

PSC NO: 9 GAS SECTION: 0 LEAF: 146
NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 2
INITIAL EFFECTIVE DATE: 01/25/2018 SUPERSEDING REVISION: 1
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 16-G-0257 DATED 04/20/17

GENERAL INFORMATION (Cont'd)

II.47. CONSERVATION INCENTIVE PROGRAM ("CIP") COST RECOVERY MECHANISM

A system benefit charge ("SBC") recovers costs associated with clean energy activities conducted by the New York State Energy Research and Development Authority ("NYSERDA") and energy efficiency programs implemented by Distribution. The SBC is comprised of the itemized line items in Distribution's filed CIP Statement and is part of the Delivery Adjustment Charge. The SBC shall be charged to the customers in the Service Classifications designated in General Information Section 38.B.(1).

On an annual basis, the CIP Statement will be filed on no less than 15 days' notice to become effective January 1st. The CIP Statement will set forth the following surcharge rates:

A. Clean Energy Fund ("CEF") Surcharge Rate

Beginning on March 1, 2016, the CEF Surcharge Rate will collect funds associated with NYSERDA-run energy programming, as well as over or under collections associated with Distribution's CIP as part of the Energy Efficiency Portfolio Standard ("EEPS"), for the period prior to 2016. The CEF Surcharge Rate is calculated by dividing authorized collections by projected annual sales volumes. Authorized collections will include: (1) annual authorized collections for NYSERDA-run programs, plus or minus any under or over collections for prior years; and (2) any under or over collections for Distribution's CIP, as part of the EEPS, for the period prior to 2016. The calculation of carrying charges, as respects this rate mechanism, will comply with the Commission's January 21, 2016 Order issued in case 14-M-0094.

B. Energy Efficiency ("EE") Tracker Surcharge Rate

The EE Tracker Surcharge Rate collects funds necessary to implement programming beginning on January 1, 2016, as part of Distribution's CIP. The EE Tracker Surcharge Rate will be calculated by dividing authorized collections by projected annual sales volumes. Authorized collections will include annual authorized collections for Distribution's CIP, plus or minus any under or over collections for prior years, and minus accumulated carrying charges on prior year collections. Since the EE Tracker Surcharge Rate is new in 2016, the reconciliation of under or over collections from prior years, as well as accumulated carrying charges on prior year collections, will not begin until 2017. The calculation of carrying charges, as respects this rate mechanism, will comply with the Commission's January 22, 2016 Order issued in case 15-M-0252.

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