

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

SECTION: 0 LEAF: 60  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION (Cont'd)

#### II.19. ADJUSTMENT OF RATES IN ACCORDANCE WITH CHANGES IN THE COST OF GAS

##### A. Factor of Adjustment

The gas cost rates included in this Section will include a factor of adjustment ratio which is provided in General Information Section 38.B.(3).

##### B. Calculation of Monthly Gas Cost Recovery Rates

##### (1) Gas Cost Recovery for SC 1, SC 2, SC 3 and SC 9.

The gas costs associated with SC 1, SC 2, SC 3 and SC 9 shall be recovered through the monthly delivery rates and the monthly gas supply service rates.

##### a. Calculation of Gas Costs Recovered in Delivery Rates.

The delivery rates of SC 1, SC 2, SC 3 and SC 9 shall include charges to recover gas costs associated with reserve capacity.

##### i. Base Reserve Capacity Rate

The Base Reserve Capacity Rate per 100 cubic feet is provided in General Information Section 38.B.(2).

##### ii. Reserve Capacity Cost Adjustment

The Reserve Capacity Cost Adjustment shall be calculated monthly and included in the Monthly Distribution Adjustment Charge for SC 1, SC 2, SC 3 and SC 9. The Reserve Capacity Cost Adjustment shall be equal to the difference between the Average Cost of Reserve Capacity per Ccf and the Base Reserve Capacity Rate.

The Average Cost of Reserve Capacity per Ccf shall equal the total Reserve Capacity Cost divided by the projected normalized consumption for which the Reserve Capacity Charge is applied to the rates for the Service Classifications identified in General Information Section 38.B.(1).

##### b. Calculation of Gas Costs Recovered through the Monthly Gas Supply Charge.

The Monthly Gas Supply Charge shall be equal to the sum of the Average Monthly Gas Supply Cost as calculated herein, and the Annual Refund/Surcharge amount as calculated in General Information Section 19.F.

The Average Monthly Gas Supply Cost shall be equal to the sum of the Average Monthly Commodity Cost of Gas and the Average Demand Cost of Gas per Ccf.

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