

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

SECTION: 0 LEAF: 146
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION (Cont'd)

II.47. CONSERVATION INCENTIVE PROGRAM ("CIP") COST RECOVERY MECHANISM

A. Recovery of CIP Costs

A CIP Statement will be filed and included in the Monthly Gas Supply Rates of the Service Classifications identified in General Information Section 38.B.(1). Distribution programming and New York State Energy Research and Development Authority ("NYSERDA") programming will be itemized in separate line items in the CIP Statement.

Rates developed to recover costs associated with Distribution programming (referred to in the 6/19/15 Commission order in Case 15-M-0252 as an "Energy Efficiency Tracker") in the monthly CIP Statement shall comply with orders issued by the Commission in Cases 07-G-0141, 07-M-0548, and 15-M-0252. Rates developed to recover costs associated with NYSERDA programming in the monthly CIP Statement shall comply with orders issued by the Commission in Cases 07-M-0548, 09-G-0363, and 10-M-0457. Rates shall be calculated on an annual basis to collect Commission allocated fund amounts based on projected annual volumes by service class.

B. CIP Cost Reconciliation

The Company shall reconcile actual CIP costs recovered through the CIP cost rate for the 12-month period ended December 31 with the actual CIP costs incurred for the 12 months ended December 31. Annual CIP reconciliations shall comply with the orders issued by the Commission in Cases 07-M-0548 and 07-G-0141.

C. Revenue Decoupling Mechanism ("RDM")

Included in the annual CIP Cost Reconciliation shall be a credit or surcharge associated with the RDM approved in Case 13-G-0136. RDM credits or surcharges for the 6 month period from October 1, 2016 through March 31, 2017 associated with the RDM approved in Case 13-G-0136 shall be calculated on a prorated basis. The RDM costs to be recovered or refunded shall be determined as the change in margin associated with changes in weather normalized average consumption of the following Customer classes. The margin per account shall be determined by calculating the change in Service Classifications identified in General Information Section 38.B.(1). (excluding NGV pilot program usage and incremental Excelsior Program usage not included in RDM) normal usage per account for the 12-month period ending March 31 compared to imputed normal usage per account multiplied by the appropriate rate category margin. This change in margin per account will then be multiplied by the number of accounts in each rate category to determine total change in margin. Imputed normalized usage per account and rate category margin shall be as follows:

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