

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

SECTION: 16 LEAF: 2  
REVISION: 0  
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 16 (Cont'd)

BYPASS RESPONSE - INDIVIDUALLY NEGOTIATED CONTRACTS FOR TRANSPORTATION  
SERVICE FOR CUSTOMERS OPERATING LARGE COGENERATION FACILITIES - Cont'd

F. MAXIMUM RATE:

SC 18 Transportation Ceiling Rate

G. TERM OF TRANSPORTATION AGREEMENT:

The Company and Customers shall enter into a Transportation Agreement. The term of each contract shall be the subject of negotiation between the parties.

H. DELIVERY COSTS INCURRED BY THE COMPANY:

In the event that the provision of transportation service to the Customer requires the Company to engage the services of other transporters of gas, an amount reflecting the costs incurred by the Company will be added to the applicable rate.

I. APPLICATION OF CONSUMPTIONS:

- (1) a. Deficiency Imbalances: Where aggregate consumption is greater than deliveries of Customer-owned gas to the Company.
- b. Surplus Imbalances: Where aggregate consumption is less than deliveries of Customer-owned gas to the Company.
- (2) The Customer's monthly consumption will be applied first to the Customer's nominated sales gas requirement for that month, second to excess Customer deliveries from the prior month, and third to current month transportation.
- (3) Volumes consumed in excess of the above will be billed pursuant to the section entitled "Deficiency Imbalances."
- (4) Volumes delivered in excess of volumes consumed will be subject to purchase by the Company and charges pursuant to the Section entitled "Surplus Imbalances."

J. INCREASE IN RATES IN MUNICIPALITY WHERE SERVICE IS SUPPLIED:

All rates and charges under this Service Classification, including charges specified under the Special Provisions of this Service Classification, Deficiency Imbalances, Surplus Imbalances, and the Transportation Agreement, shall be increased pursuant to General Information Section 35, to reflect the tax rates applicable within the municipality where the Customer is taking service. This Section shall not apply to any delivery costs incurred by the Company to have other parties transport gas on the Customer's behalf.

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