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NATIONAL FUEL GAS DISTRIBUTION CORPORATION

10 Lafayette Square

Buffalo, NY 14203

March 31, 1999

FILED ELECTRONICALLY

Hon. Debra Renner

Acting Secretary

Public Service Commission

3 Empire State Plaza

Albany, NY 12223-1350

Re: Cases 97-G-1380 et al.

Compliance Filing in response to Order Concerning Assignment of Capacity

Dear Acting Secretary Renner:

National Fuel Gas Distribution Corporation ("Distribution" or the "Company") submits the following amendments to its tariff, P.S.C. No. 8 - GAS with the revisions set forth on the list attached to this transmittal letter.

The revised tariff sheets are issued as of today for an effective date of April 1, 1999.

Proposed Revisions and Background

The above tariff sheets are being submitted in compliance with the Commission's Order Concerning Assignment of Capacity issued March 24, 1999 ("March 24 Order"). The March 24 Order directed Distribution to further revise its tariff to modify proposed changes submitted by the Company on February 1, 1999 ("February 1 Filing") in response to the Commission's Order Terminating Capacity Assignment issued November 3, 1999 ("November 3 Order"). The revisions herein provide the following:

- * The changes proposed by the Company in its February 1 Filing are deleted, except as described below, and superseded with the instant revisions. See, March 24 Order at 11.
- * The Company's STBA tariff (Service Classification No. 19) and associated transportation services (Service Classification No. 13D and 13M) are retained and modified by terminating the existing mandatory capacity assignment requirement. STBA marketers will be permitted to choose among three capacity options: the current transmission-only and transmission plus storage options, or a new, third option described below. This complies with the Commission's instructions to maintain the status quo for "marketers who wish to retain existing services." March 24 Order, Appendix III at 4.

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- * The third capacity option provides that mandatory assignment will apply for intermediate pipeline transmission and storage capacity only, representing 36% of a STBA marketer's extreme peak day load requirement (adjustable based on load factor). This complies with the Commission's approval of the Company's February 1 Filing proposal to continue to assign intermediate pipeline capacity. March 24 Order at 5.
- * Marketer-arranged capacity upstream of the intermediate pipeline (64% of STBA Group extreme peak day requirements, adjustable based on load factor) shall be firm, non-recallable capacity with primary delivery rights. As directed by the Commission, the Company has revised downward its proposed requirement for the firm capacity demonstration for STBA marketers from seven to five months. March 24 Order, Appendix III at 4.
- * The "Reliability Capacity Surcharge" proposed by the Company in its February 1 Filing is established for recovery of peak day service, including costs arising from daily temperature variability, and costs relating to other capacity changes. March 24 Order, Appendix III at 5.
- * The "Stranded Capacity Cost Charge" is re-named the "Transition Surcharge" and shall be applicable to sales and post-aggregation firm transportation customers only. Id.
- * In the Company's February 1 Filing, S.C. No. 19 was modified to expressly exclude so-called "Year 2000 disruptions" (also known as "Y2K") from the definition of a force majeure event. This change is retained in the instant filing.

Reasons for Making Proposed Revisions

As explained above, the enclosed revisions are submitted in compliance with the Commission's directives in the March 24 Order. There are no additional reasons for making the proposed revisions.

Effect of Proposed Revisions

The anticipated effect of the proposed revisions, including any effects on customer bills, have been addressed by the Commission in the orders identified above.

Newspaper Publication

The requirement of sec. 66(12)(b) of the Public Service Law as to newspaper publication of the above revisions has been waived by the Commission. March 24 Order at 17, Ordering Paragraph No. 3.

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Company Contacts

All communications relating to this filing should be directed to the following individuals:

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Conclusion

The Company respectfully requests that the Commission approve this compliance filing.

Respectfully submitted,

Michael W. Reville

Attachment

cc: STBA Suppliers (notice sent via web site)

LIST OF REVISED TARIFF LEAVES
EFFECTIVE APRIL 1, 1999

Leaf No. 2	Revision 3	Leaf No. 218	Revision 2
Leaf No. 3	Revision 3	Leaf No. 219	Revision 3
Leaf No. 78	Revision 2	Leaf No. 222	Revision 3
Leaf No. 82	Revision 3	Leaf No. 223	Revision 1
Leaf No. 86	Revision 2	Leaf No. 224	Revision 3
Leaf No. 141	Revision 2	Leaf No. 225	Revision 2
Leaf No. 143	Revision 3	Leaf No. 260	Revision 2
Leaf No. 145	Revision 2	Leaf No. 261	Revision 2
Leaf No. 147	Revision 2	Leaf No. 262	Revision 2
Leaf No. 148	Revision 2	Leaf No. 263	Revision 2
Leaf No. 148.1	Revision 1	Leaf No. 264	Revision 2
Leaf No. 148.2	Revision 1	Leaf No. 265	Revision 2
Leaf No. 150	Revision 3	Leaf No. 266	Revision 2
Leaf No. 154	Revision 3	Leaf No. 266.1	Revision 0
Leaf No. 158	Revision 3	Leaf No. 266.2	Revision 0
Leaf No. 165	Revision 3	Leaf No. 266.3	Revision 0
Leaf No. 175	Revision 2	Leaf No. 266.4	Revision 0
Leaf No. 178	Revision 3	Leaf No. 266.5	Revision 0
Leaf No. 184	Revision 2	Leaf No. 267	Revision 2
Leaf No. 187	Revision 2	Leaf No. 268	Revision 2
Leaf No. 189	Revision 3	Leaf No. 269	Revision 2
Leaf No. 205	Revision 2	Leaf No. 270	Revision 2
Leaf No. 206	Revision 3	Leaf No. 271	Revision 2
Leaf No. 207	Revision 3	Leaf No. 272	Revision 2
Leaf No. 208	Revision 3	Leaf No. 273	Revision 2
Leaf No. 211	Revision 3	Leaf No. 274	Revision 2
Leaf No. 212	Revision 3	Leaf No. 276	Revision 3
Leaf No. 213	Revision 2	Leaf No. 287	Revision 1
Leaf No. 214	Revision 3	Leaf No. 288	Revision 1
Leaf No. 217	Revision 2	Leaf No. 289	Revision 1

Statement RCC Statement No. 2
Supplement No. 1 (Cancellation)