



national fuel

September 24, 2010

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. 3	Revision 22
Leaf No. 97.1	Revision 1
Leaf No. 148.13	Revision 0
Leaf No. 148.14	Revision 0
Leaf No. 148.15	Revision 0
Leaf No. 200	Revision 4
Leaf No. 201	Revision 5
Leaf No. 209	Revision 7
Leaf No. 209.1	Revision 3
Leaf No. 210	Revision 7
Leaf No. 242	Revision 2
Leaf No. 243	Revision 2
Leaf No. 266.1	Revision 7
Leaf No. 266.2	Revision 3
Leaf No. 266.3	Revision 6
Leaf No. 268	Revision 5
Leaf No. 288	Revision 8
Leaf No. 290	Revision 3

The proposed revisions are submitted as of the date hereof for an effective date of January 1, 2011.

Description of Proposed Revisions

Leaf Nos. 148.13, 148.14 and 148.15:

In the above referenced Leaf Nos., Distribution creates two new sections, 51. Cash Out Index For Imbalance Resolution and 52. Rules for Month End Imbalance Resolution, within the General Information section of its tariff. The first new General Information section identifies the reference point

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and components of Distribution's Cash Out Index. The reference point and components are identical to those currently in effect for Service Classification No. ("SC") 13D, however, the source for the reference point pricing will be changed to SNL Natural Gas index published by SNL Financial, LC. The net effect of the change upon the Daily and Monthly SC 13D Cash Out rates is not material. Appendix A shows that on most days the change is less than 1 cent. Over the historical period September 1, 2009 to August 31, 2010, the average change is a decrease of 0.09 cents per Dth. The second new General Information section explains the process for calculating and aggregating month end imbalances, contains provisions for the exchange of month end imbalances and identifies how the cash out rates applied to remaining month end imbalances would be calculated and applied. These provisions follow those currently in effect for SC 13D and/or SC 19. Of more significance, the market rate pricing currently available to only SC 13D will be extended to nearly all transportation customers and/or their suppliers.

Leaf No. 3:

The Tables of Contents is being amended to reference General Information Section Nos. 51 and 52. Additionally, a misspelling in the title for General Information Section No. 49 is corrected.

Leaf No. 97.1:

Existing language referencing a rate calculation is being replaced with a reference to General Information Section 51. The resulting rate is functionally equivalent; any change is not material as explained above.

Leaf Nos. 200 and 201:

For SC 11, language on Leaf No. 200 explicitly identifying the service classifications to which this rate is applied is being modified to include a more general reference. Other than eliminating a reference to former SC 18 (removed in 2005), the new language is functionally identical. On Leaf No. 201, a provision is being added to replace the rates charged during Unauthorized Periods when market prices exceed the Total Gas Cost Rate. This removes a disincentive to under-supply the system during market price run ups. Over the period September 1, 2009 to August 31, 2010, there were 16 days when this pricing could have been applied to underdeliveries greater than 5% if an Unauthorized Period had been declared. In fact, this rate would not have been applied during this period because no Unauthorized Period declaration was made. Equivalent language is currently present in SC 21 on Leaf No. 290.

Leaf Nos. 209 and 210:

For SC 13D, language on Leaf No. 209 referencing imbalance resolution via storage inventory transfer is being deleted because the provision has not been used in recent years. In addition to this change, existing references to Exchange of Net Imbalances, Month End Cash Out and the Index Price on this Leaf, as well as Leaf No. 210, are being replaced with appropriate references to General Information Section Nos. 51 and 52. The net result is functionally equivalent to the current language with one exception. Under the current language, the tolerance band for market pricing is plus or minus 5% during November through March and plus or minus 10% during April through October. The tariff amendments would provide for a market pricing tolerance band of plus or minus 5% year round.

Leaf Nos. 242 and 243:

For SC 16, language on Leaf No. 242 is being added to clarify that the surplus imbalance calculation will include the effect of any imbalance trading and thus clarifies that surplus imbalance charges are applied to net (lower) imbalance volume. In addition to this change, existing language on

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Leaf No. 243 related to exchanges of imbalances is replaced with a reference to General Information Section No. 52. The net result is functionally equivalent to the current language.

Leaf Nos. 266.1, 266.2, 266.3 and 268:

For SC 19, language on Leaf No. 266.1 is added to clarify that netting of imbalances occurs at the end of the month. In addition to this change, Leaf No. 266.2 is amended to provide for a mandatory cash out of imbalances under General Information Section No. 52 as a default. With this change, cash out rates applied under the current voluntary cash out mechanism are replaced with more favorable rates reflecting the market value of gas currently provided under SC 13D. Existing language pertaining to surplus imbalances is removed as a result of the reference to General Information Section No. 52. The current default, imbalance rollover, is retained as a Company option and existing language explaining application of the rollover is consolidated into paragraph 4.b. Existing section 4.b.(2)(ii), applicable to cash out of deficiency imbalances is renumbered as 4.b.(1), and language limiting applicability to Unauthorized Periods is added. On Leaf No. 266.3, existing language pertaining to the exchange of imbalances is removed as a result of the reference to General Information Section No. 52.

Additionally, the Force Majeure section on Leaf No. 268 is modified to reference General Information Section No. 51 and outdated language pertaining to Year 2000 provisions is removed. Finally, the rate applicable to imbalance paybacks of curtailment volumes is modified to include a reference to General Information Section No. 52 and to remove a disincentive for timely payback of imbalances.

Leaf Nos. 288 and 290:

For SC 21, language on Leaf No. 288 is modified to be consistent with the changes made to General Information Section No. 51. The resulting rate is functionally equivalent; any change is not material as explained above. Language on Leaf No. 290 effecting a higher of SC 11 or market pricing language is removed in two locations because the market pricing provision is now directly in SC 11.

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 January 1, 2011. If you have any questions regarding this filing, please contact Michael Novak at (716) 857-7884.

Respectfully submitted,



Randy C. Rucinski
Senior Attorney

Appendix A - Cash Out Index Price Differential Due to Change in Price Reference Provider

All Prices \$/Dth

Day/Month	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10
1	\$0.0052	\$0.0073	\$0.0020	-\$0.0209	\$0.0083	-\$0.0052	-\$0.0094	\$0.0104	\$0.0073	-\$0.0354	-\$0.0041	\$0.0021
2	\$0.0062	\$0.0073	\$0.0020	-\$0.0072	\$0.0083	\$0.0031	\$0.0031	-\$0.0083	\$0.0073	-\$0.0094	-\$0.0052	\$0.0021
3	-\$0.0011	\$0.0000	-\$0.0156	\$0.0532	\$0.0083	\$0.0125	\$0.0021	-\$0.0083	\$0.0073	\$0.0010	-\$0.0021	-\$0.0063
4	\$0.0052	\$0.0000	-\$0.0115	-\$0.0157	\$0.0083	-\$0.0157	\$0.0021	-\$0.0083	-\$0.0188	-\$0.0073	-\$0.0021	\$0.0031
5	-\$0.0167	\$0.0000	\$0.0000	\$0.0146	-\$0.0125	-\$0.0031	-\$0.0031	-\$0.0083	-\$0.0032	-\$0.0052	-\$0.0021	\$0.0000
6	-\$0.0167	-\$0.0021	\$0.0011	\$0.0146	-\$0.0177	-\$0.0021	\$0.0157	-\$0.0052	\$0.0000	-\$0.0052	-\$0.0021	\$0.0093
7	-\$0.0167	-\$0.0073	\$0.0313	\$0.0146	-\$0.0042	-\$0.0021	\$0.0157	-\$0.0042	\$0.0062	-\$0.0052	-\$0.0042	\$0.0177
8	-\$0.0167	\$0.0229	\$0.0313	-\$0.0104	-\$0.0313	-\$0.0021	\$0.0157	-\$0.0020	\$0.0000	-\$0.0010	-\$0.0032	\$0.0177
9	\$0.0365	-\$0.0073	\$0.0313	\$0.0062	-\$0.0198	\$0.0031	-\$0.0011	-\$0.0041	\$0.0000	\$0.0032	-\$0.0063	\$0.0177
10	-\$0.0020	\$0.0000	\$0.0000	-\$0.0042	-\$0.0198	-\$0.0105	-\$0.0032	-\$0.0094	\$0.0000	\$0.0010	\$0.0032	\$0.0010
11	\$0.0198	\$0.0000	\$0.0115	-\$0.0678	-\$0.0198	-\$0.0063	\$0.0073	-\$0.0094	-\$0.0021	-\$0.0021	\$0.0032	-\$0.0010
12	\$0.0094	\$0.0000	-\$0.0198	-\$0.0010	-\$0.0062	\$0.0011	-\$0.0052	-\$0.0094	\$0.0011	-\$0.0073	\$0.0032	-\$0.0073
13	\$0.0094	\$0.0251	\$0.0208	-\$0.0010	-\$0.0136	-\$0.0052	\$0.0000	\$0.0062	-\$0.0032	-\$0.0073	\$0.0052	\$0.0084
14	\$0.0094	-\$0.0011	-\$0.0521	-\$0.0010	-\$0.0094	-\$0.0052	\$0.0000	-\$0.0041	\$0.0031	-\$0.0073	\$0.0094	-\$0.0084
15	-\$0.0093	\$0.0104	-\$0.0521	-\$0.0177	-\$0.0041	-\$0.0052	\$0.0000	\$0.0010	-\$0.0021	\$0.0021	-\$0.0052	-\$0.0084
16	-\$0.0156	\$0.0021	-\$0.0521	\$0.0083	-\$0.0104	-\$0.0052	\$0.0000	\$0.0021	-\$0.0021	\$0.0032	\$0.0011	-\$0.0084
17	\$0.0031	-\$0.0136	-\$0.0313	-\$0.0115	-\$0.0104	-\$0.0032	-\$0.0052	-\$0.0125	-\$0.0021	-\$0.0062	-\$0.0073	-\$0.0062
18	-\$0.0031	-\$0.0136	-\$0.0062	-\$0.0209	-\$0.0104	-\$0.0104	-\$0.0021	-\$0.0125	\$0.0052	\$0.0000	-\$0.0073	-\$0.0021
19	\$0.0011	-\$0.0136	\$0.0157	\$0.0021	-\$0.0104	-\$0.0146	-\$0.0010	-\$0.0125	-\$0.0010	-\$0.0041	-\$0.0073	\$0.0062
20	\$0.0011	\$0.0094	\$0.0083	\$0.0021	\$0.0010	\$0.0042	\$0.0021	-\$0.0104	-\$0.0073	-\$0.0041	-\$0.0093	-\$0.0020
21	\$0.0011	\$0.0178	-\$0.0062	\$0.0021	-\$0.0011	\$0.0042	\$0.0021	-\$0.0031	\$0.0073	-\$0.0041	\$0.0323	\$0.0031
22	-\$0.0187	-\$0.0073	-\$0.0062	\$0.0136	\$0.0010	\$0.0042	\$0.0021	-\$0.0104	\$0.0000	-\$0.0011	\$0.0093	\$0.0031
23	-\$0.0104	\$0.0094	-\$0.0062	\$0.0114	-\$0.0021	\$0.0136	\$0.0063	-\$0.0104	\$0.0000	\$0.0042	-\$0.0021	\$0.0031
24	\$0.0146	-\$0.0041	\$0.0083	\$0.0135	-\$0.0021	\$0.0010	-\$0.0010	-\$0.0021	\$0.0000	\$0.0021	-\$0.0010	\$0.0000
25	\$0.0021	-\$0.0041	\$0.0021	\$0.0146	-\$0.0021	\$0.0021	-\$0.0021	-\$0.0021	-\$0.0041	-\$0.0010	-\$0.0010	\$0.0042
26	-\$0.0052	-\$0.0041	\$0.0219	\$0.0146	-\$0.0115	-\$0.0062	-\$0.0053	-\$0.0021	\$0.0052	-\$0.0021	-\$0.0010	\$0.0052
27	-\$0.0052	-\$0.0105	\$0.0219	\$0.0146	-\$0.0084	-\$0.0062	-\$0.0020	-\$0.0084	-\$0.0053	-\$0.0021	\$0.0000	-\$0.0021
28	-\$0.0052	\$0.0052	\$0.0219	\$0.0146	-\$0.0104	-\$0.0062	-\$0.0020	-\$0.0177	\$0.0011	-\$0.0021	-\$0.0020	\$0.0021
29	\$0.0084	-\$0.0083	\$0.0219	-\$0.0042	\$0.0000		-\$0.0020	-\$0.0031	\$0.0011	\$0.0000	\$0.0020	\$0.0021
30	-\$0.0031	-\$0.0115	\$0.0219	\$0.0458	\$0.0000		-\$0.0032	-\$0.0135	\$0.0011	\$0.0187	\$0.0136	\$0.0021
31		-\$0.0115		\$0.0010	\$0.0000		-\$0.0011		\$0.0011		\$0.0136	\$0.0011
Monthly	-\$0.0005	-\$0.0001	\$0.0005	\$0.0026	-\$0.0065	-\$0.0023	\$0.0008	-\$0.0061	\$0.0001	-\$0.0028	\$0.0007	\$0.0019
Annual Average Daily Difference					-\$0.0009	Annual Average Monthly Difference					-\$0.0009	