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September 8, 2003

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

Re: Case 99-M-0631 – In the Matter of Customer Billing Arrangements  
Case 03-M-0117 – In the Matter of Implementation of Chapter 686 of Laws of 2003  
Compliance Filing

Dear Acting Secretary Brillling:

National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) submits the following revision to its tariff, PSC No. 8- GAS:

Leaf No. 271                      Revision No. 7

The above amendment is issued to become effective on a temporary basis as of September 9, 2003, and on a permanent basis when approved by the Commission.

Reasons for Proposed Amendment

This is a filing in compliance with the Commission’s Order Relating to Implementation of Chapter 686 of Laws of 2003 and Pro-ration of Consolidated Bills (“Order”) issued in the above-referenced cases on June 20, 2003. At ordering paragraph no. 3 thereof, the Commission directed gas corporations to file “any tariff revisions necessary to conform their tariffs with the requirements of this order and any procedures for implementing such requirements.” Order at 46. Procedures for implementing the requirements of the Order are currently under development by Staff and parties involved in the proceedings. Insofar as uniform regulations implementing Chapter 686 have not been adopted, there is insufficient clarification (and possibly authority) to, at this point, attempt implementation through individual utility tariffs. In addition, implementation of pro-rated billing, required under ordering paragraph no. 4 of the Order, has been expressly postponed by the Commission. Cases 03-M-0117 et al., Order Extending Deadline (issued August 15, 2003).

The Commission will further address issues identified by parties who submitted various requests for rehearing, reconsideration or clarification of the Order, and at that point there presumably will be sufficient clarity to implement the Order’s requirements through tariff

amendments (or amendments to utilities' operations and procedures manuals). At least two items, however, require no such further clarification. They are (1) compensation for costs incurred by a distribution utility to perform an ESCO-initiated suspension (Order at 23); and (2) compensation for the incremental cost arising from calculation of the amount a customer would have paid for full utility service (Order at 21). Those two items are addressed in this filing.

#### Description of Proposed Amendment

Distribution proposes to charge ESCOs a fee of \$70.00 for attempted or completed suspensions of delivery service (shut-off) made pursuant to Public Service Law §32(5). The Order states that the charge "shall be based on the average embedded cost the utility incurs to disconnect a residential customer's delivery service, and tariffs should be initially calculated using the utility embedded costs currently under review in the Unbundling Track of the Competitive Markets proceeding." Order at 24. Distribution did not identify the cost of disconnecting customer service as part of its filing in the Unbundling Track proceeding. Thus for the instant filing, the Company has utilized an existing tariff charge for reconnection of service – a function which, for all practical purposes, involves activities similar to suspension of delivery service. The Company believes that the reconnection charge serves as a fair and reasonable proxy of embedded costs incurred to disconnect residential customers' delivery service. If and to the extent another charge is developed in the Unbundling Track, Distribution will amend its tariff accordingly.

Distribution is proposing no charge for calculation of the amount a customer would have paid for full delivery service. Order at 21. Based on our understanding of the requirement at this juncture, we can provide the information at no incremental cost with existing systems and resources. If as the Order's requirements are clarified the Company identifies incremental costs associated with this service, the Company will further amend its tariff to add the authorized charge.

#### Newspaper Publication

Newspaper publication under Section 66(12) of the Public Service Law is not required. Order at 46.

#### Late Filing

Due to an oversight, Distribution failed to timely submit the instant filing. The Company regrets any inconvenience this may cause. However, insofar as utilities are not yet authorized to execute ESCOs' requests for suspension of service, the Company's oversight has no practical consequences. Accordingly we request that the Commission accept this filing out-of-time for an effective date of September 9, 2003.

Respectfully submitted,

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

Michael W. Reville