



national fuel

May 20, 2011

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

Re: Proposed Tariff Revisions
National Fuel Gas Distribution Corporation

Dear Secretary Brillling:

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

Leaf No. 2	Revision 11
Leaf No. 37.1	Revision 3
Leaf No. 119	Revision 1
Leaf No. 120	Revision 2
Leaf No. 132	Revision 3
Leaf No. 133	Revision 5
Leaf No. 134	Revision 3
Leaf No. 135	Revision 2
Leaf No. 136	Revision 2
Leaf No. 138	Revision 7
Leaf No. 140	Revision 3
Leaf No. 209	Revision 8
Leaf No. 213	Revision 10
Leaf No. 224	Revision 10
Leaf No. 261	Revision 8
Leaf No. 262	Revision 10
Leaf No. 263	Revision 9
Leaf No. 264	Revision 7
Leaf No. 265.1	Revision 4
Leaf No. 266.3	Revision 7
Leaf No. 290	Revision 4
Leaf No. 291	Revision 1
Leaf No. 292	Revision 1
Leaf No. 293	Revision 3

The proposed revisions are submitted as of the date hereof for an effective date of August 31, 2011.

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Description of Proposed Revisions

In this filing, the Company proposes certain *substantive changes* to its tariff to modify its storage inventory balance requirements, and associated rules, for the purpose of enhancing system reliability. Also for system reliability purposes, the Company proposes changes related to the acquisition and use of interstate pipeline transmission capacity. Finally, for administrative efficiency, the Company proposes changes to imbalance resolution procedures for Service Classification No. 21.

In addition to these substantive changes, the Company also proposes in this filing certain *non-substantive housekeeping changes* designed to streamline the tariff and remove dated text or surplusage.

Substantive Changes:

Leaf No. 261

Existing language from Leaf No. 265.1 in Service Classification No. 19 ("SC 19") pertaining to assignment of interstate pipeline capacity is proposed to be relocated to Leaf No. 261 and generalized to reference both upstream and intermediate capacity. The resulting language more accurately describes an existing requirement that Suppliers taking mandatory capacity comply with applicable pipeline tariff and FERC requirements.

Leaf No. 262

Within SC 19 section (iii) Return of Storage Capacity, language proposing that the sale of inventory by the Supplier to the Company will be by mutual agreement of the parties. The rate applied to the quantity sold will remain unchanged. Language clarifying the quantity to be sold is also proposed to be added to this section. Within SC 19 section (iv) Required Storage Inventory Level, start of the month and end of the month inventory percentages are revised reflecting Company operating experience with SC 19. Finally, language advising Suppliers of proper storage inventory management practice is proposed to be added to this section.

Leaf No. 263

Within SC 19 section (iv) Required Storage Inventory Level, language adjusting end of the month target for colder than normal weather is proposed to be removed from the tariff. Additionally, language proposing replacement of inventory deficiency payback procedures with a cash out purchase, including a provision that would permit the Company to waive the Cash Out if operating conditions permit, is proposed. Finally, corresponding revisions to language describing the circumstances under which the Company notifies Department of Public Service Staff of Supplier inventory deficiencies are proposed.

Leaf No. 264

Within SC 19 section (iv) Required Storage Inventory Level, the Inventory Return Requirement on Leaf No. 264 is proposed to be eliminated because it is superseded by the proposed revisions to Leaf No. 262 described above.

Leaf No. 265.1

Subsection (iv) containing language pertaining to FERC requirements is proposed to be relocated to Leaf No. 261 as described above and subsequent subsections to be renumbered. Additionally, within

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SC 19 section (b) Grandfathered Upstream Transmission Capacity, language identifying the annual GUTC maximum quantity is proposed to be replaced with a reference to a web posting.

Leaf No. 266.3

For SC 19, language is proposed to be added to Section 6. Discontinuance of Service, identifying (consistent with the Uniform Business Practices) failure to deliver gas, except under force majeure conditions, as an event for which the Company could decide to seek termination of service to the Supplier.

Leaf Nos. 290 and 291

For Service Classification No. 21 ("SC 21"), revisions are proposed to make SC 21 daily imbalance procedures more consistent with those applicable to SC 13D, and month end imbalance procedures more consistent with those applicable to SC 19, including exchange of imbalances and cash out pursuant to General Information Section 52.

Leaf Nos. 292 and 293

Consistent with the proposed changes to Leaf Nos. 290 and 291, Special Provision 4 is proposed to be eliminated because it is addressed within General Information Section 52. As a result, it is necessary to renumber subsequent special provisions.

Non-Substantive Housekeeping Changes:

Leaf No. 2

The Tables of Contents is being revised to show General Information Section Nos. 32 and 34 as being Reserved for Future Use.

Leaf No. 37.1, 119 and 120

Existing language from Leaf Nos. 119 and 120 pertaining to local production meters is proposed to be relocated from the Transportation Service Agreement to the Receipt Facility Measurement for Production Facilities section on Leaf No. 37.1.

Leaf Nos. 132, 133, 134, 135 and 136

The Service Agreement for Supplier Transportation, Balancing and Aggregation Under Service Classification No. 19 ("STBA Agreement") is proposed to be removed from Distribution's tariff. The STBA Agreement was added to Distribution's Gas Transportation Operating Procedures Manual effective February 21, 2011. As a result, General Information Section No. 32 is being Reserved for Future Use.

Leaf No. 138

The Case 04-G-1047 Refund has been completed therefore the language describing the refund no longer serves a purpose and is proposed to be removed from Distribution's tariff. As a result, General Information Section No. 34 is being Reserved for Future Use.

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Leaf No. 140

Within General Information Section No. 35, any State income tax overcollection or undercollection from Case 00-M-1556 has been refunded or surcharged so language referencing this matter no longer serves a purpose and is proposed to be removed from Distribution's tariff.

Leaf No. 209

As a clarification within Service Classification No. 13D ("SC 13D"), language referencing a section on the same tariff leaf is being replaced with its exact meaning, 'Exchange of Net Imbalances'. There is no change in functionality; the resulting language should be more clearly understood.

Leaf No. 213

A reference to a measurement program from Case 04-G-1047 in SC 13D is proposed to be removed from Distribution's tariff because the program has been completed.

Leaf No. 224

A reference to a measurement program from Case 04-G-1047 in Service Classification No. 13M is proposed to be removed from Distribution's tariff because the program has been completed.

Newspaper Publication

The Company will publish notice of the proposed tariff revisions in accordance with Public Service Law §66(12) and applicable regulations.

Conclusion

For all of the foregoing reasons, Distribution respectfully requests that the Public Service Commission approve the proposed tariff revisions for an effective date of August 31, 2011. If you have any questions regarding this filing, please contact Michael Novak at (716) 857-7884.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy C. Rucinski".

Randy C. Rucinski
Senior Attorney