

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

SECTION: 0 LEAF: 22  
REVISION: 0  
SUPERSEDING REVISION:

### GENERAL INFORMATION (Cont'd)

#### II.3.B. – Cont'd

relevant considerations.

#### C. Charges for Additional Facilities

- (1) If, in order to provide service to an applicant, the Company must install mains and appurtenant facilities in addition to those required to be provided without charge under General Information Section 3.B. above, the Company shall impose a surcharge subject to the following provisions.
  - a. The surcharge relating to mains and appurtenant facilities including return, depreciation, taxes and maintenance shall not exceed 20 percent per year of the actual reasonable cost of such facilities that exceeds the portion which the Company is required to install without charge to an applicant, if the Company lays a main of 4 inches or less in nominal diameter (in the case of low pressure distribution) or of 2 inches or less in nominal diameter (in the case of high pressure distribution). If the Company lays a main greater than 4 inches in nominal diameter (in the case of low pressure distribution) or greater than 2 inches in nominal diameter (in the case of high pressure distribution), the surcharge shall not exceed 20 percent per year of the estimated reasonable cost of a 4-inch main (in the case of low pressure distribution), or a 2-inch main (in the case of high pressure distribution) unless the estimated consumption of the proposed customer(s) requires the installation of a larger-sized main, in which event the surcharge shall not exceed 20 percent per year of the actual reasonable cost of such main. The surcharge shall commence when gas service is first available to an applicant and shall be paid ratably for each billing period.
  - b. The surcharge shall be reduced by 50 percent of adjusted gas revenues, but the credit shall not exceed the amount of the surcharge as determined above.
  - c. Whenever more than one customer is connected to a main extension, the surcharge shall be so adjusted that the Company shall not receive in any one calendar year a greater percentage from all customers served from the main extension than that applicable to such extension. The surcharge shall also be reasonably allocated among the customers being served from the main extension, taking into account the portion of mains and appurtenant facilities which the Company is required to provide without charge to each customer served from such facilities.
  - d. Each surcharge shall cease:
    - i. whenever the length of a main extension required to be provided without charge to all customers served from such extension shall equal or exceed the total length of such extension;
    - ii. whenever the total adjusted gas revenue from all customers served from a main extension shall equal or exceed 40 percent of the cost of such extension in excess of that required to be provided without charge, in each of any two

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