

National Fuel

Carl M. Carlotti
President

April 28, 2016

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: National Fuel Gas Distribution Corporation
Proposed Tariff Amendments and Base Rate Increase

Dear Secretary Burgess:

National Fuel Gas Distribution Corporation (“National Fuel” or “the Company”) hereby submits its tariff P.S.C No. 9 – Gas, which amends and replaces previous tariff, P.S.C. No. 8 – Gas as listed on Attachment A to this letter.

The revisions are issued as of April 28, 2016¹ and, although they are proposed to be effective May 31, 2016, the Company understands that, after customary suspension periods, they may not become effective until April 2017. As explained in more detail, herein, this is the first base rate increase sought by National Fuel since early 2007. In that time, while the costs of goods and services our customers must purchase for their homes and businesses have steadily risen, not only have our base rates been held steady for nine years, but the cost of natural gas supplies we procure for our customers has gone down significantly, due, in no small part, to the Company’s natural gas pipeline system and other interstate pipeline systems that bring those low cost supplies to our customers’ homes and businesses. We are justifiably proud of our long record of keeping our prices down while providing safe and reliable service to our customers, however, cost pressures require us to make this filing.

Among other things, the revised tariff leaves are designed to increase annual revenue recovered in the Company’s base rates by approximately \$41.7 million, with the total revenue requirement being based upon operations during the projected rate year ending March 31, 2018. As set forth in the supporting testimony and exhibits, National Fuel’s proposal will: 1) enable the Company to continue to provide its customers with safe and reliable service through continued system modernization involving both its pipeline infrastructure and customer information technology systems, 2) provide enhanced low income customer programs, 3) develop appropriate incentives for the Company to accelerate its system modernization program and 4) continue valuable economic area development and possible gas expansion initiatives while ensuring the financial strength of the Company

¹ The revised tariff sheets are being transmitted electronically to the Commission in accordance with applicable procedures. Copies are included with this transmittal letter.

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The Annual Bill Frequency Report is attached as Attachment B. Details regarding specific items that contribute to the requested increase are shown in Attachment C. Attachment D shows the bills that will be increased or decreased and the overall percentage increase by Service Class.

Also included in this filing are twenty (20) hard copies of testimony and exhibits of witnesses (Volumes I, II and III) and two (2) copies of their workpapers (Volume IV) that support the revisions in the enclosed tariff leaves.

Two sets of testimony and exhibits and a copy of the workpapers will be delivered to the New York State Department of State, Utility Intervention Unit in accordance with the Commission's Rules and Regulations set forth in 16 NYCRR §4.5(d)(1).

The witnesses and Panels that will testify on behalf of the Company are:

Jeremy R. Barber	Kevin D. House
Patrick T. Boyle	Donald N. Koch
Ann E. Bulkley	Eric H. Meinl
Cost of Service and Rate Design Panel	James A. Rizzo
Evan M. Crahen	Jodi J. Smith
Customer Service Panel	John J. Spanos
Energy Services Panel	Tariff Reorganization Panel
Kathleen A. Frank	Volumetric Forecast Panel
Ruth M. Friedrich-Alf	Michael P. Weidner
Gas Supply Administration Panel	Working Performance Metric Panel
General Compensation and Benefits Panel	

A. Description of Rate Request

In this rate filing, the Company seeks an increase in annual revenues of approximately \$41.7 million. This revenue increase would result in a net aggregate bill increase of approximately 7.89%, with our average residential customer seeing an overall 7.16% increase.² To put this into a proper perspective, in 2008, the year after the Company's last rate case, the average annual residential bill, including gas costs, was \$1,734, at normal weather. If the Company's rate request were approved without change, the average annual residential bill, including gas costs, would be \$1,029, at normal weather. Ever since the Company's last rate case over nine years ago, the Company has continuously and aggressively managed the costs associated with its business to provide natural gas service in the least cost manner consistent with the provision of safe and reliable service. The Company, through conscientious review of all aspects of its operations, has managed its costs while continuing to improve the safety and reliability of its service. As a result, we are proud to have some of the lowest delivery rates of

² The annual bill increase for a typical residential customer, based on normalized usage, is approximately \$69, which correlates to approximately \$5.75/mo for a customer on balanced billing.

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utilities in the state. In addition, the Company's management of our pipeline assets has provided our customers with access to some of the lowest cost natural gas in the country.

As noted, our Company has been very successful in its efforts to hold the line on any increases to its regulated delivery charge. National Fuel's witness, Mr. Meini, demonstrates, for example, that our delivery revenue has been relatively flat for nearly twenty years. Our Fiscal Year 2015 operation and maintenance costs of \$139,515,000 were \$9,809,000 less than comparable Fiscal Year 1996 costs, a remarkable decline given the passage of nearly twenty years time. In fact, our projected Rate Year operation and maintenance costs are \$74,826,000 less than an inflation adjusted projection of our Fiscal Year 1996 operation and maintenance costs. The Company believes it has managed the costs of operating its system in a very successful manner, without compromising safety or reliability of service. In addition, with the advent of shale gas production located adjacent to the Company's service territory, the natural gas supply component of customer bills has declined dramatically since 2009 and our customers are now experiencing much lower natural gas bills.

National Fuel's highest priority is the safety of our customers, employees and the communities we serve. We have a long-standing culture of safety that encourages continuous improvement of our safety performance, with demonstrated success in reducing total leak backlog, meeting third-party damage prevention goals and providing outstanding emergency response. Without compromising safety or reliability in the least – and in fact, dramatically increasing our attention to the safety and reliability of our underground system – the Company and its dedicated employees have consistently done more with less. Although the Company has been able to achieve remarkable efficiencies in its overall labor costs, the opportunity to trim costs in this area has been exhausted. Since 2008 the Company's head count has crept upward, a significant part of which can be explained by the increasing workload faced by the Company.

B. System Modernization

A core aspect of the Company's business is the continuous overall investment in its pipeline infrastructure used to deliver natural gas to customers in Western New York. Over a period of 19 years where the Company's delivery revenue actually decreased by 1.1%, the Company's infrastructure investments to ensure safe and reliable service increased by 38.8%, with net plant rising from \$619,122,000 at the end of September 1996 to \$859,400,000 at the end of September 2015.

Moreover, across the nation there is a critical need to modernize and replace aging infrastructure and the Company's situation is no different. As set forth in greater detail in the testimony of Company witness Mr. House, the Commission, in Case 15-G-0151, recently stated its goal to accelerate the state-wide removal of certain pipe it has deemed "leak prone pipe." The Company is very interested in achieving and surpassing the Commission's state-wide infrastructure goal. The Company proposes to enhance safety by accelerating the removal of vintage pipe from our current 2016 annual target of 95 miles of main to a target of 110 miles in 2018, which includes 5 miles of high pressure/large diameter mains. The Company's modernization efforts also include the replacement of its aging mainframe-based customer information system with current technology to ensure the future reliability of its information

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technology infrastructure and its ability to provide our customers with the most current and accurate information possible.

The revenue support provided through this rate proceeding will allow the Company to continue to provide Western New York residents with the overwhelming benefits of access to low priced clean burning natural gas supplies. This access delivers unparalleled economic benefits to the homes and businesses of Western New York.

C. Other Program Highlights

The Company has been successful in its marketing and system expansion efforts, as demonstrated by its high market share for heating fuel. The Company has also been extremely innovative in affording service to its low-income customers, including the LICAAP rate schedule for our most needy customers and our proposal to waive initial reconnection fees. The Company has consistently met its customer service obligations as is readily apparent from the results of its annual service quality performance mechanism and while these standards have become more stringent over time, the Company has consistently met and exceeded them. The Company also continues to operate its primary call center in the heart of its service territory in Western New York, and its customer service calls are promptly and courteously answered by a Company customer service phone representative located in the Company's service territory.

D. Other Changes Proposed in this Rate Request

This filing also includes other changes to the Company's rates and services, including the following:

- The Company is proposing a system modernization tracker that would effectively and efficiently permit National Fuel to accelerate its upgrade and replacement of certain vintage pipeline assets to meet or exceed Commission stated replacement goals as well as other safety initiatives;
- Reconnection Fee Waiver program for certain low income customers;
- Enhancement of Low Income Programs; and
- Filing a completely updated and revised tariff.

E. Procedural Matters

The Company addresses the following procedural matters associated with this filing in accordance with the requirements of the Commission, including:

- 1) A draft Notice of Proposed Rulemaking in the form required by the State Administrative Procedure Act and specified by the Department of State pursuant to the Commission's Rules and Regulations set forth in 16 NYCRR §3.5(i) is attached hereto as Attachment E;

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- 2) A completed Method of Service Form as specified by the Commission's website instructions for "Filing Documents with the Secretary" is attached hereto as Attachment E;
- 3) A Notice of the filing will be published in newspapers pursuant to the requirements of Public Service Law §66.12(b) and in accordance with the Commission's Rules and Regulations set forth in 16 NYCRR §720-8.1;
- 4) Once published, the Company will file proof of newspaper publication of the Notice with the Secretary, in accordance with the Commission's Rules and Regulations set forth in 16 NYCRR §720-8.1(a)(2);
- 5) Copies of this filing will be available for inspection by the general public on the Company's public website; and
- 6) The Company will furnish bill inserts to its customers concerning this filing in accordance with 16 NYCRR §720-9.1.

We look forward to working with the Department of Public Service Staff and our other stakeholders over the next eleven months while this rate increase request is examined in detail.

Respectfully submitted,



Carl M. Carlotti
President
National Fuel Gas Distribution Corporation

Attachments

cc: New York State Department of State, Utility Intervention Unit
Active Parties to Cases 13-G-0136 and 07-G-0141 via e-mail, letter only

PSC No. 9 – Gas: List of Proposed Tariff Leaves

<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
0-1	0			0-46	0	
0-2	0			0-47	0	
0-3	0			0-48	0	
0-4	0			0-49	0	
0-5	0			0-50	0	
0-6	0			0-51	0	
0-7	0			0-52	0	
0-8	0			0-53	0	
0-9	0			0-54	0	
0-10	0			0-55	0	
0-11	0			0-56	0	
0-12	0			0-57	0	
0-13	0			0-58	0	
0-14	0			0-59	0	
0-15	0			0-60	0	
0-16	0			0-61	0	
0-17	0			0-62	0	
0-18	0			0-63	0	
0-19	0			0-64	0	
0-20	0			0-65	0	
0-21	0			0-66	0	
0-22	0			0-67	0	
0-23	0			0-68	0	
0-24	0			0-69	0	
0-25	0			0-70	0	
0-26	0			0-71	0	
0-27	0			0-72	0	
0-28	0			0-73	0	
0-29	0			0-74	0	
0-30	0			0-75	0	
0-31	0			0-76	0	
0-32	0			0-77	0	
0-33	0			0-78	0	
0-34	0			0-79	0	
0-35	0			0-80	0	
0-36	0			0-81	0	
0-37	0			0-82	0	
0-38	0			0-83	0	
0-39	0			0-84	0	
0-40	0			0-85	0	
0-41	0			0-86	0	
0-42	0			0-87	0	
0-43	0			0-88	0	
0-44	0			0-89	0	
0-45	0			0-90	0	

PSC No. 9 – Gas: List of Proposed Tariff Leaves (cont'd)

<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
0-91	0			0-136	0	
0-92	0			0-137	0	
0-93	0			0-138	0	
0-94	0			0-139	0	
0-95	0			0-140	0	
0-96	0			0-141	0	
0-97	0			0-142	0	
0-98	0			0-143	0	
0-99	0			0-144	0	
0-100	0			0-145	0	
0-101	0			0-146	0	
0-102	0			0-147	0	
0-103	0			0-148	0	
0-104	0			0-149	0	
0-105	0			1-1	0	
0-106	0			1-2	0	
0-107	0			1-3	0	
0-108	0			2-1	0	
0-109	0			2-2	0	
0-110	0			3-1	0	
0-111	0			3-2	0	
0-112	0			3-3	0	
0-113	0			3-4	0	
0-114	0			3-5	0	
0-115	0			3-6	0	
0-116	0			3-7	0	
0-117	0			4-1	0	
0-118	0			4-2	0	
0-119	0			4-3	0	
0-120	0			4-4	0	
0-121	0			4-5	0	
0-122	0			4-6	0	
0-123	0			5-1	0	
0-124	0			5-2	0	
0-125	0			5-3	0	
0-126	0			6-1	0	
0-127	0			6-2	0	
0-128	0			6-3	0	
0-129	0			7-1	0	
0-130	0			7-2	0	
0-131	0			7-3	0	
0-132	0			8-1	0	
0-133	0			8-2	0	
0-134	0			9-1	0	
0-135	0			9-2	0	

PSC No. 9 – Gas: List of Proposed Tariff Leaves (cont'd)

<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Section No. – Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
9-3	0			19-1	0	
10-1	0			19-2	0	
10-2	0			19-3	0	
10-3	0			19-4	0	
11-1	0			19-5	0	
11-2	0			19-6	0	
12-1	0			19-7	0	
12-2	0			19-8	0	
12-3	0			19-9	0	
13-1	0			19-10	0	
13-2	0			19-11	0	
13-3	0			19-12	0	
13-4	0			19-13	0	
13-5	0			19-14	0	
14-1	0			19-15	0	
14-2	0			19-16	0	
15-1	0			19-17	0	
15-2	0			19-18	0	
15-3	0			19-19	0	
15-4	0					
16-1	0					
16-2	0					
16-3	0					
16-4	0					
16-5	0					
16-6	0					
16-7	0					
16-8	0					
17-1	0					
17-2	0					
17-3	0					
17-4	0					
17-5	0					
17-6	0					
17-7	0					
18-1	0					
18-2	0					
18-3	0					
18-4	0					

<u>Addendum</u>		<u>Addendum Type</u>		<u>Addendum No.</u>
Contract Summaries		GAS		1
Uniform Business Practices		UBP		1

PSC No. 8 – Gas: List of Tariff Leaves to be Cancelled
Upon Approval of PSC No. 9 - Gas

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
1	0			41	1	0
2	12	11		42	0	
3	25	24		43	0	
3.1	6	4		44	1	0
4	0			45	4	2
5	0			46	4	3
6	0			47	1	0
7	0			48	3	2
8	0			49	0	
9	0			50	0	
10	3	1		51	1	0
11	0			52	0	
12	6	5		53	2	1
13	1	0		54	1	0
14	0			55	1	0
15	0			56	1	0
16	1	0		57	1	0
17	0			58	1	0
18	1	0		59	1	0
19	0			60	1	0
20	0			61	1	0
21	0			62	0	
22	0			63	6	5
23	0			64	1	0
24	3	1		65	1	0
25	1	0		66	0	
26	1	0		67	0	
27	0			68	1	0
28	1	0		69	0	
29	0			70	0	
30	0			71	0	
31	0			72	0	
32	0			73	0	
33	0			74	11	10
34	1	0		74.1	5	4
35	1	0		74.2	5	3
36	1	0		74.3	3	1
37	5	1		75	3	2
37.1	4	3		76	3	2
37.2	2	1		77	1	0
38	0			78	4	3
39	0			79	1	0
40	1	0		80	1	0

PSC No. 8 – Gas: List of Tariff Leaves to be Cancelled
Upon Approval of PSC No. 9 – Gas (cont'd)

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
81	7	6		118	0	
82	9	8		119	1	0
83	8	7		120	2	1
84	13	12		121	0	
85	2	1		122	1	0
86	10	9		123	1	0
87	5	3		124	0	
88	2	1		125	0	
89	0			126	2	0
90	0			127	3	1
91	0			128	3	1
92	0			129	2	0
93	0			130	2	0
94	7	6		131	2	0
94.1	4	3		132	3	2
95	3	2		133	5	4
96	2	1		134	3	2
97	6	5		135	2	1
97.1	1	0		136	2	1
98	0			137	1	0
99	0			138	7	6
100	0			139	3	2
101	0			140	3	2
102	0			141	8	7
103	0			142	0	
104	0			143	8	7
105	1	0		144	6	5
106	0			145	6	5
107	0			146	2	1
108	0			147	5	4
109	0			148	5	3
110	0			148.1	2	1
111	0			148.2	7	5
112	0			148.3	6	4
113	0			148.4	5	3
114	4	3		148.5	1	0
115	3	2		148.6	12	11
115.1	2	1		148.7	3	1
115.2	1	0		148.8	3	1
115.3	1	0		148.9	13	12
115.4	1	0		148.9.1	1	0
116	1	0		148.9.2	1	0
117	0			148.9.3	1	0

PSC No. 8 – Gas: List of Tariff Leaves to be Cancelled
Upon Approval of PSC No. 9 – Gas (cont'd)

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
148.9.4	1	0		174	6	4
148.10	9	8		175	9	7
148.11	2	1		176	7	6
148.12	0			177	0	
148.13	0			178	5	4
148.14	1	0		179	8	7
148.15	2	1		179.1	0	
148.16	1	0		180	2	1
148.17	0			181	0	
149	9	7		182	1	0
150	14	13		183	7	6
150.1	2	1		184	11	10
151	5	3		185	8	7
152	14	12		185.1	1	0
153	13	12		186	8	6
153.1	5	3		187	14	13
154	11	10		187.1	0	
155	6	3		188	4	2
156	2	1		189	11	10
156.1	9	7		190	12	11
156.2	8	7		190.1	0	
156.3	9	8		191	3	1
156.4	2	1		192	0	
156.5	6	5		193	0	
156.6	0			194	0	
156.7	0			195	0	
157	8	6		196	0	
158	15	14		197	2	1
158.1	2	1		198	0	
159	5	3		199	2	1
160	1	0		200	4	3
161	5	3		201	5	4
162	2	1		202	1	0
163	7	6		203	0	
164	6	4		204	0	
165	11	9		205	6	5
166	7	6		206	9	7
167	2	1		207	10	9
168	1	0		208	9	7
169	0			209	9	8
170	0			209.1	3	2
171	1	0		210	8	7
172	0			211	13	12

PSC No. 8 – Gas: List of Tariff Leaves to be Cancelled
Upon Approval of PSC No. 9 – Gas (cont'd)

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
211	13	12		251	0	
212	15	14		252	2	1
212.1	0			253	1	0
213	11	10		254	0	
214	5	4		255	7	6
215	1	0		256	2	1
216	2	1		257	2	0
217	5	3		258	4	2
218	7	5		259	4	2
219	8	6		260	6	5
220	4	2		261	8	7
221	6	4		262	10	9
222	17	16		263	9	8
222.1	8	7		264	7	6
223	3	1		265	9	8
224	12	11		265.1	4	3
225	4	3		265.1.1	0	
226	2	1		265.2	1	0
227	1	0		266	9	8
228	1	0		266.1	8	7
229	0			266.1.1	3	1
230	3	1		266.2	5	4
231	2	0		266.3	7	6
232	4	2		266.4	9	8
233	0			266.5	4	3
234	3	2		267	5	4
235	2	0		267.1	2	0
236	2	0		268	5	4
237	7	6		269	6	5
238	2	1		270	10	9
239	0			270.1	4	2
240	3	2		271	14	12
241	0			272	7	6
242	2	1		273	7	6
243	3	2		274	10	9
243.1	0			274.1	4	3
244	0			274.2	2	1
245	1	0		275	7	5
246	2	1		276	10	7
247	1	0		277	5	3
248	2	0		278	3	1
249	6	4		279	3	1
250	1	0		280	3	1

PSC No. 8 – Gas: List of Tariff Leaves to be Cancelled
Upon Approval of PSC No. 9 – Gas (cont'd)

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>		<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
281	3	1		288	8	7
282	2	0		288.1	3	2
283	3	1		289	2	1
284	2	0		290	4	3
285	3	1		291	2	1
286	2	0		292	1	0
287	3	2		293	3	2
288	8	7		294	0	
288.1	3	2		295	4	2
289	2	1		296	6	5
290	4	3		297	5	4
291	2	1		298	4	2
292	1	0		298.1	3	1
293	3	2		298.2	2	0
294	0			299	6	5
295	4	2		300	7	6
296	6	5		301	4	3
297	5	4		302	4	3
298	4	2		303	3	1
298.1	3	1		304	5	4
298.2	2	0		305	6	5
299	6	5		306	4	3
300	7	6				
301	4	3				
302	4	3				
303	3	1				
304	5	4				
305	6	5				
306	4	3				
281	3	1				
282	2	0				
283	3	1				
284	2	0				
285	3	1				
286	2	0				
287	3	2				

<u>Addendum</u>		<u>Addendum Type</u>		<u>Addendum No.</u>
Contract Summaries		GAS		16
Uniform Business Practices		UBP		12

National Fuel Gas Distribution Corporation
New York Division
Annual Bill Frequency Report
Accounts with 12 Months Data
Service Class 1

Mcf Block Ending at	Number of Customers	Consumption Mcf	Cumulative Customers	Cumulative Consumption	Cumulative Average
0.0	508	-	508	-	0.0
0.1	89	8.9	597	8.9	0.0
0.2	65	13.0	662	21.9	0.0
0.3	53	15.9	715	37.8	0.1
0.4	45	18.0	760	55.8	0.1
0.5	45	22.5	805	78.3	0.1
0.6	55	33.0	860	111.3	0.1
0.7	35	24.5	895	135.8	0.2
0.8	37	29.6	932	165.4	0.2
0.9	56	50.4	988	215.8	0.2
1.0	49	49.0	1,037	264.8	0.3
2.0	334	505.7	1,371	770.5	0.6
3.0	314	807.1	1,685	1,577.6	0.9
4.0	335	1,197.9	2,020	2,775.5	1.4
5.0	328	1,494.3	2,348	4,269.8	1.8
6.0	315	1,745.4	2,663	6,015.2	2.3
7.0	349	2,281.7	3,012	8,296.9	2.8
8.0	353	2,667.7	3,365	10,964.6	3.3
9.0	415	3,553.7	3,780	14,518.3	3.8
10.0	452	4,310.2	4,232	18,828.5	4.4
15.0	2,481	31,403.6	6,713	50,232.1	7.5
20.0	2,711	47,682.5	9,424	97,914.6	10.4
25.0	3,079	69,493.6	12,503	167,408.2	13.4
30.0	3,414	94,143.4	15,917	261,551.6	16.4
35.0	3,961	129,224.3	19,878	390,775.9	19.7
40.0	4,767	179,389.4	24,645	570,165.3	23.1
45.0	5,941	253,251.4	30,586	823,416.7	26.9
50.0	7,764	369,911.3	38,350	1,193,328.0	31.1
100.0	169,229	13,176,957.1	207,579	14,370,285.1	69.2
150.0	126,835	15,340,339.4	334,414	29,710,624.5	88.8
200.0	39,992	6,794,944.3	374,406	36,505,568.8	97.5
250.0	11,703	2,577,038.1	386,109	39,082,606.9	101.2
300.0	4,040	1,094,865.4	390,149	40,177,472.3	103.0
400.0	2,523	853,624.8	392,672	41,031,097.1	104.5
500.0	705	310,877.4	393,377	41,341,974.5	105.1
1,000.0	752	503,355.8	394,129	41,845,330.3	106.2
2,000.0	220	305,918.6	394,349	42,151,248.9	106.9
3,000.0	50	117,985.8	394,399	42,269,234.7	107.2
4,000.0	22	76,070.0	394,421	42,345,304.7	107.4
5,000.0	9	40,970.8	394,430	42,386,275.5	107.5
7,500.0	8	46,062.3	394,438	42,432,337.8	107.6
10,000.0	5	40,864.2	394,443	42,473,202.0	107.7
50,000.0	1	30,876.0	394,444	42,504,078.0	107.8

National Fuel Gas Distribution Corporation
New York Division
Annual Bill Frequency Report
Accounts with 12 Months Data
Service Class 3

Mcf Block Ending at	Number of Customers	Consumption Mcf	Cumulative Customers	Cumulative Consumption	Cumulative Average
0.0	216	-	216	-	0.0
0.1	46	4.6	262	4.6	0.0
0.2	21	4.2	283	8.8	0.0
0.3	21	6.3	304	15.1	0.0
0.4	8	3.2	312	18.3	0.1
0.5	8	4.0	320	22.3	0.1
0.6	8	4.8	328	27.1	0.1
0.7	15	10.5	343	37.6	0.1
0.8	9	7.2	352	44.8	0.1
0.9	11	9.9	363	54.7	0.2
1.0	16	16.0	379	70.7	0.2
2.0	45	68.9	424	139.6	0.3
3.0	52	131.1	476	270.7	0.6
4.0	50	178.6	526	449.3	0.9
5.0	59	275.2	585	724.5	1.2
6.0	64	358.2	649	1,082.7	1.7
7.0	66	439.0	715	1,521.7	2.1
8.0	63	475.7	778	1,997.4	2.6
9.0	63	542.4	841	2,539.8	3.0
10.0	61	583.0	902	3,122.8	3.5
15.0	339	4,288.5	1,241	7,411.3	6.0
20.0	338	5,979.2	1,579	13,390.5	8.5
25.0	345	7,779.1	1,924	21,169.6	11.0
30.0	395	10,905.6	2,319	32,075.2	13.8
35.0	414	13,482.4	2,733	45,557.6	16.7
40.0	447	16,747.4	3,180	62,305.0	19.6
45.0	498	21,237.5	3,678	83,542.5	22.7
50.0	495	23,570.1	4,173	107,112.6	25.7
100.0	4,544	335,198.6	8,717	442,311.2	50.7
150.0	3,155	389,242.2	11,872	831,553.4	70.0
200.0	2,183	379,066.6	14,055	1,210,620.0	86.1
250.0	1,664	372,628.6	15,719	1,583,248.6	100.7
300.0	1,282	351,917.9	17,001	1,935,166.5	113.8
400.0	1,810	628,232.9	18,811	2,563,399.4	136.3
500.0	1,255	562,426.8	20,066	3,125,826.2	155.8
1,000.0	2,783	1,945,173.9	22,849	5,071,000.1	221.9
2,000.0	1,289	1,744,508.0	24,138	6,815,508.1	282.4
3,000.0	401	973,692.1	24,539	7,789,200.2	317.4
4,000.0	166	572,542.9	24,705	8,361,743.1	338.5
5,000.0	78	346,773.0	24,783	8,708,516.1	351.4
7,500.0	36	210,234.4	24,819	8,918,750.5	359.4
10,000.0	20	175,975.6	24,839	9,094,726.1	366.1
20,000.0	12	151,405.3	24,851	9,246,131.4	372.1
25,000.0	1	20,615.0	24,852	9,266,746.4	372.9
50,000.0	4	155,996.0	24,856	9,422,742.4	379.1

Attachment C

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
ITEMS CONTRIBUTING TO REQUIRED REVENUE INCREASE
FOR THE RATE YEAR ENDING MARCH 31, 2018 COMPARED TO THE
NORMALIZED TWELVE MONTHS ENDED DECEMBER 31, 2015

		(\$000,000)
		<u>Increase</u>
Rate Base		
Construction Program	\$10.8	
Deferred Site Remediation Costs	0.2	
DFIT - Depreciation	(3.7)	
EB/Cap	0.0	
Miscellaneous Rate Base	<u>0.2</u>	
		\$7.4
Depreciation Expense		10.3
Taxes		
Property Taxes	0.8	
Other Taxes	0.2	
Income and Deferred Taxes	<u>(0.3)</u>	
		0.8
Revenues		6.7
Rate of Return		
Cost of Equity	3.9	
Capital Structure & Cost Rates	<u>0.0</u>	
		3.9
Operating Expenses		
Labor	7.2	
Benefits		
Pension	(7.2)	
OPEBs	(1.1)	
Health Care	0.2	
All Other Benefits	0.7	
	<u>(7.4)</u>	
Uncollectible Expense	3.1	
Clearing Accounts	0.3	
Barcelona	3.2	
All Other O&M	<u>6.3</u>	
		12.7
Rounding		(0.1)
Total Base Rate Revenue Requirement		<u><u>\$41.7</u></u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
ESTIMATED REVENUE EFFECTS OF PROPOSED GAS RATES
TWELVE MONTHS ENDED MARCH 31, 2018
CASE 16-G

SERVICE CLASSIFICATION

		Number of Bills		Rate Year	Present Rate	Proposed Rate	Amount	Percent
		Increased	Decreased	Sales Volumes Mcf	Year Revenues \$	Year Revenues \$		
NO. SALES SERVICE								
1	Residential	3,923,196	0	33,248,738	315,035,794	337,605,362	22,569,568	7.16%
2	HRAS	526,455	0	5,509,363	46,390,369	47,923,533	1,533,165	3.30%
2A	EBD - LIRA	1,409	0	16,413	110,826	118,030	7,203	6.50%
2B	LICAAP	118,816	0	1,418,638	10,352,857	11,113,139	760,282	7.34%
3	General	205,981	0	4,358,843	37,040,608	39,445,018	2,404,410	6.49%
3	Street Lighting			1,813	17,185	17,676	490	2.85%
5	Load Balancing Technol.			0	0	0	0	0.00%
6	Interruptible Sup. Ser.			0	0	0	0	0.00%
7	Natural Gas Vehicles			0	0	0	0	0.00%
8	Seasonal Gas Air Cond.			0	0	0	0	0.00%
9	Small Cogeneration			0	0	0	0	0.00%
Total Bundled Services		4,775,856	0	44,553,808	408,947,639	436,222,758	27,275,118	6.67%
NO. TRANSPORTATION SERVICES								
1	Residential	1,019,931	0	10,040,876	40,202,866	45,589,817	5,386,951	13.40%
2	HRAS	170,714	0	1,754,279	5,960,351	6,406,995	446,644	7.49%
3	General	200,385	0	10,435,442	30,622,280	33,509,040	2,886,761	9.43%
13	TC-1.1 MMT	8,613	0	7,256,570	15,100,631	16,772,676	1,672,045	11.07%
13	TC-1.1 DMT	164	0	142,945	269,193	302,648	33,455	12.43%
13	TC-2 MMT	1,300	0	3,658,965	6,023,991	6,596,962	572,970	9.51%
13	TC-2 DMT	60	0	217,936	308,829	344,402	35,573	11.52%
13	TC-3 MMT	492	0	3,394,240	4,191,799	4,518,536	326,737	7.79%
13	TC-3 DMT	168	0	2,583,480	2,400,816	2,676,573	275,756	11.49%
13	TC-4 MMT	228	0	9,817,810	5,471,488	5,815,013	343,525	6.28%
13	TC-4 DMT	72	0	2,483,002	1,305,718	1,370,165	64,447	4.94%
13	TC-4.1 MMT	131	0	2,538,471	2,592,530	2,761,483	168,954	6.52%
13	TC-4.1 DMT	24	0	239,342	243,581	259,508	15,928	6.54%
13	Streetlighting			4,819	26,249	27,061	812	3.09%
15	Large Industrial Incentive Rate			0	0	0	0	0.00%
16	Bypass Rate	12	0	959,999	183,768	183,768	0	0.00%
21	Electric Generation			0	0	0	0	0.00%
22	Propane Service			0	0	0	0	0.00%
23	Distributive Generation			0	0	0	0	0.00%
EDZ/BDR					(83,911)	(83,911)		
Total Transportation Services		1,402,293	0	55,528,176	114,820,180	127,050,737	12,230,557	10.65%
Late Payment Charge					4,686,422	5,044,232	357,811	7.64%
Other - Misc. Reconciliations					(373,619)	1,417,369	1,790,988	
Other					210,145	252,904	42,759	
Grand Total		6,178,149	0	100,081,985	528,290,767	569,988,000	41,697,233	7.89%