

PSC NO. 8 GAS
NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INITIAL EFFECTIVE DATE: 04/01/16

LEAF: 148.6
REVISION: 12
SUPERSEDING REVISION: 11

GENERAL INFORMATION (Cont'd)

II. 44. PARTNERSHIPS FOR DISTRIBUTED GENERATION ("DG") AND
NATURAL GAS VEHICLE ("NGV") PILOT PROGRAMS

a. Program Description

The Company shall be permitted to buydown the initial capital cost of qualifying Customer's distributed electric generation equipment or natural gas vehicle equipment. The Customer shall compensate the Company for the amount of the capital cost buydown through the incremental revenues derived from the Customer's DG or NGV transportation or sales contract with the Company. The Company may enter into a contractual arrangement with the Customer to recover any amount of the buydown above revenues generated by the tariff rate.

b. Qualifying Customers

Customers that install a natural gas fired DG unit or NGV equipment on their premises. Customer agrees that for the term of the contract (which may vary by Customer) the Company shall be their sole provider of natural gas delivery services. Customers must take service from the Company under one of the following Service Classifications: SC 5, SC 7, SC 9, SC 13D, SC 13M, SC 16, SC 17, SC 23 or SC 24.

c. Term

The Company shall be permitted to enroll Customers into this program through March 31, 2018. The contract term with Customers shall be established through negotiations with the Customer. The maximum length of any contract term negotiated with a Customer under this program shall be six years.

d. Total Annual Limit on Capital Cost Buydowns

The facility cost buydowns under this program shall not exceed \$3 million.

e. Metering

Metering shall be installed which will permit the incremental usage of the qualifying DG unit or NGV equipment to be separately identified from other Customer applications.

f. Third Party Financing Option

Customers installing qualified equipment under this provision of the tariff may choose a third party financing option in lieu of Company funding of the facilities cost buy down. If the customer chooses third party funding the customer may receive a 50% discount on the volumetric portion of the otherwise applicable transportation tariff rate for incremental volumes associated with the qualified equipment. The customer may receive the discount for a seven year period. Customers choosing to apply for the third party funding option of this provision must contact the Company at least six months before installation of the equipment so that the Company has sufficient time to determine whether the equipment qualifies for a discounted rate under this provision. All other terms and conditions of the Company's tariff (including any and all customer contributions for system improvements needed to provide service to the customer) must be met by the customer. If the customer chooses the third party financing option, eighty percent of the incremental discounted revenues associated with the incremental volumes for the newly installed equipment will be included in the calculation of Credit for Transportation Sales and Transportation Service Benefits in Section II.19.i(4) of this tariff.

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