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File #: 157181

July 22, 2021

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: National Fuel Gas Distribution Corporation Supplement No. 228 to Tariff Gas - Pa.
P.U.C. No. 9
Docket No. R-2021-**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) is Supplement No. 228 to Tariff Gas – Pa. P.U.C. No. 9 (“Supplement No. 228”). Supplement No. 228 is being filed with an issue date of July 22, 2021 and an effective date of October 1, 2021.

In this filing, Distribution is proposing to reduce base rates by \$7,704,085 in order to stop collecting Other Post Employment Benefits (“OPEB”) expenses from customers. The Company is also proposing to refund to customers \$50,000,000 in OPEB expenses paid for by customers that are not needed for future OPEB costs. The Company is proposing to refund \$25,000,000 of this amount through a one-time bill credit and the remaining \$25,000,000 over a 5-year period (\$5,000,000 per year) through a non-reconcilable surcredit.

Distribution’s OPEB expense amount was established in its last base rate proceeding at Docket No. R-00061493. Distribution’s OPEB trusts are currently over-funded, and it proposes to stop collecting OPEB expenses from customers at this time and to begin to refund over-collected expenses to customers. Distribution also believes that given the COVID 19 pandemic and its impact on customers it is an opportune time to reduce customers’ rates. An October 1, 2021 date has been selected in order to effectuate the rate reductions prior to commencement of the winter heating season.

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The proposed rate reductions for customers are shown on Exhibits DNK-4 and DNK-5. As shown on Exhibit DNK-5, if the filing is approved, an average Residential customer using 100.3 Mcf per year will experience an annual distribution rate reduction of \$52.56 or approximately a 17% distribution rate reduction, which translates to an approximate 6.31% total bill rate reduction based upon gas costs as of May 1, 2021.

Distribution is also requesting certain OPEB-related accounting approvals as explained in the Direct Testimony of Michael P. Weidner.

The filing is organized as follows:

Appendix A – Statement of Reasons

Appendix B – Company responses to the Commission’s Filing Requirements Concerning Changes in Tariff contained in 52 Pa. Code § 53.52(a) and (b).

Appendix C – Supplement No 228.

Distribution Statement No. 1 – Direct Testimony of Donald N. Koch including Distribution Exhibits DNK-1 through DNK-5.

Distribution Statement No. 2 – Direct Testimony of Michael P. Weidner including Distribution MPW-1.

The Company requests that the following be entered as counsel for the Company in this proceeding:

Michael W. Gang, Esquire (ID # 25670)
Anthony D. Kanagy, Esquire (ID # 85522)
Post & Schell, P.C.
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Distribution has served a copy of this filing on all active parties in its last base rate proceeding at Docket No. R-00061493. In addition, Distribution is providing notice of this filing to all customers through a bill insert.

Distribution’s counsel is authorized to receive all notices and communications regarding this filing. Please direct any questions regarding this matter to the undersigned.

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Respectfully submitted,



Anthony D. Kanagy

ADK/cls
Enclosures

cc: Certificate of Service

APPENDIX A

STATEMENT OF REASONS

In this filing, National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) proposes to reduce base rates by \$7,704,085 in order to stop collecting Other Post-Employment Benefits (“OPEB”) expenses from customers. The Company also proposes to refund to customers \$50,000,000 for certain amounts previously collected that are no longer needed for future OPEB costs and are currently available in a grantor trust. The Company proposes to refund \$25,000,000 of this amount through a one-time bill credit to all customers and the remaining \$25,000,000 through a non-reconcilable surcredit over a 5-year period (\$5,000,000 per year).

Given the Company’s current OPEB funding status, Distribution is able to stop collecting OPEB expenses from customers at this time and to refund certain amounts that are no longer needed for future OPEB costs and have been deferred for the benefit of ratepayers. If Distribution continues to collect OPEB expenses from customers, the over-funded balance will continue to grow. Distribution also believes that given the current COVID-19 pandemic and its deleterious financial impact on customers, it is an appropriate time to reduce customers’ rates.

In the Settlement of Distribution’s last base rate proceeding at Docket No. R-00061493, the parties agreed that Distribution would collect \$7,704,085 per year in OPEB expenses from customers. In turn, Distribution was required to deposit funds into irrevocable external trusts – primarily Voluntary Employee Beneficiary Association (VEBA) trusts - where the funds are invested and used to pay future OPEB expenses. The Company’s projected future OPEB obligation has not increased significantly since the last rate proceeding in 2006 due to the prudent management of retiree medical costs and favorable revisions to actuarial estimates of future OPEB expenses. Additionally, the market performance on the assets held in the VEBA trusts has been strong. As a result, the Company’s future OPEB costs can be met with existing funds held in the

VEBA trusts, and Distribution does not need to continue collecting OPEB expenses from customers at this time, and does not anticipate needing to collect OPEB expenses from customers in the foreseeable future.

In addition, Distribution is proposing to begin returning certain funds previously collected from customers for OPEB expenses that are no longer needed to pay for future OPEB expenses. As explained in the Company's direct testimony in this proceeding, Distribution began funding OPEB amounts into a grantor trust in 2014 as OPEB expenses calculated by third-party actuaries under generally accepted accounting principles declined and the funded status of the future OPEB obligation improved due to the factors discussed above. Funds set aside in the grantor trust can be used to either fund the VEBA trusts to pay for future OPEB costs, if necessary, or be used for other purposes approved by the Pennsylvania Public Utility Commission. In this proceeding, Distribution is proposing to use \$25,000,000 of grantor trust funds to provide a one-time bill credit for customers and use another \$25,000,000 to provide recurring savings through a non-reconcilable surcredit over a 5-year period (\$5,000,000 per year). The total \$50,000,000 benefit to ratepayers represents substantially all of the funds available in the grantor trust, including amounts not funded by ratepayers, and more than half of the OPEB regulatory liability balance that has been deferred for the benefit of ratepayers. The Company is not proposing to refund any amounts contained in the VEBA trusts at this time, nor could it, as described in the referenced testimony. Those amounts will be addressed in a future base rate proceeding.

The proposed rate reductions for customers are shown on Exhibits DNK-4 and DNK-5. As shown on Exhibit DNK-5, if the filing is approved, an average residential customer using 100.3 Mcf per year will experience an annual distribution rate reduction of \$52.72 or approximately a

17% distribution rate reduction, which translates to an approximate 6.33% total bill rate reduction based upon currently effective gas costs.

For the reasons explained herein and in the Company's Direct Testimony in this proceeding, Distribution respectfully requests that the Pennsylvania Public Utility Commission approve this filing, including the requests for accounting treatment set forth in the Direct Testimony of Michael P. Weidner.

APPENDIX B

Filing Requirements Concerning Changes in Tariff
52 Pa. Code § 53.52 (a) and (b)

(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

(1) The specific reasons for each change.

See statement of reasons, submitted separately as Appendix A.

(2) The total number of customers served by the utility.

As of March 31, 2021, the twelve month average number of customers that National Fuel Gas Distribution Corporation ("Distribution" or the "Company") provided either delivery service only or delivery and natural gas supply service to was as follows:

Class of Service	Average Customers Served
Residential	197,385
Commercial/PA	16,015
Industrial	<u>597</u>
Total	213,997

(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

Class of Service	Average Customers Affected
Residential	197,385
Commercial/PA	16,015
Industrial	<u>597</u>
Total	213,997

(4) The effect of the change on the utility's customers.

Rates charged to customers will be reduced as a result of the proposed changes. Specifically, Other Post-Employment Benefit ("OPEB") expenses will be removed from Distribution's base rates. Distribution is also proposing an additional reduction to customer bills by way of a one-time bill credit and a temporary non-reconcilable surcredit. The one-time bill credits and surcredits will refund to ratepayers the portion of expenses collected that reside in a grantor trust and are not needed for future OPEB costs. See the aforementioned Statement of Reasons and the response to (b)(6) below for a more specific iteration of customer bill impact.

(5) The direct or indirect effect of the proposed change on the utility's revenues and expenses.

Revenues will be reduced by \$7,704,085 to reflect the removal of OPEB expense from base rates (\$10,005,305 gross OPEB cost x 77% from the most recent rate case).

(6) The effect of the change on the service rendered by the utility.

There will be no effect on the service rendered by the utility.

Filing Requirements Concerning Changes in Tariff
52 Pa. Code § 53.52 (a) and (b)

(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

The Company's OPEB trusts are fully funded and the Company does not need to collect OPEB expenses from customers at this time. The Company is proposing to reduce rates to eliminate the ongoing OPEB expense recovery and to refund certain OPEB expenses that are not needed to pay for future costs.

A portion of these expenses reside in a grantor trust that can be accessed with a Commission order. The Company proposes to refund these amounts to customers through a one-time bill credit and a non-reconcilable surcredit over a 5-year period, as shown in the response to (b)(6) below.

(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

Distribution has not undertaken any specific actuarial studies for the sole purpose of this filing. However, the annual actuarial valuations, including the determination of funded status and net periodic benefit costs/credits in accordance with SFAS 106, continue to be performed. It is evident based on these actuarial valuations that there is not a need for recovery of OPEB costs in the foreseeable future.

(9) Customer polls taken and other documents which indicate customer acceptance and desire of the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

No polls or studies were conducted by the Company to indicate customer acceptance or desire for the proposed change.

(10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

After the tariff supplement and related documents are filed, the Company will disseminate a bill insert notifying customers of the filing. When an order is received from the Commission, Distribution will proceed with implementation, including any Commission requirements regarding communication.

(11) FCC, FERC or Commission orders or rulings applicable to filing.

No FCC or FERC orders apply to this filing. Please refer to Commission order at Docket # R-00061493.

(b) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

Filing Requirements Concerning Changes in Tariff
52 Pa. Code § 53.52 (a) and (b)

(1) The specific reasons for each increase or decrease.

See reasons stated above in section (a) (7).

(2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

The operating income statement for the twelve months ended March 31, 2021 is attached hereto as **Attachment "A"**.

(3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

No customer bills will increase.

(4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

No customer bills will increase.

(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

Class of Service	Total Customers Affected
Residential	197,385
Commercial/PA	16,015
Industrial	<u>597</u>
Total	213,997

(6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

See **Attachment "B"** hereto.



National Fuel

**Income Statement - 12 Months Ended
For The Period Ended March 31, 2021
Business Unit: NFG Distribution Co - PA
Report Number: GL3103**

	Current
Gas Revenues	\$162,568,364
Less: Purchased Gas Sold	81,173,924
Revenue Taxes	0
Net Gas Revenues	81,394,440
Transportation Revenues	36,983,299
Less: Purchased Gas Sold	2,483,501
Revenue Taxes	0
Net Transportations Revenue	34,499,798
Other Operating Revenues	-1,494,997
Total Net Revenues	114,399,242
Operating Revenue Deductions:	
Operation Expense	61,189,049
Maintenance Expense	3,903,313
Depletion, Depreciation & Amortization	15,268,050
Income Tax Federal - Current	8,361,237
Income Tax State - Current	1,923,810
Provision For Deferred Income Tax	-3,873,961
Investment Tax Credit	0
Other Taxes	1,599,642
Total Operating Revenue Deductions	88,371,140
Operating Income/(-)Loss	26,028,102

Attachment B

Service Class	Base Rate		
	Reduction \$/Mcf	Mcf	Amount
Sales & SATC			
Residential (RSS & LIRA)	\$ 0.3845	8,375,738	\$ 3,220,471
	\$ 0.2638	11,903,768	\$ 3,140,214
Small Commercial/Public Authority < 250	\$ 0.2149	373,769	\$ 80,323
	\$ 0.1889	744,851	\$ 140,702
Small Commercial/Public Authority > 250	\$ 0.0335	553,879	\$ 18,555
	\$ 0.0311	1,042,255	\$ 32,414
Large Commercial/Public Authority	\$ 0.1126	417,207	\$ 46,977
	\$ 0.1040	23,432	\$ 2,437
	\$ -	-	\$ -
Small Volume Industrial Service	\$ 0.0497	143,083	\$ 7,111
Intermediate Volume Industrial Service	\$ 0.0474	51,919	\$ 2,461
	\$ 0.0349	274,118	\$ 9,567
	\$ 0.0251	31,113	\$ 781
Large Volume Industrial Service	\$ 0.0500	-	\$ -
	\$ 0.0417	-	\$ -
	\$ 0.0322	-	\$ -
	\$ 0.0259	-	\$ -
Large Industrial Service	\$ 0.0123	-	\$ -
	\$ 0.0097	-	\$ -
	\$ 0.0068	-	\$ -
	\$ 0.0049	-	\$ -
		23,935,129	\$ 6,702,014
MMT and DMT			
Residential	\$ 0.3240	90,317	\$ 29,263
Small Commercial/Public Authority < 250	\$ 0.2114	155,943	\$ 32,970
Small Commercial/Public Authority > 250	\$ 0.0340	765,372	\$ 26,023
Large Commercial/Public Authority	\$ 0.1066	6,185,236	\$ 659,346
Small Volume Industrial Service	\$ 0.0524	17,123	\$ 897
Intermediate Volume Industrial Service	\$ 0.0340	3,215,254	\$ 109,319
Large Volume Industrial Service	\$ 0.0384	2,629,082	\$ 101,000
Large Industrial Service	\$ 0.0070	5,607,259	\$ 39,251
		18,665,586	\$ 998,068
TOTALS		42,600,715	\$ 7,700,082

Attachment B

Rate table to be added to Page 171 in Filing

Total OPEB Liability to passback	\$ 50,000,000
One time bill credit	\$ 25,000,000
Remaining liability to passback	<u>\$ 25,000,000</u>
Amortization period (years)	5
Annual amount to passback	<u>\$ 5,000,000</u>
Total Amount to Surcredit to Customers	\$ 5,000,000

Surcredit

Service Class

Sales & SATC

Residential (RSS & LIRA)

Small Commercial/Public Authority < 250

Small Commercial/Public Authority > 250

Large Commercial/Public Authority

Small Volume Industrial Service

Intermediate Volume Industrial Service

Effective 10/1/21

	Surcredit Rate	Mcf	Amount
	\$0.20402	20,279,505	\$ 4,137,457
	\$0.13592	1,118,620	\$ 152,043
	\$0.02319	1,596,133	\$ 37,014
	\$0.26167	440,639	\$ 115,302
	\$0.03212	143,083	\$ 4,596
	\$0.01108	357,149	\$ 3,957
		<u>23,935,129</u>	<u>\$ 4,450,369</u>
MMT & DMT			
Residential	\$0.13888	90,317	\$ 12,543
Small Commercial/Public Authority < 250	\$0.08309	155,943	\$ 12,957
Small Commercial/Public Authority > 250	\$0.01697	765,372	\$ 12,988
Large Commercial/Public Authority	\$0.05581	6,185,236	\$ 345,198
Small Volume Industrial Service	\$0.02357	17,123	\$ 404
Intermediate Volume Industrial Service	\$0.02334	3,215,254	\$ 75,041
Large Volume Industrial Service	\$0.02491	2,629,082	\$ 65,490
Large Industrial Service	\$0.00446	5,607,259	\$ 25,008
		<u>18,665,586</u>	<u>\$ 549,630</u>
Grand Total		<u><u>42,600,715</u></u>	<u><u>\$ 5,000,000</u></u>

One-Time Bill Credit

	Refund per Customer	# Customers	Total
Residential	\$ 100	198,500	\$ 19,850,000
Commercial/Public Authority	\$ 250	16,250	\$ 4,062,500
Industrial	\$ 1,500	600	\$ 900,000
Total Bill Credit			<u><u>\$ 24,812,500</u></u>

APPENDIX C

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION
BUFFALO, NEW YORK**

RATES, RULES AND REGULATIONS

**GOVERNING THE FURNISHING
OF
NATURAL GAS SERVICE
IN
TERRITORY DESCRIBED HEREIN**

Issued: July 22, 2021

Effective: October 1, 2021

D. L. DeCAROLIS, PRESIDENT
BUFFALO, NEW YORK

This Supplement includes decreases and changes to existing rates.

See page 2.

LIST OF CHANGES MADE BY THIS TARIFF

CHANGE:

1. Tariff Supplement No. 228 establishes a negative surcharge, on a per Mcf basis, and one-time bill credit by service class effective October 1, 2021. This temporary surcharge has been established to implement the pass-back of an Other Post-Employment Benefit ("OPEB") regulatory liability.
Page 171 and 171A.

DECREASE:

2. The Natural Gas Supply Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial Service Classes decrease.
Pages 36A, 41, 41A, 42, 53, 55, 66 and 76A.
3. Monthly Metered Transportation rates decrease.
Pages 100 and 101.
4. Daily Metered Transportation rates decrease.
Pages 111, 112, and 146C.
5. SATC rates decrease.
Pages 120 and 121

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RESIDENTIAL SERVICE RATE SCHEDULE

RESIDENTIAL CLASSIFICATION

This classification shall include gas supplied for residential purposes such as a private dwelling, apartment house with a single meter supplying four or less dwelling units, separately metered apartments of a multiple dwelling, accessory buildings to dwellings or apartment houses such as garages, except at residences receiving service under Rate Schedule LIRAS for Low Income Residential Assistance Service and other places of residence where gas is used for residential purposes.

Churches and missions (places of worship) shall be entitled to Service under the Residential service rate schedule.

AVAILABILITY OF SERVICE

Gas Service shall be available at one location, except as otherwise provided, for residential customers.

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Basic Service Charge			
\$12.00	per Month		
Distribution Charges			
32.307¢	per 100 cubic feet for the first 5,000 cubic feet		(D)
23.156¢	per 100 cubic feet for all over 5,000 cubic feet		(D)
Gas Adjustment Charge			
(3.396)¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	
(0.076)¢	per 100 cubic feet	Merchant Function Charge (Rider G)	
(3.472)¢	Per 100 cubic feet	Total Gas Adjustment Charge	

(D) Indicates Decrease

(I) Indicates Increase

COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (cont.)

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

For "Small" Commercial/Public Authority Customers using not more than 250,000 cubic feet per year:

Basic Service Charge

\$19.89 per Month

Distribution Charges

27.922¢ per 100 cubic feet for the first 5,000 cubic feet (D)

24.924¢ per 100 cubic feet for all over 5,000 cubic feet (D)

Gas Adjustment Charge

(3.396)¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)

(0.008)¢ per 100 cubic feet Merchant Function Charge (Rider G)

(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge

38.755¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)

0.089¢ per 100 cubic feet Merchant Function Charge (Rider G)

1.050¢ per 100 cubic feet Gas Procurement Charge (Rider H)

39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (Cont'd)

For "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

Basic Service Charge		
\$27.53	per Month	
Distribution Charges		
22.249¢	per 100 cubic feet for the first 20,000 cubic feet	(D)
20.909¢	per 100 cubic feet for all over 20,000 cubic feet	(D)
Gas Adjustment Charge		
(3.396)¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
<u>(0.008)¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)
(3.404)¢	per 100 cubic feet	Total Gas Adjustment Charge
Natural Gas Supply Charge		
38.755¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
0.089¢	per 100 cubic feet	Merchant Function Charge (Rider G)
<u>1.050¢</u>	per 100 cubic feet	Gas Procurement Charge (Rider H)
39.894¢	per 100 cubic feet	Total Natural Gas Supply Charge

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Commercial and Public Authority Service Rate Schedule (Cont'd)

For "Large" Commercial/Public Authority Customers:

Basic Service Charge		
\$121.01	per Month	
Distribution Charges		
17.722¢	per 100 cubic feet	for the first 300,000 cubic feet (D)
16.616¢	per 100 cubic feet	for the next 1,700,000 cubic feet (D)
15.472¢	per 100 cubic feet	for all over 2,000,000 cubic feet
Gas Adjustment Charge		
(3.396)¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
<u>(0.008)¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)
(3.404)¢	per 100 cubic feet	Total Gas Adjustment Charge
Natural Gas Supply Charge		
38.755¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
0.089¢	per 100 cubic feet	Merchant Function Charge (Rider G)
<u>1.050¢</u>	per 100 cubic feet	Gas Procurement Charge (Rider H)
39.894¢	per 100 cubic feet	Total Natural Gas Supply Charge

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

SVIS
Small Volume Industrial Service Rate Schedule (Cont'd)

MONTHLY RATE

Basic Service Charge
\$65.60 per Month

Distribution Charges
23.991¢ per 100 cubic feet

(I)

Gas Adjustment Charge
(3.396)¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
(0.008)¢ per 100 cubic feet Merchant Function Charge
(Rider G)
(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge
38.755¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
0.089¢ per 100 cubic feet Merchant Function Charge
(Rider G)
1.050¢ per 100 cubic feet Gas Procurement Charge
(Rider H)
39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

IVIS

INTERMEDIATE VOLUME INDUSTRIAL SERVICE RATE SCHEDULE (Cont'd)
MONTHLY RATE

Basic Service Charge
\$201.91 per Month

Distribution Charges

18.133¢	per 100 cubic feet for the first 100,000 cubic feet	(D)
14.177¢	per 100 cubic feet for the next 1,900,000 cubic feet	(D)
11.081¢	per 100 cubic feet for all over 2,000,000 cubic feet	(D)

Gas Adjustment Charge

(3.396)¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
<u>(0.008)¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)
(3.404)¢	per 100 cubic feet	Total Gas Adjustment Charge

Natural Gas Supply Charge

38.755¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
0.089¢	per 100 cubic feet	Merchant Function Charge (Rider G)
<u>1.050¢</u>	per 100 cubic feet	Gas Procurement Charge (Rider H)
39.894¢	per 100 cubic feet	Total Natural Gas Supply Charge

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

LVIS

Large Volume Industrial Service (Cont'd)

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 50,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 4,167 Mcf, even if the Customer disagrees with the Company's estimate.
- D. An Industrial Customer for which the Company estimates that total volumes of gas to be used by the customer during the next succeeding twelve months will not be less than 50,000 Mcf of gas per year whether the gas is purchased by the Industrial Customer from the Company, delivered by the Company to the Industrial Customer, or obtained by the customer from another source.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge	\$809.00	per Month	
Distribution Charges			
	13.627¢	per 100 cubic feet for the first 100,000 cubic feet	(D)
	11.892¢	per 100 cubic feet for the next 1,900,000 cubic feet	(D)
	9.899¢	per 100 cubic feet for the next 18,000,000 cubic feet	(D)
	8.590¢	per 100 cubic feet for all over 20,000,000 cubic feet	(D)
Gas Adjustment Charge			
	(3.396)¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
	<u>(0.008)¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)
	(3.404)¢	Per 100 cubic feet	Total Gas Adjustment Charge

(D) Indicates Decrease

(I) Indicates Increase

LIS

Large Industrial Service (Cont'd)

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 200,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 17,000 Mcf, even if the Customer disagrees with the Company's estimate.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge

\$1,029.00 per Month

Distribution Charges

11.695¢	per 100 cubic feet for the first 100,000 cubic feet	(D)
9.921¢	per 100 cubic feet for the next 1,900,000 cubic feet	(D)
7.881¢	per 100 cubic feet for the next 18,000,000 cubic feet	(D)
6.542¢	per 100 cubic feet for all over 20,000,000 cubic feet	(D)

Gas Adjustment Charge

(3.396)	per 100 cubic feet	Purchased Gas Cost Component (Rider A)
<u>(0.008)¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)
(3.404)¢	per 100 cubic feet	Total Gas Adjustment Charge

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

MONTHLY RATES

Commodity Rates

The commodity rates set forth below contain a component, presently \$0.3200 per Mcf, for recovery of purchased gas costs.

For transportation of gas to Residential Customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$2.7758 Mcf (D)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.7458 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year (D)

\$2.2601 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

\$1.6996 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.7458 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year (D)

\$2.2601 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

\$1.6996 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.5173 per Mcf for SVIS Customers (D)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.5173 per Mcf for SVIS Customers (D)

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:
\$1.3920 per Mcf for IVIS Customers (D)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:
\$1.3920 per Mcf for IVIS Customers (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:
\$1.1245 per Mcf (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:
\$1.1245 per Mcf (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:
\$0.8039 per Mcf (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:
\$0.8039 per Mcf (D)

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that are for recovery of gas or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a MMT Customer of the Company without use of the Company's facilities or another transportation of gas. The Company may also reduce or eliminate the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances for alternate fuels or bypass situations cited above excluding competition from other Pennsylvania local distribution companies. The Company will reduce the applicable rate only if:

- (a) Either (1) the MMT Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR DAILY METERED TRANSPORTATION SERVICE (cont'd)

MONTHLY RATES

Commodity Rates

For transportation of gas to Residential customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$2.4558 per Mcf. (D)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.4258 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year (D)

\$1.9401 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

\$1.3796 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.4258 per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per Year (D)

\$1.9401 per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

\$1.3796 per Mcf for Large Commercial/Public Authority (D)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$2.1973 per Mcf for SVIS Customers. (D)

For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$2.1973 per Mcf for SVIS Customers. (D)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$1.0720 per Mcf for IVIS Customers. (D)

(D) Indicates Decrease

(C) Indicates Change

(I) Indicates Increase

Issued: July 22, 2021

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RATE SCHEDULE FOR DAILY METERED TRANSPORTATION SERVICE (cont'd)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.0720 per Mcf for IVIS Customers. (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.8045 per Mcf. (D)

For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.8045 per Mcf. (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.4839 per Mcf. (D)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.4839 per Mcf. (D)

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that is for recovery of gas costs or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a Gas Service Customer of the Company without use of the Company's facilities or another transporter of gas. The Company may also reduce or eliminate the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances for alternate fuels or bypass situations cited above excluding competition from other Pennsylvania local distribution companies. The Company will reduce the applicable rate only if:

- (a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease
(I) Indicates Increase

(C) Indicates Change

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

1. Residential Transportation Rates

SATC Customers that meet the qualifications under the Residential Service Rate Schedule classification:

Rates per Residential SATC Customer per Month:

\$12.00	Basic Service Charge	
\$0.32307	per 100 cubic feet for the first 5,000 cubic feet	(D)
\$0.23156	per 100 cubic feet for all over 5,000 cubic feet	(D)

2. Commercial and Public Authority Transportation Rates

SATC Customers that meet the qualifications under the Commercial and Public Authority Service Rate Schedule classification:

a. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using not more than 250,000 cubic feet per year:

\$19.89	Basic Service Charge	
\$0.27922	per 100 cubic feet for the first 5,000 cubic feet	(D)
\$0.24924	per 100 cubic feet for all over 5,000 cubic feet	(D)

b. Rates per Commercial/Public Authority customer per month for "Small" Commercial/Public Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

\$27.53	Basic Service Charge	
\$0.22249	per 100 cubic feet for the first 20,000 cubic feet	(D)
\$0.20909	per 100 cubic feet for all over 20,000 cubic feet	(D)

c. Rates per Commercial/Public Authority customer per month for "Large" Commercial/Public Customers:

\$121.01	Basic Service Charge	
\$0.17722	per 100 cubic feet for the first 300,000 cubic feet	(D)
\$0.16616	per 100 cubic feet for the next 1,700,000 cubic feet	(D)
\$0.15472	per 100 cubic feet for all over 2,000,000 cubic feet	

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

3. Small Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Small Volume Industrial Service Rate Schedule classification:

Rates per Small Volume Industrial Service SATC Customer per Month:

\$65.60	Basic Service Charge	
\$0.23991	per 100 cubic feet	(D)

4. Intermediate Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Intermediate Volume Industrial Service Rate Schedule classification:

Rates per Intermediate Volume Industrial Service SATC Customer per Month:

\$201.91	Basic Service Charge	
\$0.18133	per 100 cubic feet for the first 100,000 cubic feet	(D)
\$0.14177	per 100 cubic feet for the next 1,900,000 cubic feet	(D)
\$0.11081	per 100 cubic feet for all over 2,000,000 cubic feet	(D)

B. Miscellaneous Customer Surcharges

1. Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

2. The above SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

RATE SCHEDULE FOR DAILY METERED LARGE MANUFACTURING TRANSPORTATION SERVICE (C)
(cont'd)
MONTHLY RATES

For transportation of gas to Large Industrial Manufacturing Customers,
the monthly rate for transportation shall be:

\$0.4839 per Mcf. (D)

Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that is for recovery of gas costs or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a Gas Service Customer of the Company without use of the Company's facilities or another transportation of gas. The Company will reduce the applicable rate only if:

- (a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;
- (b) Volumes of gas that would be transported by the Company would be displaced by an alternate fuel or an alternative source of gas unless the Company reduces its transportation rate;
- (c) The Company will not reduce the rate for transportation service below the level necessary to transport gas; and
- (d) In the Company's judgment the DMLMT Service Customer has taken all reasonable steps to minimize the cost of gas supplies delivered to the Company's system in order to help meet competition.

Where the above criteria are met, the Company may, in its discretion enter into an agreement setting either: (1) a fixed transportation rate or (2) the basis for determining the transportation rate, for the period of the Service Agreement, which will specify which portion of the rate is being reduced.

Volumes delivered as transportation service pursuant to this rate schedule shall be subject to State Tax Adjustment Surcharge

CHARGES FOR TRANSPORTATION BY OTHERS

If furnishing service, pursuant to this Rate Schedule, requires the use of a transportation service provided other than by the Company, any cost incurred by the Company, with regard thereto, shall be billed to DMLMT Service Customer by the Company.

(D) Indicates Decrease
(I) Indicates Increase

(C) Indicates Change

Issued: July 22, 2021

Effective: October 1, 2021

RIDER I OPEB TEMPORARY SURCREDIT

Effective October 1, 2021, a one-time bill credit will be applied and a surcredit will be included in the rates subject to this Rider to provide for the pass back of funds collected previously for Other Post Retirement Benefits ("OPEB") expenses that have been deferred for the benefit of ratepayers as a regulatory liability in accordance with the settlement order in Docket # R-00061493.

\$25,000,000 of the OPEB regulatory liability has been reserved to pass back to customers as a one-time bill credit. The bill credit will be applied to customers' bills for active accounts as of October 1, 2021 and in the following amounts per class:

Residential	\$100
C/PA	\$250
Industrial	\$1,500

An additional \$25,000,000 of the OPEB regulatory liability has been reserved to pass back via a surcredit over 5-years (\$5,000,000 per year). The surcredit will apply as a credit to all customer bills at a set allocation percentage equal to the allocation percentage of the Company's base rate increase in Docket # R-00061493 among the various customer classes, exclusive of STAS and automatic adjustment clause revenues, for bills rendered for intrastate service on and after October 1, 2021. The surcredit will be applied on a per Mcf basis, by service class, as indicated in the table below. The surcredit will continue for a period of 5 years without reconciliation. Interest is not applicable to the OPEB balance. The OPEB Temporary Surcredit will be filed with the Commission by October 1 of each year and will be recalculated annually during the 5-year period.

Service Class	Refund Rate Effective 10/1/21
Sales & SATC	
Residential (RSS & LIRA)	(\$0.20402)
Small Comm./Public Authority < 250	(\$0.13592)
Small Comm./Public Authority > 250	(\$0.02319)
Large Comm./Public Authority	(\$0.26167)
Small Volume Industrial Service	(\$0.03212)
Intermediate Vol. Industrial Service	(\$0.01108)
MMT & DMT	
Residential	(\$0.13888)
Small Comm./Public Authority < 250	(\$0.08309)
Small Comm./Public Authority > 250	(\$0.01697)
Large Comm./Public Authority	(\$0.05581)
Small Volume Industrial Service	(\$0.02357)
Intermediate Vol. Industrial Service	(\$0.02334)
Large Volume Industrial Service	(\$0.02491)
Large Industrial Service	(\$0.00446)

Issued: July 22, 2021

Effective: October 1, 2021

A total of \$50,000,000 held in a grantor trust will be used for the passback of funds described above. At the conclusion of the 5-year period, the Company will terminate the grantor trust.

The Company is suspending regulatory accounting associated OPEB expense because such costs are \$0 and base delivery rates have been reduced to eliminate the recovery of OPEB expenses. The \$50,000,000 passed back to ratepayers through the one-time bill credit and surcredit mechanisms described above will reduce the regulatory liability due to ratepayers. The remaining regulatory liability balance due to ratepayers will be addressed in the next base rate proceeding.

Of the regulatory liability balance that is not attributed to ratepayers, the Company will immediately record any portion of the balance attributed to the O&M component of any SFAS 106 income that has accumulated since the last base rate proceeding as a reduction to OPEB expense. The remaining regulatory liability balance not attributed to ratepayers is to be transferred into an account separate from the regulatory liability due to ratepayers and be used to reduce the cost of labor charged to capital projects and affiliates over a period of 5 years. Any remaining portion of the regulatory liability after the expiration of the 5-year period will be addressed in the next base rate proceeding.

REDLINED VERSION

NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
One-Hundred-First Revised Page No. 36
Canceling One-Hundredth Revised Page No. 36

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RESIDENTIAL SERVICE RATE SCHEDULE

RESIDENTIAL CLASSIFICATION

This classification shall include gas supplied for residential purposes such as a private dwelling, apartment house with a single meter supplying four or less dwelling units, separately metered apartments of a multiple dwelling, accessory buildings to dwellings or apartment houses such as garages, except at residences receiving service under Rate Schedule LIRAS for Low Income Residential Assistance Service and other places of residence where gas is used for residential purposes.

Churches and missions (places of worship) shall be entitled to Service under the Residential service rate schedule.

AVAILABILITY OF SERVICE

Gas Service shall be available at one location, except as otherwise provided, for residential customers.

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

Basic Service Charge
\$12.00 per Month

Distribution Charges

~~32.307¢~~ per 100 cubic feet for the first 5,000 cubic feet (D)
~~23.156¢~~ per 100 cubic feet for all over 5,000 cubic feet (D)

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Gas Adjustment Charge

(3.396)¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
(0.076)¢ per 100 cubic feet Merchant Function Charge (Rider G)
(3.472)¢ Per 100 cubic feet Total Gas Adjustment Charge

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(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
~~One-Hundredth~~ Revised Page No. 41
Canceling ~~Ninety-Ninth~~ Revised Page No. 41

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COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (cont.)

APPLICABILITY

Applicable in all areas served under this tariff.

MONTHLY RATE

For "Small" Commercial/Public Authority Customers using not more than
250,000 cubic feet per year:

Basic Service Charge

\$19.89 per Month

Distribution Charges

~~27.922¢~~ per 100 cubic feet for the first 5,000 cubic feet (D)
~~24.924¢~~ per 100 cubic feet for all over 5,000 cubic feet (D)

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Gas Adjustment Charge

(3.396)¢ per 100 cubic feet

Purchased Gas Cost Component
(Rider A)

(0.008)¢ per 100 cubic feet

Merchant Function Charge
(Rider G)

(3.404)¢ per 100 cubic feet

Total Gas Adjustment Charge

Natural Gas Supply Charge

38.755¢ per 100 cubic feet

Purchased Gas Cost Component
(Rider A)

0.089¢ per 100 cubic feet

Merchant Function Charge
(Rider G)

1.050¢ per 100 cubic feet

Gas Procurement Charge (Rider H)

39.894¢ per 100 cubic feet

Total Natural Gas Supply Charge

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The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Issued: ~~July 22,~~ 2021

Effective: ~~October 1,~~ 2021

Deleted: January 29

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. NO. 9
Fifty-Fourth, Revised Page No. 41A
Canceling Fifty-Third, Revised Page No. 41A

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COMMERCIAL AND PUBLIC AUTHORITY SERVICE RATE SCHEDULE (Cont'd)

For "Small" Commercial/Public Authority Customers using greater than 250,000 cubic feet but not more than 1,000,000 cubic feet per year:

Basic Service Charge
\$27.53 per Month

Distribution Charges
22.249¢ per 100 cubic feet for the first 20,000 cubic feet (D)
20.909¢ per 100 cubic feet for all over 20,000 cubic feet (D)

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Gas Adjustment Charge
(3.396)¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
(0.008)¢ per 100 cubic feet Merchant Function Charge (Rider G)
(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge
38.755¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
0.089¢ per 100 cubic feet Merchant Function Charge (Rider G)
1.050¢ per 100 cubic feet Gas Procurement Charge (Rider H)
39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

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The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
~~One-Hundredth~~ Revised Page No. 42
Canceling ~~Ninety-Ninth~~ Revised Page No. 42

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Commercial and Public Authority Service Rate Schedule (Cont'd)

For "Large" Commercial/Public Authority Customers:

Basic Service Charge

\$121.01 per Month

Distribution Charges

~~17.722¢~~ per 100 cubic feet for the first 300,000 cubic feet (D)
~~16.616¢~~ per 100 cubic feet for the next 1,700,000 cubic feet (D)
~~15.472¢~~ per 100 cubic feet for all over 2,000,000 cubic feet

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Gas Adjustment Charge

(3.396)¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
~~(0.008)¢~~ per 100 cubic feet Merchant Function Charge
(Rider G)
(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge

38.755¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
0.089¢ per 100 cubic feet Merchant Function Charge
(Rider G)
1.050¢ per 100 cubic feet Gas Procurement Charge
(Rider H)
39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

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The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

Issued: ~~July 22,~~ 2021

Effective: ~~October 1,~~ 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Ninety-Seventh Revised Page No. 53
Canceling Ninety-Sixth Revised Page No. 53

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SVIS
Small Volume Industrial Service Rate Schedule (Cont'd)

MONTHLY RATE

Basic Service Charge
\$65.60 per Month

Distribution Charges
23.991¢ per 100 cubic feet

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Gas Adjustment Charge
(3.396)¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
(0.008)¢ per 100 cubic feet Merchant Function Charge
(Rider G)
(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge
38.755¢ per 100 cubic feet Purchased Gas Cost Component
(Rider A)
0.089¢ per 100 cubic feet Merchant Function Charge
(Rider G)
1.050¢ per 100 cubic feet Gas Procurement Charge
(Rider H)
39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

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The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The Rules and Regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Ninety-Seventh Revised Page No. 55
Canceling Ninety-Sixth Revised Page No. 55

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IVIS

INTERMEDIATE VOLUME INDUSTRIAL SERVICE RATE SCHEDULE (Cont'd)
MONTHLY RATE

Basic Service Charge
\$201.91 per Month

Distribution Charges

18.133¢ per 100 cubic feet for the first 100,000 cubic feet (D)
14.177¢ per 100 cubic feet for the next 1,900,000 cubic feet (D)
11.081¢ per 100 cubic feet for all over 2,000,000 cubic feet (D)

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Gas Adjustment Charge

(3.396)¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
(0.008)¢ per 100 cubic feet Merchant Function Charge (Rider G)
(3.404)¢ per 100 cubic feet Total Gas Adjustment Charge

Natural Gas Supply Charge

38.755¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
0.089¢ per 100 cubic feet Merchant Function Charge (Rider G)
1.050¢ per 100 cubic feet Gas Procurement Charge (Rider H)
39.894¢ per 100 cubic feet Total Natural Gas Supply Charge

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The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.2285% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge as set forth in this tariff.

APPLICATION PERIOD

The Application Period shall be the twelve months beginning March 1 of each year.

RULES AND REGULATIONS

The rules and regulations set forth in this tariff shall govern, where applicable, the supply of gas service under this rate schedule.

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. ~~228~~ to
Gas - Pa. P.U.C. No. 9
Ninety-~~Seventh~~ Revised Page No. 65
Canceling Ninety-~~Sixth~~ Revised Page No. 65

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LVIS

Large Volume Industrial Service (Cont'd)

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 50,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 4,167 Mcf, even if the Customer disagrees with the Company's estimate.
- D. An Industrial Customer for which the Company estimates that total volumes of gas to be used by the customer during the next succeeding twelve months will not be less than 50,000 Mcf of gas per year whether the gas is purchased by the Industrial Customer from the Company, delivered by the Company to the Industrial Customer, or obtained by the customer from another source.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge
\$809.00 per Month

Distribution Charges

~~13.627¢~~ per 100 cubic feet for the first 100,000 cubic feet (D)
~~11.892¢~~ per 100 cubic feet for the next 1,900,000 cubic feet (D)
~~9.899¢~~ per 100 cubic feet for the next 18,000,000 cubic feet (D)
~~8.590¢~~ per 100 cubic feet for all over 20,000,000 cubic feet (D)

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Gas Adjustment Charge
(3.396)¢ per 100 cubic feet Purchased Gas Cost Component (Rider A)
(0.008)¢ per 100 cubic feet Merchant Function Charge (Rider G)
(3.404)¢ Per 100 cubic feet Total Gas Adjustment Charge

(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Ninety-Seventh, Revised Page No. 76
Canceling Ninety-Sixth, Revised Page No. 76

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LIS

Large Industrial Service (Cont'd)

- C. An Industrial Customer, for which the Company estimates that the total volumes of gas purchased from the Company or transported by the Company during the next succeeding twelve months will be not less than 200,000 Mcf, if the Industrial Customer has used total volumes of gas in at least one billing month of not less than 17,000 Mcf, even if the Customer disagrees with the Company's estimate.

An Industrial Customer that meets the above criteria under this rate schedule at the beginning of an Application Period is required to continue to be subject to this rate schedule during all months of such Application Period. An Industrial Customer that meets the above criteria under this rate schedule during an Application Period is required to continue to be subject to this rate schedule during all or remaining months of such Application Period.

MONTHLY RATE

Basic Service Charge

\$1,029.00 per Month

Distribution Charges

11.695¢ per 100 cubic feet for the first 100,000 cubic feet (D)
9.921¢ per 100 cubic feet for the next 1,900,000 cubic feet (D)
7.881¢ per 100 cubic feet for the next 18,000,000 cubic feet (D)
6.542¢ per 100 cubic feet for all over 20,000,000 cubic feet (D)

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Gas Adjustment Charge

(3.396) per 100 cubic feet

Purchased Gas Cost Component
(Rider A)

(0.008)¢ per 100 cubic feet

Merchant Function Charge
(Rider G)

(3.404)¢ per 100 cubic feet

Total Gas Adjustment Charge

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(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Forty-~~Second~~ Revised Page No. 100
Canceling Forty-~~First~~ Revised Page No. 100

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RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

MONTHLY RATES

Commodity Rates

The commodity rates set forth below contain a component, presently \$0.3200 per Mcf, for recovery of purchased gas costs.

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For transportation of gas to Residential Customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

~~\$2.7758~~ Mcf

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For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

~~\$2.7458~~ per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year

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~~\$2.2601~~ per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year

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~~\$1.6996~~ per Mcf for Large Commercial/Public Authority

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For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

~~\$2.7458~~ per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year

(D)

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~~\$2.2601~~ per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year

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~~\$1.6996~~ per Mcf for Large Commercial/Public Authority

(D)

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For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

~~\$2.5173~~ per Mcf for SVIS Customers

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For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

~~\$2.5173~~ per Mcf for SVIS Customers

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(D) Indicates Decrease

(I) Indicates Increase

Issued: ~~July 22, 2021~~

Effective: ~~October 1, 2021~~

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
~~Forty-First~~, Revised Page No. 101
Canceling ~~Fortieth~~, Revised Page No. 101

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RATE SCHEDULE FOR MONTHLY METERED TRANSPORTATION SCHEDULE (cont'd)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

~~\$1.3920~~, per Mcf for IVIS Customers

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For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

~~\$1.3920~~, per Mcf for IVIS Customers

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For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

~~\$1.1245~~, per Mcf

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For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

~~\$1.1245~~, per Mcf

(D)

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For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

~~\$0.8039~~, per Mcf

(D)

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For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

~~\$0.8039~~, per Mcf

(D)

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Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that are for recovery of gas or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a MMT Customer of the Company without use of the Company's facilities or another transportation of gas. The Company may also reduce or eliminate the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances for alternate fuels or bypass situations cited above excluding competition from other Pennsylvania local distribution companies. The Company will reduce the applicable rate only if:

- (a) Either (1) the MMT Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease

(I) Indicates Increase

Issued: ~~July 22, 2021~~

Effective: ~~October 1, 2021~~

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. ~~228~~ to
Gas - Pa. P.U.C. No. 9
~~Ninth~~, Revised Page No. 111
Canceling ~~Eighth~~, Revised Page No. 111

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RATE SCHEDULE FOR DAILY METERED TRANSPORTATION SERVICE (cont'd)

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MONTHLY RATES

Commodity Rates

For transportation of gas to Residential customers, the monthly rate for transportation of gas both within and outside the Commonwealth of Pennsylvania shall be:

\$~~2.4558~~ per Mcf. (D)

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For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$~~2.4258~~ per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per year (D)

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\$~~1.9401~~ per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

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\$~~1.3796~~ per Mcf for Large Commercial/Public Authority (D)

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For transportation of gas to Commercial and Public Authority Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$~~2.4258~~ per Mcf for Small Commercial/Public Authority using not more than 250 Mcf per Year (D)

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\$~~1.9401~~ per Mcf for Small Commercial/Public Authority using greater than 250 Mcf but not more than 1,000 Mcf per year (D)

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\$~~1.3796~~ per Mcf for Large Commercial/Public Authority (D)

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For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$~~2.1973~~ per Mcf for SVIS Customers. (D)

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For transportation of gas to Small Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$~~2.1973~~ per Mcf for SVIS Customers. (D)

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For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$~~1.0720~~ per Mcf for IVIS Customers. (D)

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(D) Indicates Decrease
(I) Indicates Increase

(C) Indicates Change

Issued: ~~July 22, 2021~~ Effective: ~~October 1, 2021~~

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Ninth, Revised Page No. 112
Canceling Eighth, Revised Page No. 112

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RATE SCHEDULE FOR DAILY METERED TRANSPORTATION SERVICE (cont'd)

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For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$1.0720, per Mcf for IVIS Customers. (D)

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For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.8045, per Mcf. (D)

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For transportation of gas to Large Volume Industrial Customers and any entity that is not a Gas Service Customer, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.8045, per Mcf. (D)

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For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:

\$0.4839, per Mcf. (D)

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For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:

\$0.4839, per Mcf. (D)

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Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that is for recovery of gas costs or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a Gas Service Customer of the Company without use of the Company's facilities or another transporter of gas. The Company may also reduce or eliminate the compensation for line losses provided for in Special Provisions paragraph B of this rate schedule in order to meet the competitive circumstances for alternate fuels or bypass situations cited above excluding competition from other Pennsylvania local distribution companies. The Company will reduce the applicable rate only if:

- (a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;

(D) Indicates Decrease
(I) Indicates Increase

(C) Indicates Change

Issued: July 22, 2021 Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
Ninety-Eighth Revised Page No. 120
Canceling Ninety-Seventh Revised Page No. 120

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RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

1. Residential Transportation Rates

SATC Customers that meet the qualifications under the Residential
Service Rate Schedule classification:

Rates per Residential SATC Customer per Month:

\$12.00 Basic Service Charge
\$0.32307 per 100 cubic feet for the first 5,000 cubic feet (D)
\$0.23156 per 100 cubic feet for all over 5,000 cubic feet (D)

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2. Commercial and Public Authority Transportation Rates

SATC Customers that meet the qualifications under the Commercial and
Public Authority Service Rate Schedule classification:

a. Rates per Commercial/Public Authority customer per month for
"Small" Commercial/Public Customers using not more than 250,000 cubic feet per
year:

\$19.89 Basic Service Charge
\$0.27922 per 100 cubic feet for the first 5,000 cubic feet (D)
\$0.24924 per 100 cubic feet for all over 5,000 cubic feet (D)

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b. Rates per Commercial/Public Authority customer per month for
"Small" Commercial/Public Customers using greater than 250,000 cubic feet but
not more than 1,000,000 cubic feet per year:

\$27.53 Basic Service Charge
\$0.22249 per 100 cubic feet for the first 20,000 cubic feet (D)
\$0.20909 per 100 cubic feet for all over 20,000 cubic feet (D)

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c. Rates per Commercial/Public Authority customer per month for
"Large" Commercial/Public Customers:

\$121.01 Basic Service Charge
\$0.17722 per 100 cubic feet for the first 300,000 cubic feet (D)
\$0.16616 per 100 cubic feet for the next 1,700,000 cubic feet (D)
\$0.15472 per 100 cubic feet for all over 2,000,000 cubic feet

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(D) Indicates Decrease

(I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. 228 to
Gas - Pa. P.U.C. No. 9
One-Hundred-First, Revised Page No. 121
Canceling One-Hundredth, Revised Page No. 121

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RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont.)

3. Small Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Small Volume Industrial Service Rate Schedule classification:

Rates per Small Volume Industrial Service SATC Customer per Month:

\$65.60 Basic Service Charge
\$0.23991 per 100 cubic feet

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4. Intermediate Volume Industrial Service Transportation Rates

SATC Customers that meet the qualifications under the Intermediate Volume Industrial Service Rate Schedule classification:

Rates per Intermediate Volume Industrial Service SATC Customer per Month:

\$201.91 Basic Service Charge
\$0.18133 per 100 cubic feet for the first 100,000 cubic feet (D)
\$0.14177 per 100 cubic feet for the next 1,900,000 cubic feet (D)
\$0.11081 per 100 cubic feet for all over 2,000,000 cubic feet (D)

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B. Miscellaneous Customer Surcharges

1. Residential rates shall be subject to surcharges in accordance with Rider F - LIRA Discount Charge as set forth in this tariff.

2. The above SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

Issued: July 22, 2021

Effective: October 1, 2021

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NATIONAL FUEL GAS
DISTRIBUTION CORPORATION

Supplement No. ~~228~~ to
Gas - Pa. P.U.C. No. 9
~~Third~~ Revised Page No. 146C
Canceling ~~Second~~ Revised Page No. 146C

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RATE SCHEDULE FOR DAILY METERED LARGE MANUFACTURING TRANSPORTATION SERVICE (C)
(cont'd)
MONTHLY RATES

For transportation of gas to Large Industrial Manufacturing Customers,
the monthly rate for transportation shall be:

\$0.4~~839~~ per Mcf.

(D)

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Provided, however, that the Company, in its sole discretion, may reduce by contract the portion of the above rates applicable to the Customer that is for recovery of gas costs or the portion of the rate for recovery of non-gas costs of service if it is reasonably necessary to do so to meet competition from another supplier of energy including gas from another supplier of gas that has constructed, or could construct, facilities to deliver supplies of gas to a Gas Service Customer of the Company without use of the Company's facilities or another transportation of gas. The Company will reduce the applicable rate only if:

- (a) Either (1) the Customer has facilities in place and operable to use an alternative fuel or obtain gas from an alternative supplier or (2) in the Company's judgment, such facilities would be constructed;
- (b) Volumes of gas that would be transported by the Company would be displaced by an alternate fuel or an alternative source of gas unless the Company reduces its transportation rate;
- (c) The Company will not reduce the rate for transportation service below the level necessary to transport gas; and
- (d) In the Company's judgment the DMLMT Service Customer has taken all reasonable steps to minimize the cost of gas supplies delivered to the Company's system in order to help meet competition.

Where the above criteria are met, the Company may, in its discretion enter into an agreement setting either: (1) a fixed transportation rate or (2) the basis for determining the transportation rate, for the period of the Service Agreement, which will specify which portion of the rate is being reduced.

Volumes delivered as transportation service pursuant to this rate schedule shall be subject to State Tax Adjustment Surcharge

CHARGES FOR TRANSPORTATION BY OTHERS

If furnishing service, pursuant to this Rate Schedule, requires the use of a transportation service provided other than by the Company, any cost incurred by the Company, with regard thereto, shall be billed to DMLMT Service Customer by the Company.

(D) Indicates Decrease
(I) Indicates Increase

(C) Indicates Change

Issued: ~~July 22, 2021~~

Effective: ~~October 1, 2021~~

Deleted: May 31

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RIDER I OPEB TEMPORARY SURCREDIT

Effective October 1, 2021, a one-time bill credit will be applied and a surcredit will be included in the rates subject to this Rider to provide for the pass back of funds collected previously for Other Post Retirement Benefits ("OPEB") expenses that have been deferred for the benefit of ratepayers as a regulatory liability in accordance with the settlement order in Docket # R-00061493.

\$25,000,000 of the OPEB regulatory liability has been reserved to pass back to customers as a one-time bill credit. The bill credit will be applied to customers' bills for active accounts as of October 1, 2021 and in the following amounts per class:

Residential	\$100
C/PA	\$250
Industrial	\$1,500

An additional \$25,000,000 of the OPEB regulatory liability has been reserved to pass back via a surcredit over 5-years (\$5,000,000 per year). The surcredit will apply as a credit to all customer bills at a set allocation percentage equal to the allocation percentage of the Company's base rate increase in Docket # R-00061493 among the various customer classes, exclusive of STAS and automatic adjustment clause revenues, for bills rendered for intrastate service on and after October 1, 2021. The surcredit will be applied on a per Mcf basis, by service class, as indicated in the table below. The surcredit will continue for a period of 5 years without reconciliation. Interest is not applicable to the OPEB balance. The OPEB Temporary Surcredit will be filed with the Commission by October 1 of each year and will be recalculated annually during the 5-year period.

Service Class	Refund Rate Effective 10/1/21
Sales & SATC	
Residential (RSS & LIRA)	(\$0.20402)
Small Comm./Public Authority < 250	(\$0.13592)
Small Comm./Public Authority > 250	(\$0.02319)
Large Comm./Public Authority	(\$0.26167)
Small Volume Industrial Service	(\$0.03212)
Intermediate Vol. Industrial Service	(\$0.01108)
MMT & DMT	
Residential	(\$0.13888)
Small Comm./Public Authority < 250	(\$0.08309)
Small Comm./Public Authority > 250	(\$0.01697)
Large Comm./Public Authority	(\$0.05581)
Small Volume Industrial Service	(\$0.02357)
Intermediate Vol. Industrial Service	(\$0.02334)
Large Volume Industrial Service	(\$0.02491)
Large Industrial Service	(\$0.00446)

Issued: July 22, 2021

Effective: October 1, 2021

A total of \$50,000,000 held in a grantor trust will be used for the passback of funds described above. At the conclusion of the 5-year period, the Company will terminate the grantor trust.

The Company is suspending regulatory accounting associated OPEB expense because such costs are \$0 and base delivery rates have been reduced to eliminate the recovery of OPEB expenses. The \$50,000,000 passed back to ratepayers through the one-time bill credit and surcredit mechanisms described above will reduce the regulatory liability due to ratepayers. The remaining regulatory liability balance due to ratepayers will be addressed in the next base rate proceeding.

Of the regulatory liability balance that is not attributed to ratepayers, the Company will immediately record any portion of the balance attributed to the O&M component of any SFAS 106 income that has accumulated since the last base rate proceeding as a reduction to OPEB expense. The remaining regulatory liability balance not attributed to ratepayers is to be transferred into an account separate from the regulatory liability due to ratepayers and be used to reduce the cost of labor charged to capital projects and affiliates over a period of 5 years. Any remaining portion of the regulatory liability after the expiration of the 5-year period will be addressed in the next base rate proceeding.

RIDER I OPEB TEMPORARY SURCREDIT

Effective October 1, 2021, a one-time bill credit will be applied and a surcredit will be included in the rates subject to this Rider to provide for the pass back of funds collected previously for Other Post Retirement Benefits ("OPEB") expenses that have been deferred for the benefit of ratepayers as a regulatory liability in accordance with the settlement order in Docket # R-00061493.

\$25,000,000 of the OPEB regulatory liability has been reserved to pass back to customers as a one-time bill credit. The bill credit will be applied to customers' bills for active accounts as of October 1, 2021 and in the following amounts per class:

Residential	\$100
C/PA	\$250
Industrial	\$1,500

An additional \$25,000,000 of the OPEB regulatory liability has been reserved to pass back via a surcredit over 5-years (\$5,000,000 per year). The surcredit will apply as a credit to all customer bills at a set allocation percentage equal to the allocation percentage of the Company's base rate increase in Docket # R-00061493 among the various customer classes, exclusive of STAS and automatic adjustment clause revenues, for bills rendered for intrastate service on and after October 1, 2021. The surcredit will be applied on a per Mcf basis, by service class, as indicated in the table below. The surcredit will continue for a period of 5 years without reconciliation. Interest is not applicable to the OPEB balance. The OPEB Temporary Surcredit will be filed with the Commission by October 1 of each year and will be recalculated annually during the 5-year period.

Service Class	Refund Rate Effective 10/1/21
Sales & SATC	
Residential (RSS & LIRA)	(\$0.20402)
Small Comm./Public Authority < 250	(\$0.13592)
Small Comm./Public Authority > 250	(\$0.02319)
Large Comm./Public Authority	(\$0.26167)
Small Volume Industrial Service	(\$0.03212)
Intermediate Vol. Industrial Service	(\$0.01108)
MMT & DMT	
Residential	(\$0.13888)
Small Comm./Public Authority < 250	(\$0.08309)
Small Comm./Public Authority > 250	(\$0.01697)
Large Comm./Public Authority	(\$0.05581)
Small Volume Industrial Service	(\$0.02357)
Intermediate Vol. Industrial Service	(\$0.02334)
Large Volume Industrial Service	(\$0.02491)
Large Industrial Service	(\$0.00446)

A total of \$50,000,000 held in a grantor trust will be used for the passback of funds described above. At the conclusion of the 5-year period, the Company will terminate the grantor trust.

The Company is suspending regulatory accounting associated OPEB expense because such costs are \$0 and base delivery rates have been reduced to eliminate the recovery of OPEB expenses. The \$50,000,000 passed back to ratepayers through the one-time bill credit and surcredit mechanisms described above will reduce the regulatory liability due to ratepayers. The remaining regulatory liability balance due to ratepayers will be addressed in the next base rate proceeding.

Of the regulatory liability balance that is not attributed to ratepayers, the Company will immediately record any portion of the balance attributed to the O&M component of any SFAS 106 income that has accumulated since the last base rate proceeding as a reduction to OPEB expense. The remaining regulatory liability balance not attributed to ratepayers is to be transferred into an account separate from the regulatory liability due to ratepayers and be used to reduce the cost of labor charged to capital projects and affiliates over a period of 5 years. Any remaining portion of the regulatory liability after the expiration of the 5-year period will be addressed in the next base rate proceeding.

Issue
d:
July
22,
2021

Distribution
Statement No. 1

DIRECT TESTIMONY OF DONALD N. KOCH

Distribution Statement No. 1

1 Q. Please state your name and business address.

2 A. My name is Donald N. Koch and my business address is
3 6363 Main Street, Williamsville, New York 14221.

4

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by National Fuel Gas Distribution
7 Corporation ("Distribution" or "Company") as a Rate
8 Analyst III in the Rates and Regulatory Affairs
9 Department.

10

11 Q. Will you state briefly your educational background and
12 experience?

13 A. I received a Bachelor of Science Degree in Business
14 Administration from SUNY Geneseo in May 2004. I
15 received a Masters of Business Administration with a
16 specialization in Accounting/Finance from St.
17 Bonaventure University in December 2009. Prior to
18 joining Distribution, I worked in banking for 11 years
19 at M&T Bank specializing in various compliance and
20 financial roles. In June 2015, I was hired by
21 Distribution as a Rate Analyst II in the Rates and
22 Regulatory Affairs Department. I was promoted to Rate

DIRECT TESTIMONY OF DONALD N. KOCH

1 Analyst III, my current position, effective February
2 1, 2020

3

4 Q. What is the purpose of your testimony?

5 A. I am testifying in support of the Company's proposal
6 to reduce base rates by the amount currently included
7 for recovery of Other Post-Employment Benefits
8 ("OPEB") expenses. I will also be supporting the
9 Company's proposal to refund a portion of OPEB
10 expenses that have been funded by ratepayers and are
11 not necessary for future OPEB costs. I will be
12 providing Exhibits DNK-1, DNK-2, DNK-3, DNK-4, and
13 DNK-5 to support the aforementioned proposals.

14

15 Q. What is the amount of OPEB expenses included in
16 base rates?

17 A. The amount of OPEB expenses included in base rates
18 is \$7,704,085. This amount was established in
19 the Company's settlement at Docket R-00061493. A
20 copy of this settlement agreement is provided as
21 Distribution Exhibit DNK-1, pages 4 - 18.

22

DIRECT TESTIMONY OF DONALD N. KOCH

1 Q. The settlement references total OPEB costs of
2 \$10,005,305. Why are the OPEB expenses included
3 in rates \$7,704,085?

4 A. As indicated in its 2006 base rate proceeding,
5 the Company is only recovering the expense
6 component of OPEB costs from customers in rates.
7 A review of the rate case exhibits from that
8 proceeding demonstrates that only the expense
9 component, or 77% of total OPEB costs, was
10 included in rates.

11

12 Q. Please describe Exhibit DNK-1

13 A. Exhibit DNK-1 details the amount of OPEB expenses
14 initially claimed by the Company in the base rate
15 filing. This exhibit was originally included in
16 Docket R-00061493 as support for the Company's
17 OPEB costs that were included in total O&M
18 expense. Exhibit DNK-1 page 1 reflects total
19 OPEB costs in the initial filing of \$11,237,484
20 and an expense amount of \$8,652,862, which is 77%
21 of the total of \$11,237,484. The OPEB expense
22 amount of \$8,652,862 from Exhibit DNK-1 page 1 is
23 carried through to the postretirement benefits
24 line on Exhibit DNK-1 page 2. The total amount of

DIRECT TESTIMONY OF DONALD N. KOCH

1 annualized benefits on this schedule is
2 \$21,199,369. This amount then appears on the
3 Statement of Operations and Maintenance expenses
4 on page 3 (line 3) of the exhibit.

5
6 Q. Were total OPEB costs and expenses reduced under
7 the settlement in the base rate proceeding?

8 A. Yes, in that proceeding, OCA proposed to amortize
9 deferred OPEB costs of \$1,642,905 over a 4-year
10 period which adjusted total OPEB costs in the
11 filing of \$11,237,484 down to \$10,005,305. See
12 Exhibit DNK-1 page 6. By amortizing the deferred
13 OPEB costs of \$1,642,905 over a 4-year period,
14 the annual OPEB costs for this deferred amount
15 decreased to \$410,726 per year or by \$1,232,179.
16 This reduced the total OPEB costs to \$10,005,305
17 ($\$11,237,484 - \$1,232,179 = \$10,005,305$). This
18 also reduced the expense amount under the
19 settlement to \$7,704,085 ($\$10,005,305 \times 77\% =$
20 $\$7,704,085$).

21

22 Q. Why is the Company proposing this rate reduction?

23 A. As explained in Mr. Weidner's testimony, the
24 Company is collecting more in rates than is

DIRECT TESTIMONY OF DONALD N. KOCH

1 needed for OPEB benefit obligations. Currently
2 the funded status of the OPEB benefit obligation
3 is positive and the Company believes that any
4 future increase in the OPEB benefit obligation
5 due to market changes or adjustments to actuarial
6 estimates are likely to be met with existing
7 funds held in the Voluntary Employee Beneficiary
8 Association ("VEBA") trusts. Therefore, it is
9 appropriate to eliminate the ongoing OPEB expense
10 claim. Reducing the collection of OPEB expense in
11 base rates will stop the increase of the deferred
12 liability.

13

14 Q. Please explain the additional amount the Company
15 is proposing to refund to customers.

16 A. As explained in Mr. Weidner's testimony, there is
17 a portion of the funds collected from ratepayers
18 that reside in the grantor trust that are not
19 needed to fund future OPEB benefit obligations
20 and can be utilized if authorized by an order of
21 the Pennsylvania Public Utility Commission. It
22 is the Company's position that these amounts be
23 refunded to customers, especially in light of the

DIRECT TESTIMONY OF DONALD N. KOCH

1 negative economic impacts resulting from the
2 COVID-19 pandemic.

3

4 Q. Please explain Exhibit DNK-2.

5 A. Exhibit DNK-2, page 1, shows the calculation of
6 the rate reduction by class of the \$7.7 million
7 of OPEB expenses. The Company is proposing to
8 reduce rates by the same allocation percentage
9 that rates were increased under the settlement of
10 the 2006 base rate proceeding at Docket R-
11 0061493. The reduction of \$7.7 million was
12 allocated to retail and transportation rates
13 using normalized volumes for the fiscal year 2022
14 period of Sept 1, 2021 - Oct 31, 2022.

15

16 Q. Why did you use forecasted normalized volumes for
17 the fiscal year period 2022?

18 A. The Company is forecasting relatively stable
19 consumption in the near future. The fiscal year
20 2022 forecasted period closely aligns to the
21 period the new base rates would go into effect.

22

23 Q. Please explain Exhibit DNK-3.

DIRECT TESTIMONY OF DONALD N. KOCH

1 A. Exhibit DNK-3 Page 1 is the calculation of the
2 surcredit mechanism being proposed to pass back
3 the amounts in the grantor trust as explained in
4 Mr. Weidner's testimony. Each service class was
5 allocated a portion of the OPEB liability to pass
6 back as the same percentage as they were
7 allocated in the base rate decrease calculation.
8 A surcredit rate was then calculated based upon
9 projected volumes for each service class. Exhibit
10 DNK-3 Page 2 is an estimated rate reduction/bill
11 impact schedule. This schedule also shows the
12 calculation and allocation of approximately
13 \$25,000,000 of the OPEB regulatory being passed
14 back via a one-time bill credit.

15

16 Q. Please further describe the one time bill credit.

17 A. In order to provide immediate relief to all
18 customers, the Company is proposing to pass back
19 approximately \$25,000,000 of the \$50,000,000 OPEB
20 regulatory liability available in the grantor
21 trust. Using a very similar allocation percentage
22 to that used to calculate the base rate reduction
23 and surcredit allocation, and the estimated
24 number of customers by class, the Company is

DIRECT TESTIMONY OF DONALD N. KOCH

1 proposing the following one time bill credit
2 amounts:

3 Residential - \$100

4 Commercial/Public Authority - \$250

5 Industrial - \$1,500

6 This one time bill credit would be applied to all
7 customer bills rendered on or after October 1,
8 2021.

9

10 Q. What is the total amount to be passed back through
11 the surcredit mechanism?

12 A. Per the testimony of Mr. Weidner, the total
13 amount to be passed back through the surcredit
14 mechanism is \$25,000,000 (\$50,000,000 less
15 \$25,000,000 one-time bill credit).

16

17

18 Q. Is there a reconciliation component included in
19 the surcredit calculation?

20 A. No, the Company did not include a reconciliation
21 component in the surcredit mechanism. These
22 expenses were recovered in base rates without any
23 reconciliation mechanism for changes in through-
24 put volumes. The Company also seeks to implement

DIRECT TESTIMONY OF DONALD N. KOCH

1 a simple mechanism that avoids reconciliation of
2 over/under collections.

3

4 Q. Will the surcredit be subject to interest?

5 A. No, it will not be subject to interest. If the
6 Company was proposing to amortize the refund
7 amount to customers in a base rate proceeding,
8 the amortization would not be subject to
9 interest.

10

11 Q. How long is the Company proposing to keep the
12 surcredit in place?

13 A. The surcredit is designed to return the funds to
14 ratepayers over a five year period but will stop
15 by class when the refund amount is completed.
16 Using a five year pass-back period, approximately
17 \$5,000,000 will be passed back annually.

18

19 Q. Please explain Exhibit DNK-4

20 A. Exhibit DNK-4 is a rate summary schedule that
21 shows the Company's current rates before and
22 after the proposed rate reductions.

23

DIRECT TESTIMONY OF DONALD N. KOCH

1 Q. Using the Residential class as an example, please
2 summarize the magnitude of the rate reductions.

3 A. Using current rates in effect May 1, 2021, the
4 first 5 Mcf of usage decreases the distribution
5 charge \$0.3845 per Mcf from \$3.6152 per Mcf to
6 \$3.2307 per Mcf. Over 5 Mcf of usage decreases
7 the distribution charge \$0.2638 per Mcf from
8 \$2.5794 per Mcf to \$2.3156 per Mcf. When
9 including the proposed surcredit mechanism rate
10 of (\$0.20402) per Mcf, the total distribution
11 charge rate reduction for the first 5 Mcf usage
12 is \$0.5885 per Mcf, or a 16.3% decrease. The
13 total distribution charge rate reduction for over
14 5 Mcf of usage is \$0.4678 per Mcf, or a 18.1%
15 decrease.

16
17 Q. Please explain Exhibit DNK-5.

18 A. Exhibit DNK-5 shows the calculation of the
19 decrease to an average residential customer's
20 bill using 100.3 Mcf of gas annually, compared to
21 rates in effect as of May 1, 2021. The average
22 residential customer would see their average
23 monthly bill decrease from \$69.21 to \$64.85 which
24 equates to a monthly savings of \$4.36, or 6.3%.

DIRECT TESTIMONY OF DONALD N. KOCH

1

2 Q. Does this conclude your testimony?

3 A. Yes, at this time.

Exhibit DNK-1

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Operations and Maintenance Expense Adjustments to Benefits

Other Post Retirement Benefits
 Twelve Months Ending January 2007

FAS 106 Valuation Fiscal 2007		6,863,730	
Amortization per R-038168 Settlement annualized		2,228,176	
Amortization per R-049656 Settlement annualized		502,673	
Amortization of R-061493 Deferral Balance		<u>1,642,905</u>	
Gross Annual Post Retirement Benefits			11,237,484
Amount to be charged to Operations and Maintenance Expense	77.00%		<u>\$8,652,862</u>
less:			
Normalized Twelve Months Ended January 2006			<u>8,185,184</u>
Normalizing Adjustment			<u>\$467,678</u>

R-038168 Settlement Amortization Calculation

Amortization Calculation		
Balance at September 30, 2003 per Settlement		<u>\$8,912,703</u>
Annual Amortization over 4 year period beginning January 15, 2004		<u>\$2,228,176</u>

R-049656 Settlement Amortization Calculation

Amortization Calculation		
Balance at May 2005 (Oct. 2003 - May 2005) per Settlement		<u>\$1,005,345</u>
Annual Amortization over 2 year period beginning April 15, 2005		<u>\$502,673</u>

R-061493 Proposed Amortization Calculation

Amortization Calculation		
Balance at January 31, 2007		<u>\$1,642,905</u>
Annual Amortization over 1 year		<u>\$1,642,905</u>

Mercer allowed R-049656 (April 15, 2005) =		6,469,693
Mercer calculated Fiscal 2006 (Oct. 2005 - Sept. 2006)		7,899,260
Mercer calculated Fiscal 2007 (Oct. 2006 - Sept. 2007)		6,863,730

	FAS 106	Rate Allowance	Difference
February 2006 - September 2006	61.36% 4,846,986	3,969,804	877,182
October 2006 - January 2007	38.64% 2,652,145	2,499,889	152,256
	7,499,131	6,469,693	1,029,438
Balance at January 31, 2006 per book			<u>613,467</u>
			1,642,905

National Fuel Gas Distribution Corporation
Pennsylvania Division
Operation and Maintenance Adjustments to Benefits
Twelve Months Ending January 2007

	<u>Normalized January 2006</u>	<u>Adjustment</u>	<u>Annualized January 2007</u>
Group Life Insurance	\$56,064	\$9,962	\$66,025
Hospitalization Insurance	2,396,100	1,008,292	3,404,392
401(K) Plan	454,824	11,587	466,411
Dental Plan	192,117	13,448	205,565
Long Term Disability	4,422	116	4,538
Annuity	4,807,475	(1,184,598)	3,622,877
Postretirement Benefits	8,185,184	467,678	8,652,862
Retirement Savings Account	6,407	14,641	21,048
Miscellaneous	92,998	2,446	95,444
Benefits From New York	3,405,471	85,413	3,490,884
Benefits From Supply	<u>1,150,898</u>	<u>18,425</u>	<u>1,169,323</u>
Total Benefits	<u>\$20,751,960</u>	<u>\$447,410</u>	<u>\$21,199,369</u>

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Statement of Operations and Maintenance Expenses at Present Rates
 Twelve Months Ending January 31, 2007

	Note 1 (1) Normalized Twelve Months Ended January 31, 2006	(2) Specific Adjustments	(3) Other Adjustments	(4) Annualized Twelve Months Ending January 31, 2007	Exhibit 104 Schedule 2 Note 3
Labor	\$19,092,923	\$452,308		\$19,545,231	Labor Pages 1 - 4
Uncollectibles	8,782,652	(345,652)		8,437,000	Uncollectibles Pages 5 - 7
Employee Benefits	20,751,960	447,409		21,199,369	Benefits Pages 8 - 16
Materials	842,559		22,117	864,676	Inflation Note 2
Rents	665,590	8,283		673,873	Rent Page 17
Transportation Clearing	2,202,316	57,592		2,259,908	Transportation Clearing Page 18
Transportation Other	241,913		6,350	248,263	Inflation Note 2
Utilities Clearing	362,159	9,375		371,534	Telephone Clearing Page 19
Utilities Other	638,207		16,753	654,960	Inflation Note 2
Outside Services	2,517,528		66,085	2,583,613	Inflation Note 2
Equipment Rentals	385,046		10,107	395,153	Inflation Note 2
Office Employee Expense	383,365		10,063	393,428	Inflation Note 2
Advertising	589,685		15,479	605,164	Inflation Note 2
Research and Development	33,977		892	34,869	Inflation Note 2
Dues	199,038		5,225	204,263	Inflation Note 2
Other Expense Meter Shop Clearing	477,518	12,401		489,919	Meter Shop Clearing Page 20
Other Expense Other	586,769		15,403	602,172	Inflation Note 2
Customer Education Amortization	0		0	0	
PPUC Assessment	940,458	225,804		1,166,262	PPUC Page 21
Other Insurance	554,491		14,555	569,046	Inflation Note 2
Injuries and Damages	573,884	725,370		1,299,254	Injuries and Damages Page 22
Postage	89,153	5,795		94,948	Postage Page 23
Information Services Clearing	2,965,172	76,839		3,042,011	ISD Clearing Page 24
Messenger Expense	97,164		2,551	99,715	Inflation Note 2
Contract Admin. Clearing	523,195	13,530		536,725	Contract Admin Clearing Page 25
Contract Admin Other	76,084		1,997	78,081	Inflation Note 2
Customer Billing and Postage Clearing	1,070,861	60,279		1,131,140	Customer Billing Clearing Page 26
Rate Case Expense	207,586	633,606		841,192	Rate Case Expense Page 27
LIURP	1,183,566	0		1,183,566	As per R-038168 Settlement
Customer Deposit Interest	190,455	0		190,455	
Reconnection Charge	(600,049)	232,530		(367,519)	Reconnection Charge Pages 28 - 29
Other Gas Purchase Expense	(62,181)		(1,632)	(63,813)	Inflation Note 2
UNICAP	(466,463)		(12,245)	(478,708)	Inflation Note 2
Remittance Clearing	182,374	4,716		187,090	Remittance Clearing Page 30
Gas Transportation Clearing	783,594	20,262		803,856	Gas Transportation Clearing Page 31
Gas Transportation Other	85,156		2,235	87,391	Inflation Note 2
Kaylor Gas deferral	13,345	57,378		70,723	Kaylor Gas Expense Pages 32CONF - 33
GTI Deferral	526,466	350,476		876,942	GTI Deferral Expense Page 34
Pipeline Integrity Expenditures	0	1,490,497		1,490,497	Pipeline Integrity Expenditures Page 35
FERC 2004 Compliance	0	407,680		407,680	FERC 2004 Expenditures Page 36
Energy Efficiency Expenditures	0	1,800,000		1,800,000	Energy Efficiency Expenditures Page 38
Total Operation and Maintenance Expense	\$67,687,516	\$6,746,478	\$175,935	\$74,609,929	

Note 1: See Exhibit No. 4 Schedule 1 Page 2 Column (3)
 Note 2: Inflation January 2007 Exhibit 104 Schedule 2 Page 37
 Note 3: Exhibit 104 unless otherwise noted

2.6250%

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
et al.	:	
	:	Docket Nos. R-00061493, et al
v.	:	
	:	
National Fuel Gas Distribution Corporation	:	

JOINT PETITION FOR SETTLEMENT OF ALL ISSUES

**TO ADMINISTRATIVE LAW JUDGES JOHN H. CORBETT, JR. AND
MARK A. HOYER:**

INTRODUCTION

The Office of Trial Staff (“OTS”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), the Community Action Association of Pennsylvania (“CAAP”) and National Fuel Gas Distribution Corporation (“Distribution” or “Company”), being all of the parties who submitted prepared, written testimony and exhibits for the evidentiary hearing in the above-captioned proceeding (hereinafter collectively referred to as the (“Joint Petitioners”), hereby join in this Joint Petition for Settlement of All Issues (“Settlement”) and respectfully request that Administrative Law Judges John H. Corbett, Jr. and Mark A. Hoyer (“ALJs”) recommend and the Commission approve all terms and conditions of this Settlement as set forth below.

Specifically, the Joint Petitioners request that the ALJs issue a Recommended Decision that requests the Commission to: (1) approve all terms and conditions of this Settlement,

including the rates to become effective for service furnished on and after January 1, 2007, that are set forth in the form of tariff supplement provided as Appendix "A" hereto and which are shown in the proof of revenues, Appendix "B" hereto; (2) include in the Order in this proceeding the provisions concerning Other Post Employment Benefits ("OPEB") that are set forth in Paragraph No. 18.A.2 of this Settlement below; (3) include in the Order in this proceeding the provisions concerning the research funding set forth in Paragraph No. 18.A.3 of this Settlement below; (4) include in the Order in this proceeding the provisions concerning LIURP funding that are set forth in Paragraph No. 18.A.4 of this Settlement below; and (5) terminate this proceeding. Under this Settlement, as fully set forth and explained below, the Joint Petitioners agree to resolve all issues by authorizing Distribution to increase its base rates by amounts designed to produce a \$14.3 million increase in annual operating revenues, in lieu of the increase of \$25.892 million originally proposed by Distribution in this proceeding. The terms and conditions of this Settlement are set forth in their entirety hereinafter.

BACKGROUND

In support of this Settlement, the Joint Petitioners state the following:

1. Distribution is a public utility subject to the Commission's regulatory jurisdiction with regard to its Pennsylvania operations. Distribution provides retail gas sales and transportation services to customers in fourteen counties in northwestern Pennsylvania. Distribution also provides natural gas services in western New York, subject to the regulatory jurisdiction of the New York Public Service Commission.

2. On May 31, 2006, Distribution filed with the Commission Supplement No. 61 to Tariff Gas – Pa. P.U.C. No. 9 together with supporting written testimony and exhibits, which were designated Docket No. R-00061493. In Supplement No. 61, Distribution proposed a general increase in base rates designed to produce \$25.892 million of additional annual operating

revenues based upon the level of operations for the twelve months ending January 31, 2007 (the "Future Test Year"). The proposed rate increase was submitted pursuant to Section 1308(d) of the Public Utility Code, 66 Pa.C.S. § 1308(d).

3. On July 20, 2006, the Commission entered an Order in which it noted that the proposed increase in base rates had been suspended by operation of law pursuant to Section 1308(d) of the Public Utility Code, 66 Pa.C.S. § 1308(d), for up to seven months, or until March 2, 2007, unless permitted by the Commission to become effective at an earlier date, and initiated an investigation of Supplement No. 61.

4. OTS entered an appearance in these proceedings. OCA and OSBA filed complaints against the proposed general rate increase, and CAAP filed its Petition to Intervene.

5. On July 20, 2006, Distribution filed an Answer and New Matter to CAAP's petition to intervene.

6. A significant number of Formal Complaints were filed in these proceedings by individual consumers. Distribution timely answered a number of the complaints in these proceedings. However, with the Commission's institution of an investigation, Distribution suspended filing Answers on August 10, 2006.

7. An initial prehearing conference was scheduled for August 3, 2006. Prior to the initial prehearing conference, the parties agreed to a procedural schedule. Parties participating in the prehearing conference filed their respective prehearing memoranda identifying potential issues and their expected witnesses.

8. The initial prehearing conference was held August 3, 2006. At the prehearing conference, the ALJs adopted the schedule agreed to by the parties. Prior to the prehearing conference, the parties agreed to discovery rules for the proceeding, which included shorter

response times than those provided in the Commission's regulations, that were so implemented by the ALJs. *See* 52 Pa. Code §§ 5.321 *et seq.* At the prehearing conference, the ALJs modified these rules to provide that parties attempt to resolve discovery disputes by telephone, and that in the event the parties were unsuccessful in resolving their disputes, they were to send interrogatories and objections to the ALJs for a further telephone discussion.

9. Also on August 3, 2006, the ALJs issued a Prehearing Order. In the Prehearing Order, the ALJs listed the parties that had filed notices of intervention and petitions to intervene through that date. The ALJs specifically noted and granted the CAAP Petition to Intervene. The ALJs further set forth the rules regarding electronic service of documents, discovery, scheduling of witnesses and common brief outline, and instructions for briefs.

10. On August 9, 2006, Distribution filed with the Commission a Motion for a Protective Order. No party opposed this Motion. The ALJs granted the Motion for a Protective Order on August 21, 2006

11. Public input hearings were held in Erie, Pennsylvania, the largest city in Distribution's Pennsylvania service territory, on the afternoon and evening of August 28, 2006. 43 persons testified in the afternoon public input hearing, and 43 persons testified in the evening public input hearings.

12. On August 29, 2006 public input hearings were held during the afternoon in Meadville and in evening in Farrell, Pennsylvania. A public input hearing was held the afternoon of August 30, 2006 in Franklin, Pennsylvania 2006. In total, 82 persons testified at these public input hearings.

13. The Joint Petitioners undertook substantial formal and informal discovery in this proceeding. Pursuant to the procedural schedule adopted by the ALJs, OTS, OCA, OSBA, and

CAAP submitted direct testimony on September 6, 2006. Distribution, OCA and OSBA submitted rebuttal testimony on September 28, 2006.

14. In addition, Distribution submitted supplemental testimony to provide updated information on certain topics.

15. The Joint Petitioners held multiple settlement conferences to attempt to amicably resolve all outstanding issues in the proceeding. As a result of these conferences and the efforts of the Joint Petitioners to examine and resolve the issues in the proceeding, a settlement in principle of all issues was achieved by the Joint Petitioners prior to the dates scheduled for evidentiary hearings.

16. The Joint Petitioners have been able to agree to this instant Settlement covering all issues. Joint Petitioners have agreed to a base rate increase and have also agreed to a rate design to implement said increase. The Joint Petition provides for the continuation and expansion of Distribution's Low Income Usage Reduction ("LIURP") Program. The Joint Petitioners are in agreement that the Settlement is in the public interest as being in the best interests of both Distribution and its customers.

17. The Settlement is set forth in the following Section.

SETTLEMENT PROVISIONS

18. The Joint Petitioners agree as follows:

A. Distribution will be permitted to file a tariff supplement increasing rates in amounts designed to produce \$14.3 million in increased revenues, before late payments, based upon sales and transportation volumes for the twelve months ended January 31, 2007. The Joint Petitioners agree that increased rates are to become effective on January 1, 2007, and agree to make best efforts to obtain Commission approval of this Settlement prior to that date.

1. The Enhanced Energy Efficiency (“EEE”) Rider and associated \$1.8M EEE outreach program proposed by Distribution will not be implemented. (Revenue de-coupling proposal.)

2. Deferral treatment shall continue for Other Post Retirement Benefits (“OPEBs”) costs. The Joint Petitioners will accept the OCA’s amortization of R-00061493 deferred OPEB costs of \$1,642,905 over 4 years (\$410,726 per year). The previously approved amortizations (\$2,228,176 from R-00038168 and \$502,673 from R-00049656) will continue per their respective settlement agreements.

Distribution will continue to account for the difference between the OPEB cost determined annually by the actuary in accordance with SFAS 106 and the \$6,863,730 of annual OPEB cost included in rates. That difference will continue to be recorded as a regulatory asset or liability and will be expensed or credited in future rate proceedings in determining periodic OPEB costs. After the conclusion of the amortization periods discussed above, the amortization amounts will be added to the \$6,863,730 of OPEB cost used to calculate the OPEB regulatory asset or liability.

The total amount of OPEB costs is \$10,005,305 (\$6,863,730 + \$2,228,176 + \$502,673 + \$410,726). Of that amount, \$7,704,085 will be charged to operation and maintenance expense (\$10,005,305 x 77.00%).

Distribution will continue to fund OPEBs through irrevocable external trusts, into which will be deposited the \$6,863,730 of current annual OPEB cost and, for the remainder of the amortization periods, the \$2,228,176, \$502,673 and

\$410,726 ($\$1,642,905 \div 4$) amortization amounts. Retiree OPEBs and administrative costs of maintaining the trusts will continue to be paid from amounts deposited in the trusts.

The amortization period for any deferred asset or liability that has not been previously recovered or refunded prior to the effective date of rates in any future proceeding under Section 1308(d) of the Public Utility Code shall be determined in such proceeding.

3. The Joint Petitioners agree to \$526,466 to fund the Delta research and development program pursuant to the Statement of Scott E. Swartzfager No. 14. The deferral treatment and review process outlined in R-00049656 will continue. The company will not expend these dollars on additional customer outreach for enhanced energy efficiency.

Distribution will be permitted to record a regulatory asset or liability for differences between the annual rate allowance and annual expenditures. However, Distribution will not be permitted to retroactively recover in a future proceeding any expenditures in excess of the annual rate allowance and any deferred balance from the previous year's Delta funding. Distribution will provide for review of research projects as described in its testimony. In order to implement this Settlement, the Joint Petitioners request that the Commission's Final Order in this proceeding include the following language to allow Distribution to qualify for deferred accounting under SFAS 71:

“National Fuel Gas Distribution Corporation's accounting policies conform to the Statement of Financial Accounting Standards No. 71 'Accounting for the Effect of Certain Type of Regulations' which are in accordance with the accounting

requirements and ratemaking practices of regulatory authorities. The application of these accounting policies allows the Company to defer expenses and income on the balance sheet as regulatory assets and liabilities when it is probable that those expenses and income will be allowed in the rate-setting process in a period different from the period in which they would have been reflected in the income statement by an unregulated Company.

“Because research and development projects often require a commitment over multiple years and because the expenditures for such projects may not match on an annual basis revenues for funding of research and development projects, deferred accounting is appropriate and is approved. The regulatory deferral treatment sought for the Research and Development expenditures and rate relief requested in the case are in accordance with SFAS No. 71.

“The Company will manage the costs of the Research and Development expenditures to match revenues deferred pursuant to this Order to eliminate any differences between deferred costs and deferred revenues at the end of a five-year period commencing on the day after the R-00049656 Order was entered.”

Distribution will file with the Commission and serve upon other Parties on or before December 31 an annual report for the preceding twelve month period ended September 30, setting forth revenues for the Delta Fund for research and development projects and expenditures for such projects. In addition, Distribution will describe in the annual report projects that have been funded.

4. The Company’s LIURP funding will be increased from \$1,183,566 to \$1,300,000. Both amounts are greater than the 0.2% of revenue minimum.

5. The Company agrees not to file a tariff proposing a general increase to base rates prior to January 28, 2008, unless there are substantial changes in regulations, regulatory rulings or federal tax policy.

6. The Capital Stock Tax rate reflected in the test year was 0.489 percent, which is the rate for Distribution effective on October 1, 2006. Therefore, the State Tax Adjustment Surcharge will be reset to zero when base

rates are effective. The Company agrees to withdraw the proposed addendum to the STA that would include the PUC Assessment.

Revenue Allocation And Rate Design

B. The allocation of \$14.3 million to the rate classes represents a compromise of the various revenue allocation positions filed by the Joint Petitioners. The Joint Petitioners explicitly agree that this Settlement is not based on any particular methodology for allocating costs among the various rate classes, nor may this Settlement be used as precedent by any of the Joint Petitioners in support of a particular cost allocation methodology in a future regulatory proceeding.

1. The revenue allocation proposal is presented on page 1 of the proof of revenues which is attached as Appendix B.

2. The Joint Petitioners agree that the proposed revenue allocation represents a reasonable compromise the various filed positions.

3. The revenue increase to the residential class will be recovered through an equal percentage increase to the rate blocks. There will be no increase to the residential customer charge.

4. The Company agrees to withdraw its seasonal purchased gas demand charge recovery proposal.

5. The rate design for the Commercial and Public Authority classes that the Company will use to recover the revenue increase for those classes will be as proposed by the OSBA.

6. The Company will recover the revenue increases for the Industrial rate classes as follows:

(a) For the SVIS class the increase will be recovered through the volumetric usage rates of the class.

(b) For the IVIS rate class the customer charge will be increased to \$201.91 and the remaining increase will be recovered as an equal percentage increase to the volumetric usage rates exclusive of negotiated rate volumes.

(c) For the LVIS rate class the customer charge will be increased to \$809.00 and the remaining increase will be recovered as an equal percentage increase to the volumetric usage rates exclusive of negotiated rate volumes.

(d) For the LIS rate class the customer charge will be increased to \$1,029.00 and the remaining increase will be recovered as an equal percentage increase to the volumetric usage rates exclusive of negotiated rate volumes.

7. The Joint Petitioners agree with the Company's proposal to roll-in the transportation administrative fee revenue into the base rates of the rate classes as proposed by the Company.

8. The Joint Petitioners agree to the Company's proposal to equalize the interstate and intrastate transportation rates for each rate class.

Other

C. The Joint Petitioners will agree to all other proposed tariff changes included in Exhibit No. 14 of the Company's filing.

D. The Company withdraws its proposals for a merchant function charge and for a purchase of receivables pilot program

THE PUBLIC INTEREST

19. This Settlement was achieved by the Joint Petitioners after a thorough investigation of Distribution's filing, including extensive informal and formal discovery and the filing of direct testimony by a number of parties and rebuttal testimony by Distribution.

20. Acceptance of the Settlement will avoid the necessity of further administrative and potential appellate proceedings at what would have been a substantial cost to the Joint Petitioners and Distribution's customers.

21. The rates reflected in this Settlement will allocate the agreed-upon revenue requirement to each customer class in a manner that is reasonable in light of the rate structure and cost of service positions advanced in the testimony and exhibits of the various parties.

22. Attached to this Settlement document are the respective Statements in Support of a number of the Joint Petitioners setting forth the basis upon which they consider the Settlement to be fair, just and reasonable and therefore in the public interest. The Joint Petitioners respective Statements in Support are attached hereto as Appendix C.

SETTLEMENT CONDITIONS

23. This Settlement is conditioned upon Commission approval of all terms and conditions contained herein without modification. If the Commission modifies the Settlement, then any Joint Petitioner may elect to withdraw from this Settlement and may proceed with litigation and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon

all Joint Petitioners within five (5) business days after the entry of an order modifying the Settlement.

24. This Settlement shall be considered to have the same effect as full litigation of this proceeding resulting in the establishment of rates that are Commission-made, just and reasonable rates.

25. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue to further hearings, the Joint Petitioners reserve their respective rights to present additional testimony and to conduct full cross-examination, briefing and argument. The Settlement is made without any admission against, or prejudice to, any position which any Joint Petitioner may adopt in the event of any subsequent litigation of this proceeding.

26. This Settlement may not be cited as precedent in any future proceeding, except to the extent required to implement this Settlement.

27. The Commission's approval of the Settlement shall not be construed to represent approval of any party's position on any issue, except to the extent required to effectuate the terms and agreements of the Settlement in this and future proceedings involving Distribution.

28. It is understood and agreed among the parties that the Settlement is the result of compromise, and does not necessarily represent the position(s) that would be advanced by any party in this proceeding if it were fully litigated.

29. This Settlement is being presented only in the context of this proceeding in an effort to resolve the proceeding in a manner which is fair and reasonable. This Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the

Joint Petitioners may advance in the future on the merits of the issues in future proceedings except to the extent necessary to effectuate the terms and conditions of this Settlement. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code, 66 Pa.C.S. § 1308, or any other proceeding.

30. A copy of this Settlement will be served upon the customer complainants without the tariff supplement. The tariff supplement will be posted on Distribution's and OCA's websites.

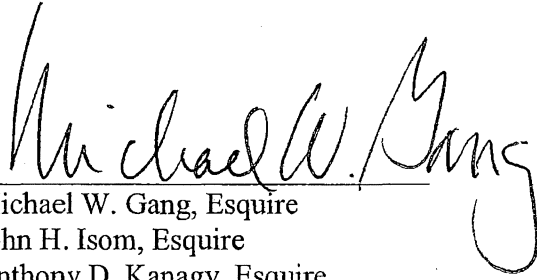
31. If the ALJs adopt this Settlement without modification, the Joint Petitioners waive their rights to file Exceptions.

CONCLUSION

WHEREFORE, the Joint Petitioners, by their respective counsel, respectfully request as follows:

1. That Administrative Law Judges John H. Corbett, Jr. and Mark A. Hoyer recommend and the Commission approve this Settlement including all terms and conditions thereof;
2. That the Commission's Investigation at R-00061493, *et al* be marked closed;
3. That all other Complaints associated with this proceeding, including all Complaints consolidated with the Commission's investigation at R-00061493, be dismissed; and,
4. That the Commission enter an Order consistent with this Settlement, terminating the proceeding and authorizing National Fuel Gas Distribution Corporation to file the tariff attached as Appendix "A" effective for service rendered on and after January 1, 2007.

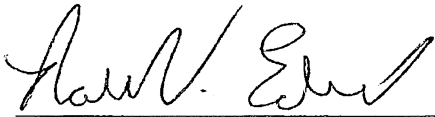
Respectfully submitted,



Michael W. Gang, Esquire
John H. Isom, Esquire
Anthony D. Kanagy, Esquire
Michael Reville, Esquire
For: *National Fuel Gas Distribution Corporation*

Date:

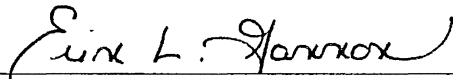
10/11/06



Robert V. Eckenrod, Esquire
Allison A. Curtin, Esquire
For: *Office of Trial Staff*

Date:

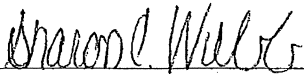
10/11/06



Erin L. Gannon, Esquire
Darryl Lawrence, Esquire
For: *Office of Consumer Advocate*

Date:

10/11/06



Sharon E. Webb, Esquire
For: *Office of Small Business Advocate*

Date:

10/11/06

Date:

Joseph L. Vullo, Esquire
For: *Community Action Association of Pennsylvania*

Michael W. Gang, Esquire
John H. Isom, Esquire
Anthony D. Kanagy, Esquire
Michael Reville, Esquire
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Date: _____

Robert V. Eckenrod, Esquire
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For: *Office of Trial Staff*

Date: _____

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Date: _____

Sharon E. Webb, Esquire
For: *Office of Small Business Advocate*

Date: _____

Joseph L. Vullo, Esquire
For: *Community Action Association of Pennsylvania*

Date: 10/11/06

Exhibit DNK-2

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Calculation of Base Rate Decrease Allocation

	Settlement		Proposed Base Rate
	\$ Allocated (000's)	% Allocated	Reduction \$ Allocated (000's)
Residential	11,869	83.0%	(6,391)
Small Commercial/Pub Auth <250	472	3.3%	(254)
Small Commercial/Pub Auth >250	143	1.0%	(77)
Large Commercial/Pub Auth	1,317	9.2%	(709)
SVIS	14	0.1%	(8)
IVIS	226	1.6%	(122)
LVIS	187	1.3%	(101)
LIS	72	0.5%	(39)
	<hr/>	<hr/>	<hr/>
	14,300	100.0%	(7,700)

	A	B	C	D	E	F	G	H	I	J	K	L
1	National Fuel Gas Distribution Corporation											
2	Pennsylvania Division											
3	Calculation of rate design											
4												
5												
6												
7												
8			CURRENT			CURRENT						
9		MCF	RATE	AMOUNT		MCF	RATE	AMOUNT		Decrease	PERCENT	
10												
11												
12	Residential Sales, LIRA, & SATC											
13	Bills	2,351,294	\$12.00	\$28,215,522		2,351,294	12.00	\$28,215,522		\$0	0.00%	
14	Bills - trans	468	\$12.00	\$5,616		468	12.00	\$5,616		\$0	0.00%	
16	0-5	8,375,738	\$3.2991	27,632,396		8,375,738	2.9146	\$24,411,698		(\$3,220,698)	-11.66%	
17	Over 5	11,903,768	\$2.2633	26,941,797		11,903,768	1.9995	\$23,801,592		(\$3,140,205)	-11.66%	
18	All volume - trans	90,317	\$2.7798	251,063		90,317	2.4558	\$221,800		(\$29,263)	-11.66%	
19	Total	20,369,822		83,046,394		20,369,822		\$76,656,229		(\$6,390,165)	-7.69%	
20	LIRA Rider		\$0.1039	0			0.0959	0		\$0	#DIV/0!	
21	MFC			0		0.00%	\$0.0000	0		\$0	#DIV/0!	
22	Subtotal Non Gas Revenues			83,046,394				76,656,229		(\$6,390,165)	-7.69%	
23	Revenue Adj.		0.01306823%	19,552			0.0130682%	\$18,717		(\$835)	-4.27%	
24	Total			\$83,065,946				\$76,674,946		(\$6,391,000)	-7.69%	
25												
26	Distribution Charge		\$0.3053	6,191,333			\$0.3053	6,191,333				
27	Natural Gas Supply Charge		\$3.7435	66,911,473			\$3.7435	66,911,473				
28	Purchased Gas Demand		\$0.0000	0			\$0.0000	0				
29	Gas Adjustment		(\$0.3507)	(6,268,426)			(\$0.3507)	(6,268,426)				
30	MMT Gas Cost		\$0.3100	27,998			\$0.3100	27,998				
31	Total Gas Cost			66,862,378				66,862,378				
32												
33	Total Residential Revenues			\$149,928,324				\$143,537,324		(\$6,391,000)	-4.26%	
34												
35	Small Comm/P.A. LE 250 Sales, Trans & SATC											
36	Bills	111,532	\$17.00	\$1,896,044		111,532	17.00	\$1,896,044		\$0	0.00%	
37	Bills - trans	10,638	\$17.00	\$180,846		10,638	17.00	\$180,846		\$0	0.00%	
38	Bills - trans	10,638	\$0.00	\$0		10,638	0.00	\$0		\$0	#DIV/0!	
39	0-5	373,769	\$2.6910	1,005,812		373,769	2.4761	\$925,481		(\$80,331)	-7.99%	
40	Over 5	744,851	\$2.3652	1,761,722		744,851	2.1763	\$1,621,018		(\$140,704)	-7.99%	
41	All volume - trans	155,943	\$2.6472	412,812		155,943	2.4358	\$379,842		(\$32,970)	-7.99%	
42	MFC			0		0.00%	\$0.0000	0		0	#DIV/0!	
43	Total	1,274,563		5,257,236		1,274,563		\$5,003,231		(\$254,005)	-4.83%	
44	Revenue Adj.		-0.00190%	(148)			-0.00190%	(\$143)		\$5	-3.38%	
45	Total			\$5,257,088				\$5,003,088		(\$254,000)	-4.83%	
46												
47	Distribution Charge		\$0.3053	341,515			\$0.3053	341,515				
48	Natural Gas Supply Charge		\$3.7435	3,709,805			\$3.7435	3,709,805				
49	Purchased Gas Demand		\$0.0000	0			\$0.0000	0				
50	Gas Adjustment		(\$0.3507)	(347,543)			(\$0.3507)	(347,543)				
51	MMT Gas Cost		\$0.3100	48,342			\$0.3100	48,342				
52	Total Gas Cost			3,752,118				3,752,118				
53												
54	Total Small C/PA LE 250			\$9,009,206				\$8,755,206		(\$254,000)	-2.82%	
55												
56	Small Comm/P.A. GT 250 Sales, Trans & SATC											
57	Bills	36,708	\$26.50	\$972,762		36,708	26.50	\$972,762		\$0	0.00%	
58	Bills - trans	14,211	\$26.50	\$376,592		14,211	26.50	\$376,592		(\$1)	0.00%	
59	Bills - trans	14,211	\$0.00	\$0		14,211	0.00	\$0		\$0	#DIV/0!	
60	0-20	553,879	\$1.9423	1,075,798		553,879	1.9088	\$1,057,257		(\$18,541)	-1.72%	
61	Over 20	1,042,255	\$1.8059	1,882,207		1,042,255	1.7748	\$1,849,768		(\$32,439)	-1.72%	
62	All volume - trans	765,372	\$1.9741	1,510,921		765,372	1.9401	\$1,484,881		(\$26,040)	-1.72%	
63	MFC			0		0.00%	\$0.0000	0		\$0	#DIV/0!	
64	Total	2,361,505		5,818,280		2,361,505		\$5,741,261		(\$77,020)	-1.32%	
65	Revenue Adj.		-0.02480%	(2,133)			-0.02480%	(\$2,114)		\$19	-0.89%	
66	Total			\$5,816,147				\$5,739,147		(\$77,001)	-1.32%	
67												
68	Distribution Charge		\$0.3053	487,299			\$0.3053	487,299				
69	Natural Gas Supply Charge		\$3.7435	5,227,787			\$3.7435	5,227,787				
70	Purchased Gas Demand		(\$0.3507)	(489,751)			(\$0.3507)	(489,751)				
71	Gas Adjustment		\$0.0000	0			\$0.0000	0				
72	MMT Gas Cost		\$0.3100	237,265			\$0.3100	237,265				
73	Total Gas Cost			5,462,600				5,462,600				
74												
75	Total Small C/PA GT 250			\$11,278,747				\$11,201,746		(\$77,001)	-0.68%	

	A	B	C	D	E	F	G	H	I	J	K	L
1	National Fuel Gas Distribution Corporation											
2	Pennsylvania Division											
3	Calculation of rate design											
4												
5												
6												
7												
8												
180	LIS											
181	Bills	0	1,029.00	\$0		0	1,029.00	\$0		0		#DIV/0!
182	Bills - trans	228	1,029.00	\$234,612		228	1,029.00	\$234,612		0		0.00%
183	Bills - trans	228	0.00	\$0		228	0.00	\$0		0		#DIV/0!
184	0-100	0	0.8657	\$0		0	0.8534	\$0		\$0		#DIV/0!
185	100-2000	0	0.6857	\$0		0	0.6760	\$0		\$0		#DIV/0!
186	2000-20000	0	0.4788	\$0		0	0.4720	\$0		\$0		#DIV/0!
187	Over 20000	0	0.3430	\$0		0	0.3381	\$0		\$0		#DIV/0!
188	LBS	0	0.1924	\$0		0	0.1897	\$0		\$0		#DIV/0!
189	All volume - trans (Intra) MMT	350,001	0.4909	\$171,815		350,001	0.4839	\$169,381		(\$2,434)		-1.42%
190	All volume - trans (Inter) MMT	0	0.4909	\$0		0	#DIV/0!	\$0		\$0		#DIV/0!
191	All volume - trans (Intra) DMT	5,257,258	0.4909	\$2,580,788		5,257,258	0.4839	\$2,544,222		(\$36,566)		-1.42%
192	All volume - trans (Inter) DMT	0	0.4909	\$0		0	#DIV/0!	\$0		\$0		#DIV/0!
193	All volume - Flex (Intra) DMT	3,626,002	0.1846	\$669,360		3,626,002	0.1846	\$669,360		\$0		0.00%
194	All volume - Flex (Inter) DMT	2,928,530	0.2115	\$619,384		2,928,530	0.2115	\$619,384		\$0		0.00%
195	MFC						0.00%	\$0.0000				
196	Total	<u>12,161,791</u>		<u>4,275,959</u>		<u>12,161,791</u>		<u>4,236,959</u>		<u>(\$39,000)</u>		<u>-0.91%</u>
197	Revenue Adj.		0.00000%	0			0.00000%	\$0		\$0		0.00%
198	Total			<u>\$4,275,959</u>				<u>\$4,236,959</u>		<u>(\$39,000)</u>		<u>-0.91%</u>
199												
200	Distribution Charge		\$0.3053	0			\$0.3053	0				
201	Natural Gas Supply Charge		\$3.7435	0			\$3.7435	0				
202	Purchased Gas Demand		\$0.0000	0			\$0.0000	0				
203	Gas Adjustment		(\$0.3507)	0			(\$0.3507)	0				
204	MMT Gas Cost		\$0.3100	108,500			\$0.3100	108,500				
205	LBS			\$0				\$0				
206	Total Gas Cost			<u>108,500</u>				<u>108,501</u>				
207												
208	Total LIS			<u>\$4,384,459</u>				<u>\$4,345,460</u>		<u>(\$39,000)</u>		<u>-0.89%</u>
209												
210												
211	Total Non Gas Cost	49,315,282		\$118,574,545		49,315,282		\$110,873,674		(\$7,700,871)		
212	Total Gas Cost			\$82,023,757				\$82,023,757				
213	Total Revenue			\$200,598,302				\$192,897,432				

Exhibit DNK-3

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 OPEB Rider Rate Calculation
 Rates to be Effective June 1, 2021

Total OPEB Liability to passback	\$ 50,000,000
One time bill credit (estimated)	<u>\$ 25,000,000</u>
Remaining liability to passback	\$ 25,000,000
Amortization period (years)	5
Annual amount to passback	<u>\$ 5,000,000</u>
Total Amount to Sur-credit to Customers	\$ 5,000,000
Total Non-Gas Revenues	\$ 118,574,545

Service Class	(1) <u>Non-Gas Revenues</u>	(2) <u>Base rate decrease allocation %</u>	(3) <u>Allocation of Revenue Excess</u>	(4) <u>Normalized Volumes (Mcf)</u>	(5) = (3) / (4) <u>Surcredit Rate (\$/Mcf)</u>
RESIDENTIAL	\$ 65,858,906			17,025,700	
LIRA	\$ 3,375,775			848,341	
RESIDENTIAL SATC	<u>\$ 10,449,818</u>			<u>2,405,464</u>	
	<u>\$ 82,814,883</u>	82.7%	\$ 4,137,457	<u>20,279,505</u>	\$ 0.20402
SMALL CPA LE 250	\$ 3,579,953			990,999	
SMALL CPA LE 250 SATC	<u>\$ 575,191</u>			<u>127,621</u>	
	<u>\$ 4,844,276</u>	3.0%	\$ 152,043	<u>1,118,620</u>	\$ 0.13592
SMALL CPA GT 250	\$ 2,923,234			1,396,497	
SMALL CPA GT 250 SATC	<u>\$ 656,392</u>			<u>199,636</u>	
	<u>\$ 4,305,226</u>	0.7%	\$ 37,011	<u>1,596,133</u>	\$ 0.02319
LARGE CPA	\$ 2,009,605			383,347	
LARGE CPA SATC	<u>\$ 210,048</u>			<u>57,292</u>	
	<u>\$ 3,070,518</u>	2.3%	\$ 115,304	<u>440,639</u>	\$ 0.26167
SVIS	\$ 115,092			131,793	
SVIS SATC	<u>\$ 39,188</u>			<u>11,290</u>	
	<u>\$ 438,660</u>	0.1%	\$ 4,596	<u>143,083</u>	\$ 0.03212
IVIS	\$ 187,439			350,851	
IVIS SATC	<u>\$ 20,829</u>			<u>6,298</u>	
	<u>\$ 1,271,432</u>	0.1%	\$ 3,956	<u>357,149</u>	\$ 0.01108
RESIDENTIAL TRANS	\$ 251,063	0.3%	\$ 12,543	90,317	\$ 0.13888
SMALL CPA LE 250 TRANS	\$ 412,812	0.3%	\$ 12,957	155,943	\$ 0.08309
SMALL CPA GT 250 TRANS	\$ 1,510,921	0.3%	\$ 12,989	765,372	\$ 0.01697
LARGE CPA TRANS	\$ 9,192,498	6.9%	\$ 345,196	6,185,236	\$ 0.05581
SVIS TRANS	\$ 38,522	0.0%	\$ 404	17,123	\$ 0.02357
IVIS TRANS	\$ 3,556,070	1.5%	\$ 75,044	3,215,254	\$ 0.02334
LVIS TRANS	\$ 2,591,705	1.3%	\$ 65,500	2,629,082	\$ 0.02491
LIS TRANS	\$ 4,275,959	0.5%	\$ 25,000	5,607,259	\$ 0.00446
TOTAL	<u><u>\$ 118,574,545</u></u>	100.0%	<u><u>\$ 5,000,000</u></u>	<u><u>42,600,715</u></u>	

Exhibit DNK-4

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Rate Summary - (based on May 1, 2021 current rates)
 This Rate Summary Does Not In Any Way Supersede The Tariff

Sales Service	Rate Structure before OPEB reduction			Rate Structure after OPEB reduction						
	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Distribution Rate Reduction	Rider I Surcredit ¹	Total Distribution Rate Reduction	% Total Distribution Rate Reduction
Residential										
Basic Monthly Service Charge	\$12.00									
First 5 Mcf	\$3.6152 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$3.2307 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.3845)	(\$0.2040)	(\$0.5885) per Mcf	-16.3%
Over 5 Mcf	\$2.5794 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.3156 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.2638)	(\$0.2040)	(\$0.4678) per Mcf	-18.1%
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider F Surcharge	\$0.0924 per Mcf			\$0.0924 per Mcf						
Rider G (MFC)		(\$0.0076) per Mcf	\$0.0865 per Mcf		(\$0.0076) per Mcf	\$0.0865 per Mcf				
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				
Total		(\$0.3472) per Mcf	\$4.2585 per Mcf		(\$0.3472) per Mcf	\$4.2585 per Mcf				
"Small" Commercial/Public Authority "LL"< 250 Mcf/Year										
Basic Monthly Service Charge	\$19.89									
First 5 Mcf	\$3.0071 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.7922 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.2149)	(\$0.1359)	(\$0.3508) per Mcf	-11.7%
Over 5 Mcf	\$2.6813 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.4924 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.1889)	(\$0.1359)	(\$0.3248) per Mcf	-12.1%
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				
"Small" Commercial/Public Authority "UL"> 250 and < 1,000 Mcf/Year										
Basic Monthly Service Charge	\$27.53									
First 20 Mcf	\$2.2584 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.2249 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0335)	(\$0.0232)	(\$0.0567) per Mcf	-2.5%
Over 20 Mcf	\$2.1220 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.0909 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0311)	(\$0.0232)	(\$0.0543) per Mcf	-2.6%
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Rate Summary - (based on May 1, 2021 current rates)
 This Rate Summary Does Not In Any Way Supersede The Tariff

Sales Service	Rate Structure before OPEB reduction			Rate Structure after OPEB reduction						
	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Distribution Rate Reduction	Rider I Surcredit ¹	Total Distribution Rate Reduction	% Total Distribution Rate Reduction
"Large" Commercial/Public Authority > 1,000 Mcf/Year										
Basic Monthly Service Charge	\$121.01									
First 300 Mcf	\$1.8848 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.7722 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.1126)	(\$0.2617)	(\$0.3743) per Mcf	-19.9%
Next 1,700 Mcf	\$1.7656 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.6616 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.1040)	(\$0.2617)	(\$0.3657) per Mcf	-20.7%
Over 2,000 Mcf	\$1.5472 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.5472 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.0000	(\$0.2617)	(\$0.2617) per Mcf	
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				per Mcf
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				per Mcf
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				per Mcf
Small Volume Industrial < 1,000 Mcf/Year										
Basic Monthly Service Charge	\$65.60									
All Consumption	\$2.4488 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$2.3991 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0497)	(\$0.0321)	(\$0.0818) per Mcf	
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				per Mcf
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				per Mcf
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				per Mcf
Intermediate Volume Industrial > 1,000 and < 50,000 Mcf/Year										
Basic Monthly Service Charge	\$201.91									
First 100 Mcf	\$1.8607 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.8133 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0474)	(\$0.0111)	(\$0.0585) per Mcf	-3.1%
Next 1,900 Mcf	\$1.4526 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.4177 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0349)	(\$0.0111)	(\$0.0460) per Mcf	-3.2%
Over 2,000 Mcf	\$1.1332 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.1081 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0251)	(\$0.0111)	(\$0.0362) per Mcf	
Transition Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider E Surcharge	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				per Mcf
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				per Mcf
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				per Mcf

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Rate Summary - (based on May 1, 2021 current rates)
This Rate Summary Does Not In Any Way Supersede The Tariff

Sales Service	Rate Structure before OPEB reduction			Rate Structure after OPEB reduction						
	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Basic Service Charge & Distribution Charges	Gas Adjustment Charge (E-Factor)	Natural Gas Supply Charge	Distribution Rate Reduction	Rider I Surcredit ¹	Total Distribution Rate Reduction	% Total Distribution Rate Reduction
Large Volume Industrial > 50,000 and < 200,000 Mcf/Year										
Basic Monthly Service Charge	\$809.00									
First 100 Mcf	\$1.4127 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.3627 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0500)	(\$0.0249)	(\$0.0749) per Mcf	-5.3%
Next 1,900 Mcf	\$1.2309 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.1892 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0417)	(\$0.0249)	(\$0.0666) per Mcf	-5.4%
Next 18,000 Mcf	\$1.0221 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.9899 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0322)	(\$0.0249)	(\$0.0571) per Mcf	-5.6%
Over 20,000 Mcf	\$0.8849 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.8590 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0259)	(\$0.0249)	(\$0.0508) per Mcf	-5.7%
Transition Surcharge/Mcf	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				per Mcf
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				per Mcf
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				per Mcf
Large Industrial > 200,000 Mcf/Year										
Basic Monthly Service Charge	\$1,029.00									
First 100 Mcf	\$1.1818 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$1.1695 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0123)	(\$0.0045)	(\$0.0167) per Mcf	-1.4%
Next 1,900 Mcf	\$1.0018 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.9921 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0097)	(\$0.0045)	(\$0.0142) per Mcf	-1.4%
Next 18,000 Mcf	\$0.7949 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.7881 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0068)	(\$0.0045)	(\$0.0112) per Mcf	-1.4%
Over 20,000 Mcf	\$0.6591 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	\$0.6542 per Mcf	(\$0.3396) per Mcf	\$4.0670 per Mcf	(\$0.0049)	(\$0.0045)	(\$0.0093) per Mcf	-1.4%
Transition Surcharge/Mcf	\$0.0000 per Mcf			\$0.0000 per Mcf						
Rider G (MFC)		(\$0.0008) per Mcf	\$0.0089 per Mcf		(\$0.0008) per Mcf	\$0.0089 per Mcf				per Mcf
Rider H (GPC)			\$0.1050 per Mcf			\$0.1050 per Mcf				per Mcf
Total		(\$0.3404) per Mcf	\$4.1809 per Mcf		(\$0.3404) per Mcf	\$4.1809 per Mcf				per Mcf

¹ For illustrative purposes, Rider I residential rate shown as estimated full sur-credit rate excluding any one time bill credit impacts.

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 Rate Summary - (based on May 1, 2021 current rates)
 This Rate Summary Does Not In Any Way Supersede The Tariff

Transportation Service

	Rate Structure before OPEB reduction		Rate Structure after OPEB reduction		Distribution Rate Reduction	Rider I	Total Distribution Rate Reduction	% Total Distribution Rate Reduction	
	DMT	MMT	DMT	MMT	DMT and MMT			DMT	MMT
Residential									
PA Produced per Mcf	\$2.7798	\$3.0998	\$2.4558	\$2.7758	(\$0.3240)	(\$0.1389)	(\$0.4629)	-16.7%	-14.9%
NON-PA Produced per Mcf	\$2.7798	\$3.0898	\$2.4558	\$2.7758	(\$0.3240)	(\$0.1389)	(\$0.4629)	-16.7%	-15.0%
"Small" Commercial/Public Authority "LL"< 250 Mcf/Year									
PA Produced per Mcf	\$2.6372	\$2.9572	\$2.4258	\$2.7458	(\$0.2114)	(\$0.0831)	(\$0.2945)	-11.2%	-10.0%
NON-PA Produced per Mcf	\$2.6372	\$2.9572	\$2.4258	\$2.7458	(\$0.2114)	(\$0.0831)	(\$0.2945)	-11.2%	-10.0%
"Small" Commercial/Public Authority "UL"> 250 and < 1,000 Mcf/Year									
PA Produced per Mcf	\$1.9741	\$2.2941	\$1.9401	\$2.2601	(\$0.0340)	(\$0.0170)	(\$0.0510)	-2.6%	-2.2%
NON-PA Produced per Mcf	\$1.9741	\$2.2841	\$1.9401	\$2.2601	(\$0.0340)	(\$0.0170)	(\$0.0510)	-2.6%	-2.2%
"Large" Commercial/Public Authority> 1,000 Mcf/Year									
PA Produced per Mcf	\$1.4862	\$1.8062	\$1.3796	\$1.6996	(\$0.1066)	(\$0.0558)	(\$0.1624)	-10.9%	-9.0%
NON-PA Produced per Mcf	\$1.4862	\$1.8062	\$1.3796	\$1.6996	(\$0.1066)	(\$0.0558)	(\$0.1624)	-10.9%	-9.0%
Small Volume Industrial < 1,000 Mcf/Year									
PA Produced per Mcf	\$2.2497	\$2.5697	\$2.1973	\$2.5173	(\$0.0524)	(\$0.0236)	(\$0.0760)	-3.4%	-3.0%
NON-PA Produced per Mcf	\$2.2497	\$2.5697	\$2.1973	\$2.5173	(\$0.0524)	(\$0.0236)	(\$0.0760)	-3.4%	-3.0%
Intermediate Volume Industrial > 1,000 and < 50,000 Mcf/Year									
PA Produced per Mcf	\$1.1060	\$1.4260	\$1.0720	\$1.3920	(\$0.0340)	(\$0.0233)	(\$0.0573)	-5.2%	-4.0%
NON-PA Produced per Mcf	\$1.1060	\$1.4260	\$1.0720	\$1.3920	(\$0.0340)	(\$0.0233)	(\$0.0573)	-5.2%	-4.0%
Large Volume Industrial > 50,000 and < 200,000 Mcf/Year									
PA Produced per Mcf	\$0.8429	\$1.1629	\$0.8045	\$1.1245	(\$0.0384)	(\$0.0249)	(\$0.0633)	-7.5%	-5.4%
NON-PA Produced per Mcf	\$0.8429	\$1.1629	\$0.8045	\$1.1245	(\$0.0384)	(\$0.0249)	(\$0.0633)	-7.5%	-5.4%
Large Industrial > 200,000 Mcf/Year									
PA Produced per Mcf	\$0.4909	\$0.8109	\$0.4839	\$0.8039	(\$0.0070)	(\$0.0045)	(\$0.0115)	-2.3%	-1.4%
NON-PA Produced per Mcf	\$0.4909	\$0.8109	\$0.4839	\$0.8039	(\$0.0070)	(\$0.0045)	(\$0.0115)	-2.3%	-1.4%
DMLMT	\$0.4909		\$0.4839		(\$0.0070)	(\$0.0045)	(\$0.0115)	-1.4%	

Exhibit DNK-5

RESIDENTIAL	Mcf	5/1/21	Amount	Proposed	Amount	Difference	% Change
		Present Rates		Rates			
		\$/mcf	\$	\$/Mcf	\$	\$	
Bills	12	12.00	144.00	12.00	144.00		
First 5 Mcf	46.7	3.6152	168.83	3.2307	150.87		
Over 5 Mcf	53.6	2.5794	138.26	2.3156	124.12		
Sub Total	<u>100.3</u>		<u>307.09</u>		<u>274.99</u>	-32.10	-10.45%
	<i>Avg Rate</i>	3.0617		2.7417		(0.3200)	-10.45%
Rider I - OPEB¹		<u>0.0000</u>	<u>0.00</u>	<u>-0.2040</u>	<u>(20.46)</u>	(20.46)	
Total Distribution Charges			307.09		254.53	(52.56)	-17.12%
	<i>Avg Rate</i>	3.0617		2.5377		(0.5240)	-17.12%
GAC		(0.3472)	(34.82)	(0.3472)	(34.82)		
NGSC		4.0670	407.92	4.0670	407.92		
Rider E Cust. Ed.		0.0000	0.00	0.0000	0.00		
Rider F - LIRA		0.0924	9.27	0.0924	9.27		
Total (Inc. Dist. Charges)	<u>100.3</u>		<u>833.46</u>		<u>780.90</u>	-52.56	-6.31%
STA		(0.0035)	(2.92)	(0.0035)	(2.73)	0.19	-6.51%
Grand total	<u>100.3</u>		<u>830.54</u>		<u>778.17</u>	\$ (52.37)	-6.31%
Monthly			69.21		64.85	\$ (4.36)	-6.30%

¹ For illustrative purposes, Rider I residential rate shown as estimated full surcredit rate excluding any one time bill credit impacts.

VERIFICATION

I, Donald Koch, being a Rate Analyst III in the Rates and Regulatory Affairs Department at National Fuel Gas Distribution Corporation, hereby state that the information set forth in the foregoing Tariff Supplement Filing (including Statement No. 1 DIRECT TESTIMONY OF DONALD KOCH and Exhibits DNK-1, DNK-2, DNK-3, DNK-4, and DNK-5) is true and correct to the best of my knowledge, information, and belief and that I expect National Fuel Gas Distribution Corporation to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: July 22, 2021

Donald Koch

Donald Koch
National Fuel Gas Distribution Corporation

Distribution
Statement No. 2

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

Distribution Statement No. 2

1 Q. Please state your name and business address.

2 A. My name is Michael P. Weidner. My business
3 address is 6363 Main Street, Williamsville, New
4 York, 14221.

5

6 Q. By whom are you employed and in what capacity?

7 A. I am employed by National Fuel Gas Distribution
8 Corporation ("Distribution" or "Company") in the
9 position of Assistant General Manager within the
10 Human Resources Department.

11

12 Q. Please describe your educational and employment
13 background.

14 A. I graduated from the St. Bonaventure University
15 in May 1998 with a Master of Business
16 Administration Degree and Bachelor of Business
17 Administration Degree, concentrating in
18 Accounting and Finance. In September 1998, I
19 joined Ernst & Young, LLP, as a Staff Accountant.
20 I was promoted to Senior Accountant in 2000. I

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 have been a Certified Public Accountant since
2 December 1999.

3

4 I began my employment with Distribution in
5 October 2000 in the Audit Services Department. In
6 July 2005, I transferred to the Financial
7 Accounting Department. In September 2013, I was
8 promoted to Manager of Financial Accounting. In
9 February 2018, I was promoted to my current
10 position.

11

12 Q. Please describe your responsibilities and duties
13 in your position at Distribution.

14 A. Under the general direction of the Assistant Vice
15 President of Human Resources, I am responsible
16 for management, design, development,
17 implementation, communication and compliance of
18 all benefit programs for National Fuel Gas
19 Company. In addition, under the direction of the
20 Retirement Plan and Voluntary Employee
21 Beneficiary Association ("VEBA") Committees, I am

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 responsible for managing the assets set aside for
2 pension and OPEB benefits.

3

4 Q. What is the purpose of your testimony in this
5 proceeding?

6 A. I am presenting testimony and exhibits concerning
7 OPEB cost recovery and the calculation of any
8 related deferral.

9

10 Q. Have you previously testified before the
11 Commission?

12 A. No.

13

14 Q Have you previously testified before any other
15 Commission?

16 A Yes, I testified before the New York State Public
17 Service Commission (Case 16-G-0258).

18

19

20

21

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 Other Post-retirement Benefits (OPEBs)

2 Q. Is there an amount currently included in
3 Distribution's base rates for recovery of OPEB
4 expenses?

5 A. Yes, the Company currently recovers \$7,704,085
6 per year for OPEB expenses (gross OPEB costs of
7 \$10,005,305 x 77.00% operation and maintenance
8 expense portion). As explained in the
9 accompanying testimony of Donald N. Koch, this
10 amount was established in the Company's
11 settlement of its last base rate proceeding at
12 Docket R-00061493.

13
14 Q. Does Distribution need ratepayers to continue to
15 fund OPEB costs, and what is it proposing to do
16 with the aforementioned rate recovery?

17 A. Given the funded status of the VEBA accounts and
18 401(h) accounts (accounts maintained within the
19 Master Retirement Plan Trust that are set aside
20 for OPEBs) noted below, Distribution does not
21 need ratepayers to continue to fund OPEB costs at

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 this time. As such, Distribution is proposing to
2 reduce base rates to decrease the OPEB rate
3 allowance to zero. This would reduce ratepayer
4 collections by \$7,704,085 per year. This
5 reduction is also explained in Mr. Koch's
6 testimony. In addition, Distribution will
7 prospectively discontinue all regulatory deferral
8 accounting for OPEB costs or income, since OPEBs
9 will no longer be a component of rates.

10

11 Q. How well funded are the VEBA and 401(h) accounts
12 relative to the benefit obligation as calculated
13 by the actuary?

14 A. As of September 30, 2020 (the most recent audited
15 annual report), the fair value of Distribution's
16 VEBA and 401(h) assets was \$116,844,008 versus
17 the benefit obligation of \$80,502,516.

18

19 Q. What is the methodology used to account for OPEBs
20 and any related deferrals?

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 A. The settlement associated with Docket R-00061493
2 noted that total OPEB costs were \$10,005,305
3 (\$6,863,730 of total SFAS 106 costs estimated at
4 the time of the rate case, plus \$3,141,575 of
5 annual amortization of deferred OPEB costs whose
6 deferrals were established in accordance with
7 Dockets R-00061493 (\$410,726 - expired December
8 2010), R-00038168 (\$2,228,176 - expired January
9 2008) and R-00049656 (\$502,673 - expired April
10 2007)). In accordance with the settlement,
11 Distribution has been accounting for the
12 difference between the OPEB cost or income
13 (determined by the actuary in accordance with
14 SFAS 106) and the \$6,863,730 plus the
15 aforementioned deferral amortizations (subsequent
16 to their expiration) as a regulatory asset or
17 liability.
18
19 Q. Using the aforementioned calculation of
20 regulatory asset or liability, as noted in the

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 settlement, what is the amount of the regulatory
2 asset or liability?

3 A. As of March 31, 2021, the amount of the
4 regulatory liability recorded on Distribution's
5 general ledger was \$149,599,657.

6

7 Q. Of the gross \$149,599,657 liability, how much is
8 due to ratepayers?

9 A. The amount due to ratepayers at March 31, 2021 is
10 \$96,197,606, which is based on the expense
11 amounts actually collected from rate payers minus
12 the operation and maintenance expense portion of
13 actual SFAS 106 costs incurred. The remainder of
14 the liability reflects SFAS 106 income and the
15 non-operation and maintenance portion of the
16 deferral calculated in accordance with the
17 settlement (i.e. amounts charged to capital and
18 affiliates).

19

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 Q. Since rates went into effect under Docket R-
2 00061493 (January 1, 2007), how much have
3 ratepayers contributed related to OPEB costs?

4 A. As reflected in Distribution Exhibit MPW-1, since
5 rates went into effect, ratepayers contributed
6 \$111,218,168 to OPEB costs through the expense
7 component included in base rates under the
8 settlement (or \$107,784,320 excluding \$3,433,848
9 related to amortization of the aforementioned
10 regulatory assets prior to their expiration).

11

12 Q. What is the aggregate amount of actual SFAS 106
13 costs (excluding years in which there was SFAS
14 106 income) since rates went into effect, as
15 calculated by the actuary?

16 A. As reflected in Exhibit MPW-1, since rates went
17 into effect, actual SFAS 106 costs (excluding
18 years in which there was SFAS 106 income) are
19 \$16,139,254 (\$11,586,714 excluding amounts
20 attributable to capital and affiliates). This
21 represents \$96,197,606 of collections in excess

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 of actual SFAS 106 expenses (\$107,784,320 -
2 \$11,586,714).

3

4 Q. What are the funding requirements per the
5 settlement?

6 A. Distribution was required to contribute to
7 irrevocable external trusts \$6,863,730/year and,
8 for the remainder of the amortization periods,
9 the annual amortization amounts of \$2,228,176,
10 \$502,673 and \$410,726, which are noted above.
11 Distribution was not required to fund these
12 amortization amounts after the amortization
13 periods expired. These amortization amounts
14 totaled \$40,901,532, of which \$31,494,180 was
15 attributable to ratepayers ($\$40,901,532 \times 77.00\%$)

16

17 Q. Did Distribution make contributions to the VEBA
18 or 401(h) accounts in accordance with the
19 settlement, and under what conditions is
20 Distribution allowed to make disbursements or
21 transfers out of the VEBA and 401(h) accounts?

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 A. Yes. Distribution contributed \$50,920,907 to the
2 VEBA and 401(h) accounts in accordance with the
3 settlement associated with Docket R-0061493
4 through fiscal year 2013, and \$39,209,099 of
5 those contributions were attributable to
6 ratepayers ($\$50,920,907 \times 77.00\%$). VEBA and
7 401(h) assets may only be used to pay benefits of
8 OPEB participants who have retired and related
9 administrative costs, and are not available for
10 any other purpose. Due to this fact and as a
11 result of a growing regulatory liability through
12 fiscal year 2013, it was decided that subsequent
13 contributions would not be made to the VEBA or
14 401(h) accounts.

15

16 Q. Are there any other assets set aside for OPEBs
17 and under what conditions is Distribution allowed
18 to make disbursements or transfers from those
19 assets?

20 A. Distribution set aside grantor trust assets
21 subsequent to fiscal 2013. A grantor trust is an

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 irrevocable external trust, so Distribution's
2 contributions to it were in accordance with the
3 settlement associated with Docket R-00061493.
4 Grantor trust assets can be used as contributions
5 to the VEBA or for other business purposes
6 consistent with applicable rate orders of the
7 Commission, including the refund of over
8 collected amounts to customers. Through March 31,
9 2021, Distribution has contributed \$52,616,725 to
10 the grantor trust, and \$40,514,878 were
11 attributable to ratepayers ($\$52,616,725 \times$
12 77.00%).

13
14 Q. What is Distribution proposing with respect to
15 the ratepayer collections in excess of actual
16 SFAS 106 costs of \$96,197,606?

17 A. In this filing, Distribution is proposing to pass
18 back \$50,000,000 of grantor trust assets to
19 ratepayers even though the portion of
20 contributions to the grantor trust attributable
21 to ratepayer funding was \$40,514,878. The first

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 \$25,000,000 will be passed back through a one-
2 time bill credit. The remaining \$25,000,000 will
3 be passed back through an annual surcredit
4 mechanism over a five year period. The one-time
5 bill credit and the annual surcredit mechanism
6 are further explained in Mr. Koch's accompanying
7 testimony. This will result in a total benefit to
8 ratepayers of \$30,000,000 in year 1 (including
9 the \$25,000,000 impact of the one-time bill
10 credit), and \$5,000,000 per year in years 2-5. In
11 compliance with Article I of the Grantor Trust
12 Agreement, the Company requests authorization
13 from the Commission to use \$50,000,000 of the
14 funds in the grantor trust in the manner
15 described above.

16

17 Q. When does Distribution plan to address the
18 remaining liability that is owed to ratepayers?

19 A. The remaining liability due to ratepayers would
20 be addressed in a future general base rate case
21 initiated by Distribution.

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1

2 Q. In summary, what is Distribution's proposed
3 reduction in the ongoing rate recovery (versus
4 current rates) and the regulatory liability
5 associated with OPEB costs?

6 A. Upon Commission approval, which is requested to
7 be no later than October 1, 2021, ratepayers will
8 see an annual base rate reduction of \$7,704,085
9 due to the elimination of current recovery of
10 OPEB expense. Distribution would also stop all
11 regulatory deferral accounting associated with
12 OPEB expense because such costs are \$0.
13 Additionally, the Company is proposing to use
14 substantially all of the funds set aside in the
15 grantor trust to provide \$25,000,000 in one-time
16 bill credits for all active customers to provide
17 immediate relief for the upcoming winter heating
18 season. Then, for a five-year period commencing
19 on October 1, 2021, the Company would provide
20 ratepayers with recurring savings through a rate
21 reduction that would lower customer bills by

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 \$5,000,000 per year (\$25,000,000 in total). The
2 \$50,000,000 total benefit would reduce the
3 regulatory liability due to ratepayers by more
4 than half, and the remaining \$46,197,606 would be
5 addressed in the Company's next base rate
6 proceeding.

7

8 Q. What is Distribution proposing to do with the
9 difference between the \$96,197,606 and the
10 \$149,599,657 as noted above?

11 A. This difference reflects amounts charged to
12 capital and affiliates that were not funded by
13 ratepayers as well as the impact of years in
14 which there was SFAS 106 income, both of which
15 were deferred as regulatory liabilities based on
16 the terms of the last rate order. Distribution
17 proposes the following treatment for this amount:
18 First, the difference of \$53,402,051 should be
19 removed from the regulatory liability balance.
20 Second, we propose that the portion of this
21 balance related to SFAS 106 income that would

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 have been charged against operation and
2 maintenance of \$17,617,453 (see Exhibit MPW-1) be
3 recorded as a reduction to OPEB expense
4 immediately. Even though the regulatory liability
5 was recorded based on the terms of the last rate
6 order, in an actual rate proceeding the OPEB cost
7 element would not go below zero.

8 Third, the remaining \$35,784,598 (\$53,402,051
9 less \$17,617,453) should be transferred into a
10 separate regulatory liability account that will
11 be used to reduce the cost of labor charged to
12 rate base and affiliates over a period of 5
13 years, consistent with the passback of grantor
14 trust assets noted above. Any remaining portion
15 of that liability after the expiration of 5
16 years, if any, would be addressed in a future
17 rate proceeding. Distribution requests
18 Commission approval of this accounting procedure.

19

DIRECT TESTIMONY OF MICHAEL P. WEIDNER

1 Q. What does Distribution propose with respect to
2 the remaining funds that are contained in the
3 grantor trust?

4 A. These funds are capital amounts and amounts
5 charged to affiliates that were not funded by
6 ratepayers. Therefore, Distribution proposes to
7 retain these funds for general corporate
8 purposes. At the end of the five-year
9 amortization period, Distribution proposes to
10 cancel the grantor trust.

11

12 Q. Does this conclude your testimony at this time?

13 A. Yes.

Exhibit MPW-1

Calculated Revenues Collected from Rate Payers that Exceed FAS 106 Costs and Amounts Funded to VEBAs/401(h)														
Column A	Column B1	Column B2	Column B3	Column B4	Column B5	Column B6	Column B7 = Column B2 + Column B3 + Column B4	Column B8 = Column B6 + Column B7	Column C	Column D = Column B8 x Column C	Column E	Column F	Column G = Column E x Column F (Zero if Column E is Negative)	Column H = Column D - Column G
Fiscal Year (September 30th Year End)	SFAS 106 Cost in Rate Case	Regulatory Asset from R-00049656 (\$502,673/year - Expires April 2007)	Regulatory Asset from R-00038168 (\$2,228,176/year - Expires January 2008)	Regulatory Asset from R-00061493 (\$410,726/year - Expires December 2010)	Amortization from Regulatory Assets Transferred to SFAS 106 Cost (\$6,863,730) after Expiration Dates	Total OPEB Cost	Less Regulatory Asset Amortization Prior to Expiration	Total OPEB Cost Included in Calculation of Future Regulatory Asset/Liability	O&M % in Settlement (Excludes Capitalized Amounts and Charges to Affiliates)	Revenues Collected from Rate Payers (Excluding Amortization of Regulatory Assets Established Prior to January 1, 2007) Per Settlement	Actual FAS 106 Cost Calculated by Actuary	Actual O&M % (Excludes Capitalized Amounts and Charges to Affiliates)	Net FAS 106 Cost (Excludes FAS 106 Income)	Revenues Collected from Rate Payers (Excluding Amortization of Regulatory Assets Established Prior to January 1, 2007) In Excess of Net FAS 106 Cost
2007 (Effective 1/1/2007)	\$ 5,278,999	\$ 275,208	\$ 1,702,036	\$ 315,895	\$ 108,776	\$ 7,680,914	\$ (2,293,139)	\$ 5,387,775	77.00%	\$ 4,148,587	\$ 3,268,201	75.04%	\$ 2,452,458	\$ 1,696,129
2008	\$ 6,863,730		\$ 839,392	\$ 410,726	\$ 1,891,457	\$ 10,005,305	\$ (1,250,118)	\$ 8,755,187	77.00%	\$ 6,741,494	\$ 1,911,751	73.81%	\$ 1,411,063	\$ 5,330,431
2009	\$ 6,863,730			\$ 410,726	\$ 2,730,849	\$ 10,005,305	\$ (410,726)	\$ 9,594,579	77.00%	\$ 7,387,826	\$ 2,618,883	72.65%	\$ 1,902,618	\$ 5,485,207
2010	\$ 6,863,730			\$ 410,726	\$ 2,730,849	\$ 10,005,305	\$ (410,726)	\$ 9,594,579	77.00%	\$ 7,387,826	\$ 3,621,176	71.22%	\$ 2,579,002	\$ 4,808,824
2011	\$ 6,863,730			\$ 94,834	\$ 3,046,741	\$ 10,005,305	\$ (94,834)	\$ 9,910,471	77.00%	\$ 7,631,063	\$ 1,580,088	69.30%	\$ 1,095,001	\$ 6,536,062
2012	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ 2,157,691	68.54%	\$ 1,478,881	\$ 6,225,203
2013	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ 981,464	68.03%	\$ 667,690	\$ 7,036,395
2014	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (4,171,858)	69.50%	\$ -	\$ 7,704,085
2015	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (3,731,993)	70.45%	\$ -	\$ 7,704,085
2016	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (2,096,727)	70.47%	\$ -	\$ 7,704,085
2017	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (1,348,628)	72.16%	\$ -	\$ 7,704,085
2018	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (4,089,130)	74.15%	\$ -	\$ 7,704,085
2019	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (3,439,235)	69.27%	\$ -	\$ 7,704,085
2020	\$ 6,863,730				\$ 3,141,575	\$ 10,005,305	\$ -	\$ 10,005,305	77.00%	\$ 7,704,085	\$ (3,468,162)	67.37%	\$ -	\$ 7,704,085
2021 (through 3/31/2021)	\$ 4,570,615				\$ 2,118,685	\$ 6,689,300	\$ -	\$ 6,689,300	77.00%	\$ 5,150,761	\$ (2,743,734)	68.78%	\$ -	\$ 5,150,761
	\$ 99,078,104	\$ 275,208	\$ 2,541,428	\$ 1,642,907	\$ 40,901,532	\$ 144,439,179	\$ (4,459,543)	\$ 139,979,636		\$ 107,784,320	\$ (8,950,213)		\$ 11,586,714	\$ 96,197,606
					O&M % in Settlement	77.00%	Regulatory Asset Amortizations Collected in Rates	\$ 3,433,848		\$ 16,139,254		SFAS 106 Cost FY2007-FY2013		
					Regulatory Asset Amortization Prior to Expiration (Net of Amounts Charged to Capital and Affiliates)	\$ (3,433,848)		Revenues Collected from Rate Payers Including Amortization of Regulatory Assets Prior to Expiration	\$ 111,218,168		\$ (25,089,467)		Total SFAS 106 Income FY2014-FY2021	
											\$ (17,617,453)		O&M Portion of SFAS 106 Income FY2014-FY2021	
											\$ (7,472,014)		Capital and Affiliate Portion of SFAS 106 Income FY2014-FY2021	
											\$ (25,089,467)			
											\$ (149,599,657)		Regulatory Liability 3/31/2021 per Trial Balance	
											\$ (96,197,606)		Revenues Collected from Ratepayers in Excess of Net SFAS 106 Cost	
													Proposed Immediate Reduction to Operation & Maintenance (OPEB) Expense	Proposed Reduction to Capital and Charges to Affiliates over 5 Years
													Regulatory Liability Subject to Removal	\$ 53,402,051 \$ 17,617,453 \$ 35,784,598

Detail of Funding

Exhibit MPW - 1
 Witness: Weldner
 Sheet 2 of 2

Fiscal Year (September 30th Year End)	Contributions to VEBA and/or 401(h) Account (Amounts Cannot Be Extracted)	O&M % in Settlement (Excludes Capitalized Amounts and Charges to Affiliates)	Ratepayer Portion of Contributions to VEBA and/or 401(h) Account (Amounts Cannot Be Extracted)	Contributions to Grantor Trust (Amounts Can Be Extracted)	O&M % in Settlement (Excludes Capitalized Amounts and Charges to Affiliates)	Ratepayer Portion of Contributions to Grantor Trust (Amounts Can Be Extracted)
2007 (Effective 1/1/2007)	\$ 7,572,127	77.00%	\$ 5,830,538			
2008	\$ 8,113,847	77.00%	\$ 6,247,662			
2009	\$ 7,274,454	77.00%	\$ 5,601,330			
2010	\$ 7,274,455	77.00%	\$ 5,601,330			
2011	\$ 6,958,564	77.00%	\$ 5,358,094			
2012	\$ 6,863,730	77.00%	\$ 5,285,072			
2013	\$ 6,863,730	77.00%	\$ 5,285,072			
2014						
2015				\$ 6,863,730	77.00%	\$ 5,285,072
2016				\$ 13,727,460	77.00%	\$ 10,570,144
2017				\$ 6,863,730	77.00%	\$ 5,285,072
2018				\$ 6,863,730	77.00%	\$ 5,285,072
2019				\$ 6,863,730	77.00%	\$ 5,285,072
2020				\$ 6,863,730	77.00%	\$ 5,285,072
2021 (through 3/31/2021)				\$ 4,570,615	77.00%	\$ 3,519,374
	\$ 50,920,907		\$ 39,209,099	\$ 52,616,725		\$ 40,514,878

Grantor Trust was established in 2015. Contributions for FY 2014 were made up in FY 2015

Proposed Passback to Customers	Amount to be Used in One-Time Bill Credit	Amounts to be Used in Rate Reduction Over 5 Years
50,000,000	25,000,000	25,000,000

VERIFICATION

I, Michael Weidner, being an Assistant General Manager in the Human Resources Department at National Fuel Gas Distribution Corporation, hereby state that the information set forth in the foregoing Tariff Supplement Filing (including Statement No. 2 DIRECT TESTIMONY OF MICHAEL P. WEIDNER and Exhibit MPW-1) is true and correct to the best of my knowledge, information, and belief and that I expect National Fuel Gas Distribution Corporation to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: July 22, 2021



Michael Weidner
National Fuel Gas Distribution Corporation

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL & E MAIL

Erin L. Gannon, Esquire
Darryl A. Lawrence, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, PA 17101-1923

Allison A. Curtin Kaster, Esquire
Bureau of Enforcement
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265

Sharon Webb, Esquire
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Forum Place
Harrisburg, PA 17101

Joseph L. Vullo, Esquire
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704

Date: July 21, 2021



Anthony D. Kanagy