

National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, NY 14221

December 29, 2017

Hon. Kathleen Burgess, Secretary
New York State Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Dear Secretary Burgess:

Enclosed is an electronic version of Monthly Gas Supply Charge Statement No. 9 applicable to Service Classification Nos. 1, 2, 3, 9, and 10, and Delivery Adjustment Charge Statement No. 9 applicable to Service Classification Nos. 1, 2, 3, 4, 5, 7, 8, 9, 10 and 15 of our Rate Schedule P.S.C. No. 9 – Gas. The Monthly Gas Supply Charge Statement No. 9 and the Delivery Adjustment Charge Statement No. 9 will be effective commencing with gas used on or after January 1, 2018.

The estimated amount related to surcharges and credits included in NGS & DAC Statements No. 9 is \$981,000 based on estimated sales of 85,650,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is a decrease of \$1,068,500 on a monthly basis.

The surcharge calculation for January 2018 Intermediate Pipeline Stranded Capacity Surcharge pursuant to General Information Section 0, Leaf Nos. 138 & 139 of P.S.C. No 9 – Gas results in a unit surcharge of \$0.00000/Mcf is applicable for January 1, 2018 through January 31, 2018.

The surcharge calculation for January 2018 Upstream Pipeline Stranded Capacity Surcharge pursuant to General Information Section 0, Leaf Nos. 137 & 138 of P.S.C. No 9 – Gas results in a unit surcharge of \$0.00000/Mcf is applicable for January 1, 2018 through January 31, 2018.

The Company's Annual Reconciliation Filing for the twelve months ended August 31, 2017 pursuant to General Information Section 0, Leaf Nos. 65 and 68 of P.S.C. No. 9 - Gas is included. The unit surcharge of \$0.1933/Mcf is applicable for the period January 1, 2018 through December 31, 2018.

The calculation for the System Performance Adjustment Mechanism pursuant to General Information Section 0, Leaf No. 135 is included as a workpaper. The unit refund of \$0.0147/Mcf (current and reconciliation combined) is applicable for the period January 1, 2018 through December 31, 2018.

The calculation for the Research and Development Funding Mechanism pursuant to Commission Order in Case 04-G-1047 is included as a workpaper. The unit surcharge of \$0.0095/Mcf is applicable for the period January 1, 2018 through December 31, 2018.

The Company's 90/10 Symmetrical Sharing filing for the six months ended March 31, 2017 is included. The calculation results in a surcharge of \$0.0163/Mcf to be recovered during the period January 1, 2018 through December 31, 2018.

Also included is a unit credit of \$0.0244/Mcf for the Revenue Decoupling Mechanism applicable for the period January 1, 2018 through December 31, 2018. The reconciliation period is for the six months ended March 31, 2017 pursuant to Case 13-G-0136.

Included as workpapers are the reconciliation filings associated with the Merchant Function Charge for Procurement, Records and Collection, Purchase of Receivables, and Storage Inventory. The reconciliation period is the 3ME 3/31/17, to be applicable for the period January 1, 2018 through December 31, 2018.

CIP Statement No. 9 was filed on December 15, 2017. The CIP filing workpapers have been included along with the workpapers referenced above.

Pursuant to Commission Order issued December 19, 2017 in Case 09-M-0311, the Company has filed a cancellation supplement to cancel Temporary State Assessment No. 8. Supplement No. 5 to P.S.C. No. 9 cancels the statement effective January 1, 2018. TSA charges have been removed from from all monthly statements going forward and customers will not be charged the TSA for any gas consumed after December 31, 2017.

Pursuant to Staff's recommendation that the Company should explore third party operation of its NGV filling stations approved by the Commission on August 19, 2013 in Case 13-G-0017, the Company has entered into an agreement, effective in October 2017, with a third party operator for its existing NGV filling facility. The third party began operating the facility on December 13, 2017. NGV Statement No. 9 includes a footnote that the Company will no longer operate a Company Owned NGV filling station.

In addition, Deficiency Imbalance Sales Service Rate Statement No. 9, Demand Transfer Recovery Rate Statement No. 9, Gas Transportation Statement No. 9, Natural Gas Vehicle Statement No. 9, Standby Sales Service Rate Statement No. 9, Transportation Sales Service Rate Statement No. 9, Reserve Capacity Cost Statement No. 9, Weather Normalization Clause Multipliers Statement No. 9, Distributed Generation Statement No. 9, Merchant Function Charge Statement No. 9, Incremental Monthly Gas Supply Charge Statement No. 9, Low Income Customer Affordability Assistance Program Statement No. 9, Mandatory Upstream Transmission Capacity ("MUTC") Statement No. 9, and Regulatory Tracking Charge (RTC) Statement No. 9.

In connection with this filing, the Company is also required to submit information that contains trade secrets. Accordingly, the Company has filed the required information with the Department Records Access Officer, together with a request for trade secret protection under the Commission's regulation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eric H. Meini". The signature is fluid and cursive, with the first name "Eric" and last name "Meini" clearly distinguishable.

Eric H. Meini
General Manager
Rates & Regulatory Affairs

Encl.