Received: 6/2/2004

national fuel

June 2, 2004

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

Re: Compliance Filing, Case 00-G-1858
National Fuel Gas Distribution Corporation

Dear Secretary Brilling:

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

Leaf No. 3	Revision 13
Leaf No. 152	Revision 5
Leaf No. 153	Revision 6
Leaf No. 154	Revision 8
Leaf No. 155	Revision 4
Leaf No. 271	Revision 8

The proposed revisions become effective on October 1, 2004.

Description Of and Rationale For Proposed Amendments

The proposed amendments modify Distribution's tariff in conformance with the terms and provisions of the Company's current rate plan, approved by the Commission in an order issued in Case 00-G-1858 on September 18, 2003. Case 00-G-1858, National Fuel Gas Distribution Corporation, *Order Establishing Rate and Restructuring Plans* (issued September 18, 2003) ("Order" approving the "Rate Plan"). More particularly, the revised tariff sheets (1) remove tariff language relating to the Competitive Backout Credit ("CBoC"); and (2) delete Service Classification No. ("SC") 2, Low Income Residential Assistance Service, effective October 1, 2004. These rates and services expire with the Rate Plan on September 30, 2004. See Order at 1, 9, 11; Rate Plan at 2.[1] While some provisions of the Rate Plan expressly continue past the expiration date, see, e.g., Order at 23 (describing "continued applicability of earnings sharing mechanism beyond September 30, 2004"), others, including the provisions for SC 2 and the CBoC, do not. In addition, continuation of SC 2 and the CBoC rely on funding mechanisms that are subject to termination with the Rate Plan. With no funding mechanisms in place prospectively, the programs cannot be continued.

[1] "The rates, tariffs and programs contained in the Rate Plans are continued for the period October 1, 2003 to September 30, 2004, unless specifically addressed in this Joint Proposal."

Received: 6/2/2004

The Commission recognizes that its rate plans expire on their own terms. See, Case 00-G-1858, *Notice Inviting Comments* (issued June 24, 2003) (recognizing that the previous Rate Plan and its provisions, including SC 2 and the CBoC, would expire with the Rate Plan). The terms and conditions of the Rate Plan generally expire automatically on September 30, 2004. The CBoC and SC 2 also expire with the Rate Plan.

The instant filing removes from the tariff the language implementing language inserted by the Company prior to the effective date of the Rate Plan. Because the CBoC and SC 2 will no longer be authorized after September 30, 2004, any provisions in the tariff relating to those rates and services becomes superfluous and without effect. This filing is, therefore, being submitted to further the administration of the Rate Plan's terms and conditions and in compliance with the Commission's Order.

Detailed Description of Revisions

The attached revisions (1) replace the tariff sheets setting forth SC 2 with blank sheets for future use; and (2) delete language in SC 19 addressing the CBoC. No further revisions are necessary for termination of programs under the Rate Plan that expire under the terms and conditions therein.

Bill and Revenue Effect of Revisions

The effect of the elimination of SC2 on Company net operating revenues is an increase of $1,789,646 annually.[2] The average impact on current SC No. 2 customers is $8.63[3] per month, or approximately 8.8% increase in the average monthly bill of the affected customers.

The discontinuance of the CBoC has no effect on the Company's net operating revenue because the CBoC was funded through the Gas Restructuring Reserve ("GRR") pursuant to the Rate Plan. Customers receiving services from marketers may, however, see an impact on the ultimate charges from marketers because elimination of the CBoC may conceivably reduce the amount of savings a marketer may flow back to customers. The impact of this on customer bills depends on the actions of marketers, which the Company cannot predict.

Newspaper Publication

Publication of the proposed tariff revisions will be completed prior to the effective date of the proposed revisions.

---

2 This amount is based on the rate differential between SC 1 and SC 2 multiplied by the projected number of SC 2 bills for the 12 months ended September, 2005 ($1,780,646 = $8.33/bill x 213,763 bills).

3 Includes gross receipts tax projection.

Received: 6/2/2004

State Administrative Procedure Act

Although the proposed revisions may constitute a compliance filing, to the extent that they do not and notice is required under the State Administrative Procedure Act, then this filing is being submitted in time to meet the S.A.P.A. schedule for consideration by the Commission at the session on September 22, 2004.

Contact Information

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

Respectfully submitted,

Michael W. Reville

cc: Service List (00-G-1858)