



**National Fuel**

**ORIGINAL**

R-00061493

July 24, 2006

James McNulty, Secretary  
Pennsylvania Public Utility Commission  
Room B-20, North Office Building  
Harrisburg, Pennsylvania 17120

**DOCUMENT  
FOLDER**

Re: National Fuel Gas Distribution Corporation's Supplement No. 62 to Tariff Gas - Pa. P.U.C. No. 9 - Docket R-00061493

Dear Secretary McNulty:

Enclosed for filing are eight (8) copies of National Fuel Gas Distribution Corporation's ("Distribution's") Supplement No. 62 to Tariff Gas Pa. P.U.C. No. 9. Supplement No. 62 is being filed to suspend the original filing of Supplement No. 61 to March 2, 2007 pursuant to the Commission Order at Docket R-00061493 entered on July 20, 2006.

Please contact me at (716) 857-7805 or Tom Clark at (716) 857-7008 if there is any question concerning this filing.

Very truly yours,

Eric H. Meini  
General Manager  
Rates and Regulatory Affairs

Enclosures

**RECEIVED**

JUL 24 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

92

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BUFFALO, NEW YORK

RATES, RULES AND REGULATIONS

DOCUMENT  
FOLDER

GOVERNING THE FURNISHING

OF

NATURAL GAS SERVICE

ORIGINAL

IN

TERRITORY DESCRIBED HEREIN

Issued: July 25, 2004

Effective: July 30, 2006

**DOCKETED**  
JUL 27 2006

**RECEIVED**

JUL 24 2006

R.J. TANSKI, PRESIDENT  
BUFFALO, NEW YORK

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

The application of rates proposed in Supplement No. 61 to Tariff Gas Pa. P.U.C. No. 9 filed to become effective July 30, 2006, is hereby suspended until March 2, 2007, by operation of law at Docket No.R-00061493. Presently effective rates contained in Tariff - Gas Pa. P.U.C. No. 9 and supplements thereto, will continue in effect until otherwise amended.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served true and correct copies of the foregoing document on the participants, listed below in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

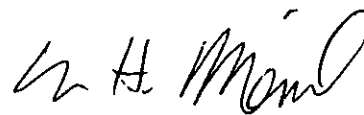
FIRST CLASS MAIL

John H. Isom, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105

Stephen Keene, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor  
Harrisburg, PA 17101

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101



Eric H. Meini

Date: July 24, 2006

**RECEIVED**

JUL 24 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



**National Fuel**

July 25, 2006

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

2006 JUL 28 10:31  
COMMUNICATIONS SECTION

**RE: Docket # R-00061493 - Base Rates**

**DOCUMENT  
FOLDER**

Dear Mr. Eckenrod:

Enclosed please find four (4) copies of the National Fuel Gas Distribution Corporation's response to the following Office of the Trial Staff interrogatories:

**OTS RE 102 \***

Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Robert V. Eckenrod, Esq. (4)  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

First Class Mail

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Richard A. Galligan  
Exeter Associates, Inc.  
5565 Sterrett Place, Suite 310  
Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Dated this 25<sup>th</sup> day of July 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

July 25, 2006

Stephen Keene, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place - 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

**DOCUMENT  
FOLDER**

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Keene:

Enclosed please find one (1) copy of National Fuel Gas Distribution Corporation's response to the following Office of Consumer Advocate interrogatories:

OCA	2	012	*
OCA	3	008	*
OCA	3	009	*
OCA	5	015	*
OCA	5	016	*

2006 JUL 28 11:08:37  
 RECEIVED  
 JUL 28 2006

Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

Richard A. Galligan  
Lafayette Morgan  
Thomas Catlin  
Jerome Mierzwa  
Exeter Associates, Inc.  
Suite 310  
5565 Sterrett Place  
Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

First Class Mail

Robert V. Eckenrod, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Dated this 25<sup>th</sup> day of July 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager

count reporter

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.  
Small Business Advocate

(717) 783-2525  
(717) 783-2831 (FAX)

August 2, 2006

**E-mail and First Class Mail**

Hon. John H. Corbett, Jr.  
Administrative Law Judge  
Pa. Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

Hon. Mark A. Hoyer  
Administrative Law Judge  
Pa. Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

**Re: Pennsylvania Public Utility Commission v. National Fuel Gas Distribution Corporation  
Docket No. R-00061493**

Dear Judge Corbett and Judge Hoyer:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

  
Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995

**DOCUMENT  
FOLDER**

Enclosures  
cc: James J. McNulty, Secretary

Parties of Record  
Robert D. Knecht

**RECEIVED**  
2006 AUG -8 PM 1:23  
PA PUC  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :  
v. :  
NATIONAL FUEL GAS : Docket No. R-00061493  
DISTRIBUTION CORPORATION :

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OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM

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**I. INTRODUCTION**

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
swebb@state.pa.us

**DOCKETED**  
AUG 30 2006

DOCUMENT  
FOLDER

## II. FILING BACKGROUND

On May 31, 2006, National Fuel Gas Distribution Corporation (“NFG” or the “Company”) filed Supplement No. 61 to NFG Tariff Gas - Pa. P.U.C. No. 9. The proposed Tariff, if approved by the Commission, would increase the total operating revenues of NFG by \$25.8 million per year based on a future test year ending December 31, 2006. On June 21, 2006, the OSBA filed a Complaint and a Public Statement. On July 21, 2006, the Commission entered an Order at this docket which suspended the proposed rate increase for investigation. As such, the filing will be suspended by operation of law on July 30, 2006.

## III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
(617) 354-0463 – Fax  
[rdk@indecon.com](mailto:rdk@indecon.com)

After an initial review of the materials submitted by NFG, the OSBA has identified the following issues:

1. Whether the Company’s proposed cost-of-service methodology is appropriate;
2. Whether the Company’s proposed class revenue distribution properly moves all classes closer to their respective cost of service indications;
3. Whether the Company’s proposed rate design for its GS/GM class comports with traditional rate design principles.

4. Any other issues that may arise during the course of OSBA's review of the Company's filing that affect small business customers.

The OSBA will participate in the case to assure that the interests of small business customers of NFG are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through discovery, through the cross-examination of witnesses appearing for those parties and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the Company's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail *only* is not acceptable. If any party provides a document by electronic mail, the OSBA requests that such document be provided electronically to both the OSBA's attorney and the OSBA's witness.

V. **SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. **HEARING AND BRIEFING SCHEDULE**

The OSBA has cooperated with the other parties to develop a mutually acceptable procedural schedule.

Respectfully submitted,



---

Sharon E. Webb  
Attorney ID No. 73995  
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.  
Attorney ID No. 16452  
Small Business Advocate

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Dated: August 2, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :  
v. :  
NATIONAL FUEL GAS : Docket No. R-00061493  
DISTRIBUTION CORPORATION :

**CERTIFICATE OF SERVICE**

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

Hon. John H. Corbett, Jr.  
Administrative Law Judge  
Pa. Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222  
(412) 565-3550  
(412) 565-5692 (fax)  
[johncorbett@state.pa.us](mailto:johncorbett@state.pa.us)  
**(E-mail and Overnight delivery)**

Hon. Mark A. Hoyer  
Administrative Law Judge  
Pa. Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222  
(412) 565-3550  
(412) 565-5692 (fax)  
[mhoyer@state.pa.us](mailto:mhoyer@state.pa.us)  
**(E-mail and Overnight delivery)**

Robert V. Eckenrod, Esquire  
Allison A. Curtin, Esquire  
Office of Trial Staff  
Pa. Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105  
(717) 787-1976  
(717) 772-2677 (fax)  
[roeckenrod@state.pa.us](mailto:roeckenrod@state.pa.us)  
[acurtin@state.pa.us](mailto:acurtin@state.pa.us)  
**(E-mail and Hand Delivery)**

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Harrisburg, PA 17101  
(717) 612-6032  
(717) 731-1985 (fax)  
[jisom@postschell.com](mailto:jisom@postschell.com)


Stephen J. Keene, Esquire  
Aron J. Beatty, Esquire  
Erin L. Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor Forum Place  
Harrisburg, PA 17101  
(717) 783-5048  
(717) 783-7152 (fax)  
[skeene@paoca.org](mailto:skeene@paoca.org)  
[abeatty@paoca.org](mailto:abeatty@paoca.org)  
[egannon@paoca.org](mailto:egannon@paoca.org)  
**(E-mail and Hand Delivery)**

Cheryl Walker Davis, Esquire  
Office of Special Assistants  
Pa. Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105  
(717) 787-1827  
(717) 783-6324 (fax)  
[cwalkerdav@state.pa.us](mailto:cwalkerdav@state.pa.us)  
**(E-mail and Hand Delivery)**

Date: August 2, 2006

Eugene M. Brady  
Community Action Association of PA  
P. O. Box 1127  
Wilkes-Barre, PA 18703-1127  
(570) 826-0510  
(570) 829-1665 (fax)  
[hebegebe@sunlink.net](mailto:hebegebe@sunlink.net)

Joseph L. Vullo, Esquire  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
(570) 288-0700  
(570) 288-4598 (fax)  
[jlvullo@aol.com](mailto:jlvullo@aol.com)

  
\_\_\_\_\_  
Sharon E. Webb  
Assistant Small Business Advocate  
Attorney ID No. 73995



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

August 2, 2006

Hon. John H. Corbett, Jr.  
Hon. Mark A. Hoyer  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
1103 State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

Re: Pennsylvania Public Utility Commission v.  
National Fuel Gas Distribution Corporation

Docket No. R-00061493

Dear Judges Corbett and Hoyer:

Enclosed please find the **Prehearing Memorandum** of the Office of Trial Staff in the above-referenced proceeding. As evidenced by the Certificate of Service, copies are being served on all active parties of record.

If you have any questions, please contact me at (717) 787-1976.

Sincerely,

Robert V. Eckenrod  
Prosecutor  
Office of Trial Staff  
PA Attorney I.D. #84889

Enclosure  
RVE:cer  
cc: Parties of Record

DOCUMENT  
FOLDER

RECEIVED  
2006 AUG - 8 PM 1:23  
PA PUC  
SECRETARY'S BUREAU

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>PENNSYLVANIA PUBLIC UTILITY COMMISSION</b>	:	
	:	<b>DOCKET NO.</b>
<b>v.</b>	:	<b>R-00061493</b>
	:	
<b>NATIONAL FUEL GAS DISTRIBUTION CORPORATION</b>	:	
	:	

**OFFICE OF TRIAL STAFF  
PREHEARING MEMORANDUM**

**TO THE HONORABLE JOHN H. CORBETT, JR. AND MARK A. HOYER.:**

**I. INTRODUCTION**

In preparation for the Prehearing Conference scheduled for 10:00 a.m. on Thursday, July 6, 2006, the Office of Trial Staff ("OTS") of the Pennsylvania Public Utility Commission ("Commission") respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

The Office of Trial Staff Prosecutors assigned to this proceeding are Johnnie E. Simms, Robert V. Eckenrod and Allison A. Curtin. All correspondence directed to the OTS should be addressed as follows:

By Mail: Robert V. Eckenrod  
Allison A. Curtin  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, Pennsylvania 17105-3265

By Phone: (717) 787-1976

By Fax: (717) 772-2677

**DOCKETED**  
AUG 30 2006

**DOCUMENT  
FOLDER**

By E-mail: roeckenrod@state.pa.us  
acurtin@state.pa.us

## **II. BACKGROUND**

On May 31, 2006, National Fuel Gas Distribution Company ("NFGD" or "Company") filed Supplement No. 61 to Tariff Gas-Pa. P.U.C. No. 9, containing proposed changes in rates, rules and regulations calculated to produce \$25.8 million in additional annual revenues. The filing will be suspended by operation of law on July 30, 2006 until March 2, 2007, unless permitted by Commission Order to become effective at an earlier date. The Commission, by Order entered July 20, 2006, assigned the case to the Office of Administrative Law Judge ("OALJ") for the prompt scheduling of hearings as may be necessary to produce a Recommended Decision.

In furtherance of the Commission Order, the OALJ scheduled a Prehearing Conference on August 3, 2006, with ALJ Corbett and ALJ Hoyer presiding. The Prehearing Conference will convene at 10:00 a.m. in Hearing Room 5 in the Commonwealth Keystone Building.

## **III. ISSUES**

The following list is a preliminary determination of potential issues that OTS seeks to address in this case. The list is as complete as can be made at this time, however, OTS reserves the right to address other issues, as it deems appropriate, if any such relevant issues arise. The current list of potential OTS issues is as follows:

1. Present Revenue
2. Plant in Service

3. Rate of Return
  - a. Capital Structure
  - b. Cost of Common Equity
  - c. Cost of Debt
4. Annual Depreciation Expense
5. Cost of Service
6. Proposed Rates
7. Projected Volumetric Sales
8. Weather Normalization
9. Cost of Service Issues
10. Proposed Rates
11. Proposed Tariff Riders
12. Rate Structure
13. Rate Base
14. Book Reserve
15. Operation and Maintenance Expenses:
  - a. Payroll
  - b. Benefits
  - c. Rate Case Expense
  - d. GTI Deferral
  - e. Cash Working Capital
  - f. Taxes
  - g. Materials
  - h. LIURP
  - i. Kaylor Gas Deferral
  - j. FERC 2004 Compliance
  - k. Energy
  - l. Efficiency Expenditures
  - m. Merchant Function Charge
  - n. Small Aggregation Transportation Supplier Service

#### **IV. WITNESSES**

It is currently expected that OTS may call the following witnesses to assist in the presentation of its case:

1. Kevan Deardorff, Fixed Utility Financial Analyst. Mr. Deardorff will present testimony with respect to rate of return.
2. Joseph Kubas, Fixed Utility Valuation Engineer. Mr. Kubas will address all engineering issues.
3. Janet Markovich, Fixed Utility Financial Analyst. Ms. Markovich will address Operation and Maintenance claims and all accounting related issues.

Because the above witness list was provided without the benefit of complete discovery, OTS reserves the right to call additional witnesses or withdraw the names of witnesses listed above.

#### **V. DISCOVERY**

OTS proposes that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service. Discovery requests received after 12 noon on a Friday will be deemed as served on the following Monday.
2. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

5. Ruling over such motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion.

6. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.

7. Request for admissions will be deemed admitted unless answered within fifteen (15) calendar days or objected to within seven (7) calendar days of service

8. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.

#### **VI. PROCEDURAL SCHEDULE**

OTS has fully cooperated with the other parties to develop a procedural schedule in this matter.

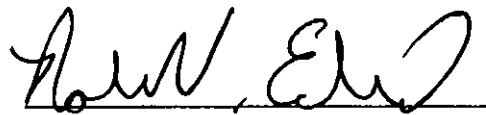
#### **VII. SERVICE OF DOCUMENTS**

OTS requests that electronic transmittal of materials satisfy the service requirement. It is understood that electronic service will be followed by hard copy delivery via first-class mail.

## VIII. CONCLUSION

OTS is willing to make all good faith efforts to successfully resolve this matter through settlement. In the event discussions fail to result in a full and complete resolution of the matter, OTS is prepared to fully or partially litigate this rate proceeding.

Respectfully submitted,



Johnnie E. Simms, Chief Prosecutor  
Attorney ID #33911

Robert V. Eckenrod, Prosecutor  
Attorney ID #84889

Allison A. Curtin, Prosecutor  
Attorney ID #93176

Pennsylvania Public Utility Commission  
Office of Trial Staff  
Post Office Box 3265  
Harrisburg, Pennsylvania 17105-3265

Dated: August 2, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-00061493  
 :  
 National Fuel Gas Corporation :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing**

**Memorandum**, dated August 2, 2006, either personally, by first class mail, electronic  
mail, express mail and/or by fax upon the persons listed below:

John H. Isom, Esquire  
Post & Schell  
17 North Second Street 12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

Stephen Keene, Esquire  
Aron Beatty, Esquire  
Erin Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb, Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Mr. Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Hon. John H. Corbett, Jr.  
Hon. Mark A. Hoyer  
Office of Administrative Law Judge  
Pennsylvania Public Utility Commission  
1103 State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222



Robert V. Eckenrod  
Prosecutor  
Office of Trial Staff  
PA Attorney I.D. #84889

Dated: August 2, 2006  
Docket No. R-00061493



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Office of Administrative Law Judge  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
August 3, 2006

IN REPLY PLEASE  
REFER TO OUR FILE

In Re: R-00061493

(SEE LETTER DATED 7/21/06)

National Fuel Gas Distribution Corporation filed Supplement No. 61 to Tariff Gas - PA PUC No. 9 to become effective July 30, 2006. Total amount of increase: \$25,892,000 or 6.1% based upon a future test year ending January 31, 2007. Total number of customers: 214,625. Area served: Certain cities, Boroughs, and Townships in the Counties of Armstrong, Butler, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Venango and Warren

Hearing Notice

This is to inform you that a hearing on the above-captioned case will be held as follows:

Type: Initial & Further Evidentiary Hearings

Date: Tuesday, October 17, 2006  
Wednesday, October 18, 2006  
Thursday, October 19, 2006  
Friday, October 20, 2006

Time: 9:30 a.m.

Location: Hearing Room 2  
Plaza Level  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

DOCUMENT  
FOLDER

**DOCKETED**  
OCT 18 2006

**Presiding:**        **Administrative Law Judges**  
John H. Corbett, Jr. and Mark A. Hoyer  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222  
Telephone:        412.565.3550  
Fax:                412.565.5692

*Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised.*

If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Individuals representing themselves do not need to be represented by an attorney. All others (corporation, partnership, association, trust or governmental agency or subdivision) must be represented by an attorney. An attorney representing you should file a Notice of Appearance before the scheduled hearing date.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717.787.1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1.800.654.5988

pc: Judge Corbett  
Judge Hoyer  
June Perry - LA, Keystone 3NW  
Cyndi Page - BPL, Keystone 3NE  
FUS, Keystone 3W  
Cherie Pyle, Scheduling Officer  
Beth Plantz  
Docket Section  
Calendar File

# OALJ Hearing Report

Please  Check Those Blocks Which Apply

Docket No.:	R-00061493		YES	NO
		Prehearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Case Name:	National Fuel Gas Distribution Corporation	Hearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
		Testimony Taken:	<input type="checkbox"/>	<input type="checkbox"/>
		Transcript Due:	<input type="checkbox"/>	<input type="checkbox"/>
		Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
Location:	HBG	Further Hearing Needed:	<input type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
Date:	August 3, 2006			
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
ALJ:	John H. Corbett, Jr. & Mark A. Hoyer	DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>
		REMARKS:		

DOCUMENT  
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**PLEASE PRINT CLEARLY - Incomplete Information may result in delay of processing.**

Name and Telephone Number	Address	Who are you representing?
Erin L. Gannon Telephone: 717 783 5048	555 Walnut St. 5 <sup>th</sup> floor, Forum Place City: Harrisburg State: PA Zip: 17101	Office of Consumer Advocate
Allison A. Curtin Robert V. Eckert Telephone: (717) 787-1976	P.O. Box 3265 City: Harrisburg State: PA Zip: 17105	Office of Trial Staff
Sharon Webb Telephone: (717) 783-2525	300 N. 2nd St. Ste 1102 City: Harrisburg State: PA Zip: 17101	OSBA

Check this box if additional parties or attendees appear on back of form.

*elp*

Monte E. Gentile  
Reporter's Signature

**Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.**

Name and Telephone Number	Address	Who are you representing?
Michael W Gang John H Isom Post & Schell PC	17N 2nd St # City: Harrisburg Pa Zip: 17101	National Fuel Gas Distribution Corporation
Telephone:	E-mail Address: mgang@postschell.com	Fax Number: 717-612-602
	JIsom@postschell.com City: State: Zip:	717-612-603
Telephone:	E-mail Address:	Fax Number:
Joseph L. Vullo	1460 Wyoming Ave. City: Forty Fort PA Zip: 18704	CAAP
Telephone: 570-288-0700	E-mail Address: jlvullo@aol.com	Fax Number: 570-288-4598
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	
Telephone:	E-mail Address:	Fax Number:
	City: State: Zip:	

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Office of Administrative Law Judge  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

August 4, 2006

DOCUMENT  
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In Re: R-00061493

Bob Stone  
William J. Douglas Corp Conf Center  
764 Bessemer Street  
Meadville, PA 16335

National Fuel Gas Distribution Corporation filed Supplement No. 61 to Tariff Gas - PA PUC No. 9 to become effective July 30, 2006. Total amount of increase: \$25,892,000 or 6.1% based upon a future test year ending January 31, 2007. Total number of customers: 214,625. Area served: Certain cities, Boroughs, and Townships in the Counties of Armstrong, Butler, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Venango and Warren

Dear Mr. Stone:

The Pennsylvania Public Utility Commission's Office of Administrative Law Judge requests the use of your facility for the purpose of conducting a Public Input Hearing.

The date and time that we have scheduled for the proceeding is as follows:

Tuesday, August 29, 2006 at 2:00 p.m.

If you have any questions regarding the set-up of this request, please contact me at (717) 787-1380.

An invoice listing the charges for the use of your facility must be mailed to:

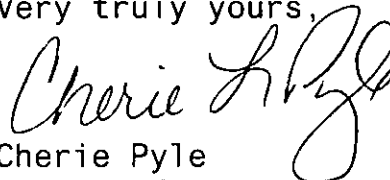
Chief Administrative Law Judge Veronica Smith  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
Attention: Cherie Pyle

Use of any other address will delay the processing of payment. In order to insure prompt payment, you must provide your tax identification number on your invoice.

Please confirm in writing, or by telephone to 717-787-1380, or by FAX to 717-787-0481 as to the availability of your facility and your accommodation of this request.

Thank you for any assistance you can provide in regard to this request.

Very truly yours,

A handwritten signature in black ink that reads "Cherie Pyle". The signature is written in a cursive, flowing style.

Cherie Pyle  
Office of Administrative Law Judge

Attachment

pc: Christine Williams  
Case File

# BURKE VULLO REILLY ROBERTS

ATTORNEYS AT LAW

1460 Wyoming Avenue  
Forty Fort, PA 18704  
Phone (570) 288-6441 ♦ Fax (570) 288-4598

*Formerly Burke & Burke  
Thomas F. Burke, Sr. (1932-1972)*

JOSEPH L. VULLO  
jlvullo@bvrrlaw.com

[www.bvrrlaw.com](http://www.bvrrlaw.com)

August 7, 2006

ORIGINAL

Mr. James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Second Floor  
Harrisburg, PA 17120

RE: In Re: Application of National Fuel Gas Distribution Corporation  
Docket Nos: R-00061493

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of Community Action Association of Pennsylvania's Reply to New Matter of National Fuel Gas Distribution Corporation filed in response to the Community Action Association of Pennsylvania's Petition to Intervene.

I have served all parties of record in accordance with the enclosed Certificate of Service.

If you need anything further from me, please do not hesitate to contact me.

Respectfully submitted,

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Joseph L. Vullo

JLV/jar

cc: All Parties of Record  
ALJ John H. Corbett, Jr.  
ALJ Mark A. Hoyer

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14

**ORIGINAL**

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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SECRETARY'S BUREAU

IN RE: Application of National Fuel : Docket No. R-00061493  
Gas Distribution Corporation for a :  
Rate Increase :

**COMMUNITY ACTION ASSOCIATION OF PENNSYLVANIA'S  
REPLY TO NEW MATTER OF  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
FILED IN RESPONSE TO CAAP'S PETITION TO INTERVENE**

To the Pennsylvania Public Utility Commission:

NOW COMES, the Intervenor, Community Action Association of Pennsylvania (CAAP), by and through counsel, Joseph L. Vullo, Esquire, and replies to the new matter of National Fuel Gas Distribution Corporation (NFG) averring as follows:

13. It is admitted that CAAP is not a customer of NFG, but by way of further answer, it is averred that many of its member organizations are in fact customers of NFG. The following member organizations are customers of NFG: Northern Tier Community Action, Greater Erie Community Action Committee, Warren Forrest Community Action Agency, Community Action, Inc., Jefferson Clarion Community Action Program, and Community Action Partnership of Mercer County.

Additionally, CAAP has been granted intervention in numerous prior PUC proceedings as a representative of the interests of its clients, and relative to NFG's current request, CAAP was invited to speak before a special Pennsylvania House Committee which held a public hearing in Erie, Pennsylvania on July 12, 2006.

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AUG 28 2006

By way of further answer, it is averred that CEO's intervention would not violate the Commission's Rules of Administrative Practice and Procedure at 52 Pa. Code Sections 1.21 - 1.23 as alleged by NFG and that CAAP, as a non-profit corporation, is a "person" as defined by the applicable rule, 52 Pa. Code Section 1.8 (Definitions).

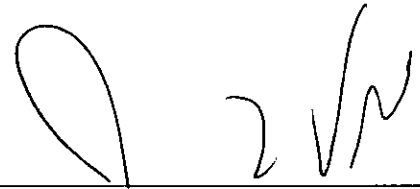
Respectfully submitted,

---

**JOSEPH L. VULLO, ESQUIRE**  
I.D. #41279  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
(570) 288-0700  
E-mail: [jlvullo@bvrrlaw.com](mailto:jlvullo@bvrrlaw.com)  
Attorney for Community Action Association  
of Pennsylvania

VERIFICATION

I, JOSEPH L. VULLO, ESQUIRE, hereby verify that as counsel for the Community Action Association of Pennsylvania, I reviewed the facts set forth in the foregoing Petition with CAAP Board Member, Eugene M. Brady, am authorized to execute this Verification and that the facts set forth in the foregoing are true and correct to the best of my knowledge, information and belief.



\_\_\_\_\_  
JOSEPH L. VULLO, ESQUIRE

Dated: 8/7/06

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AUG 08 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

IN RE: Application of National Fuel : Docket No. R-00061493  
Gas Distribution Corporation for a :  
Rate Increase :

**CERTIFICATE OF SERVICE**

The undersigned certified that he served a copy of the Community Action Association of Pennsylvania's Petition to Intervene upon the following participants this 7 day of August, 2006, via first-class mail:

John H. Isom, Esquire  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

Kenneth C. Springirth  
4720 Cliff Drive  
Erie, PA 16511

Helen M. Elleston  
3424 North Street  
1<sup>st</sup> Floor  
Erie, PA 16510

Irwin A. Popowsky  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor Forum Place  
Harrisburg, PA 17101-1923

Patricia Cartwright  
8 Russell Drive  
Brockway, PA 15824

Stephen Keene, Esquire  
Aron Beatty, Esquire  
Erin Gannon, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5<sup>th</sup> Floor Forum Place  
Harrisburg, PA 17101-1923

Steven C. Gray Esquire  
Sharon E. Webb, Esquire  
Office of Small Business Advocate  
1102 Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

John Simms, Esquire  
Robert Eckenrod, Esquire  
A. Curtin, Esquire  
PUC - Office of Trial Staff  
400 North Street  
2 West Keystone Building  
Harrisburg, PA 17105-3265

Respectfully submitted,

---

JOSEPH L. VULLO, ESQUIRE  
I.D. No. 41279  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
(570) 288-0700  
e-mail: [jlvullo@aol.com](mailto:jlvullo@aol.com)  
Attorney for Community Action Association  
of Pennsylvania

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**National Fuel**

August 07, 2006

Stephen Keene, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place - 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

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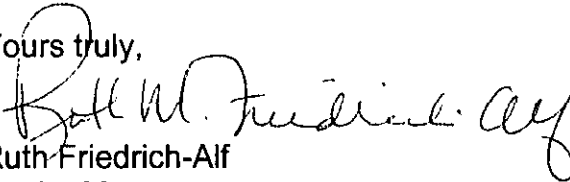
**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Keene:

Enclosed please find one (1) copy of National Fuel Gas Distribution Corporation's response to the following Office of Consumer Advocate interrogatories:

OCA	3	034	*
OCA	4	001	*
OCA	4	002	*
OCA	4	003	*
OCA	4	005	*
OCA	4	006	*
OCA	4	007	*
OCA	4	008	*
OCA	4	009	*
OCA	5	021	*
OCA	9	002	*
OCA	9	009	*

**DOCUMENT FOLDER**

Yours truly,  
  
Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

Richard A. Galligan  
Lafayette Morgan  
Thomas Catlin  
Jerome Mierzwa  
Exeter Associates, Inc.  
Suite 310  
5565 Sterrett Place  
Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

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SECRETARY'S BUREAU

First Class Mail

Robert V. Eckenrod, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Dated this 7<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 07, 2006

Sharon E. Webb  
Office of Small Business Advocate  
Commerce Building  
Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

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FOLDER

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SECRETARY'S BUREAU

2006 AUG 10 AM 9:24

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**RE: Docket # R-00061493 - Base Rates**

Dear Ms. Webb:

Enclosed please find the response of National Fuel Gas Distribution Corporation to the following Office of Small Business Advocate interrogatories:

- OSBA 1 005 \*
- OSBA 1 006 \*
- OSBA 1 013 c
- OSBA 1 013 d
- OSBA 1 022 a
- OSBA 1 022 b
- OSBA 1 025 \*
- OSBA 1 026 \*
- OSBA 1 027 \*

DOCUMENT FOLDER

Yours truly,

Ruth M. Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

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Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

First Class Mail

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Robert V. Eckenrod, Esq. (4)  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Richard A. Galligan  
Exeter Associates, Inc.  
5565 Sterrett Place, Suite 310  
Columbia, MD 21044

Dated this 7<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

**ORIGINAL**

August 8, 2006

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

AUG 8 2006

**DOCUMENT FOLDER**

Re: **Statement No. 11S**  
**Pa. P.U.C. v. National Fuel Gas Distribution Corporation**  
**Docket No. R-00061493**

**DOCUMENT FOLDER**

Dear Secretary McNulty:

Enclosed for filing on behalf of N.F.G.D.C. ("Distribution") in the above-referenced filing, please find nine (9) copies of the following Supplemental Statement and Exhibit:

Supplemental Testimony of Eric H. Meini  
Statement No. 11 S  
Exhibit No. 19-S including Schedules 1, 2 and 3

Respectfully submitted,

Eric H. Meini

Enclosure

cc: Certificate of Service

26

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

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1 Q. State your name and business address.

2 A. My name is Eric H. Meinl. My business address is 6363 Main St, AUG 08 2006  
3 Williamsville, New York 14221.

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by National Fuel Gas Distribution Corporation ("Distribution"  
6 or "Company") as General Manager in Distribution's Rates and Regulatory  
7 Affairs Department.

8 Q. Have you previously provided testimony in this proceeding?

9 A. Yes, I provided Statement No. 11.

10 Q. What is the purpose of your supplemental testimony?

11 A. The purpose of my testimony is to respond to the statement of Vice Chairman  
12 Cawley issued in this case at the public meeting of the Commission held on  
13 July 20, 2006 and to clarify Rider I, the Enhanced Energy Efficiency ("EEE")  
14 Program Cost Recovery tariff rider.

15 Q. Please explain your clarification of Rider I, the Enhanced Energy Efficiency  
16 ("EEE") Program Cost Recovery tariff rider.

17 A. At page 21, line 12, of my direct testimony, (Statement No. 11), I state that,  
18 "Therefore, the EEE charge would operate such that if the average usage per  
19 account were greater than imputed usage the customers would receive a  
20 credit."

21 It is not clear from the originally proposed Rider I tariff included in this  
22 case that the rates resulting from the application of Rider I, could be either a

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1 credit or a surcharge. Page 1 of Exhibit 19-S, Schedule 1, provides a modified  
2 Rider I tariff sheet. This modified tariff language clarifies that if actual usage  
3 per account is greater than the imputed usage per account Rider I would result  
4 in a credit customer bills.

5 The Rider I included in the initial filing also refers to normalized volumes  
6 being utilized to develop the charge. This was not the intention. Changes in  
7 actual average volume per account were to be utilized. As mentioned at page  
8 21, line 6, of my direct testimony (Statement No. 11), by utilizing actual  
9 consumption the impact of weather will be included in the Rider rate  
10 calculation. As further explained on that page of my direct testimony, it is  
11 appropriate to reflect the impact of weather because: (1) in years where  
12 weather is colder than normal the Company may be recovering sufficient  
13 revenue to compensate for lost volumes associated with increased energy  
14 efficiency, and (2) since the proposed EEE charge provides benefits to  
15 customers when weather is colder than normal it is only fair that the Company  
16 be provided similar benefits when weather is warmer than normal. I also  
17 noted beginning at page 21, line 21 of my direct testimony that the proposed  
18 EEE Rider is not a weather normalization clause. Further, as mentioned at  
19 page 22, line 5 of my direct testimony, the EEE Rider mechanism could be  
20 designed based on changes in normalized usage per account; however, the  
21 cost mitigation aspects of the proposal would then be eliminated.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1           Finally, Rider I has been updated to make clear that each class of customer  
2 included under Rider I is to have its own separately stated EEE rate.

3       Q.    Have you prepared a schedule clarifying how the proposed Rider would be  
4 calculated for each rate class?

5       A.    Yes. Exhibit 19-S, Schedule 1 provides an example of how the Rider I rates  
6 would be calculated for each rate schedule. Page 2 of Exhibit 19-S, Schedule  
7 1 provides an example of the Rider I calculation assuming a 5% decline in  
8 average usage per customer class. Page 3 of Exhibit 19-S, Schedule 1  
9 provides an example of the Rider I calculation assuming a 5% increase in  
10 average usage per customer class. As is demonstrated on line 13 of pages 2  
11 and 3 of the exhibit, the proposed Rider has a symmetrical impact on customer  
12 bills.

13       Q.    Have you prepared an analysis of the potential impacts on customer bills  
14 from the proposed Rider I?

15       A.    Yes. Pages 4 through 8 of Exhibit 19-S, Schedule 1, provides a summary of  
16 the bill impact of the EEE charge for each qualifying rate schedule. These  
17 pages provide three bar graphs for each rate schedule that identifies the gas  
18 cost, margin (non-gas cost), and EEE charge under proposed rates under three  
19 different scenarios. The first bar on the graph provides the bill components  
20 for the average customer in the class assuming no decline in average usage for  
21 the class and therefore no EEE charge. The first graph is in effect the  
22 approximate average bill per customer at proposed rates. The second bar on

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meini

1 the graph provides the bill components for the average customer in the class  
 2 assuming the class on average saves 5%. Under this scenario there is an EEE  
 3 charge, however, the average customers total bill will be reduced. The third  
 4 bar on the graph provides the impact on the average customer that does not  
 5 reduce their consumption, further assuming, however, that the average  
 6 consumption for the class has decreased by 5%. Table 1-S, provides a  
 7 summary of the bill impacts of the residential class graph (Exhibit 11-S,  
 8 Schedule 1, Page 4).

Table 1-S. EEE Rider Examples. Residential Bill. Exhibit 19-S, Schedule 1, Page 4				
	Margin	EEE Charge	Gas Cost	Total Bill
1) No Change in Class Average Usage (First Bar on Exhibit 19-S, Page 4 Graph)	\$536.10	\$0	\$1,299.12	\$1,835.22
2) Bill for Average Customer that Decreases Consumption 5% and the Total Avg. Class Consumption Declines 5% (Second Bar on Exhibit 19-S, Page 4Graph)	\$529.91	\$4.12	\$1,229.82	\$1,763.85
3) Bill Change (Line 2 – Line 1)	(\$6.19)	\$4.12	(\$69.30)	(\$71.37)
4) Bill for Avg Customer that does not Decrease Consumption and the Total Avg.Class Consumption Declines 5% (Third Bar on Exhibit 19-S, Page 4 Graph)	\$536.10	\$4.34	\$1,299.12	\$1,839.56
5) Bill Change (Line 4 – Line 1)	\$0	\$4.34	\$0	\$4.34

9 As can be seen from the information summarized on this table, the  
 10 customer that conserves 5% will experience a total annual bill reduction of  
 11 \$71.37 which includes (under a scenario where the class as a whole reduces  
 12 average consumption by 5%) a EEE charge of \$4.12. The EEE charge under

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1 proposed rates for this scenario represents approximately 0.23% of the total  
2 customer bill ( $0.23\% = \$4.12/\$1,763.85$ ). This customer will save in total 4%  
3 on their bill ( $4\% = \$71.37/\$1,835.22$ ). Similar percentage savings would be  
4 achieved in the other rate classes where the EEE Rider applies.

5 Lines 4 and 5 of Table 1-S provides a summary of the bill impact on a  
6 residential customer at the current average residential consumption level that  
7 does not reduce their consumption while the residential rate class as a whole  
8 reduces consumption by 5%. For this customer the EEE charge would be  
9 \$4.34 or a 0.24% bill increase ( $0.24\% = \$4.34/\$1,839.56$ ). While there is a bill  
10 increase for this customer under this scenario, that is not to say that the  
11 customer does not benefit from the conservation results achieved by other  
12 customers on the system. To the extent that conservation has a downward  
13 impact on the overall demand for natural gas in the market place, and that  
14 reduced demand has an impact on the market price of natural gas, the  
15 customer that does not reduce their usage will benefit from the reduced market  
16 price of natural gas achieved through the conservation efforts of other  
17 customers. Indeed, as referenced in my direct testimony at page 14, Line 17,  
18 an ACEEE study projected possible wholesale natural gas price declines  
19 resulting from conservation of 4.4% in 2007 up to 11.7% in 2020.

20 Q. Have you reviewed Vice Chairman Cawley's request to the administrative law  
21 judge contained in the statement he issued in this proceeding?

22 A. Yes.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meini

1 Q. Vice Chairman Cawley requested that the Administrative Law Judge and the  
2 parties in this proceeding address a number of questions regarding revenue  
3 decoupling and appropriate pricing to encourage conservation. Has the  
4 Company addressed these issues in its initial filing?

5 A. Yes. My initial Statement No. 11 addressed the subject of revenue decoupling  
6 and rate design changes which considered a variety of objectives including  
7 proper pricing to encourage conservation. In this supplemental testimony, I  
8 will clarify the Company's proposal in the context of the questions asked by  
9 Vice Chairman Cawley. I will also summarize the important characteristics of  
10 the Company's service territory that needs to be considered when addressing  
11 the appropriate rate design for the Company's service territory.

12 Q. What must be considered when addressing the questions regarding  
13 conservation and rate design in the Company's service territory?

14 A. There are a number of points which must be kept in mind when considering  
15 the design of the Company's rates and the encouragement of conservation on  
16 the Company's system.

17 First, maintaining and expanding infrastructure to provide customers  
18 access to natural gas supplies is a benefit to the Company's service territory.  
19 In other words, customers and the economic well being of the service territory  
20 are better off with access to natural gas supplies than without access to such  
21 supplies.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meini

1 This was addressed in my direct testimony Statement No. 11 pages 6-9.  
2 Table 2-S below repeats the estimate of the financial benefits of the access of  
3 natural gas to residential customers in the service territory.

Table2-S. Estimate of Benefits to the Service Territory from Access to Natural Gas Supplies						
Fuel	12 Months Ended 9/2005 Cost/Dth	Share	Share Excl. Nat Gas	Res Consumption (Dth)	Amount Alternative Greater than Natural Gas	Annual Savings
(A)	(B)	(C)	(D)	(E)	(F)	(G=FxE)
Electricity	\$ 29.71	7.8%	30%	6,536,130	\$ 17.62	\$ 115,166,603
Heating Oil	\$ 14.19	13.1%	50%	10,977,346	\$ 2.10	\$ 23,052,426
Propane	\$ 21.61	5.1%	20%	4,273,623	\$ 9.52	\$ 40,684,893
Gas	\$ 12.09	69.3%				
Total		95%		21,787,099		\$ 178,903,921

4 This represents the financial benefit to the service territory. There are also  
5 environmental benefits from using natural gas instead of alternative fuels.

6 Considering these impacts it is important to avoid pricing policies that  
7 would encourage customers from switching to alternative fuel sources from  
8 natural gas.

9 It is also important to recognize that the economic well being of the  
10 Company's service territory is dependent on the manufacturing sector to a  
11 greater degree than the state of Pennsylvania as a whole. This was  
12 demonstrated at page 6 of Statement No. 11. Table 3-S repeats the summary  
13 of employment percentages included in Statement No. 11.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

	MACD	ENCCD	Pa	Pa Non-NFGDC Counties	NFGDC Counties
Industry: Manufacturing	12.3	20.1	16	15.4	22.8

1           Another factor that must be considered is the significant amount of local  
2           production in the service territory and the number of interstate pipelines that  
3           traverse the Company's service territory. This provides alternative sources of  
4           access to natural gas for the Company's large industrial, commercial and  
5           public authority customers. Therefore, pricing policies that increase the  
6           Company's delivery rates to these customers may lead to bypass of the  
7           Company's delivery system instead of the energy efficiency results intended  
8           to be encouraged by the price increase.

9           Q.   Commissioner Cawley's first question related to fixed charges for residential  
10           and commercial customers and whether such charges discourage conservation  
11           of energy. Do fixed charges discourage conservation of energy?

12           A.   I assume the question relates to the trade-off between recovering the  
13           Company's revenue requirement from customer charges as compared to  
14           recovery from volumetric usage rates. The lower the customer charges, all  
15           other things remaining equal, the greater the usage rates would need to be in  
16           order to recover the company's revenue requirements.

17           If the rates for usage are higher, customers that reduce consumption would  
18           save more than if rates for usage were lower, all other things being equal.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1           However, the important question to ask is, is the increase in usage rates for  
2 marginal consumption that would result by shifting costs from customer  
3 charges to usage rates significant enough to: (1) encourage additional  
4 conservation (2) out weigh the customer impacts of such a change, and (3)  
5 allow the Company a fair opportunity to achieve a reasonable rate of return?

6           Commissioner Cawley recognizes that revenue decoupling models can be  
7 used to provide reasonably stable revenues for the utility. The Company's  
8 proposed Rider I would provide a mechanism for maintaining reasonably  
9 stable non-gas cost revenues for the Company.

10           It is doubtful, however, that a rate design shift from customer charges to  
11 volumetric usage rates would provide enough conservation benefits to offset  
12 the negative customer impacts. Shifting revenue recovery from customer  
13 charges to volumetric usage rates would cause a greater amount of fixed costs  
14 to be recovered from higher usage customers. As explained in my direct  
15 testimony (Statement No. 11) page 32, line 2, low income customers tend to  
16 use more natural gas than higher income customers. Low income customers  
17 are also less likely to have the financial resources to invest in energy saving  
18 improvements to their homes. Additionally, seasonal and recreational, and  
19 other low volume users would be rewarded, albeit unintentionally, but  
20 rewarded none-the-less, from such a change. Indeed, a non-heating, low  
21 volume customer would never pay the customer related costs if customer costs  
22 are recovered volumetrically.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meini

1           Exhibit 19-S, Schedule 2, page 1 provides a comparison of non-gas cost  
2 recovery for small volume residential customers if non-gas costs were  
3 recovered from residential customers through a purely volumetric rate. Line  
4 10 demonstrates that such a rate design would under-recover the customer  
5 related costs of serving the average residential customer. These purely  
6 customer related costs would need to be recovered from higher usage  
7 customers. Customer related costs are costs associated with connecting  
8 customers directly to the system including service line and meter costs. As  
9 demonstrated on Exhibit 19-S, schedule 2, a purely volumetric rate design  
10 would not recover the customer related costs and would also provide no  
11 contribution to other system costs from low usage customers, including, for  
12 example, the costs of distribution mains that all customers benefit from.

13           As further explained in Statement No. 11, pg. 27, recovering non-gas costs  
14 from fixed charges is more consistent with how these costs are incurred, since  
15 the installation and maintenance costs of distribution pipe does not vary due to  
16 the amount of gas consumed it is more appropriate to recover such costs on a  
17 fixed basis.

18       Q.    Did the Company propose a change in its rates that would increase the  
19 financial benefit to customers that would conserve?

20       A.    Yes. The Company proposed establishing seasonal purchase gas costs to both  
21 provide benefit to customers that utilize natural gas more efficiently and more

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1 accurately reflect cost causation. This was explained at page 25 and 26 of  
2 Statement No. 11.

3 I would recommend that if there is a concern about providing significant  
4 price signals in unit rates that the focus would be on the proper recovery of  
5 purchased gas cost expense. If there is a concern that rates are too low to  
6 provide benefits to customers to conserve, the winter rates under the  
7 Company's proposed seasonal rate design could be increased. Further, the  
8 appropriate natural gas cost pricing for the upcoming year could be reviewed  
9 in the annual 1307(f) gas cost proceeding and adjustments could be made  
10 based on circumstances at that time. In other words, the Company's proposal  
11 provides the Commission with an opportunity to experiment with pricing  
12 policies and test their impacts on promoting conservation while providing the  
13 Company with reasonably stable revenues to operate its system.

14 While the Company believes its proposed rate design reasonably balances  
15 cost causation and appropriate price signals to encourage conservation, and  
16 that its seasonal recovery of purchased gas cost demand charges provides  
17 incentives to conserve, winter purchase gas commodity prices could arguably  
18 be increased to provide greater conservation incentives. Currently, NYMEX  
19 prices reflect a significant premium in winter months natural gas commodity  
20 rates compared to summer months.

21 Exhibit 19-S, Schedule 3, Page 1, provides the NYMEX prices for natural  
22 gas commodity purchases for the months of August 2006 through March

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meinl

1 2007. As can be seen from this exhibit market prices of gas currently  
2 provides a significant premium on winter gas supply. For example, the  
3 premium comparing February 2007 prices to August 2006 prices is over \$4.00  
4 /Dth.

5 Q. Commissioner Cawley also asked if declining block rate designs remove the  
6 incentives for customers to conserve. Do declining block rate designs remove  
7 the incentives to conserve?

8 A. No. Customers have a significant incentive to conserve through avoidance of  
9 purchased gas costs. Ultimately it is purchased gas costs that will be saved by  
10 customers through conservation. Non-gas cost recovery will remain stable  
11 either through the effects of a revenue decoupling mechanism such as Rider 1  
12 or through the filing of base rate cases prompted by the decline in customer  
13 usage. The most significant component of a customer's bill is the purchase  
14 gas cost component. Under the proposed seasonal rate design it represents  
15 approximately 70% of customer's bill. It is the potential to save on  
16 purchased gas cost component of the bill that provides customers with the  
17 long term benefits from conservation.

18 Q. Commissioner Cawley's final question was whether rate designs should vary  
19 by class. Is it appropriate that larger commercial and industrial customers pay  
20 lower unit rates for distribution?

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meisl

1       A.     Yes. It is appropriate that larger commercial and industrial customers pay  
2             lower unit rates for distribution services since it costs less on a unit basis to  
3             serve such customers.

4             Further, it is important to recognize that such customers can bypass the  
5             utility if rates for distribution service are greater than the costs of the  
6             customer building a bypass line to a local production source or interstate  
7             pipeline. In such bypass circumstances, the increased delivery unit rates  
8             would not result in more efficient usage on the part of the large industrial or  
9             commercial customer, but instead result in an inefficient bypass of the  
10            Company's distribution system. It would also make the costs of  
11            manufacturing more expensive not less in the service territory.

12            A more effective energy efficiency strategy for large volume customers  
13            would be to target RD&D funding including the Delta funding currently in  
14            effect toward energy efficient applications for industries in the Company's  
15            service territory. A summary of the Delta Funds RD&D Program is provided  
16            starting at page 19 of, Statement No. 14, Direct Testimony of Scott E.

17            Swartzfager.

18        Q.     Please summarize how the Company's proposals meet the concerns of Vice  
19             Chairman Cawley.

20        A.     The Company's rate design proposals strike a reasonable balance between  
21             cost causation and recovery, various customer impacts, and conservation  
22             goals.

National Fuel Gas Distribution Corporation  
Supplemental Direct Testimony of Eric H. Meini

1           The proposed increase in customer charges and rate redesign with reduced  
2 tailblock margin and increased first block rates recovers non-gas costs more  
3 consistently with how those costs are incurred and helps to mitigate any  
4 subsidy that larger volume residential customers provide to smaller volume  
5 customers.

6           The seasonal PGDC rate design provides customers with significant  
7 benefits if they conserve. The seasonal PGDC rates could also be modified  
8 annually in a 1307(f) proceeding to fine tune those incentives.

9           Finally, the proposed EEE Rider would provide the Company with  
10 reasonably stable revenues, thereby removing any penalty on the Company  
11 from the aggressive promotion of the efficient use of natural gas from  
12 customers on its system.

13       Q.   Does this conclude your supplemental testimony?

14       A.   Yes.

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

Supplement No. 61 Page 1 of 8  
Gas - Pa. P.U.C. No. 9  
Second Revised Page No. 165  
Canceling First Revised Page No. 165

(C)

RIDER I  
ENHANCED ENERGY EFFICIENCY PROGRAM COST RECOVERY

PROGRAM DESCRIPTION

The Enhanced Energy Efficiency ("EEE") Program Cost Recovery shall be a surcharge or credit to the rate schedules listed below. On or before March 31 of each year the Company shall file a summary of volume changes from imputed volumes in Case R-00061493 and associated revenue changes. Such filing shall also include proposed revised Rider I tariff pages to implement the changes to Rider I rates with an effective date of August 1.

EEE Rate

The EEE Rate currently in effect to be added to the delivery rates of the Residential, Commercial and Public Authority, and Small Volume Industrial Service Classification is as follows:

Rate Classification	EEE Rate \$/Mcf
Residential	0.0000
Small Commercial and Public Authority LT 250	0.0000
Small Commercial and Public Authority GT 250	0.0000
Large Commercial and Public Authority	0.0000
Small Volume Industrial	0.0000

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DETERMINATION OF EEE RATE

The EEE Rate shall equal the change in margin associated with changes to average customer consumption for the Residential, Commercial and Public Authority, and Small Volume Industrial Service Classification. Changes in margin per account shall be determined by calculating the change in Residential, Commercial and Public Authority, and Small Volume Industrial Service actual consumption for the most recent 12 months ended January preceding the March 31 filing date compared to volumes imputed for such rate categories in Case R-00061493.

The change in usage per account shall be multiplied by the sum of the appropriate rate classification tailblock delivery charge margin and LIRA Rider surcharge effective January determine change in margin per account. The change in margin per account shall be multiplied by the average monthly number of accounts for the appropriate rate classifications for the most recent 12 months ended January preceding the March 31 filing date. The total change in margin so calculated shall be divided by the most recent 12 months ended January weather normalized volumes for the Residential, Commercial and Public Authority, and Small Volume Industrial rate classifications.

(C) Indicates Change

National Fuel Gas Distribution Corporation  
 Pennsylvania Division

Example Calculation for EEE Rate

Example with decline in average use.

	Residential	Small Commercial LT 250	Small Public Authority Less Than 250	Total Small Commercial/Public Authority Less Than 250	Small Commercial GT 250	Small Public Authority GT 250	Total Small Commercial/Public Authority GT 250	Large Commercial	Large Public Authority	Total Large Commercial/Public Authority	Small Volume Industrial	Total	
1 ) Benchmark Annual Imputed Usage per Account	99,649	104,554	109,232		435,592	454,735		2,274,003	4135,344		411,081		Mcf
2 ) % Change in Average Usage per Account	-5%	-5%	-5%		-5%	-5%		-5%	-5%		-5%		Assumption
3 ) Usage Per Account After Decline	<u>94,667</u>	<u>99,326</u>	<u>103,770</u>		<u>413,812</u>	<u>431,998</u>		<u>2,180,303</u>	<u>3,928,577</u>		<u>390,527</u>		Mcf Line 1 x (1 - Line 2)
4 ) Change in Usage Per Account	(4,982)	(5,228)	(5,462)		(21,780)	(22,737)		(113,700)	(206,767)		(20,554)		Mcf Line 3 - Line 1
5 ) Average Monthly Number of Accounts	<u>197,876</u>	<u>8,665</u>	<u>435</u>		<u>3,888</u>	<u>287</u>		<u>1,695</u>	<u>582</u>		<u>189</u>		Accounts Future Test Year Forecast
6 ) Total Annual Consumption Decline	(985,818)	(45,299)	(2,375)		(84,677)	(6,535)		(192,674)	(120,338)		(3,883)		Mcf Line 4 x Line 5
7 ) Proposed Tailblock Margin	\$ 0.2496	\$ 1.2321	\$ 1.2321		\$ 1.1158	\$ 1.1158		\$ 1.6487	\$ 1.6487		\$ 1.8761		/Mcf Company Rate Proposal
8 ) Projected LIRA Rider Rate	<u>\$ 0.5806</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>		/Mcf Company Rate Proposal
9 ) Total Rate	<u>\$ 0.8302</u>	<u>\$ 1.2321</u>	<u>\$ 1.2321</u>		<u>\$ 1.1158</u>	<u>\$ 1.1158</u>		<u>\$ 1.6487</u>	<u>\$ 1.6487</u>		<u>\$ 1.8761</u>		/Mcf Line 7 + Line 8
10 ) Lost Margin	\$ 818,425.95	\$ 55,813.28	\$ 2,926.31	\$ 58,739.59	\$ 94,482.61	\$ 7,291.74	\$ 101,774.35	\$ 317,661.83	\$ 198,401.91	\$ 516,063.74	\$ 7,284.88	\$ 2,178,866.21	Line 9 x -Line 6
11 ) Annual Normalized Consumption Assuming % Decline in Average Consumption	<u>18,812,044</u>	<u>873,699</u>	<u>45,185</u>	<u>918,884</u>	<u>1,632,768</u>	<u>124,309</u>	<u>1,757,077</u>	<u>3,693,370</u>	<u>2,287,724</u>	<u>5,981,094</u>	<u>75,636</u>		Mcf 95% of Forecasted FTY Consumption
12 ) Assumed EEE Surcharge	<u>\$ 0.0435</u>	<u>\$ 0.0639</u>	<u>\$ 0.0648</u>	<u>\$ 0.0639</u>	<u>\$ 0.0579</u>	<u>\$ 0.0587</u>	<u>\$ 0.0579</u>	<u>\$ 0.0860</u>	<u>\$ 0.0867</u>	<u>\$ 0.0863</u>	<u>\$ 0.0963</u>		/Mcf Line 10 / Line 11
13 ) Total Impact on Average Customer Bill	<u>\$ 4.12</u>	<u>\$ 6.35</u>	<u>\$ 6.72</u>	<u>\$ 6.49</u>	<u>\$ 23.95</u>	<u>\$ 25.34</u>	<u>\$ 24.50</u>	<u>\$ 185.80</u>	<u>\$ 340.70</u>	<u>\$ 262.68</u>	<u>\$ 37.61</u>		/Mcf Line 12 x Line 3

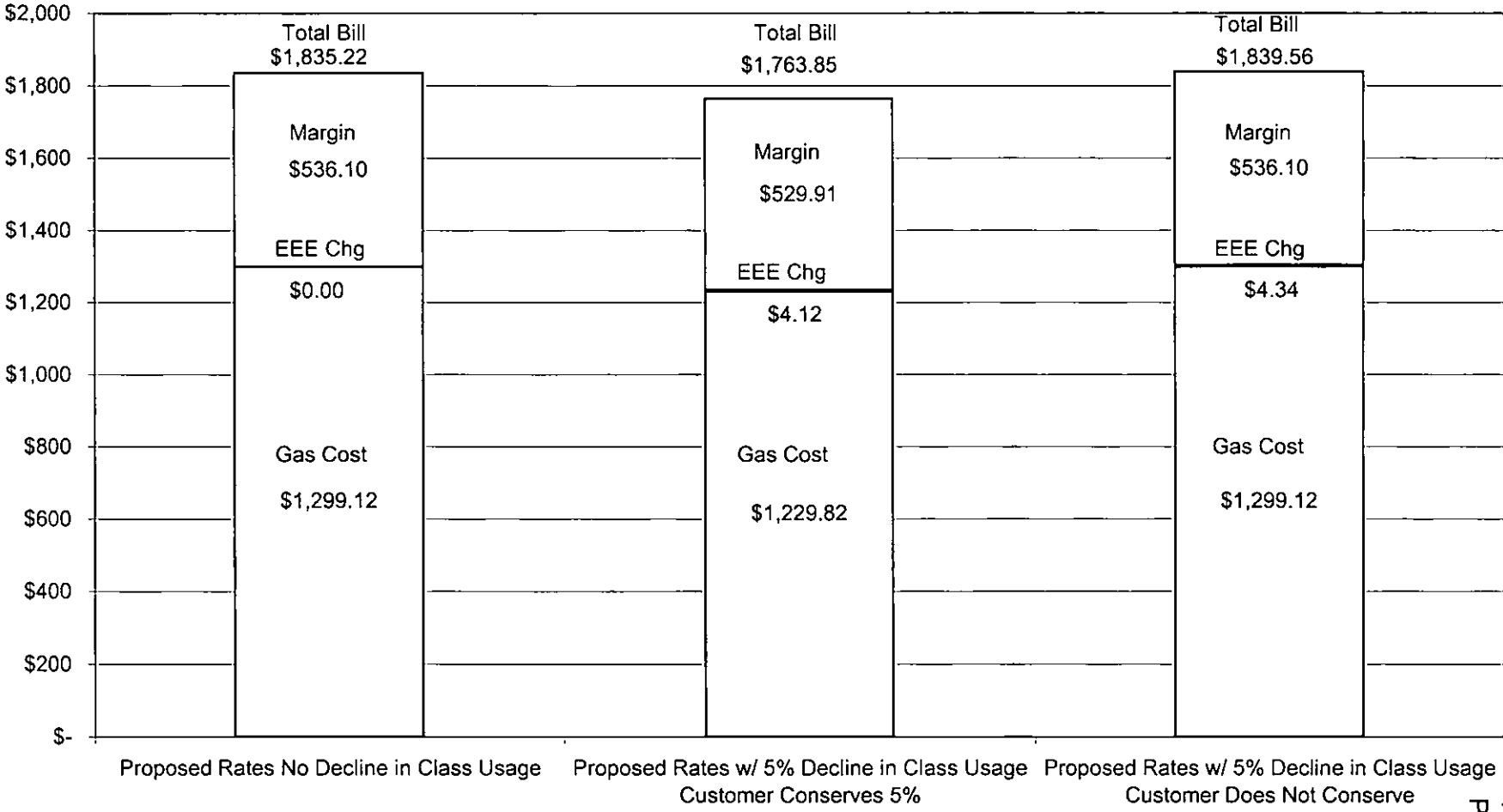
National Fuel Gas Distribution Corporation  
 Pennsylvania Division

Example Calculation for EEE Rate

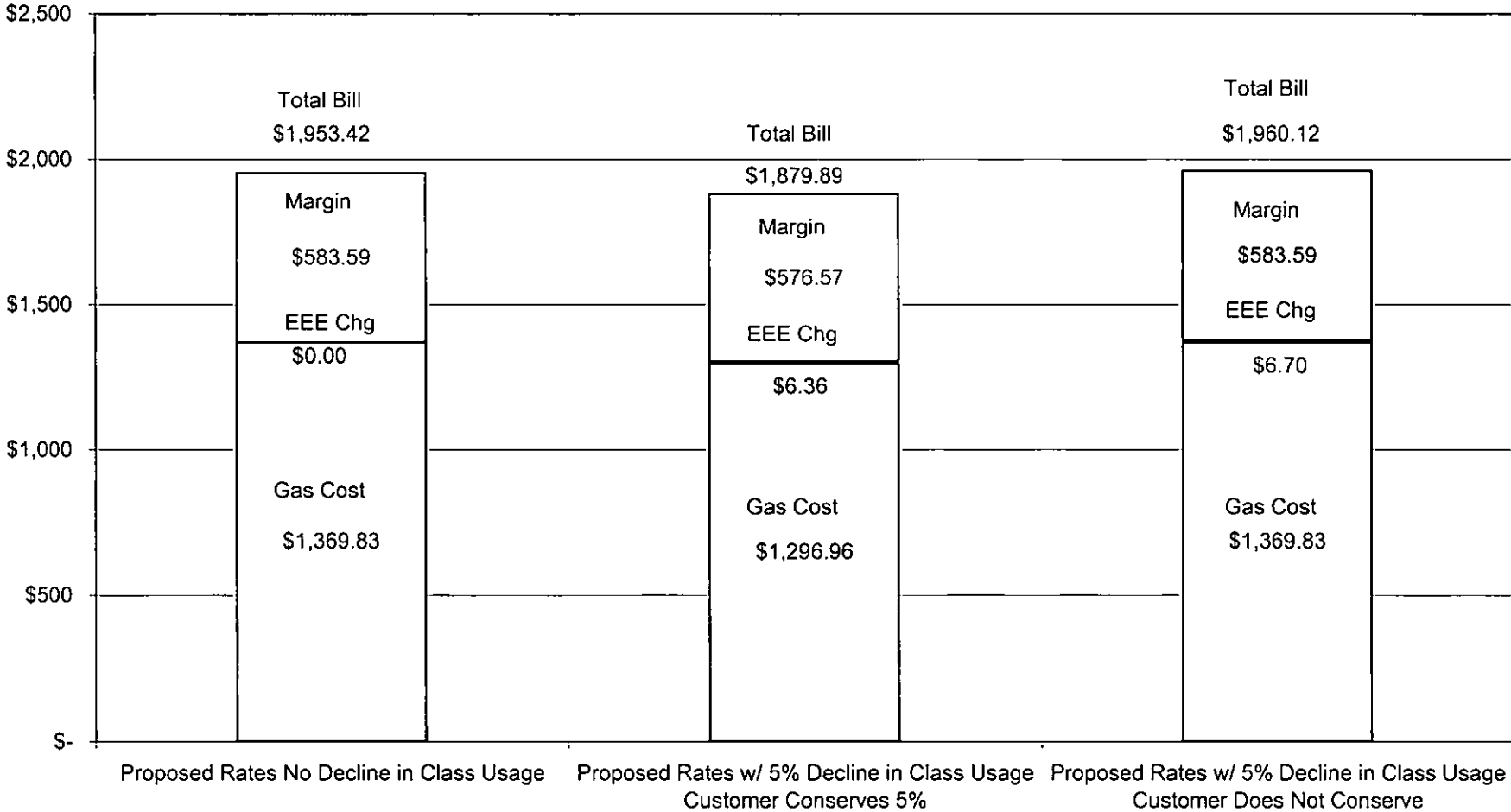
Example with increase in average use.

	Residential	Small Commercial LT 250	Small Public Authority Less Than 250	Total Small Commercial/Public Authority Less Than 250	Small Commercial GT 250	Small Public Authority GT 250	Total Small Commercial/Public Authority GT 250	Large Commercial	Large Public Authority	Total Large Commercial/Public Authority	Small Volume Industrial	Total		
1 ) Benchmark Annual Imputed Usage per Account	99,649	104,554	109,232		435,592	454,735		2,274,003	4,135,344		411,081		Mcf	
2 ) % Change in Average Usage per Account	5%	5%	5%		5%	5%		5%	5%		5%		Assumption	
3 ) Usage Per Account After Decline	104,631	109,782	114,684		457,372	477,472		2,387,703	4,342,111		431,635		Mcf	Line 1 x (1 - Line 2)
4 ) Change in Usage Per Account	4,982	5,228	5,462		21,780	22,737		113,700	206,767		20,554		Mcf	Line 3 - Line 1
5 ) Average Monthly Number of Accounts	197,876	8,665	435		3,888	287		1,695	582		189		Accounts	Future Test Year Forecast
6 ) Total Annual Consumption Decline	985,818	45,299	2,375		84,677	6,535		192,674	120,338		3,883		Mcf	Line 4 x Line 5
7 ) Proposed Tailblock Margin	\$ 0.2496	\$ 1.2321	\$ 1.2321		\$ 1.1158	\$ 1.1158		\$ 1.6487	\$ 1.6487		\$ 1.8761		/Mcf	Company Rate Proposal
8 ) Projected LIRA Rider Rate	\$ 0.5806	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -		\$ -		/Mcf	Company Rate Proposal
9 ) Total Rate	\$ 0.8302	\$ 1.2321	\$ 1.2321		\$ 1.1158	\$ 1.1158		\$ 1.6487	\$ 1.6487		\$ 1.8761		/Mcf	Line 7 + Line 8
10 ) Lost Margin	\$ (818,425.95)	\$ (55,813.28)	\$ (2,928.31)	\$ (58,739.59)	\$ (94,482.61)	\$ (7,291.74)	\$ (101,774.35)	\$ (317,661.83)	\$ (198,401.91)	\$ (516,063.74)	\$ (7,284.88)	\$ (2,178,866.21)		Line 9 x -Line 6
11 ) Annual Normalized Consumption Assuming % Decline in Average Consumption	20,792,260	965,667	49,941	1,015,608	1,804,638	137,395	1,942,033	4,082,146	2,528,537	6,610,682	83,598		Mcf	95% of FTY Residential Consumption
12 ) Assumed EEE Surcharge	\$ (0.0394)	\$ (0.0578)	\$ (0.0588)	\$ (0.0578)	\$ (0.0524)	\$ (0.0531)	\$ (0.0524)	\$ (0.0778)	\$ (0.0785)	\$ (0.0781)	\$ (0.0871)		/Mcf	Line 10 / Line 11
13 ) Total Impact on Average Customer Bill	\$ (4.12)	\$ (6.35)	\$ (6.72)	\$ (6.49)	\$ (23.95)	\$ (25.34)	\$ (24.50)	\$ (185.80)	\$ (340.70)	\$ (262.68)	\$ (37.61)		/Mcf	Line 12 x Line 3

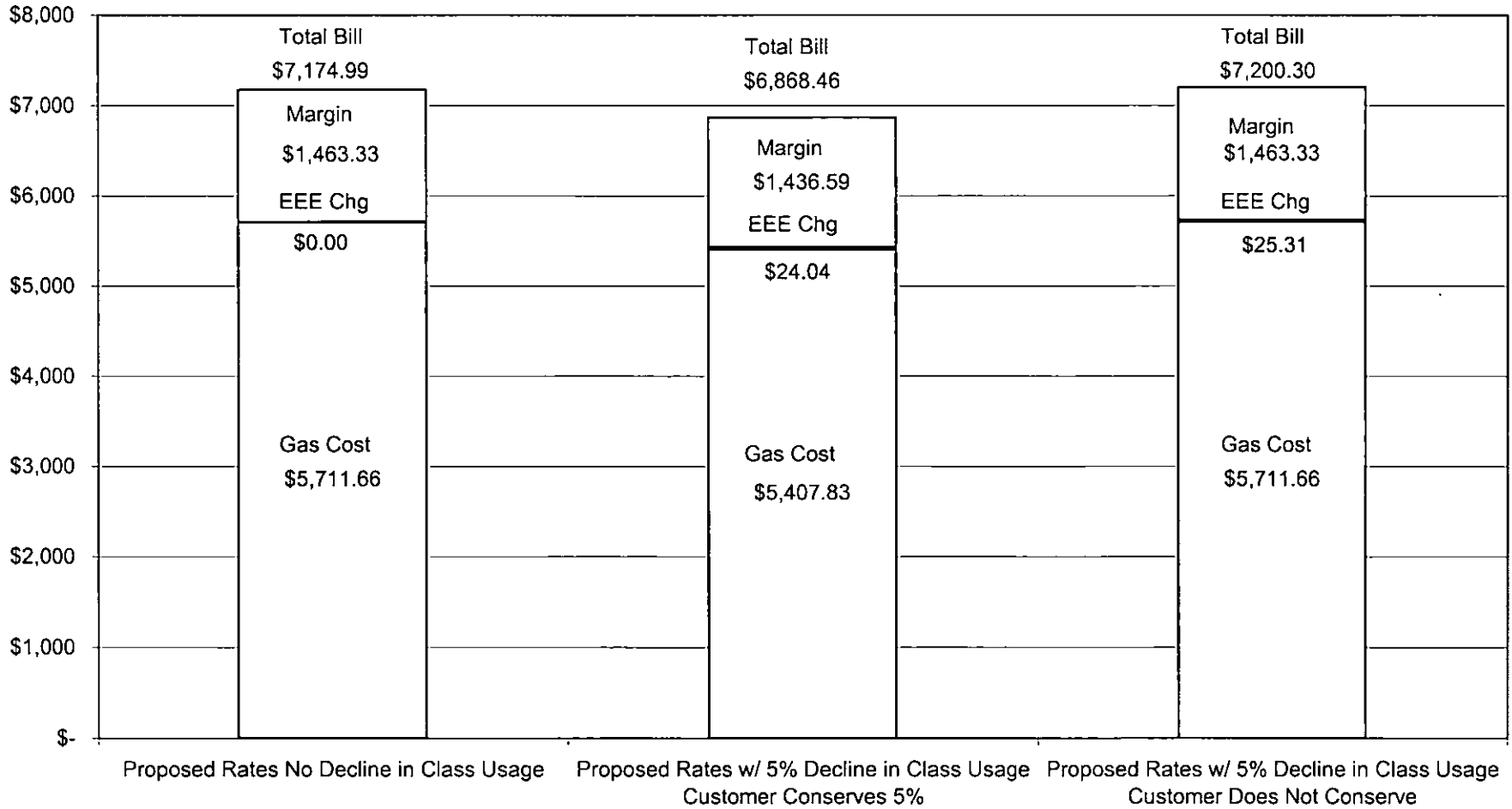
**EEE Rider Example  
Average Annual Bill - Residential**



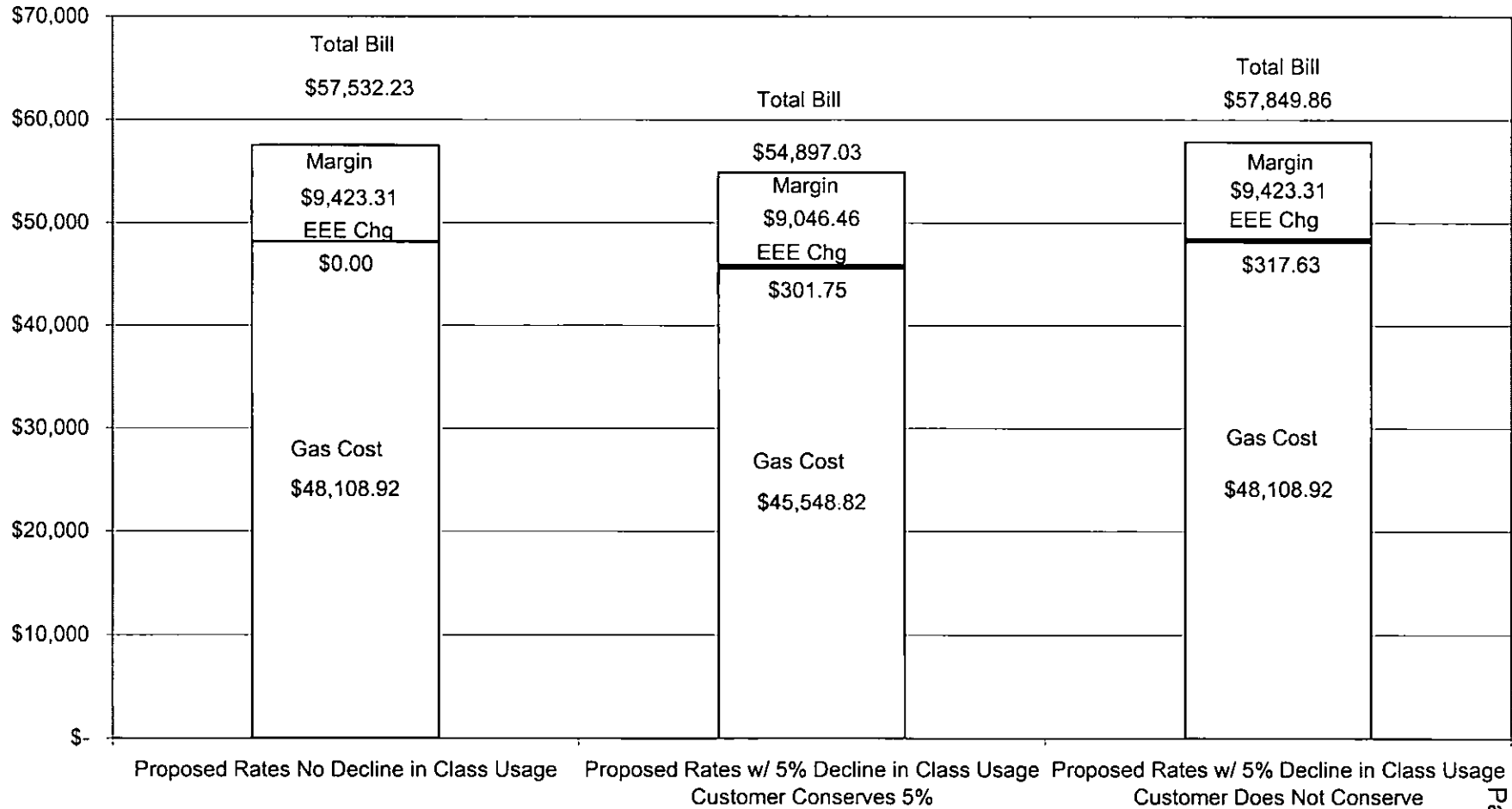
**EEE Rider Example**  
**Average Annual Bill - Small Commercial < 250 Mcf**



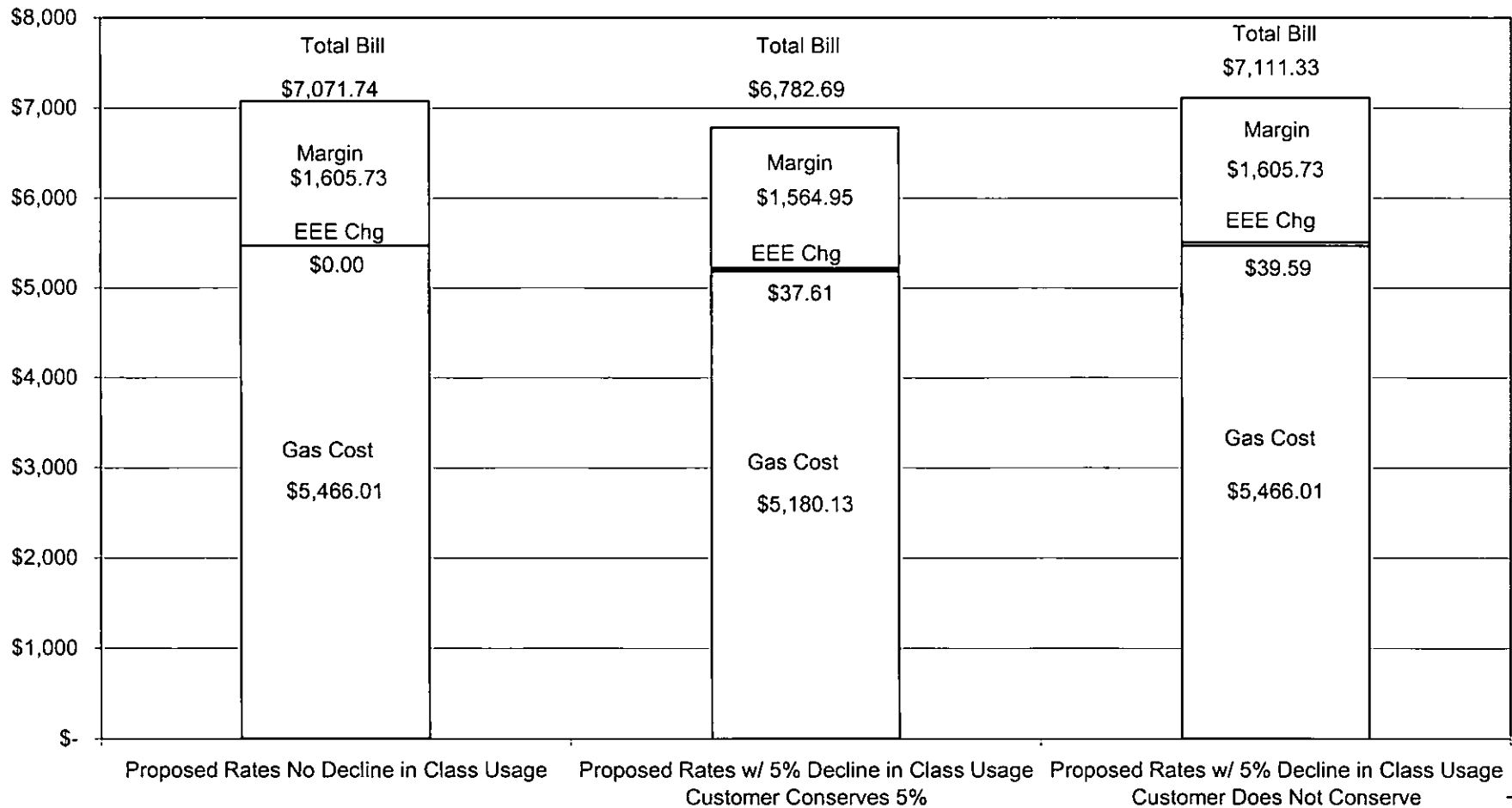
**EEE Rider Example  
Average Annual Bill - Small Commercial > 250 Mcf**



**EEE Rider Example  
Average Annual Bill - Large Commercial**



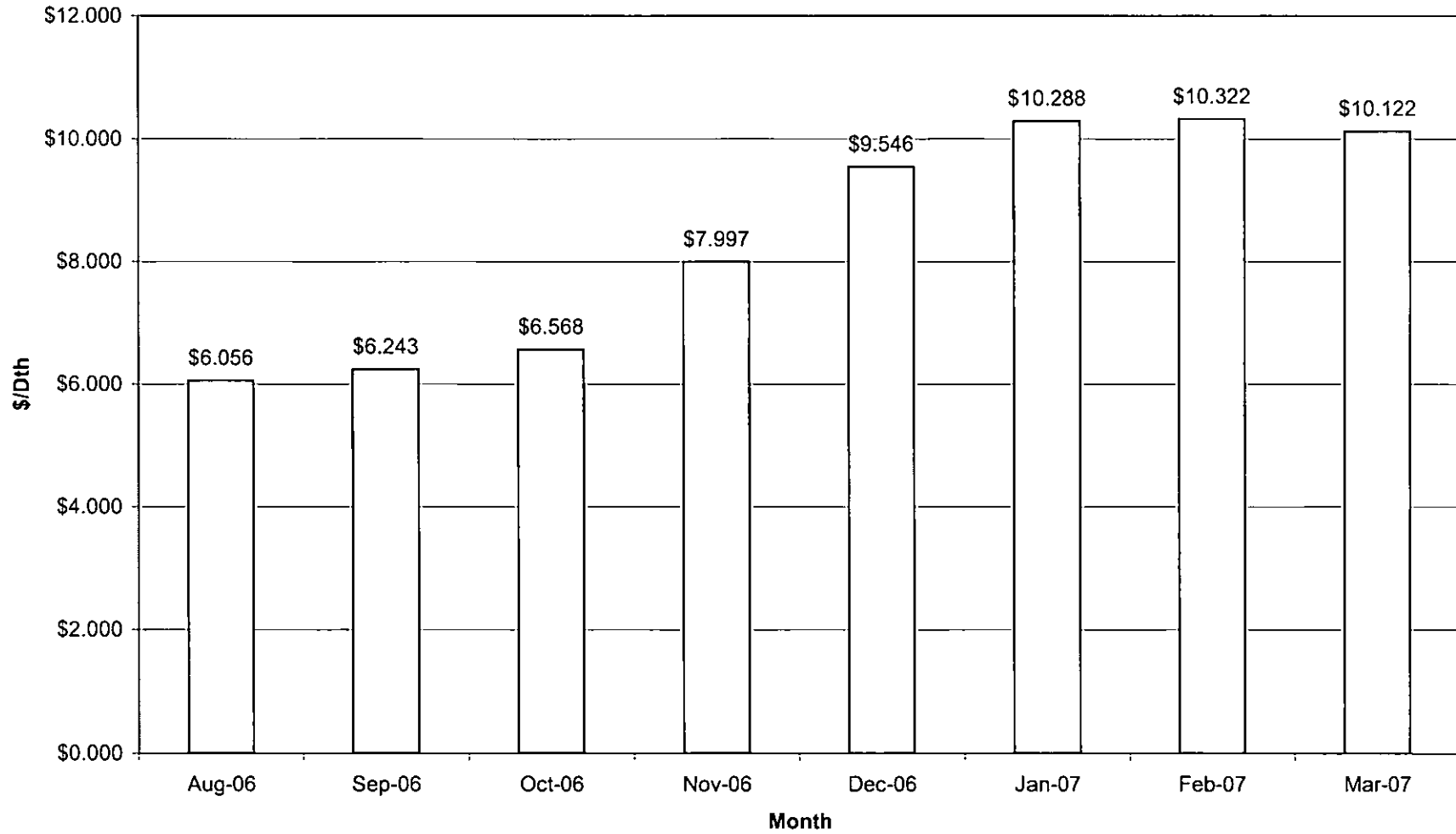
**EEE Rider Example  
Average Annual Bill - SVIS**



National Fuel Gas Distribution Corporation  
Pennsylvania Division

	Residential	
1 ) Average Monthly Customer Cost	\$ 26.61	Exhibit No. 111, Schedule 4, Page 2 of 4
2 ) Months	12	
3 ) Average Annual Customer Cost	\$ 319.32	Line 1 x Line 3
4 ) Proposed Non-Gas Cost Revenue	\$ 93,704,501	Exhibit 19, Schedule 4
5 ) Forecasted Volume	19,802,152	Exhibit 103, Schedule 1, Page 1
6 ) Average Usage Rate w/100% of Non Gas Revenues Recovered from Usage Rate	\$ 4.73	Line 4 / Line 5
7 ) Low Volume Usage Customer Consumption	32.9	Exhibit 19, Schedule 8
8 ) Low Volume Usage Customer Cost recovery w/100% of Non Gas Revenues Recovered from Usage Rate	\$ 155.68	Line 6 x Line 7
9 ) Average Annual Customer Cost	\$ 319.32	Line 3
10 ) Under Recovery of Customer Costs	\$ (163.64)	Line 8 - Line 9
11 ) % Low Volume Subsidy of Customer Costs	-51%	Line 10 / Line 16
12 ) Total Non-Gas Cost for Low Volume Customer per Company Proposed Rates	\$ 412.26	Exhibit 19, Schedule 8
13 ) Total Underrecovery of Low Volume Customer Non-Gas Costs	\$ (256.58)	Line 8 - Line 12
14 ) Percent Low Volume Customer Subsidy of Total Gas Costs	-62%	Line 13 / Line 12

### NYMEX Gas Price - July 27, 2006



I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

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Erin L. Gannon  
Aron J. Beatty  
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Dated this 8<sup>th</sup> day of August 2006.



Eric H. Meini  
General Manager  
Rates & Regulatory Affairs

ORIGINAL

John H. Isom

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File #: 2272-128560

August 9, 2006

VIA HAND DELIVERY

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
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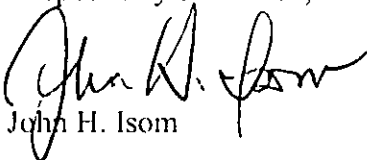
**RE: Pennsylvania Public Utility Commission v. National Fuel Gas  
Distribution Corporation - Docket No. R-00061493**

Dear Secretary McNulty:

Enclosed, for filing, are an original and three (3) copies National Fuel Gas Distribution Corporation's Motion for a Protective Order in the above-referenced proceeding.

As indicated on the certificate of service, copies have been served on the parties in the manner indicated.

Respectfully submitted,

  
John H. Isom

JHI/jl

Enclosures

cc: Certificate of Service

DOCUMENT FOLDER

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility Commission, :  
 :  
 v. :  
 :  
 National Fuel Gas Distribution Corporation :

Docket No. R-00061493

PA PUC  
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2006 AUG -9 PM 3:44

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**MOTION FOR A PROTECTIVE ORDER**

**TO THE HONORABLE JOHN H. CORBETT, JR. AND MARK A. HOYER:**

Pursuant to 52 Pa. Code §§ 5.362 and 5.423, National Fuel Gas Distribution Corporation (“Distribution”) hereby moves for the issuance of a Protective Order. In support of this Motion, Distribution states the following:

1. This Motion is being filed for consideration by Administrative Law Judges John H. Corbett, Jr. and Mark A. Hoyer (the “ALJs”) in this proceeding, which is for the purpose of establishing base rates for Distribution. The basic exhibits, data and testimony of Distribution in support of its proposed rates are set forth in Distribution’s filing that was made on May 31, 2006 in the above captioned proceeding.

2. The Parties are currently conducting discovery in this proceeding. Certain responses provided by Distribution contain confidential information.

3. Distribution believes that Parties may move some of the confidential information into evidence or include confidential information in filings with the Commission. The purpose of this Motion is to establish procedures for the protection of confidential information at hearings and in documents filed with the Commission.

4. Distribution requests that the ALJs issue a Protective Order which states that proprietary information is considered confidential unless challenged by a Party. A form of

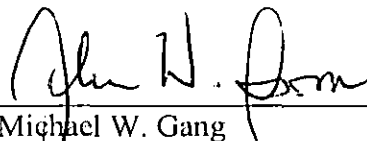
Protective Order is provided as Attachment 1. If specific information is challenged by a Party as non-confidential, other parties will have a reasonable opportunity to respond to the challenge.

See 52 Pa. Code § 5.423(4). Pending the Commission's approval or disapproval of the Petition, all Parties will treat the information as confidential.

5. If the information that is provided is not challenged, Distribution requests that the Protective Order apply, and the Parties, the ALJs and the Commission treat the information as confidential.

WHEREFORE, for the reasons set forth above, National Fuel Gas Distribution Corporation requests that Administrative Law Judges John H. Corbett, Jr. and Mark A. Hoyer issue a Protective Order in the form attached hereto.

Respectfully submitted,



Michael W. Gang  
John H. Isom  
Post & Schell, P.C.  
17 North Second Street  
Twelfth Floor  
Harrisburg, PA 17101-1601  
Tel: (717) 731-1970  
Fax: (717) 731-1985  
E-mail: [mgang@postschell.com](mailto:mgang@postschell.com)  
[jisom@postschell.com](mailto:jisom@postschell.com)

Of Counsel:

Post & Schell, P.C.

Dated: August 9, 2006

Attorneys for National Fuel Gas  
Distribution Corporation

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**RECEIVED**  
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PA PUC  
SECRETARY'S BUREAU

Pennsylvania Public Utility Commission, :

v. :

Docket No. R-00061493

National Fuel Gas Distribution Corporation :

**PROTECTIVE ORDER**

IT IS ORDERED:

1. That a Protective Order is hereby granted with respect to all materials and information identified in Paragraph 2 below, which are filed with the Pennsylvania Public Utility Commission ("Commission") and/or presented as evidence in this proceeding. All persons now and hereafter granted access to the materials and information identified in Paragraph 2 of this Protective Order shall use and disclose such information only in accordance with this Order.

2. The materials subject to this Protective Order are all materials filed with the Commission and/or presented as evidence in this proceeding which are claimed to be of a proprietary or confidential nature and which are hereinafter referred to as "Proprietary Information". Parties have the right to challenge the confidential nature of the Proprietary Information. If Proprietary Information is not challenged, that information will be covered by this Protective Order. If the designation of specific information as Proprietary is challenged by a Party, other Parties will have a reasonable opportunity to respond to such challenge. Pending the Administrative Law Judges' or the Commission's ruling on whether the material is Proprietary, all Parties and the Commission will continue to treat the information as confidential.

3. Proprietary Information shall be made available to the Commission for use in this proceeding. For purposes of filing, to the extent that Proprietary Information is placed in the

Commission's report folders, such information shall be handled in accordance with routine Commission procedures inasmuch as the report folders are not subject to public disclosure. To the extent that Proprietary Information is placed in the Commission's testimony or document folders, such information shall be separately bound, conspicuously marked, and accompanied by a copy of this Order. Public inspection of Proprietary Information shall be permitted only in accordance with this Protective Order.

4. Any public reference to Proprietary Information by counsel or persons afforded access thereto shall be to the title or exhibit reference in sufficient detail to permit persons with access to the Proprietary Information to fully understand the reference and not more. The Proprietary Information shall remain a part of the record, to the extent admitted, for all purposes of administrative or judicial review.

5. Part of any record of this proceeding containing Proprietary Information, including but not limited to all exhibits, writings, testimony, cross examination, argument and responses to discovery, and including reference thereto as mentioned in Ordering Paragraph 4 above, shall be sealed for all purposes, including administrative and judicial review, unless such Proprietary Information is released from the restrictions of this Order, either through the agreement of the parties or pursuant to order of the Administrative Law Judges, the Commission or the appropriate appellate court.

6. Upon completion of this proceeding, including any administrative or judicial review, all copies of all documents and other materials, including notes, which contain any Proprietary Information shall be immediately returned upon request to the party furnishing such Proprietary Information. In the alternative, parties may provide an affidavit of counsel affirming that the materials containing or reflecting Proprietary Information have been destroyed.

Dated: \_\_\_\_\_ 2006

\_\_\_\_\_  
John H. Corbett, Jr.  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

**VIA FIRST CLASS MAIL**

Honorable John H. Corbett Jr.  
Pennsylvania Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

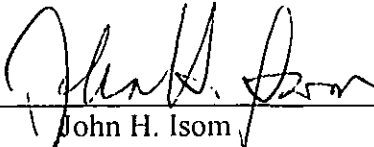
Honorable Mark A. Hoyer  
Pennsylvania Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

Stephen J. Keene, Esquire  
Erin L. Gannon, Esquire  
Aron J. Beatty, Esquire  
Office of Consumer Advocates  
555 Walnut Street, 5<sup>th</sup> Floor  
Forum Place  
Harrisburg, PA 17101-1923

Sharon Webb, Esquire  
Office of Small Business Advocate  
Commerce Building  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
PO Box 3265  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

Date: August 9, 2006

  
\_\_\_\_\_  
John H. Isom

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SECRETARY'S BUREAU



***National Fuel***

August 09, 2006

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

DOCUMENT  
FOLDER

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Eckenrod:

Enclosed please find four (4) copies of the National Fuel Gas Distribution Corporation's response to the following Office of the Trial Staff interrogatories:

OTS	RB	008	*
OTS	RE	153	*
OTS	RE	154	*

Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

PA P.U.C.  
SECRETARY'S BUREAU

2006 AUG 14 AM 9:41

RECEIVED

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Robert V. Eckenrod, Esq. (4)  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

First Class Mail

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Richard A. Galligan  
Exeter Associates, Inc.  
5565 Sterrett Place, Suite 310  
Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Dated this 9<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 09, 2006

DOCUMENT  
FOLDER

Stephen Keene, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place - 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Keene:

Enclosed please find one (1) copy of National Fuel Gas Distribution Corporation's response to the following Office of Consumer Advocate interrogatories:

OCA	7	001	*
OCA	9	001	*
OCA	9	005	*

Yours truly,

Ruth M. Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

FA P.U.C.  
SECRETARY'S BUREAU

2006 AUG 14 AM 9:42

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Aron J. Beatty  
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Lafayette Morgan  
Thomas Catlin  
Jerome Mierzwa  
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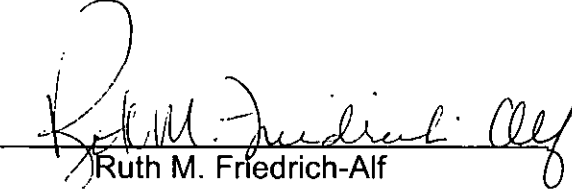
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Robert V. Eckenrod, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
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Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Dated this 9<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 09, 2006

Sharon E. Webb  
Office of Small Business Advocate  
Commerce Building  
Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

DOCUMENT  
FOLDER

**RE: Docket # R-00061493 - Base Rates**

Dear Ms. Webb:

Enclosed please find the response of National Fuel Gas Distribution Corporation to the following Office of Small Business Advocate interrogatories:

OSBA	1	009	a
OSBA	1	009	b
OSBA	1	009	c
OSBA	1	011	*
OSBA	1	012	*
OSBA	1	013	a
OSBA	1	013	b
OSBA	1	014	*
OSBA	1	015	*
OSBA	1	016	*
OSBA	1	017	*
OSBA	1	024	*

Yours truly,

*Ruth M. Friedrich-Alf*  
Ruth M. Friedrich-Alf  
Senior Manager

2006 AUG 14 AM 9:41  
PA P.U.C.  
SECRETARY'S BUREAU

RECEIVED

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
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Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
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Harrisburg, PA 17105-3265

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Richard A. Galligan  
Exeter Associates, Inc.  
5565 Sterrett Place, Suite 310  
Columbia, MD 21044

Dated this 9<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Office of Administrative Law Judge  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
August 9, 2006

IN REPLY PLEASE  
REFER TO OUR FILE

In Re: R-00061493

(SEE ATTACHED LIST)

National Fuel Gas Distribution Corporation filed Supplement No. 61 to Tariff Gas - PA PUC No. 9 to become effective July 30, 2006. Total amount of increase: \$25,892,000 or 6.1% based upon a future test year ending January 31, 2007. Total number of customers: 214,625. Area served: Certain cities, Boroughs, and Townships in the Counties of Armstrong, Butler, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Venango and Warren

Public Input Hearing Notice

This is to inform you that Public Input Hearing(s) on the above-captioned case will be held as follows:

Type: Public Input Hearing

Presiding: Administrative Law Judge John H. Corbett, Jr.  
Administrative Law Judge Mark A. Hoyer  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222  
Telephone: 412.565.3550  
Fax: 412.565.5692

DOCUMENT  
FOLDER

Date: Monday, August 28, 2006

Time: 2:00 p.m. & 7:00 p.m.

Location: Ambassador Banquet & Conference Center  
7792 Peach Street  
Erie, PA 16509

Date: Tuesday, August 29, 2006

Time: 2:00 p.m.

Location: William J. Douglas Corporate Conference Center

764 Cassimer Street  
Meadville, PA 16335

Date: Tuesday, August 29, 2006

Time: 7:00 p.m.

Location: Farrell City Hall  
500 Roemer Blvd  
Farrell, PA 16121

Date: Wednesday, August 30, 2006

Time: 1:00 p.m.

Location: Franklin VFW  
411 Ninth Street  
Franklin, PA 16323

If you are a person with a disability, and you wish to attend the hearing(s), we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717.787.1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1.800.654.5988

pc: Judge Corbett  
Judge Hoyer  
June Perry - LA, Keystone 3NW  
Cyndi Page - BPL, Keystone 3NE  
FUS, Keystone 3W  
Cherie Pyle, Scheduling Officer  
Beth Plantz  
Docket Section  
Calendar File

Re: **Pennsylvania Public Utility Commission, et al., v.  
National Fuel Gas Distribution Corporation  
Docket No. R-00061493**

Dear NFG Customer:

We are the Administrative Law Judges assigned by the Pennsylvania Public Utility Commission to preside over this case. By virtue of the complaint that you filed in this general rate increase case, you have been added to the service list as a party. Because individuals who file complaints against proposed rate increases often do not mean to become full parties to the extensive litigation which will occur, we are sending this letter to inform you of the options that you have for participation.

1. You may send us written notification of your intention to participate as a formal Complainant in this case so that we receive it by **Wednesday, August 23, 2006**. In order to fully participate as a formal Complainant, you will be expected:

a. To engage in discovery, which may include answering interrogatories and attending depositions, in accordance with the Commission's Rules of Administrative Practice and Procedure, 52 Pa. Code §§5.321, *et seq.*

b. To serve on each party identified on this case's service list a copy of your written testimony before technical hearings to be held in Harrisburg.

c. To attend, present evidence and be subject to cross-examination during technical hearings in Harrisburg the week of October 17-20, 2006.

d. To file and serve on all other parties, as well as the Presiding Administrative Law Judges, both a main and reply brief after the technical hearings.

e. To receive all documents served by the other parties, as well as all notices and letters from the Commission issued in this case.

**OR**

2. You may do nothing further and we will assume that you want your complaint treated as an informal complaint. Your formal complaint will then be dismissed. As an informal Complainant, you may:

a. Attend publicly advertised Public Input Hearings in NFG's service territory.

b. While attending a Public Input Hearing, you may give a statement under oath or affirmation that will become a part of the official record of this case. The Presiding Administrative Law Judges and the Commission will then consider your statement along with all of the other evidence in deciding this case.

If we do not hear from you in writing on or before **Wednesday, August 23, 2006**, we will assume that you wish to have your complaint treated as an informal complaint. Your informal complaint will then be retained in the Commission's Public Comment Folder. We will look forward then to seeing you at one of the Public Input Hearings.

Thank you for your time and attention to this matter.

Sincerely,



John H. Corbett, Jr.  
Administrative Law Judge



Mark A. Hoyer  
Administrative Law Judge

John H. Isom

jisom@postschell.com  
717-612-6032 Direct  
File #: 2272-128560

ORIGINAL

August 10, 2006

VIA HAND DELIVERY

James J. McNulty  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
PO Box 3265  
Harrisburg, PA 17105-3265

2006 AUG 10 PM 12:00  
PA PUC  
SECRETARY'S BUREAU  
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**RE: Pa. PUC v. National Fuel Gas Distribution Corporation, Docket No. R-00061493**

Dear Secretary McNulty:

The purpose of this letter is to inform the Pennsylvania Public Utility Commission ("Commission"), the Administrative Law Judges and the principal parties that, pursuant to the Commission's Rules of Administrative Practice and Procedure at 52 Pa. Code § 5.61(d), now that the Commission has instituted an investigation of the rates proposed in the above-referenced proceeding, National Fuel Gas Distribution Corporation ("Distribution") will no longer be submitting answers to complaints from customers concerning the proposed increase in rates. The last complaint to which Distribution is submitting an answer is the complaint of Linda Hilyer, at Docket No. R-00061493C0035.

If there are any questions concerning these matters, or if the Commission or the presiding officers believe that Distribution should file answers to specific complaints, please so advise us.

Respectfully submitted,

*John H. Isom*

John H. Isom

JHI/jl

Enclosures

cc: Certificate of Service

**DOCKETED**  
SEP 14 2006

DOCUMENT  
FOLDER

32

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

### VIA FIRST CLASS MAIL

Honorable John H. Corbett Jr.  
Pennsylvania Public Utility Commission  
1103 Pittsburgh State Office Building  
300 Liberty Avenue  
Pittsburgh, PA 15222

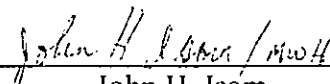
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555 Walnut Street, 5<sup>th</sup> Floor  
Forum Place  
Harrisburg, PA 17101-1923

Sharon Webb, Esquire  
Office of Small Business Advocate  
Commerce Building  
300 North Second Street, Suite 1102  
Harrisburg, PA 17101

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
PO Box 3265  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

Date: August 10, 2006

  
\_\_\_\_\_  
John H. Isom

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2006 AUG 10 AM 7:00  
PA PUC  
SECRETARY'S BUREAU



**National Fuel**

August 11, 2006

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

DOCUMENT  
FOLDER

RECEIVED  
2006 AUG 16 AM 9:06  
PA P.U.'S BUREAU  
SECRETARY'S BUREAU

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Eckenrod:

Enclosed please find four (4) copies of the National Fuel Gas Distribution Corporation's response to the following Office of the Trial Staff interrogatories:

- OTS RB 009 \*
- OTS RE 054 Update
- OTS RE 133 \*
- OTS RE 135 \*
- OTS RE 136 \*
- OTS RE 137 \*
- OTS RE 138 \*
- OTS RE 139 \*
- OTS RE 140 \*
- OTS RE 141 \*
- OTS RE 142 \*
- OTS RE 143 \*
- OTS RE 145 \*
- OTS RE 148 \*



Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Robert V. Eckenrod, Esq. (4)  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

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Michael W. Gang, Esquire  
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17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

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2006 AUG 15 AM 9:06  
FEDERAL BUREAU OF INVESTIGATION  
SECRETARY'S BUREAU

First Class Mail

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
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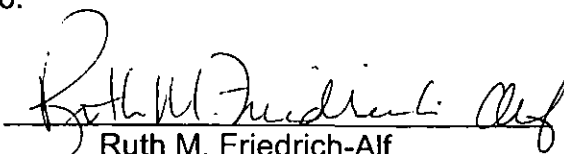
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Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Dated this 11<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 14, 2006

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

RECEIVED  
2006 AUG 17 AM 9:11  
JAMES  
SECRETARY'S BUREAU

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Eckenrod:

Enclosed please find four (4) copies of the National Fuel Gas Distribution Corporation's response to the following Office of the Trial Staff interrogatories:

OTS RB 010 \*  
OTS RB 011 \*  
OTS RB 012 \*  
OTS RE 146 \*  
OTS RE 160 \*  
OTS RE 161 \*

Yours truly,  
  
Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

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Richard A. Galligan  
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Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Dated this 14<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 14, 2006

RECEIVED  
2006 AUG 17 AM 9:11  
FAYU'S  
SECRETARY'S BUREAU

Kenneth C. Springirth  
4720 Cliff Drive  
Erie, PA 16511

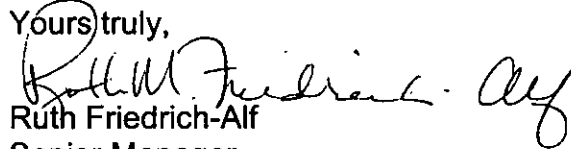
**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Springirth:

Enclosed please find one (1) copy of National Fuel Gas Distribution Corporation's response to the following Kenneth C. Springirth data requests:

KCS	2	001	*
KCS	2	002	*
KCS	2	003	*

Yours truly,

  
Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Mr. K. C. Springirth  
4720 Cliff Drive  
Erie, PA 16511

John H. Isom, Esquire (3)  
Michael W. Gang, Esquire  
Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601

First Class Mail

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Sharon E. Webb  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

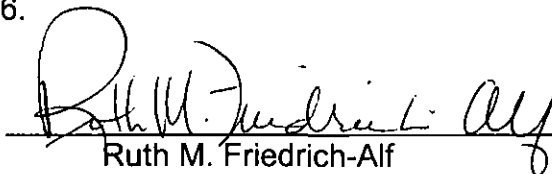
Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Robert V. Eckenrod, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

Richard A. Galligan  
Exeter Associates, Inc.  
5565 Sterrett Place, Suite 310  
Columbia, MD 21044

Barbara Alexander  
83 Wedgewood Drive  
Winthrop, ME 04364

Dated this 14<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 14, 2006

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2006 AUG 17 AM 9:11

PA 2006  
SECRETARY'S BUREAU

Stephen Keene, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place - 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Keene:

Enclosed please find one (1) copy of National Fuel Gas Distribution Corporation's response to the following Office of Consumer Advocate interrogatories:

OCA 4 004 \*

Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

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United Parcel Service

Stephen Keene, Esquire  
Erin L. Gannon  
Aron J. Beatty  
Office of Consumer Advocate  
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Lafayette Morgan  
Thomas Catlin  
Jerome Mierzwa  
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5565 Sterrett Place  
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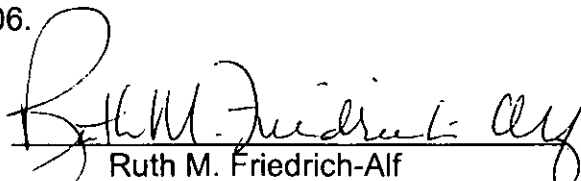
First Class Mail

Robert V. Eckenrod, Esq.  
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Harrisburg, PA 17101

Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Dated this 14<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 15, 2006

Robert V. Eckenrod, Esquire  
Office of Trial Staff  
Pennsylvania Public Utility  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265

DOCUMENT  
FOLDER

**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Eckenrod:

Enclosed please find four (4) copies of the National Fuel Gas Distribution Corporation's response to the following Office of the Trial Staff interrogatories:

OTS RR 002 \*  
OTS RR 004 \*  
OTS RR 005 \*  
OTS RR 006 \*  
OTS RR 007 \*  
OTS RR 008 \*

SECRETARY'S BUREAU

2006 AUG 18 AM 9:29

Yours truly,

Ruth Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Robert V. Eckenrod, Esq. (4)  
Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

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Post & Schell  
17 North Second Street  
12<sup>th</sup> Floor  
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Aron J. Beatty  
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555 Walnut Street  
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Barbara Alexander  
83 Wedgewood Drive  
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Eugene Brady, Esquire  
Community Action Association of PA  
1165 Amber Lane  
P.O. Box 1127  
Wilkes-Barre, PA 18703-1127

Joseph L. Vullo  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

Dated this 15<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

August 15, 2006

Joseph L. Vullo  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

DOCUMENT  
FOLDER


**RE: Docket # R-00061493 - Base Rates**

Dear Mr. Vullo:

Enclosed please find the response of National Fuel Gas Distribution Corporation to the following Community Action Association of Pennsylvania (CAAP) interrogatories:

- CAAP 1 001 \*
- CAAP 1 002 \*
- CAAP 1 003 \*
- CAAP 1 004 \*
- CAAP 1 005 \*
- CAAP 1 006 \*
- CAAP 1 007 \*
- CAAP 1 008 \*
- CAAP 1 009 \*
- CAAP 1 010 \*
- CAAP 1 011 \*
- CAAP 1 012 \*
- CAAP 1 013 \*
- CAAP 1 014 \*
- CAAP 1 015 \*
- CAAP 1 016 \*
- CAAP 1 017 \*
- CAAP 1 018 \*
- CAAP 1 019 \*
- CAAP 1 020 \*

SECRETARY'S OFFICE  
 2006 AUG 18 AM 9:29  
 11/11/06

Yours truly,  
  
 Ruth M. Friedrich-Alf  
 Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

United Parcel Service

Eugene Brady, Esquire  
Community Action Association of PA  
165 Amber Lane  
P.O. Box 1127  
Wilkes-Barre, PA 18703-1127

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Office of Trial Staff  
Pennsylvania Public Utility  
Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor West  
Harrisburg, PA 17105-3265

Dated this 15<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager



**National Fuel**

---

DOCUMENT August 17, 2006  
FOLDER

Sharon E. Webb  
Office of Small Business  
Commerce Building  
Suite 1102  
300 North Second Street  
Harrisburg, PA 17101


**RE: Docket # R-00061493 - Base Rates**

Dear Ms. Webb:

Enclosed please find the response of National Fuel Gas Distribution Corporation to the following Office of Small Business Advocate interrogatories:

**OSBA 1 021 b**

Yours truly,

  
Ruth M. Friedrich-Alf  
Senior Manager

cc: James P. McNulty, Secretary (letter and certificate of service)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

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Office of Small Business Advocate  
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Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704

Dated this 17<sup>th</sup> day of August 2006.

  
Ruth M. Friedrich-Alf  
Senior Manager