



April 3, 2020

Honorable Michelle L. Phillips  
 Secretary  
 New York State Public Service Commission  
 Three Empire State Plaza  
 Albany, NY 12223-1350

**Re: Proposed Tariff Revisions – General Housekeeping**

Dear Secretary Phillips,

National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) hereby submits the following revisions to its tariff, P.S.C. No. 9 – GAS:

<u>Section No.</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
0	119	2	1
0	120.1	1	0
0	125	3	2
0	126	2	1
0	129	5	4

By way of background, this is a filing to make general housekeeping changes for the tariff leaves mentioned above.

The proposed revision for Leaf 119 removes certain costs from the description of the Low Income Service Tracker. As per the February 17, 2017 Commission Order in Case 14-M-0565, these items are no longer reconcilable under the Statewide Low Income Program (“SLIP”). The Company has been excluding these items from its tracker filings since it implemented SLIP. Accordingly, this revision has no customer bill impact.

The proposed revision for Leaf 120.1 removes unnecessary verbiage from and clarifies Section II.34.D of the tariff related to the mechanics of the Company’s System Modernization Tracker.

The proposed revisions for leaves 125, 126, and 129 pertain to the Company’s Economic Development Zone and Excelsior Programs. The currently effective tariff inadvertently shows annual rates for five years, reflecting changes made in connection with Case 16-G-0257. Because no changes were made to the Company’s programs in that case, the tariff leaves should revert back to the original ten year period.

These changes have a proposed initial effective date of June 1, 2020. Redlines of the proposed tariff leaves are attached to this letter.

Concurrent with this filing, Distribution respectfully requests a waiver from the requirements of Public Service Law §66(12) and 16 NYCRR §720-8.1, pertaining to newspaper publication. The proposed tariff changes are being made for clarification purposes, the revisions are largely non-substantive in customer effect, and therefore the expense of publication would not serve the public interest.

If you have any questions regarding the Company's tariff filing, please contact the undersigned at (716) 857-7237 or Jeremy Barber at (716) 857-7226 at your convenience.

Respectfully submitted,



Randy C. Rucinski  
General Manager & Deputy General Counsel  
Rates & Regulatory Affairs

Attachment

PSC NO: 9 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: ~~065/01/2020~~<sup>17</sup>  
ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 16-G-0257 DATED 04/20/17

SECTION: 0 LEAF: 119  
REVISION: ~~24~~  
SUPERSEDING REVISION: ~~10~~

GENERAL INFORMATION (Cont'd)

II.33. LOW INCOME SERVICE TRACKER

The Company shall reconcile actual low income service discounts, ~~arrears forgiveness and administrative cost~~ with those imputed in its base rate case at 16-G-0257. The annual imputed costs supporting low income customer programs is \$13,430,000.

The annual reconciliation period shall be the 12 months ended March 31 of each year. Over and under recovery of low income programs costs shall be refunded or surcharged to residential service customers for a 12 month period beginning each July 1 after the reconciliation period. The reconciliation rate shall be charged to all residential customers based on forecasted annual volumes for the recovery period on an equal per Mcf unit basis.

PSC NO: 9 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 065/01/202019  
ISSUED IN COMPLIANCE WITH ORDER IN CASE NOS. 18-G-0553, 16-G-0257 AND 13-G-0136 DATED  
04/24/2019

SECTION: 0 LEAF: 120.1  
REVISION: 10  
SUPERSEDING REVISION: 0

GENERAL INFORMATION (Cont'd)

II.34. – Cont'd

C. Recovery of Qualified Costs:

Qualified costs shall be recovered via a volumetric surcharge by firm service class determined by allocating the total annual qualified costs by each firm service class's delivery revenues. While qualified costs are determined on a rate year by rate year basis, the applicable surcharge rate shall be in effect for the following July 1 through June 30 period. Interest shall be applied to surcharge account balances at the Company's pre-tax rate of return, and any surcharge account balances shall be fully reconcilable, including any over/under collections.

D. System Modernization Tracker Mechanics:

In accordance with the Order issued April 24, 2019 in Case 18-G-0553 and consistent with PSL §66.12(c), the Company cannot collect more than 2.5% of aggregate revenue, or \$13,795,375 million per year, from the System Modernization Tracker. \$13,795,375 is derived by multiplying 2.5% by Total Operating Revenues, as established in Case 16-G-0257 (Appendix 2, Schedule 1 of the Order issued April 20, 2017 in Case 16-G-0257). Any cost recovery due to the Company in excess of \$13,795,375 shall be held in a deferral account as a regulatory asset for future Commission disposition. While property taxes are permitted for recovery on a lagged basis under the System Modernization Tracker, property tax impacts will only be included in the deferral account, and not the surcharge mechanism (property taxes are only applicable for mile 106 and beyond). Interest shall be applied to deferral account balances at the Company's pre-tax rate of return, and any deferral balance shall be fully reconcilable.

~~Qualified LPP costs associated with LPP replaced incurred through March 31, 2021 shall be recovered through the System Modernization Tracker-will be available for recovery of qualified LPP costs incurred through March 31, 2021, or until extended or modified by the Commission.~~

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 NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 INITIAL EFFECTIVE DATE: ~~0612/01/2020~~  
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 14-M-0565 DATED 02/17/17

SECTION: 0 LEAF: 125  
 REVISION: ~~32~~  
 SUPERSEDING REVISION: ~~24~~

## GENERAL INFORMATION (Cont'd)

## II.38.A. – Cont'd

**Economic Development Zone and  
 Excelsior Program Rate**

<b>SC 3</b>	Years:	(1)	(2)	(3)	(4-6)	(7-105)
Per C.C.F. for all qualified incremental consumption		0.063	0.063	0.063	0.037	0.013

**SC 4**

Fixed Cost Charge per Mcfd	\$ 8.7684
Commodity Cost of Gas Adder per Mcf	\$ 0.9911

**SC 5**

Demand Margin per B.D.U.	\$ 0.3031
Base Commodity per Mcf	\$ 0.1248

**SC 8**

First	400 cu. ft. or less	\$32.02
All Over	400 cu. ft. per 100 cu. ft.	\$ 0.102612

**SC 13**

Monthly Minimum Charge		
MC-1.1	Customers with a maximum annual capability of burning between 5,000 and 25,000 Mcf	\$ 322.88
MC-2.0	Customers with a maximum annual capability of burning between 25,000 and 55,000 Mcf	\$ 707.85
MC-3.0	Customers with a maximum annual capability of burning between 55,000 and 150,000 Mcf	\$1,680.93
MC-4.0	Industrial Customers with a maximum annual capability of burning greater than 150,000 Mcf	\$3,482.46
MC-4.1	Non-Industrial Customers with a maximum annual capability of burning greater than 150,000	\$3,703.61
Billing Charge – as set forth in General Information Sections 48 and 38.B.(3).		

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 INITIAL EFFECTIVE DATE: 065/01/202017  
 ISSUED IN COMPLIANCE WITH ORDER IN CASE NO. 16-G-0257 DATED 04/20/17

SECTION: 0 LEAF: 126  
 REVISION: 24  
 SUPERSEDING REVISION: 10

GENERAL INFORMATION (Cont'd)

II.38.A. – Cont'd

**SC 13**

Default Transportation Charge		
TC-1.1	Customers with a maximum annual capability of burning between 5,000 and 25,000 Mcf	\$1.26530
TC-2.0	Customers with a maximum annual capability of burning between 25,000 and 55,000 Mcf	\$0.92588
TC-3.0	Customers with a maximum annual capability of burning between 55,000 and 150,000 Mcf	\$0.61572
TC-4.0	Industrial Customers with a maximum annual capability of burning greater than 150,000 Mcf	\$0.27739
TC-4.1	Non-Industrial Customers with a maximum annual capability of burning greater than 150,000 Mcf	\$0.37044
Purchased gas cost recovery per Mcf included in rate for TC-1.1, TC-2.0, TC-3.0, or TC-4.1		\$0.01291
Purchased gas cost recovery per Mcf included in rate for TC-4.0		\$0.00611

**SC 13**

**Business Development Rate Discount**

	Years:	(1)	(2)	(3)	(4)	(5)
Per Mcf for all qualified incremental consumption	TC-1.1	\$0.50	\$0.37	\$0.25	\$0.12	\$0.06
	TC-2	\$0.47	\$0.35	\$0.23	\$0.12	\$0.06
	TC-3	\$0.24	\$0.18	\$0.12	\$0.06	\$0.03
	TC-4	\$0.11	\$0.09	\$0.06	\$0.03	\$0.01
	TC-4.1	\$0.14	\$0.10	\$0.08	\$0.04	\$0.02

**SC 13**

**Economic Development and  
Excelsior Program Rate Discount**

	Years:	(1)	(2)	(3)	(4-6)	(7-105)
Per Mcf for all qualified incremental consumption	TC-1.1	\$0.63	\$0.63	\$0.63	\$0.37	\$0.12
	TC-2	\$0.58	\$0.58	\$0.58	\$0.35	\$0.12
	TC-3	\$0.30	\$0.30	\$0.30	\$0.18	\$0.06
	TC-4	\$0.13	\$0.13	\$0.13	\$0.09	\$0.03
	TC-4.1	\$0.18	\$0.18	\$0.18	\$0.10	\$0.04

**SC 15**

Volumetric Rate Structure for Customers with DG units less than one (1) megawatt:	
First 1,000 cu. ft. or less	27.82
For all consumption over 1,000 cu. ft. per 100 cu. ft. during the months of November through March	\$ 0.076487
For all consumption over 1,000 cu. ft. per 100 cu. ft. during the months of April through October	\$ 0.086305

PSC NO: 9 GAS  
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 INITIAL EFFECTIVE DATE: 036/01/202019

SECTION: 0 LEAF: 129  
 REVISION: 54  
 SUPERSEDING REVISION: 43

GENERAL INFORMATION (Cont'd)

II.38.A. – Cont'd

<b>SC 18</b>		<b>Business Development Rate Discount</b>				
	Years:	(1)	(2)	(3)	(4)	(5)
Per Mcf for all qualified incremental consumption	TC-1.1	\$0.50	\$0.37	\$0.25	\$0.12	\$0.06
	TC-2	\$0.47	\$0.35	\$0.23	\$0.12	\$0.06
	TC-3	\$0.24	\$0.18	\$0.12	\$0.06	\$0.03
	TC-4	\$0.11	\$0.09	\$0.06	\$0.03	\$0.01
	TC-4.1	\$0.14	\$0.10	\$0.08	\$0.04	\$0.02

<b>SC 18</b>		<b>Economic Development and Excelsior Program Rate Discount</b>				
	Years:	(1)	(2)	(3)	(4-6)	(7-105)
Per Mcf for all qualified incremental consumption	TC-1.1	\$0.63	\$0.63	\$0.63	\$0.37	\$0.12
	TC-2	\$0.58	\$0.58	\$0.58	\$0.35	\$0.12
	TC-3	\$0.30	\$0.30	\$0.30	\$0.18	\$0.06
	TC-4	\$0.13	\$0.13	\$0.13	\$0.09	\$0.03
	TC-4.1	\$0.18	\$0.18	\$0.18	\$0.10	\$0.04

B. Miscellaneous Surcharges, Refunds or Adjustments

- (1) For the Service Classifications designated in the table below, as set forth in the referenced General Information Sections, the rates for service rendered shall reflect the following elements:

<b>Adjustment Item</b>	<b>General Information Section</b>	<b>Designated Service Classifications</b>
Average Cost of Reserve Capacity	19.B.(1).a.ii	SC 1, SC 2, SC 3, SC 5, SC 6, SC 7, SC 8, SC 10, SC13, SC 15 and SC 18.
90/10 Symmetrical Sharing Mechanism	19.I.(4)	SC 1, SC 2, SC 3, SC 4, SC 5, SC 6, SC 7, SC 8, SC 13 (TC-1.1, TC-2.0, TC-3.1, TC-4.0 & TC-4.1), SC 15 and SC 18 (TC-1.1, TC-2.0, TC-3.0, TC-4.0 and TC-4.1). For SC 13 and SC 18, exclusive of negotiated contracts.
PSC Audits and Assessment Charge	32	SC 1, SC 2, SC 3, SC 4, SC 5, SC 6, SC 7, SC 8, SC 10, SC 13, SC 15, SC 18 and SC 20
Low Income Service Tracker	33	SC 1, SC 2, and SC 3.
System Modernization Tracker	34	SC 1, SC 2, SC 3, SC 4, SC 5, SC 6, SC 7, SC 8, SC 10, SC 13, SC 15 and SC 18.
Weather Normalization Adjustment	36	SC 1, SC 2, SC 3, SC 4, and SC 5.
System Performance Adjustment Mechanism	40	SC1, SC 2, SC 3, SC 4, SC 5, SC 6, SC 7, SC 8, SC 10, SC 13, SC 15 and SC 18.

Issued by DC. ML. CarlottiDeCarolis, President, 6363 Main Street, Williamsville, NY 14221  
 (Name of Officer, Title, Address)

PSC NO: 9 GAS  
NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INITIAL EFFECTIVE DATE: 0~~36~~/01/20~~2019~~

SECTION: 0 LEAF: 129  
REVISION: ~~54~~  
SUPERSEDING REVISION: ~~43~~

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