

PSC NO: 9 GAS SECTION: 5 LEAF: 1
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1
 INITIAL EFFECTIVE DATE: 05/01/2017 SUPERSEDING REVISION: 0
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 16-G-0257 DATED 04/20/17

SERVICE CLASSIFICATION No. 5

LOAD BALANCING TECHNOLOGY RATE

A. APPLICABLE TO USE OF SERVICE FOR:

Consumption of natural gas by a non residential Customer where the gas is used directly in the following types of equipment:

- Qualified Cogeneration Facilities,
- Gas Fired Cooling/Dehumidification;
- Natural Gas Motor Vehicles;
- Gas Fired Heat Pumps;
- Gas-Fired Environmental improvement technologies; or
- Gas-Fired Equipment which complements electric demand side management.

B. CHARACTER OF SERVICE:

Delivery and sale of firm, continuous, primarily natural gas, minimum B.T.U. content 1,000, normal pressure of not less than four inches water column.

C. RATE:

The rate has a demand component based on the peak winter month's consumption and a commodity component charging the Customer volumetrically for all gas delivered to the Customer.

(1) Demand Component –

The demand component shall be calculated as follows:

$$(D.M. \times B.D.U.) + (P.G.D.C. \times B.D.U.)$$

D.M. = Demand Margin
 B.D.U. = Billing Demand Units
 P.G.D.C. = Purchased Gas Demand Charge

The Demand Margin is provided in General Information Section 38.A. B.D.U. refers to Billing Demand Units, which is the peak billing month of the Customer during the winter period. The P.G.D.C. is equal to the average annual supplier demand and winter requirements charges included in the Company's rate under SC 1, SC 2, SC 3, SC 5, and SC 7 for the current billing month, expressed on a Billing Demand Unit basis.

(2) Commodity Component –

The commodity charge per Mcf for all gas consumed under this Service Classification is the base commodity charge provided in the General Information Section 38.A, plus the sum of the Average Monthly Commodity Cost of Gas and the Base Reserve Capacity Rate as defined in General Information Section 19, adjusted in accordance with the terms of that Section, plus the Merchant

Issued by C. M. Carlotti, President, 6363 Main Street, Williamsville, NY 14221
 (Name of Officer, Title, Address)

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SERVICE CLASSIFICATION No. 5 (Cont'd)

LOAD BALANCING TECHNOLOGY RATE - Cont'd

Function Charge as specified in General Information 46.

(3) Delivery Adjustment Charge-

All gas delivered under this Service Classification shall be subject to surcharges, refunds or adjustments as set forth in General Information Section 38.B.(2).

D. DETERMINATION OF BILLING DEMAND UNITS:

The Customer's billing demand units ("B.D.U.") shall be calculated as follows:

$$\text{B.D.U.} = \frac{\text{Consumption during the peak billing month}}{\text{Number of billed days in billing month}} \times 30$$

The Customer's B.D.U. is established at the Customer's peak winter monthly usage for a billing month ending in December, January, February or March. Once the B.D.U. is established, the B.D.U. shall remain in effect for a 12-month period. In the event that the Customer subsequently exceeds the B.D.U. during billing months ending in December, January, February or March, then the B.D.U. shall be reestablished at the higher volume. The reestablished B.D.U. shall remain in effect and shall be used for billing the Customer for a 12-month period.

E. TERM:

Terminable by the Customer upon two (2) days' notice to the Company, provided, however that the Customer has been charged the most recently established demand component, if greater than zero, for twelve months. Terminable by the Company in the manner prescribed by law and the Rules and Regulations herein set forth.

F. INCREASE IN RATES IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

The rates and charges under this Service Classification including charges specified under Special Provisions of this Service Classification, Reserve Capacity Cost and Minimum Charge shall be increased pursuant to General Information Section 35 to reflect the tax rates applicable within the municipality where the Customer is taking service.

G. TERMS OF PAYMENTS:

All bills will be rendered on a monthly basis and are due and subject to a late payment charge in accordance with the provision of General Information Section 8.E. Payment for gas service may also be made in the manner prescribed in General Information Section 16 as hereinafter set forth.

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SERVICE CLASSIFICATION No. 5 (Cont'd)

LOAD BALANCING TECHNOLOGY RATE - Cont'd

H. SPECIAL PROVISIONS:

- (1) Service is subject to the pertinent provisions of General Information Section 20 as hereinbefore set forth.
- (2) Service under this Service Classification shall be separately metered. The expense of installing facilities necessary to accomplish such separate metering shall be borne by the Customer.
- (3) Service under this Service Classification may commence on the first day of any billing month. If service is commenced during a non-winter month, the B.D.U. will be established at zero until such time that the Customer has consumption during a billing month ending in December, January, February or March.

I. UNAUTHORIZED DEFICIENCY IMBALANCE PENALTY:

If any Customer should take during any year a volume of gas in excess of the amount allowable under General Information Section 20 as hereinbefore set forth, the Customer shall pay to the Company a penalty of \$3 for each Mcf of gas of such excess, which penalty shall be paid in addition to all other charges payable by the Customer hereunder.

The payment of a penalty for unauthorized deficiency imbalance shall not under any circumstances be considered as giving any such Customer the right to take unauthorized deficiency imbalance, nor shall such payment be considered as a substitute for any other remedies available to the Company against the offending Customer for failure to respect its obligation to adhere to the provisions of its Agreement with the Company.

If any Customer should take a volume of gas in contravention of curtailments imposed by the Company as contemplated in General Information Section 20.D., the Customer shall pay to the Company an additional penalty of \$7 for each Mcf of such gas taken in violation of such curtailment.

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