

March 5, 2010

Hon. Jaclyn A. Brilling Secretary Public Service Commission Three Empire State Plaza Albany, NY 12123-1350

> Re: Case No. 09-G-0354 – Petition of National Fuel Gas Distribution Corporation for Approval to Allocate Pipeline Refund to Environmental Site Investigation and <u>Remediation Pursuant to PSL Section 113(2) ("Petition")</u>

Dear Secretary Brilling:

National Fuel Gas Distribution Corporation ("Distribution" or the "Company") submits the following revisions to its tariff, P.S.C. No. 8 - GAS:

Leaf No.	3	Revision 21
Leaf No.	148.12	Revision 0
Leaf No.	150	Revision 13
Leaf No.	153.1	Revision 2
Leaf No. 1	156.3	Revision 7
Leaf No. 1	158	Revision 13
Leaf No. 1	158.1	Revision 2
Leaf No. 2	166	Revision 6
Leaf No. 1	176	Revision 6
Leaf No. 1	179	Revision 7
Leaf No. 1	180	Revision 2
Leaf No. 1	185	Revision 5
Leaf No.	185.1	Revision 1
Leaf No. 1	187	Revision 12
Leaf No. 1	187.1	Revision 0
Leaf No.	190	Revision 10
Leaf No. 1	190.1	Revision 0
Leaf No. 2	212	Revision 14
Leaf No. 2	212.1	Revision 0
Leaf No. 2	222.1	Revision 6
Leaf No. 2	297	Revision 4
Leaf No. 3	300	Revision 4
Leaf No. 3	305	Revision 3

The proposed revisions are issued as of today for an effective date of May 1, 2010.

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This is a compliance filing. In an order issued on February 12, 2010 ("Order"), the Commission denied the Company's petition and directed refund methodology for Tennessee Gas Pipeline ("Tennessee") PCB clean up costs that departs from the method that would apply under the Company's tariff. More particularly, the Company's tariff provides that in the ordinary course, pipeline refunds would be allocated to gas adjustment customers. Order at 5. The Company's Petition, however, requested that the PCB refund be credited to the Company's deferral account for expenses relating to environmental site investigation and remediation ("SIR") costs. Although the Order rejected so much of the Petition that would have allocated the PCB refund to SIR costs, it nonetheless adopted the Company's proposal for an alternative to the tariff methodology by directing that the PCB refund be allocated to all customers, and not solely GAC customers. The Commission reasoned that the alternative methodology was appropriate because many small volume gas adjustment customers who paid the Tennessee PCB surcharge during the period that it was included in pipeline rates have since then migrated to small-volume transportation service. Accordingly, the PCB refund will be credited to customers through the Delivery Adjustment Charge ("DAC"). Workpapers will be filed with the Monthly Gas Cost Filing to be effective May 1, 2010 since the Company expects to receive a Tennessee refund on April 1, 2010.

## **Description of Amendments**

The proposed amendments implement the Order by revising General Information and service classifications rates to provide a mechanism for passing back the Tennessee refund to Distribution's customers through the DAC. As stated in the Order, the refund will be passed back to sales and transportation customers over a twelve month period on an equal per unit credit to both sales and transportation customers.

## Newspaper Publication

The Company requests that the requirements of Section 66 (12) (b) of the Public Service Law as to newspaper publication of the changes in this filing are waived. The difference between the refund amount under the ordinary tariff method and the refund amount, on a percustomer and per-bill basis, is immaterial. Accordingly, newspaper publication would not serve the public interest and would be an unnecessary expense. Further, notification of the refund amount will be set forth in the monthly gas cost filings.

For questions relating to this filing, please contact the undersigned or Eric Meinl at (716) 857-7000.

Respectfully submitted,

Michael W. Reville