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NATIONAL FUEL GAS DISTRIBUTION CORPORATION

10 Lafayette Square

Buffalo, NY 14203

May 27, 1999

Hon. Debra Renner
Acting Secretary
Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 99-G-0662 -- Tariff Filing by National Fuel Gas Distribution Corporation to revise Service Classification No. 19 - Supplier Transportation, Balancing and Aggregation Service to provide a billing service for Suppliers serving aggregated retail customers: Compliance Filing

Dear Secretary Renner:

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

Leaf No. 273 Revision 5

The revision is issued as of today for an effective date of June 1, 1999.

Proposed Revisions and Background

This is a compliance filing. On May 26, 1999, the Public Service Commission ("Commission") issued an order approving, with modifications, a tariff amendment submitted by Distribution on May 13, 1999. Specifically, the May 13 filing requested approval of a revision to Service Classification No. 19, Supplier Transportation, Balancing and Aggregation ("STBA") that would permit the Company to (1) provide a retail billing service for STBA Suppliers; and (2) provide the billing service currently employed under Service Classification No. 20, Department of Social Services Transportation, Balancing and Aggregation ("DSS Tariff") for similar programs operated by STBA Suppliers. The Commission's May 26 order deferred the Company's retail billing service proposal to be addressed generically in Case 99-M-0631. The remaining aspects of the Company's proposal -- allowing the DSS billing arrangement for STBA Suppliers operating similar programs -- was approved.

Accordingly, the enclosed revision modifies the May 13 proposal with language that will permit the Company to issue an information-only "shadow bill" to end-use customers enrolled in DSS aggregation programs, or similar programs offered designed to serve low-income customers. As is currently the practice under S.C. 20, terms and conditions governing Supplier payment and

remittance processing will be addressed in the Supplier service agreement. The

- 2 -

Company's proposal to extend the company-provided billing service to all aggregation customers is removed. These changes will implement the requirements contained in the Commission's May 26 order.

Reasons for Making the Proposed Revision

The proposed revision is being made to comply with the Commission's directives in the May 26 order.

Effect of Proposed Revision

The short-run effect of the proposed revision will be to accommodate a transfer of DSS customers participating in a DSS aggregation program under S.C. 20 to enrollment in a STBA Group under S.C. 19, as explained in the Company's May 13 filing. Longer-run effects may include enrollment of additional low-income customers in similar programs operated by county DSS or other agencies. This complies with the Commission's intent expressed in the May 26 order "to provide low income customers with reasonably priced gas service. " May 26 order at 2.

Newspaper Publication

Waiver of newspaper publication was granted in the May 26 order.

S.A.P.A.

The Company's May 13 filing contained a request for emergency adoption under S.A.P.A. The Commission approved the Company's request, allowing the amendment herein to become effective on June 1, 1999.

Company Contacts

Communications relating to this filing should be directed to the undersigned.

Conclusion

For all of the foregoing reasons, Distribution respectfully requests that the above tariff revision be permitted to become effective on June 1, 1999.

Respectfully submitted,

Michael W. Reville

Enc.

cc: Dennis Frank, LepCorp
Michael Boyd, Erie County DSS

Kevin Duggan, Erie County DSS
Ronald Getska, Chautauqua County DDS