



national fuel

October 23, 2007

Hon. Jaclyn A. Brillling
Secretary
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 06-G-0059 – In the Matter of Issues Associated with Gas Curtailment
Compliance Filing

Dear Secretary Brillling:

National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) submits the following proposed amendments to its tariff, P.S.C. No. 8 – GAS:

Leaf No. 94	Revision 5
Leaf No. 94.1	Revision 3
Leaf No. 96	Revision 1
Leaf No. 97	Revision 5

The proposed amendments are issued as of today for an effective date of November 1, 2007.

Background

On August 23, 2007, the Public Service Commission (“Commission”) issued an Order Adopting Gas Curtailment Guidelines and Requirements (“Order”) in the above-referenced proceeding. The Order directs local gas distribution companies (“LDCs”), including Distribution, to file tariff amendments consistent with the Gas Curtailment Guidelines attached as Appendix B to the Order on not less than seven days’ notice on November 1, 2007. Order at 10.

Description of Proposed Amendments

This is a compliance filing. The tariff amendments propose changes consistent with, and designed to implement, the Order. Generally, the tariff changes, if approved, would modify Distribution’s services as follows:

- Remove the distinction between long-term curtailment and short-term curtailment.
- Institute market-based compensation to ESCOs and Direct Customers, as a default, for diverted gas.
- Direct ESCOs and Direct Customers to maintain deliveries of their gas supplies up to their maximum delivery obligation during the period of curtailment.

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Analysis of Proposed Amendments

The proposed amendments remove the distinction between long-term and short-term curtailment resulting in general curtailment provisions. In terms of diversion of gas supplies, the focus of curtailment is shifted from customers towards ESCOs (referred to as 'Suppliers' in the tariff amendments) and Direct Customers who will be required to maintain deliveries of their gas supplies up to their maximum delivery obligation during the period of curtailment. As a default, compensation to ESCOs and Direct Customers, for diverted gas will be market-based. Several features of short-term curtailment (notice, rates applicable to unauthorized customer usage, procurement of gas from dual-fuel Customers who switch to their alternate fuel) are retained and incorporated into the general curtailment provisions.

Newspaper Publication

The requirements of Public Service Law §66(12)(b) as to newspaper publication of the changes proposed by the tariff amendments directed in Ordering Clause No. 1 are waived. Order at 10.

Conclusion

For all of the foregoing reasons, Distribution respectfully requests that the above tariff amendments be approved for an effective date of November 1, 2007 in compliance with the Order.

Please contact the undersigned at (716) 857-7884 for questions relating to this filing.

Respectfully submitted,

Michael E. Novak
Asst. General Manager, Rates & Regulatory Affairs

cc: Active Party List