

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

SECTION: 0 LEAF: 115
REVISION: 0
SUPERSEDING REVISION:

GENERAL INFORMATION (Cont'd)

II.30.C. – Cont'd

D. Post-Trading Resolution and Application of Cash Out Tiers

An Imbalance Holder's post-trading imbalance position is calculated by dividing its FSIV by its TMC and converting the quotient into a percentage. The Imbalance Holder's post-trading imbalance position will be used to determine the post-trading imbalance tier for cash out, however, the post-trading imbalance tier will not be worse than pre-trading imbalance tier.

If the volumetric range of the Imbalance Holder's Market Pricing Tier for a month is significantly smaller or otherwise inconsistent with that occurring during the normal course of business, the Company may override the post-trading imbalance tier calculation for that month and assign the Imbalance Holder to the Market Pricing Tier. Examples of such circumstances are:

- During the initial month in which an Imbalance Holder has an imbalance resulting from service under an eligible Service Classifications as described above.
- During the final month in which an Imbalance Holder has an imbalance resulting from service under an eligible Service Classifications as described above.

For customer pools where the Company assigns an ADDQ, if the Imbalance Holder's total receipt volumes are within 2% of the total monthly ADDQ for each pool, the Imbalance Holder will be assigned to the Market Pricing Tier. For customer pools where the Company does not assign an ADDQ, the TMC for each customer pool will be substituted for the ADDQ. Additionally, if an Imbalance Holder's FSIV is less than 1,000 Mcf, it will be assigned to the Market Pricing Tier. If the Imbalance Holder does not qualify for the Market Pricing Tier under either of these safe harbors, then the Imbalance Holder's FSIV will be used to determine imbalance pricing.

The Imbalance Holder will be cashed out at the tiers, beginning at the tiers furthest from the Market Pricing Tier until the imbalance volumes within all the tiers are reduced to zero. The Market Pricing Tier will be cashed out after all other tiers have been cashed out.

Cash Out Sales and Cash Out Purchases will be reflected on the next bill issued by the Company to the Imbalance Holder following the conclusion of trading sessions.

E. Suspension of Cash Out

Should industry events lead to circumstances under which resolution of imbalances via cash-out is detrimental to the integrity of the Company's system, as operating conditions permit or require, the Company may suspend the cash-out and resolve imbalances through rollover. In this case, the Company will post notice on its web site as soon as practicable and no later than the beginning of imbalance trading. After imbalance trading is complete, the Company shall adjust the applicable ADDQ for the next following month that operating conditions permit, upward to reconcile a net deficiency in the billing month, or downward to reconcile a net surplus in the billing month.

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