

PSC NO: 9 GAS SECTION: 4 LEAF: 1  
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION REVISION: 1  
 INITIAL EFFECTIVE DATE: 05/01/2017 SUPERSEDING REVISION: 0  
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 16-G-0257 DATED 04/20/17

SERVICE CLASSIFICATION No. 4

SUPPLEMENTAL SERVICE

A. APPLICABLE TO USE OF SERVICE FOR:

Qualifying Customers of the Company who desire the Company to maintain the facilities to provide the Customer with natural gas service to supplement the Customer's independent supply of natural gas. A qualifying Customer must: (1) have an independent supply source of natural gas being made available to the Customer by way of a pipeline system independent of the Company's pipeline system; (2) have entered into a Supplemental Service Agreement with the Company; and (3) have traditionally experienced its peak usage during December, January or February.

B. CHARACTER OF SERVICE:

Delivery and sale of natural gas service to supplement the Customer's independent supply of natural gas, available to the Customer up to a specified volume; primarily natural gas with minimum B.T.U. content 1,000, and normal pressure not less than four inches.

C. RATE:

(1) Demand Component –

The demand component of the rate is to be computed as follows:

$$(F.C.C. * M.D.V.) + (D.C. * M.D.V.)$$

F.C.C. = Fixed Cost Charge  
 M.D.V. = Maximum Daily Volume Expressed in Mcf  
 D.C. = Demand and Winter Requirements Charge

The Fixed Cost Charge is provided in General Information Section 38.A.

The Demand Charge and Winter Requirements Charge shall be the demand and storage charges billed to the Company by upstream pipelines as calculated in the Monthly Gas Supply Charge.

The M.D.V. is established at the Customer's peak daily usage for the first winter month (December, January or February) that the Customer receives service under this Service Classification. Once the M.D.V. is established by the Customer's usage, it shall remain in effect for a 12-month period. In the event that the Customer subsequently exceeds the M.D.V. during the calendar months December, January or February, then the M.D.V. shall be reestablished at the higher volume. The reestablished M.D.V. shall remain in effect, and shall be used for billing the Customer, for a 12-month period starting with the billing month following the day it was established.

(2) Volumetric Component –

For all gas delivered to the Customer, the Customer shall pay the "commodity cost of gas," as

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 (Name of Officer, Title, Address)

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## SERVICE CLASSIFICATION No. 4 (Cont'd)

SUPPLEMENTAL SERVICE - Cont'd

defined below, plus a "commodity cost of gas adder", provided in General Information Section 38.A., for Customers previously served under SC 3. The "commodity cost of gas" is the weighted average Commodity Cost of Gas delivered to the Company through upstream pipelines as calculated in the Company's Monthly Gas Supply Charge under General Information Section 19 above, plus the Merchant Function Charge as specified in General Information Section 46.

## (3) DELIVERY ADJUSTMENT CHARGE:

All gas delivered under this Service Classification shall be subject to surcharges, refunds or adjustments as set forth in General Information Section 38.B.(2).

## (4) WEATHER NORMALIZATION ADJUSTMENT:

Supplemental service rates shall be subject to a refund/surcharge per 100 cubic feet as set forth in General Information Section 36.

## D. TERM:

Terminable by the Company in the manner prescribed by law and the Rules and Regulations herein set forth.

The Customer is required to enter into a Supplemental Service Agreement with a term of not less than 12 months. Service under this Service Classification is terminable by the Customer pursuant to the terms of the Supplemental Service Agreement between the Customer and the Company. In the event the Customer exceeds its Maximum Daily Volume during December, January or February the term of the Supplemental Service Agreement shall be automatically extended for a 12-month period commencing with the first month the Demand Component reflects the reestablished Maximum Daily Volume.

## E. INCREASE IN RATES IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

The rates and charges under this Service Classification including charges specified under Special Provisions of this Service Classification and Minimum Charge shall be increased pursuant to General Information Section 35 to reflect the tax rates applicable within the municipality where the Customer is taking service.

## F. TERMS OF PAYMENT:

All bills will be rendered on a monthly basis and are due and subject to a late payment charge in accordance with the provision of General Information Section 8.E. Payment for gas service may also be made in the manner prescribed in General Information Section 16 as hereinafter set forth.

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SUPPLEMENTAL SERVICE - Cont'd

G. SPECIAL PROVISIONS:

- (1) Service is subject to the pertinent provisions of General Information Section 20 as hereinbefore set forth.
- (2) Service under this Service Classification shall require monitoring on a daily basis. The expense of installing special meters or other devices necessary to accomplish daily monitoring shall be borne by the Customer.

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SUPPLEMENTAL SERVICE - Cont'd

- (3) The authorized agents of the Company shall, at all reasonable times, have such free access to the premises of Customers receiving service under this Service Classification as may be necessary to confirm the volume of gas supplied under this Service Classification is in compliance with the Maximum Daily Volume nominated by the Customer.
- (4) In no event shall a transportation arrangement by which the Company transports Customer-owned gas be construed as an independent source of natural gas for the purpose of qualifying for service under this Service Classification.
- (5) Customers desiring to take service under this Service Classification must elect to do so in form and manner prescribed by the Company. Customers are further required to enter into a Supplemental Service Agreement with a minimum term of 12 months.
- (6) Notwithstanding anything to the contrary contained herein, if a Customer (1) qualifies for service under this Service Classification, and (2) has notice from the Company of Service available under this Service Classification, and (3) continues to purchase gas from the Company under any other Service Classification for the purpose of supplementing the Customer's independent source of natural gas, then the Customer will be charged prospectively under this Service Classification and will be deemed to have executed a Supplemental Service Agreement and to have established a Maximum Daily Volume equal to the average daily volume during the Customer's highest volume month in the previous 12 months.
- (7) The Customer's historic monthly consumption will be used for the purpose of determining whether the Customer's peak usage is during December, January or February. The Company may, at its own expense, install the necessary equipment for determining if the Customer's peak daily usage occurs during December, January or February.
- (8) Service under this Service Classification must commence during December, January or February. If a Customer requests and qualifies for SC 4 service during any month other than December, January or February, the Customer will receive gas service under another applicable service classification until the next December 1, at which time service under this Service Classification shall commence.
- (9) Certain Customers qualifying for service hereunder may have the option to elect to receive Supplemental Gas Service from the Company under other Service Classifications. Customers may elect to receive Supplemental Service under other Service Classifications if their independent supply sources were fully secured prior to February 13, 1987. To qualify for this election, Customers must have had a contractual obligation prior to February 13, 1987 (i) to pay for the drilling of a gas well on their own property, or (ii) to pay for gas delivered from a third party at an established rate. The right to elect to receive supplemental service under other Service Classifications shall cease after the initial term of the contract with the third party vendor. Customers obtaining independent supply sources after February 13, 1987, do not qualify for the right to elect to receive Supplemental Service under other Service Classifications.

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SUPPLEMENTAL SERVICE - Cont'd

H. UNAUTHORIZED DEFICIENCY IMBALANCE PENALTY:

If any Customer should take during any year a volume of gas in excess of the amount allowable under General Information Section 20 as hereinbefore set forth, the Customer shall pay to the Company a penalty of \$3 for each Mcf of gas of such excess, which penalty shall be paid in addition to all other charges payable by the Customer hereunder.

The payment of a penalty for authorized deficiency imbalance shall not under any circumstances be considered as giving any such Customer the right to take unauthorized deficiency imbalance, nor shall such payment be considered as a substitute for any other remedies available to the Company against the offending Customer for failure to respect its obligation to adhere to the provisions of its agreement with the Company.

If any Customer should take a volume of gas in contravention of curtailments imposed by the Company as contemplated in General Information Section 20.D., the Customer shall pay to the Company an additional penalty of \$7 for each Mcf of such gas taken in violation of such curtailment such Customer the right to take unauthorized deficiency imbalance, nor shall such payment be considered as a substitute for any other remedies available to the Company against the offending Customer for failure to respect its obligation to adhere to the provisions of its agreement with the Company.

If any Customer should take a volume of gas in contravention of curtailments imposed by the Company as contemplated in General Information Section 20.D., the Customer shall pay to the Company an additional penalty of \$7 for each Mcf of such gas taken in violation of such curtailment.

AGREEMENT FOR SERVICE  
UNDER  
SERVICE CLASSIFICATION NO. 4

\_\_\_\_\_, with its principal offices at \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_, (hereinafter "Customer") agrees to take, and National Fuel Gas Distribution Corporation, a New York corporation with its principal offices at 6363 Main Street, Williamsville, New York 14221, (hereinafter "Company"), agrees to render, service under the Company's Schedule for Service, P.S.C. No. 9 - Gas.

The service contracted for hereunder shall be rendered to the Customer's premises at \_\_\_\_\_ in the \_\_\_\_\_ of \_\_\_\_\_, New York.

The Customer's Maximum Daily Volume is the maximum daily volume of gas delivered by the Company to the Customer during a single day during the winter period running from December 1 to February 28. The Maximum Daily Volume will be established at a level equal to the highest single day consumption during the first month of the first winter period that a customer receives service under SC 4.

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The Customer's Maximum Daily Volume will remain in effect for a twelve month period, unless reestablished as set forth herein, and will be used by the Company for billing purposes during that term. If, in a subsequent winter month, the Customer exceeds the previously established Maximum Daily Volume, then the Customer will be deemed to have reestablished a Maximum Daily Volume equal to the higher volume of gas delivered to the Customer. The reestablished volume shall be the Maximum Daily Volume for a twelve month period commencing with the first month that the demand component of this rate reflects the reestablished Maximum Daily Volume.

After the expiration of the twelve month period, a new Maximum Daily Volume will be established, as set forth above, based on the Customer's consumption during the next winter month.

The term of this Agreement is in the time period during which the Customer receives supplemental service from the Company.

A Customer may not terminate service under this Service Classification until the end of the term of the Agreement unless the Customer pays the Company the present value of the remaining monies to be paid for the demand component of the rate, discounted with an annual interest rate of 12%.

All of the rates, terms and conditions of said Service Classification No. 4, and all of the other provisions of said Schedule For Gas Service to the extent not inconsistent therewith, shall be a part of this Agreement, are hereby incorporated by reference as if set forth in full, and are subject to the jurisdiction and directives of the Public Service Commission of the State of New York.

By entering into this Agreement the Customer certifies that said Customer meets the eligibility criteria for Service Classification No. 4 specified in the "Applicable To Use of Service For" provisions thereof.

All notices, bill for service, and other correspondence pursuant to this Agreement shall be addressed to the following:

(1) To the Customer:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(2) To the Company:

Carl M. Carlotti, President  
National Fuel Gas Distribution Corporation  
6363 Main Street  
Williamsville, NY 14221

The foregoing may be changed by properly given written notice.

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SERVICE CLASSIFICATION No. 4 (Cont'd)

SUPPLEMENTAL SERVICE - Cont'd

This Agreement is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Customer

By: \_\_\_\_\_

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

By: \_\_\_\_\_

C. M. Carlotti  
President