0.00	0.00	
1979 LEASED (10)	83,741.08			83,741.08	0.1000	1.0000	0.0000	1.0000	83,741.08	0.00	0.00	
1979 OTHER PROP.	242,647.90			242,647.90	0.0290	0.7830	0.0290	0.8120	197,030.09	45,617.81	(7,036.78)	
1980 LEASED (5)	36,736.91			36,736.91	0.2000	1.0000	0.0000	1.0000	36,736.91	0.00	0.00	
1980 LEASED (10)	98,769.75			98,769.75	0.1000	1.0000	0.0000	1.0000	98,769.75	0.00	0.00	
1980 OTHER PROP.	335,234.59			335,234.59	0.0290	0.7540	0.0290	0.7830	262,488.68	72,745.91	(9,721.80)	
10/1 - 12/31/80 LEASED (5)	10,906.40			10,906.40	0.2000	1.0000	0.0000	1.0000	10,906.40	0.00	0.00	
10/1 - 12/31/80 LEASED (10)	23,173.56			23,173.56	0.1000	1.0000	0.0000	1.0000	23,173.56	0.00	0.00	
10/1 - 12/31/80 OTHER PROP.	210.77			210.77	0.0290	0.7250	0.0290	0.7540	158.82	51.85	(6.11)	
1/1 - 9/30/81 LEASED (5)	21,258.45			21,258.45	0.2000	1.0000	0.0000	1.0000	21,258.45	0.00	0.00	
1/1 - 9/30/81 LEASED (10)	89,586.96			89,586.96	0.1000	1.0000	0.0000	1.0000	89,586.96	0.00	0.00	
1/1 - 9/30/81 OTHER PROP.	273,894.52			273,894.52	0.0290	0.7250	0.0290	0.7540	206,516.47	67,378.05	(7,942.94)	
1982 LEASED (5)	7,226.57			7,226.57	0.2000	1.0000	0.0000	1.0000	7,226.57	0.00	0.00	
1982 LEASED (10)	82,888.16			82,888.16	0.1000	1.0000	0.0000	1.0000	82,888.16	0.00	0.00	
1982 OTHER PROP.	142,940.27			142,940.27	0.0290	0.6960	0.0290	0.7250	103,631.70	39,308.57	(4,145.27)	
1983 LEASED (5)	613.78			613.78	0.2000	1.0000	0.0000	1.0000	613.78	0.00	0.00	
1983 LEASED (10)	40,519.94			40,519.94	0.1000	1.0000	0.0000	1.0000	40,519.94	0.00	0.00	
1983 OTHER PROP.	176,725.84			176,725.84	0.0290	0.6670	0.0290	0.6960	123,001.18	53,724.66	(5,125.04)	
1984 LEASED (10)	50,429.55			50,429.55	0.1000	1.0000	0.0000	1.0000	50,429.55	0.00	0.00	
1984 AUTO (5)	1,693.99			1,693.99	0.2000	1.0000	0.0000	1.0000	1,693.99	0.00	0.00	
1984 OTHER PROP.	200,622.65			200,622.65	0.0290	0.6380	0.0290	0.6670	133,815.31	66,807.34	(5,818.08)	
1985 LEASED (10)	26,347.04			26,347.04	0.1000	1.0000	0.0000	1.0000	26,347.04	0.00	0.00	
1985 OTHER PROP.	342,151.75			342,151.75	0.0290	0.6090	0.0290	0.6380	218,292.82	123,858.93	(9,922.40)	
1986 LEASED(10)	0.00			0.00	0.0000	0.2000	0.0000	0.2000	0.00	0.00	0.00	
1986 AUTO(5)	0.00			0.00	0.0000	0.4000	0.0000	0.4000	0.00	0.00	0.00	
1986 OTHER PROP.	80,268.94			80,268.94	0.0290	0.5800	0.0290	0.6090	48,883.78	31,385.16	(2,327.79)	
1986 METER STATION [SUPPLY]	2,234.90			2,234.90	0.0354	0.7080	0.0354	0.7434	1,661.42	573.48	(79.11)	
1987 OTHER PROP.	5,308.90			5,308.90	0.0290	0.5510	0.0290	0.5800	3,079.16	2,229.74	(153.96)	
TOTAL - FORMER PGC - PA	3,442,478.76	0.00	0.00	3,442,478.76				0.0000	2,839,493.10	602,985.66	(77,000.12)	(639.47)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DEFERRED INVESTMENT TAX CREDIT
10-01-2005 TO 9-30-2006

02:35:00 PM 19-Apr-06

DESCRIPTION	ITC DEFERRAL			BALANCE AT 30-Sep-06	ANNUAL PERCENTAGE AMORTIZED	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-05	2005 AMORTIZATION RATE	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-06	ACCUMULATED AMORTIZATION 30-Sep-06	ACCUMULATED DEFERRAL NET 30-Sep-06	CURRENT YEAR PROVISION 30-Sep-06	OPTION 2 AMORTIZATION 30-Sep-06
	BALANCE AT 30-Sep-05	2005 ADDITIONS	ITC RECAPTURE									
FORMER UNG												
1970 OTHER PROP. - 3%	109.83			109.83	0.0290	1.0000	0.0000	1.0000	109.83	0.00	0.00	
1971 LEASED (5) - 4%												
1971 LEASED (10) - 4%												
1971 OTHER PROPERTY - 4%	81,148.22			81,148.22	0.0290	1.0000	0.0000	1.0000	81,148.22	0.00	0.00	
1971 OTHER PROPERTY - 7%												
1972 LEASED (5) - 4%												
1972 LEASED (10) - 4%												
1972 OTHER PROP. - 4%												
1972 OTHER PROP. - 7%												
1973 LEASED (5) - 4%												
1973 LEASED (10) - 4%												
1973 OTHER PROP. - 4%												
1973 OTHER PROP. - 7%												
1/1 - 8/30/74 LEASED (5) - 4%												
1/1 - 8/30/74 LEASED (10) - 4%												
1/1 - 8/30/74 OTHER PROP. - 4%												
7/1 - 8/30/74 LEASED (5) - 4%												
7/1 - 8/30/74 LEASED (10) - 4%												
7/1 - 8/30/74 OTHER PROP. - 7%	19,118.86			19,118.86	0.0290	0.0063	0.0290	0.0353	17,880.91	1,237.95	(554.44)	
7/1 - 8/30/74 OTHER PROP. - 4%												
10/1 - 1/31/75 LEASED (5) - 4%												
10/1 - 1/31/75 LEASED (10) - 4%	2,862.44			2,862.44	0.1000	1.0000	0.0000	1.0000	2,862.44	0.00	0.00	
10/1 - 1/31/75 OTHER PROP. - 7%												
10/1 - 1/31/75 OTHER PROP. - 4%	36,131.37			36,131.37	0.0290	0.8990	0.0290	0.9280	33,529.91	2,601.46	(1,047.81)	
2/1 - 9/30/75 LEASED (5)												
2/1 - 9/30/75 LEASED (10)												
2/1 - 9/30/75 OTHER PROP.	213,504.13			213,504.13	0.0290	0.8893	0.0290	0.9183	196,067.25	17,436.88	(6,181.62)	
1976 LEASED (5)	7,088.05			7,088.05	0.2000	1.0000	0.0000	1.0000	7,088.05	0.00	0.00	
1976 LEASED (10)	7,333.68			7,333.68	0.1000	1.0000	0.0000	1.0000	7,333.68	0.00	0.00	
1976 OTHER PROP.	174,493.55			174,493.55	0.0290	0.8700	0.0290	0.8990	156,869.70	17,623.85	(5,060.31)	
1977 LEASED (5)												
1977 LEASED (10)												
1977 OTHER PROP.	336,972.17			336,972.17	0.0290	0.8410	0.0290	0.8700	293,165.79	43,806.38	(9,772.20)	
1978 LEASED (5)												
1978 LEASED (10)												
1978 OTHER PROP.	403,507.60			403,507.60	0.0290	0.8120	0.0290	0.8410	339,349.89	64,157.71	(11,701.72)	
1979 LEASED (5)												
1979 LEASED (10)												
1979 OTHER PROP.	293,067.26			293,067.26	0.0290	0.7830	0.0290	0.8120	237,970.62	55,096.64	(8,498.96)	
1980 LEASED (5)												
1980 LEASED (10)												
1980 OTHER PROP.	432,091.80			432,091.80	0.0290	0.7540	0.0290	0.7830	338,327.88	93,763.92	(12,530.66)	
10/1/80 - 12/31/80 LEASED (5)												
10/1/80 - 12/31/80 LEASED (10)												
10/1/80 - 12/31/80 OTHER PROP.	86.81			86.81	0.0290	0.7250	0.0290	0.7540	65.45	21.36	(2.51)	
1/1/80 - 9/30/81 LEASED (5)												
1/1/80 - 9/30/81 LEASED (10)												
1/1/80 - 9/30/81 OTHER PROP.	365,667.96			365,667.96	0.0290	0.7250	0.0290	0.7540	275,713.64	89,954.32	(10,604.37)	
1982 LEASED (5)												
1982 LEASED (10)												
1982 OTHER PROP.	546,975.69			546,975.69	0.0290	0.6960	0.0290	0.7250	396,557.38	150,418.31	(15,882.30)	
1983 LEASED (5)												
1983 LEASED (10)												
1983 OTHER PROP.	619,246.88			619,246.88	0.0290	0.6670	0.0290	0.6960	430,995.83	188,251.05	(17,958.16)	
1984 LEASED (10)												
1984 AUTO (5)												
1984 OTHER PROP.	591,582.83			591,582.83	0.0290	0.6380	0.0290	0.6670	394,585.75	196,997.08	(17,155.90)	
1985 LEASED (10)												
1985 OTHER PROP.	730,796.22			730,796.22	0.0290	0.6090	0.0290	0.6380	466,247.99	264,548.23	(21,193.09)	
1988 LEASED (10)												
1988 AUTO (5)												
1988 OTHER PROP.	311,954.53			311,954.53	0.0290	0.5800	0.0290	0.6090	189,980.31	121,974.22	(9,046.68)	
1986 OTHER PROP.	1,312.50			1,312.50	0.0354	0.7080	0.0354	0.7434	975.71	336.78	(46.46)	
1986 METER STATION [SUPPLY]	9,683.84			9,683.84	0.0290	0.5510	0.0290	0.5800	5,616.63	4,067.21	(280.83)	
1987 OTHER PROP.					0.0000	0.0000	0.0000	0.0000				
TOTAL - FORMER UNG	5,184,736.22	0.00	0.00	5,184,736.22					3,872,442.66	1,312,293.36	(147,508.02)	0.00
TOTAL PENNSYLVANIA DIVISION	8,627,214.08	0.00	0.00	8,627,214.08					6,711,935.96	1,915,270.02	(224,508.14)	(639.47)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 DEFERRED INVESTMENT TAX CREDIT
 10-01-2005 TO 9-30-2006

02:35 00 PM 19-Apr-06

DESCRIPTION	-----ITC DEFERRAL-----			BALANCE AT 30-Sep-06	ANNUAL PERCENTAGE AMORTIZED	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-05	2005 AMORTIZATION RATE	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-06	ACCUMULATED AMORTIZATION 30-Sep-06	ACCUMULATED DEFERRAL NET 30-Sep-06	CURRENT YEAR PROVISION 30-Sep-06	OPTION 2 AMORTIZATION 30-Sep-06
	BALANCE AT 30-Sep-05	2005 ADDITIONS	ITC RECAPTURE									
FORMER IROQUOIS												
2/11 - 9/30/75 LEASED (5)	9,767.82			9,767.82	0.2000	1.0000	0.0000	1.0000	9,767.82	0.00	0.00	
2/11 - 9/30/75 LEASED (10)	52,417.88			52,417.88	0.1000	1.0000	0.0000	1.0000	52,417.88	0.00	0.00	
2/11 - 9/30/75 OTHER PROP.	287,656.71			287,656.71	0.0290	0.8893	0.0290	0.9183	264,165.62	23,493.09	(8,342.10)	
1976 LEASED (5)	34,064.51			34,064.51	0.2000	1.0000	0.0000	1.0000	34,064.51	0.00	0.00	
1976 LEASED (10)	104,491.58			104,491.58	0.1000	1.0000	0.0000	1.0000	104,491.58	0.00	0.00	
1976 OTHER PROP.	618,648.76			618,648.76	0.0290	0.8700	0.0290	0.8990	556,165.24	62,483.52	(17,940.82)	
1977 LEASED (5)	28,878.80			28,878.80	0.2000	1.0000	0.0000	1.0000	28,878.80	0.00	0.00	
1977 LEASED (10)	51,904.59			51,904.59	0.1000	1.0000	0.0000	1.0000	51,904.59	0.00	0.00	
1977 OTHER PROP.	428,398.05			428,398.05	0.0290	0.8410	0.0290	0.8700	372,704.56	55,693.49	(12,423.48)	
1978 LEASED (5)	65,889.09			65,889.09	0.2000	1.0000	0.0000	1.0000	65,889.09	0.00	0.00	
1978 LEASED (10)	94,744.22			94,744.22	0.1000	1.0000	0.0000	1.0000	94,744.22	0.00	0.00	
1978 OTHER PROP.	782,679.70			782,679.70	0.0290	0.8120	0.0290	0.8410	658,233.63	124,446.07	(22,607.71)	
1979 LEASED (5)	73,625.96			73,625.96	0.2000	1.0000	0.0000	1.0000	73,625.96	0.00	0.00	
1979 LEASED (10)	112,861.52			112,861.52	0.1000	1.0000	0.0000	1.0000	112,861.52	0.00	0.00	
1979 OTHER PROP.	659,204.80			659,204.80	0.0290	0.7830	0.0290	0.8120	535,274.30	123,930.50	(19,118.94)	
1980 LEASED (5)	64,253.98			64,253.98	0.2000	1.0000	0.0000	1.0000	64,253.98	0.00	0.00	
1980 LEASED (10)	204,566.41			204,566.41	0.1000	1.0000	0.0000	1.0000	204,566.41	0.00	0.00	
1980 OTHER PROP.	1,049,243.01			1,049,243.01	0.0290	0.7540	0.0290	0.7830	821,557.28	227,685.73	(30,428.05)	
1980 AUTO (5)	446.38			446.38	0.2000	1.0000	0.0000	1.0000	446.38	0.00	0.00	
10/1 - 12/31/80 LEASED (5)	17,771.08			17,771.08	0.2000	1.0000	0.0000	1.0000	17,771.08	0.00	0.00	
10/1 - 12/31/80 LEASED (10)	79,565.73			79,565.73	0.1000	1.0000	0.0000	1.0000	79,565.73	0.00	0.00	
10/1 - 12/31/80 OTHER PROP.	0.00			0.00	0.0290	0.7250	0.0290	0.7540	0.00	0.00	0.00	
1/1 - 9/30/81 LEASED (5)	36,063.93			36,063.93	0.2000	1.0000	0.0000	1.0000	36,063.93	0.00	0.00	
1/1 - 9/30/81 LEASED (10)	133,973.16			133,973.16	0.1000	1.0000	0.0000	1.0000	133,973.16	0.00	0.00	
1/1 - 9/30/81 OTHER PROP.	850,617.78			850,617.78	0.0290	0.7250	0.0290	0.7540	641,365.81	209,251.97	(24,667.92)	
1/1 - 9/30/81 AUTO (5)	879.26			879.26	0.2000	1.0000	0.0000	1.0000	879.26	0.00	0.00	
1982 LEASED (5)	26,545.37			26,545.37	0.2000	1.0000	0.0000	1.0000	26,545.37	0.00	0.00	
1982 LEASED (10)	246,727.65			246,727.65	0.1000	1.0000	0.0000	1.0000	246,727.65	0.00	0.00	
1982 OTHER PROP.	1,551,734.65			1,551,734.65	0.0290	0.6960	0.0290	0.7250	1,125,907.82	426,727.83	(45,000.30)	
1982 AUTO (5)	8,067.27			8,067.27	0.2000	1.0000	0.0000	1.0000	8,067.27	0.00	0.00	
1983 LEASED (5)	144.52			144.52	0.2000	1.0000	0.0000	1.0000	144.52	0.00	0.00	
1983 LEASED (10)	84,759.42			84,759.42	0.1000	1.0000	0.0000	1.0000	84,759.42	0.00	0.00	
1983 OTHER PROP.	1,780,970.07			1,780,970.07	0.0290	0.6570	0.0290	0.6960	1,239,555.17	541,414.90	(51,648.13)	
1993 AUTO (5)	384.36			384.36	0.2000	1.0000	0.0000	1.0000	384.36	0.00	0.00	
1984 LEASED (10)	67,142.00			67,142.00	0.1000	1.0000	0.0000	1.0000	67,142.00	0.00	0.00	
1984 AUTO (5)	6,913.95			6,913.95	0.2000	1.0000	0.0000	1.0000	6,913.95	0.00	0.00	
1984 OTHER PROP.	1,703,428.45			1,703,428.45	0.0290	0.6380	0.0290	0.6670	1,136,186.78	567,241.67	(49,399.43)	
1985 LEASED (10)	62,653.21			62,653.21	0.1000	1.0000	0.0000	1.0000	62,653.21	0.00	0.00	
1985 OTHER PROP.	2,391,983.80			2,391,983.80	0.0290	0.6090	0.0290	0.6380	1,526,085.66	865,898.14	(69,367.53)	
1986 LEASED (10)	77,027.52			77,027.52	0.1000	1.0000	0.0000	1.0000	77,027.52	0.00	0.00	
1986 OTHER PROP.	958,382.83			958,382.83	0.0290	0.5800	0.0290	0.6090	583,655.14	374,727.69	(27,793.10)	
1986 METER STATION (SUPPLY)	7,220.30			7,220.30	0.0354	0.7080	0.0354	0.7434	5,367.57	1,852.73	(255.60)	
1987 OTHER PROP.	114,952.34			114,952.34	0.0290	0.5510	0.0290	0.5800	66,672.36	48,279.98	(3,333.62)	
TOTAL - FORMER IROQUOIS	14,929,652.42	0.00	0.00	14,929,652.42					11,276,527.91	3,653,124.51	(382,414.73)	0.00

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DEFERRED INVESTMENT TAX CREDIT
10-01-2005 TO 9-30-2006

02:35:00 PM 19-Apr-06

DESCRIPTION	-----ITC DEFERRAL-----			BALANCE AT 30-Sep-06	ANNUAL PERCENTAGE AMORTIZED	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-05	2006 AMORTIZATION RATE	ACCUMULATED PERCENTAGE AMORTIZED 30-Sep-06	ACCUMULATED AMORTIZATION 30-Sep-06	ACCUMULATED DEFERRAL NET 30-Sep-06	CURRENT YEAR PROVISION 30-Sep-06	OPTION 2 AMORTIZATION 30-Sep-06
	BALANCE AT 30-Sep-05	2005 ADDITIONS	ITC RECAPTURE									
FORMER PGC - N.Y.												
1971 LEASED (5)	1,149.66			1,149.66	0.2000	1.0000	0.0000	1.0000	1,149.66	0.00	0.00	
1971 LEASED (10)	126.36			126.36	0.1000	1.0000	0.0000	1.0000	126.36	0.00	0.00	
1971 LEASED OTHER PROP.	8,320.30			8,320.30	0.0290	1.0000	0.0000	1.0000	8,320.30	0.00	0.00	
1972 LEASED (5)	918.00			918.00	0.2000	1.0000	0.0000	1.0000	918.00	0.00	0.00	
1972 LEASED (10)	167.76			167.76	0.1000	1.0000	0.0000	1.0000	167.76	0.00	0.00	
1972 OTHER PROP.	10,843.19			10,843.19	0.0290	0.9787	0.0213	1.0000	10,843.19	0.00	(231.50)	
1973 LEASED (5)	90.67			90.67	0.2000	1.0000	0.0000	1.0000	90.67	0.00	0.00	
1973 OTHER PROP.	12,111.86			12,111.86	0.0290	0.9497	0.0290	0.9787	11,853.27	258.59	(351.24)	
1/1 - 6/30/74 LEASED (5)	48.00			48.00	0.2000	1.0000	0.0000	1.0000	48.00	0.00	0.00	
1/1 - 6/30/74 OTHER PROP.	4,299.73			4,299.73	0.0290	0.9207	0.0290	0.9497	4,083.24	216.49	(124.69)	(707.43)
7/1 - 9/30/74 OTHER PROP.	461.07			461.07	0.0290	0.9063	0.0290	0.9353	431.22	29.85	(13.38)	
10/1 - 12/31/75 OTHER PROP.	11,327.21			11,327.21	0.0290	0.8990	0.0290	0.9280	10,511.65	815.56	(328.49)	
2/1 - 9/30/75 OTHER PROP.	40,133.83			40,133.83	0.0290	0.8893	0.0290	0.9183	36,856.10	3,277.73	(1,163.88)	
1976 OTHER PROP.	49,073.65			49,073.65	0.0290	0.8700	0.0290	0.8990	44,117.21	4,956.44	(1,423.13)	
1977 OTHER PROP.	70,879.13			70,879.13	0.0290	0.8410	0.0290	0.8700	61,490.84	9,188.29	(2,049.89)	
1978 OTHER PROP.	101,860.94			101,860.94	0.0290	0.8120	0.0290	0.8410	85,665.05	16,195.89	(2,953.97)	
1979 OTHER PROP.	88,401.66			88,401.66	0.0290	0.7830	0.0290	0.8120	70,158.15	16,243.51	(2,505.65)	
1980 OTHER PROP.	124,848.89			124,848.89	0.0290	0.7540	0.0290	0.7830	97,758.68	27,092.21	(3,620.82)	
1980 LEASED (5)	231.00			231.00	0.2000	1.0000	0.0000	1.0000	231.00	0.00	0.00	
10/1/80 - 12/31/80 OTHER PROP.	0.00			0.00	0.0000	0.0000	0.0000	0.0000	0.00	0.00	0.00	
1/1/81 - 9/30/81 OTHER PROP.	78,811.53			78,811.53	0.0290	0.7250	0.0290	0.7540	60,177.89	19,633.64	(2,314.53)	
1982 OTHER PROP.	136,387.80			136,387.80	0.0290	0.6960	0.0290	0.7250	98,881.16	37,506.64	(3,955.25)	
1983 OTHER PROP.	127,957.77			127,957.77	0.0290	0.6670	0.0290	0.6960	89,058.81	38,899.16	(3,710.78)	
1984 OTHER PROP.	113,886.92			113,886.92	0.0290	0.6380	0.0290	0.6670	75,962.58	37,924.34	(3,302.73)	
1985 OTHER PROP.	144,735.09			144,735.09	0.0290	0.6090	0.0290	0.6380	62,340.99	52,394.10	(4,187.32)	
1986 OTHER PROP.	47,036.69			47,036.69	0.0285	0.5710	0.0285	0.5995	28,198.50	18,838.19	(1,340.55)	
1986 METER STATION [SUPPLY]												
1987 OTHER PROP.	788.24			788.24	0.0285	0.5415	0.0285	0.5700	455.00	343.24	(22.75)	
											0.00	
											0.00	
TOTAL - FORMER PGC - NY	1,173,706.95	0.00	0.00	1,173,706.95				889,893.08	283,813.87	(33,810.15)		(707.43)
TOTAL NEW YORK DIVISION	16,103,359.37	0.00	0.00	16,103,359.37				12,168,420.99	3,836,938.38	(416,024.88)		(707.43)
TOTAL COMPANY	24,730,574.35	0.00	0.00	24,730,574.35				18,878,356.95	5,852,217.40	(640,533.02)		(1,346.90)

55. Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro forma under existing rates together with an explanation of any difference between the adjustments. Indicate charitable donations and contributions in the tax calculation for rate making purpose.

Exhibit 7 Page 26 shows the adjustments for taxable net income per books (including below the line items) and adjustments for taxable net income at proforma under existing rates with an explanation of any differences between adjustments.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Adjustment for Taxable Net Income
 Per Books and Pro Forma Under Existing Rates
 Twelve Months Ended January 31, 2006
 (\$000)

		(1) Per Books Twelve Months Ended January 31, 2006	(2) Present Rates Adjustments	(3) Normalized Twelve Months Ended January 31, 2006	(4) Proposed Rates Adjustments	(5) Normalized Twelve Months Ended January 31, 2006
Net Operating Revenue	Exhibit 3	101,636	9,351	110,987	28,199	139,186
Operating and Maintenance Expense	Exhibit 4	69,279	(1,592)	67,687	561	68,248
Depreciation and Amortization Expense	Exhibit 5	11,228	259	11,487	0	11,487
Net Salvage Amortized	Exhibit 5	0	1,242	1,242	0	1,242
Taxes Other Than Income Taxes	Exhibit 6	1,714	378	2,092	0	2,092
Other Income	Note 1	538	(538)	0	0	0
Other Income Deductions	Note 2	123	(123)	0	0	0
Interest Charges	Note 3	6,332	2,226	8,558	0	8,558
Net Book Income Before Income Taxes		13,498	6,423	19,921	27,638	47,559
Adjustments						
Additional Depreciation	Note 7	(3,001)	(518)	(3,519)	0	(3,519)
Net Cost of Retiring Property	Note 8	(1,000)	1,000	0	0	0
Allow. For Funds Used During Construction	Note 9	(30)	30	0	0	0
Capitalized Overheads	Note 4	1,600	(1,600)	0	0	0
Contribution in Aid of Construction	Note 4	82	(82)	0	0	0
Purchased Gas Costs	Note 5	(1,804)	1,804	0	0	0
Pension	Note 4	1,424	(1,424)	0	0	0
OPEBs	Note 4	1,373	(1,373)	0	0	0
Meals/Entertainment	Note 6	31	0	31	0	31
Bad Debts	Note 4	7,861	(7,861)	0	0	0
LIURP Costs	Note 4	460	(460)	0	0	0
Fuel Tax Credit	Note 4	4	(4)	0	0	0
Debenture Premium	Note 4	114	(114)	0	0	0
RSP & Comp. Plan Costs	Note 4	(1,924)	1,924	0	0	0
Site Cleaning	Note 4	1,110	(1,110)	0	0	0
Other	Note 4	235	(235)	0	0	0
Total Adjustments		6,535	(10,023)	(3,488)	0	(3,488)
Taxable Income		\$20,033	(\$3,600)	\$16,433	\$27,638	\$44,071

Note 1: Elimination of Other Income excluded from Utility Operating Income.

Note 2: Elimination of Other Income Deductions excluded from Utility Operating Income.

Note 3: Adjustment reflects interest charged computed by multiplying Net Measures of Value by debt ratio and cost rate.

Note 4: Elimination of non-recurring items or non Rate Base items.

Note 5: Elimination of gas costs expensed per books which are deducted for tax purposes when incurred.

Note 6: Reflects current IRS disallowed rate of 50%.

Note 7: Reflects difference between the adjustment for Additional Depreciation to arrive at Book Taxable Income (Tax depreciation less depreciation & amortization per books), and the adjustment for Additional Depreciation to arrive at Taxable Income for pro forma purposes (Tax Depreciation less rate case depreciation & amortization for pro forma purposes).

Note 8: Adjustment reflects the elimination of cost of removal per books and use of net salvage amortized for the test year.

Note 9: Elimination of allowance for funds used during for construction credited to Income per Books.

56. Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.

National Fuel Gas Distribution Corporation - Pennsylvania Division
 Taxable Income Per Books
 Twelve Months Ended January 31, 2006
 (\$000)

	<u>Total Company</u>	<u>Pennsylvania Division</u>	<u>New York Division</u>
Net Book Income Before Income Taxes	\$55,901	\$13,498	\$42,403
Adjustments			
Additional Depreciation	(10,136)	(3,001)	(7,135)
Net Cost of Retiring Property	(3,000)	(1,000)	(2,000)
Allowance for Funds Used During Construction	(177)	(30)	(147)
Capitalized Overheads	4,933	1,600	3,333
Contribution in Aid of Construction	1,357	82	1,275
Purchase Gas Costs	(27,256)	(1,804)	(25,452)
Pension Costs	(1,831)	1,424	(3,255)
OPEB Costs	1,103	1,373	(270)
Meals/Entertainment	120	31	89
Bad Debts	24,000	7,861	16,139
LIURP Costs	1,040	460	580
Fuel Tax Credit	13	4	9
Debenture Premium	422	114	308
RSP & Comp. Plan Costs	(7,570)	(1,924)	(5,646)
Site Cleanup	(13,148)	1,110	(14,258)
Refund Provision	(12,149)	0	(12,149)
Deferred GRR	(1,884)	0	(1,884)
Deferred CMR	4,488	0	4,488
Deferred NYS GRT	4,706	0	4,706
Deferred RDD	(278)	0	(278)
Other	(543)	235	(778)
Taxable Income	<u>\$20,111</u>	<u>\$20,033</u>	<u>\$ 78</u>

57. Submit detailed calculations showing the derivation of deferred income taxes for amortization of repair allowance if such policy is followed.

The company has not elected the repair allowance for federal tax purposes.

58. Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.

National Fuel Gas Distribution Corporation
 Prepaid and Deferred Income Tax Charges and Credits per Books
 Twelve Months Ended January 31, 2006
 (\$000)

<u>Current Income Tax:</u>	<u>Total Company</u>	<u>Pennsylvania Division</u>	<u>New York Division</u>
Federal Tax	\$7,926	\$6,802	\$1,124
State Income Tax	2,761	588	2,173
<u>Deferred Income Tax – Federal:</u>			
Liberalized Depreciation	4,461	1,430	3,031
Gas Costs	9,014	632	8,382
Bad Debt Expense	(7,935)	(2,751)	(5,184)
Contribution in Aid of Construction	(344)	78	(422)
Pension Costs	607	(498)	1,105
Capitalized Overheads	(1,629)	(560)	(1,069)
Other	5,867	(423)	6,290
Investment Tax Credit Deferred Net of Amortization	(678)	(240)	(438)

59. Provide details of the Federal Surtax Credit allocated to the Pennsylvania jurisdictional area, if applicable.

Not applicable.

60. Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.

Costs of removal of any retired plant, which are charged to Reserve for Depreciation, are deductions for Income Tax purposes because the Internal Revenue Code permits the expensing of these costs on an incurred basis.

61. Submit the corresponding data applicable to Pennsylvania Corporate Income Tax deferral.
- a. Show the amounts of straight line tax depreciation and accelerated tax depreciation, the difference between which gave rise to the normalizing tax

- charged back to the test year operating statement.
- b. Show normalization for both Federal and State Income Taxes.
- c. Show tax rates used to calculate tax deferral amount.

The response to Regulation 53.53 III A.52 details the Deferred Federal Income Tax and applicable rates resulting from normalization of accelerated depreciation.

62. Provide the accelerated tax depreciation and the book depreciation used to calculate test year deferrals in amounts segregated as follows: For:
- a. Property installed prior to 1970.
 - b. Property installed subsequent to 1969 (indicate increasing capacity additions and nonincreasing capacity additions).

The company does not defer taxes on Tax Depreciation related to property installed prior to 1970. The response to Regulation 53.53 III A.52 details the property installed subsequent to 1969.

63. State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain).

All tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income.

64. Show any income tax loss/gain carryovers from previous year that may effect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.

The Pennsylvania Division of National Fuel Gas Distribution Corporation has no income tax loss or gain carryovers from previous years that may affect test year income taxes or future year income taxes.

65. State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.
If response is affirmative:
- a. Set forth amount of construction claimed in the tax savings reduction. Explain the basis for this amount.
 - b. Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculation.
 - c. State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.
 - d. Provide details of calculation to determine tax savings reduction. State whether state taxes are increased to reflect the construction interest elimination.

The Company does not.

66. Provide a detailed analysis of Taxes Accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.

Exhibit 7 Page 31 – 32 details the Taxes Accrued per books for the twelve months ended January 31, 2006.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 ACCRUED TAXES AND BASIS FOR ACCRUALS
 TWELVE MONTHS ENDED JANUARY 31, 2006

Taxes Accrued	Total Company Amount	Pennsylvania Rate Jurisdiction	Basis for Accrual of Tax
Federal			
Federal Insurance Contribution Act	4,432,539	1,014,001	Tax is based on the first \$90,000 of taxable wages in 2005 and the first \$94,200 in 2006 paid to an employee, and the taxes are accrued at a rate of 7.65% of these wages. The monthly accrual is based on payroll data for the period.
Federal Unemployment Compensation	134,324	16,181	Tax is based on the first \$7,000 of wages paid to an employee and taxes are accrued at a net rate of 0.80%. The monthly accrual is based on payroll data for the period.
Federal Income Tax	7,925,610	6,801,938	Tax is based on the taxable net income as defined and reported to the Internal Revenue Service. The tax rate is 35% of taxable income. The monthly accrual is based on the taxable income achieved from our level of operations for that month.
Pennsylvania			
Corporate Net Income Tax	588,485	588,485	Tax is based on the taxable net income as defined by the Internal Revenue Service before the deduction for the Pennsylvania corporate net income tax. The tax rate is 9.99% of taxable income. The monthly accrual is based on the taxable income achieved from our level of operations for that month.
Corporate Franchise Tax	520,722	520,722	Tax is based on the taxable value of the Company's capital stock as determined by the State's fixed formula method. The tax rate is 5.99 mills (2005), 4.99 mills (2006) per dollar value of the stock. The monthly accrual is based on an estimate (1/12th) of the final tax liability that the Company will incur.
Unemployment Compensation	35,336	35,336	Tax is based on the first \$8,000 of wages paid to an employee and taxes are accrued at various rates depending upon experience. The monthly accrual is based on payroll data for the period.
Utility Realty Tax	92,000	92,000	Tax is based on the market value of public utility land, building, and other structures. The monthly accrual is based on an estimate (1/12th) of the final tax liability that the Company will incur.
Property Tax	32,133	32,133	Tax is based on the assessed valuation of property owned by the Company in various municipalities where the Company operates. The tax rate (millage) varies with each locale. The monthly accrual is made when the tax is paid.
Sales Tax	3,957	3,957	Tax is based on the sales tax rate applied to the cost of gas used by the Company.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 MONTHLY TAX ACCRUAL - PENNSYLVANIA RATE JURISDICTION
 TWELVE MONTHS ENDED JANUARY 31, 2006

Monthly Tax Accruals	FEDERAL TAXES		
	FICA	Unemployment	Income
Feb-05	80,387	5,578	3,323,782
Mar-05	93,312	550	2,835,675
Apr-05	77,435	(48)	2,021,879
May-05	78,633	(97)	339,678
Jun-05	96,229	66	(1,215,894)
Jul-05	84,217	6	(1,368,949)
Aug-05	95,650	20	(512,625)
Sep-05	77,568	(233)	(453,202)
Oct-05	75,438	(248)	(1,519,621)
Nov-05	95,552	(225)	(1,210,751)
Dec-05	80,131	(287)	2,027,450
Jan-06	79,449	11,099	2,534,516
	<u>1,014,001</u>	<u>16,181</u>	<u>6,801,938</u>

	OTHER STATE AND LOCAL TAXES					
	Corporate Net Income	Corporate Franchise	Unemployment	Public Utility Realty	Property	Sales
Feb-05	880,126	70,000	20,385	7,500	2,925	0
Mar-05	824,974	70,000	2,960	7,500	2,925	696
Apr-05	658,297	(195,390)	(445)	7,500	2,925	412
May-05	198,621	70,000	(403)	7,500	2,925	297
Jun-05	(787,868)	70,000	(20)	7,500	2,925	3
Jul-05	(420,946)	70,000	(214)	7,500	2,925	20
Aug-05	(854,620)	70,000	(15,751)	7,500	2,925	16
Sep-05	(1,722,439)	70,000	(901)	7,500	2,162	45
Oct-05	149,423	56,528	(1,006)	8,000	2,162	85
Nov-05	235,115	56,528	(902)	8,000	2,162	471
Dec-05	211,858	56,528	(1,081)	8,000	2,159	423
Jan-06	1,215,944	56,528	32,714	8,000	3,013	1,489
	<u>588,485</u>	<u>520,722</u>	<u>35,336</u>	<u>92,000</u>	<u>32,133</u>	<u>3,957</u>

67. For the test year as recorded on test year operating statement:
- a. Supply the amount of Federal Income Taxes actually paid.
 - b. Supply the amount of the Federal Income Tax normalizing charge to tax expense due to excess of accelerated tax depreciation over book depreciation.
 - c. Supply the normalizing tax charge to Federal Income Taxes for the 10% Job Development Credit during test year.
 - d. Provide the amount of the credit of Federal Income Taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit.
 - e. Provide the amount of the credit to Federal Income Taxes for the normalizing of any 3% Investment Tax Credit Reserve that may remain on the utility books.
-
- a. The amount of Federal Income paid for the twelve months ended January 2006 was \$7,500,000
 - b. The normalizing charge to tax expense for liberalized depreciation for the test year for the Pennsylvania Division is \$1,411,000. The response to Regulation Number 58 of this section provides the detail of the deferred Federal Income Tax.
 - c. For the twelve months ended January 2006, the normalizing tax credit to Federal Income Taxes for the 10% Job Development Credit was \$0 for the Pennsylvania Division.
 - d. For the twelve months ended January 2006, the amount of the credit of Federal Income Taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit is \$234,000 for the Pennsylvania Division.
 - e. For the twelve months ended January 2006, the amount of the credit to Federal Income Taxes for normalizing of any 3% Investment Tax credits that remains on the utility books is \$0 for the Pennsylvania Division.

68. Provide the debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax, and provide the debit and credit for the Job Development Credits (whatever account) for test year.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Twelve Months Ended January 31, 2006 Per Books

To provide for Deferred Income Tax – Liberalized Depreciation

Dr. 410.1	Provision for Deferred Income Taxes – Liberalized Depreciation	\$1,430,000
Cr. 282.1	Accumulated Deferred Income Taxes – Liberalized Depreciation	\$1,430,000

To provide the Investment Tax Credit

Dr. 255	Investment Tax Credit	\$0
Cr. 411.1	Accumulated Deferred Investment Tax Credit	\$0

To amortize the Accumulated Deferred Investment Tax Credit Balance applicable to Option 2

Dr. 255	Accumulated Deferred Investment Tax Credit	\$4,000
Cr. 411.1	Investment Tax Credit	\$4,000

To amortize the Accumulated Deferred Investment Tax Credit Balance applicable to Option 1

Dr. 255	Accumulated Deferred Investment Tax Credit	\$234,000
Cr. 420	Investment Tax Credit	\$234,000

69. Reconcile all data given in answers to questions on income taxes charged on the test year operating statement with regard to income taxes paid, income taxes charged because of normalization and credits due to yearly write-offs of past years' income tax deferrals, and from normalization of investment tax and development credits. (Both state and federal income taxes.)

Exhibit 7 Schedule 1 details the complete income tax calculation along with the current income taxes payable, the adjustments for normalization and deferred income tax credits, and the normalization of the investment tax credit.

70. With respect to determination of income taxes, federal and state:

- a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.
- b. Show income taxes for the annualized and normalized test year.
- c. Show income tax effect of the rate increase requested.
- d. Show income taxes for the normalized and annualized test year after application of the full rate increase.

[It is imperative that continuity exists between the income tax calculations as recorded for the test year and the final income tax calculation under proposed rates. If the company has more than one accounting area, then additional separate worksheets must be provided in addition to those for total company.]

Exhibit 7 Schedule 1 reflects the Income Tax effect on the Income Statement after annualizations and adjustments are made for the twelve months ended January 2006.

71. In adjusting the test year to an annualized year under present rates, explain any changes that may be due to book or tax depreciation change and to debits and credits to income tax expense due to accelerated depreciation, deferred taxes, job development credits, tax refunds or other items. (The above refers only to the adjustments going from recorded test year to annualized test year).

Refer to Exhibit 7 Schedule 1 for an explanation of adjustments to the twelve months ended January 31, 2006.

National Fuel Gas Distribution Corporation
Pennsylvania Division
Statement of Projected Income Taxes at Present and Proposed Rates
Twelve Months Ended January 31, 2006
\$000

	(1) Per Books Twelve Months Ended January 31, 2006	(2) Adjustments	(3) Normalized Twelve Months Ended January 31, 2006	(4) Proposed Rates Adjustments	(5) Normalized Twelve Months Ended January 31, 2006
Federal Income Taxes	\$6,808	(\$1,595)	\$5,213	\$8,707	\$13,920
Consolidated Tax Adjustment	0	0	0	0	0
Pennsylvania State Income Taxes	590	950	1,540	2,761	4,301
Deferred Income Taxes					
Investment Tax Credit	(4)	0	(4)	0	(4)
Liberalized Depreciation	1,430	(19)	1,411	0	1,411
Other	(3,522)	3,522	0	0	0
Total Deferred Income Taxes	(2,096)	3,503	1,407	0	1,407
Total Income Taxes	<u>\$5,302</u>	<u>\$2,858</u>	<u>\$8,160</u>	<u>\$11,468</u>	<u>\$19,628</u>

National Fuel Gas Distribution Corporation
Pennsylvania Division
Statement of Projected Income Taxes at Present and Proposed Rates
Twelve Months Ended January 31, 2006
\$000

	(1) Per Books Twelve Months Ended January 31, 2006	(2) Adjustments under Present Rates	(3) Normalized Twelve Months Ended January 31, 2006	(4) Adjustments under Proposed Rates	(5) Normalized Twelve Months Ended January 31, 2006
Operating Income before Income Taxes	\$19,415	\$9,064	\$28,479	\$27,638	\$56,117
Adjustments					
Interest Expense	6,332	2,226	8,558	0	8,558
Meals/Entertainment Adjustment (TRA-86)	(31)	0	(31)	0	(31)
Additional Depreciation - State	4,804	(272)	4,532	0	4,532
Other	2,402	(2,402)	0	0	0
Total Adjustments	13,507	(448)	13,059	0	13,059
Income Subject to Pennsylvania State Income Tax	5,908	9,512	15,420	27,638	43,058
Pennsylvania Income Tax	590	950	1,540	2,761	4,301
Income before Federal Income Tax	5,318	8,562	13,880	24,877	38,757
Adjustments					
Additional Depreciation - Federal	(1,803)	790	(1,013)	0	(1,013)
Other	(12,329)	12,329	0	0	0
Total Adjustments	(14,132)	13,119	(1,013)	0	(1,013)
Income Subject to Federal Income Tax	19,450	(4,557)	14,893	24,877	39,770
Federal Income Taxes	\$6,808	(\$1,595)	\$5,213	\$8,707	\$13,920
Additional Depreciation Calculation					
State Calculation					
Tax Depreciation	16,032		16,019		16,019
Rate Case Depreciation	11,228		11,487		11,487
Additional Depreciation	4,804		4,532		4,532
Federal Calculation					
Tax Depreciation	14,229		15,006		15,006
Rate Case Depreciation	11,228		11,487		11,487
Additional Depreciation	3,001		3,519		3,519
Incremental above State	(1,803)		(1,013)		(1,013)
Interest Deduction Calculation					
Rate Base			282,438		282,438
Debt Rate			3.03%		3.03%
Total Interest Expense			8,558		8,558

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 II. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

10. Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must chose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)
- a. State what option has been chosen by the group.
 - b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.
 - c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.
 - d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.
- a. National Fuel Gas Distribution Corporation is a subsidiary of National Fuel Gas Company (the "Company"), which was subject to regulation by the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935 prior to the repeal of such Act in 2006. National continues to allocate its income tax liability in accordance with "Rule 45(c)" promulgated by the SEC pursuant to this Act. A copy of the intercompany tax agreement is attached.
- b. attached
- c. attached
- d. attached

National Fuel Gas Company and Subsidiaries
Allocation of Consolidated Current Federal Tax Liability
Year Ended September 30, 2004

<u>Company</u>	<u>Taxable Income (Loss)</u>	<u>Tax Liability Before Credits</u>	<u>Tax Credits</u>	<u>Tax Liability After Credits</u>
National Fuel Gas Company	(5,574,849)	-	-	-
National Fuel Gas Distribution Corp.	43,086,656	14,612,033	(13,510)	14,598,523
National Fuel Gas Supply Corp.	48,140,112	16,325,818	(2,559)	16,323,259
Seneca Resources Corp.	65,790,633	22,311,663	(1,548,481)	20,763,182
Highland Forest Resources, Inc.	14,034,847	4,759,656	-	4,759,656
Leidy Hub, Inc.	31,096	10,546	-	10,546
Data Track Account Services, Inc.	28,637	9,712	-	9,712
National Fuel Resources, Inc.	7,755,445	2,630,114	-	2,630,114
Horizon Energy Development, Inc.	(6,696,545)	(2,343,791)	-	(2,343,791)
Seneca Independence Pipeline Company	(331,480)	(116,018)	-	(116,018)
Horizon LFG, Inc.	656,896	222,774	-	222,774
Horizon Power, Inc.	(799,232)	(279,731)	-	(279,731)
Niagara Independence Marketing Co.	<u>(1,000)</u>	<u>(350)</u>	-	<u>(350)</u>
Total	<u>166,121,216</u>	<u>58,142,426</u>	<u>(1,564,550)</u>	<u>56,577,876</u>

OMB No. 1545-0123

2003

1120

Form Department of the Treasury Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2003 or tax year beginning 10 01, 2003, ending 09 30, 20 04
 ▶ Instructions are separate. See page 20 for Paperwork Reduction Act Notice.

- A Check if a:**
 1 Consolidated return (attach Form 851)
 2 Personal holding co. (attach Sch. PH)
 3 Personal service corp. (as defined in Regulations sec. 1.441-3(c) — see instructions)

Use IRS label. Otherwise, print or type.
 Name, Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)
 City or town, state, and ZIP code
 National Fuel Gas Company & Subsidiaries
 6363 Main Street
 Williamsville NY 14221

B Employer identification number
 13-1086010
C Date incorporated
 12/08/1902
D Total assets (see page 8 of instructions)

E Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change \$ **3,711,798,296**

1a	Gross receipts or sales	<u>1,966,179,914</u>	b	Less returns and allowances		c Bal	1c	<u>1,966,179,914</u>
2	Cost of goods sold (Schedule A, line 8)						2	<u>1,181,699,576</u>
3	Gross profit. Subtract line 2 from line 1c						3	<u>784,480,338</u>
4	Dividends (Schedule C, line 19)						4	<u>112,362</u>
5	Interest						5	<u>87,857,683</u>
6	Gross rents						6	<u>3,738,672</u>
7	Gross royalties						7	<u>4,680</u>
8	Capital gain net income (attach Schedule D (Form 1120))						8	
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)						9	<u>2,203,690</u>
10	Other income (see page 9 of instructions—attach schedule)				STATEMENT 1		10	<u>-1,262,846</u>
11	Total income. Add lines 3 through 10						11	<u>877,134,579</u>
12	Compensation of officers (Schedule E, line 4)						12	<u>7,800,654</u>
13	Salaries and wages (less employment credits)						13	<u>33,536,895</u>
14	Repairs and maintenance						14	<u>27,684,431</u>
15	Bad debts						15	<u>19,860,546</u>
16	Rents						16	<u>42,211,697</u>
17	Taxes and licenses						17	<u>77,051,408</u>
18	Interest						18	<u>173,684,969</u>
19	Charitable contributions (see page 11 of instructions for 10% limitation)						19	<u>758,891</u>
20	Depreciation (attach Form 4562)		20	<u>160,896,834</u>				
21	Less depreciation claimed on Schedule A and elsewhere on return		21a				21b	<u>160,896,834</u>
22	Depletion						22	<u>17,972,618</u>
23	Advertising						23	<u>1,423,178</u>
24	Pension, profit-sharing, etc., plans						24	<u>31,971,588</u>
25	Employee benefit programs						25	<u>61,129,682</u>
26	Other deductions (attach schedule)				STATEMENT 2		26	<u>55,029,972</u>
27	Total deductions. Add lines 12 through 26						27	<u>711,013,363</u>
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11						28	<u>166,121,216</u>
29	Less: a Net operating loss (NOL) deduction (see page 13 of instructions)		29a				29c	
	b Special deductions (Schedule C, line 20)		29b					
30	Taxable income. Subtract line 29c from line 28						30	<u>166,121,216</u>
31	Total tax (Schedule J, line 11)						31	<u>56,593,945</u>
32	Payments: a 2002 overpayment credited to 2003	32a	<u>20,295,198</u>					
	b 2003 estimated tax payments	32b	<u>51,000,000</u>					
	c Less 2003 refund applied for on Form 4468	32c						
	d Bal	32d	<u>71,295,198</u>					
	e Tax deposited with Form 7004	32e						
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	32f						
	g Credit for Federal tax on fuels (attach Form 4136). See instructions	32g	<u>16,069</u>				32h	<u>71,311,267</u>
33	Estimated tax penalty (see page 14 of instructions). Check if Form 2220 is attached						33	
34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						34	
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						35	<u>14,717,322</u>
36	Enter amount of line 35 you want: Credited to 2004 estimated tax ▶ <u>14,717,322</u> Refunded ▶ 36							

Sign Here
 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Signature of officer: RJ Wagner Date: 6/8/05 Title: Treasurer
 May the IRS discuss this return with the preparer shown below (see instr.?) Yes No
 Preparer's SSN or PTIN: _____
 Preparer's signature: _____ Date: _____ Check if self-employed
 Firm's name (or yours if self-employed), address, and ZIP code: _____ EIN: _____
 Phone no.: _____

06/07/2005 - 10:02:41 AM
 NATIONAL FUEL GAS CO. & SUBS
 Year: 2004

2003 CONS. FEDERAL 1120 TAX RETURN
 13-1086010

	Total	Elimination	Subtotal	NFG Co. 13-1086010	NFG Dist. 13-2759381
***** * 1120 - U.S. CORPORATION INCOME TAX RETURN * *****					
1A GROSS RECEIPTS OR SALES 1A	1,966,179,914	0	1,966,179,914	0	1,156,200,585
B LESS RETURNS AND ALLOWANCES 1B	0	0	0	0	0
	BALANCE >1C				
	1,966,179,914	0	1,966,179,914	0	1,156,200,585
2 COST OF GOODS SOLD (SCHEDULE A) 2	1,181,629,576	52,520	1,181,647,056	(11,107)	811,530,466
3 GROSS PROFIT (LINE 1(C) LESS LINE 2) 3	784,480,338	(52,520)	784,532,858	11,107	344,670,119
4 DIVIDENDS (SCHEDULE C) 4	112,362	0	112,362	112,362	0
5 INTEREST 5	87,857,683	389,481	87,468,202	83,339,392	552,083
6 GROSS RENTS 6	3,738,672	0	3,738,672	3,205,210	117,604
7 GROSS ROYALTIES 7	4,680	0	4,680	0	208
8 CAPITAL GAIN NET INCOME (SCHEDULE D) 8	0	(1,590,731)	1,590,731	0	0
9 NET GAIN (LOSS) FROM FORM 4797 9	2,203,690	44,804	2,158,886	0	0
10 OTHER INCOME (ATTACH SCHEDULE) 10	(1,262,846)	0	(1,262,846)	0	(101,212)
11 TOTAL INCOME (LINES 3 THROUGH 10) >11	877,134,579	(1,208,966)	878,343,545	86,668,071	345,238,802
DEDUCTIONS					
12 COMPENSATION OF OFFICERS (SCHEDULE E) 12	7,800,654	0	7,800,654	208,425	3,820,507
13 SALARIES AND WAGES 13	33,536,895	0	33,536,895	474,818	7,321,602
14 REPAIRS 14	27,684,431	0	27,684,431	0	15,028,011
15 BAD DEBTS 15	19,860,546	0	19,860,546	0	19,913,630
16 RENTS 16	42,211,697	0	42,211,697	1,665,038	37,733,476
17 TAXES 17	77,051,408	0	77,051,408	(649,038)	50,349,756
18 INTEREST 18	173,684,969	0	173,684,969	82,552,925	20,315,676
19 CONTRIBUTIONS (SEE INSTRUCTIONS) 19	758,891	0	758,891	350,000	205,936
20 DEPRECIATION (FORM 4562) 20	160,896,834	0	160,896,834	2,460,648	79,985,613
21A LESS DEPRECIATION IN SCH A & ELSEWHERE . . . 21A	0	0	0	0	0
	160,896,834	0	160,896,834	2,460,648	79,985,613
22 DEPLETION 22	17,972,618	0	17,972,618	0	0
23 ADVERTISING 23	1,423,178	0	1,423,178	0	1,381,168
24 PENSION, PROFIT SHARING, ETC. PLANS 24	31,971,588	0	31,971,588	793,407	16,905,676
25 EMPLOYEE BENEFIT PROGRAMS 25	61,129,682	240,962	60,888,720	841,192	48,952,582
26 OTHER DEDUCTIONS 26	55,029,972	0	55,029,972	3,641,504	238,513
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . >27	711,013,363	240,962	710,772,401	92,338,919	302,152,146
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . 28	166,121,216	(1,449,928)	167,571,144	(5,670,848)	43,086,656
29 LESS: A. NET OPERATING LOSS DEDUCTION 29A	0	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) 29B	0	0	0	0	0
C. TOTAL 29C	0	0	0	0	0
30 TAXABLE INCOME (LINE 28 LESS 29C) 30	166,121,216	(1,449,928)	167,571,144	(5,670,848)	43,086,656

06/07/2005 - 10:02:41 AM
 NATIONAL FUEL GAS CO. & SUBS
 Year: 2004

2003 CONS. FEDERAL 1120 TAX RETURN
 13-1086010

Page 1 of Set 2

MFG Supply Seneca Res. Highland Ledy Data-Track
 25-0850705 25-0640445 30-0145286 16-1183551 16-1230252

 * 1120 - U.S. CORPORATION INCOME TAX RETURN *

	MFG Supply	Seneca Res.	Highland	Ledy	Data-Track
1A GROSS RECEIPTS OR SALES. 1A	175,863,838	253,727,765	82,647,866	0	211,593
B LESS RETURNS AND ALLOWANCES. 1B	0	0	0	0	0
BALANCE >1C	175,863,838	253,727,765	82,647,866	0	211,593
2 COST OF GOODS SOLD (SCHEDULE A) 2	28,276,755	31,791,734	33,101,919	0	0
3 GROSS PROFIT (LINE 1(C) LESS LINE 2) 3	147,587,083	221,936,031	49,545,947	0	211,593
4 DIVIDENDS (SCHEDULE C) 4	0	0	0	0	0
5 INTEREST. 5	165,489	1,918,416	258,196	8,041	6,302
6 GROSS RENTS 6	415,858	0	0	0	0
7 GROSS ROYALTIES 7	4,472	0	0	0	0
8 CAPITAL GAIN NET INCOME (SCHEDULE D) 8	0	0	1,590,731	0	0
9 NET GAIN (LOSS) FROM FORM 4797 9	0	2,158,886	0	0	0
10 OTHER INCOME (ATTACH SCHEDULE) 10	10,118	102,920	22,732	0	0
11 TOTAL INCOME (LINES 3 THROUGH 10) . . . >11	148,183,020	226,116,253	51,417,606	8,041	217,895
DEDUCTIONS					
12 COMPENSATION OF OFFICERS (SCHEDULE E) 12	1,549,624	1,325,302	7,800	0	3,900
13 SALARIES AND WAGES. 13	6,197,213	11,670,348	5,361,327	5,090	104,923
14 REPAIRS 14	8,830,906	2,075,023	822,826	0	0
15 BAD DEBTS 15	45,033	(335,739)	17,229	0	0
16 RENTS 16	1,655,545	972,347	61,447	0	5,880
17 TAXES 17	16,457,229	4,628,012	7,052,169	(29,573)	4,453
18 INTEREST. 18	6,277,622	50,232,054	7,051,964	1	0
19 CONTRIBUTIONS (SEE INSTRUCTIONS) 19	187,693	13,945	0	0	0
20 DEPRECIATION (FORM 4562) 20	39,031,646	26,632,927	9,355,084	0	9,074
21A LESS DEPRECIATION IN SCH A & ELSEWHERE . . 21A	0	0	0	0	0
21B	39,031,646	26,632,927	9,355,084	0	9,074
22 DEPLETION 22	0	17,859,633	112,985	0	0
23 ADVERTISING 23	0	0	20,798	0	0
24 PENSION, PROFIT SHARING, ETC. PLANS 24	9,384,013	3,188,322	549,650	976	18,488
25 EMPLOYEE BENEFIT PROGRAMS 25	10,316,650	911,185	85,179	(995)	(16,354)
26 OTHER DEDUCTIONS. 26	154,538	39,561,530	6,884,301	1,446	58,894
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26) . . >27	100,087,712	158,734,889	37,382,759	(23,055)	189,258
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . 28	48,095,308	67,381,364	14,034,847	31,096	28,637
29 LESS: A. NET OPERATING LOSS DEDUCTION . . . 29A	0	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C) . . . 29B	0	0	0	0	0
C. TOTAL. 29C	0	0	0	0	0
30 TAXABLE INCOME (LINE 28 LESS 29C) 30	48,095,308	67,381,364	14,034,847	31,096	28,637

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Page 1 of Set 3

NATIONAL FUEL GAS CO. & SUBS
 Year: 2004

2003 CONS. FEDERAL 1120 TAX RETURN
 13-1086010

	NF Res. 16-1408956	HED, Inc. 16-1486210	SIP Co. 16-1536896	Horizon LFG 16-1537816	NIM Co. 16-1539435	Horizon Power 16-1495531
***** * 1120 - U.S. CORPORATION INCOME TAX RETURN * *****						
1A GROSS RECEIPTS OR SALES. 1A	283,553,351	0	0	13,163,617	0	811,299
B LESS RETURNS AND ALLOWANCES. 1B	0	0	0	0	0	0
BALANCE >1C	283,553,351	0	0	13,163,617	0	811,299
2 COST OF GOODS SOLD (SCHEDULE A) 2	272,033,660	(1,530,257)	0	6,453,542	0	344
3 GROSS PROFIT (LINE 1(C) LESS LINE 2). 3	11,519,691	1,530,257	0	6,710,075	0	810,955
4 DIVIDENDS (SCHEDULE C). 4	0	0	0	0	0	0
5 INTEREST. 5	621,966	4,042	42	28,872	0	565,361
6 GROSS RENTS 6	0	0	0	0	0	0
7 GROSS ROYALTIES 7	0	0	0	0	0	0
8 CAPITAL GAIN NET INCOME (SCHEDULE D). 8	0	0	0	0	0	0
9 NET GAIN (LOSS) FROM FORM 4797. 9	0	0	0	0	0	0
10 OTHER INCOME (ATTACH SCHEDULE). 10	67,525	133,622	(251,116)	72,850	0	(1,320,285)
11 TOTAL INCOME (LINES 3 THROUGH 10). . . . >11	12,209,182	1,667,921	(251,074)	6,811,797	0	56,031
DEDUCTIONS						
12 COMPENSATION OF OFFICERS (SCHEDULE E) 12	217,226	667,870	0	0	0	0
13 SALARIES AND WAGES. 13	2,151,200	38,230	0	0	0	212,144
14 REPAIRS 14	5,108	0	0	911,073	0	11,484
15 BAD DEBTS 15	220,393	0	0	0	0	0
16 RENTS 16	111,531	0	0	0	0	6,433
17 TAXES 17	1,158,451	(1,464,474)	0	(427,260)	0	(28,317)
18 INTEREST. 18	32,495	6,242,801	60,134	651,867	0	267,430
19 CONTRIBUTIONS (SEE INSTRUCTIONS). 19	1,317	0	0	0	0	0
20 DEPRECIATION (FORM 4562). 20	114,336	(12,349)	0	3,300,034	0	19,821
21A LESS DEPRECIATION IN SCH A & ELSEWHERE . . . 21A	0	0	0	0	0	0
21B	114,336	(12,349)	0	3,300,034	0	19,821
22 DEPLETION 22	0	0	0	0	0	0
23 ADVERTISING 23	21,212	0	0	0	0	0
24 PENSION, PROFIT SHARING, ETC. PLANS 24	255,525	875,531	0	0	0	0
25 EMPLOYEE BENEFIT PROGRAMS 25	207,852	(208,733)	0	(278,687)	0	78,849
26 OTHER DEDUCTIONS. 26	(42,909)	2,225,598	20,272	1,997,874	1,000	287,419
27 TOTAL DEDUCTIONS (LINES 12 THROUGH 26). . >27	4,453,737	8,364,466	80,406	6,154,901	1,000	855,263
28 TAXABLE INCOME BEFORE NOL & SPECIAL DEDUCT. . 28	7,755,445	(6,696,545)	(331,480)	656,896	(1,000)	(799,232)
29 LESS: A. NET OPERATING LOSS DEDUCTION 29A	0	0	0	0	0	0
B. SPECIAL DEDUCTIONS (SCHEDULE C). 29B	0	0	0	0	0	0
C. TOTAL. 29C	0	0	0	0	0	0
0 TAXABLE INCOME (LINE 28 LESS 29C) 30	7,755,445	(6,696,545)	(331,480)	656,896	(1,000)	(799,232)

TAX AGREEMENT PURSUANT TO RULE 45 (c)

UNDER THE PUBLIC UTILITY HOLDING ACT OF 1935

WHEREAS, National Fuel Gas Company (“National”), a corporation organized under the laws of the State of New Jersey and a registered holding company under the Public Utility Holding Company Act of 1935 (“Act”), together with its wholly-owned domestic subsidiaries, listed below:

National Fuel Gas Distribution Corporation
National Fuel Gas Supply Corporation
Seneca Resources Corporation
Leidy Hub, Inc.
Highland Forest Resources, Inc.
Data-Track Account Services, Inc.
National Fuel Resources, Inc.
Horizon Energy Development, Inc.
Horizon Energy Holdings, Inc., a wholly-owned subsidiary of Horizon Energy Development, Inc.
Seneca Independence Pipeline Company
Upstate Energy Inc.
Niagara Independence Marketing Company
Horizon Power, Inc.
Seneca Player Corporation, a wholly-owned subsidiary of Seneca Resources Corporation

join annually in the filing of a consolidated federal income tax return; and

WHEREAS, it is the intention of National and its subsidiaries (hereinafter collectively referred to as the “System”), to enter into a Tax Agreement relating to current federal income taxes; and

WHEREAS, Rule 45 (c) of the Act has been adopted by the Securities and Exchange Commission with the specific intention of providing a method of allocation of consolidated income taxes by a registered holding company and its subsidiaries;

NOW, THEREFORE, the System does hereby covenant and agree with one another that the consolidated current federal income tax liability of the System shall be allocated pursuant to Rule 45 (c) of the Act as follows:

FIRST: There shall be allocated and preserved to each company the tax effects of its own capital gains or losses which shall be subject to the capital gains rate, if applicable, its tax credits, investment tax credit recapture and the effects of any other material items taxed at different rates or involving special benefits or limitations, which may be applicable to a particular company, including its carry-over amounts to the extent those above described effects are utilized in the consolidated federal tax return in the taxable year.

SECOND: After giving effect to the special allocations described in paragraph First above, the balance of the current federal tax liability of the System shall be allocated to each System company on the basis of each of their respective contributions of taxable income to the total consolidated taxable income of the System, excluding income subject to taxation at the capital gains rate, if applicable. The tax attributable to such capital gain income will have been separately allocated pursuant to paragraph First above. However, so long as National has negative taxable income, no portion of the current federal tax liability shall be allocated to National as a tax credit. Instead, the negative taxable income of National shall be allocated to those System companies which have positive taxable income, on the basis of each of these companies' contribution of positive taxable income to the total positive taxable income of the System. The tax allocated to a company under this paragraph, which may be either positive or negative (except for National), shall be equal to the consolidated federal tax liability multiplied by a fraction, the numerator of which is the positive or negative corporate taxable income of the Company (as adjusted by National's negative taxable income described in this paragraph Second above and in paragraph Third), including any carry-over loss attributable to the company to the extent absorbed in the taxable year, and the denominator of which is the consolidated taxable income of the System (as adjusted in paragraphs First and Third). Companies with taxable income will be allocated a tax liability

under this method while companies with net operating losses (except National) will be allocated a tax benefit or credit.

THIRD: The tax effect of intercompany transactions eliminated in the calculation of consolidated taxable income shall be eliminated from the taxable income of the companies involved in such transactions in the calculations provided in paragraph Second.

FOURTH: Any consolidated alternative minimum income tax and/or other federal tax arising from consolidated alternative minimum taxable income (AMTI) will be allocated among the companies on the basis of each of their respective contributions of positive AMTI to the total positive AMTI of the System.

FIFTH: Under the method of allocation described in paragraphs First through Fourth above, the companies agree that the tax allocated to each company (except National) shall not exceed the amount of tax of such company based upon a separate return computed as if such company had always filed its tax returns on a separate return basis. However, in computing the separate return tax liability of a company, items of carry-forward, carry-back and intercompany transactions, to the extent that any or all of these items have been utilized by the System in a prior taxable year's allocation, will be disregarded. In addition, federal tax rates that are less than the maximum rate imposed by Section 11 of the Internal Revenue Code shall be disregarded in computing the separate return tax liability of a company.

FURTHER, the System does hereby covenant and agree with one another that the consolidated current state income tax liabilities of the System, for those states in which consolidated or combined returns are filed, shall be allocated pursuant to Rule 45 (c) of the Act as follows:

ONE: To each company included in a consolidated or combined state return there shall be allocated the income tax effects of the company's state taxable losses, any state tax credits and the material effects of any other features of the state tax code applicable to a particular company including

its carry-over amounts to the extent that the above described effects are utilized in the consolidated or combined state return in the taxable year.

TWO: To each company included in a consolidated or combined state return that generates state taxable income, there shall be allocated income tax expense by first increasing the state consolidated current income tax liability by the sum of the tax effects allocated in paragraph One above. The total shall then be allocated among those companies incurring an income tax expense based on the ratio of that company's separate company state income tax to the sum of the separate company state income tax of all companies incurring state income tax expense in such state.

THREE: If for any company there is an excess of allocated liability (pursuant to paragraphs One and Two) over the liability on a separate company basis, such excess shall be allocated among the companies with net state tax benefits.

FURTHER, it is agreed by and among the System as follows:

- I. PAYMENTS: It is agreed that those companies allocated a current federal or state income tax liability under this agreement will pay such liability to National in the amounts and on the dates directed by National. National will, in turn, pay the consolidated tax to the relevant taxing jurisdiction and also to those companies which were allocated a tax benefit.
- II. SEPARATE RETURN LIABILITY: The System intends that the result of the method of tax allocation and payment will be:
 - (a) No company will pay more than its separate return liability as if it had always filed separate returns.
 - (b) Each company having a net operating loss or other net tax benefit will receive in current cash payments the benefit of its own net operating loss (except as described in paragraph Second) or other net tax benefits to the extent that the other companies can

utilize such items to offset the tax liability they would otherwise have on a separate return basis or to the extent utilized in the consolidated return.

III. NATIONAL AS AGENT: Each company hereby irrevocably designates National as its agent for the purpose of taking any and all action necessary or incidental to the filing of any consolidated return. Each company agrees to furnish National with any and all information and to take any and all action as National may reasonably request that is necessary or appropriate for the proper filing of a consolidated return or for implementing the provisions of this Tax Agreement. Each company agrees that it will join in the consolidated returns to be filed by National as directed by National.

IV. ADJUSTMENTS TO TAX LIABILITY: If the consolidated tax liability is adjusted for any tax year, whether by means of an amended return, claim for refund or as a result of a tax audit, the liability of National and each company shall be recomputed to give effect to such adjustment as if it had been made as part of the original computation of tax liability. In the case of a refund, National shall pay each company that portion of such refund as is attributable to the decrease in such company's allocated tax liability caused by the adjustment, and in the case of an increase in tax liability, each company shall pay to National that portion of such increased tax liability (including penalties and interest, if any) as is attributable to the increase in each company's allocated tax liability caused by the adjustment.

V. EFFECTIVE DATE: This Tax Agreement will be effective for allocation of the current federal and state income tax liabilities of the System for the fiscal year 2002 and all subsequent years until this Tax Agreement is further amended in writing by each of the companies which is a party thereto. In the event a company ceases to be a member of the System, National shall remain the sole agent of such company with respect to the period for which such company was a member of the System and National shall have sole authority to contest any tax liability with respect to such period. The obligations of a company under this Tax Agreement, including but not limited to the obligation to

cooperate with National in seeking a refund of tax for a year in which a consolidated return was filed, shall continue after such company ceases to be a member of the System.

VI. APPROVAL AND AMENDMENTS: This Tax Agreement is subject to the approval of the Securities and Exchange Commission. Any amendments to this Tax Agreement may be made only with the unanimous written consent of all the parties hereto. A copy of this Tax Agreement is being filed as an exhibit to National's Annual Report to the Securities and Exchange Commission on Form U5S for the year ended September 30, 2002. Any amendments to this Tax Agreement will be filed as an exhibit to National's Form U5S for the year when the amendment becomes effective. It is contemplated that any additional companies which hereafter become associated with the System shall join in and become a party to this Tax Agreement by amendment thereto.

VII. PRIOR AGREEMENTS SUPERSEDED: Any prior agreements relating to the allocation of income tax liability among the System are superseded.

IN WITNESS WHEREOF, each of the parties hereto has caused this Tax Agreement to be executed in its name and on its behalf by one of its officers duly authorized on this 28th day of January 2003.

NATIONAL FUEL GAS COMPANY

By: 

sw Joseph P. Pawlowski
Treasurer

NATIONAL FUEL GAS DISTRIBUTION
CORPORATION

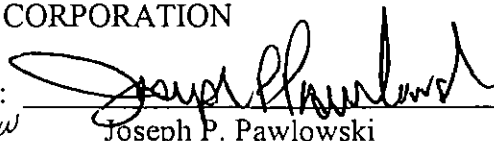
By: 

sw Joseph P. Pawlowski
Treasurer

NATIONAL FUEL GAS SUPPLY
CORPORATION

By: _____

sw

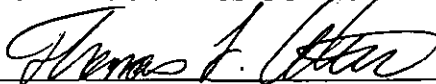


Joseph P. Pawlowski
Treasurer

SENECA RESOURCES CORPORATION

By: _____

sw



Thomas L. Atkins
Treasurer

LEIDY HUB, INC.

By: _____

sw



Gerald T. Wehrlin
Treasurer

HIGHLAND FOREST RESOURCES, INC.

By: _____

sw



Thomas L. Atkins
Treasurer

DATA-TRACK ACCOUNT SERVICES
INC.

By: _____

sw

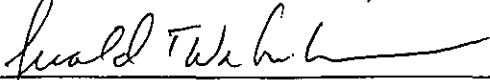


Donald P. Butler
Treasurer

NATIONAL FUEL RESOURCES, INC.

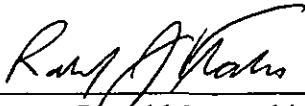
By: _____

sw

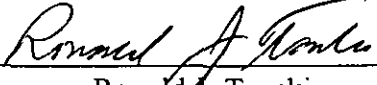


Gerald T. Wehrlin
Treasurer


HORIZON ENERGY DEVELOPMENT,
INC.

By: 
sw Ronald J. Tanski
Treasurer

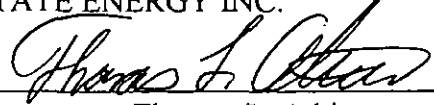
HORIZON ENERGY HOLDINGS, INC.

By: 
sw Ronald J. Tanski
Treasurer

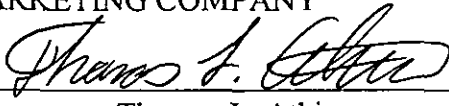
SENECA INDEPENDENCE PIPELINE
COMPANY

By: 
sw Walter E. DeForest
Treasurer


UPSTATE ENERGY INC.

By: 
sw Thomas L. Atkins
Treasurer

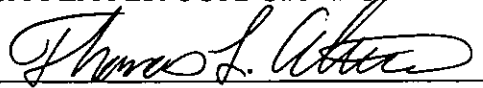
NIAGARA INDEPENDENCE
MARKETING COMPANY

By: 
sw Thomas L. Atkins
Treasurer

HORIZON POWER, INC.

By: 
sw Donald P. Butler
Treasurer

SENECA PLAYER CORPORATION

By: 

sw

Thomas L. Atkins
Treasurer

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.52 C

If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility – subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2) – or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility – subsection (b)(3) divided by subsection (a)(2) – it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

1. A statement showing the utility's calculation of the rate of return earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return to be earned when the tariff, revision, or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation.

See response to 53.53 I.A.2 below.

National Fuel Gas Distribution Corporation
 Pennsylvania Division

53.52 C 3.

3. A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

Production	32520	Producing Leaseholds	\$68,630
	32540	Rights of Way	47,059
	32550	Other Land and Land Rights	2,841
	32810	Field M&R Stations Local	10,096
	32910	Other Stations - Local	2,650
	33010	Gas Well Construction	127,859
	33110	Well Equipment	24,780
	33210	Field Lines	539,316
	33410	Field M&R Equipment	1,374,714
	33610	Purification Equipment Local	0
	33710	Other Equipment	10,538
	33810	Unsuccessful Development	401,384
Total Production			<u>\$2,609,866</u>
Transmission	36510	Land	\$16,195
	36511	Land Rights	83,192
	36520	Rights of Way	881,485
	36620	M&R Station Structures	158,032
	36630	Other Structures	5,120
	36700	Mains	27,786,018
	367008	Main Recifiers	0
	36900	M&R Station Equipment	4,067,744
Total Transmission			<u>\$32,997,785</u>
Distribution	37400	Land	\$822,806
	37410	Land Rights	4,948,814
	37500	Structures & Improvements	7,159,608
	37600	Mains	195,284,957
	376008	Main Recifiers	1,506,937
	37800	M&R Stations	5,819,822
	38000	Services	126,493,214
	38100	Meters	12,789,310
	38200	Meter Installation	3,160,552
	38300	House Regulators	0
	38400	House Regulator Installations	818,704
	38500	Industrial M&R Stations	8,764,692
	38700	Other Equipment	742,697
Total Distribution			<u>\$368,312,114</u>
General	38900	Land	\$51,799
	39000	Structures and Improvements	61,379
	391.1	Office Equipment - Furniture	756,942
	391.2	Office Equipment - General	559,136
	391.3	Office Equipment - Computers	2,451,630
	39230	Transportation Equipment	881,726
	39240	Transportation Equipment General	0
	39300	Stores Equipment	8,705
	39400	Garage Equipment	3,279,055
	39600	Power Equipment - Truck	893,112
	39610	Power Equipment - Excavation	255,212
	39620	Power Equipment - Misc Construction	24,976
	39640	Power Equipment - Welding	0
	39650	Power Equipment - General	0
	39660	Power Equipment - Miscellaneous	54,769
	39700	Communication Equipment	996,515
	39800	Miscellaneous Equipment	448
Total General			<u>\$10,275,402</u>
Intangible	30100	Organization	\$116,457
	30200	Franchises and Consents	7,388
	30300	Misc. Intangible	2,182,260
Total Intangible			<u>\$2,306,106</u>
Total Gas Plant at January 31, 2006			<u>\$416,501,273</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

53.52 C

If a public utility files a tariff, revision, or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility – subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2) – or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility – subsection (b)(3) divided by subsection (a)(2) – it shall submit to the Commission with the tariff, revision, or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

4. A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

Pennsylvania Division Book Depreciation Reserve at January 31, 2006. For the Depreciation Reserve used for rate making purposes, please see Exhibit 9.

Intangible Plant	\$1,083,413
Production Plant	1,773,525
Transmission Plant	14,997,571
Distribution Plant	120,852,485
General Plant	4,001,328
Total Book Reserve	\$142,708,323

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 I. VALUATION
A. ALL UTILITIES

2. Provide a schedule showing the measures of value and rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the ones listed above, reflecting respondent's final claim in its previous rate case.

A schedule showing rates of return for the Pennsylvania Division at January 2006 per books, proforma at present rates and proforma at proposed rates is found at Exhibit 2.

Pennsylvania Division Adjusted Rate Base at January 31, 2006

	Original Cost (\$000)	Reference
Gas Plant in Service	418,693	Exhibit 8 Schedule 2
Customer Advances for Construction	<u>(135)</u>	
Gas Plant as Adjusted	418,558	
Accrued Depreciation	<u>(142,727)</u>	Exhibit 9
Net Plant as Adjusted	275,831	
Working Capital		
Material and Supplies	1,106	Exhibit 8 Schedule 3
Prepayments	535	Exhibit 8 Schedule 3
Gas Storage	9,043	Exhibit 8 Schedule 3
Cash Allowance	41,126	Exhibit 8 Schedule 4
Total Working Capital	51,811	
Deferred Income Taxes		
Investment Tax Credit	(2,103)	Exhibit 8 Schedule 6
Liberalized Depreciation	<u>(39,925)</u>	Exhibit 8 Schedule 6
Total Deferred Income Taxes	(42,029)	
Customer Deposits	<u>(3,174)</u>	Exhibit 8 Schedule 5
Total Rate Base	<u>\$282,438</u>	

National Fuel's last base rate case R-00049656 was a negotiated settlement. The Pennsylvania Division Rate Base final claim per R-00049656 at Rebuttal Phase (Exhibit No. 202 Schedule 8) was

	Original Cost (\$000)
Gas Plant as Adjusted	414,092
Accrued Depreciation	<u>(136,235)</u>
Net Plant as Adjusted	277,857
Working Capital	
Material and Supplies	620
Prepayments	493
Gas Storage	14,509
Cash Allowance	<u>27,572</u>
Total Working Capital	43,194
Deferred Income Taxes	
Investment Tax Credit	(2,261)
Liberalized Depreciation	<u>(38,268)</u>
Total Deferred Income Taxes	(40,529)
Customer Deposits	(1,623)
Total Rate Base	<u>\$278,899</u>

8. Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all back up workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to "test" the applicability of any indexes.
- a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing

See Pa.B. Doc. No. 81-1842 filed November 27, 1981, changing the Commission's Regulations with respect to the filing of trended original cost measures of value. (Refer to Pennsylvania Bulletin Vol. II, No. 48, Saturday November 28, 1981, pp. 4157 – 4158).

9. Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.

See Pa.B. Doc. No. 81-1842 filed November 27, 1981, changing the Commission's Regulations with respect to the filing of trended original cost measures of value. (Refer to Pennsylvania Bulletin Vol. II, No. 48, Saturday November 28, 1981, pp. 4157 – 4158).

10. Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes:
- a. Boeckh

- b. Handy-Whitman
- c. Indexes developed from supplier's prices
- d. Indexes developed from company records and company price histories
- e. Construction equipment
- f. Government statistical releases.

See Pa.B. Doc. No. 81-1842 filed November 27, 1981, changing the Commission's Regulations with respect to the filing of trended original cost measures of value. (Refer to Pennsylvania Bulletin Vol. II, No. 48, Saturday November 28, 1981, pp. 4157 – 4158).

11. Provide a table, showing the cumulative trended depreciated original cost (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:
- a. Year Installed
 - b. Trended original cost (at the spot price level) – the total surviving cost associated with each installation year from all plant accounts.
 - c. Trended calculated depreciation reserve – the calculated depreciation reserve associated with each installation year from all plant accounts.
 - d. Depreciated trended original cost – (Column B minus Column C)
 - e. Total – cumulation year by year of the figures from Column D
 - f. Column E divided by the total of the figures in Column D.

See Pa.B. Doc. No. 81-1842 filed November 27, 1981, changing the Commission's Regulations with respect to the filing of trended original cost measures of value. (Refer to Pennsylvania Bulletin Vol. II, No. 48, Saturday November 28, 1981, pp. 4157 – 4158).

12. If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.

See response for 53.53 I. A. 13 below.

13. If a claim is made for non-revenue producing construction work in progress, include in the form of an exhibit, the summary page from all work orders, amount expended at the end of the Test Year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

Exhibit No. 8 Schedule 2 Page 1 provides all Construction Work In Progress (Account 107000) including Construction Completed but Not Classified (old Account 106000) at January 31, 2006 of \$2,191,248 of which \$1,294,548 is Completed but Not Classified and \$71,782 is Construction Work in Progress. The \$1,294,548 of Completed Not Classified has been included in the balance at January 31, 2006 the beginning of the future test year.

Exhibit 8 Schedule 2 Page 2 provides the Non-revenue Producing Construction Work in Progress (Account 107000) at January 31, 2006, of \$71,782. The company experiences on average a 30 day delay

between the time the work is complete and it is booked to Plant In Service therefore all \$71,782 has been included in the balance at January 31, 2006 the beginning of the future test year.

14. If a claim is made for plant held for future use, supply the following:
- a. A brief description of the plant or land site and its costs.
 - b. Expected date of use for each item claimed.
 - c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
 - d. Date when each item was acquired.
 - e. Date when each item was placed in plant held for future use.

National Fuel Gas Distribution Corporation - Pennsylvania Division has no plant held for future use.

15. If materials and supplies comprise part of cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances. (Explain method of determining claim if other than that described above)

Exhibit 8 Schedule 3 provides the twelve or thirteen monthly balances. A brief explanation of each is below:

Materials and Supplies is the summation of Account 154 (Materials and Supplies) and Account 163 (Stores Expense Undistributed). Account 154 includes the balance of the cost of materials and supplies in warehouse inventories. Account 163 includes the balance of related costs of supervision, labor and other expenses incurred in the operation of the general storeroom and for storage, handling and distribution of materials and supplies.

PPUC. Assessment – Each June, National Fuel Gas Distribution Corporation pays its annual general assessment to the Pennsylvania Public Utility Commission. Since this payment is for the following twelve months, it is charged to prepayments when paid and is then amortized over the twelve succeeding months.

Other Insurance is the monthly balances of unamortized portions of various insurance premiums which are written-off over the period of the insurance coverage.

AGA Dues is the unamortized portion of quarterly dues which are being written-off over a three month period.

16. If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc. (Explain the method of determining claim if other than that described above.)

National Fuel Gas Distribution Corporation – Pennsylvania Division has no fuel stocks (Accounts 151 and 152) however, Distribution does have Gas Storage Inventory (Account 164) within the cash working capital requirement. Exhibit 8 Schedule 3 Page 1 provides the thirteen monthly balances and the twelve month average for gas storage inventory. A twelve month period is used because the Commission in its Opinion and Order in Case No. R-942991 adopted Distribution's proposal to use a

twelve month average for gas stored underground working capital. Distribution proposed twelve months because gas storage balances are strongly affected by the seasons of the year and a thirteen month average can produce substantially different amounts depending on the time period used.

18. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measure of value.

Exhibit 8 details adjustments to the rate base at January 31, 2006. No additional adjustments have been made.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 II. RATE IF RETURN
A. ALL UTILITIES

21. Provide Original Cost, Trended Original Cost and Fair Value rate base claim.

I.A.2. The rate base claim at original cost as of January 31, 2006 is found above under Regulation 53.53

National Fuel Gas Distribution Corporation
Pennsylvania Division
Statement of Projected Rate Base at Present Rates
Twelve Months Ended January 31, 2006

	(1) Per Books Twelve Months Ended <u>January 31, 2006</u>	(2) <u>Adjustments</u>	(3) Adjusted Twelve Months Ended <u>January 31, 2006</u>
Gas Plant in Service	416,501,273	1,294,548	417,795,821
Construction Work In Progress	2,191,248	(1,294,548)	896,700
Customer Advances For Construction	(135,033)	0	(135,033)
Subtotal	<u>418,557,488</u>	<u>(0)</u>	<u>418,557,488</u>
Reserve For Depreciation	(142,708,323)	(18,755)	(142,727,078)
Net Plant	<u>275,849,165</u>	<u>(18,755)</u>	<u>275,830,410</u>
Working Capital			
Cash Allowance	0	41,126,000	41,126,000
Gas Storage Inventory	6,157,344	2,885,596	9,042,940
Prepayments	548,310	(12,802)	535,508
Materials and Supplies	1,403,545	(297,063)	1,106,482
Total Working Capital	<u>8,109,199</u>	<u>43,701,731</u>	<u>51,810,930</u>
Deferred Income Taxes			
Investment Tax Credit	(2,104,149)	700	(2,103,449)
Liberalized Depreciation	(39,925,410)	0	(39,925,410)
Total Deferred Income Taxes	<u>(42,029,559)</u>	<u>700</u>	<u>(42,028,859)</u>
Customer Deposits	<u>(2,647,167)</u>	<u>(527,080)</u>	<u>(3,174,247)</u>
Total Rate Base	<u><u>\$239,281,638</u></u>	<u><u>\$43,156,596</u></u>	<u><u>\$282,438,234</u></u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Gas Plant in Service at January 31, 2006

Gas Plant in Service A/C 101000

Intangible	\$2,306,106
Production	2,609,866
Transmission	32,997,785
Distribution	368,312,114
General	10,275,402
Total Plant	\$416,501,273

Reserve For Depreciation

Intangible	(1,083,413)
Production	(1,773,525)
Transmission	(14,997,571)
Distribution	(120,852,485)
General	(4,001,328)
Total Reserve for Depreciation	(\$142,708,323)

Construction Work In Progress at January 31, 2006

	Per Books Account 107000	CWIP Completed (old 106000)	CWIP (Account 107000)	Revenue Producing CWIP	Non Revenue Producing CWIP
Intangible	\$0	\$0	\$0	\$0	\$0
Production	(56,864)	16,413	(73,277)	0	(73,277)
Transmission	350,560	129,312	221,248	0	221,248
Distribution	1,472,451	1,081,485	390,966	71,782	319,184
General	425,100	67,338	357,762	0	357,762
Subtotal	\$2,191,248	\$1,294,548	\$896,700	\$71,782	\$824,918

Adjusted Gas Plant In Service at January 31, 2006

	Account 101000	Old Account 106000	Account 107000	Total Adjusted Plant in Service
Intangible	\$2,306,106	\$0	\$0	\$2,306,106
Production	2,609,866	16,413	(73,277)	2,553,003
Transmission	32,997,785	129,312	221,248	33,348,345
Distribution	368,312,114	1,081,485	390,966	369,784,564
General	10,275,402	67,338	357,762	10,700,502
Total Adjusted Plant	\$416,501,273	\$1,294,548	\$896,700	\$418,692,521

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Adjustment to Calculate Revenue Producing Construction Work In Progress (Account 107000)

		<u>CWIP at 1/2006</u>	<u>%</u>
Transmission Plant			
Account 367	Transmission Lines		
	Extensions	315A \$0.00	0.00%
	Replacements	315B/316B \$3,345.10	1.54%
	System Improvements	315C \$0.00	0.00%
	Cathodic Protection	315E \$213,402.41	98.46%
	Certified Mains	315X \$0.00	0.00%
		<u>\$216,747.51</u>	<u>100.00%</u>
Account 369	Meas. & Reg. Stations		
	New Station	use 315A % \$0.00	0.00%
	All Other Work	\$4,500.60	100.00%
		325X \$4,500.60	100.00%
Distribution Plant			
Account 376	Mainlines		
	Customer Extension Mains	415A \$31,513.75	12.50%
	Replacements	415B \$88,648.84	35.17%
	System Improvement	415C \$2,725.90	1.08%
	Public Improvement	415D \$26,900.50	10.67%
	Cathodic Protection	415E \$0.00	0.00%
	Long Private Lines	415G \$0.00	0.00%
	Active Corrosion	415L \$0.00	0.00%
	Systematic Replacement	415S \$102,284.95	40.58%
	Customer Interruptions - Water	415W \$0.00	0.00%
		415Z \$0.00	0.00%
		<u>\$252,073.94</u>	<u>100.00%</u>
	GE New Mains	803D \$0.00	
Account 378	Meas. & Reg. Stations		
	New Stations	use 415A % \$2,577.31	12.50%
	All Other work	\$18,041.17	87.50%
		425X \$20,618.48	100.00%
	GE New Station	810D \$0.00	
Account 380	Services		
	New	452X \$0.00	0.00%
	Replacement	450X \$6,865.70	100.00%
		<u>\$6,865.70</u>	<u>100.00%</u>
Account 381	Meas. & Reg. Equipment		
	AMR renewed	\$0.00	100.00%
	AMR - new	\$0.00	0.00%
	use only 0 of 455X (use 452X%)	455A+455X \$0.00	100.00%
Account 385	Ind. Mea. & Reg. Stations		
	New Station	470X \$37,690.61	33.83%
	Equipment	470Z \$0.00	0.00%
	Boiler Fuel Metering	471X \$0.00	0.00%
	Renovate	475X \$73,717.83	66.17%
		<u>\$111,408.44</u>	<u>100.00%</u>
Revenue Producing Transmission Plant		\$0.00	
Revenue Producing Distribution Plant		\$71,781.67	

National Fuel Gas Distribution Corporation
 Pennsylvania Division

53.53 III Balance Sheet and Operating Statement
 A. All Utilities

14. Provide schedules and data in support of the following working capital items:
- Prepayments - List and Identify all items
 - Federal Excise Tax accrued and prepaid.
 - Federal Income Tax accrued or prepaid.
 - Pa. State Income Tax accrued or prepaid.
 - Pa. Gross Receipts Tax accrued or prepaid.
 - Pa. Capital Stock Tax accrued or prepaid.
 - Pa. Public Utility Realty Tax accrued or prepaid.
 - State sales tax accrued or prepaid
 - Any adjustment related to the above items for ratemaking purposes.

	<u>Calculation of Working Capital</u>					
	<u>Monthly Balances</u>					
	(1)	(2)	(3)	(4)	(5)	(6)
		<u>Prepayments</u>				
	<u>Materials and Supplies</u>	<u>PPUC Assessment</u>	<u>Other Insurance</u>	<u>AGA Dues</u>	<u>Total</u>	<u>Gas Storage Inventory</u>
January 2005	880,285	320,147	119,495	2,776	442,418	5,110,290
February 2005	859,819	256,117	79,678	20,165	355,960	4,092,862
March 2005	900,276	192,088	39,860	37,555	269,503	2,770,487
April 2005	945,199	128,059	183,076	38,746	349,881	3,379,015
May 2005	1,022,170	64,029	464,120	29,853	558,002	4,030,742
June 2005	1,088,676	0	429,159	47,243	476,402	5,390,331
July 2005	1,113,175	(64,029)	391,625	18,182	345,777	6,416,514
August 2005	1,144,884	(128,059)	349,416	9,289	230,646	8,438,586
September 2005	1,225,149	706,068	307,940	396	1,014,404	13,762,389
October 2005	1,208,505	627,616	266,464	17,786	911,866	25,153,584
November 2005	1,285,939	549,164	225,299	8,893	783,356	22,728,611
December 2005	1,306,649	470,712	183,823	20,549	675,084	6,718,346
January 2006	1,403,545	392,260	142,347	13,703	548,310	6,157,344
13 Month Average	1,106,482	270,321	244,792	20,395	535,508	
12 Month Average						9,042,940

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

53.53 III BALANCE SHEET AND OPERATING STATEMENT

A. ALL UTILITIES

15. Supply an Exhibit supporting the claim for working capital requirement based on a lead-lag method.
 - a. *Pro forma expenses and revenues are to be used in lieu of book data for computing lead-lag days.*
 - b. Respondent must either include sales for resale and related expenses in revenues and in expenses or exclude from revenues and expenses. Explain procedure followed.

National Fuel Gas Distribution Corporation submits a claim for working capital requirement, based on the lead/lag method, for the twelve months ended January 31, 2006 in the amount of \$41,126,000.

See Pages 2 through 7 for detailed calculations

A. ALL UTILITIES

16. Provide detailed calculations showing the derivation of the tax liability offset to gross cash working capital requirements

See Page 6 of this exhibit

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
SUMMARY OF CASH WORKING CAPITAL REQUIREMENT
AT PRESENT RATES
FOR THE YEAR ENDED JANUARY 31, 2006
(\$000)

Cash Working Capital	\$41,211
Less Adjustment for:	
Long-Term Interest Payments	282
Short-Term Interest Payments	<u>(197)</u>
	<u>85</u>
Total Cash Working Capital Requirement	<u><u>\$41,126</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ADJUSTMENT TO CASH WORKING CAPITAL FOR
LONG-TERM DEBT INTEREST PAYMENTS
FOR THE YEAR ENDED JANUARY 31, 2006
(\$000)

<u>Line No.</u>			
1	Measure of Value		\$282,525
2	Weighted Cost of Long-Term Debt		
3	(\$282,525 X 2.66%)		\$7,515
4	Daily Interest Expense		
5	(\$7,515 divided by 365)		20.59
6	Days to Mid-Point of Long-Term Interest		
7	Payments	86.16	
8	Less: Revenue Lag	<u>72.45</u>	
9	Net Lag		<u>13.71</u>
10	Adjustment for Long-Term Interest Payments (Line 9 x Line 5)		<u><u>\$282</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
ADJUSTMENT TO CASH WORKING CAPITAL FOR
SHORT-TERM DEBT INTEREST PAYMENTS
FOR THE YEAR ENDED JANUARY 31, 2006
(\$000)

<u>Line No.</u>			
1	Measure of Value		\$282,525
2	Weighted Cost of Short-Term Debt		
3	(\$282,525 X 0.37%)		\$1,045
4	Daily Interest Expense		
5	(\$1045 divided by 365)		2.86
6	Days to Mid-Point of Short-Term Interest		
7	Payments	3.56	
8	Less: Revenue Lag	<u>72.45</u>	
9	Net Lag		<u>(68.89)</u>
10	Adjustment for Short-Term Interest Payments (Line 9 x Line 5)		<u><u>(\$197)</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
COMPUTATION OF CASH WORKING CAPITAL
FOR OPERATION AND MAINTENANCE EXPENSES
PRO FORMA STATEMENT OF INCOME AT PRESENT RATES
(\$000)

Line No.		Pro Forma January 31, 2006 <u>Present Rates</u>	<u>Days Lag</u>	<u>Weighted Average</u>
1	<u>Operating Revenues:</u>			
2	Sales and Transportation Service Customers	\$441,502	72.45	\$31,986,820
3	Other Revenues	<u>2,054</u>		<u>2,054</u>
4	Total Operating Revenue	<u>\$443,556</u>		<u>\$31,988,874</u>
5	<u>Operating Expenses:</u>			
6	Purchased Gas	<u>\$332,569</u>	<u>40.20</u>	<u>\$13,369,117</u>
7	Weekly Payroll			
	Net	7,169	14.00	100,368
	Federal Withholding	1,324	15.70	20,783
	State Withholding	265	38.45	10,172
	FICA	725	15.70	11,389
	Gross	<u>9,483</u>		<u>142,712</u>
8	Supervisory Payroll			
	Net	3,667	6.82	25,012
	Federal Withholding	677	6.75	4,570
	State Withholding	135	27.88	3,773
	FICA	371	6.76	2,510
	Gross	<u>4,851</u>		<u>35,865</u>
9	Hospitalization	1,755	8.36	14,673
10	Dental	192	(4.36)	(838)
11	Life Insurance	56	29.46	1,650
12	Prescription Drug	641	11.50	7,372
13	OPEB	8,185	30.72	251,410
14	Pension	4,807	(131.90)	(634,034)
15	Goods and Services	<u>26,836</u>	10.58	<u>283,838</u>
16	Total Operation and Maintenance Expense	<u>\$389,375</u>		<u>\$13,471,765</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
COMPUTATION OF CASH WORKING CAPITAL
FOR OPERATION AND MAINTENANCE EXPENSES
PRO FORMA STATEMENT OF INCOME AT PRESENT RATES
(\$000)

<u>Line No.</u>		<u>Pro Forma January 31, 2006 Present Rates</u>	<u>Days Lag</u>	<u>Weighted Average</u>
17	<u>Taxes - Other Than Income</u>			
18	Federal Unemployment Tax	\$15	76.00	\$1,140
19	State Unemployment Tax	49	76.00	3,724
20	FICA	1,036	12.86	13,326
21	Capital Stock Tax	866	53.49	46,321
22	Pennsylvania Property Tax	32	(113.61)	(3,635)
23	Public Utility Realty Tax (PURTA)	90	(36.53)	(3,288)
24	All Other	4	33.27	133
25	Total Taxes - Other Than Income	2,092		57,721
26	Total Operating Revenue Deductions	<u>391,467</u>		<u>13,529,486</u>
27	Operating Income Before Taxes	<u>52,089</u>		<u>18,459,388</u>
28	Federal Income Taxes	5,213	37.25	194,184
29	State Income Taxes	<u>1,540</u>	55.45	<u>85,393</u>
30	Total Expenses	<u>398,220</u>	34.68	<u>13,809,063</u>
31	Net Utility Operating Income Available For Cash Working Capital	<u>\$45,336</u>		<u>\$18,179,811</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
COMPUTATION OF CASH WORKING CAPITAL
FOR OPERATION AND MAINTENANCE EXPENSES
PRO FORMA STATEMENT OF INCOME AT PRESENT RATES
(\$000)

Line		
<u>No.</u>		
32	Average Days Lag in Receipt of Revenues	72.45
33	Average Days Lag in Payment of Expenses	<u>34.68</u>
34	Average Days Lag in Days Between Payment of Expenses and Receipt of Revenue	37.77
35	Daily Operating Expenses (Line 30, Page 6 / 365)	<u>\$1,091</u>
36	Cash Working Capital Requirement	<u><u>\$41,211</u></u>
	Reconciliation of Lead/Lag	
37	Operating Income Before Taxes	<u>\$52,089</u>
38	Less: Operation and Maintenance Expenses Excluded from Line 16	
39	Uncollectible Expense	8,998
40	PaPUC Assessment	940
41	Prepaid Insurance	554
42	Order 636 Amortization	0
43	AGA Dues	199
44	Customer Deposits	190
45	Miscellaneous	0
46	Total	<u>10,881</u>
47	Less: Non-Cash Items	
48	Depreciation	11,487
49	Amortization	0
50	Negative Net Salvage	<u>1,242</u>
51	Total	<u>12,729</u>
52	Operating Income Before Taxes (Per Exhibit 2)	<u><u>\$28,479</u></u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Calculation of Customer Deposits

Residential/Non Residential split Source: KPVN 0841
 Per Books: Accounts 235100, 235200, 235250

Month		Per KPVN 0841			Calculated Percentage		Per Books Balance	Calculated Per Books		Calculated 13 Month Average		
		Residential	Non-Residential	Total	Residential	Non-Residential		Residential	Non-Residential	Residential	Non-Residential	Total
January	04	92,503	1,660,733	1,753,236	5.28%	94.72%	(1,560,241)	(82,381)	(1,477,860)			
February	04	93,741	1,661,620	1,755,361	5.34%	94.66%	(1,563,298)	(83,480)	(1,479,818)			
March	04	94,030	1,665,303	1,759,333	5.34%	94.66%	(1,568,325)	(83,749)	(1,484,576)			
April	04	95,256	1,703,506	1,798,762	5.30%	94.70%	(1,619,051)	(85,810)	(1,533,241)			
May	04	92,161	1,743,434	1,835,595	5.02%	94.98%	(1,658,619)	(83,263)	(1,575,356)			
June	04	94,324	1,667,670	1,761,994	5.35%	94.65%	(1,721,275)	(92,088)	(1,629,187)			
July	04	97,097	1,678,066	1,775,163	5.47%	94.53%	(1,737,250)	(95,028)	(1,642,222)			
August	04	101,296	1,675,673	1,776,969	5.70%	94.30%	(1,694,060)	(96,561)	(1,597,499)			
September	04	100,661	1,673,230	1,773,891	5.67%	94.33%	(1,807,963)	(102,512)	(1,705,451)			
October	04	107,194	1,818,621	1,925,815	5.57%	94.43%	(1,966,447)	(109,531)	(1,856,916)			
November	04	109,966	1,899,630	2,009,596	5.47%	94.53%	(2,042,558)	(111,728)	(1,930,830)			
December	04	114,505	1,924,494	2,038,999	5.62%	94.38%	(2,092,427)	(117,594)	(1,974,833)			
January	05	115,796	1,975,826	2,091,622	5.54%	94.46%	(2,148,297)	(119,016)	(2,029,281)	(97,134)	(1,685,928)	(1,783,062)
February	05	118,688	2,010,897	2,129,585	5.57%	94.43%	(2,182,182)	(121,548)	(2,060,634)	(100,147)	(1,730,757)	(1,830,904)
March	05	122,940	2,050,712	2,173,652	5.66%	94.34%	(2,206,892)	(124,910)	(2,081,982)	(103,334)	(1,777,078)	(1,880,411)
April	05	142,450	2,086,811	2,229,261	6.39%	93.61%	(2,273,354)	(145,267)	(2,128,087)	(108,066)	(1,826,578)	(1,934,644)
May	05	167,424	2,036,212	2,203,636	7.60%	92.40%	(2,247,049)	(170,776)	(2,076,273)	(114,602)	(1,868,350)	(1,982,952)
June	05	180,937	1,980,463	2,161,400	8.37%	91.63%	(2,177,716)	(182,275)	(1,995,441)	(122,218)	(1,900,664)	(2,022,882)
July	05	192,758	1,855,430	2,048,188	9.41%	90.59%	(4,401,884)	(414,217)	(3,987,667)	(146,997)	(2,082,086)	(2,229,083)
August	05	205,938	1,847,990	2,053,928	10.03%	89.97%	(4,410,464)	(442,370)	(3,968,094)	(173,716)	(2,260,999)	(2,434,715)
September	05	220,644	1,891,774	2,112,418	10.45%	89.55%	(4,477,134)	(467,861)	(4,009,273)	(202,277)	(2,446,520)	(2,648,797)
October	05	249,726	1,931,858	2,181,584	11.45%	88.55%	(4,726,149)	(541,144)	(4,185,005)	(236,018)	(2,637,255)	(2,873,273)
November	05	274,642	2,012,476	2,287,118	12.01%	87.99%	(4,814,071)	(578,170)	(4,235,901)	(272,067)	(2,820,254)	(3,092,321)
December	05	287,401	2,063,314	2,350,715	12.23%	87.77%	(2,552,846)	(312,213)	(2,240,633)	(287,489)	(2,844,085)	(3,131,574)
January	06	300,774	2,146,765	2,447,539	12.29%	87.71%	(2,647,167)	(325,337)	(2,321,830)	(303,470)	(2,870,777)	(3,174,247)

National Fuel Gas Distribution Corporation
Pennsylvania Division
Deferred Income Taxes

Accumulated Deferred Investment Tax Credit

1 Per Book Balance at January 31, 2006	\$2,104,149
2 January 31, 2006 Balance of Accumulated Deferred Investment Tax Credit Net of Amortization, being amortized under the option two provisions of the Internal Revenue Code.	<u>(700)</u>
3 Adjusted Balance at January 31, 2006	<u><u>\$2,103,449</u></u>

Liberalized Depreciation

1 Per Book Balance at January 31, 2006	\$39,925,410
---	--------------

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

3. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of factors which were considered in arriving at estimates of service life and dispersion by account. Provide dates of all field inspections and facilities visited.

.....

The information is included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2007" (Exhibit 109, Schedule 1).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

4. Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account, where the retirement rate method of analysis is utilized.
 - a. If any utility plant was excluded from the measures of value because it was deemed not to be "used and useful" in the public service, supply a detailed description of each item of property.
 - b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities.
 - (i) These calculations should be provided for plant in service as well as other categories of plant, including, but not limited to, contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).

.....

The original and estimated survivor curves and original life tables are included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2007" (Exhibit 109, Schedule 1).

I.A.4.a.:

There were no exclusions for property deemed not "used and useful".

I.A.4.b. and I.A.4.b.(i):

The information requested is included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2006" (Exhibit 9, Schedule 1).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUALS
RELATED TO GAS PLANT AT JANUARY 31, 2006

GANNETT FLEMING, INC. - VALUATION AND RATE DIVISION

Harrisburg, Pennsylvania



Exhibit No. 9
Schedule 1
Witness: Spanos
Page ii
GANNETT FLEMING, INC.
P.O. Box 67100
Harrisburg, PA 17106-7100
Location:
207 Senate Avenue
Camp Hill, PA 17011
Office: (717) 763-7211
Fax: (717) 763-4590
www.gannettfleming.com

May 17, 2006

National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221-5887

Attention Mr. Eric H. Meini, General Manager

Gentlemen:

Pursuant to your request, we have determined the annual depreciation accruals applicable to the gas plant of National Fuel Gas Distribution Corporation's Pennsylvania Division. The results of our study at January 31, 2006, are presented in the attached report.

The results of our study at January 31, 2007, as well as a discussion of the methods and procedures used in the calculations and the support for the service life estimates, are included in our report titled "Depreciation Study - Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2007." The same methods, procedures and estimates are used in each of the studies.

Respectfully submitted,

GANNETT FLEMING, INC.

A handwritten signature in black ink that reads "John J. Spanos".

JOHN J. SPANOS
Vice President
Valuation and Rate Division

JJS:krm



CONTENTS

RESULTS OF STUDY

Description of Summary Tabulations	2
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RESULTS OF STUDY

DESCRIPTION OF SUMMARY TABULATIONS

Tables 1 and 2 summarize the results of the depreciation study at January 31, 2006. Table 1 sets forth, by depreciable group, the estimated survivor curves, calculated annual accrual and book depreciation reserve at January 31, 2006, for gas plant in service. Table 2 presents the annual amortization of experienced net salvage based on the five-year period, 2001-2005.

DESCRIPTION OF DETAILED TABULATIONS

Supporting data for the annual depreciation calculations related to original cost and salvage and cost of removal for the years 2001-2005 are presented in two sections.

The tables of the calculated annual and accrued depreciation related to original cost are presented in account sequence in the first section and indicate the estimated survivor curves used in the calculations. The tables set forth, for each installation year, the original cost, the calculated accrued depreciation, allocated book reserve, remaining life expectancy, and calculated annual accrual.

Detailed tabulations setting forth the cost of removal and salvage amounts, by plant account for each year, are presented beginning on page 82. The total amounts, by year, were carried forward to Table 2, which presents the five-year amortization.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION**

**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006**

<u>Depreciable Group</u> (1)	<u>Survivor Curve</u> (2)	<u>Original Cost</u> (3)	<u>Book Reserve</u> (4)	<u>Future Accruals</u> (5)	<u>Annual Accrual Amount</u> (6)	<u>Composite Remaining Life</u> (7)	<u>Annual Accrual Rate, Percent</u> (8)	
DEPRECIABLE PLANT								
303	Miscellaneous Intangible Plant	10-SQ	2,182,260.46	1,083,414	1,098,848	222,162	4.9	10.18
Production Plant								
325.4	Rights of Way	60-R4	47,059.43	26,993	20,068	524	38.3	1.11
328	Measuring & Regulating Station Struct.	30-L2.5	10,095.84	8,768	1,326	104	12.8	1.03
329	Other Structures	40-SQ	2,650.00	61	2,589	67	38.6	2.53
332	Field Lines	45-R1.5	538,011.28	459,355	78,657	2,959	26.6	0.55
334	Measuring & Regulating Station Equip.	20-O1	1,317,850.59	657,399	660,452	72,464	9.1	5.50
Total Production Plant			1,915,667.14	1,152,576	763,092	76,118		
Transmission Plant								
365.2	Rights of Way	70-R4	943,076.78	258,275	684,800	13,865	49.4	1.47
366	Structures and Improvements	55-R2	163,151.73	96,567	66,585	2,385	27.9	1.46
367.1	Mains - Excl. Cathodic Protection	55-R2	25,561,229.38	11,259,486	14,301,747	437,774	32.7	1.71
367.2	Mains - Cathodic Protection	24-S2	2,570,848.43	677,295	1,893,556	151,001	12.5	5.87
369	Measuring and Regulating Station Equip.							
	1980 and Prior	28-R0.5	388,208.73	304,666	83,543	8,428	9.9	2.17
	1981 and Subsequent	21-R2	3,684,035.80	2,410,088	1,273,947	129,251	9.9	3.51
Total Account 369			4,072,244.53	2,714,754	1,357,490	137,679	9.9	3.38
Total Transmission Plant			33,310,550.85	15,006,377	18,304,178	742,704		

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION**

**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006**

<u>Depreciable Group</u> (1)	<u>Survivor Curve</u> (2)	<u>Original Cost</u> (3)	<u>Book Reserve</u> (4)	<u>Future Accruals</u> (5)	<u>Annual Accrual Amount</u> (6)	<u>Composite Remaining Life</u> (7)	<u>Annual Accrual Rate, Percent</u> (8)	
Distribution Plant								
374.2	Rights of Way	70-R4	4,863,566.07	960,061	3,903,500	72,844	53.6	1.50
375.3	Structures and Improvements - Large	Various	6,737,138.43	3,090,560	3,646,580	278,513	13.1	4.13
375.4	Structures and Improvements - Small	40-R0.5	411,857.61	195,093	216,770	12,343	17.6	3.00
376.1	Mains - Excl. Cathodic Protection	57-L1.5	196,128,712.67	56,547,576	139,581,136	4,186,155	33.3	2.13
376.2	Mains - Cathodic Protection	24-S2	1,632,626.90	585,415	1,047,212	93,853	11.2	5.75
378	Measuring and Regulating Station Equip.	30-S0	5,844,255.61	3,184,521	2,659,733	171,569	15.5	2.94
380	Services	39-L0.5	126,738,717.12	42,518,486	84,220,233	3,979,427	21.2	3.14
381	Meters	36-R4	6,670,543.96	2,666,205	4,004,339	273,740	14.6	4.10
381.1	Meters - Automated Reading Equipment	14-S2	6,120,128.24	6,013,839	106,290	29,666	3.6	0.48
382	Meter Installations	39-L0.5	3,160,551.59	1,425,305	1,735,244	80,832	21.5	2.56
384	House Regulator Installations	39-L0.5	818,703.88	354,706	463,999	21,713	21.4	2.65
385	Industrial Meas and Reg Station Equip.	42-R1.5	8,966,107.52	2,943,057	6,023,050	237,430	25.4	2.65
387	Other Equipment	33-R2	742,697.08	590,246	152,454	12,256	12.4	1.65
Total Distribution Plant			368,835,606.68	121,075,070	247,760,540	9,450,341		
General Plant								
390.11	Other Small Structures	40-R0.5	64,679.19	(102,937)	167,616	8,161	20.5	12.62
391.1	Office Furniture and Equip. - Furniture	25-SQ	756,941.55	518,135	238,808	26,308	9.1	3.48
391.2	Office Furniture and Equip. - Equipment	15-SQ	559,135.65	184,023	375,113	30,199	12.4	5.40
391.3	Office Furniture and Equip. - Computers	5-SQ	2,451,629.66	1,075,805	1,375,825	439,063	3.1	17.91
392	Transportation Equipment	6.5-L3	899,874.87	165,200	734,675	153,727	4.8	17.08
393	Stores Equipment	30-SQ	8,705.24	7,025	1,681	340	4.9	3.91
394	Tools and Work Equipment	25-SQ	3,281,482.75	1,406,074	1,875,408	142,584	13.2	4.35
396	Power Operated Equipment and Tools							
	Unamortized	23-S1	1,199,311.79	83,345	1,115,967	64,778	17.2	5.40
	Amortized	15-SQ	54,769.32	54,769				
Total Account 396			1,254,081.11	138,114	1,115,967	64,778		

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION**

**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT JANUARY 31, 2006**

<u>Depreciable Group</u> (1)	<u>Survivor Curve</u> (2)	<u>Original Cost</u> (3)	<u>Book Reserve</u> (4)	<u>Future Accruals</u> (5)	<u>Annual Accrual Amount</u> (6)	<u>Composite Remaining Life</u> (7)	<u>Annual Accrual Rate, Percent</u> (8)
397	Communication Equipment	1,371,725.50	428,240	943,484	130,752	7.2	9.53
398	Miscellaneous Equipment	447.97	353	95	18	5.3	4.02
Total General Plant		10,648,703.49	3,820,032	6,828,672	995,930		
TOTAL DEPRECIABLE GAS PLANT		416,892,788.62	142,137,469	274,755,330	11,487,255		
Nondepreciable Plant							
	INTANGIBLE PLANT	123,845.54					
	PRODUCTION PLANT	2,840.80	(12,396)				
	WEAVER PLANT	634,495.12	634,495				
	TRANSMISSION PLANT	37,795.06					
	DISTRIBUTION PLANT	948,957.04	(16,201)				
	GENERAL PLANT	51,798.54	(16,289)				
Total Nondepreciable Plant		1,799,732.10	589,609				
TOTAL GAS PLANT IN SERVICE		418,692,520.72	142,727,078	274,755,330	11,487,255		
Total Gas Plant		418,692,520.72	142,727,078	274,755,330	11,487,255		

* Life Span Procedure was used. Interim Survivor Curves are 70-R1.5 and 65-O1.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION**

Exhibit No. 9
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Page 6

**TABLE 2. SUMMARY OF COST OF REMOVAL AND GROSS SALVAGE
AND AMORTIZATION OF EXPERIENCED NET SALVAGE**

<u>YEAR</u>	<u>COST OF REMOVAL</u>	<u>GROSS SALVAGE</u>	<u>NET SALVAGE</u>
2001	927,471.71	134,286.79	(793,184.92)
2002	1,158,997.87	25.00	(1,158,972.87)
2003	1,268,522.38		(1,268,522.38)
2004	1,521,959.84		(1,521,959.84)
2005	<u>1,467,046.33</u>	<u>581.66</u>	<u>(1,466,464.67)</u>
TOTAL	6,343,998.13	134,893.45	(6,209,104.68)

5-YEAR AMORTIZATION OF NEGATIVE NET SALVAGE (1,241,821)

7

ORIGINAL COST DEPRECIATION CALCULATIONS

8

CUMULATIVE DEPRECIATED ORIGINAL COST

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	DEPRECIATED ORIGINAL COST		PCT OF COL 4 TOTAL (6)
			AMOUNT (2) - (3) (4)	CUMULATIVE AMOUNT (5)	
1883	9,410	7,447	1,963	1,963	0.0
1884	1,465	1,194	271	2,234	0.0
1885	4,869	3,838	1,031	3,265	0.0
1886	33,198	26,111	7,087	10,352	0.0
1887	52,862	41,242	11,620	21,972	0.0
1888	41,770	32,466	9,304	31,276	0.0
1889	514	444	70	31,346	0.0
1890	106	87	19	31,365	0.0
1891	1,065	829	236	31,601	0.0
1892	1,233	952	281	31,882	0.0
1893	592	461	131	32,013	0.0
1894	369	288	81	32,094	0.0
1895	739	567	172	32,266	0.0
1896	408	323	85	32,351	0.0
1897	373	303	70	32,421	0.0
1898	265	219	46	32,467	0.0
1899	69,390	51,500	17,890	50,357	0.0
1900	2,074	1,534	540	50,897	0.0
1901	853	690	163	51,060	0.0
1902	3,170	2,541	629	51,689	0.0
1903	4,361	3,552	809	52,498	0.0
1904	3,857	3,076	781	53,279	0.0
1905	3,298	2,631	667	53,946	0.0
1906	2,204	1,831	373	54,319	0.0
1907	2,298	1,902	396	54,715	0.0
1908	2,200	1,801	399	55,114	0.0
1909	1,717	1,397	320	55,434	0.0
1910	1,604	1,292	312	55,746	0.0
1911	8,211	5,858	2,353	58,099	0.0
1912	5,983	4,339	1,644	59,743	0.0
1913	4,356	3,115	1,241	60,984	0.0
1914	3,660	2,641	1,019	62,003	0.0
1915	3,047	2,218	829	62,832	0.0
1916	342,832	263,612	79,220	142,052	0.1
1917	5,174	3,705	1,469	143,521	0.1
1918	26,346	20,642	5,704	149,225	0.1
1919	90,235	80,197	10,038	159,263	0.1
1920	14,607	11,609	2,998	162,261	0.1
1921	24,433	16,981	7,452	169,713	0.1
1922	40,560	28,621	11,939	181,652	0.1
1923	24,792	17,372	7,420	189,072	0.1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	DEPRECIATED ORIGINAL COST		PCT OF COL 4 TOTAL (6)
			AMOUNT (2) - (3) (4)	CUMULATIVE AMOUNT (5)	
1924	69,929	47,974	21,955	211,027	0.1
1925	139,021	92,951	46,070	257,097	0.1
1926	227,993	147,532	80,461	337,558	0.1
1927	147,715	95,631	52,084	389,642	0.1
1928	108,455	75,136	33,319	422,961	0.2
1929	153,948	100,161	53,787	476,748	0.2
1930	171,747	109,707	62,040	538,788	0.2
1931	117,316	79,496	37,820	576,608	0.2
1932	43,505	29,054	14,451	591,059	0.2
1933	27,940	18,347	9,593	600,652	0.2
1934	71,797	50,617	21,180	621,832	0.2
1935	93,517	60,812	32,705	654,537	0.2
1936	119,109	83,553	35,556	690,093	0.3
1937	107,798	71,891	35,907	726,000	0.3
1938	96,871	60,588	36,283	762,283	0.3
1939	67,586	42,096	25,490	787,773	0.3
1940	65,551	39,750	25,801	813,574	0.3
1941	82,909	51,323	31,586	845,160	0.3
1942	24,399	15,555	8,844	854,004	0.3
1943	129,922	120,561	9,361	863,365	0.3
1944	28,681	16,887	11,794	875,159	0.3
1945	19,926	12,547	7,379	882,538	0.3
1946	60,616	37,502	23,114	905,652	0.3
1947	268,939	175,208	93,731	999,383	0.4
1948	215,394	126,856	88,538	1,087,921	0.4
1949	378,798	211,533	167,265	1,255,186	0.5
1950	495,460	273,029	222,431	1,477,617	0.5
1951	551,959	323,858	228,101	1,705,718	0.6
1952	406,033	234,416	171,617	1,877,335	0.7
1953	856,543	582,228	274,315	2,151,650	0.8
1954	668,005	384,597	283,408	2,435,058	0.9
1955	1,559,013	913,668	645,345	3,080,403	1.1
1956	2,172,060	1,323,727	848,333	3,928,736	1.4
1957	1,178,210	721,423	456,787	4,385,523	1.6
1958	480,111	257,155	222,956	4,608,479	1.7
1959	853,235	487,330	365,905	4,974,384	1.8
1960	674,462	395,903	278,559	5,252,943	1.9
1961	650,005	365,410	284,595	5,537,538	2.0
1962	593,431	351,120	242,311	5,779,849	2.1
1963	743,525	417,184	326,341	6,106,190	2.2
1964	836,057	453,756	382,301	6,488,491	2.4

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	DEPRECIATED ORIGINAL COST		
			AMOUNT (2) - (3) (4)	CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
1965	1,688,513	970,354	718,159	7,206,650	2.6
1966	2,109,143	1,110,304	998,839	8,205,489	3.0
1967	2,936,218	1,594,843	1,341,375	9,546,864	3.5
1968	2,189,733	1,084,099	1,105,634	10,652,498	3.9
1969	2,448,854	1,228,882	1,219,972	11,872,470	4.3
1970	2,645,730	1,297,378	1,348,352	13,220,822	4.8
1971	3,220,774	1,505,279	1,715,495	14,936,317	5.4
1972	3,376,036	1,605,363	1,770,673	16,706,990	6.1
1973	4,197,553	2,022,801	2,174,752	18,881,742	6.9
1974	3,585,521	1,578,940	2,006,581	20,888,323	7.6
1975	2,617,335	1,172,715	1,444,620	22,332,943	8.1
1976	2,713,811	1,152,328	1,561,483	23,894,426	8.7
1977	6,235,459	2,549,027	3,686,432	27,580,858	10.0
1978	5,242,467	2,064,211	3,178,256	30,759,114	11.2
1979	5,436,579	2,238,247	3,198,332	33,957,446	12.4
1980	6,931,811	2,829,398	4,102,413	38,059,859	13.9
1981	6,663,165	2,582,811	4,080,354	42,140,213	15.3
1982	6,439,585	3,283,056	3,156,529	45,296,742	16.5
1983	8,081,130	4,069,412	4,011,718	49,308,460	17.9
1984	8,836,148	4,245,960	4,590,188	53,898,648	19.6
1985	10,758,572	4,968,951	5,789,621	59,688,269	21.7
1986	12,380,499	5,632,729	6,747,770	66,436,039	24.2
1987	10,384,110	4,636,894	5,747,216	72,183,255	26.3
1988	17,644,927	7,434,930	10,209,997	82,393,252	30.0
1989	17,613,588	8,261,851	9,351,737	91,744,989	33.4
1990	17,039,860	7,296,756	9,743,104	101,488,093	36.9
1991	16,768,512	6,909,414	9,859,098	111,347,191	40.5
1992	17,359,668	6,930,216	10,429,452	121,776,643	44.3
1993	16,954,995	6,072,039	10,882,956	132,659,599	48.3
1994	14,453,411	4,598,893	9,854,518	142,514,117	51.9
1995	15,523,930	4,616,960	10,906,970	153,421,087	55.8
1996	14,841,509	4,023,795	10,817,714	164,238,801	59.8
1997	16,528,768	4,179,718	12,349,050	176,587,851	64.3
1998	13,689,057	3,068,798	10,620,259	187,208,110	68.1
1999	13,331,519	2,675,799	10,655,720	197,863,830	72.0
2000	14,650,440	3,303,076	11,347,364	209,211,194	76.1
2001	11,734,173	1,815,535	9,918,638	219,129,832	79.8
2002	13,973,472	2,114,571	11,858,901	230,988,733	84.1
2003	13,734,003	1,406,875	12,327,128	243,315,861	88.6
2004	16,007,078	1,537,351	14,469,727	257,785,588	93.8
2005	11,741,064	346,733	11,394,331	269,179,919	98.0

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

CUMULATIVE DEPRECIATED ORIGINAL COST BY YEAR INSTALLED
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR INST (1)	ORIGINAL COST (2)	ACCRUED DEPRECIATION (3)	AMOUNT (2) - (3) (4)	DEPRECIATED ORIGINAL COST	
				CUMULATIVE AMOUNT (5)	PCT OF COL 4 TOTAL (6)
2006	5,586,078	10,677	5,575,401	274,755,320	100.0
SUBTOTAL	416,892,789	142,137,469	274,755,320		
NONDEPRECIABLE					
PLANT	1,799,732	589,609	1,210,123		
TOTAL	418,692,521	142,727,078	275,965,443		



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GAS PLANT IN SERVICE

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 303 MISCELLANEOUS INTANGIBLE PLANT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
2000	1,835,295.50	1,024,095	1,007,540	827,756	4.42	187,275
2001	86,002.52	39,389	38,752	47,251	5.42	8,718
2004	225,962.75	35,702	35,125	190,838	8.42	22,665
2005	34,999.69	2,030	1,997	33,003	9.42	3,504
	2,182,260.46	1,101,216	1,083,414	1,098,848		222,162
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.9	10.18

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 325.4 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 60-R4						
1941	979.89	867	980			
1943	8.00	7	8			
1951	59.95	48	60			
1952	25.68	20	26			
1953	320.75	251	321			
1961	1,304.78	901	1,305			
1963	393.12	262	382	11	20.07	1
1965	532.75	341	498	35	21.64	2
1966	1,831.73	1,147	1,674	158	22.44	7
1967	3,547.90	2,172	3,170	378	23.26	16
1970	7.00	4	6	1	25.78	
1975	1,108.73	551	804	305	30.19	10
1977	8.00	4	6	2	32.02	
1980	13,857.23	5,813	8,484	5,373	34.83	154
1986	743.98	255	372	372	37.56	10
1988	27.06	8	12	15	39.56	
1989	1,257.23	367	536	721	40.23	18
1990	18,855.88	5,172	7,548	11,308	41.23	274
1991	2,108.64	541	789	1,320	42.23	31
2000	81.13	8	12	69	50.92	1
	47,059.43	18,739	26,993	20,068		524
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					38.3	1.11

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 328 MEASURING & REGULATING STATION STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-L2.5						
1941	118.47	104	118			
1955	66.07	53	66			
1963	358.21	267	356	2	7.61	
1964	607.35	448	597	10	7.85	1
1965	3,024.98	2,209	2,945	80	8.09	10
1966	1,138.05	822	1,096	42	8.33	5
1967	60.26	43	57	3	8.56	
1969	543.08	380	507	36	9.03	4
1974	789.89	525	700	90	10.06	9
1978	1,208.10	772	1,029	179	10.82	17
1985	166.97	110	147	20	10.57	2
1994	2,014.41	863	1,150	864	15.44	56
	10,095.84	6,596	8,768	1,326		104
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.8	1.03

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 329 OTHER STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 40-SQUARE						
2004	2,650.00	105	61	2,589	38.42	67
	2,650.00	105	61	2,589		67
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					38.6	2.53

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 332 FIELD LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
1961	704.37	475	704			
1962	53,699.97	35,635	53,700			
1963	37.32	24	37			
1965	22,290.62	14,039	22,291			
1966	19,721.93	12,192	19,722			
1967	38,814.05	23,529	38,814			
1968	1,880.62	1,117	1,881			
1969	1,134.48	660	1,134			
1970	912.99	519	913			
1971	481.50	268	482			
1973	19,504.65	10,324	19,505			
1980	261,494.52	112,338	222,183	39,312	25.67	1,531
1983	3,886.28	1,922	3,801	85	23.08	4
1985	928.10	428	847	81	24.06	3
1986	15,059.66	6,665	13,182	1,878	24.66	76
1993	97,460.22	30,417	60,159	37,301	27.74	1,345
	538,011.28	250,552	459,355	78,657		2,959

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 26.6 0.55

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 334 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-01						
1947	43.30	43	43			
1958	2,628.59	2,629	2,629			
1964	352.38	352	352			
1965	6,277.43	6,277	6,277			
1966	10,378.61	10,270	9,012	1,367	0.21	1,367
1967	5,940.02	5,729	5,027	913	0.71	913
1969	498.71	456	400	99	1.71	58
1970	3,004.45	2,672	2,345	659	2.21	298
1971	1,044.42	903	792	252	2.71	93
1972	111.21	93	82	29	3.21	9
1973	580.77	473	415	166	3.71	45
1974	1,902.75	1,502	1,318	585	4.21	139
1975	725.89	555	487	239	4.71	51
1976	17,942.98	13,269	11,644	6,299	5.21	1,209
1977	11,328.22	8,094	7,103	4,225	5.71	740
1978	62,936.20	43,395	38,080	24,856	6.21	4,003
1979	100,573.28	66,831	58,645	41,928	6.71	6,249
1980	16,324.64	10,440	9,161	7,164	7.21	994
1981	29,720.00	18,263	16,026	13,694	7.71	1,776
1982	36,644.86	27,828	24,419	12,226	7.47	1,637
1983	28,372.48	21,015	18,441	9,931	7.91	1,255
1984	29,252.82	21,150	18,559	10,694	8.27	1,293
1985	95,183.10	66,999	58,793	36,390	8.66	4,202
1986	52,324.28	35,863	31,470	20,854	8.99	2,320
1987	120,089.65	79,896	70,110	49,980	9.35	5,345
1988	67,160.23	43,338	38,030	29,130	9.66	3,016
1989	86,930.45	54,201	47,562	39,368	10.01	3,933
1990	39,520.52	23,772	20,860	18,661	10.32	1,808
1991	64,978.79	37,616	33,009	31,970	10.61	3,013
1992	34,598.63	19,220	16,866	17,733	10.87	1,631
1993	45,977.46	24,414	21,424	24,553	11.11	2,210
1994	48,667.43	24,577	21,567	27,100	11.35	2,388
1995	21,065.61	10,078	8,844	12,222	11.54	1,059
1996	1,570.77	707	620	951	11.69	81
1997	5,584.76	2,349	2,061	3,524	11.82	298
1998	629.20	245	215	414	11.91	35
1999	14,668.60	5,223	4,583	10,086	11.90	848
2000	599.15	192	168	431	11.87	36
2001	76,571.26	21,509	18,875	57,696	11.73	4,919

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 334 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-01						
2002	92,001.55	21,887	19,206	72,796	11.48	6,341
2003	53,037.65	10,082	8,847	44,191	11.00	4,017
2004	21,518.64	2,892	2,538	18,981	10.20	1,861
2005	8,588.85	563	494	8,095	8.31	974
	1,317,850.59	747,862	657,399	660,452		72,464
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					9.1	5.50

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 365.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1916	13,049.34	12,326	12,614	435	3.88	112
1917	33.35	31	32	1	4.13	
1918	913.50	856	876	38	4.40	9
1919	42.48	40	41	1	4.66	
1920	3,602.54	3,349	3,427	176	4.93	36
1921	138.55	128	131	8	5.21	2
1922	150.95	139	142	9	5.48	2
1923	165.60	152	156	10	5.77	2
1924	39.45	36	37	2	6.05	
1925	169.77	154	158	12	6.35	2
1926	433.26	392	401	32	6.65	5
1927	0.80	1	1			
1928	1,641.56	1,471	1,505	137	7.28	19
1929	698.73	623	638	61	7.62	8
1930	647.34	574	587	60	7.97	8
1931	53.86	47	48	6	8.33	1
1932	427.97	375	384	44	8.72	5
1933	46.12	40	41	5	9.12	1
1934	845.23	730	747	98	9.54	10
1935	43.25	37	38	5	9.98	1
1936	329.90	281	288	42	10.44	4
1937	95.15	80	82	13	10.93	1
1938	364.97	305	312	53	11.44	5
1939	27.45	23	24	3	11.97	
1940	77.75	64	65	13	12.53	1
1941	1,142.42	928	950	192	13.11	15
1942	298.99	240	246	53	13.71	4
1943	1,176.47	936	958	218	14.33	15
1944	54.81	43	44	11	14.96	1
1945	18.10	14	14	4	15.62	
1946	393.50	302	309	85	16.28	5
1947	31.22	24	25	6	16.96	
1948	812.68	608	622	191	17.64	11
1949	69.00	51	52	17	18.34	1
1950	341.68	249	255	87	19.04	5
1951	153.87	110	113	41	19.76	2
1952	236.30	167	171	65	20.48	3
1953	504.76	352	360	145	21.22	7
1954	527.58	362	370	158	21.97	7

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 365.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1955	692.20	468	479	213	22.72	9
1956	17,020.65	11,309	11,573	5,448	23.49	232
1957	7,927.15	5,179	5,300	2,627	24.27	108
1958	37.25	24	25	12	25.06	
1959	792.23	500	512	280	25.86	11
1960	302.77	187	191	112	26.67	4
1961	5,914.70	3,592	3,676	2,239	27.49	81
1962	1,231.96	734	751	481	28.32	17
1963	1,887.12	1,101	1,127	760	29.17	26
1964	3,969.65	2,267	2,320	1,650	30.02	55
1965	21,795.83	12,182	12,467	9,329	30.88	302
1966	7,574.97	4,139	4,236	3,339	31.75	105
1967	19,482.30	10,402	10,645	8,837	32.63	271
1968	1,080.16	563	576	504	33.52	15
1969	5,355.71	2,723	2,787	2,569	34.41	75
1970	154.23	76	78	76	35.31	2
1971	9,002.55	4,343	4,444	4,559	36.23	126
1972	803.45	377	386	417	37.14	11
1973	1,236.09	564	577	659	38.07	17
1974	2,778.56	1,231	1,260	1,519	39.00	39
1975	2,684.37	1,153	1,180	1,504	39.94	38
1976	70.21	29	30	40	40.88	1
1977	2,698.70	1,086	1,111	1,588	41.83	38
1978	10,003.07	3,890	3,981	6,022	42.78	141
1979	2,363.44	887	908	1,455	43.74	33
1980	6,808.63	2,461	2,518	4,291	44.70	96
1981	22,542.50	7,838	8,021	14,522	45.66	318
1982	8,121.00	2,872	2,939	5,182	43.09	120
1983	5,195.78	1,760	1,801	3,395	44.09	77
1984	19,299.81	6,247	6,393	12,907	45.09	286
1985	3,109.47	960	982	2,127	46.09	46
1986	18,884.23	5,584	5,714	13,170	46.64	282
1987	28,065.70	7,875	8,059	20,007	47.64	420
1988	169,414.73	44,980	46,030	123,385	48.64	2,537
1989	4,486.43	1,123	1,149	3,337	49.64	67
1990	34,263.40	8,062	8,250	26,013	50.64	514
1991	125,644.90	27,667	28,314	97,331	51.64	1,885
1992	32,118.37	6,587	6,741	25,377	52.64	482
1993	40,130.31	7,625	7,803	32,327	53.64	603

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 365.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1994	2,729.53	477	488	2,242	54.64	41
1995	17,251.41	2,757	2,821	14,430	55.64	259
1996	18,230.44	2,638	2,700	15,530	56.64	274
1997	35,101.89	4,581	4,688	30,414	57.20	532
1998	4,201.23	484	495	3,706	58.20	64
1999	99,929.03	10,003	10,237	89,692	59.20	1,515
2000	726.62	62	63	664	60.20	11
2001	12,929.48	901	922	12,007	61.20	196
2002	26,479.36	1,443	1,477	25,002	62.20	402
2003	38,956.00	1,531	1,567	37,389	63.20	592
2004	8,200.35	198	203	7,997	64.20	125
2005	1,674.41	15	15	1,659	65.20	25
2006	1,922.20	1	1	1,921	65.75	29
	943,076.78	252,378	258,275	684,800		13,865

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 49.4 1.47

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 366 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
1916	599.00	562	599			
1919	250.00	231	250			
1920	145.00	133	145			
1922	42.34	38	42			
1925	1,105.35	985	1,105			
1926	493.17	437	493			
1931	354.73	305	355			
1933	615.91	522	612	4	8.38	
1934	614.05	517	606	8	8.70	1
1935	1,397.79	1,168	1,370	28	9.03	3
1936	701.17	582	683	18	9.36	2
1937	721.92	595	698	24	9.70	2
1938	310.45	254	298	12	10.05	1
1940	278.00	224	263	15	10.77	1
1941	34.91	28	33	2	11.14	
1942	46.98	37	43	4	11.52	
1945	575.96	443	520	56	12.73	4
1946	340.86	259	304	37	13.15	3
1947	196.50	148	174	23	13.58	2
1948	400.28	298	349	51	14.02	4
1949	588.90	434	509	80	14.48	6
1950	391.01	285	334	57	14.94	4
1951	230.70	166	195	36	15.42	2
1952	1,494.21	1,062	1,245	249	15.90	16
1953	252.36	177	208	44	16.40	3
1954	4,698.94	3,255	3,817	882	16.90	52
1955	2,067.68	1,413	1,657	411	17.42	24
1956	8,215.63	5,534	6,490	1,726	17.95	96
1957	9,237.08	6,132	7,191	2,046	18.49	111
1958	5,161.91	3,375	3,958	1,204	19.04	63
1959	1,219.39	785	921	298	19.60	15
1960	4,973.43	3,150	3,694	1,279	20.17	63
1961	464.00	289	339	125	20.76	6
1962	4,874.07	2,982	3,497	1,377	21.35	64
1963	1,657.30	996	1,168	489	21.95	22
1965	11,127.87	6,437	7,548	3,580	23.18	154
1966	12,683.12	7,193	8,435	4,248	23.81	178
1967	6,832.13	3,794	4,449	2,383	24.46	97
1970	1,191.66	619	726	466	26.43	18

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 366 STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
1971	2,109.89	1,070	1,255	855	27.11	32
1972	4,301.79	2,127	2,494	1,808	27.80	65
1973	2,005.71	967	1,134	872	28.49	31
1974	617.00	289	339	278	29.20	10
1976	3,537.48	1,567	1,838	1,699	30.63	55
1977	4,958.73	2,132	2,500	2,459	31.35	78
1979	1,545.00	623	731	814	32.83	25
1984	4,902.24	2,021	2,370	2,532	30.77	82
1985	4,896.76	1,945	2,281	2,616	31.23	84
1986	804.29	306	359	445	31.96	14
1987	1,470.86	536	628	843	32.44	26
1988	31,043.90	10,806	12,671	18,373	32.92	558
1996	3,454.90	709	831	2,624	37.14	71
1999	9,258.38	1,359	1,594	7,664	38.26	200
2000	1,308.51	165	193	1,116	38.66	29
2003	350.53	22	26	325	38.74	8
	163,151.73	82,488	96,567	66,585		2,385
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					27.9	1.46

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 367 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
1916	66,241.51	62,181	66,242			
1918	4.79	4	5			
1919	55,786.53	51,497	55,787			
1922	16.17	15	16			
1923	15.07	14	15			
1925	27.81	25	28			
1928	10,110.12	8,849	10,110			
1929	2,011.44	1,750	2,011			
1930	195.87	169	196			
1931	14,519.00	12,470	14,519			
1932	3,927.16	3,351	3,927			
1933	72.83	62	73			
1934	14,161.82	11,921	14,162			
1935	4,708.56	3,935	4,709			
1936	16,749.41	13,899	16,749			
1937	12,518.23	10,310	12,456	62	9.70	6
1938	256.90	210	254	3	10.05	
1939	390.19	316	382	8	10.40	1
1940	125.95	101	122	4	10.77	
1941	2,195.33	1,751	2,115	80	11.14	7
1942	95.70	76	92	4	11.52	
1943	120,991.13	94,797	114,525	6,466	11.91	543
1944	79.06	61	74	5	12.32	
1945	381.57	293	354	28	12.73	2
1947	65,673.58	49,459	59,752	5,922	13.58	436
1948	4,714.81	3,513	4,244	471	14.02	34
1949	999.56	736	889	111	14.48	8
1950	100.61	73	88	13	14.94	1
1951	45,691.54	32,880	39,723	5,969	15.42	387
1952	19,615.68	13,945	16,847	2,769	15.90	174
1953	372,640.94	261,519	315,944	56,697	16.40	3,457
1954	58,829.08	40,751	49,232	9,597	16.90	568
1955	270,984.75	185,164	223,699	47,286	17.42	2,714
1956	592,446.13	399,072	482,124	110,322	17.95	6,146
1957	150,599.38	99,968	120,773	29,826	18.49	1,613
1958	6,871.88	4,493	5,428	1,444	19.04	76
1959	164,584.40	105,927	127,972	36,612	19.60	1,868
1960	25,300.41	16,023	19,358	5,942	20.17	295
1961	126,068.01	78,477	94,809	31,259	20.76	1,506

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 367 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
1962	469.94	288	348	122	21.35	6
1963	134,284.41	80,692	97,485	36,799	21.95	1,676
1964	192,436.99	113,499	137,119	55,318	22.56	2,452
1965	543,873.58	314,631	380,109	163,765	23.18	7,065
1966	180,065.34	102,115	123,366	56,699	23.81	2,381
1967	635,157.04	352,703	426,105	209,052	24.46	8,547
1968	49,971.63	27,160	32,812	17,160	25.11	683
1969	200,664.49	106,673	128,873	71,791	25.76	2,787
1970	82,408.79	42,811	51,720	30,689	26.43	1,161
1971	13,543.93	6,868	8,297	5,247	27.11	194
1972	183,299.97	90,642	109,506	73,794	27.80	2,654
1973	602,240.39	290,280	350,691	251,549	28.49	8,829
1974	4,292.75	2,014	2,433	1,860	29.20	64
1975	142,793.51	65,142	78,699	64,095	29.91	2,143
1976	146,999.15	65,135	78,690	68,309	30.63	2,230
1977	185,937.21	79,953	96,592	89,345	31.35	2,850
1978	5,732.61	2,388	2,885	2,848	32.09	89
1979	43,295.29	17,452	21,084	22,211	32.83	677
1980	76,026.87	29,612	35,775	40,252	33.58	1,199
1981	219,575.19	82,472	99,635	119,940	34.34	3,493
1982	178,191.21	79,010	95,453	82,738	29.61	2,794
1983	599,789.97	257,370	310,932	288,858	30.05	9,613
1984	295,371.30	121,752	147,090	148,281	30.77	4,819
1985	591,079.09	234,836	283,708	307,371	31.23	9,842
1986	637,276.01	242,101	292,485	344,791	31.96	10,788
1987	739,928.13	269,482	325,564	414,364	32.44	12,773
1988	3,758,337.04	1,308,277	1,580,545	2,177,792	32.92	66,154
1989	2,719,816.31	902,163	1,089,914	1,629,902	33.42	48,770
1990	2,862,005.57	896,380	1,082,927	1,779,079	34.17	52,066
1991	1,316,480.29	389,678	470,775	845,705	34.68	24,386
1992	1,763,058.53	491,012	593,197	1,169,862	35.20	33,235
1993	453,173.29	118,052	142,620	310,553	35.72	8,694
1994	687,317.70	167,156	201,943	485,375	36.04	13,468
1995	301,997.99	67,768	81,871	220,127	36.58	6,018
1996	558,994.29	114,650	138,510	420,484	37.14	11,322
1997	284,135.58	52,934	63,950	220,186	37.50	5,872
1998	497,200.55	82,933	100,193	397,008	37.87	10,483
1999	360,687.86	52,949	63,969	296,719	38.26	7,755
2001	71,327.78	7,518	9,083	62,245	38.90	1,600

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 367 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R2						
2002	178,748.53	15,051	18,183	160,566	38.97	4,120
2003	117,078.91	7,317	8,840	108,239	38.74	2,794
2004	281,985.12	11,195	13,524	268,461	38.26	7,017
2005	87,416.80	1,390	1,680	85,737	36.18	2,370
2006	346,059.54	415	501	345,559	34.56	9,999
	25,561,229.38	9,333,976	11,259,486	14,301,747		437,774
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					32.7	1.71

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 367 MAINS - CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 24-S2						
1965	397.82	374	257	141	1.41	100
1966	1,351.32	1,260	866	485	1.62	299
1968	6,038.60	5,520	3,793	2,246	2.06	1,090
1969	1,612.73	1,459	1,002	611	2.29	267
1972	408.92	357	245	164	3.03	54
1973	5,487.04	4,735	3,253	2,234	3.29	679
1975	64,739.43	54,355	37,346	27,393	3.85	7,115
1976	1,650.00	1,365	938	712	4.15	172
1977	13,715.68	11,167	7,673	6,043	4.46	1,355
1981	5,932.25	4,484	3,081	2,851	5.86	487
1983	158,046.29	124,920	85,829	72,217	5.99	12,056
1984	18,045.68	13,944	9,581	8,465	6.35	1,333
1985	157,348.58	118,531	81,439	75,910	6.74	11,263
1986	13,787.45	10,126	6,957	6,830	7.08	965
1987	6,724.70	4,786	3,288	3,437	7.53	456
1988	83,016.54	57,074	39,214	43,803	7.99	5,482
1989	187,233.78	124,192	85,329	101,905	8.42	12,103
1991	64,346.52	39,039	26,823	37,524	9.45	3,971
1992	1,499.00	863	593	906	10.00	91
1993	5,399.03	2,935	2,017	3,382	10.56	320
1996	25,984.76	11,257	7,734	18,251	12.54	1,455
1998	473,793.69	165,970	114,033	359,761	14.06	25,588
1999	176,856.54	54,260	37,280	139,577	14.88	9,380
2001	577,323.43	124,644	85,639	491,684	16.65	29,531
2003	194,450.92	23,762	16,326	178,125	18.56	9,597
2004	325,657.73	24,392	16,759	308,899	19.56	15,792
	2,570,848.43	985,771	677,295	1,893,556		151,001

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 12.5 5.87

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 369 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1980 AND PRIOR SURVIVOR CURVE.. IOWA 28-R0.5						
1919	22.66	23	23			
1920	16.28	16	16			
1922	53.70	54	54			
1928	12.88	13	13			
1930	47.70	48	48			
1934	29.72	30	30			
1935	267.11	267	267			
1936	62.67	63	63			
1937	312.09	312	312			
1938	65.81	66	66			
1939	66.58	67	67			
1943	43.93	44	44			
1944	124.80	125	125			
1945	305.90	306	306			
1946	846.49	846	846			
1947	154.83	155	155			
1949	43.00	43	43			
1950	673.71	669	674			
1951	863.22	842	863			
1952	1,085.83	1,040	1,086			
1953	20.50	19	21			
1954	1,735.34	1,604	1,735			
1955	1,467.81	1,334	1,468			
1956	7,023.82	6,274	7,024			
1957	26,473.83	23,241	26,474			
1958	1,881.17	1,624	1,851	30	3.83	8
1959	10,201.90	8,657	9,867	335	4.24	79
1960	4,632.13	3,865	4,405	227	4.64	49
1961	4,600.30	3,772	4,299	301	5.04	60
1962	3,879.48	3,127	3,564	315	5.43	58
1963	10,317.16	8,169	9,311	1,006	5.83	173
1964	1,691.62	1,315	1,499	193	6.23	31
1965	37,489.12	28,627	32,629	4,860	6.62	734
1966	14,276.02	10,691	12,186	2,090	7.03	297
1967	28,947.34	21,265	24,238	4,709	7.43	634
1968	19,375.95	13,951	15,902	3,474	7.84	443
1969	9,743.70	6,869	7,829	1,915	8.26	232
1970	7,051.30	4,865	5,545	1,506	8.68	174

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 369 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1980 AND PRIOR SURVIVOR CURVE.. IOWA 28-R0.5						
1971	2,482.16	1,675	1,909	573	9.10	63
1972	9,219.98	6,079	6,929	2,291	9.54	240
1973	19,544.38	12,579	14,338	5,206	9.98	522
1974	12,347.49	7,753	8,837	3,510	10.42	337
1975	30,684.15	18,760	21,383	9,301	10.88	855
1976	24,531.48	14,596	16,637	7,894	11.34	696
1977	38,885.07	22,483	25,626	13,259	11.81	1,123
1978	28,760.63	16,138	18,394	10,367	12.29	844
1979	8,283.13	4,503	5,133	3,150	12.78	246
1980	17,562.86	9,240	10,532	7,031	13.27	530
	388,208.73	268,104	304,666	83,543		8,428
1981 AND SUBSEQUENT SURVIVOR CURVE.. IOWA 21-R2						
1981	21,092.08	16,794	19,084	2,008	4.28	469
1982	44,171.56	37,396	42,496	1,676	4.27	393
1983	60,042.10	49,763	56,549	3,493	4.66	750
1984	39,664.26	32,104	36,482	3,182	5.08	626
1985	45,594.60	36,038	40,953	4,642	5.46	850
1986	309,810.70	238,430	270,946	38,865	5.86	6,632
1987	125,969.10	94,099	106,932	19,037	6.29	3,027
1988	436,337.83	314,556	357,453	78,885	6.81	11,584
1989	343,157.11	238,426	270,941	72,216	7.28	9,920
1990	181,105.13	120,797	137,270	43,835	7.78	5,634
1991	117,636.88	75,135	85,381	32,256	8.25	3,910
1992	142,754.29	86,680	98,501	44,253	8.79	5,034
1993	301,853.54	173,204	196,824	105,030	9.35	11,233
1994	189,340.28	102,206	116,144	73,196	9.88	7,409
1995	468,078.39	235,818	267,978	200,100	10.42	19,203
1996	71,950.20	33,507	38,076	33,874	10.99	3,082
1997	157,617.25	67,240	76,410	81,207	11.54	7,037
1998	109,838.14	42,310	48,080	61,758	12.10	5,104
1999	136,268.37	46,645	53,006	83,262	12.65	6,582
2000	19,187.07	5,710	6,489	12,698	13.18	963
2001	164,644.75	41,276	46,905	117,740	13.70	8,594
2002	132,591.41	26,744	30,391	102,200	14.18	7,207

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 369 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
1981 AND SUBSEQUENT SURVIVOR CURVE.. IOWA 21-R2						
2003	15,317.95	2,307	2,622	12,696	14.57	871
2004	32,741.21	3,163	3,594	29,147	14.81	1,968
2005	12,771.04	497	565	12,206	14.41	847
2006	4,500.56	14	16	4,485	13.94	322
	3,684,035.80	2,120,859	2,410,088	1,273,947		129,251
	4,072,244.53	2,388,963	2,714,754	1,357,490		137,679
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					9.9	3.38

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 374.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1884	105.00	105	105			
1885	57.84	58	58			
1886	152.57	153	153			
1887	19.28	19	19			
1888	90.08	90	90			
1889	150.13	150	150			
1903	7.00	7	7			
1908	35.00	34	34	1	1.92	1
1913	34.10	33	33	1	3.11	
1915	1.75	2	2			
1916	6,222.08	5,877	5,931	291	3.88	75
1917	104.00	98	99	5	4.13	1
1918	603.75	566	571	33	4.40	8
1919	815.46	761	768	47	4.66	10
1920	478.56	445	449	30	4.93	6
1921	418.37	387	391	27	5.21	5
1922	792.07	730	737	55	5.48	10
1923	543.93	499	504	40	5.77	7
1924	870.58	795	802	69	6.05	11
1925	1,513.28	1,376	1,389	124	6.35	20
1926	808.05	731	738	70	6.65	11
1927	814.48	734	741	73	6.96	10
1928	1,766.31	1,583	1,597	169	7.28	23
1929	1,083.06	965	974	109	7.62	14
1930	992.08	879	887	105	7.97	13
1931	900.28	793	800	100	8.33	12
1932	608.79	533	538	71	8.72	8
1933	806.39	701	707	99	9.12	11
1934	926.55	800	807	120	9.54	13
1935	2,808.02	2,408	2,430	378	9.98	38
1936	1,936.62	1,648	1,663	274	10.44	26
1937	2,075.07	1,751	1,767	308	10.93	28
1938	2,485.58	2,079	2,098	388	11.44	34
1939	2,422.55	2,008	2,026	397	11.97	33
1940	2,303.44	1,891	1,908	395	12.53	32
1941	1,951.83	1,586	1,600	352	13.11	27
1942	808.23	650	656	152	13.71	11
1943	341.02	271	273	68	14.33	5
1944	443.41	349	352	91	14.96	6

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 374.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1945	399.28	310	313	86	15.62	6
1946	794.64	610	616	179	16.28	11
1947	1,570.64	1,190	1,201	370	16.96	22
1948	1,579.39	1,181	1,192	387	17.64	22
1949	4,806.63	3,547	3,579	1,228	18.34	67
1950	4,569.29	3,326	3,356	1,213	19.04	64
1951	3,585.82	2,574	2,597	989	19.76	50
1952	2,784.44	1,970	1,988	796	20.48	39
1953	3,659.36	2,550	2,573	1,086	21.22	51
1954	3,197.16	2,194	2,214	983	21.97	45
1955	19,330.19	13,056	13,175	6,155	22.72	271
1956	19,743.19	13,117	13,237	6,506	23.49	277
1957	15,148.19	9,896	9,986	5,162	24.27	213
1958	15,254.48	9,793	9,882	5,372	25.06	214
1959	10,605.00	6,688	6,749	3,856	25.86	149
1960	13,739.17	8,505	8,583	5,156	26.67	193
1961	16,950.17	10,294	10,388	6,562	27.49	239
1962	19,226.46	11,447	11,551	7,675	28.32	271
1963	13,385.67	7,808	7,879	5,507	29.17	189
1964	14,904.31	8,512	8,590	6,314	30.02	210
1965	18,066.38	10,097	10,189	7,877	30.88	255
1966	20,331.71	11,109	11,210	9,122	31.75	287
1967	20,922.79	11,171	11,273	9,650	32.63	296
1968	29,594.67	15,422	15,563	14,032	33.52	419
1969	14,261.48	7,251	7,317	6,944	34.41	202
1970	21,453.87	10,633	10,730	10,724	35.31	304
1971	40,382.46	19,480	19,658	20,724	36.23	572
1972	13,135.86	6,166	6,222	6,914	37.14	186
1973	26,202.73	11,951	12,060	14,143	38.07	371
1974	12,157.54	5,385	5,434	6,724	39.00	172
1975	5,904.10	2,535	2,558	3,346	39.94	84
1976	10,983.86	4,569	4,611	6,373	40.88	156
1977	13,509.94	5,436	5,486	8,024	41.83	192
1978	30,338.18	11,799	11,907	18,431	42.78	431
1979	37,995.35	14,252	14,382	23,613	43.74	540
1980	45,117.22	16,305	16,454	28,663	44.70	641
1981	66,718.07	23,198	23,410	43,308	45.66	948
1982	48,821.32	17,268	17,426	31,395	43.09	729
1983	59,798.03	20,254	20,439	39,359	44.09	893

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 374.2 RIGHTS OF WAY

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 70-R4						
1984	56,479.52	18,282	18,449	38,031	45.09	843
1985	110,082.03	33,982	34,292	75,790	46.09	1,644
1986	83,758.81	24,767	24,993	58,766	46.64	1,260
1987	115,526.77	32,417	32,713	82,814	47.64	1,738
1988	129,061.72	34,266	34,578	94,484	48.64	1,943
1989	140,657.30	35,221	35,542	105,115	49.64	2,118
1990	198,673.83	46,748	47,174	151,500	50.64	2,992
1991	191,499.11	42,168	42,553	148,946	51.64	2,884
1992	152,993.96	31,379	31,665	121,329	52.64	2,305
1993	208,420.38	39,600	39,961	168,459	53.64	3,141
1994	213,906.04	37,412	37,753	176,153	54.64	3,224
1995	201,179.45	32,148	32,441	168,738	55.64	3,033
1996	243,028.45	35,166	35,487	207,541	56.64	3,664
1997	251,434.09	32,812	33,111	218,323	57.20	3,817
1998	192,052.61	22,144	22,346	169,707	58.20	2,916
1999	189,410.40	18,960	19,133	170,277	59.20	2,876
2000	110,567.52	9,387	9,473	101,095	60.20	1,679
2001	276,090.40	19,244	19,420	256,670	61.20	4,194
2002	181,401.46	9,886	9,976	171,425	62.20	2,756
2003	212,415.96	8,348	8,424	203,992	63.20	3,228
2004	294,758.22	7,104	7,169	287,589	64.20	4,480
2005	282,250.42	2,512	2,535	279,715	65.20	4,290
2006	67,691.99	41	41	67,651	65.75	1,029
	4,863,566.07	951,388	960,061	3,903,500		72,844

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 53.6 1.50

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ELK SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2015						
1970	106,644.13	83,108	80,374	26,270	9.08	2,893
1972	872.15	671	649	223	9.10	25
1975	397.62	300	290	108	9.13	12
1980	5,938.40	4,282	4,141	1,797	9.17	196
1981	866.58	618	598	269	9.18	29
1984	1,049.59	738	714	336	9.09	37
1988	5,667.18	3,727	3,604	2,063	9.16	225
1990	26,723.74	16,825	16,272	10,452	9.17	1,140
1992	11,181.36	6,667	6,448	4,733	9.20	514
1993	18,427.32	10,666	10,315	8,112	9.16	886
1994	5,982.04	3,340	3,230	2,752	9.16	300
1996	17,382.15	8,879	8,587	8,795	9.18	958
1997	120,409.73	58,182	56,268	64,142	9.18	6,987
1999	81.08	34	33	48	9.17	5
2000	13,573.53	5,138	4,969	8,605	9.17	938
2003	5,836.68	1,289	1,247	4,590	9.11	504
2005	69,861.83	4,303	4,161	65,701	8.89	7,390
	410,895.11	208,767	201,900	208,996		23,039

DUBOIS SERVICE CENTER
 INTERIM SURVIVOR CURVE.. IOWA 70-R1.5
 PROBABLE RETIREMENT YEAR.. 6-2012

1967	95,176.63	80,719	78,064	17,113	6.25	2,738
1969	27.09	23	22	5	6.26	1
1973	1,277.23	1,056	1,021	256	6.28	41
1976	1,655.47	1,347	1,303	352	6.29	56
1978	7,410.89	5,952	5,756	1,655	6.30	263
1980	2,081.36	1,648	1,594	487	6.31	77
1984	1,452.26	1,125	1,088	364	6.27	58
1986	1,466.30	1,108	1,072	394	6.32	62
1991	9,141.85	6,386	6,176	2,966	6.29	472
1992	22,626.06	15,458	14,950	7,676	6.30	1,218
1993	28,845.86	19,200	18,568	10,278	6.32	1,626
1996	4,082.54	2,461	2,380	1,703	6.31	270
1997	14,938.93	8,603	8,320	6,619	6.32	1,047

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
DUBOIS SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1999	81.07	41	40	41	6.32	6
2000	20,579.25	9,662	9,344	11,235	6.31	1,781
2002	26,356.07	9,546	9,232	17,124	6.31	2,714
2003	22,030.21	6,413	6,202	15,828	6.29	2,516
2005	775.00	67	65	710	6.20	115
	260,004.07	170,815	165,197	94,806		15,061

MEADVILLE SERVICE CENTER
 INTERIM SURVIVOR CURVE.. IOWA 70-R1.5
 PROBABLE RETIREMENT YEAR.. 6-2007

1962	50,405.35	48,676	47,075	3,330	1.41	2,362
1963	12,243.25	11,816	11,427	816	1.41	579
1973	1,749.00	1,672	1,617	132	1.41	94
1974	7,939.03	7,579	7,330	609	1.41	432
1975	778.25	742	718	60	1.41	43
1980	4,336.66	4,100	3,965	372	1.41	264
1984	5,343.44	5,017	4,852	491	1.40	351
1988	6,818.81	6,307	6,100	719	1.43	503
1989	3,965.78	3,656	3,536	430	1.40	307
1991	25,949.82	23,651	22,873	3,077	1.42	2,167
1992	1,206.19	1,093	1,057	149	1.41	106
1993	6,060.92	5,453	5,274	787	1.40	562
1994	5,353.23	4,768	4,611	742	1.42	523
1998	34,149.82	28,795	27,848	6,302	1.41	4,470
1999	241.07	199	192	49	1.41	35
2000	78,259.70	62,436	60,382	17,878	1.41	12,679
2001	9,015.48	6,891	6,664	2,351	1.41	1,667
2005	2,821.63	826	799	2,023	1.41	1,435
	256,637.43	223,677	216,320	40,317		28,579

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CLARION SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2011						
1936	9,903.31	9,073	8,775	1,128	5.07	222
1937	2,781.06	2,546	2,462	319	5.08	63
1938	210.94	193	187	24	5.09	5
1939	582.38	532	515	67	5.11	13
1944	10.39	9	9	1	5.15	
1945	326.86	297	287	40	5.16	8
1950	321.44	290	280	41	5.20	8
1952	433.28	389	376	57	5.22	11
1953	332.05	298	288	44	5.23	8
1954	140.18	126	122	18	5.23	3
1955	275.00	246	238	37	5.24	7
1958	187.94	167	162	26	5.26	5
1962	856.57	754	729	128	5.28	24
1963	83.47	73	71	12	5.28	2
1965	199.63	174	168	32	5.29	6
1966	177.21	154	149	28	5.29	5
1967	242.55	211	204	39	5.30	7
1968	2,935.04	2,542	2,458	477	5.30	90
1973	6,609.18	5,616	5,431	1,178	5.32	221
1974	144.51	122	118	27	5.32	5
1975	530.69	447	432	99	5.33	19
1981	40,634.89	33,028	31,942	8,693	5.34	1,628
1982	23,786.61	19,410	18,772	5,015	5.32	943
1990	25,311.03	18,854	18,234	7,077	5.34	1,325
1992	6,883.02	4,937	4,775	2,108	5.36	393
1993	9,346.08	6,562	6,346	3,000	5.34	562
1994	6,506.60	4,454	4,307	2,200	5.34	412
1996	1,000.00	642	621	379	5.34	71
2001	2,783.41	1,285	1,243	1,540	5.35	288
2003	12,864.90	4,197	4,059	8,806	5.33	1,652
2005	13,549.81	1,350	1,305	12,245	5.27	2,324
	169,950.03	118,978	115,065	54,885		10,330

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ERIE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2012						
1927	10.46	10	10			
1947	670.54	597	577	94	6.08	15
1957	146,616.60	127,982	123,772	22,845	6.18	3,697
1961	423.30	366	354	69	6.21	11
1962	148.51	128	124	25	6.22	4
1966	201.20	171	165	36	6.24	6
1967	96.43	82	79	17	6.25	3
1968	3,000.22	2,535	2,452	548	6.25	88
1969	500.00	421	407	93	6.26	15
1970	229.33	192	186	43	6.26	7
1971	7,042.51	5,878	5,685	1,358	6.27	217
1972	52,145.90	43,333	41,908	10,238	6.27	1,633
1973	9,678.83	8,003	7,740	1,939	6.28	309
1977	36,233.84	29,291	28,328	7,906	6.30	1,255
1978	16,827.85	13,516	13,071	3,757	6.30	596
1979	3,123.32	2,492	2,410	713	6.30	113
1983	74,357.79	58,103	56,192	18,166	6.32	2,874
1984	12,933.61	10,021	9,691	3,243	6.27	517
1985	15,035.00	11,512	11,133	3,902	6.30	619
1987	2,479.34	1,852	1,791	688	6.29	109
1989	15,219.64	11,030	10,667	4,553	6.30	723
1990	250,394.28	178,306	172,441	77,953	6.30	12,373
1991	16,135.72	11,271	10,900	5,236	6.29	832
1993	32,393.57	21,561	20,852	11,542	6.32	1,826
1994	9,239.27	5,982	5,785	3,454	6.31	547
1995	11,772.42	7,375	7,132	4,640	6.31	735
1996	24,450.85	14,739	14,254	10,197	6.31	1,616
1997	59,458.75	34,242	33,116	26,343	6.32	4,168
1998	10,048.04	5,478	5,298	4,750	6.33	750
1999	16,773.63	8,558	8,277	8,497	6.32	1,344
2000	16,952.86	7,959	7,697	9,256	6.31	1,467
2001	62,848.52	26,440	25,571	37,278	6.31	5,908
2002	8,675.02	3,142	3,039	5,636	6.31	893
2003	8,123.83	2,365	2,287	5,837	6.29	928
2005	4,994.72	430	416	4,579	6.20	739
	929,235.70	655,363	633,807	295,431		46,937

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ERIE OFFICE, 3RD & WAYNE INTERIM SURVIVOR CURVE.. IOWA 65-01 PROBABLE RETIREMENT YEAR.. 6-2012						
1959	398.80	340	329	70	6.17	11
1960	141,387.64	120,377	116,417	24,971	6.18	4,041
1961	4,252.68	3,612	3,493	760	6.18	123
1963	605.08	511	494	111	6.18	18
1964	615.37	518	501	114	6.19	18
1965	2,203.72	1,849	1,788	416	6.19	67
1968	1,891.26	1,571	1,519	372	6.20	60
1969	349.31	289	279	70	6.20	11
1970	962.88	793	767	196	6.20	32
1971	15,314.38	12,564	12,151	3,163	6.20	510
1972	3,799.35	3,102	3,000	799	6.21	129
1973	5,327.56	4,330	4,188	1,140	6.21	184
1977	4,078.20	3,241	3,134	944	6.22	152
1979	92,758.19	72,732	70,340	22,418	6.22	3,604
1980	3,320.00	2,584	2,499	821	6.22	132
1989	3,134.30	2,282	2,207	927	6.20	150
1990	2,668.00	1,908	1,845	823	6.20	133
1991	6,074.47	4,261	4,121	1,953	6.21	314
1993	1,563.50	1,049	1,015	549	6.18	89
1994	16,163.32	10,540	10,193	5,970	6.18	966
1998	22,740.78	12,537	12,125	10,616	6.17	1,721
2000	102,411.54	48,717	47,115	55,297	6.15	8,991
2003	41,509.62	12,374	11,967	29,543	6.08	4,859
2004	3,564.25	742	718	2,846	6.02	473
2005	12,168.19	1,111	1,074	11,094	5.80	1,913
	489,262.39	323,934	313,279	175,983		28,701

WARREN SERVICE CENTER
 INTERIM SURVIVOR CURVE.. IOWA 70-R1.5
 PROBABLE RETIREMENT YEAR.. 6-2017

1918	7,499.50	6,528	6,313	1,187	8.81	135
1930	115.00	98	95	20	9.54	2
1946	50.40	42	41	9	10.28	1
1951	683.91	556	538	146	10.46	14
1954	35,308.09	28,402	27,468	7,840	10.55	743

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
WARREN SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2017						
1955	468.54	376	364	105	10.58	10
1958	1,140.77	904	874	267	10.66	25
1960	495.82	390	377	119	10.71	11
1961	506.53	396	383	124	10.73	12
1963	325.41	252	244	81	10.77	8
1964	117.06	90	87	30	10.80	3
1968	102.62	77	74	29	10.87	3
1969	250.00	187	181	69	10.89	6
1972	630.05	463	448	182	10.94	17
1981	6,136.50	4,125	3,989	2,148	11.06	194
1982	2,672.61	1,821	1,761	912	11.02	83
1987	74,198.39	46,604	45,071	29,127	11.00	2,648
1988	7,722.00	4,752	4,596	3,126	10.99	284
1990	71,332.95	41,794	40,419	30,914	11.01	2,808
1993	7,185.25	3,825	3,699	3,486	11.06	315
1994	5,642.81	2,889	2,794	2,849	11.04	258
1996	13,244.89	6,156	5,953	7,292	11.04	661
1997	5,372.34	2,351	2,274	3,098	11.03	281
1999	32,985.22	12,333	11,927	21,058	11.02	1,911
2001	4,279.74	1,259	1,218	3,062	10.99	279
2003	4,293.33	820	793	3,500	10.93	320
	282,759.73	167,490	161,981	120,780		11,032

CORRY SERVICE CENTER
 INTERIM SURVIVOR CURVE.. IOWA 70-R1.5
 PROBABLE RETIREMENT YEAR.. 6-2006

1951	8,784.75	8,709	8,423	362	0.42	362
1952	2,577.71	2,555	2,471	107	0.42	107
1963	245.00	242	234	11	0.42	11
1979	2,344.92	2,307	2,231	114	0.42	114
1980	1,853.96	1,823	1,763	91	0.42	91
1988	3,198.09	3,124	3,021	177	0.42	177
1991	22,640.46	22,011	21,287	1,353	0.42	1,353
1992	5,063.86	4,913	4,751	313	0.42	313
1993	20,549.88	19,890	19,236	1,314	0.42	1,314

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CORRY SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2006						
2003	36,697.46	31,597	30,558	6,139	0.42	6,139
	103,956.09	97,171	93,975	9,981		9,981
ERIE METER WAREHOUSE - NEW						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2048						
1997	5,019.00	1,017	984	4,035	33.79	119
1998	381,988.94	70,095	67,789	314,200	33.74	9,312
1999	142,726.79	23,393	22,624	120,103	33.58	3,577
	529,734.73	94,505	91,397	438,338		13,008
WEST COUNTY SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2024						
1979	368,840.79	213,301	206,285	162,556	17.35	9,369
1980	32,267.02	18,370	17,766	14,501	17.38	834
1990	11,431.55	5,433	5,254	6,178	17.20	359
1991	3,689.19	1,689	1,633	2,056	17.26	119
1993	20,279.60	8,548	8,267	12,013	17.27	696
1994	4,617.25	1,856	1,795	2,822	17.24	164
1998	8,192.70	2,504	2,422	5,771	17.23	335
2001	7,885.74	1,666	1,611	6,275	17.11	367
2005	5,270.81	184	178	5,093	16.06	317
	462,474.65	253,551	245,211	217,265		12,560
CHICORA SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2009						
1984	142,031.84	122,929	118,885	23,147	3.35	6,910
1989	858.56	713	690	169	3.38	50
1992	3,844.45	3,076	2,975	869	3.40	256

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE. (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
CHICORA SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2009						
1994	16,241.41	12,566	12,152	4,089	3.39	1,206
2005	7,285.48	1,076	1,041	6,244	3.36	1,858
	170,261.74	140,360	135,743	34,518		10,280
OIL CITY - FRANKLIN SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2036						
1986	467,553.16	199,598	193,033	274,520	26.29	10,442
1991	29,208.72	10,392	10,050	19,159	26.40	726
1992	40,654.57	13,806	13,352	27,303	26.42	1,033
1993	38,998.10	12,561	12,148	26,850	26.48	1,014
1994	379.00	115	111	268	26.58	10
1995	139,200.81	39,770	38,462	100,739	26.46	3,807
1996	4,222.89	1,121	1,084	3,139	26.52	118
1997	10,702.14	2,618	2,532	8,170	26.51	308
1999	324.28	65	63	261	26.31	10
2000	1,531.44	268	259	1,272	26.26	48
2002	83,955.05	10,201	9,865	74,090	25.91	2,860
2003	67,587.08	6,198	5,995	61,592	25.59	2,407
2004	21,010.32	1,250	1,209	19,801	25.01	792
2005	5,704.15	137	132	5,572	23.57	236
	911,031.71	298,100	288,295	622,736		23,811
BRADFORD						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2040						
1995	732,766.81	195,429	189,002	543,765	29.10	18,686
1996	1,302.21	322	311	991	29.18	34
1997	4,035.13	918	888	3,147	29.15	108
1999	81.08	15	15	66	29.00	2
2003	11,324.03	957	925	10,399	28.00	371
	749,509.26	197,641	191,141	558,368		19,201

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.3 LARGE STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SHARON-GREENVILLE SERVICE CENTER						
INTERIM SURVIVOR CURVE.. IOWA 70-R1.5						
PROBABLE RETIREMENT YEAR.. 6-2041						
1996	1,004,913.23	244,596	236,551	768,362	29.79	25,793
1999	81.07	15	15	66	29.65	2
2002	6,431.49	707	683	5,748	28.99	198
	1,011,425.79	245,318	237,249	774,176		25,993
	6,737,138.43	3,195,670	3,090,560	3,646,580		278,513
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					13.1	4.13

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.4 M&R AND OTHER SMALL STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
M&R AND OTHER SMALL STRUCTURES SURVIVOR CURVE.. IOWA 40-R0.5						
1912	310.00	310	310			
1916	4,019.00	4,019	4,019			
1919	1,938.03	1,938	1,938			
1920	507.42	507	507			
1921	225.62	226	226			
1922	1,049.70	1,050	1,050			
1924	2,501.86	2,502	2,502			
1925	1,786.73	1,787	1,787			
1926	577.88	575	555	23	0.21	23
1927	1,245.19	1,223	1,180	65	0.70	65
1928	2,980.99	2,892	2,791	190	1.19	160
1929	3,287.20	3,150	3,040	247	1.67	148
1930	849.70	804	776	74	2.14	35
1931	921.10	861	831	90	2.61	34
1932	313.50	290	280	34	3.06	11
1933	30.50	28	27	4	3.51	1
1934	324.98	293	283	42	3.95	11
1935	574.23	511	493	81	4.38	18
1936	871.19	766	739	132	4.81	27
1937	179.50	156	151	29	5.22	6
1938	1,139.62	979	945	195	5.63	35
1939	664.61	564	544	121	6.04	20
1940	190.77	160	154	37	6.44	6
1941	322.54	267	258	65	6.84	10
1942	1,363.28	1,117	1,078	285	7.24	39
1943	630.72	510	492	139	7.63	18
1944	729.03	583	563	166	8.03	21
1945	68.89	54	52	17	8.43	2
1946	1,709.32	1,332	1,285	424	8.82	48
1947	1,542.57	1,187	1,145	398	9.22	43
1948	1,218.47	925	893	325	9.62	34
1949	4,070.24	3,051	2,944	1,126	10.02	112
1950	2,523.56	1,865	1,800	724	10.43	69
1951	5,255.90	3,833	3,699	1,557	10.83	144
1952	6,262.82	4,501	4,343	1,920	11.25	171
1953	2,994.79	2,122	2,048	947	11.66	81
1954	7,972.93	5,565	5,370	2,603	12.08	215
1955	12,396.31	8,522	8,223	4,173	12.50	334

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.4 M&R AND OTHER SMALL STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
M&R AND OTHER SMALL STRUCTURES SURVIVOR CURVE.. IOWA 40-R0.5						
1956	24,922.31	16,865	16,274	8,648	12.93	669
1957	4,570.15	3,044	2,937	1,633	13.36	122
1958	7,018.80	4,599	4,438	2,581	13.79	187
1959	8,591.62	5,533	5,339	3,253	14.24	228
1960	7,854.97	4,972	4,798	3,057	14.68	208
1961	3,112.59	1,935	1,867	1,246	15.13	82
1962	3,753.03	2,290	2,210	1,543	15.59	99
1963	9,481.63	5,677	5,478	4,004	16.05	249
1964	536.20	315	304	232	16.52	14
1965	20,567.83	11,831	11,416	9,152	16.99	539
1966	8,893.06	5,009	4,833	4,060	17.47	232
1967	9,377.56	5,167	4,986	4,392	17.96	245
1968	9,977.73	5,375	5,187	4,791	18.45	260
1969	2,240.83	1,180	1,139	1,102	18.94	58
1970	17,653.13	9,068	8,750	8,903	19.45	458
1971	6,718.41	3,367	3,249	3,469	19.95	174
1972	3,189.49	1,557	1,502	1,687	20.47	82
1973	6,405.71	3,044	2,937	3,469	20.99	165
1974	389.17	180	174	215	21.51	10
1975	2,694.00	1,210	1,168	1,526	22.04	69
1976	8,311.40	3,620	3,493	4,818	22.58	213
1977	162.92	69	67	96	23.12	4
1978	36,325.84	14,828	14,308	22,018	23.67	930
1979	2,759.78	1,089	1,051	1,709	24.22	71
1980	4,473.29	1,702	1,642	2,831	24.78	114
1982	3,278.79	1,732	1,671	1,608	21.06	76
1983	984.90	505	487	498	21.47	23
1984	3,666.89	1,828	1,764	1,903	21.71	88
1985	1,956.08	942	909	1,047	22.15	47
1986	2,400.32	1,119	1,080	1,320	22.43	59
1987	1,153.76	519	501	653	22.74	29
1988	2,983.51	1,296	1,251	1,733	22.90	76
1989	7,033.29	2,927	2,824	4,209	23.26	181
1990	1,670.58	666	643	1,028	23.48	44
1991	8,310.77	3,176	3,065	5,246	23.58	222
1992	4,585.00	1,663	1,605	2,980	23.87	125
1993	7,425.60	2,560	2,470	4,956	23.91	207
1996	771.75	219	211	561	24.20	23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 375.4 M&R AND OTHER SMALL STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
M&R AND OTHER SMALL STRUCTURES SURVIVOR CURVE.. IOWA 40-R0.5						
1998	1,212.16	290	280	932	24.06	39
2000	23,373.46	4,462	4,306	19,067	23.66	806
2001	2,475.65	408	394	2,082	23.19	90
2002	5,722.00	781	753	4,969	22.66	219
2003	7,183.02	763	736	6,447	21.75	296
2005	40,137.94	1,321	1,275	38,863	17.12	2,270
	411,857.61	201,728	195,093	216,770		12,343
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					17.6	3.00

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 376 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 57-L1.5						
1883	9,410.12	7,824	7,447	1,963	9.61	204
1884	1,216.00	1,007	958	258	9.78	26
1885	4,811.57	3,971	3,780	1,032	9.96	104
1886	32,219.72	26,494	25,217	7,003	10.13	691
1887	52,605.65	43,089	41,012	11,594	10.31	1,125
1888	41,639.05	33,977	32,340	9,299	10.49	886
1889	265.08	216	206	59	10.66	6
1890	57.22	46	44	13	10.85	1
1891	963.74	777	740	224	11.03	20
1892	1,152.34	926	881	271	11.21	24
1893	535.23	428	407	128	11.40	11
1894	296.90	237	226	71	11.59	6
1895	658.40	522	497	161	11.78	14
1896	266.65	211	201	66	11.97	6
1897	158.61	125	119	40	12.17	3
1898	74.02	58	55	19	12.36	2
1899	69,296.77	54,024	51,421	17,876	12.56	1,423
1900	2,057.32	1,597	1,520	537	12.76	42
1901	298.46	231	220	78	12.96	6
1902	1,217.63	936	891	327	13.16	25
1903	1,060.22	811	772	288	13.37	22
1904	1,408.22	1,073	1,021	387	13.57	29
1905	1,109.11	841	800	309	13.78	22
1906	54.20	41	39	15	13.99	1
1907	59.06	44	42	17	14.20	1
1908	220.37	165	157	63	14.42	4
1909	163.17	121	115	48	14.63	3
1910	222.85	165	157	66	14.85	4
1911	7,358.13	5,413	5,152	2,206	15.07	146
1912	5,017.75	3,671	3,494	1,524	15.30	100
1913	3,594.51	2,616	2,490	1,105	15.52	71
1914	2,808.04	2,032	1,934	874	15.75	55
1915	1,971.99	1,419	1,351	621	15.97	39
1916	238,755.36	170,901	162,665	76,090	16.20	4,697
1917	4,195.98	2,986	2,842	1,354	16.44	82
1918	8,387.53	5,934	5,648	2,740	16.67	164
1919	29,057.03	20,436	19,451	9,606	16.91	568
1920	7,712.50	5,393	5,133	2,580	17.14	151
1921	19,613.93	13,634	12,977	6,637	17.38	382

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 376 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 57-L1.5						
1922	30,176.43	20,843	19,839	10,337	17.63	586
1923	18,780.50	12,893	12,272	6,509	17.87	364
1924	59,394.02	40,525	38,572	20,822	18.11	1,150
1925	123,508.23	83,726	79,691	43,817	18.36	2,387
1926	220,567.08	148,552	141,393	79,174	18.61	4,254
1927	139,375.49	93,256	88,762	50,613	18.86	2,684
1928	85,309.22	56,705	53,972	31,337	19.11	1,640
1929	138,506.00	91,469	87,061	51,445	19.36	2,657
1930	160,599.20	105,321	100,245	60,354	19.62	3,076
1931	96,368.85	62,775	59,750	36,619	19.87	1,843
1932	35,877.30	23,205	22,087	13,790	20.13	685
1933	22,934.53	14,735	14,025	8,910	20.38	437
1934	49,861.22	31,806	30,273	19,588	20.64	949
1935	78,181.00	49,512	47,126	31,055	20.90	1,486
1936	82,211.92	51,695	49,204	33,008	21.16	1,560
1937	83,976.94	52,418	49,892	34,085	21.42	1,591
1938	83,855.01	51,957	49,453	34,402	21.68	1,587
1939	56,930.82	35,018	33,330	23,601	21.94	1,076
1940	56,802.88	34,678	33,007	23,796	22.20	1,072
1941	68,659.54	41,608	39,603	29,057	22.46	1,294
1942	17,723.07	10,655	10,142	7,581	22.73	334
1943	5,024.89	2,998	2,854	2,171	22.99	94
1944	24,945.76	14,770	14,058	10,888	23.25	468
1945	14,739.09	8,658	8,241	6,498	23.52	276
1946	46,161.30	26,903	25,607	20,554	23.78	864
1947	181,575.86	104,969	99,910	81,666	24.05	3,396
1948	182,350.22	104,541	99,503	82,847	24.32	3,407
1949	346,817.06	197,270	187,763	159,054	24.58	6,471
1950	461,005.90	260,007	247,477	213,529	24.85	8,593
1951	446,364.42	249,562	237,535	208,829	25.13	8,310
1952	331,318.40	183,683	174,831	156,487	25.40	6,161
1953	432,560.82	237,692	226,237	206,324	25.68	8,034
1954	520,897.89	283,681	270,010	250,888	25.96	9,664
1955	1,174,086.43	633,537	603,006	571,080	26.24	21,764
1956	1,416,064.84	757,028	720,546	695,519	26.53	26,216
1957	745,189.85	394,578	375,563	369,627	26.82	13,782
1958	389,968.96	204,500	194,645	195,324	27.11	7,205
1959	602,464.17	312,739	297,668	304,796	27.41	11,120
1960	424,103.80	217,862	207,363	216,741	27.72	7,819

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 376 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 57-L1.5						
1961	427,816.89	217,374	206,898	220,919	28.04	7,879
1962	394,360.07	198,166	188,616	205,744	28.36	7,255
1963	468,927.48	232,916	221,692	247,235	28.69	8,617
1964	542,169.57	266,043	253,222	288,948	29.03	9,953
1965	871,502.36	422,330	401,977	469,525	29.38	15,981
1966	1,379,092.53	659,482	627,701	751,392	29.74	25,265
1967	1,655,661.32	781,141	743,497	912,164	30.11	30,294
1968	1,510,690.14	702,622	668,762	841,928	30.49	27,613
1969	1,557,242.71	713,529	679,143	878,100	30.88	28,436
1970	1,676,698.10	756,359	719,909	956,789	31.29	30,578
1971	2,155,574.61	956,428	910,337	1,245,238	31.71	39,270
1972	1,950,397.98	850,374	809,393	1,141,005	32.15	35,490
1973	2,215,638.63	948,515	902,805	1,312,834	32.60	40,271
1974	2,219,443.16	931,722	886,821	1,332,622	33.07	40,297
1975	1,403,015.02	576,920	549,118	853,897	33.56	25,444
1976	1,519,491.75	611,595	582,122	937,370	34.06	27,521
1977	3,763,724.79	1,479,897	1,408,579	2,355,146	34.59	68,087
1978	3,559,145.06	1,364,932	1,299,154	2,259,991	35.14	64,314
1979	2,797,638.10	1,045,477	995,094	1,802,544	35.70	50,491
1980	3,602,895.41	1,308,932	1,245,853	2,357,042	36.29	64,950
1981	3,361,964.59	1,186,101	1,128,941	2,233,024	36.89	60,532
1982	3,574,122.15	1,626,940	1,548,536	2,025,586	28.23	71,753
1983	4,314,188.82	1,909,460	1,817,441	2,496,748	28.44	87,790
1984	5,101,625.77	2,179,925	2,074,872	3,026,754	28.92	104,660
1985	6,164,770.77	2,538,036	2,415,725	3,749,046	29.42	127,432
1986	6,560,983.57	2,595,525	2,470,444	4,090,540	29.92	136,716
1987	5,031,716.44	1,917,084	1,824,697	3,207,019	30.20	106,193
1988	7,680,374.56	2,795,656	2,660,930	5,019,445	30.72	163,393
1989	6,943,475.18	2,406,608	2,290,631	4,652,844	31.26	148,843
1990	6,801,510.41	2,236,337	2,128,565	4,672,945	31.81	146,902
1991	7,625,741.31	2,379,994	2,265,299	5,360,442	32.14	166,784
1992	7,624,996.49	2,237,174	2,129,362	5,495,634	32.71	168,011
1993	8,445,826.21	2,316,690	2,205,046	6,240,780	33.29	187,467
1994	6,737,144.06	1,716,624	1,633,898	5,103,246	33.87	150,672
1995	7,016,284.27	1,655,843	1,576,046	5,440,238	34.26	158,793
1996	6,156,632.82	1,327,370	1,263,402	4,893,231	34.86	140,368
1997	7,547,149.35	1,470,185	1,399,335	6,147,814	35.47	173,324
1998	5,483,183.56	952,429	906,530	4,576,654	36.08	126,847
1999	5,636,994.73	860,769	819,288	4,817,707	36.52	131,920

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 376 MAINS - EXCL. CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 57-L1.5						
2000	5,939,105.40	775,647	738,268	5,200,837	37.15	139,996
2001	4,356,068.30	471,327	448,613	3,907,455	37.79	103,399
2002	5,669,175.95	485,281	461,895	5,207,281	38.26	136,102
2003	5,732,731.17	358,296	341,029	5,391,702	38.74	139,177
2004	5,409,970.75	209,907	199,791	5,210,180	39.23	132,811
2005	3,520,090.36	51,745	49,252	3,470,838	39.10	88,768
2006	2,014,550.66	2,216	2,109	2,012,442	38.72	51,974
	196,128,712.67	59,410,645	56,547,576	139,581,136		4,186,155
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					33.3	2.13

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 376 MAINS - CATHODIC PROTECTION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 24-S2						
1968	2,320.46	2,121	1,668	652	2.06	317
1972	1,455.26	1,271	1,000	455	3.03	150
1973	65,842.97	56,816	44,682	21,161	3.29	6,432
1974	16,734.59	14,244	11,202	5,533	3.57	1,550
1975	25,292.97	21,236	16,701	8,592	3.85	2,232
1979	9,471.78	7,451	5,860	3,612	5.12	705
1980	24,871.78	19,194	15,095	9,777	5.48	1,784
1981	37,859.30	28,614	22,503	15,356	5.86	2,620
1983	108,831.74	86,021	67,649	41,183	5.99	6,875
1985	266,469.85	200,732	157,860	108,610	6.74	16,114
1986	101,251.29	74,359	58,478	42,773	7.08	6,041
1987	48,833.21	34,755	27,332	21,501	7.53	2,855
1988	65,808.64	45,243	35,580	30,229	7.99	3,783
1989	19,664.54	13,043	10,257	9,408	8.42	1,117
1994	7,415.76	3,771	2,966	4,450	11.20	397
1997	4,794.05	1,880	1,478	3,316	13.30	249
1998	2,549.86	893	702	1,848	14.06	131
1999	3,838.02	1,178	926	2,912	14.88	196
2001	504,814.37	108,989	85,713	419,101	16.65	25,171
2003	178,742.27	21,842	17,177	161,565	18.56	8,705
2004	4,562.11	342	269	4,293	19.56	219
2005	5,512.06	152	120	5,392	20.56	262
2006	125,690.02	251	197	125,493	21.10	5,948
	1,632,626.90	744,398	585,415	1,047,212		93,853
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					11.2	5.75

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 ACCOUNT 378 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0						
1893	32.79	33	33			
1911	35.68	36	36			
1914	94.06	94	94			
1916	1,649.41	1,649	1,649			
1917	210.65	211	211			
1918	557.02	557	557			
1919	440.98	441	441			
1920	1,081.54	1,082	1,082			
1921	405.96	406	406			
1922	1,199.22	1,199	1,199			
1923	1,399.69	1,400	1,400			
1924	2,405.66	2,406	2,406			
1925	1,740.81	1,741	1,741			
1926	174.65	175	175			
1927	447.96	448	448			
1928	548.38	548	548			
1929	497.43	497	497			
1930	2,617.97	2,618	2,618			
1931	274.12	274	274			
1932	400.36	400	400			
1933	310.46	310	310			
1934	162.20	162	162			
1935	1,368.62	1,369	1,369			
1936	2,972.05	2,972	2,972			
1937	1,260.61	1,261	1,261			
1938	2,311.41	2,311	2,311			
1939	1,791.04	1,791	1,791			
1940	244.67	245	245			
1941	851.33	851	851			
1942	1,639.21	1,639	1,639			
1943	470.50	471	471			
1944	276.29	276	276			
1945	668.46	668	668			
1946	4,317.95	4,293	4,318			
1947	5,713.52	5,615	5,714			
1948	9,099.77	8,830	9,100			
1949	3,595.98	3,445	3,596			
1950	4,605.39	4,355	4,605			
1951	14,769.67	13,785	14,770			

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 378 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0						
1952	16,859.38	15,527	16,859			
1953	13,834.64	12,566	13,835			
1954	6,655.24	5,963	6,655			
1955	30,547.36	26,982	30,547			
1956	35,774.53	31,135	35,337	438	3.89	113
1957	12,529.11	10,746	12,196	333	4.27	78
1958	13,012.74	10,992	12,475	538	4.66	115
1959	13,414.78	11,161	12,667	748	5.04	148
1960	9,654.67	7,904	8,971	684	5.44	126
1961	11,563.97	9,317	10,574	990	5.83	170
1962	8,608.18	6,820	7,740	868	6.23	139
1963	12,052.48	9,392	10,660	1,392	6.62	210
1964	9,926.11	7,600	8,626	1,300	7.03	185
1965	24,689.63	18,574	21,081	3,609	7.43	486
1966	18,988.68	14,027	15,920	3,069	7.84	391
1967	19,582.90	14,198	16,114	3,469	8.25	420
1968	17,799.47	12,661	14,370	3,429	8.66	396
1969	18,506.62	12,905	14,647	3,860	9.08	425
1970	23,717.62	16,206	18,393	5,325	9.50	561
1971	19,624.47	13,129	14,901	4,723	9.93	476
1972	18,316.10	11,992	13,610	4,706	10.36	454
1973	57,487.17	36,809	41,777	15,710	10.79	1,456
1974	31,213.71	19,530	22,166	9,048	11.23	806
1975	29,182.83	17,831	20,237	8,946	11.67	767
1976	30,371.90	18,102	20,545	9,827	12.12	811
1977	41,485.68	24,103	27,356	14,130	12.57	1,124
1978	57,452.02	32,518	36,907	20,545	13.02	1,578
1979	67,945.68	37,391	42,437	25,509	13.49	1,891
1980	182,623.85	97,649	110,828	71,796	13.96	5,143
1981	115,570.15	59,981	68,076	47,494	14.43	3,291
1982	113,826.41	74,090	84,089	29,737	12.65	2,351
1983	224,485.56	142,459	161,685	62,801	13.00	4,831
1984	188,203.43	116,178	131,857	56,346	13.38	4,211
1985	263,977.73	158,651	180,062	83,916	13.66	6,143
1986	267,159.02	155,914	176,956	90,203	13.97	6,457
1987	247,120.74	139,599	158,439	88,682	14.31	6,197
1988	259,763.73	142,039	161,208	98,556	14.57	6,764
1989	259,833.29	137,010	155,501	104,332	14.86	7,021
1990	297,785.28	150,798	171,149	126,636	15.19	8,337

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 ACCOUNT 378 MEASURING & REGULATING STATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-S0						
1991	330,094.37	159,832	181,403	148,691	15.54	9,568
1992	344,870.97	159,744	181,303	163,568	15.74	10,392
1993	348,602.46	153,071	173,729	174,873	16.07	10,882
1994	213,077.73	88,363	100,288	112,790	16.35	6,898
1995	247,714.38	96,485	109,507	138,207	16.59	8,331
1996	177,101.34	64,146	72,803	104,298	16.87	6,182
1997	187,868.09	62,729	71,195	116,673	17.12	6,815
1998	58,710.42	17,854	20,263	38,447	17.35	2,216
1999	18,928.83	5,147	5,842	13,087	17.63	742
2000	96,461.95	22,997	26,101	70,361	17.84	3,944
2001	69,021.84	13,984	15,871	53,151	18.04	2,946
2002	229,404.36	37,737	42,830	186,574	18.20	10,251
2003	81,537.36	10,086	11,447	70,090	18.29	3,832
2004	61,680.45	4,891	5,551	56,129	18.38	3,054
2005	176,459.46	5,453	6,189	170,270	18.28	9,315
2006	38,931.27	90	102	38,829	18.24	2,129
	5,844,255.61	2,813,922	3,184,521	2,659,733		171,569

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 15.5 2.94

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
1884	144.48	122	131	13	6.10	2
1886	825.94	691	741	85	6.37	13
1887	236.95	197	211	26	6.50	4
1888	40.62	34	36	5	6.64	1
1889	98.67	82	88	11	6.77	2
1890	48.42	40	43	5	6.90	1
1891	101.56	83	89	13	7.02	2
1892	80.43	66	71	9	7.15	1
1893	24.20	20	21	3	7.27	
1894	71.64	58	62	10	7.39	1
1895	81.06	65	70	11	7.51	1
1896	141.23	114	122	19	7.62	2
1897	214.78	172	184	31	7.73	4
1898	190.90	153	164	27	7.84	3
1899	93.41	74	79	14	7.95	2
1900	16.50	13	14	3	8.05	
1901	554.33	438	470	84	8.15	10
1902	1,952.58	1,539	1,650	303	8.26	37
1903	3,293.63	2,587	2,773	521	8.36	62
1904	2,448.44	1,917	2,055	393	8.46	46
1905	2,188.58	1,708	1,831	358	8.56	42
1906	2,149.50	1,672	1,792	358	8.66	41
1907	2,238.97	1,735	1,860	379	8.77	43
1908	1,944.56	1,502	1,610	335	8.87	38
1909	1,554.23	1,196	1,282	272	8.98	30
1910	1,381.01	1,059	1,135	246	9.09	27
1911	817.09	625	670	147	9.19	16
1912	655.26	499	535	120	9.31	13
1913	721.54	547	586	136	9.42	14
1914	757.65	572	613	145	9.54	15
1915	1,073.32	807	865	208	9.66	22
1916	12,209.35	9,147	9,806	2,403	9.78	246
1917	539.51	402	431	109	9.91	11
1918	8,379.70	6,224	6,672	1,708	10.03	170
1919	1,845.26	1,364	1,462	383	10.17	38
1920	1,014.68	747	801	214	10.30	21
1921	3,630.76	2,659	2,850	781	10.44	75
1922	7,015.50	5,112	5,480	1,536	10.58	145
1923	3,868.56	2,804	3,006	863	10.73	80

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
1924	4,678.64	3,373	3,616	1,063	10.88	98
1925	9,144.20	6,558	7,030	2,114	11.03	192
1926	4,938.85	3,523	3,777	1,162	11.18	104
1927	5,557.09	3,941	4,225	1,332	11.34	117
1928	6,085.94	4,291	4,600	1,486	11.50	129
1929	7,732.61	5,419	5,809	1,924	11.67	165
1930	5,636.97	3,927	4,210	1,427	11.83	121
1931	3,894.82	2,696	2,890	1,005	12.01	84
1932	1,950.36	1,341	1,438	512	12.18	42
1933	2,133.33	1,457	1,562	571	12.36	46
1934	4,852.48	3,292	3,529	1,323	12.54	106
1935	4,168.02	2,808	3,010	1,158	12.72	91
1936	3,370.36	2,255	2,417	953	12.91	74
1937	3,704.77	2,460	2,637	1,068	13.10	82
1938	4,111.54	2,710	2,905	1,207	13.30	91
1939	4,332.36	2,834	3,038	1,294	13.49	96
1940	5,059.83	3,282	3,518	1,542	13.70	113
1941	5,928.98	3,816	4,091	1,838	13.90	132
1942	2,419.76	1,544	1,655	765	14.11	54
1943	927.82	587	629	299	14.32	21
1944	1,927.22	1,209	1,296	631	14.53	43
1945	1,903.96	1,184	1,269	635	14.75	43
1946	5,342.39	3,292	3,529	1,813	14.97	121
1947	8,733.06	5,330	5,714	3,019	15.20	199
1948	12,111.45	7,323	7,850	4,261	15.42	276
1949	15,634.64	9,360	10,034	5,601	15.65	358
1950	18,507.02	10,967	11,757	6,750	15.89	425
1951	24,075.42	14,118	15,135	8,940	16.13	554
1952	21,389.69	12,412	13,306	8,084	16.37	494
1953	20,530.03	11,786	12,635	7,895	16.61	475
1954	26,262.56	14,909	15,983	10,280	16.86	610
1955	37,416.05	21,002	22,514	14,902	17.11	871
1956	48,283.28	26,778	28,706	19,577	17.37	1,127
1957	38,282.22	20,975	22,485	15,797	17.63	896
1958	25,250.91	13,668	14,652	10,599	17.89	592
1959	33,456.67	17,879	19,166	14,291	18.16	787
1960	31,738.28	16,739	17,944	13,794	18.43	748
1961	35,551.50	18,497	19,829	15,723	18.71	840
1962	40,048.64	20,557	22,037	18,012	18.98	949

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
1963	53,461.39	27,046	28,993	24,468	19.27	1,270
1964	54,218.51	27,039	28,986	25,233	19.55	1,291
1965	60,196.91	29,575	31,705	28,492	19.84	1,436
1966	206,848.34	100,032	107,235	99,613	20.14	4,946
1967	250,325.13	119,130	127,708	122,617	20.44	5,999
1968	255,933.66	119,828	128,456	127,478	20.74	6,146
1969	275,208.23	126,678	135,800	139,408	21.05	6,623
1970	385,018.12	174,144	186,683	198,335	21.36	9,285
1971	534,521.89	237,381	254,474	280,048	21.68	12,917
1972	634,911.49	276,758	296,686	338,225	22.00	15,374
1973	629,002.86	269,025	288,396	340,607	22.32	15,260
1974	871,475.64	365,323	391,628	479,848	22.65	21,185
1975	635,284.80	260,784	279,562	355,723	22.99	15,473
1976	744,387.74	299,095	320,631	423,757	23.33	18,164
1977	1,774,128.44	697,410	747,627	1,026,501	23.67	43,367
1978	1,234,792.86	474,284	508,435	726,358	24.02	30,240
1979	1,583,994.21	593,839	636,599	947,395	24.38	38,860
1980	2,186,843.93	799,510	857,079	1,329,765	24.74	53,750
1981	2,225,268.66	793,086	850,193	1,375,076	25.10	54,784
1982	2,066,053.94	1,135,297	1,217,045	849,009	19.33	43,922
1983	2,016,753.31	1,084,005	1,162,059	854,694	19.43	43,988
1984	2,491,215.49	1,306,643	1,400,728	1,090,487	19.57	55,722
1985	2,573,631.44	1,318,986	1,413,960	1,159,671	19.58	59,227
1986	3,272,353.13	1,627,668	1,744,869	1,527,484	19.79	77,185
1987	3,222,962.27	1,557,335	1,669,472	1,553,490	19.88	78,143
1988	4,162,133.12	1,946,630	2,086,798	2,075,335	20.01	103,715
1989	4,367,473.49	1,970,167	2,112,030	2,255,443	20.18	111,766
1990	4,413,414.31	1,911,891	2,049,557	2,363,857	20.39	115,932
1991	4,872,284.75	2,024,922	2,170,727	2,701,558	20.51	131,719
1992	4,856,681.98	1,926,160	2,064,854	2,791,828	20.66	135,132
1993	5,055,775.33	1,908,555	2,045,981	3,009,794	20.75	145,050
1994	5,365,369.88	1,914,364	2,052,209	3,313,161	20.88	158,676
1995	5,429,433.91	1,815,603	1,946,336	3,483,098	21.06	165,389
1996	5,286,193.68	1,641,363	1,759,550	3,526,644	21.28	165,726
1997	6,502,766.81	1,864,343	1,998,586	4,504,181	21.36	210,870
1998	5,158,747.23	1,345,917	1,442,830	3,715,917	21.49	172,914
1999	5,414,475.32	1,261,573	1,352,413	4,062,062	21.67	187,451
2000	5,674,508.90	1,159,302	1,242,778	4,431,731	21.74	203,851
2001	4,828,939.97	838,787	899,184	3,929,756	21.80	180,264

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 380 SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
2002	5,667,867.07	800,303	857,930	4,809,937	21.80	220,639
2003	5,726,242.90	610,990	654,985	5,071,258	21.63	234,455
2004	5,403,241.98	373,904	400,827	5,002,415	21.30	234,855
2005	5,943,652.58	165,234	177,132	5,766,521	20.38	282,950
2006	1,769,003.00	3,715	3,982	1,765,021	19.64	89,869
	126,738,717.12	39,662,569	42,518,486	84,220,233		3,979,427
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.2	3.14

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R4						
1913	5.57	6	6			
1916	87.10	87	87			
1917	90.33	90	90			
1919	36.39	36	36			
1920	48.56	49	49			
1922	49.17	49	49			
1923	18.83	19	19			
1924	38.81	39	39			
1929	19.21	19	19			
1931	29.27	29	29			
1938	43.02	43	43			
1944	81.91	82	82			
1945	10.44	10	10			
1946	75.19	75	75			
1949	375.12	375	375			
1950	1,494.29	1,494	1,494			
1951	768.68	767	612	157	0.09	157
1952	586.54	582	465	122	0.29	122
1953	2,401.79	2,369	1,891	511	0.49	511
1954	731.85	718	573	159	0.69	159
1955	679.64	663	529	151	0.90	151
1956	266.15	258	206	60	1.13	53
1957	3,341.95	3,215	2,567	775	1.37	566
1958	4,423.01	4,225	3,373	1,050	1.61	652
1959	3,147.95	2,985	2,383	765	1.86	411
1960	3,519.56	3,312	2,644	876	2.12	413
1961	2,570.62	2,400	1,916	655	2.39	274
1962	8,258.79	7,648	6,106	2,153	2.66	809
1963	9,806.62	9,008	7,192	2,615	2.93	892
1964	8,393.19	7,643	6,102	2,291	3.22	711
1965	33,845.24	30,525	24,371	9,474	3.53	2,684
1966	152,462.40	136,164	108,714	43,748	3.85	11,363
1967	47,215.80	41,706	33,298	13,918	4.20	3,314
1968	173,793.39	151,635	121,066	52,727	4.59	11,487
1969	198,352.31	170,742	136,321	62,031	5.01	12,381
1970	181,021.54	153,524	122,574	58,448	5.47	10,685
1971	221,688.92	184,933	147,651	74,038	5.97	12,402
1972	283,392.71	231,985	185,217	98,176	6.53	15,035
1973	243,158.94	195,062	155,738	87,421	7.12	12,278

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 381 METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 36-R4						
1974	227,177.40	178,266	142,328	84,849	7.75	10,948
1975	167,836.24	128,630	102,698	65,138	8.41	7,745
1976	85,739.59	64,065	51,150	34,590	9.10	3,801
1977	167,753.01	122,091	97,478	70,275	9.80	7,171
1978	38,724.25	27,409	21,883	16,841	10.52	1,601
1979	156,100.80	107,272	85,646	70,455	11.26	6,257
1980	125,769.88	83,775	66,886	58,884	12.02	4,899
1981	166,695.28	107,418	85,763	80,932	12.80	6,323
1982	78,631.33	51,362	41,008	37,623	12.52	3,005
1983	82,636.14	52,069	41,572	41,064	13.26	3,097
1984	135,321.26	81,775	65,289	70,032	14.13	4,956
1985	119,614.99	69,425	55,429	64,186	14.88	4,314
1986	80,043.05	44,520	35,545	44,498	15.63	2,847
1987	102,689.51	54,384	43,420	59,270	16.51	3,590
1988	208,467.37	105,193	83,986	124,481	17.26	7,212
1989	163,067.12	77,881	62,180	100,887	18.14	5,562
1990	148,599.79	66,914	53,424	95,176	19.02	5,004
1991	140,885.09	59,580	47,569	93,316	19.90	4,689
1992	178,777.03	70,671	56,424	122,353	20.78	5,888
1993	262,431.17	96,102	76,728	185,703	21.78	8,526
1994	106,825.09	36,128	28,845	77,980	22.66	3,441
1995	140,252.84	43,338	34,601	105,652	23.66	4,465
1996	146,420.48	41,115	32,826	113,594	24.55	4,627
1997	204,296.33	51,381	41,023	163,273	25.55	6,390
1998	227,503.23	50,710	40,487	187,016	26.43	7,076
1999	207,019.30	40,058	31,983	175,036	27.43	6,381
2000	181,947.06	29,858	23,839	158,108	28.43	5,561
2001	166,850.60	22,558	18,010	148,841	29.32	5,076
2002	14,784.75	1,563	1,248	13,537	30.32	446
2003	41,532.81	3,165	2,527	39,006	31.32	1,245
2004	393,261.72	18,365	14,663	378,599	32.32	11,714
2005	415,196.52	7,183	5,734	409,463	33.20	12,333
2006	1,362.13	2	2	1,360	33.74	40
	6,670,543.96	3,338,797	2,666,205	4,004,339		273,740

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 14.6 4.10

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 381.1 METERS - AUTOMATED READING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 14-S2						
1989	1,792,335.10	1,563,454	1,792,335			
1990	1,026,801.80	875,246	1,026,802			
1991	1,145,712.80	948,994	1,143,665.	2,048	3.02	678
1992	1,375,797.60	1,104,490	1,331,059	44,739	3.34	13,395
1993	681,236.64	526,323	634,290	46,947	3.70	12,688
1994	79,417.92	58,690	70,730	8,688	4.09	2,124
1996	18,826.38	12,412	14,958	3,868	4.95	781
	6,120,128.24	5,089,609	6,013,839	106,290		29,666
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					3.6	0.48

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
1922	15.00	11	13	2	10.58	
1925	15.00	11	13	2	11.03	
1966	20,420.41	9,875	11,784	8,636	20.14	429
1967	44,810.95	21,326	25,448	19,363	20.44	947
1968	46,047.86	21,560	25,727	20,321	20.74	980
1969	48,499.26	22,324	26,639	21,860	21.05	1,038
1970	63,210.10	28,590	34,116	29,094	21.36	1,362
1971	101,114.64	44,905	53,585	47,530	21.68	2,192
1972	146,898.27	64,033	76,410	70,488	22.00	3,204
1973	181,051.96	77,436	92,403	88,649	22.32	3,972
1974	102,248.15	42,862	51,147	51,101	22.65	2,256
1975	52,394.14	21,508	25,665	26,729	22.99	1,163
1976	69,832.31	28,059	33,482	36,350	23.33	1,558
1977	115,848.78	45,540	54,342	61,507	23.67	2,599
1978	57,186.06	21,965	26,211	30,975	24.02	1,290
1979	58,799.22	22,044	26,305	32,494	24.38	1,333
1980	74,318.64	27,171	32,423	41,896	24.74	1,693
1981	78,220.96	27,878	33,266	44,955	25.10	1,791
1982	73,771.14	40,537	48,372	25,399	19.33	1,314
1983	79,375.87	42,665	50,912	28,464	19.43	1,465
1984	78,716.25	41,287	49,267	29,449	19.57	1,505
1985	90,866.40	46,569	55,570	35,296	19.58	1,803
1986	87,302.10	43,424	51,817	35,485	19.79	1,793
1987	89,578.97	43,285	51,652	37,927	19.88	1,908
1988	103,379.11	48,350	57,695	45,684	20.01	2,283
1989	86,318.92	38,938	46,464	39,855	20.18	1,975
1990	81,455.04	35,286	42,106	39,349	20.39	1,930
1991	89,598.25	37,237	44,435	45,163	20.51	2,202
1992	83,935.96	33,289	39,723	44,213	20.66	2,140
1993	79,439.95	29,989	35,786	43,654	20.75	2,104
1994	70,154.43	25,031	29,869	40,285	20.88	1,929
1995	68,205.86	22,808	27,217	40,989	21.06	1,946
1996	67,738.15	21,033	25,098	42,640	21.28	2,004
1997	92,850.00	26,620	31,765	61,085	21.36	2,860
1998	70,975.36	18,517	22,096	48,879	21.49	2,274
1999	87,250.00	20,329	24,259	62,991	21.67	2,907
2000	91,003.12	18,592	22,186	68,817	21.74	3,165
2001	59,610.00	10,354	12,355	47,255	21.80	2,168
2002	73,770.00	10,416	12,429	61,341	21.80	2,814

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 382 METER INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
2003	69,960.00	7,465	8,908	61,052	21.63	2,823
2004	54,960.00	3,803	4,538	50,422	21.30	2,367
2005	53,250.00	1,480	1,766	51,484	20.38	2,526
2006	16,155.00	34	41	16,114	19.64	820
	3,160,551.59	1,194,436	1,425,305	1,735,244		80,832
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.5	2.56

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
1925	10.00	7	9	1	11.03	
1964	0.05					
1966	3,955.62	1,913	2,505	1,451	20.14	72
1967	5,680.01	2,703	3,539	2,141	20.44	105
1968	4,709.66	2,205	2,887	1,823	20.74	88
1969	4,533.68	2,087	2,732	1,802	21.05	86
1970	6,678.58	3,021	3,955	2,724	21.36	128
1971	9,117.92	4,049	5,301	3,817	21.68	176
1972	10,708.39	4,668	6,111	4,597	22.00	209
1973	16,462.12	7,041	9,218	7,244	22.32	325
1974	31,670.54	13,276	17,381	14,290	22.65	631
1975	15,678.76	6,436	8,426	7,253	22.99	315
1976	10,765.12	4,325	5,662	5,103	23.33	219
1977	33,361.21	13,114	17,169	16,192	23.67	684
1978	9,880.31	3,795	4,969	4,911	24.02	204
1979	3,448.70	1,293	1,693	1,756	24.38	72
1980	8,881.47	3,247	4,251	4,630	24.74	187
1981	16,674.51	5,943	7,781	8,894	25.10	354
1982	13,570.06	7,457	9,763	3,807	19.33	197
1983	20,038.40	10,771	14,102	5,936	19.43	306
1984	19,020.02	9,976	13,061	5,959	19.57	304
1985	20,975.85	10,750	14,074	6,902	19.58	353
1986	22,947.80	11,414	14,944	8,004	19.79	404
1987	22,117.08	10,687	13,992	8,125	19.88	409
1988	24,415.83	11,419	14,950	9,466	20.01	473
1989	23,849.30	10,758	14,085	9,764	20.18	484
1990	19,297.64	8,360	10,945	8,353	20.39	410
1991	23,513.96	9,772	12,794	10,720	20.51	523
1992	19,551.42	7,754	10,152	9,399	20.66	455
1993	24,314.16	9,179	12,017	12,297	20.75	593
1994	19,437.80	6,935	9,079	10,359	20.88	496
1995	18,540.00	6,200	8,117	10,423	21.06	495
1996	24,239.24	7,526	9,853	14,386	21.28	676
1997	38,160.00	10,940	14,323	23,837	21.36	1,116
1998	27,596.65	7,200	9,426	18,171	21.49	846
1999	39,570.00	9,220	12,071	27,499	21.67	1,269
2000	42,442.02	8,671	11,353	31,089	21.74	1,430
2001	29,590.00	5,140	6,729	22,861	21.80	1,049
2002	37,860.00	5,346	6,999	30,861	21.80	1,416

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 384 HOUSE REGULATOR INSTALLATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 39-L0.5						
2003	35,470.00	3,785	4,956	30,514	21.63	1,411
2004	26,330.00	1,822	2,385	23,945	21.30	1,124
2005	25,410.00	706	925	24,485	20.38	1,201
2006	8,230.00	17	22	8,208	19.64	418
	818,703.88	270,928	354,706	463,999		21,713
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					21.4	2.65

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 385 INDUSTRIAL MEASURING & REGULATING STA. EQUIP.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R1.5						
1929	112.21	105	112			
1930	45.42	42	45			
1933	852.08	780	852			
1937	172.79	154	173			
1938	1,562.67	1,387	1,563			
1939	372.53	328	373			
1940	291.48	255	291			
1941	448.60	390	449			
1943	102.47	88	102			
1945	527.37	444	513	14	6.66	2
1946	326.85	273	315	12	6.95	2
1947	1,500.91	1,242	1,435	66	7.25	9
1948	83.45	68	79	4	7.56	1
1949	813.49	661	764	49	7.87	6
1950	254.14	205	237	17	8.19	2
1951	262.55	209	241	22	8.52	3
1952	1,086.94	858	991	96	8.86	11
1953	6,372.43	4,977	5,749	623	9.20	68
1955	7,075.28	5,404	6,243	832	9.92	84
1956	707.16	534	617	90	10.29	9
1957	3,817.59	2,847	3,289	529	10.68	50
1958	5,007.89	3,688	4,260	748	11.07	68
1959	3,743.02	2,720	3,142	601	11.48	52
1960	3,492.90	2,503	2,891	602	11.90	51
1961	1,094.73	773	893	202	12.33	16
1962	2,740.66	1,907	2,203	538	12.78	42
1963	4,880.15	3,343	3,862	1,018	13.23	77
1964	3,012.64	2,030	2,345	668	13.70	49
1965	2,232.33	1,479	1,709	523	14.18	37
1966	36,308.81	23,626	27,293	9,016	14.67	615
1967	37,612.81	24,020	27,748	9,865	15.18	650
1968	48,647.87	30,463	35,191	13,457	15.70	857
1969	90,878.29	55,763	64,417	26,461	16.23	1,630
1970	56,249.60	33,789	39,033	17,217	16.77	1,027
1971	54,063.60	31,757	36,686	17,378	17.33	1,003
1972	35,573.40	20,419	23,588	11,985	17.89	670
1973	34,737.24	19,460	22,480	12,257	18.47	664
1974	34,582.05	18,889	21,820	12,762	19.06	670
1975	20,382.92	10,842	12,525	7,858	19.66	400

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 385 INDUSTRIAL MEASURING & REGULATING STA. EQUIP.

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 42-R1.5						
1976	18,450.22	9,546	11,027	7,423	20.27	366
1977	14,574.50	7,322	8,458	6,117	20.90	293
1978	43,482.11	21,193	24,482	19,000	21.53	882
1979	49,919.61	23,567	27,225	22,695	22.17	1,024
1980	66,150.96	30,211	34,900	31,251	22.82	1,369
1981	59,319.05	26,160	30,220	29,099	23.48	1,239
1982	81,165.03	43,448	50,191	30,974	20.47	1,513
1983	33,917.88	17,617	20,351	13,567	20.90	649
1984	73,224.20	36,824	42,539	30,685	21.33	1,439
1985	108,003.40	52,468	60,611	47,392	21.79	2,175
1986	245,024.04	114,206	131,930	113,094	22.43	5,042
1987	182,805.62	81,879	94,586	88,220	22.91	3,851
1988	264,064.04	113,759	131,414	132,650	23.23	5,710
1989	342,781.44	140,986	162,866	179,915	23.74	7,579
1990	417,631.13	163,336	188,685	228,946	24.26	9,437
1991	339,993.34	126,444	146,068	193,925	24.63	7,874
1992	298,804.01	104,701	120,950	177,854	25.18	7,063
1993	337,649.50	111,323	128,600	209,050	25.58	8,172
1994	422,328.78	130,626	150,899	271,430	25.87	10,492
1995	532,138.99	152,617	176,302	355,837	26.32	13,520
1996	696,589.00	184,248	212,842	483,747	26.65	18,152
1997	525,697.05	126,798	146,477	379,220	27.00	14,045
1998	508,748.28	110,704	127,885	380,863	27.26	13,971
1999	515,574.20	99,764	115,247	400,327	27.43	14,594
2000	300,894.54	50,550	58,395	242,500	27.64	8,774
2001	265,651.61	37,749	43,607	222,045	27.67	8,025
2002	640,662.99	73,676	85,110	555,553	27.57	20,151
2003	224,840.89	19,516	22,545	202,296	27.18	7,443
2004	412,863.37	23,409	27,042	385,821	26.35	14,642
2005	163,410.49	3,873	4,474	158,936	23.99	6,625
2006	277,717.93	528	610	277,108	22.18	12,494
	8,966,107.52	2,547,770	2,943,057	6,023,050		237,430

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 25.4 2.65

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 33-R2						
1927	263.66	264	264			
1933	137.80	138	138			
1934	18.29	18	18			
1938	152.69	153	153			
1939	5.88	6	6			
1940	176.51	177	177			
1941	274.93	275	275			
1942	3.96	4	4			
1943	204.67	205	205			
1944	8.00	8	8			
1946	257.16	254	257			
1947	1,086.64	1,064	1,087			
1948	3,023.61	2,936	3,024			
1949	984.73	948	985			
1950	672.01	641	672			
1951	182.78	173	183			
1952	88.61	83	89			
1953	117.99	110	118			
1954	1,048.28	964	1,048			
1955	1,459.95	1,330	1,460			
1956	1,592.77	1,437	1,593			
1957	1,022.82	914	1,023			
1958	1,388.27	1,228	1,388			
1959	614.57	538	615			
1960	2,071.21	1,795	2,071			
1961	6,276.03	5,380	6,276			
1962	868.90	737	869			
1963	9,092.24	7,621	9,092			
1964	3,105.70	2,572	3,106			
1965	6,339.28	5,183	6,301	38	6.02	6
1966	12,442.02	10,037	12,202	240	6.38	38
1967	10,732.38	8,538	10,380	352	6.75	52
1968	3,942.15	3,089	3,755	187	7.14	26
1969	18,451.36	14,235	17,306	1,145	7.54	152
1970	11,462.19	8,698	10,575	887	7.96	111
1971	26,945.56	20,088	24,422	2,524	8.40	300
1972	22,464.02	16,432	19,977	2,487	8.86	281
1973	46,321.97	33,227	40,395	5,927	9.33	635
1974	7,616.67	5,350	6,504	1,113	9.82	113

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 387 OTHER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 33-R2						
1975	15,226.81	10,461	12,718	2,509	10.33	243
1976	16,350.90	10,970	13,337	3,014	10.86	278
1977	13,065.95	8,548	10,392	2,674	11.41	234
1978	42,125.84	26,847	32,639	9,487	11.97	793
1979	45,378.64	28,121	34,188	11,191	12.55	892
1980	164,042.11	98,671	119,958	44,084	13.15	3,352
1981	120,266.85	70,116	85,243	35,024	13.76	2,545
1982	59,130.32	38,488	46,792	12,338	12.65	975
1983	22,493.21	14,222	17,290	5,203	13.13	396
1984	12,903.51	7,881	9,581	3,323	13.75	242
1985	21,289.41	12,576	15,290	5,999	14.26	421
1988	7,505.27	3,946	4,797	2,708	15.86	171
	742,697.08	487,697	590,246	152,454		12,256
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.4	1.65

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 390.11 OTHER SMALL STRUCTURES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER SMALL STRUCTURES						
SURVIVOR CURVE.. IOWA 40-R0.5						
1947	445.61	343	1,724-	2,170	9.22	235
1951	225.96	165	829-	1,055	10.83	97
1952	187.86	135	678-	866	11.25	77
1957	1,284.98	856	4,302-	5,587	13.36	418
1958	876.12	574	2,885-	3,761	13.79	273
1960	1,195.44	757	3,804-	4,999	14.68	341
1961	829.50	516	2,593-	3,423	15.13	226
1965	1,859.24	1,069	5,372-	7,231	16.99	426
1976	2,363.05	1,029	5,171-	7,534	22.58	334
1984	2,571.41	1,282	6,443-	9,014	21.71	415
1988	15,593.20	6,772	34,033-	49,626	22.90	2,167
1990	137.81	55	276-	414	23.48	18
1998	22,105.00	5,296	26,615-	48,720	24.06	2,025
2000	3,572.71	682	3,428-	7,001	23.66	296
2001	3,821.89	631	3,171-	6,993	23.19	302
2004	4,309.18	312	1,568-	5,877	20.30	290
2006	3,300.23	9	45-	3,345	15.11	221
	64,679.19	20,483	102,937-	167,616		8,161
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					20.5	12.62

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 391.1 OFFICE FURNITURE AND EQUIPMENT - FURNITURE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
FURNITURE						
SURVIVOR CURVE.. 25-SQUARE						
1981	36,914.99	36,295	36,915			
1982	30,099.14	28,390	29,175	924	1.42	651
1983	17,178.09	15,515	15,944	1,234	2.42	510
1984	63,513.10	54,825	56,341	7,172	3.42	2,097
1985	62,560.24	51,500	52,924	9,636	4.42	2,180
1986	41,596.52	32,578	33,479	8,118	5.42	1,498
1987	57,112.81	42,446	43,620	13,493	6.42	2,102
1988	51,289.52	36,067	37,065	14,225	7.42	1,917
1989	22,177.52	14,708	15,115	7,063	8.42	839
1990	43,868.73	27,339	28,095	15,774	9.42	1,675
1991	38,018.39	22,172	22,785	15,233	10.42	1,462
1992	189,178.61	102,762	105,604	83,575	11.42	7,318
1993	37,853.40	19,048	19,575	18,278	12.42	1,472
1994	12,659.55	5,864	6,026	6,634	13.42	494
1995	392.05	166	171	221	14.42	15
1996	2,119.89	812	834	1,286	15.42	83
1998	23,487.35	7,121	7,318	16,169	17.42	928
1999	23,678.51	6,232	6,405	17,274	18.42	938
2000	3,243.14	724	744	2,499	19.42	129
	756,941.55	504,564	518,135	238,808		26,308

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 9.1 3.48

NATIONAL FUEL GAS DISTRIBUTION CORPORATION .

ACCOUNT 391.2 OFFICE FURNITURE AND EQUIPMENT - EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EQUIPMENT						
SURVIVOR CURVE.. 15-SQUARE						
1991	7,130.55	6,931	7,131			
1992	2,408.32	2,180	2,408			
1993	328.60	276	329			
2000	3,420.02	1,272	2,338	1,082	9.42	115
2003	542,797.43	93,361	171,600	371,197	12.42	29,887
2005	3,050.73	118	217	2,834	14.42	197
	559,135.65	104,138	184,023	375,113		30,199
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					12.4	5.40

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 391.3 OFFICE FURNITURE AND EQUIPMENT - COMPUTER

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
COMPUTER						
SURVIVOR CURVE.. 5-SQUARE						
2001	18,487.50	16,935	18,488			
2002	549,243.98	393,259	435,772	113,472	1.42	79,910
2003	3,768.73	1,945	2,155	1,614	2.42	667
2004	1,712,358.20	541,105	599,600	1,112,758	3.42	325,368
2005	152,935.23	17,740	19,658	133,277	4.42	30,153
2006	14,836.02	119	132	14,704	4.96	2,965
	2,451,629.66	971,103	1,075,805	1,375,825		439,063
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					3.1	17.91

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 392 TRANSPORTATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 6.5-L3						
2004	363,371.57	99,382	107,813	255,559	4.20	60,847
2005	518,354.08	52,768	57,244	461,110	5.14	89,710
2006	18,149.22	132	143	18,006	5.68	3,170
	899,874.87	152,282	165,200	734,675		153,727
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.8	17.08

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 393 STORES EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 30-SQUARE						
1976	376.30	371	359	17	0.42	17
1978	134.72	124	120	15	2.42	6
1980	1,723.52	1,470	1,421	303	4.42	69
1981	6,470.70	5,301	5,125	1,346	5.42	248
	8,705.24	7,266	7,025	1,681		340
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					4.9	3.91

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 394 TOOLS AND WORK EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
1980	2,226.94	2,227	2,227			
1981	24,721.62	24,306	22,999	1,723	0.42	1,723
1982	3,527.63	3,327	3,148	380	1.42	268
1983	170,757.03	154,228	145,936	24,821	2.42	10,257
1984	40,340.18	34,822	32,950	7,390	3.42	2,161
1985	41,032.37	33,778	31,962	9,070	4.42	2,052
1986	97,968.91	76,729	72,604	25,365	5.42	4,680
1987	163,567.33	121,563	115,027	48,540	6.42	7,561
1988	101,346.69	71,267	67,435	33,912	7.42	4,570
1989	78,862.35	52,302	49,490	29,372	8.42	3,488
1990	65,401.83	40,758	38,567	26,835	9.42	2,849
1991	115,602.62	67,419	63,794	51,809	10.42	4,972
1992	145,466.19	79,017	74,769	70,697	11.42	6,191
1993	338,047.47	170,105	160,960	177,087	12.42	14,258
1994	205,479.30	95,178	90,061	115,418	13.42	8,600
1995	112,655.11	47,676	45,113	67,542	14.42	4,684
1996	202,384.92	77,554	73,384	129,001	15.42	8,366
1997	397,387.87	136,384	129,051	268,337	16.42	16,342
1998	345,573.91	104,778	99,145	246,429	17.42	14,146
1999	143,494.49	37,768	35,737	107,757	18.42	5,850
2000	78,539.18	17,530	16,588	61,951	19.42	3,190
2001	75,426.35	13,818	13,075	62,351	20.42	3,053
2002	65,639.79	9,400	8,895	56,745	21.42	2,649
2003	26,498.97	2,735	2,588	23,911	22.42	1,067
2004	141,628.51	8,951	8,469	133,160	23.42	5,686
2005	95,477.20	2,215	2,096	93,381	24.42	3,824
2006	2,427.99	4	4	2,424	24.96	97
	3,281,482.75	1,485,839	1,406,074	1,875,408		142,584

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. 13.2 4.35

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 396 POWER OPERATED EQUIPMENT AND TOOLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
UNAMORTIZED						
SURVIVOR CURVE.. IOWA 23-S1						
1957	12,168.67	12,169	12,169			
2004	685,981.59	59,475	69,434	616,548	16.67	36,985
2005	11,381.24	366	427	10,954	17.50	626
2006	489,780.29	1,126	1,315	488,465	17.98	27,167
	1,199,311.79	73,136	83,345	1,115,967		64,778
AMORTIZED						
SURVIVOR CURVE.. 15-SQUARE						
1991	35,642.37	34,644	35,642			
1992	16,132.49	14,605	16,132			
1996	2,994.46	1,913	2,995			
	54,769.32	51,162	54,769			
	1,254,081.11	124,298	138,114	1,115,967		64,778
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					17.2	5.17

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 397 COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
1995	64,999.20	64,999	64,999			
1996	65,683.89	62,925	61,340	4,344	0.42	4,344
1997	73,988.45	63,482	61,883	12,105	1.42	8,525
1998	23,828.22	18,062	17,607	6,221	2.42	2,571
1999	60,241.42	39,639	38,640	21,601	3.42	6,316
2000	10,854.37	6,057	5,904	4,950	4.42	1,120
2001	1,712.52	784	764	949	5.42	175
2002	282,701.20	101,207	98,658	184,043	6.42	28,667
2003	220,822.83	56,972	55,537	165,286	7.42	22,276
2004	114,509.92	18,093	17,637	96,873	8.42	11,505
2005	66,613.29	3,864	3,767	62,846	9.42	6,672
2006	385,770.19	1,543	1,504	384,266	9.96	38,581
	1,371,725.50	437,627	428,240	943,484		130,752
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					7.2	9.53

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ACCOUNT 398 MISCELLANEOUS EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
 RELATED TO ORIGINAL COST AT JANUARY 31, 2006

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUT. BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
1991	447.97	327	353	95	5.42	18
	447.97	327	353	95		18
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT..					5.3	4.02

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EXPERIENCED NET SALVAGE

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
 COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2001 TRANSACTION YEAR				
334.10	7,245.79	714.19		714.19-
365.20		1,681.04-		1,681.04
366.20	961.54			
366.30	335.46			
367.10	59.09	325.58		325.58-
367.20	282,708.28			
369.00	9,382.63	4,487.43		4,487.43-
374.10	7,428.15	2,023.11		2,023.11-
375.00	421,683.14	37,983.24	134,286.79	96,303.55
376.10	640,392.22	636,710.04		636,710.04-
376.20	200,004.85			
378.00	59,711.48	12,901.21		12,901.21-
380.00	1,096,905.03	231,203.67		231,203.67-
381.00	164,127.88			
381.10	119,098.43			
382.00	41,438.01			
384.00	13,260.60			
385.00	12,659.87	2,503.25		2,503.25-
390.00	2,656.38	301.03		301.03-
391.10	2,617.36			
391.20	23,907.70			
393.00	212.00			
394.00	24,185.11			
396.60	5,693.36			
397.00	68,949.90			
	3,205,624.26	927,471.71	134,286.79	793,184.92-
2002 TRANSACTION YEAR				
334.10	18,270.42	224.05-		224.05
367.10	49,764.03	4,567.23		4,567.23-
367.20	237.23			
369.00	79,823.43	3,466.91		3,466.91-
375.00	8,783.18	2,223.17		2,223.17-
376.10	1,325,107.62	907,659.53		907,659.53-
378.00	22,019.70	10,973.59		10,973.59-
380.00	1,275,503.29	220,789.92		220,789.92-
381.00	127,305.99			
381.10	28,382.02			
382.00	48,051.99			
383.00	260,467.25			

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
 COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2002 TRANSACTION YEAR				
384.00	11,629.48			
385.00	49,539.08	9,541.57		9,541.57-
387.00	158,235.45			
391.10	11,931.66			
391.20	62,129.62			
391.30	1,543.43			
393.00	371.00			
394.00	25,513.45			
396.20	19,427.30			
397.00	7,211.84		25.00	25.00
	3,591,248.46	1,158,997.87	25.00	1,158,972.87-
2003 TRANSACTION YEAR				
334.10	47,797.63	2,415.37		2,415.37-
367.10	81,745.50	34,606.70		34,606.70-
367.20	37,094.05			
369.00	60,599.68	317.79		317.79-
375.00	32,707.80	1,200.00		1,200.00-
376.10	964,067.84	822,894.17		822,894.17-
376.20	151,806.44			
378.00	175,467.85	23,597.36		23,597.36-
380.00	1,400,237.60	373,534.82		373,534.82-
381.00	239,665.28			
381.10	282,787.70			
382.00	50,372.79			
383.00	2,155.52			
384.00	10,483.36			
385.00	93,443.20	9,956.17		9,956.17-
387.00	6,850.20			
390.00	1,750.14			
391.10	44,047.52			
391.20	10,324.77			
391.30	747,493.37			
394.00	19,711.90			
396.60	9,842.10			
397.00	68,874.94			
	4,539,327.18	1,268,522.38		1,268,522.38-

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
 COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2004 TRANSACTION YEAR				
334.00	49,750.99	3,915.69		3,915.69-
366.20		329.05		329.05-
367.10	268,764.85	48,774.35		48,774.35-
367.20	103,812.21	195.34		195.34-
369.00	5,899.02	1,738.17		1,738.17-
374.10	250.00	1,309.25		1,309.25-
375.00	102,590.32	158,743.20		158,743.20-
376.10	905,617.29	1,005,809.44		1,005,809.44-
378.00	77,437.51	1,987.88		1,987.88-
380.00	978,406.20	297,608.59		297,608.59-
381.00	51,097.07			
382.00	32,809.08			
384.00	5,989.94			
385.00	7,980.40	1,548.88		1,548.88-
391.10	26,743.19			
391.20	13,178.63			
391.30	8,261.90			
394.00	13,678.74			
396.60	26,049.06			
397.00	8,480.39			
	2,686,796.79	1,521,959.84		1,521,959.84-
2005 TRANSACTION YEAR				
334.00	378.32			
334.10		530.59		530.59-
367.10	9,632.74	12,708.94		12,708.94-
369.00	4,869.04	1,525.83		1,525.83-
374.10	811.00			
374.20	583.25	4.22		4.22-
375.00		4,077.00		4,077.00-
376.10	793,823.84	955,395.80	384.16	955,011.64-
376.20	132,172.63			
378.00	86,798.93	8,980.63		8,980.63-
380.00	931,300.61	480,208.82		480,208.82-
381.00	150,395.94			
382.00	29,488.19			
383.00	2,389.46			
384.00	5,503.26			
385.00	14,548.67	3,614.50		3,614.50-
391.10	33,929.33			

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 EXPERIENCED RETIREMENTS BY ACCOUNT AND ASSOCIATED
 COST OF REMOVAL, GROSS SALVAGE, AND NET SALVAGE

ACCT	REGULAR RETIREMENTS	COST OF REMOVAL	GROSS SALVAGE	NET SALVAGE
2005 TRANSACTION YEAR				
391.20	40,084.07			
392.00			197.50	197.50
394.00	47,586.60			
396.60	31,468.79			
397.00	1,009.64			
	2,316,774.31	1,467,046.33	581.66	1,466,464.67-
TOTAL	16,339,771.00	6,343,998.13	134,893.45	6,209,104.68-

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

5. Provide a comparison of respondent's calculated depreciation reserve vs. book reserve by account at the end of the test year.

.....

See attached pages.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION AND
BOOK RESERVE AS OF JANUARY 31, 2006

<u>Depreciable Group</u>		<u>Calculated Accrued Depreciation</u>	<u>Book Reserve</u>
(1)		(2)	(3)
DEPRECIABLE PLANT			
303	Miscellaneous Intangible Plant	1,101,216	1,083,414
Production Plant			
325.4	Rights of Way	18,739	26,993
328	Measuring & Regulating Station Struct.	6,596	8,768
329	Other Structures	105	61
332	Field Lines	250,552	459,355
334	Measuring & Regulating Station Equip.	747,862	657,399
Total Production Plant		1,023,854	1,152,576
Transmission Plant			
365.2	Rights of Way	252,378	258,275
366	Structures and Improvements	82,488	96,567
367.1	Mains - Excl. Cathodic Protection	9,333,976	11,259,486
367.2	Mains - Cathodic Protection	985,771	677,295
369	Measuring and Regulating Station Equip.		
	1980 and Prior	268,104	304,666
	1981 and Subsequent	2,120,859	2,410,088
Total Account 369		2,388,963	2,714,754
Total Transmission Plant		13,043,576	15,006,377
Distribution Plant			
374.2	Rights of Way	951,388	960,061
375.3	Structures and Improvements - Large	3,195,670	3,090,560
375.4	Structures and Improvements - Small	201,728	195,093
376.1	Mains - Excl. Cathodic Protection	59,410,645	56,547,576
376.2	Mains - Cathodic Protection	744,398	585,415
378	Measuring and Regulating Station Equip.	2,813,922	3,184,521

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DIVISION

COMPARISON OF CALCULATED ACCRUED DEPRECIATION AND
 BOOK RESERVE AS OF JANUARY 31, 2006

	<u>Depreciable Group</u> (1)	<u>Calculated Accrued Depreciation</u> (2)	<u>Book Reserve</u> (3)
380	Services	39,662,569	42,518,486
381	Meters	3,338,797	2,666,205
381.1	Meters - Automated Reading Equipment	5,089,609	6,013,839
382	Meter Installations	1,194,436	1,425,305
384	House Regulator Installations	270,928	354,706
385	Industrial Meas and Reg Station Equip.	2,547,770	2,943,057
387	Other Equipment	487,697	590,246
	Total Distribution Plant	119,909,557	121,075,070
	General Plant		
390.11	Other Small Structures	20,483	(102,937)
391.1	Office Furniture and Equip. - Furniture	504,564	518,135
391.2	Office Furniture and Equip. - Equipment	104,138	184,023
391.3	Office Furniture and Equip. - Computers	971,103	1,075,805
392	Transportation Equipment	152,282	165,200
393	Stores Equipment	7,266	7,025
394	Tools and Work Equipment	1,485,839	1,406,074
396	Power Operated Equipment and Tools		
	Unamortized	73,136	83,345
	Amortized	51,162	54,769
	Total Account 396	124,298	138,114
397	Communication Equipment	437,627	428,240
398	Miscellaneous Equipment	327	353
	Total General Plant	3,807,927	3,820,032
	TOTAL DEPRECIABLE GAS PLANT	138,886,130	142,137,469

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

6. Supply a schedule by account and depreciation group showing the survivor curve and annual accrual rate estimated to be appropriate:

a. For the purposes of this filing.

b. For the purposes of the most recent rate increase filing prior to the current proceedings.

(i) Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.

.....

a. The information requested is included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2006 (Exhibit 9, Schedule 1).

b. The information requested is attached as Exhibit 9, Schedule 3, Pages 2 – 5, for the most recent prior filing.

b.(i). *The depreciation methods and procedures used in this filing are the same as those used in previous filings. Explanations of the depreciation methods and procedures are presented in Exhibit No. 109.*

The estimated survivor curves used in this filing have not changed from those used in the most recent rate filing, R-00049656.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT MAY 31, 2004

Depreciable Group (1)	Survivor Curve (2)	Original Cost (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)	
DEPRECIABLE PLANT								
303	Miscellaneous Intangible Plant	10-SQ	1,921,298.02	719,599	1,201,700	196,214	6.1	10.21
Production Plant								
325.4	Rights of Way	60-R4	47,059.43	26,124	20,937	522	40.1	1.11
328	Measuring & Regulating Station Struct.	30-L2.5	10,095.84	8,581	1,513	112	13.5	1.11
329	Other Structures	40-SQ	2,650.00		2,650	67	39.6	2.53
332	Field Lines	45-R1.5	538,011.28	454,294	83,718	3,049	27.5	0.57
334	Measuring & Regulating Station Equip.	20-O1	1,369,034.07	527,061	841,972	94,287	8.9	6.89
Total Production Plant			1,966,850.62	1,016,060	950,790	98,037		
Transmission Plant								
365.2	Rights of Way	70-R4	931,279.82	234,668	696,611	13,736	50.7	1.47
366	Structures and Improvements	55-R2	163,151.73	92,477	70,675	2,456	28.8	1.51
367.1	Mains - Excl. Cathodic Protection	55-R2	25,459,094.30	10,581,542	14,877,553	444,115	33.5	1.74
367.2	Mains - Cathodic Protection	24-S2	2,563,040.30	397,806	2,165,237	164,809	13.1	6.43
369	Measuring and Regulating Station Equip.							
	1980 and Prior	28-R0.5	391,383.29	298,017	95,346	9,158	10.4	2.34
	1981 and Subsequent	21-R2	3,665,602.53	2,181,349	1,484,254	140,955	10.5	3.85
Total Account 369			4,056,965.82	2,477,366	1,579,600	150,113	10.5	3.70
Total Transmission Plant			33,173,531.97	13,783,859	19,389,676	775,229		

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION**

**TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT MAY 31, 2004**

Depreciable Group (1)	Survivor Curve (2)	Original Cost (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
Distribution Plant							
374.2	Rights of Way	70-R4	4,426,225.12	841,323	3,584,897	66,440	1.50
375.3	Structures and Improvements - Large	Various	6,596,402.81	2,875,774	3,720,631	231,505	3.51
375.4	Structures and Improvements - Small	40-R0.5	372,653.04	183,860	188,799	10,633	2.85
376.1	Mains - Excl. Cathodic Protection	57-L1.5	189,418,999.27	52,327,178	137,091,821	4,049,273	2.14
376.2	Mains - Cathodic Protection	24-S2	1,650,396.92	569,751	1,080,645	98,721	5.98
378	Measuring and Regulating Station Equip.	30-S0	5,702,815.34	3,026,309	2,676,507	169,678	2.98
380	Services	39-L0.5	118,465,032.90	38,420,910	80,044,123	3,755,721	3.17
381	Meters	36-R4	6,280,035.99	2,317,837	3,962,204	288,868	4.60
381.1	Meters - Automated Reading Equipment	14-S2	6,120,128.24	5,993,258	126,871	29,843	0.49
382	Meter Installations	39-L0.5	3,122,947.64	1,339,242	1,783,703	82,098	2.63
383	House Regulators	33-R5	2,389.46	(61,037)	63,426	5,444	227.83
384	House Regulator Installations	39-L0.5	786,168.63	328,607	457,561	21,257	2.70
385	Industrial Meas and Reg Station Equip.	42-R1.5	8,349,060.90	2,800,095	5,748,963	223,666	2.68
387	Other Equipment	33-R2	742,697.08	568,317	174,383	13,083	1.76
Total Distribution Plant			352,035,953.34	111,331,424	240,704,534	9,046,230	
General Plant							
390.11	Other Small Structures	40-R0.5	57,069.78	(117,580)	174,650	8,369	14.66
391.1	Office Furniture and Equip. - Furniture	25-SQ	817,614.07	501,742	315,873	34,667	9.1
391.2	Office Furniture and Equip. - Equipment	15-SQ	665,293.61	125,722	539,572	38,359	5.77
391.3	Office Furniture and Equip. - Computers	5-SQ	2,269,988.85	229,344	2,040,646	475,648	20.95
392	Transportation Equipment	6.5-L3	48,123.18	76,005	(27,882)	-	-
393	Stores Equipment	30-SQ	8,705.24	6,448	2,258	346	3.97
394	Tools and Work Equipment	25-SQ	3,196,344.28	1,223,376	1,972,968	143,778	4.50
396	Power Operated Equipment and Tools						
	Unamortized	23-S1	99,965.75	76,678	23,291	5,193	4.5
	Amortized	15-SQ	112,287.17	84,175	18,111	10,232	1.8
Total Account 396			212,252.92	170,851	41,402	15,425	

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION

TABLE 1. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND
CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT MAY 31, 2004

Depreciable Group (1)	Survivor Curve (2)	Original Cost (3)	Book Reserve (4)	Future Accruals (5)	Annual Accrual Amount (6)	Composite Remaining Life (7)	Annual Accrual Rate, Percent (8)
397	Communication Equipment	833,277.22	298,982	534,294	80,489	6.6	9.66
398	Miscellaneous Equipment	447.97	323	125	18	6.9	4.02
Total General Plant		8,109,117.12	2,515,213	5,593,906	797,095		
TOTAL DEPRECIABLE GAS PLANT		397,206,751.07	129,366,155	267,840,606	10,912,805		
Nondepreciable Plant							
INTANGIBLE PLANT	Nondepreciable	123,845.54					
PRODUCTION PLANT	Nondepreciable	2,840.80	(12,396)				
WEAVER PLANT	Fully Accrued	634,495.12	634,495				
TRANSMISSION PLANT	Nondepreciable	37,795.06					
DISTRIBUTION PLANT	Nondepreciable	947,786.19	34,593				
GENERAL PLANT	Nondepreciable	51,798.54	(16,289)				
Total Nondepreciable Plant		1,798,561.25	640,403				
TOTAL GAS PLANT IN SERVICE		399,005,312.32	130,006,558	267,840,606	10,912,805		
Total Gas Plant		399,005,312.32	130,006,558	267,840,606	10,912,805		

* Life Span Procedure was used. Interim Survivor Curves are 70-R1.5 and 65-O1.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

7. Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:
- a. Year installed.
 - b. Original cost – the total surviving cost associated with each installation year from all plant accounts.
 - c. Calculated depreciation reserve – the calculated depreciation reserve associated with each installation year from all plant accounts.
 - d. Depreciated original cost – (Column B minus Column C).
 - e. Total – cumulation year by year of the figures from Column D.
 - f. Column E divided by the total of the figure in Column D.

.....

The information is included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2006" (Exhibit 9, Schedule 1).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION

53.53 I. VALUATION

A. ALL UTILITIES

17. *Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.*

.....

The information requested is included in the report titled "Depreciation Study – Calculated Annual Depreciation Accruals Related to Gas Plant at January 31, 2006" (Exhibit 9, Schedule 1).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53.III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

12. Provide a schedule showing Residential and Commercial Heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve-month periods.

.....

See Page 2 for actual heating retail sales, in Mcf, for the residential and commercial (including public authority) classes for the twelve months ended January 31, 2003, 2004, 2005 and 2006. See Page 3 for degree days (calendar and billing) for the same four-year period.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DIVISION
 RETAIL HEATING SALES
 TWELVE MONTHS ENDED JANUARY 2006, 2005, 2004, 2003
 (Volumes in Mcf)

RETAIL RESIDENTIAL-HEATING (actual)	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
FEBRUARY	3,585,677	4,112,523	4,283,973	3,007,642
MARCH	3,432,723	3,029,396	3,623,334	3,006,115
APRIL	2,298,071	2,393,668	2,267,273	2,442,892
MAY	1,410,959	1,171,705	1,349,229	1,485,913
JUNE	615,725	539,069	780,360	837,128
JULY	334,573	425,404	397,487	400,105
AUGUST	328,794	385,947	386,853	375,175
SEPTEMBER	354,868	427,876	429,141	395,853
OCTOBER	549,328	771,544	954,188	699,601
NOVEMBER	1,273,949	1,384,626	1,469,173	1,836,782
DECEMBER	2,806,086	2,566,615	2,759,194	3,236,122
JANUARY	<u>2,987,723</u>	<u>3,444,879</u>	<u>3,777,072</u>	<u>4,038,859</u>
TOTAL	19,978,476	20,653,252	22,477,277	21,762,187

RETAIL COMMERCIAL-HEATING (actual)	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
FEBRUARY	862,804	997,067	1,035,113	694,222
MARCH	815,991	730,382	870,902	697,434
APRIL	548,797	549,872	522,842	563,281
MAY	305,986	254,446	281,869	311,329
JUNE	122,247	116,756	128,836	172,577
JULY	67,890	89,860	75,742	82,092
AUGUST	77,930	90,610	86,855	80,229
SEPTEMBER	84,260	96,662	94,797	88,623
OCTOBER	122,426	165,657	202,233	148,698
NOVEMBER	283,439	290,626	306,784	383,371
DECEMBER	641,911	564,029	610,334	701,732
JANUARY	<u>726,525</u>	<u>796,850</u>	<u>875,844</u>	<u>938,465</u>
TOTAL	4,660,206	4,742,816	5,092,148	4,862,052

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA DIVISION
 DEGREE DAYS
 TWELVE MONTHS ENDED JANUARY 2006, 2005, 2004, 2003

DEGREE DAYS-CALENDAR MONTH	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
FEBRUARY	1,010	1,105	1,206	866
MARCH	1,064	816	888	879
APRIL	546	529	612	506
MAY	387	186	306	368
JUNE	19	71	69	53
JULY	0	2	4	2
AUGUST	1	34	5	4
SEPTEMBER	31	59	87	45
OCTOBER	349	368	425	444
NOVEMBER	578	620	554	713
DECEMBER	1,121	1,009	943	1,070
JANUARY	847	1,192	1,362	1,365
TOTAL	5,953	5,991	6,461	6,315

DEGREE DAYS-BILLING MONTH	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
FEBRUARY	1,162	1,283	1,310	870
MARCH	1,121	932	1,135	874
APRIL	734	716	699	697
MAY	479	323	412	429
JUNE	170	99	205	204
JULY	9	39	15	.16
AUGUST	0	17	3	4
SEPTEMBER	5	33	22	9
OCTOBER	120	197	250	159
NOVEMBER	429	443	442	570
DECEMBER	963	818	817	985
JANUARY	1,012	1,126	1,161	1,220
TOTAL	6,204	6,026	6,471	6,037

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

19. *Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.*

.....

Page 2 shows the actual growth patterns of throughput sales volumes and number of customers from January 31, 2003 by year through the end of the historic test year and as forecasted by year through January 31, 2009. The index for these ratios is January 31, 2003. It should be noted that the historical volumes used to produce the index shown from January 31, 2003 to January 31, 2006 are actual volumes and are not normalized for weather, whereas the indices for the forecasted years January 31, 2007 to January 31, 2009 are based on projected sales volumes at normal weather.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA RATE JURISDICTION
 GROWTH PATTERNS OF SALES VOLUMES AND NUMBER OF CUSTOMERS
 TWELVE MONTHS ENDED JANUARY

	<u>2003</u>	<u>2004</u>	TEST YEAR ENDED		<u>2007</u>	<u>2008</u>	<u>2009</u>
			<u>2005</u>	<u>2006</u>			
ACTUAL THROUGHPUT (Mcf)							
RESIDENTIAL	100.0	103.3	94.9	91.7	89.4	88.8	88.8
COMMERCIAL	100.0	104.9	99.1	98.9	94.7	96.0	96.0
PUBLIC AUTHORITY	100.0	108.2	104.0	103.2	97.6	99.4	99.4
INDUSTRIAL	100.0	85.2	85.4	86.4	84.3	84.3	84.3
CUSTOMERS (Average)							
RESIDENTIAL	100.0	100.1	99.8	99.4	99.4	99.4	99.4
COMMERCIAL	100.0	100.3	100.5	100.4	100.4	100.4	100.4
PUBLIC AUTHORITY	100.0	102.5	102.7	101.6	101.8	101.8	101.8
INDUSTRIAL	100.0	99.8	98.2	97.0	97.0	97.0	97.0

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

22. Provide supporting data detailing curtailment adjustments, procedures and policies.

.....

No curtailment adjustments have been made to the retail sales volumes for the twelve months ended January 31, 2006 (test year) or the twelve months ending January 31, 2007 (future test year). No curtailments have been imposed since the severe weather conditions of the 1976-1977 heating season.

See pages 2 through 8 of this exhibit for the Natural Gas Emergency Plan policies and procedures of National Fuel Gas Distribution Corporation applicable to the Pennsylvania Rate Jurisdiction. The Company's Natural Gas Emergency Plan can also be located at the Company's website www.nationalfuelgas.com.

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
GAS EMERGENCY PLAN**

National Fuel Gas Distribution Corporation ("Company" or "Distribution") is filing the following Natural Gas Emergency Plan ("Plan") with the Pennsylvania Public Utilities Commission ("Commission"), in accordance with the requirements set forth at 52 Pa. Code § 59.71-59.75, reflecting the Company's unique operational characteristics and design criteria. The Plan contains simplified and understandable rules and regulations so that all of the Company's customers and all natural gas suppliers licensed to provide services to their customers can have a responsive action plan in place to protect themselves and their property in the event of a crisis. The Company's Natural Gas Emergency Plan can also be located at the Company's website www.nationalfuelgas.com. The Company shall file revisions to the Plan when and as appropriate, or as directed by the Commission.

As part of the emergency planning process the Company shall attempt to make every reasonable effort to make contractual or informal arrangements with our transportation customers, sales customers and others to obtain supplies or, as an alternative, to implement usage reductions so that resorting to firm service reductions under § 59.73 Emergency Action can be avoided, or the severity of the supply or capacity disruption can be mitigated. The purpose of these arrangements is to provide a means to minimize the potential of supply shortfalls that threaten public health and safety, and not to make up for inadequate performance by individual parties.

The Company's natural gas emergency plan includes provisions addressing:

(1a) Load Management Actions:

- a) If not already in effect, declare overrun service to be unavailable for all transportation service customers without contractual standby service.
- b) Interrupt all Load Balancing Service retail sales volumes in excess of established customer Billing Demand Units.
- c) Interrupt customer loads categorized as interruptible, whether contractual or by character of service.

(1b) Operational Flow Orders:

- a) During any period in which Distribution determines, in its sole discretion, that its ability to accommodate imbalances is restricted or impaired (i.e. "Critical Period"), or in order to maintain system operational integrity, or to prevent a short-term curtailment, an OFO shall be issued. OFOs are issued when other actions have failed to eliminate reliability concerns. A Critical Period is a period of operational stress or impending potential stress that may impact the integrity of Distribution's system or a force majeure event. Non-compliance with OFOs, in addition to penalties, could lead the system into a curtailment situation. A primary

purpose of an OFO is to keep or restore the system or an affected part of the system into operational balance. Upon request of a Direct Customer or a Natural Gas Supplier (NGS), Distribution shall consider, if time permits, adjustments to deliveries or consumption outside of Daily Demand Quantity (DDQ) levels/tolerances if, in Distribution's sole discretion, such adjustments benefit system operations and are confirmable by Distribution.

b) Distribution will attempt to provide 24 hours notice of an OFO unless circumstances exist which require an immediate response. The OFO notice will note the time of issuance, date and time the OFO takes effect, and estimated duration. The OFO notice will communicate the actions required of Marketers and Direct Customers, the reasons for those actions required, and will provide periodic update(s) to enable parties to continue their planning functions. Such actions as required in the OFO notice will be limited in scope and duration and as localized as possible to meet the required objective.

(2) Voluntary usage reductions:

To the extent possible Distribution will appeal to all gas customers to voluntarily reduce gas usage. The Company has a communications plan containing a series of pre-drafted news releases and a list of media contacts, phone numbers, fax numbers, and e-mail addresses. During a natural gas event information will be developed and disseminated through Distribution's Corporate Communications department. The Company will coordinate with the necessary officials and/or agencies to keep the public apprised of the status and duration of any natural gas event.

The Company will attempt to reach larger commercial and industrial customers by issuing news bulletins, through any means necessary, requesting that nonessential natural gas usage be reduced.

Appeals will also be made to residential and smaller commercial customers, including requests that they turn their thermostats back by (number) degrees and maintain that temperature until further notice. In addition other small, non-residential customers who use natural gas for purposes other than space heating would be encouraged to reduce their natural gas consumption by a minimum of (number) %.

The Company has established a toll free emergency hotline at 1-866-866-5958. Customers may call this number to hear more information on the status of this emergency and updates will be offered frequently as National Fuel continues to monitor conditions and the status of natural gas deliveries on its system. Customers may also refer to the Company's web site at www.nationalfuelgas.com for up to date information.

(3) Mandatory usage reductions:

(a) An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the

Company's operating integrity with respect to Priority 1 customers as defined in subsection (i).

(b) If, in the sole judgement of the Company, there is sufficient time, the Company shall use reasonable business and operational efforts to: interrupt all interruptible services, issue operations flow orders, and call for voluntary usage reductions by all customers before taking action under subsection (c). The Company shall take these three actions sequentially to the extent feasible.

(c) In the event of an emergency as described in subsection (a), the Company may require each commercial and industrial retail and transportation customer that is not a Priority 1 customer under subsection (i) to reduce its consumption of gas.

(1) The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety.

(2) The minimum authorized usage may not be lower than the minimum usage of firm service for plant protection use, provided the customer takes retail service, or if a transportation service customer delivers or causes to be delivered at the city gate the Daily Deliver Quantity (DDQ) for each day of the month, within the appropriate tolerance bands.

(3) When all other service has been curtailed except for Priority 1 service and the Company continues to be unable to meet Priority 1 requirements, the Company shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.

(4) Consistent with the Company's responsibility to maintain system integrity at all times, the Company shall restore service as soon as practicable to any gas-fired electric generation facility that is deemed critical to electric system reliability by the electrical system's control area operator, provided the customer takes retail service, or if a transportation service customer delivers or causes to be delivered at the city gate the Daily Deliver Quantity (DDQ) for each day of the month, within the appropriate tolerance bands.

(d) Mandatory reduction under subsection (c) shall be for a period specified by the Company until further notice. The Company may change a customer's authorized usage, upon notice, at any time during an emergency.

(e) Mandatory reductions under subsection (c) shall be for a maximum duration of 5 business days unless extended by Commission order. As an alternative to extending mandatory reductions under subsection (c), the Commission may order the Company to initiate priority-based curtailments under subsection (f).

(f) In determining whether to order the Company to initiate priority-based curtailments, the Commission will examine whether the Company did the following:

- (1) Interrupted all interruptible services.
- (2) Issued operation flow orders.
- (3) Called for voluntary usage reduction by all customers.

(g) Upon issuance of a Commission order to initiate priority-based curtailments, the Company shall provide all affected customers the maximum notice possible, via telephone, fax or electronic data interchange, specifying the curtailment percentage of the customer's firm gas service and resulting allowances as may be the case.

(h) Upon issuance of a Commission order to initiate priority-based curtailments, the available gas supplies to the Company shall be prorated, if practicable, among its customers according to the following priorities of use:

- (1) Customers in a higher priority category shall not be curtailed until all customers falling into a lower priority category have been restricted to plant protection use levels, unless operational circumstances or physical limitations warrant a different result.
- (2) Where only a partial restriction of a classification is required, implementation shall be prorata, to the extent practical under the circumstances as set forth in the Company's curtailment plan.

(i) Following are the priority categories, listed in descending order, pertaining to the curtailment of firm services:

- (1) Priority 1. Service for essential human needs use.
- (2) Priority 2. Firm services not included in essential human needs use.
 - (2.1) Plant protection gas
 - (2.2) All other consumption not contained in (2.1) above and Priority 1. Service for essential human needs use (excluding plant protection gas).
 - (2.3) Intermediate Volume Industrial Service (IVIS) / Commercial / Public Authority consuming > 12,000 Mcf per year (excluding plant protection gas).
 - (2.4) Large Volume Industrial Service (LVIS), all industrial accounts consuming greater than 50,000 Mcf per year (excluding plant protection gas).

(2.5) Large Industrial Service (LIS), all industrial accounts consuming greater than 200,000 Mcf per year (excluding plant protection gas).

(j) The Company may discontinue service, for the duration of an emergency, to a customer that continues to take gas in violation of § 59.73

(k) *Definitions:*

The following words and terms have the following meanings unless the text clearly indicates otherwise:

(1) Alternate fuel - Any fuel other than natural gas.

(2) Alternate fuel capability - The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.

(3) Commercial use - Gas usage by customers engaged primarily in the sale of goods and services including consumption by office buildings, institutions and government agencies.

(4) Essential human needs - Gas usage in any building where persons normally dwell including residences, apartment houses, dormitories, hotels, hospitals and nursing homes.

(5) Firm service - Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.

(6) Industrial use - Gas usage by customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.

(7) Interruptible service - Natural gas services that can be temporarily discontinued under term and conditions specified by tariff or contract.

(8) Plant protection use - Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility, when the protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.

(9) Residential use - Gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating or other domestic purpose.

(4) Issuance of periodic reports to the media concerning the existing natural gas emergency:

The Company has a communications plan containing a series of pre-drafted news releases and a list of media contacts, phone numbers, fax numbers, and e-mail addresses. During

a natural gas emergency information will be developed and disseminated through Distribution's Corporate Communications department. The Company will coordinate with public officials, regulatory agencies, media, and civil defense in keeping the public advised of the status and duration of a service interruption.

Further, the Company has established a toll free emergency hotline at 1-866-866-5958. Customers may call this number to hear more information on the status of an emergency and updates will be offered frequently as National Fuel continues to monitor conditions and the status of natural gas deliveries on its system. Customers may also refer to the Company's web site at www.nationalfuelgas.com.

(5) Notice to affected customers and natural gas suppliers of the expected initiation of emergency actions under § 59.73:

After the Company determines the appropriate emergency action, the Company shall issue notices to affected customers and their natural gas suppliers (NGSs) as soon as reasonably possible.

- a) Energy Services/Consumer Business notifies large customers via phone, fax and/or e-mail, with a follow-up letter.
- b) Corporate Communications notifies customers through various media outlets.
- c) Transportation Services notifies NGSs via NFG web-site and e-mail lists; reminding them of their obligation to deliver or cause to be delivered at the city gate the Daily Delivered Quantity (DDQ) for each day of the month, for each of their transportation service customers, within the appropriate tolerance bands.
- d) Government Affairs contacts local officials.
- e) Rates & Regulatory Affairs contacts the Commission

(6) Customer and NGS delivery requirements that apply during the term of emergency action under § 59.73, regardless of customer-specific usage reductions that arise or may arise from end-use curtailments:

- a) Transportation Service may be interrupted or curtailed whenever the Company invokes emergency action provisions as set forth in this Gas Emergency Plan.
- b) Transportation Service Customers must deliver or cause to be delivered at the city gate the Daily Delivery Quantity (DDQ) for each day of the month, within the appropriate tolerance bands.
- c) *In the event of interruption or curtailment of Transportation Service and during such period of interruption or curtailment, the Transportation Service Customer must sell to the Company all or a portion of the Customer's supply of gas at the higher of: the city*

gate cost of the appropriated natural gas, including transportation charges up to the Company's city gate, or the reasonable cost actually paid by the customer for delivered substitute energy, as documented to the Company.

(7) A procedure for focusing emergency measures to confined geographic or operational portions, segments or zones of the Distribution system where a natural gas emergency exists:

After the Company has defined the geographic or operational segment(s) or zone(s) of the system where a natural gas emergency exists, and an assessment has been made of the natural gas emergency, then that particular event will be coordinated between the Company's gas supply, transportation and operations areas (Emergency Response Team).

The Emergency Response Team, based on the Company's definition of the geographic or operational segment(s) or zone(s) of the system where a natural gas emergency exists, and an assessment has been made of the natural gas emergency, will implement the necessary actions required to restore the system to normal operations.

(8) Procedures for establishing communications with the electric system control area operators, when the Company provides gas service to electric generation stations:

a) Electrical system control area operator(s) shall be notified via telephone, fax and/or EDI upon curtailment of gas service to a gas-fired electric generation facility without alternate fuel capability.

b) If a curtailed gas-fired electric generator is deemed critical to electric system reliability by the electric system control operator and does not have alternate fuel capability, gas service shall be restored as soon as practicable provided that gas system integrity can be maintained. Also provided the customer takes retail service, or if a transportation service customer delivers or causes to be delivered at the city gate the Daily Deliver Quantity (DDQ) for each day of the month, within the appropriate tolerance bands.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

38. Identify Company's policy with respect to replacing customers lost through attrition.

.....

Rules and regulations regarding replacement customers, as well as new customers, are detailed on pages 10 through 26 of Tariff Gas - Pa. P.U.C. No. 9 and are reproduced on pages 2 through 21 of this exhibit.

39. Identify procedures developed to govern relationships between the respondent and potential customers; i.e. basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.

.....

Rules and regulations regarding attachment of new customers and ownership of service lines, service connections and meters are defined on pages 10 through 26 of Tariff Gas - Pa. P.U.C. No. 9 and are reproduced on pages 2 through 21 of this exhibit.

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DISTRIBUTION CORPORATION

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First Revised Page No. 10
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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED

1. RULES AND REGULATIONS

The customer's application for service, the Pennsylvania Public Utility Code and the rules and regulations promulgated by the Pennsylvania Public Utility Commission, as amended from time to time, and the rules and regulations contained herein are a part of the contract with each Customer, and each Customer agrees to be bound thereby. (C)

2. APPLICATIONS FOR SERVICE

The Company may require any applicant for service to sign an application. Regardless of the manner in which an application is made, the acceptance of such application by the Company shall result in a contract service governed by Rule 1. (C)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES

A. Maximum Company Investment Level

The Company investment for upgrade/extension of facilities for a firm gas customer shall be limited to an amount determined as follows:

$$\text{Maximum Company Investment} = \frac{\text{Additional Annual Revenues} \times \text{Justified Company Investment per Dollar of Additional Annual Revenue}}{\text{Dollar of Additional Annual Revenue}}$$

B. Determination of Additional Annual Revenues

The Additional Annual Revenues are calculated as follows:

(1) The Company will estimate the customer's projected firm annual volumes as follows:

(a) Residential

For guideline purposes, the Company shall use annual gas consumption figures for gas space heating and for various gas appliances as shown below (These figures are based on current insulation standards as well as 80% efficient furnaces):

(C) Indicates Change

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES
(Cont'd)

Gas Space Heating:

Single Family Home - [(square footage x .032) + 11] Mcf

Apartment - [(square footage x .029) + 8] Mcf

Mobile Home - [(square footage x .029) + 37] Mcf

Gas Appliances:

Gas Water Heater - 25 Mcf

Gas Dryer - 4 Mcf

Gas Range - 6 Mcf

(D)

(D)

(I)

(b) Commercial or Public Authority: Industrial

The Company shall estimate projected firm annual volumes on a case-by-case basis.

(2) This annual volume is then distributed into 12 monthly amounts based on an average distribution in the appropriate revenue classification. (Alternatively, the customer's annual usage estimate may be distributed according to his own historic or projected monthly load profile pursuant to the Company's review and approval.)

(3) The appropriate rate schedule is applied to each monthly volume, and the results are added to produce annual gross revenues.

(4) For each monthly volume, the summation of the following costs shall be determined: (a) the portion of monthly gross revenues for recovery of purchased gas costs pursuant to applicable provisions of Rider A to this tariff and the applicable rate schedule; (b) Transition costs pursuant to applicable provision of Rider D to this tariff and the applicable rate schedule.

The portion of monthly gross revenues for recovery of Purchased Gas Costs and Transition Costs for each month shall be added together to produce annual revenues for recovery of Purchased Gas Costs and Transition Costs.

(5) The amount calculated under item (4) above, shall be subtracted from the amount calculated under item (3) above.

(6) Additional annual revenues resulting from the upgrade/extension shall be determined by reducing the annual revenues for recovery of non-gas costs as calculated in (5) above, by the customer's currently generated annual revenues for recovery of non-gas costs, if any, as determined by the Company.

(D) Indicates Decrease
(I) Indicates Increase

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES
 (Cont'd)

C. Determination of Justified Company Investment Per Dollar of
 Additional Annual Revenue

(1) Residential

The Justified Company Investment Per Dollar of Additional Annual
 Revenue for residential customers is \$4.81. (D)

(2) Commercial and Public Authority; Industrial

The Justified Company Investment Per Dollar of Additional Annual
 Revenue for commercial, public authority or industrial customers shall be
 selected from the table below based upon the projected term of use by the
 customer of the new or upgraded facilities.

<u>Projected Term of Use of New/Upgraded Facilities (Years)</u>	<u>Justified Company Investment Per Dollar of Additional Annual Revenue</u>
1	\$.49
2	.94
3	1.34
4	1.72
5	2.06
6	2.38
7	2.67
8	2.93
9	3.17
10	3.39
Greater than 10	4.81

(D)

Because the term of use has a substantial effect on the determination of
 the Justified Company Investment Per Dollar of Additional Annual Revenue, the
 Company may require a letter of intent from commercial, public authority and
 industrial customers projecting the term of use of the new or upgraded
 extension of facilities being requested.

The Company reserves the right to require a guaranteed revenue contract
 if the customer projects a term of use of the new or upgraded facilities in
 excess of 10 years or if the customer does not demonstrate that the customer's
 term of use is reasonable.

(D) Indicates Decrease

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

3. DETERMINATION OF COMPANY INVESTMENT FOR UPGRADE/EXTENSION OF FACILITIES
(Cont'd)

Additionally, the Company reserves the right to require a guaranteed revenue contract from a commercial, public authority or industrial customer if any of the following conditions exist:

(1) The investment is for a dual fuel or partially dual fueled facility;

(2) The Company determines that a customer's financial status does not demonstrate that the customer will be able to pay bills for the projected term of use of the facilities; or

(3) The actual investment by the Company is greater than \$50,000.

(3) Recomputation

The Company may recompute, modify, alter or amend the foregoing Justified Company Investment Per Dollar of Additional Annual Revenue amounts as the Company may deem necessary or convenient in the conduct of its business, provided, however, that such recomputation, modification, alteration or amendment shall not become effective unless and until included in this tariff.

|
(C)
|

D. Application of Maximum Company Investment

The Maximum Company Investment as determined above shall be applied, first, to the installed meter cost, if any, and then will be applied towards any mainline and/or service line extension, service connection, and/or the upgrade of any of the Company's facilities to accommodate increased volumes of sales or transportation. However, if the Maximum Company Investment is less than the installed meter cost, Company will provide and install the meter at no cost to the Customer.

(C) Indicates Change

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DISTRIBUTION CORPORATION

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES

A. Residential

Whenever the owner or occupant of any property eligible for service as a residential customer makes a written application for service to the Company, and the Company has authority to render service to said applicant, the Company shall extend its facilities so as to serve said property or new residential development, provided that the applicant shall first have executed an agreement to pay to the company the rate charged under the appropriate service classification and to contribute to the cost of extending facilities, an amount equal to the difference between the total cost of construction of facilities less the Company's Maximum Investment (as calculated in Rule No. 3, above).

Income taxes, if any, paid with respect to the Contribution will be recorded in a deferred account and such taxes, less the income tax effect of depreciation received with respect to the property constructed with the Contribution, will be included in the Company's rate base in subsequent rate case proceedings.

B. Commercial or Public Authority; Industrial

Whenever the owner or occupant of any property eligible for service as a Commercial or Public Authority customer, or as an Industrial customer, makes a written application for service to the Company, and the Company has authority to render service to said applicant, the Company shall extend its system so as to serve said property, provided said applicant shall first have executed an agreement to pay to the Company the rates charged under the appropriate service classification and to contribute to the cost of extending facilities, an amount equal to the difference between the total cost of construction of facilities less the Company's Maximum Investment (as calculated in Rule No. 3, above).

Income taxes, if any, paid with respect to the Contribution will be recorded in a deferred account and such taxes, less the income tax effect of depreciation received with respect to the property constructed with the Contribution, will be included in the Company's rate base in subsequent rate case proceedings.

The Company's Maximum Investment for Commercial or Public Authority and Industrial customers shall equal the Maximum Company Investment as calculated in Rule No. 3 above; provided, however, that, in the event that the Company reasonably believes that the Company's installation of facilities will be completed substantially in advance of date that the Customer's use will equal projected annual volumes used to calculate the Maximum Company Investment as calculated in Rule No. 3 above, the Company may discount the Maximum Company

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

Investment as calculated in Rule No. 3 above to present value based upon the Company's most recent Commission-approved fair rate of return. (C)

C. Developer/Builder - Residential

Whenever the Developer/Builder of a residential property eligible for service makes a written application for service to the Company, and the Company has authority to render service to the property to be developed, the Company shall extend its system to serve said property, provided that, if the cost to extend the facilities exceeds the Maximum Company Investment, as calculated below, the Developer/Builder shall have entered into an agreement to contribute to the cost of extending facilities. (C)

The Maximum Company Investment for extensions involving a Developer/Builder shall be calculated as follows:

(1) The Developer/Builder shall provide a reasonable schedule of unit completion within the property to be developed;

(2) The Maximum Company Investment shall be calculated (as provided in Section 3) separately based on the number of units scheduled to be completed:

(a) within twelve months from the date of the estimated completion of construction of the new facilities; and

(b) during each successive twelve month period following the date of the estimated completion of construction of the new facilities.

(3) For all units not scheduled for completion within twelve months from the estimated date of completion of the construction of the new facilities, the Maximum Company Investment, as calculated above, shall be discounted to present value at the projected date of the completion of Company installed facilities using the Company's most recent Commission-approved fair rate of return.

(4) The sum of the discounted Maximum Company Investment for units to be installed more than twelve months after construction of Company facilities and the Maximum Company Investment for units scheduled for completion within twelve months of the estimated date of completion of construction of Company facilities shall equal the total Maximum Company Investment for the extension.

(C) Indicates Change

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

The Developer/Builder shall contribute to the cost of extending facilities, an amount equal to the difference between the total cost of construction of facilities less the Maximum Company Investment (as calculated above).

Income taxes, if any, paid with respect to the Contribution will be recorded in a deferred account and such taxes, less the income tax effect of depreciation received with respect to the property constructed with the Contribution, will be included in the Company's rate base in subsequent rate case proceedings.

In the event that the Developer/Builder does not achieve the projected annual completion rate, the Maximum Company Investment and the amount to be contributed will be recalculated, in the same manner stated above, based upon actual units completed. If the recalculated amount to be contributed is greater than the previously calculated amount to be contributed, the Developer/Builder will be required to pay such difference to the Company; provided, however, that no amount will be required to be paid if the recalculated amount to be contributed exceeds the Company's actual cost of construction less the recalculated Maximum Company Investment.

C1. Developer/Builder Commercial or Industrial

Whenever the Developer/Builder of a commercial or industrial property eligible for service makes a written application for service to the Company, and the Company has authority to render service to the property to be developed, the Company shall extend its system to serve said property, provided that, if the cost to extend the facilities exceeds the Maximum Company Investment, as calculated below, the Developer/Builder shall have entered into an agreement to contribute to the cost of extending facilities.

The Maximum Company Investment for extensions involving a Developer/Builder shall be calculated as follows:

(1) The Developer/Builder shall provide a reasonable schedule of customer attachments and projected additional annual revenues from volumes to be transported by or purchased from the Company and consumed by the attaching customers;

(2) The Maximum Company Investment shall be calculated (as provided in Section 3) separately based on the historical and projected additional annual revenues from volumes to be transported by or purchased from the Company and consumed by the attaching customers: (C)

(a) within twelve months from the date of the estimated completion of construction of the new facilities; and

(b) during each successive twelve month period following the date of the estimated completion of construction of the new facilities.

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

(3) For all customer attachments not scheduled for completion within twelve months from the estimated date of completion of the construction of the new facilities, the Maximum Company Investment, as calculated above, shall be discounted to present value at the projected date of the completion of Company installed facilities using the Company's most recent Commission-approved fair rate of return. (C)

(4) The sum of the discounted Maximum Company Investment for customers to be attached more than twelve months after construction of Company facilities and the Maximum Company Investment for customer attachments scheduled for completion within twelve months of the estimated date of completion of construction of Company facilities shall equal the total Maximum Company Investment for the extension.

(C) Indicates Change

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

The Developer/Builder shall contribute to the cost of extending facilities, an amount equal to the difference between the total cost of construction of facilities less the Maximum Company Investment (as calculated above).

Income taxes, if any, paid with respect to the Contribution will be recorded in a deferred account and such taxes, less the income tax effect of depreciation received with respect to the property constructed with the Contribution, will be included in the Company's rate base in subsequent rate case proceedings.

In the event that the Developer/Builder does not achieve the projected annual completion rate, the Maximum Company Investment and the amount to be contributed will be recalculated, in the same manner stated above, based upon actual additional annual revenues from volumes transported by or purchased from the Company and consumed by the attaching customers during the 60-month period following completion of the extension and the projected additional annual revenues from volumes to be transported by or purchased from the Company and consumed by the customers attached as of the last day of such 60-month period. If the recalculated amount to be contributed is greater than the previously calculated amount to be contributed, the Developer/Builder will be required to pay such difference to the Company; provided, however, that no amount will be required to be paid if the recalculated amount to be contributed exceeds the Company's actual cost of construction less the recalculated Maximum Company Investment.

D. Upgrade

The Company's investment for the upgrade of facilities shall be subject to the formula described in Rule No. 3. An upgrade is required when the customer needs dictate increasing or changing the current service line, main line or meter size for the increased volume or pressure requirements.

E. Advance Payment and Construction

Construction of any extension will not be undertaken until the amount of the applicant's contribution has been paid to the Company by the applicant. The actual construction of the extension shall be scheduled at the Company's discretion.

(C) Indicates Change

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

4. UPGRADE/EXTENSION OF FACILITIES (Cont'd)

F. Refunds of Customer Investment

Any customer attaching to a facility extended/upgraded within five (5) years of completion thereof will be required to contribute to the cost of the extension/upgrade in accordance with Rules 3 and 4. In the event a new customer attaches to an extension/upgrade of the Company's facilities paid for by a customer or a developer/builder, within five (5) years of the date of completion thereof, a pro rata refund will be made to customers or developer/builder who were charged for such extension. An annual review of such extensions is made on the anniversary date of completion thereof, during said five (5) years, and any refunds due are made at that time except for extensions for a developer/builder of commercial or industrial property which shall be reviewed at the end of year five (5) and any refunds due will be made at that time. No refunds will be paid for attachments occurring more than five (5) years after the completion date and in no case will the aggregate amount of refunds to a customer or developer/builder exceed the amount which the customer or developer/builder paid for the mainline extension/upgrade.

5. MAINTENANCE OF FACILITIES

After initial installation of facilities has been made, pursuant to Rule Nos. 3 and 4, above, all facilities including mains, customer service lines (i.e., the portion of the service line from the outlet of the Company's service stop cock to the inlet of the meter) and Company service lines (i.e., the portion of the service line from the gas main to and including the curb box and service stop cock), shall be maintained, replaced or renewed, as required, at the expense of the Company.

5A. SPECIAL UTILITY SERVICES

The provisions of Rules 3 and 4 do not apply to applications for special utility service. "Special utility service" shall include (a) a request for utility service when the applicant has an installed alternative fuel capability, including service from a natural gas well; (b) a request for utility service when the applicant is already receiving natural gas service from another Pennsylvania public utility; (c) a request for utility service from an applicant located in an area in which another natural gas utility is authorized to serve the applicant; (d) a request for utility service by an applicant who was the owner or ratepayer of record for the premises at the time the Company last provided service to the premises; (e) any request for service by an applicant who, in the Company's view, is unlikely to remain on the Company's system for a sufficient period of time to justify the extension. Applications for special utility service shall be resolved on a case-by-case basis through negotiations between the applicant and the company.

(C) Indicates Change

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DISTRIBUTION CORPORATION

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

6. METERS

Gas delivered to customers from services attached to distribution lines shall be measured by meters to be furnished, installed and owned by the Company.

If, at any time after the installation of a meter, conditions are changed so that its location becomes unsuitable, the Company shall have the right to move the meter to a suitable place at the expense of the customer or property owner.

The cost of changes in location of meters made at the request of the property owner shall be borne by the owner. The customer shall not tamper with the meter and shall permit no one except employees of the Company to connect or disconnect the meter.

The customer shall be responsible to the Company for any injury to, or loss of, any meter arising out of or caused by the customer's negligence or carelessness, or that of his servants, employees, members of his household, or any person upon his premises under or by his consent, or sufferance. The customer shall at once notify the Company of any injury to, or any cessation in registration of, the meter as soon as it comes to his knowledge.

The Company, in its sole discretion, may install, together with its meter, an automated meter reading device ("AMD"), which can communicate automatically data from the meter to the Company by use of the telephone system. Customer shall provide the Company a suitable location for installation of an AMD, and the customer shall permit the Company to connect the AMD to the customer's existing telephone inside wiring. The customer shall not be required to install or modify telephone inside wiring or to subscribe to public utility telephone service in order to receive service from the Company.

The Company shall provide at least 72 hours' notice of the installation of an AMD at the customer's premises. The Company will not install an AMD at a customer's premises unless the AMD is designed to relinquish control of the customer's telephone line when the customer's telephone equipment is activated. If an AMD installed by the Company fails to relinquish control of a customer's telephone line when the customer's telephone equipment is activated, then such AMD will be replaced or repaired by the Company at the Company's expense. The Company will not install any AMD capable of transmitting voice communications unless specific permission is obtained from the Commission prior to installation.

If a Customer of the Company is billed by a telephone public utility specific charges for usage of telephone service (toll charges or local message unit charges) or charges for maintenance services that were caused by the Company's installation or use of AMDs, then the Company will reimburse the Customer for such charges.

NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Gas - Pa. P.U.C. No. 9
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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

7. CUSTOMER'S PIPING AND EQUIPMENT

Prior to the installation of house piping by the customer in new or altered premises, inquiry shall be made of the Company to determine the requirements, sizes of pipe, quality and other specifications.

House lines, piping, connections and appliances are subject to inspection by the Company and no gas will be delivered unless all conditions are satisfactory.

The Company gives no warranty, expressed or implied, as to the adequacy or safety of any structure, equipment, piping, appliance or device owned, installed, leased or maintained by or for the customer or the owner of the premises served.

8. ACCESS TO PREMISES

The authorized agents of the Company shall, at all reasonable times, have free access to any premises supplied with gas or to which a service connection has been made, for the purpose of reading, inspecting, repairing or removing meters, piping, or other appliances therein belonging to the Company and of inspecting the piping and appliances belonging to the customer.

Every industrial customer shall permit the Company, during business hours and upon reasonable notice, to inspect the customer's facilities so that the Company may determine whether facilities have been installed which would enable the customer to obtain volumes of gas without using the Company's system ("Bypass Facilities"). If a customer refuses to permit the Company to inspect the customer's facilities, it shall be presumed that Bypass Facilities have been installed.

9. INTERRUPTION OF SERVICE

In accordance with the Public Utility Code, the Company will provide service which shall be reasonably continuous and without unreasonable interruptions or delay. The Company shall not be liable, in any amount, for damages, direct or consequential, where service meets requirements of the Public Utility Code. This limitation of liability, however, shall not apply to Company conduct which is found to be willful, wanton or reckless. If the Company shall know, in advance, of an expected interruption of service, the Company will take all reasonable steps, such as personal contact, phone contact or the use of mass media, to notify affected customers of the cause and expected duration of the interruption.

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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

10. LEAKS

The responsibility for detecting leaks or defects in piping between the Company's service connection and the point of consumption shall be upon the customer. The customer shall give immediate notice to the Company of inadequate, irregular or failing gas supply, leakage, abnormally high or low pressures, or any dangerous conditions.

Should any leak or defect be discovered in the mains, service connections, customer's service line, piping, or appliances, the Company shall have the right to shut off the supply of gas until satisfactory repairs have been made.

11. REFUSAL OR TERMINATION OF SERVICE

The Company may decline to serve an applicant (1) until he has complied with state and municipal regulations governing gas service and the approved Rules and Regulations of the Company contained in this Tariff and any supplement thereto, (2) if the Company does not have adequate facilities to render the service desired or if rendering such service would affect unfavorably service to other customers, (3) if in the Company's judgment, the applicant's installation of piping or gas equipment is regarded as hazardous or of such character that satisfactory service cannot be given, (4) if an extension of street main is required beyond length warranted by anticipated revenues, and the customer refuses to pay the charges required by Rule 3 of this Tariff, (5) until all amounts due for regulated service at a previous location have been paid or covered by a payment agreement (unless the amount owed is more than four years after the date of the final bill, in which case service cannot be refused), (6) or where the service proposed is from a production or transmission pipeline (see Rule 25).

The Company may terminate service for nonpayment of a billing or billings for regulated services, and such termination of service shall be in accordance with general regulations of the Pennsylvania Public Utility Commission applicable thereto and in accordance with the Pennsylvania Public Utility Code. (C)

The Company may not threaten termination of service for nonpayment of unregulated Natural Gas Supplier charges incurred by the customer from qualified Suppliers under Rate Schedule SATS even if the Company purchases receivables from the Supplier.

The Company may terminate service for such reasons and on such notice as specified by the regulations of the Pennsylvania Public Utility Commission, the Pennsylvania Public Utility Code, or for other violation of these Rules and Regulations. (C)

The Company may refuse to serve any applicant, or may terminate service to any customer who fails to pay a security deposit for regulated services or who fails to provide the Company with security in lieu of a deposit as provided for in this Tariff.

(C) Indicates Change

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DISTRIBUTION CORPORATION

Supplement No. 54 to
Gas - Pa. P.U.C. No. 9
Third Revised Page No. 21
Cancelling Second Revised Page No. 21

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

12. RECONNECTION OF SERVICE

When the supply of gas to any customer is turned off due to the customer's failure to pay for regulated service, for any other infraction of these Rules and Regulations or at the customer's request, and if there has been no change in ownership or occupancy of the premises served, the supply of gas will not be turned on until the customer or applicant has paid a reconnection fee of \$69.00. The Company will reconnect a residential customer or applicant's gas service in accordance with the general regulations of the Pennsylvania Public Utility Commission applicable thereto and in accordance with the Pennsylvania Public Utility Code. If the supply of gas was turned off due to a non-residential customer's failure to pay for regulated service and if the former customer reapplies for service or if a court, district justice or administrative agency has determined that the applicant is legally obligated to pay for the service previously furnished, the supply of gas will not be turned on until the non-residential customer or applicant has paid all outstanding bills for service.

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The reconnection of service cannot be denied for the nonpayment of Natural Gas Supplier charges billed to the customer for services rendered by Rate Schedule SATS Suppliers.

13. DISCONTINUANCE NOTICE BY CUSTOMER

Any customer who is about to vacate any premise supplied with gas, or who for any reason wishes to have service discontinued, shall give at least seven days' notice to the utility specifying the date on which it is desired that service be discontinued. The customer who fails to give proper notice shall be liable for all gas which passes through the meter, until: the account is terminated; another party occupies the premises and agrees to assume responsibility for gas service; or, the customer notifies the Company or the Company learns that he has or will vacate the premises, in which case he shall be responsible for gas used for the period, not to exceed seven days, before the Company is able to discontinue service.

14. GAS DELIVERED UNDER HIGH PRESSURE

The rates contained in this tariff are based upon gas delivered under conditions generally applicable to low pressure service (four ounce base). Bills for gas metered under high pressure will be computed upon the volume as indicated by the meter registration increased to the equivalent volume at standard pressure.

15. BILLING

Bills will be rendered and will be payable once each month. The Company may read any meter once each month but ordinarily it will read meters of domestic and commercial customers once each two months. As to any customer whose meter is read once each two months, the consumption for the first month of each bimonthly meter reading period shall be determined by calculation on the basis of the customer's previous usage adjusted for weather conditions; and the consumption for the second month of each bimonthly meter period shall be determined by subtracting the first month's calculated consumption from

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DISTRIBUTION CORPORATION

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Gas - Pa. P.U.C. No. 9
First Revised Page No. 22
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RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

15. BILLING (Cont'd)

the total actual consumption for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the consumption, determined as aforesaid, the applicable rates and charges contained in this tariff.

Upon request the Company will supply any customer with a card form upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period; and if such card is received by the Company within two days after the close of such month, the bill for such month will be computed from the meter reading shown on the card instead of by calculation. The Company will adjust calculations of bills for changes in conditions of which it has been notified in advance by a customer.

If the meter reader in any month is unable to gain access to the premises for the purpose of reading the meter, a calculated bill will be rendered and adjustments, if any, will be made by the Company when the meter is read.

In those instances where the Company's agent or representative is unable to gain access to the customer's premises during the regular scheduled working hours to obtain a meter reading, the number of calculated readings shall be limited to six consecutive months, and the customer's service, thereafter, is subject to termination, after due notice.

The late payment date specified on the monthly bill is not less than fifteen days from date the bill is mailed except that, for service under, or billed in conjunction with, residential rate schedules, the late payment date is not less than twenty days from the date the bill is mailed.

At the time the Company receives a notice to transfer service from one customer to another, the Company will provide customers with the option to either have the Company read the meter or to have the disconnecting and reconnecting customer read the meter. The Company will read the meter if the two customer readings are significantly different. The Company will inform the customers that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to estimate a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

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(C) Indicates Change

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DISTRIBUTION CORPORATION

Supplement No. 20 to
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Original Page No. 22A

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

16. PENALTY CHARGES

If the customer fails to pay his gas bill by the late payment date, a penalty will be charged. Payments received by mail will be considered paid on the date of the postmark.

Where a customer receives gas natural gas supply service from a qualified Supplier under Rate Schedule SATS, late payment charges will be applied to the Supplier charges only if the customer has agreed to pay Supplier late payment charges. Otherwise, late payment charges will be based only on the distribution and natural gas supply charges of the Company.

The penalty charged to all customers shall be 1.50% on the full unpaid and overdue balance.

17. BILLING PERIOD

Bills will be mailed monthly to residential customers for service furnished during the preceding meter-reading period at least twenty (20) days prior to the expiration of the late payment date as shown on the bill.

Bills will be mailed monthly to Commercial, Public Authority, Industrial and Large Industrial customers for service furnished during the preceding meter reading period at least fifteen (15) days prior to the expiration of the late payment date as shown on the bill.

Voluntarily Suspended to June 1, 2003

Issued: January 8, 2003

Effective: ~~March 9, 2003~~

NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 36 to
Gas Pa. P.U.C. No. 9
Second Revised Page No. 23
Cancelling Original and First Revised Page No. 23

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont')

18. BALANCED BILLING PLAN

The company has available a budget payment plan for Residential, Commercial, and Public Authority customers. The budget payment plan is available for all qualifying Company regulated services and for services provided to the customer by qualified Suppliers under Rate Schedule SATS where the Company provides billing service for the Supplier. At the request of any Residential, Commercial or Public Authority customer who uses gas as the primary source for space heating and who satisfies the company's credit standards, monthly payments for such customers may be made as follows:

Monthly payments shall be based on an amount equivalent to 1/12th of the customer's estimated annual bill rounded to the next higher dollar amount.

If a debit balance has accrued as of the 12th cycle month of this plan, the customer may either incorporate it all in the 12th cycle month's payment or at the company's discretion, spread all or part of the debit in equal monthly installments over the next cycle year. If the credit balance is accrued, the customer shall have the option of either receiving a cash refund, having it applied against the current bill, or having it used to reduce the monthly installments in the next cycle year. Absent an indication from the customer of his preference, the debit or credit will be applied to the first monthly installment in the ensuing year.

19. SEASONAL SERVICE

Service to Residential, Commercial, Public Authority, and Industrial premises occupied seasonally will be supplied at the rates and minimum charges of the applicable rate schedule.

20. SUPPLYING OF GAS SUPPLIES TO OTHER CUSTOMERS

No branch, valve or fixture which would permit gas to be withdrawn without registering on the meter shall be connected to a customer service line (*i.e.*, the portion of the service line from the outlet of the Company's service stop cock to the inlet of the meter).

No extension of facilities, including the customer service line and facilities connected thereto and extending into a customer's premises, may be used to provide gas service at any additional or different premises. As used herein, a premises is defined as a single building; or the several buildings of a housing development under one ownership within a single parcel of land not intersected by a public highway or city street; or the several buildings of a religious, charitable, educational, or benevolent corporation if used exclusively for such purposes, if situated on adjoining properties even if intersected by a public highway or city street; or an industrial plant if situated on adjoining properties even though intersected by a public highway or a city street.

21. CONJUNCTIVE BILLING

The Company's rates are based upon gas supply through a single delivery point, as measured by one meter. Separate supply for the same customer at other points of delivery or through more than one meter shall be billed separately. However, the Company may, when engineering or operational conditions warrant, or to improve service, install two or more meters on the

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Gas - Pa. P.U.C. No. 9
Fourth Revised Page No. 24
Cancelling Third Revised Page No. 24

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

21. CONJUNCTIVE BILLING (Cont'd)

same premises to service a single customer, in which event the consumption registered by such meters may be consolidated and the rates under which service is taken applied to the total consumption. The term "same premises" means a single building; or the several buildings under one ownership within a single parcel of land not intersected by a public highway or city street; provided, however, that the Company, in its sole discretion, may permit conjunctive billing at premises not conforming to the above definition of "same premises" if it is reasonably necessary to do so to meet competition from another supplier of energy, including gas.

An established conjunctive billing arrangement shall be permitted to continue so long as the customer remains at the premises presently served. The conjunctive billing arrangement shall neither be expanded to the customer's newly-acquired premises, nor transferred in whole or in part to different premises, nor continued at the same premises for different customers, unless, in the Company's sole discretion, it is reasonable to expand, transfer or continue the conjunctive billing arrangement.

22. ADJUSTMENT OF BILLS FOR METER ERROR

Charges to customers will be adjusted for fast, slow and nonregistering meters, as per Section 59.22 of the regulations of the Pennsylvania Public Utility Commission for Gas Service, 52 Pa. Code Paragraph 59.22.

23. METER TEST ON REQUEST OF CUSTOMER

Meters which are not due for periodic tests will be tested for accuracy as per Section 59.21 of the regulations of the Pennsylvania Public Utility Commission for Gas Service, 52 Pa. Code Paragraph 59.21, upon written request by the customer and payment to the Company of a deposit in the amount specified by said regulations.

24. RULES FOR SECURING DEPOSITS

The Company may require customers to provide deposits for services. The Company may not deny the customer regulated services based on the customer's failure to provide deposits for unregulated services.

Deposits may be required from customers taking service for a period of less than thirty days in an amount equal to the estimated bill for such temporary period.

Deposits may be required from Commercial or Industrial customers but shall not exceed the amount equal to the sum of amounts computed by applying the applicable sales rate schedule to the volumes of gas transported by or purchased from the Company, and consumed by the customer during the two, of the most recent twelve months of greatest usage by the Customer. In lieu of actual experience, the determination will be based on an estimate considering all relevant information and data.

Deposits may be required from Residential customers in accordance with (C)
the Pennsylvania Public utility Code and the Rules and Regulations of the (C)
Pennsylvania Public Utility Commission.

(C) Indicates Change

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DISTRIBUTION CORPORATION

Supplement No. 54 to
Gas - Pa. P.U.C. No. 9
First Revised Page No. 25
Cancelling Original Page No. 25

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES SERVED (Cont'd)

24. RULES FOR SECURING DEPOSITS (Cont'd)

Security, in the form of a cash deposit, letter of credit, surety bond, or third-party guarantee, will be required from the applicants for Non-residential service unless: A) the premises to which gas service is to be supplied is a branch of, or additional facility operated by, financially responsible, enterprise which will be the ratepayer of record with respect to gas bills incurred at the premises; or, B) in the case of a premises not covered by "A" above, the Company determines, through relevant Company records covering past direct dealings with the applicant over a period of at least one year, that a deposit is not necessary. Security, in the form of a cash deposit, letter of credit, surety bond, or third-party guarantee, will be required from existing Non-residential customers where the Company determines that the customer's credit standing warrants concern as to its continuing ability to pay. In evaluating a customer's credit standing, the Company will take into account certain factors, including, but not limited to, the following: i) average monthly consumption; ii) average monthly bill; iii) payment history during the immediately preceding twelve month period; iv) customer's general credit standing as evaluated by any available applicable credit rating indices or rating services; v) customer's payment history and credit standing with other lenders or providers of utility and other services.

Until returned or credited, interest will accrue on Residential deposits at the legal rate of interest pursuant to section 202 of the Act of January 30, 1974 (P.L.13, No. 6) referred to as the Loan Interest and Protection Law. Interest accrued on Residential deposits will either be applied, together with the deposit, to any outstanding balance for service or will be paid at the time the deposit is returned. Interest will be paid on non-residential deposits at the rate of six percent (6%) per annum without deductions for any taxes thereon. Upon non-residential deposits held for more than a year, the Company shall pay to the patron, at the end of each calendar year, the interest accrued thereon.

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25. CUSTOMERS SERVED THROUGH SERVICE CONNECTIONS ATTACHED TO FACILITIES OTHER THAN DISTRIBUTION SYSTEM LINES

Service from a line outside the Company's low pressure and medium pressure distribution systems will not be furnished unless such line is at that time being operated in a manner which will permit gas to be served to the applicant without interference with its operation. The furnishing of such service will be with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that such service is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair or change the use or manner of operating said line after having first canceled the service contract by thirty days' written notice to the customer.

(C) Indicates Change

NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 13 to
Gas - Pa. P.U. C. No. 9
First Revised Page No. 26
Cancelling Original Page No. 26

RULES AND REGULATIONS APPLYING TO ALL TERRITORIES (Cont'd)

25. CUSTOMERS SERVED THROUGH SERVICE CONNECTIONS ATTACHED TO FACILITIES
OTHER THAN DISTRIBUTION SYSTEM LINES (Cont'd)

The customer assumes sole responsibility, financially and otherwise for obtaining alternative sources of fuel in the event that customer's service is interrupted or discontinued permanently or temporarily, as described in the preceding paragraph.

The Company has the right to cancel the service contract for any such reason or in accordance with any other published rule or regulation of the Company, and, during the term of the contract, the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines or other causes or for any claim for damages on account of any matters set forth in this paragraph.

All materials used in connecting the meter and regulators from the outlet of the Company's service stop cock to the outlet of the meter, and including the box or structure housing the meter and regulators, shall be furnished and installed by the Company at the expense of the customer. The meter and regulators shall belong to the Company and will be installed as near to the Company's lines as is practicable.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 IV. RATE STRUCTURE
B. GAS UTILITIES

4. Provide an exhibit for each customer classification showing the following data for the Test Year and the four previous years.
- a. The maximum coincident peak day demand.
 - b. The maximum coincident three-day peak day demand.
 - c. The average monthly consumption in Mcf during the primary heating season (November - March).
 - d. The average monthly consumption in Mcf during the non-heating season (April - October).
 - e. The average daily consumption in Mcf for each twelve-month period.

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Refer to the schedules on the following pages:

a and b - See Page 2.

c, d, and e - See Pages 3 through 5.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA RATE JURISDICTION

MAXIMUM COINCIDENT PEAK DAY/THREE-DAY COINCIDENT PEAK DAY
 THROUGHPUT DATA (RETAIL SALES AND TRANSPORTATION SERVICE)
 VOLUMES IN MCF

THREE-DAY PEAK/SINGLE PEAK	RESIDENTIAL	COMMERCIAL/ PUBLIC AUTHORITY	INDUSTRIAL	TOTAL
Nov-Oct 2005-2006				
February 18, 2006	162,146	71,025	51,523	284,694
February 19, 2006	146,874	64,612	45,070	256,556
February 20, 2006	125,939	55,592	57,720	239,251
Nov-Oct 2004-2005				
January 21, 2005	170,340	75,605	65,046	310,991
January 22, 2005	171,196	75,686	51,375	298,257
January 23, 2005	180,559	79,964	58,029	318,552
Nov-Oct 2003-2004				
January 14, 2004	155,749	66,893	68,456	291,098
January 15, 2004	185,201	79,543	69,971	334,715
January 16, 2004	170,241	73,117	64,720	308,078
Nov-Oct 2002-2003				
January 21, 2003	173,856	74,474	70,544	318,874
January 22, 2003	191,124	81,872	73,564	346,560
January 23, 2003	191,175	81,893	71,477	344,545
Nov-Oct 2001-2002				
March 3, 2002	126,040	52,711	53,509	232,260
March 4, 2002	164,198	68,669	65,891	298,758
March 5, 2002	124,084	51,894	63,207	239,185

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA RATE JURISDICTION
 AVERAGE CONSUMPTION BY CLASS (THROUGHPUT)
 FOR THE YEARS ENDED JANUARY 31, 2006, 2005, 2004, 2003, 2002
 (Volumes in Mcf)

(4C) PRIMARY HEATING SEASON (Actual consumption)

RESIDENTIAL	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
NOVEMBER	6.595	7.093	7.511	9.369	7.275
DECEMBER	14.358	13.084	14.046	16.461	10.538
JANUARY	15.285	17.530	19.210	20.546	18.092
FEBRUARY	18.197	20.863	21.741	15.273	17.840
MARCH	<u>17.383</u>	<u>15.370</u>	<u>18.381</u>	<u>15.258</u>	<u>17.169</u>
TOTAL	71.818	73.940	80.889	76.907	70.914
COMMERCIAL					
NOVEMBER	29.525	30.469	32.020	36.238	30.455
DECEMBER	56.052	50.519	52.961	61.259	41.513
JANUARY	70.354	72.464	76.982	83.391	68.800
FEBRUARY	80.249	90.742	93.539	66.119	78.075
MARCH	<u>73.216</u>	<u>68.831</u>	<u>79.582</u>	<u>63.646</u>	<u>70.175</u>
TOTAL	309.396	313.025	335.084	310.653	289.018
PUBLIC AUTHORITY					
NOVEMBER	123.857	136.526	154.948	145.193	147.357
DECEMBER	226.669	208.912	212.744	246.266	193.923
JANUARY	338.580	313.969	336.463	351.332	290.583
FEBRUARY	363.668	414.828	410.182	315.352	347.989
MARCH	<u>309.086</u>	<u>322.133</u>	<u>340.300</u>	<u>287.002</u>	<u>302.438</u>
TOTAL	1,361.860	1,396.368	1,454.637	1,345.145	1,282.290
INDUSTRIAL					
NOVEMBER	1,865.488	1,571.568	1,848.175	2,195.565	1,928.239
DECEMBER	2,112.869	1,716.018	1,816.453	2,604.041	1,889.290
JANUARY	2,536.895	2,195.146	2,086.296	2,217.723	1,899.340
FEBRUARY	2,613.012	2,554.413	2,817.695	2,518.309	3,033.655
MARCH	<u>2,239.832</u>	<u>2,265.529</u>	<u>2,427.687</u>	<u>2,364.229</u>	<u>2,624.865</u>
TOTAL	11,368.096	10,302.674	10,996.306	11,899.867	11,375.389

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA RATE JURISDICTION
 AVERAGE CONSUMPTION BY CLASS (THROUGHPUT)
 (Volumes in Mcf)

(4D) NON-HEATING SEASON (Actual Consumption)

RESIDENTIAL	2005	2004	2003	2002	2001
APRIL	11,529	12,077	11,472	12,369	12,940
MAY	7,203	5,972	6,853	7,560	5,906
JUNE	3,184	2,783	4,004	4,308	3,925
JULY	1,748	2,211	2,063	2,076	2,134
AUGUST	1,728	2,007	2,007	1,951	2,030
SEPTEMBER	1,865	2,229	2,229	2,057	2,404
OCTOBER	<u>2,871</u>	<u>3,988</u>	<u>4,908</u>	<u>3,613</u>	<u>4,504</u>
TOTAL	30,128	31,267	33,536	33,934	33,843
COMMERCIAL					
APRIL	57,329	54,169	53,582	55,514	59,012
MAY	33,889	30,195	32,622	34,527	28,994
JUNE	19,272	16,347	19,578	22,480	19,393
JULY	12,088	13,596	13,270	13,214	13,732
AUGUST	12,335	13,462	13,342	12,582	13,492
SEPTEMBER	12,905	14,136	13,829	13,521	14,564
OCTOBER	<u>15,441</u>	<u>18,432</u>	<u>20,930</u>	<u>17,320</u>	<u>19,914</u>
TOTAL	163,259	160,337	167,153	169,158	169,101
PUBLIC AUTHORITY					
APRIL	294,382	266,414	262,498	275,957	279,901
MAY	163,085	161,742	162,625	160,806	137,825
JUNE	97,914	71,868	85,065	112,670	73,923
JULY	44,880	47,567	53,925	43,948	51,652
AUGUST	39,675	43,915	44,132	40,860	46,028
SEPTEMBER	40,735	44,417	47,668	39,537	52,802
OCTOBER	<u>49,152</u>	<u>57,525</u>	<u>66,775</u>	<u>51,807</u>	<u>69,872</u>
TOTAL	729,823	693,448	722,688	725,585	712,003
INDUSTRIAL					
APRIL	2,257,215	2,239,536	2,152,535	2,416,957	2,668,191
MAY	1,668,576	1,901,649	1,747,512	2,125,063	2,045,972
JUNE	1,577,729	1,657,930	1,285,366	1,971,479	1,744,399
JULY	1,450,297	1,594,523	1,289,621	1,653,649	1,610,231
AUGUST	1,437,030	1,607,162	1,389,102	1,671,634	1,480,713
SEPTEMBER	1,628,019	1,545,856	1,549,252	2,080,557	1,877,276
OCTOBER	<u>1,538,270</u>	<u>1,498,878</u>	<u>1,533,838</u>	<u>1,924,242</u>	<u>1,790,013</u>
TOTAL	11,557,136	12,045,534	10,947,226	13,843,581	13,216,795

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
AVERAGE CONSUMPTION BY CLASS (THROUGHPUT)
FOR THE YEARS ENDED JANUARY 31, 2006, 2005, 2004, 2003, 2002
(Volumes in Mcf)

(4E) AVERAGE DAILY CONSUMPTION (Actual Consumption)

	2006	2005	2004	2003	2002
RESIDENTIAL	0.279	0.288	0.313	0.304	0.287
COMMERCIAL	1.295	1.297	1.372	1.315	1.255
PUBLIC AUTHORITY	5.731	5.726	5.949	5.673	5.464
INDUSTRIAL	62.809	61.228	59.955	70.530	67.376

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 IV. RATE STRUCTURE
B. GAS UTILITIES

13. Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

.....

See page 2.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 PENNSYLVANIA RATE JURISDICTION

PROJECTED DEMANDS
 (MCF)

	TWELVE MONTHS ENDED		
	JANUARY 2007	JANUARY 2008	JANUARY 2009
RESIDENTIAL	19,726,731	19,590,573	19,590,573
COMMERCIAL	4,006,535	4,094,901	4,094,901
PUBLIC AUTHORITY	436,462	483,681	483,681
SVIS	77,572	77,572	77,572
IVIS	225,834	225,834	225,834
LVIS	0	0	0
LIS	0	0	0
RETAIL SALES	24,473,134	24,472,561	24,472,561
TRANSPORTATION-RESIDENTIAL	75,421	75,421	75,421
TRANSPORTATION-COMMERCIAL	2,519,609	2,519,609	2,519,609
TRANSPORTATION-PUBLIC AUTHORITY	2,150,083	2,150,083	2,150,083
TRANSPORTATION-SVIS	2,045	2,045	2,045
TRANSPORTATION-IVIS	2,965,713	2,965,713	2,965,713
TRANSPORTATION-LVIS	3,670,249	3,669,790	3,669,790
TRANSPORTATION-LIS	6,704,632	6,703,756	6,703,756
TRANSPORTATION	18,087,752	18,086,417	18,086,417
TOTAL	42,560,886	42,558,978	42,558,978

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 III. BALANCE SHEET AND OPERATING STATEMENT
E. GAS UTILITIES

3. Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

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See page 2 (attached).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 IV. RATE STRUCTURE
B. GAS UTILITIES

14. Supply an exhibit showing the gas deliveries to each customer class for the most recent 24-month period. The exhibit should identify the source of the gas, such as "purchased" (pipeline), "production" (includes purchases from local producers), "storage withdrawal", "propane/air", and "unaccounted for".

.....

See pages 2 and 3 (attached).

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
TWELVE MONTHS ENDED JANUARY 31, 2006
MCF

Requirements	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Residential	3,626,702	3,472,501	2,326,185	1,429,493	626,966	342,240	336,319	362,773	558,716	1,290,170	2,837,934	3,021,455	20,231,454
Commercial	781,959	742,530	500,312	281,571	115,635	68,651	77,379	83,632	117,248	257,328	574,513	654,802	4,255,560
Industrial	62,669	56,369	40,291	28,805	11,532	8,539	15,137	7,834	8,904	18,120	49,874	60,855	368,929
Public Authority	96,369	89,211	60,647	35,169	14,910	7,361	7,952	9,786	14,255	36,391	81,031	86,501	539,583
Total Retail	4,567,699	4,360,611	2,927,435	1,775,038	769,043	426,791	436,787	464,025	699,123	1,602,009	3,543,352	3,823,613	25,395,526
Company Use	1,660	1,467	857	517	5	27	21	46	53	469	497	1,918	7,537
Total Requirements	4,569,359	4,362,078	2,928,292	1,775,555	769,048	426,818	436,808	464,071	699,176	1,602,478	3,543,849	3,825,531	25,403,063
Supply													
Upstream Purchases	2,520,304	2,196,265	2,656,554	2,346,722	2,273,946	1,823,369	1,425,381	1,443,363	1,967,466	2,106,923	1,917,020	2,562,870	25,240,183
Local Purchases	133,465	147,909	149,661	157,075	167,311	165,182	159,379	136,536	177,408	103,148	143,335	150,871	1,791,280
Other	685	565	578	296	295	100	77	88	88	172	314	610	3,868
Off-System Sales	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Purchases	2,654,454	2,344,739	2,806,793	2,504,093	2,441,552	1,988,651	1,584,837	1,579,987	2,144,962	2,210,243	2,060,669	2,714,351	27,035,331
Storage	1,297,875	1,686,878	(776,265)	(831,370)	(1,734,350)	(1,309,043)	(962,931)	(960,828)	(862,734)	183,660	2,217,804	715,637	(1,335,667)
Shrinkage	(223,264)	(203,742)	(161,391)	(144,668)	(177,890)	(138,575)	(116,185)	(95,714)	(118,824)	(141,345)	(139,802)	(164,885)	(1,826,285)
Unaccounted For	360,993	298,268	426,208	(32,904)	(232,181)	(139,081)	(42,942)	1,047	240,336	(167,463)	(128,207)	67,992	652,066
Unbilled Estimate	479,301	235,935	632,947	280,404	471,917	24,866	(25,971)	(60,421)	(704,564)	(482,617)	(466,615)	492,436	877,618
Total Supply	4,569,359	4,362,078	2,928,292	1,775,555	769,048	426,818	436,808	464,071	699,176	1,602,478	3,543,849	3,825,531	25,403,063

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
TWELVE MONTHS ENDED JANUARY 31, 2005
MCF

Requirements	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	TOTAL
Residential	4,161,251	3,066,262	2,422,946	1,188,392	550,024	435,261	395,032	437,568	784,429	1,403,027	2,597,594	3,484,720	20,926,506
Commercial	898,892	662,516	499,505	234,868	110,996	88,391	89,542	95,433	155,534	264,549	505,029	721,011	4,326,266
Industrial	61,753	40,002	31,339	16,053	14,162	4,731	6,610	5,779	10,978	18,327	41,074	57,971	308,779
Public Authority	116,276	82,877	63,163	29,314	14,431	10,224	11,087	10,872	20,970	37,997	71,493	91,918	560,622
Total Retail	5,238,172	3,851,657	3,016,953	1,468,627	689,613	538,607	502,271	549,652	971,911	1,723,900	3,215,190	4,355,620	26,122,173
Company Use	1,995	1,204	922	337	(2)	66	36	64	184	530	932	1,458	7,726
Total Requirements	5,240,167	3,852,861	3,017,875	1,468,964	689,611	538,673	502,307	549,716	972,095	1,724,430	3,216,122	4,357,078	26,129,899
Supply													
Upstream Purchases	2,417,406	2,154,296	2,686,191	2,602,539	1,621,109	2,257,373	2,151,255	1,918,335	2,004,986	1,834,511	2,506,074	2,762,128	26,916,203
Local Purchases	84,659	82,128	87,819	120,887	136,527	139,000	278,257	145,296	159,804	124,426	275,301	150,412	1,784,516
Other	774	678	499	297	123	125	93	114	102	219	360	608	3,992
Off-System Sales	(39,800)	(120,683)	(19,066)	(372,939)	0	(203,113)	0	(148,435)	0	0	0	0	(904,036)
Total Purchases	2,463,039	2,116,419	2,755,443	2,350,784	1,757,759	2,193,385	2,429,605	1,915,310	2,164,892	1,959,156	2,781,735	2,913,148	27,800,675
Storage	1,854,219	1,439,102	(542,791)	(1,492,439)	(1,125,009)	(1,477,719)	(1,405,677)	(1,015,687)	(468,335)	572,879	1,454,440	2,436,154	229,137
Shrinkage	(223,320)	(193,439)	(201,627)	(178,926)	(123,667)	(152,743)	(157,286)	(110,422)	(147,572)	(197,858)	(230,153)	(265,422)	(2,182,435)
Unaccounted For	574,388	146,681	344,254	353,186	90,157	(145,373)	(294,328)	(162,991)	(15,446)	(5,821)	(209,272)	(512,223)	163,212
Unbilled Estimate	571,841	344,098	662,596	436,359	90,371	121,123	(70,007)	(76,494)	(561,444)	(603,926)	(580,628)	(214,579)	119,310
Total Supply	5,240,167	3,852,861	3,017,875	1,468,964	689,611	538,673	502,307	549,716	972,095	1,724,430	3,216,122	4,357,078	26,129,899

Weather Normalization Adjustment

The weather normalization adjustment calculates the effect of temperatures on monthly throughput volumes (sales and transportation). Customers are billed throughout the month on a 21-cycle basis with approximately 1/21 of the customers residing in each cycle or control. Each 21-cycle period spans nearly two months; i.e.; if control 1 for January was read on January 1, the billed consumption represents December's usage and if control 21 for January was read on January 31, the billed consumption represents January's consumption. The weather normalization process, in this proceeding, calculates the adjustment for the effects of temperatures for each of the 21 cycles. Normal degree day values are based on the period 1971 – 2000, as published by the National Oceanic and Atmospheric Administration (NOAA) for the first-order National Weather Office located at the Erie, Pennsylvania International Airport. Actual degree day values are based on the NOAA observations at the Erie, Pennsylvania International Airport. The results of the weather normalization adjustment for each of the 21 cycles is then summarized. The summary for the residential, commercial and public authority classes are presented on pages 2 through 4, respectively.

During the twelve months ended January 2006, temperatures in the Pennsylvania Rate Jurisdiction were approximately 1% warmer than normal (see page 5). The adjustment to actual throughput volumes to reflect normal temperatures is accomplished in the following steps:

1. The monthly base volume per account, is that portion of the total load which does not change with changes in temperature and is not heating-sensitive. For the twelve months ended January 2006, the representative monthly base volume calculation was based on the three lowest consecutive months of July, August, and September.
2. The monthly base volume per account is then subtracted from the actual monthly consumption per account to determine the actual heating load per account.
3. Heating consumption per degree day is determined by dividing the actual gas heating load consumption by the actual monthly billing degree days experienced.
4. The normalized heating usage per account is derived by multiplying the heating use per degree day by the normal monthly degree days associated with each particular control. The monthly base volume per account is then added to the monthly normalized heating volume per account to derive the normalized monthly usage per account. The normalized monthly consumption is derived by multiplying the normal usage per account by the monthly number of accounts.

This procedure is performed for each of the 21 cycles by revenue class. The sum of the actual Mcf, accounts and normalized Mcf for the 21 cycles is shown on the summary as monthly figures.

04/11/2006

Load Normalization Report

** Throughput (CIS, TBS, SATC & CTS) Volumes and Account **

NFGDC - Pennsylvania Division

Summary Report

Revenue Class 1 & 11 - Residential

	Actual Mcf	Accounts	Actual Mcf/Account	Base Mcf/Acct	Actual Heat/Account	Actual Degday	Heat/Acct/ Degree Day	Normal Degday	Normal Heat/Account	Normal Mcf/Account	Normalized Mcf
Feb 2005	3,641,296.0	200,101	18.197	1.780	16.417	1,162	0.014128	1,132	15.972	17.752	3,552,163
Mar 2005	3,485,710.5	200,526	17.383	1.780	15.603	1,121	0.013919	988	13.710	15.490	3,106,200
Apr 2005	2,337,589.5	202,762	11.529	1.780	9.749	734	0.013282	726	9.644	11.424	2,316,258
May 2005	1,434,994.4	199,214	7.203	1.780	5.423	479	0.011322	395	4.473	6.253	1,245,760
Jun 2005	629,240.3	197,643	3.184	1.780	1.404	170	0.008259	145	1.128	2.908	574,718
Jul 2005	342,666.8	196,039	1.748	1.780	0.000	9	0.000000	24	0.000	1.771	347,240
Aug 2005	336,388.2	194,668	1.728	1.780	0.000	0	0.000000	3	0.000	1.771	344,808
Sep 2005	363,157.3	194,724	1.865	1.780	0.000	5	0.000000	51	0.000	1.989	387,368
Oct 2005	559,419.5	194,829	2.871	1.780	1.091	120	0.009092	218	1.975	3.755	731,512
Nov 2005	1,293,814.2	196,191	6.595	1.780	4.815	429	0.011224	493	5.536	7.316	1,435,293
Dec 2005	2,846,743.3	198,264	14.358	1.780	12.578	963	0.013061	884	11.495	13.275	2,631,982
Jan 2006	3,034,637.5	198,540	15.285	1.780	13.505	1,012	0.013345	1,200	16.069	17.849	3,543,688
	20,305,657.5	2,373,501	101.946	21.360	80.586	6,204	0.012989	6,259	80.002	101.553	20,216,990
		197,792 (Average)									

Note: Normal Degree Days based on 6243 Total Annual Degree Days.

"Base Mcf/Acct" calculated over a 3 month time period.

Control Degree Days used in Normalization calculation.

Summary Degree Days based on the Average of 21 Controls.

"Normal Mcf/Acct" = "Normalized Mcf" divided by "Accts".

04/11/2006

Load Normalization Report

** Throughput (CIS, TBS, SATC & CTS) Volumes and Account **

NFGDC - Pennsylvania Division

Summary Report

Revenue Class 2 & 12 - Commercial

	Actual Mcf	Accounts	Actual Mcf/Account	Base Mcf/Acct	Actual Heat/Account	Actual Degday	Heat/Acct/ Degree Day	Normal Degday	Normal Heat/Account	Normal Mcf/Account	Normalized Mcf
Feb 2005	1,169,794.0	14,577	80.249	12.443	67.806	1,162	0.058353	1,132	65.494	77.937	1,136,088
Mar 2005	1,070,057.1	14,615	73.216	12.443	60.773	1,121	0.054213	988	55.938	68.381	999,395
Apr 2005	839,064.3	14,636	57.329	12.443	44.886	734	0.061153	726	41.978	54.421	796,503
May 2005	488,574.8	14,417	33.889	12.443	21.446	479	0.044772	395	19.165	31.608	455,699
Jun 2005	272,697.9	14,150	19.272	12.443	6.829	170	0.040171	145	5.002	17.445	246,852
Jul 2005	168,054.4	13,903	12.088	12.443	0.000	9	0.000000	24	0.000	13.274	184,542
Aug 2005	170,345.3	13,810	12.335	12.443	0.000	0	0.000000	3	0.000	12.279	169,571
Sep 2005	178,047.7	13,797	12.905	12.443	0.000	5	0.000000	51	0.000	16.103	222,170
Oct 2005	214,504.2	13,892	15.441	12.443	2.998	120	0.024983	218	5.632	18.075	251,097
Nov 2005	418,362.5	14,170	29.525	12.443	17.082	429	0.039818	493	19.352	31.795	450,537
Dec 2005	809,339.9	14,439	56.052	12.443	43.609	963	0.045285	884	42.322	54.765	790,757
Jan 2006	1,017,385.5	14,461	70.354	12.443	57.911	1,012	0.057224	1,200	64.094	76.537	1,106,797
	6,816,227.6	170,867	472.655	149.316	323.339	6,204	0.052118	6,259	318.977	472.620	6,810,008
		14,239 (Average)									

Note: Normal Degree Days based on 6243 Total Annual Degree Days.

"Base Mcf/Acct" calculated over a 3 month time period.

Control Degree Days used in Normalization calculation.

Summary Degree Days based on the Average of 21 Controls.

"Normal Mcf/Acct" = "Normalized Mcf" divided by "Accts".

04/11/2006

Load Normalization Report

** Throughput (CIS, TBS, SATC & CTS) Volumes and Account **

NFGDC - Pennsylvania Division

Summary Report

Revenue Class 4 & 14 - Public Authority

	Actual Mcf	Accounts	Actual Mcf/Account	Base Mcf/Acct	Actual Heat/Account	Actual Degday	Heat/Acct/ Degree Day	Normal Degday	Normal Heat/Account	Normal Mcf/Account	Normalized Mcf
Feb 2005	478,950.8	1,317	363.668	41.763	321.905	1,162	0.277027	1,132	308.933	350.696	461,866
Mar 2005	404,902.7	1,310	309.086	41.763	267.323	1,121	0.238468	988	266.022	307.785	403,198
Apr 2005	385,935.1	1,311	294.382	41.763	252.619	734	0.344168	726	221.387	263.150	344,990
May 2005	213,315.0	1,308	163.085	41.763	121.322	479	0.253282	395	117.721	159.484	208,605
Jun 2005	127,875.2	1,306	97.914	41.763	56.151	170	0.330300	145	39.253	81.016	105,807
Jul 2005	57,894.9	1,290	44.880	41.763	0.000	9	0.000000	24	0.000	53.327	68,792
Aug 2005	51,260.7	1,292	39.675	41.763	0.000	0	0.000000	3	0.000	41.704	53,882
Sep 2005	52,466.1	1,288	40.735	41.763	0.000	5	0.000000	51	0.000	42.599	54,867
Oct 2005	63,307.2	1,288	49.152	41.763	7.389	120	0.061575	218	7.037	48.800	62,855
Nov 2005	161,756.6	1,306	123.857	41.763	82.094	429	0.191361	493	91.169	132.932	173,609
Dec 2005	294,669.6	1,300	226.669	41.763	184.906	963	0.192010	884	201.941	243.704	316,815
Jan 2006	441,847.2	1,305	338.580	41.763	296.817	1,012	0.293297	1,200	294.450	336.213	438,758
	2,734,181.1	15,621	2,091.683	501.156	1,590.527	6,204	0.256371	6,259	1,547.913	2,061.410	2,694,044
		1,302 (Average)									

Note: Normal Degree Days based on 6243 Total Annual Degree Days.

"Base Mcf/Acct" calculated over a 3 month time period.

Control Degree Days used in Normalization calculation.

Summary Degree Days based on the Average of 21 Controls.

"Normal Mcf/Acct" = "Normalized Mcf" divided by "Accts".

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
WEATHER NORMALIZATION ADJUSTMENT
CONTROL DEGREE DAYS (ERIE INTERNATIONAL AIRPORT)
TWELVE MONTHS ENDED JANUARY 31, 2006

BILLING MONTH	ACTUAL DEGREE DAYS	NORMAL DEGREE DAYS	PERCENT (WARMER)/COLDER THAN NORMAL
FEBRUARY 2005	1,162	1,132	2.65
MARCH 2005	1,121	988	13.46
APRIL 2005	734	726	1.10
MAY 2005	479	395	21.27
JUNE 2005	170	145	17.24
JULY 2005	9	24	(62.50)
AUGUST 2005	0	3	(100.00)
SEPTEMBER 2005	5	51	(90.20)
OCTOBER 2005	120	218	(44.95)
NOVEMBER 2005	429	493	(12.98)
DECEMBER 2005	963	884	8.94
JANUARY 2006	1,012	1,200	(15.67)
TOTAL	6,204	6,259	(0.88)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
VOLUMETRIC PORTION OF THE LOAD GROWTH ADJUSTMENT
TWELVE MONTHS ENDED JANUARY 31, 2006

The load growth adjustment reflects the estimated change in volumes resulting from annualizing the effect of the increase or decrease in the number of customers during the twelve months ended January 31, 2006.

To determine the increase or decrease in the annual normalized sales volumes, the projected net change in the number of accounts is multiplied by the average annual consumption for each revenue class, the product of which is divided by 2 inasmuch as the intent of the load growth adjustment is to effect a change from the beginning of the future test year (twelve months ended January 31, 2007) to the end of the future test year (twelve months ended January 31, 2007).

	Projected Net Change In Accounts		Normal Mcf/Acct TME 1/06	=		Load Growth Adjustment
Residential	0	x	101.975	=	$0 \div 2 =$	0
Commercial	0	x	473.597	=	$0 \div 2 =$	0
Public Auth	0	x	2,069.754	=	$0 \div 2 =$	<u>0</u>
Total						0