

PSC NO: 9 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 05/31/2016

SECTION: 0 LEAF: 67
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION (Cont'd)

II.19.F. - Cont'd

(b) Firm Sales

For firm sales contracts with a term of one year or more ("long term firm sales contracts"), the demand cost of gas shall be based upon the 12-month volume weighted average purchased gas demand charges allocable to long term firm sales contracts which are listed as the demand charges and storage charges billed to the Company by upstream pipelines and producers which is sufficient to recover the cost of all purchased gas demand charges allocable to long term firm sales contracts.

For firm sales contracts with a term of less than one year ("short term firm sales contracts"), no demand charges will be directly allocated. In lieu of a direct allocation of demand charges, all revenues net of gas costs from short term firm sales contracts will be included in the calculation of transportation sales and transportation service credits defined in General Information Section 19.I.

ii. Commodity Costs

(a) Non-Streamed Sales

The cost of gas shall be the weighted average commodity cost of gas delivered to the Company through upstream pipelines as calculated in the Company's Monthly Gas Supply Charge.

(b) Streamed Sales

The cost of gas shall be the particular gas supply allocated to the customer as identified in the Customer's SC 14 contract.

iii. The amount derived in Paragraph (1) of this subdivision shall be divided by the quantities of gas sold during the determination period for the utility's own Customers, exclusive of gas sold under SC 4, SC 11, SC 12, and SC 14. The factor of adjustment for the forthcoming year shall be applied to this amount.

iv. Determination period.

The determination period to be used in the computation of the surcharge or refund under this section shall be the 12 months ended August 31 of each year. The surcharge or refund computation shall be filed with the Commission on or before October 15th of the calendar year in which it is to become effective.

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