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GENERAL INFORMATION (Cont'd)

II.35. INCREASE IN RATES IN MUNICIPALITY WHERE SERVICE IS SUPPLIED

The rates and charges under all Service Classifications, including Delivery Adjustment Charge, Monthly Gas Supply Charge and minimum charge, payable in the municipality where service is supplied, shall be increased to reflect the aggregate percentage rate of the taxes imposed on the Company's revenues within such municipality pursuant to the following statutes:

- (1) Tax Law Section 186-a;
- (2) General City Law, Section 20-b; and
- (3) Village Law Section 5-530.

The total of all rates and charges shall be increase by a factor determined by dividing the applicable percentage rate of taxes by 100% minus the applicable percentage rate of taxes.

The applicable surcharge factor shall be set forth on statements filed with the Public Service Commission. Whenever a city or village levies a new tax on the Company's gross revenue, repeals such a tax or changes the rate of such a tax, the Company will file a new statement. Every such statement shall be filed not less than fifteen business days before the date on which it is proposed to be effective, and no sooner than the date of the tax enactment to which the statement responds; shall become effective no sooner than the date when the tax enactment is filed with the Secretary of State; shall be applicable to bills subject to the tax enactments that are rendered on or after the effective date of the statement; and shall be cancelled not more than five business days after the tax enactment either ceases to be effective or is modified so as to reduce the tax rate. Such statements will be duly filed with the Public Service Commission, apart from this Rate Schedule, and will be available to the public at Company offices at which applications for service may be made.