

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

SECTION: 0 LEAF: 68  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION (Cont'd)

#### II.19.F. – Cont'd

- v. Effective date of the surcharge or refund. The surcharge or refund shall be effective with the first January billing of each year.
- vi. Interim Annual Surcharge or Refund.

The Company will be permitted to file Interim Reconciliation at its discretion when abnormal imbalances are projected to be incurred.

#### G. Capacity Release Credits

- (1) "Capacity Release Credits" are revenues credited to the Company by its pipeline suppliers for the assignment of firm or recallable capacity offered at the sole discretion of the Company and within the requirements of the specific pipeline(s)' policies and procedures.
- (2) For each year beginning October 1, the first \$750,000 of capacity release credits and net off-system sales under General Information Section 9.H. shall be applied to gas expansion initiatives pursuant to Case 13-G-0136. Eighty-five percent of any capacity release credits obtained and all net revenue received from off-system sales above \$750,000 under General Information Section 19.H. plus 85% of non-gas revenues from all sales under SC 11 – Deficiency Imbalance Sales shall be accumulated and first credited to system modernization deferrals pursuant to General Information Section 34 of this tariff with any such remaining off-system sales and capacity release revenues being credited to the Company's Customers during each subsequent five-month period beginning in November and ending in March through the monthly gas supply charge. The remaining 15% of any such credits and/or net revenues plus 15% of non-gas revenues from sales under SC 11 shall be retained by the Company.
- (3) One hundred percent of Capacity Release Credits obtained for release of upstream capacity to converting sales Customers or their Suppliers required to take such capacity shall be credited to the monthly gas supply charge.
- (4) All refunds and surcharges applied to Customer bills for the difference in actual capacity release costs for converting sales Customers required to take such capacity and the weighted average cost of upstream pipeline transmission capacity shall be credited to the monthly gas supply charge.

#### H. Off-System Sales

- (1) For each year beginning October 1, the first \$750,000 of the gross profit from off-system sales and all capacity release credits obtained under General Information Section 19.G. shall be applied to gas expansion initiatives pursuant to Case 13-G-0136. Eighty-five percent of the gross profit from off-system sales and all capacity release credits above \$750,000 plus 85% of non-gas revenues from all sales under SC 11 – Deficiency Imbalance Sales shall be accumulated and first credited to system modernization deferrals pursuant to General Information Section 34 of this tariff with any such remaining off-system sales and capacity release revenues being credited to

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