



National Fuel

September 29, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, Pennsylvania 17120

Re: National Fuel Gas Distribution Corporation Supplement No. 266 to Tariff Gas - Pa.
P.U.C. No. 9 - Docket No. R-2021-3027406

Dear Secretary Chiavetta:

Enclosed for filing on behalf of National Fuel Gas Distribution Corporation is the Annual RIDER I OPEB Temporary Surcredit update. This filing includes rate updates based upon annual forecasted volume projections. This filing is being electronically filed. No paper copies will be filed.

Please direct any questions concerning this filing to the undersigned at (716) 857-7568 or Donald Koch at (716) 857-7954.

Respectfully submitted,

Sheila Suarez
Asst. General Manager
Rate and Regulatory Affairs

Enclosure

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in the manner indicated, in accordance with the requirements of §1.54 (relating to service by a participant).

VIA E-MAIL

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Dated this 29th day of September 2023



Sheila Suarez
Asst. General Manager
Rates and Regulatory Affairs

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

RATES, RULES AND REGULATIONS

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

Issued: September 29, 2023

Effective: October 1, 2023

D. L. DeCAROLIS, PRESIDENT
BUFFALO, NEW YORK

This Supplement includes increases and decreases to existing rates.
See page 2.

LIST OF CHANGES MADE BY THIS TARIFF

DECREASE:

1. Rider I for Residential Transportation, Large Commercial and Public Authority, Small Volume Industrial Transportation, and Large Industrial Classes decrease Page 170.

INCREASE:

2. Rider I for Residential, Smaall Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, and Large Volume Industrial Classes increase.

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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 \$29,000,000 of the OPEB regulatory liability has been reserved to pass back via a surcredit over 5-years (\$5,800,000 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 10/1/23	
Sales & SATC		
Residential (RSS & LIRA)	(\$0.20962)	(I)
Small Comm./Public Authority < 250	(\$0.10385)	(I)
Small Comm./Public Authority > 250	(\$0.11218)	(I)
Large Comm./Public Authority	(\$0.10485)	(D)
Small Volume Industrial Service	(\$0.06957)	(D)
Intermediate Vol. Industrial Service	(\$0.10255)	(I)
MMT & DMT		
Residential	(\$0.10578)	(I)
Small Comm./Public Authority < 250	(\$0.09143)	(D)
Small Comm./Public Authority > 250	(\$0.11942)	(D)
Large Comm./Public Authority	(\$0.11816)	(D)
Small Volume Industrial Service	(\$0.02223)	(I)
Intermediate Vol. Industrial Service	(\$0.06459)	(I)
Large Volume Industrial Service	(\$0.06296)	(I)
Large Industrial Service	(\$0.01601)	(I)

REDLINED VERSION

National Fuel Gas Distribution Corporation
 Pennsylvania Division
 OPEB Rider Rate Calculation

Total OPEB Liability to passback	\$ 54,000,000
One time bill credit (estimated)	\$ 25,000,000
Remaining liability to passback	\$ 29,000,000
Amortization period (years)	5
Annual amount to passback	<u>\$ 5,837,500</u>

<u>Service Class</u>	(1) <u>Settlement Allocation Factor</u>	(2) <u>Allocation of Revenue Excess</u>	(3) <u>Normalized Volumes (Mcf)</u>	(4) = (2) / (3) <u>Surcredit Rate (\$/Mcf)</u>
RESIDENTIAL			17,166,090	
LIRA			748,499	
RESIDENTIAL SATC			1,822,065	
	70.9%	\$ 4,137,176	<u>19,736,655</u>	\$ 0.20962
SMALL CPA LE 250			990,380	
SMALL CPA LE 250 SATC			94,486	
	1.9%	\$ 112,658	<u>1,084,866</u>	\$ 0.10385
SMALL CPA GT 250			1,417,447	
SMALL CPA GT 250 SATC			148,150	
	3.0%	\$ 175,622	<u>1,565,597</u>	\$ 0.11218
LARGE CPA			786,159	
LARGE CPA SATC			48,672	
	1.5%	\$ 87,531	<u>834,832</u>	\$ 0.10485
SVIS			53,093	
SVIS SATC			6,581	
	0.1%	\$ 4,152	<u>59,674</u>	\$ 0.06957
IVIS			227,751	
IVIS SATC			14,661	
	0.4%	\$ 24,859	<u>242,412</u>	\$ 0.10255
RESIDENTIAL TRANS	0.2%	\$ 12,824	121,226	\$ 0.10578
SMALL CPA LE 250 TRANS	0.2%	\$ 14,342	156,857	\$ 0.09143
SMALL CPA GT 250 TRANS	1.4%	\$ 84,378	706,552	\$ 0.11942
LARGE CPA TRANS	11.3%	\$ 662,469	5,606,536	\$ 0.11816
SVIS TRANS	0.0%	\$ 848	38,168	\$ 0.02223
IVIS TRANS	3.3%	\$ 195,141	3,021,028	\$ 0.06459
LVIS TRANS	2.7%	\$ 160,000	2,541,384	\$ 0.06296
LIS TRANS	2.8%	\$ 165,500	10,335,808	\$ 0.01601
TOTAL	<u>100.0%</u>	<u>\$ 5,837,500</u>	<u>46,051,593</u>	