

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

SECTION: 0 LEAF: 78  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION (Cont'd)

#### II.20.F. – Cont'd

deliveries required to maintain production.

Residential use - gas usage in a residential dwelling or unit for space heating, air conditioning, cooking, water heating, or other domestic purposes.

Small customers - a customer whose annual consumption is less than 12,000 Mcf.

#### (5) Compensation for Redirected Supplies

When necessary to meet high-priority customer demand, Company will acquire gas intended for lower priority customers at the city gate. Suppliers/Direct Customers whose gas is diverted by the Company will be required to maintain deliveries of gas throughout the curtailment period up to the maximum delivery obligation as directed by the Company, unless qualified upstream force majeure interruptions or curtailments prevent Suppliers/Direct Customers from securing or delivering such supplies. In the event of a redirection of supplies to serve core system or transportation service customers, except in the case of a Customer switching to its alternate fuel, the Supplier/Direct Customer whose gas was taken in such instances shall be compensated in the same manner set forth below.

During a curtailment hereunder, the Company may in its sole discretion divert, or acquire, non-core supplies in order to meet core sales or transportation service obligations. If gas is diverted from a customer who must switch to an alternate fuel, the replacement cost of fuel shall be the higher of the market value of the equivalent quantity of such alternate fuel on the day(s) of such diversion or the default replacement cost of fuel set forth below.

Otherwise, the Supplier/Direct Customer will be the party compensated for the diverted gas. To the extent individual Supplier customers are affected by directing the payment to the Supplier, they should enter into contractual arrangements with the Supplier that clearly spell out the resolution of compensation issues between the customer and the Supplier related to occasions when gas supplies are diverted.

If gas is diverted from a customer who does not utilize an alternate fuel, the default replacement cost of fuel shall be the market value of the diverted gas on the day(s) of such diversion. The market value of gas shall be determined as set forth in General Information Section 29. If the Supplier/Direct Customer can demonstrate to the Company's satisfaction that a contract calls for a higher price, the Company will reimburse the Supplier/Direct Customer at the contract price.

The cost of supplies purchased by the Company for the purposes hereunder shall be recovered as a gas cost under General Information Section 19.

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