

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

SECTION: 17 LEAF: 3
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 17 (Cont'd)

BASIC GAS-FOR-ELECTRIC-GENERATION-SERVICE TARIFF - Cont'd

The following heat rate tiers will be used for purposes of calculating the VAC. Customers will be assigned the most appropriate heat rate tier based on the operational characteristics of the electric generation equipment of their facility. The four heat rate tiers shall be:

TIER 1:	17.5 mm	BTU/kW-hour for older simple cycle peaking units
TIER 2:	11.0 mm	BTU/kW-hour for Rankine cycle steam units
TIER 3:	10.0 mm	BTU/kW-hour for new, simple cycle peaking units
TIER 4:	7.4 mm	BTU/kW-hour for combined cycle plants

Rate adjustment terms different from the terms shown in this Section may be negotiated with the Company when competitive and operational circumstances warrant.

F. TERM OF TRANSPORTATION AGREEMENT:

The Company and Customer shall enter into a Transportation Agreement for a term not less than five (5) years. The term of each contract shall be the subject of negotiation between the parties, except that the rate shall not change, but for adjustments, during the five (5) year term.

G. DELIVERY COSTS INCURRED BY THE COMPANY:

In the event that the provision of transportation service to the Customer requires the Company to engage the services of other transporters of gas, an amount reflecting the costs incurred by the Company will be added to the applicable rate.

H. APPLICATION OF CONSUMPTION:

The Customer's daily consumption will be applied first to the Customer's nominated daily firm transportation sales requirement, second to excess Customer deliveries from the prior month (the Company may limit deliveries of previous month's excess if in the Company's sole judgment, service to firm Customers would be jeopardized), third to current daily third party transportation deliveries and fourth volumes up to contracted monthly stand-by service. Volumes consumed in excess of the above on any day will be billed pursuant to the Section entitled "Deficiency Imbalance Volumes."

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

All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification and the Transportation Service Agreement shall be increased pursuant to General Information Section 35 to reflect the tax rates applicable within the municipality where the Customer is taking service. This Section shall not apply to any delivery costs incurred by the Company to have other parties transport gas on the Customer's behalf.

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