

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

February 26, 2016

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. 175 applicable to Service Classification Nos. 1, 2, and 3, and Delivery Adjustment Charge Statement No. 168 applicable to Service Classification Nos. 1, 2, 3, 5, 7, 8, and 9 of our Rate Schedule P.S.C. No. 8 – Gas. The Monthly Gas Supply Charge Statement No. 175 and the Delivery Adjustment Charge Statement No. 168 will be effective commencing with gas used on or after March 1, 2016.

The estimated amount related to surcharges and credits included in Statements No. 168 & 175 is \$5,234,000 based on estimated sales of 69,410,000 Ccf. The estimated effect on revenue, exclusive of surcharges and credits, is a decrease of \$1,091,400 on a monthly basis.

The surcharge calculation for March 2016 Intermediate Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.2 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.00000/Mcf is applicable for March 1, 2016 through March 31, 2016.

The surcharge calculation for March 2016 Upstream Pipeline Stranded Capacity Surcharge pursuant to General Leaf No. 148.1 of P.S.C. No 8 – Gas results in a unit surcharge of \$0.00000/Mcf is applicable for March 1, 2016 through March 31, 2016.

Included as workpapers are the reconciliation filings associated with the Merchant Function Charge for Procurement, Records and Collection, Purchase of Receivables, Storage Inventory and Lost Revenues. The reconciliation period is TME 12/31/15, to be applicable for the period March 1, 2016 through February 28, 2017.

In addition, Deficiency Imbalance Sales Service Rate Statement No. 225, Demand Transfer Recovery Rate Statement No. 220, Gas Transportation Statement No. 219, Natural Gas Vehicle Statement No. 225, Standby Sales Service Rate Statement No. 225, Transportation Sales Service Rate Statement No. 227, Reserve Capacity Cost Statement No. 185, Weather Normalization Clause Multipliers Statement No. 168, Distributed Generation Statement No. 154, LICAAP Minimum Charge Statement No. 20,

Merchant Function Charge Statement No. 135, Incremental Monthly Gas Supply Charge Statement No. 131, Low Income Customer Affordability Assistance Program Statement No. 120, State Income Tax Credits Statement No. 100, Mandatory Upstream Transmission Capacity ("MUTC") Statement No. 83, and Temporary State Assessment Charge ("TSA") Statement No. 81.

Conservation Incentive Programs Cost Recovery ("CIPs") Statement No. 72, was filed on February 16, 2016 under separate cover.

This statement is filed in compliance with 16 NYCRR, Section 270.55. Information pertaining to section 270.55d(7) will be delivered under separate cover letter.

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,

Eric H. Meinel
General Manager
Rates & Regulatory Affairs

Encl.