

PSC NO: 9 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 08/01/2019

SECTION: 0 LEAF: 150
REVISION: 3
SUPERSEDING REVISION: 2

GENERAL INFORMATION (Cont'd)

II.50. REGULATORY TRACKING CHARGE

Pursuant to the Commission's Order in Case 17-M-0815 issued and effective August 9, 2018, the Company shall implement the following sur-credit to refund the net benefits associated with the federal Tax Cuts and Jobs Act of 2017 ("TCJA") as part of a Regulatory Tracking Charge ("RTC") to sales and transportation customers as follows:

- A. The rates for service rendered pursuant to the Service Classifications identified in General Information Section II 38.B.(1). on and after October 1, 2018 shall be subject to a monthly RTC sur-credit associated with the TCJA.
- (1) The sur-credit shall be calculated annually with rates effective each October until such time as the impacts of the TCJA can be reflected in a Company base rate filing or until such other time as may be ordered by the Commission.
 - (2) A monthly RTC statement will be filed with the Public Service Commission that states the currently effective RTC.
 - (3) Annual revenue requirements and sur-credits provided to customers associated with the TCJA shall be reconciled annually. The reconciled cost and total amount of sur-credits will be filed with the Commission 45 days after the annual tax sur-credit cycle has been completed. The first sur-credit reconciliation shall be for the period ended September 30, 2019, with workpapers submitted to staff of the Department of Public Service on or before November 14, 2019 to be effective 12/01/2019.
 - (4) The sur-credit calculation shall include:
 - a. All net benefits associated with the TCJA including: (1) impacts for changes in the statutory income tax rates, (2) the impact of the loss of bonus depreciation and MACRS tax rate reductions.
 - b. The annual amount associated with the amortization of excess accumulated deferred federal income taxes ("ADFIT") for protected assets subject to IRS normalization rules based on the IRS required ARAM method.
 - c. Net ADFIT related to unprotected assets and liabilities to be amortized over a five year time period beginning October 1, 2018.
 - d. The associated gross ups for revenue taxes and uncollectibles.
 - e. A 3 year amortization of the net tax benefits that the Public Service Commission required to be deferred for the period October 1, 2017 through September 30, 2018.
 - f. Carrying costs on the deferred balances associated with the TCJA RTC equal to pretax rate of return included in the Case 16-G-0257 adjusted for the tax rate changes implemented by the TCJA.

Issued by D. L. DeCarolus, President, 6363 Main Street, Williamsville, NY 14221
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