

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

SECTION: 19 LEAF: 18
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION No. 19 (Cont'd)

SUPPLIER TRANSPORTATION, BALANCING AND AGGREGATION - Cont'd

ii. Escrow Account

Suppliers shall be permitted to accept Customer deposits if the Supplier maintains an Escrow Account(s) equal to the amount of Customer deposits for each Customer. Such Escrow Accounts must be maintained at financial institutions with a minimum "A" bond rating. Suppliers shall be required to file with the Commission and the Company proof of sufficient Escrow Account balances to cover current Customer deposits at the initiation of service to Customers and each August 1 thereafter.

iii. Letter of Credit

Suppliers shall be permitted to accept Customer deposits if the Supplier maintains a Letter of Credit from financial institutions with a minimum "A" bond rating. Suppliers shall be required to file with the Commission and the Company proof of a sufficient Letter of Credit to cover current Customer deposits at the initiation of service to Customers and each August 1 thereafter.

b. Failure to meet Security Reporting Requirements

Failure to meet any of the security reporting requirements specified above will result in termination of a Supplier's ability to receive service under this Service Classification upon Order by the Commission of a violation of the security reporting requirements.

M. RATES AND CHARGES:

(1) Distribution Services

The sum of the charges rendered for each of its STBA Customers at the appropriate rates for which each STBA Customer qualifies. Such services shall include, but not be limited to, transportation, balancing, capacity release and standby.

(2) City Gate Imbalance Charges

The sum of City Gate underdelivery charges specified in Section D.(2) above.

(3) Storage Gas Transfer Rate

The Storage Gas Transfer Rate shall be the sum of (1) the base storage transfer rate, plus (2) the demand transfer recovery ("DTR") rate.

The base storage transfer rate will equal the weighted average commodity cost of gas injected into storage during the injection months (April through October). The DTR rate shall equal the per Mcf system

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