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File #: 209228

April 11, 2025

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
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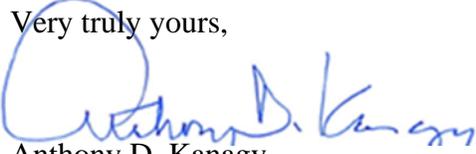
**Re: National Fuel Gas Distribution Corporation's Purchased Gas Cost Filing Under Section 1307(f) of the Public Utility Code and 52 Pa. Code §§ 53.64 and 53.65
Docket No. R-2025-3052742, et al.**

Dear Secretary Chiavetta:

Attached for filing please find the Joint Petition for Settlement on behalf of National Fuel Gas Distribution Corporation in the above-referenced proceeding. Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,

Very truly yours,



Anthony D. Kanagy
Principal

ADK/sa
Attachment

cc: The Honorable Charece Z. Collins (*via email; w/attachment*)
Certificate of Service

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 52 Pa. Code § 1.54 (relating to service by a participant).

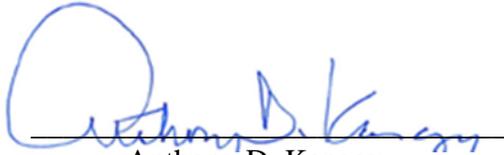
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Date: April 11, 2025



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos. R-2025-3052742
Office of Consumer Advocate	:	C-2025-3052846
Office of Small Business Advocate	:	C-2025-3053300
	:	
v.	:	
	:	
National Fuel Gas Distribution Corporation	:	

**JOINT PETITION FOR SETTLEMENT OF
THE SECTION 1307(f) RATE INVESTIGATION**

TO ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS:

I. INTRODUCTION

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), the Office of Consumer Advocate (“OCA”), and National Fuel Gas Distribution Corporation (“Distribution”), parties to the above-captioned proceeding (hereinafter collectively referred to as the “Parties”),¹ hereby join in this “Joint Petition for Settlement of the Section 1307(f) Rate Investigation” (“Settlement”) and respectfully request that Administrative Law Judge Charece Z. Collins (the “ALJ”) and the Commission approve this Settlement, including the rates to become effective for service furnished on and after August 1, 2025, that are set forth in the form of a tariff supplement provided as **Appendix A** hereto. The Parties agree that such rates are subject to revision for actual over/under recoveries of purchased gas costs through June 30, 2025, and for updates related to the calculation of the Monthly Metered Transportation

¹ The Office of Small Business Advocate (“OSBA”) has indicated that it does not oppose the Settlement. OSBA has also advised that it will be filing a Letter of Non-Opposition with the Commission.

(“MMT”) balancing charge. In addition, the Parties request that the ALJ and the Commission make the findings required by the Public Utility Code as provided herein.

The terms and conditions of the Settlement are set forth in their entirety hereinafter. Distribution’s, I&E’s and OCA’s Statements in Support of the Settlement are provided as Appendices “B” through “D” hereto.

II. UPDATED RATE INFORMATION

In 1307(f) rate investigations and settlement thereof, Distribution typically gathers and compiles certain rate information, including:

- a. The agreed upon rates provided in the settlement.
- b. The current rates for each customer class as of the date of the filing by the Company.
- c. The requested and negotiated changes in gas costs for each customer class.
- d. The impact upon each customer class, (i.e., under the proposed rate each customer would have paid X, and under the agreed upon amount, each customer will pay Y) expressed in terms of a dollar amount and percentage, for each.

The information responsive to a-d is contained in the tables below:

PROJECTED AND CURRENT RETAIL GAS COSTS²

PROJECTED GAS COSTS	Natural Gas Supply Charge (\$)	Gas Adjustment Charge (\$)	Distribution Charge (\$)	Total Gas Costs (\$)
Demand	1.8815	0.3666	0.4387	2.6868
Commodity	3.2557	(0.1279)	0.0000	3.1278
Total Projected Gas Costs	5.1372	0.2387	0.4387	5.8146

² The rates in this table will be adjusted to reflect actual gas costs through June 30, 2025, as outlined in this Settlement and will be applicable to all retail classes.

CURRENT GAS COSTS (02/2025)	5.0348	(0.6413)	0.3780	4.7715
Increase/(Decrease)	0.1024	0.88	0.0607	1.0431
% change	2.033%	(137.22%)	16.045%	21.861%

MONTHLY METERED TRANSPORTATION (MMT) RATES³

MMT Rate (Proposed/Estimated)	0.52
MMT Rate (Current)	0.47
Increase/(Decrease)	0.05
% Change	10.63%

RATE IMPACT PER INDIVIDUAL CUSTOMER CLASS

	Annual Amount (\$)	Difference (\$)	Difference (%)
Current Residential			
Total	\$938.39		
Proposed Residential			
Total	\$1,041.76	\$103.37	11.02%
Current Small Commercial UL			
Total	\$3,801.27		
Proposed Small Commercial UL			
Total	\$4,310.67	\$509.40	13.40%
Current Small VIS			
Total	\$3,169.17		
Proposed Small VIS			
Total	\$3,503.87	\$334.70	10.56%

³ The MMT Rate will be adjusted to reflect actual gas delivery volumes through June 30, 2025, as outlined in the Settlement.

III. BACKGROUND

In support of this Settlement, the Parties 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 natural gas sales and transportation services to customers in fourteen counties in northwestern Pennsylvania.

2. Distribution also provides natural gas services in western New York, subject to the regulatory jurisdiction of the New York Public Service Commission.

3. Because Distribution's annual operating revenues derived from providing gas services to customers in Pennsylvania exceed \$40 million, Distribution's recovery of purchased gas costs ("PGC") is governed by Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), and the Commission's regulations at 52 Pa. Code §§ 53.61 — 53.65 and 53.68.

4. On December 30, 2024, Distribution filed data and exhibits supporting recovery of purchased gas costs in compliance with the Commission's regulations at 52 Pa. Code §§ 53.64 - 53.65.

5. On January 7, 2025, OCA filed a Notice of Appearance, Complaint, and Public Statement.

6. On January 8, 2025, I&E filed a Notice of Appearance.

7. On January 17, 2025, Distribution filed an Answer to OCA's complaint.

8. On January 21, 2025, OSBA filed a Notice of Appearance.

9. On January 31, 2025, Distribution filed additional supporting data and exhibits as well as the prepared, written testimony of six witnesses in support of Supplement No. 280 to Tariff Gas — Pa. P.U.C. No. 9, to be effective for service rendered on and after August 1, 2025. Distribution also submitted a Tariff Addendum. The Tariff Supplement and the Addendum set

forth the specific rates proposed by Distribution for recovery of purchased gas costs effective on August 1, 2025.

10. On February 3, 2025, Distribution filed replacement pages to Supplement No. 280 to Tariff Gas — Pa. P.U.C. No. 9.

11. On February 7, 2025, OSBA filed a Complaint and Public Statement.

12. On February 14, 2025, Distribution filed a letter indicating that it would not be filing an answer to OSBA's complaint pursuant to 52 Pa. Code § 5.61(d).

13. On February 18, 2025, the ALJ issued a Prehearing Conference Order which, among other things, scheduled a telephonic prehearing conference for February 24, 2025, and set forth certain rules for the proceeding.

14. On February 20, 2025, I&E, OCA, OSBA, and Distribution submitted prehearing conference memoranda.

15. A prehearing conference was held on February 24, 2025, with the ALJ presiding. At the prehearing conference, the Parties and the ALJ established a litigation schedule for the proceeding, among other things.

16. On February 26, 2025, the ALJ issued a Prehearing Order.

17. On February 26, 2025, the Commission issued a telephonic Evidentiary Hearings Notice, scheduling telephonic evidentiary hearings for March 28 and 31, 2025.

18. During the discovery phase of this proceeding, the intervening parties propounded numerous discovery requests to Distribution. Distribution responded to all of these discovery requests.

19. None of the other parties filed testimony in this proceeding.

20. On March 20, 2025, the Parties informed the ALJ that they had reached a settlement in principle of all issues in the proceeding and requested that the hearings be canceled and that the evidence be admitted by stipulation.

21. On March 21, 2025, Distribution filed an unopposed Motion for Protective Order.

22. On March 26, 2025, the ALJ advised the Parties that she would cancel the hearing upon receipt of a joint stipulation for admission of evidence.

23. On March 27, 2025, the Parties submitted a Joint Stipulation for Admission of Evidence. Also on March 27, 2025, the ALJ canceled the hearings.

24. The terms and conditions of the Settlement are set forth in Sections IV – IX below.

IV. PROPOSED FINDINGS OF FACT

25. Effective on November 1, 2000, Distribution realigned its pipeline and storage capacity in order to identify specific capacity as being held for its New York customers and for its Pennsylvania customers. Generally, delivery points located in Pennsylvania were assigned to the Pennsylvania Division, and delivery points located in New York were assigned to the New York Division. The realignment was approved by the Commission in the Order entered on October 25, 2001, at Docket No. R-00994898.

26. Distribution relies primarily upon gas supplies transported by Tennessee Gas Pipeline, LLC (“Tennessee”), Columbia Gas Transmission, LLC (“Columbia Transmission”), Texas Eastern Transmission, LP (“Texas Eastern” or “TETCO”) and National Fuel Gas Supply Corporation (“Supply”) to meet the requirements of its sales customers in Pennsylvania (Distribution PGC Exhibit No. 8, pp. 2-5).

27. In most instances, Tennessee, Columbia Transmission, and Texas Eastern transport Distribution’s gas supplies to Distribution’s pipeline capacity on Supply. Supply, in turn, either delivers such gas supplies to Distribution for use by Distribution’s sales customers or injects such

supplies into storage fields for later delivery to Distribution for use by its sales customers (Distribution PGC Exhibit No. 4, p. 2, Distribution PGC Exhibit No. 8, pp. 3-4).

28. Supply is an affiliate of Distribution and is subject to the regulatory jurisdiction of the Federal Energy Regulatory Commission (“FERC”) (Distribution PGC Exhibit No. 4, p. 2). Supply owns and operates a transmission system and storage fields, and Supply charges Distribution for transportation and storage services under Supply’s FERC-approved tariff (Distribution PGC Exhibit No. 4, p. 2).

29. Distribution’s capacity on Supply, Tennessee, Columbia Transmission, and Texas Eastern is critical for the operation of the system, the provision of reliable service to customers and Distribution’s least cost fuel procurement policy (Distribution PGC Exhibit No. 8, pp. 2-4).

30. The availability of storage enhances Distribution’s ability to buy gas and to utilize its firm upstream transportation capacity at high load factors (Distribution PGC Exhibit No. 8, p. 8).

31. At least through July 31, 2026, the end of the application period in this proceeding, Distribution will continue to rely principally upon gas supplies transported through facilities of Tennessee, Columbia Transmission, Texas Eastern and Supply, as well as storage (particularly on Supply), to meet the needs of its Pennsylvania sales customers (Distribution PGC Exhibit No. 8, pp. 2-5, PGC Exhibit No. 30).

32. Distribution has fully and vigorously represented the interests of its ratepayers in proceedings before the FERC. (Distribution PGC Exhibit No. 6; Distribution PGC Statement No. 3).

33. Distribution attempts to mitigate the cost of natural gas supplies to its PGC customers through net revenues resulting from off-system sales activities (Distribution PGC Exhibit No. 8, pp. 15-18).

34. Distribution attempts to enter into asset management arrangements, pursuant to FERC Order 712, in order to mitigate the cost of providing gas supplies to its PGC customers (Distribution PGC Exhibit No. 8, p. 19).

35. Distribution participates in a sharing mechanism under which it retains 25 percent of the net revenues from off-system sales, capacity releases and asset management arrangements, including storage fill contracts (Distribution PGC Exhibit No. 8, pp. 17-19).

36. During the twelve months ended November 30, 2024, Distribution purchased 223,291 Mcf of locally-produced gas to serve customers in Pennsylvania (Distribution PGC Exhibit No. 1, Schedule 1, Sheet 1).

37. Locally-produced gas continues to be a useful resource in meeting the requirements of Distribution's sales customers, and Distribution expects to continue to purchase local non-firm, dedicated and excess local production gas in the near-term into its system and Supply's system that will not increase the weighted average commodity cost of gas supplies that it sells to its customers (Distribution PGC Exhibit No. 8, pp. 13-14).

a. Distribution purchases dedicated, non-firm, life of reserves locally produced gas from Appalachian producers that is priced at an Appalachian Index ("AI"). The AI is the simple average of the first of the month spot prices for gas delivered to Dominion Energy Transmission, Inc. and Columbia Transmission (Distribution PGC Exhibit No. 4, p. 13).

b. Distribution purchases excess non-firm local production gas at 80 percent of the AI rate (Distribution PGC Exhibit No. 4, p. 13).

38. Distribution has implemented, with the Commission's approval, a system-wide customer choice program throughout its Pennsylvania service territory under which all customers, except those served under Distribution's Low Income Residential Assistance Program, may choose a natural gas supplier other than Distribution (Distribution PGC Exhibit No. 13; Distribution PGC St. No. 6, pp. 8-10).

39. To maintain service to several remote pockets of customers without constructing additional or replacing pipeline facilities, Distribution has entered into various agreements or tariff sales purchase agreements. Distribution has two exchange agreements – one with UGI Central Penn Gas, Inc (formerly PPL Gas Utilities Corporation and North Penn Gas Company) and one with Columbia Gas of Pennsylvania, Inc. Under the agreements, each company takes from the other volumes of gas needed to provide service. The agreements do not contemplate purchases of gas; instead they contemplate that each company will receive approximately the same volumes of gas from the other over time. If needed, additional deliveries are arranged to eliminate any balance that has built up over time. The companies do not charge each other for this service. Distribution also serves some customers via two interconnects with Peoples Natural Gas Company LLC's ("Peoples") where Distribution is receiving firm gas supplies, subject to Peoples' tariff provisions. (Distribution PGC Exhibit No. 4, pp. 4-5).

V. STANDARDS AND FINDINGS

A. Historic Reconciliation Period Standards.

40. With respect to Distribution's gas purchases and gas purchasing practices during the twelve-month historic reconciliation period ended November 30, 2024, it is requested that the ALJ and the Commission find that Distribution has met the standards of Section 1318 of the Public

Utility Code, 66 Pa.C.S. § 1318, as required by Section 1307(f)(5) of the Public Utility Code, 66 Pa.C.S. § 1307(f)(5), as to all actual purchased gas costs in the historic period. It is requested that the Commission find that, during the twelve months ended November 30, 2024:

- a. Distribution met the requirements of Section 1318(a) of the Public Utility Code by pursuing a least-cost fuel procurement policy, consistent with its obligation to provide safe, adequate and reliable service to its customers; and
- b. Distribution met the requirements of Section 1318(b) of the Public Utility Code relating to purchases from and services provided by affiliates.

B. Projected Period Findings.

41. With respect to the eight-month interim period beginning on December 1, 2024, and with respect to the twelve-month period beginning August 1, 2025, when rates established under this Settlement will be in effect, it is requested that the Commission find, based upon information presently available and based upon evidence of record in this proceeding concerning Distribution's projected purchases and purchasing policies, that the rates to be adopted by the Commission result from Distribution's compliance with the provisions of Section 1318 of the Public Utility Code, including Sections 1318(a)(1), 1318(a)(2), 1318(a)(3), 1318(a)(4), 1318(b)(1), 1318(b)(2) and 1318(b)(3), 66 Pa.C.S. §§ 1318(a)(1), 1318(a)(2), 1318(a)(3), 1318(a)(4), 1318(b)(1), 1318(b)(2) and 1318(b)(3).

42. The Parties agree that, based upon evidence of record in this proceeding concerning Distribution's projected gas purchases and gas purchasing policies, Distribution's projected gas purchases and projected gas purchasing policies may comply with the standards of Section 1318 of the Public Utility Code. Nevertheless, it is expressly understood and agreed that this Section of the Settlement, Section V.B., is made solely for the purpose of setting prospective rates that shall

be subject to the standards of Section 1318 of the Public Utility Code, 66 Pa.C.S. § 1318, and further review in an appropriate future proceeding. Section IV.B. of the Settlement is not intended in any way to limit or prevent I&E, OCA and OSBA from reviewing, after such projected gas purchases actually have been made and gas purchasing practices actually have been implemented, whether Distribution's gas purchases and gas purchasing practices complied with Section 1318. If, in an appropriate future proceeding, gas purchases and gas purchasing practices from December 1, 2024, through July 31, 2025, and the twelve-month application period commencing August 1, 2025, and ending on July 31, 2026, were challenged, the Commission's findings based upon Section IV of the Settlement shall not bar the examination of such purchases and practices, including, but not limited to, disallowance of, or reductions to, such costs during the eight-month interim period commencing December 1, 2024, and ending on July 31, 2025, and the twelve-month application period commencing August 1, 2025, and ending on July 31, 2026.

VI. TERMS AND CONDITIONS OF SETTLEMENT

A. Approval of Filing

43. The Company's 2025 Section 1307(f) filing is approved as updated in the Definitive Filing made on January 31, 2025.

B. PGC Rates

44. The Parties request that the ALJ and the Commission approve the form of tariff supplement provided as **Appendix A** hereto, including the rates set forth therein. The rates in **Appendix A** are subject to further updates for actual over/under recoveries of purchased gas costs through June 30, 2025, for updates related to the calculation of the MMT balancing charge and for updates to the forecasts of wellhead prices. The Company will reflect this update and any other applicable updates in the tariff in its August 2025 compliance filing.

C. Contract Renewals and Changes

45. The Parties agree that the Commission should approve the renewals, extensions and changes in pipelines and storage capacity contracts that are explained in PGC Exhibits 4 and 8 and in Distribution PGC Statement Nos. 2 and 4.

D. Tariff Changes

46. The Parties request that the Commission approve the tariff changes that are set forth in the form of tariff supplement provided as **Appendix A** hereto. The tariff changes are identified in the List of Changes that is included at pages 2-3 of **Appendix A** hereto.

VII. PROPOSED CONCLUSIONS OF LAW

54. The Commission has jurisdiction over the parties and subject matter of this proceeding. 66 Pa.C.S. §§ 1307(f), 1317-18.

55. Distribution has met the requirements of Section 1318 of the Public Utility Code by pursuing a least cost fuel procurement policy, consistent with its obligation to provide safe, adequate and reliable service to its customers. 66 Pa.C.S. § 1318.

56. Distribution's rates for purchased gas costs, as the parties have agreed upon in this proceeding, during the relevant time period are just and reasonable and in compliance with 66 Pa.C.S. § 1318.

57. Distribution has fully and vigorously represented the interests of its ratepayers in proceedings before the FERC and other relevant non-PUC proceedings during the relevant time period in compliance with 66 Pa.C.S. § 1318(a)(1).

58. Distribution has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas supplier which are or may be adverse to the interests of the utility's ratepayers in compliance with 66 Pa.C.S. § 1318(a)(2).

59. Distribution has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies in compliance with 66 Pa.C.S. § 1318(a)(3).

60. Distribution has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy in compliance with 66 Pa.C.S. § 1318(a)(4).

61. Distribution has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests in compliance with 66 Pa.C.S. § 1318(b)(1).

62. Neither Distribution nor its affiliated interests have withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy in compliance with 66 Pa.C.S. § 1318(b)(3).

63. The Settlement is in the public interest.

VIII. PROPOSED ORDERING PARAGRAPHS

64. That the Settlement among Distribution, I&E and OCA in the above-captioned case is hereby approved and adopted without modification.

65. That Distribution shall file a tariff supplement, to become effective on one day's notice of the final Commission order approving the Settlement, containing changes in rates to provide for the recovery of its costs of purchased gas, consistent with the terms and conditions of the Settlement. Said tariff supplement shall be accompanied by a red-lined version that shall fully set forth all changes that will be made to Distribution's current tariffs.

66. That Distribution, I&E, OCA and OSBA shall comply with the terms and conditions of the Settlement submitted in this proceeding as though each term and condition stated therein had been the subject of an individual ordering paragraph.

67. That upon Distribution's filing of a tariff supplement acceptable to the Commission as conforming with this order and the Settlement and the Commission's approval thereof, the purchased gas rates established therein shall become effective for service rendered on and after August 1, 2025.

68. That the complaints filed by the OCA and OSBA in these proceedings at Docket Nos. C-2025-3052846 and C-2025-3053300, respectively, be marked closed.

69. That the investigation at Docket No. R-2025-3052742 be marked closed.

IX. CONDITIONS OF SETTLEMENT

70. The Parties acknowledge and agree that this Settlement shall have the same force and effect as if the Parties had fully litigated this proceeding with regard to the historic period ended November 30, 2024.

71. This Settlement is conditioned upon the Commission's approval of terms and conditions contained herein without modification. If the Commission modifies the Settlement, any of the Parties may elect to withdraw from this Settlement and may proceed with litigation. 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 Parties within five (5) business days after the entry of an order modifying the Settlement.

72. This Settlement is proposed by the Parties to settle certain issues in the instant proceeding and is made without any admission against, or prejudice to, any position which any Party to this Settlement may adopt during any subsequent litigation of this or any other proceeding

if the Commission disapproves this Settlement or if the Commission modifies the Settlement and one or more of the Parties elect to withdraw from the Settlement and proceed to litigation.

73. If the Commission does not approve the Settlement and the proceedings continue to hearings on the issues that are the subjects of this Settlement, the Parties reserve their respective rights to conduct full cross-examination, briefing and argument on these subjects.

74. The Commission's approval of this 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 this Settlement in this and future proceedings involving Distribution.

75. It is understood and agreed among the Parties that this Settlement is the result of compromises and does not necessarily represent the position(s) that would be advanced by any Party in this proceeding if it were fully litigated.

76. This Settlement is being presented in this Section 1307(f) proceeding in an effort to resolve outstanding issues in a manner which is fair and reasonable. The Settlement is the product of compromise. This Settlement is presented without prejudice to any position which any of the Parties may have advanced and without prejudice to the position any of the Parties may advance in the future on the merits of the issues in future proceedings. This Settlement does not preclude the Parties from taking other positions in proceedings under Section 1307(f) concerning the recovery of purchased gas costs by other natural gas distribution companies.

77. Distribution's, I&E's and OCA's respective Statements in Support of the Settlement, setting forth the basis upon which they believe the Settlement is fair, just and reasonable and is, therefore, in the public interest are provided in Appendices "B" through "D" hereto.

X. CONCLUSION

WHEREFORE, the Parties, by their respective counsel, respectfully request that Administrative Law Judge Charece Z. Collins and the Pennsylvania Public Utility Commission:

- (1) approve this “Joint Petition for Settlement of the Section 1307(f) Rate Investigation; and
- (2) make the findings required by the Public Utility Code as provided herein.

Respectfully submitted,



Date: 4/11/2025

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*Counsel for National Fuel Gas
Distribution Corporation*



Date: 4/11/2025

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*Counsel for Bureau of Investigation &
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/s/ Katherine M. Kennedy
Harrison Breitman, Esquire
Katherine M. Kennedy, Esquire
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Harrisburg, PA 17101-1923

Date: 4/11/2025

For Office of Consumer Advocate

APPENDIX A

TARIFF

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

RATES, RULES AND REGULATIONS

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

Issued:

Effective:

D. L. DeCAROLIS, PRESIDENT
BUFFALO, NEW YORK

LIST OF CHANGES MADE BY THIS TARIFF

INCREASE:

1. Distribution Charge for Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial Service Classes increase.
Pages 36, 36A, 41, 41A, 42, 53, 55, 65, 66, 76
2. Gas Adjustment Charges increase for Residential, Commercial and Public Authority, Small Volumes Industrial, Intermediate Volume Industrial, and Large Industrial Service
Pages 36, 41, 41A, 42, 53, 55, 65, 76
3. 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 increase.
Pages 36A, 41, 41A, 42, 53, 55, 66 and 76A.
4. Demand Charges for Load Balancing Service increase.
Pages 48, 61, 72, 79, 82
5. Commodity Charges for Sales Services increase.
Pages 50, 62, 73, 80
6. Commodity Charges for Transportation Service increase.
Page 50, 63, 74, 81
7. Components of Natural Gas Vehicle rates increase.
Pages 83 and 84.
8. Priority Standby Service monthly rate increase.
Pages 93, 95
9. The price for purchase of gas by Distribution from a transportation service customer in the event of a curtailment or interruption will increase.
Pages 106, 117 and 146G.
10. Purchased gas costs in Rider A increase.
Page 147
11. The Price to Compare shown in Rider H increases.
Page 169.
12. MMT Service Rates increased for Residential, "Small" Commercial/ Public Authority >25,000, "Large" Commercial/ Public Authority, Intermediate Volume Industrial, Large Volume Industrial, and Large Industrial Service Classes.
Pages 100 and 101

Issued:

Effective:

LIST OF CHANGES MADE BY THIS TARIFF

INCREASE:

13. SATC Transportation Service rates increase for Residential and Small Volume Industrial.
Page 119A, 120, 121
14. Certain Demand Transfer Recovery Rates ("DTR") increase.
Page 127.
15. SATC Alternative Capacity Release Rate increase.
Page 131.
16. The Merchant Function Charge in Rider G increase.
Page 168.

DECREASE:

1. Components of Natural Gas Vehicle rates decrease.

Issued:

Effective:

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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			
	\$14.00	per Month	
Distribution Charges			
	33.998¢	per 100 cubic feet	(I)
Gas Adjustment Charge			
	2.387¢	per 100 cubic feet	Purchased Gas Cost Component (I)
			(Rider A)
	0.043¢	per 100 cubic feet	Merchant Function Charge (I)
			(Rider G)
	2.430¢	Per 100 cubic feet	Total Gas Adjustment Charge (I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

RESIDENTIAL SERVICE RATE SCHEDULE (cont.)

Natural Gas Supply Charge			
51.372¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.926¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
<u>1.149¢</u>	per 100 cubic feet	Gas Procurement Charge (Rider H)	
53.447¢	per 100 cubic feet Charge	Total Natural Gas Supply	(I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 1.8032% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223. The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge. Residential rate classes shall be subject to Rider F - CAP Discount Charge as set forth in this tariff.

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:

Effective:

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			
\$27.00	per Month		
Distribution Charges			
27.381¢	per 100 cubic feet		(I)
Gas Adjustment Charge			
2.387¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.008¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
2.395¢	per 100 cubic feet	Total Gas Adjustment Charge	(I)
Natural Gas Supply Charge			
51.372¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.175¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
1.149¢	per 100 cubic feet	Gas Procurement Charge (Ride H)	
52.696¢	per 100 cubic feet	Total Natural Gas Supply Charge	(I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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			
	\$37.00	per Month	
Distribution Charges			
	24.942¢	per 100 cubic feet	(I)
Gas Adjustment Charge			
	2.387¢	per 100 cubic feet	Purchased Gas Cost Component (I)
			(Rider A)
	0.008¢	per 100 cubic feet	Merchant Function Charge (I)
			(Rider G)
	2.395¢	per 100 cubic feet	Total Gas Adjustment Charge (I)
Natural Gas Supply Charge			
	51.372¢	per 100 cubic feet	Purchased Gas Cost Component (I)
			(Rider A)
	0.175¢	per 100 cubic feet	Merchant Function Charge (I)
			(Rider G)
	1.149¢	per 100 cubic feet	Gas Procurement Charge (Rider H)
	52.696¢	per 100 cubic feet	Total Natural Gas Supply Charge (I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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

For "Large" Commercial/Public Authority Customers:

Basic Service Charge			
	\$151.00	per Month	
Distribution Charges			
	21.009¢	per 100 cubic feet	(I)
Gas Adjustment Charge			
	2.387¢	per 100 cubic feet	Purchased Gas Cost Component (I)
			(Rider A)
	<u>0.008¢</u>	per 100 cubic feet	Merchant Function Charge (I)
			(Rider G)
	2.395¢	per 100 cubic feet	Total Gas Adjustment Charge (I)
Natural Gas Supply Charge			
	51.372¢	per 100 cubic feet	Purchased Gas Cost Component (I)
			(Rider A)
	0.175¢	per 100 cubic feet	Merchant Function Charge (I)
			(Rider G)
	<u>1.149¢</u>	per 100 cubic feet	Gas Procurement Charge (I)
			(Rider H)
	52.696¢	per 100 cubic feet	Total Natural Gas Supply Charge (I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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:

Effective:

1. The purchased gas demand costs applicable to the Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial classes, the "DC", shall be obtained from Rider "A" - Section 1307(f) Purchased Gas Costs.
2. The number 12 shall be multiplied by the sum of (a) the volume of gas (expressed in Mcf) purchased from the Company by all Residential, Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company peak Sales Month and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month.
 - (a) "Company Peak Sales Month" is defined as the calendar month within which the Company experienced the System-Wide Peak Sales Day, such month being December, January or February preceding the Section 1307(f) Application Period for which the determination of the rate per Gas BDU is being made.
 - (b) "System-Wide Peak Sales Day" is defined as the day of maximum gas purchased by the Company, including all volumes of gas purchased from the Company throughout its entire system in the states of Pennsylvania and New York.
3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$1.2613/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$3.6844 (I)
per Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$3.1278/Mcf	(I)
Non Gas Costs	\$0.5566/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus
2. The amount of \$0.5566 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$1.0266 per Mcf, which includes \$0.5566 for recovery of non-gas costs and \$0.4700 for recovery of purchased gas.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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

MONTHLY RATE

Basic Service Charge			
\$82.00	per Month		
Distribution Charges			
25.109¢	per 100 cubic feet		(I)
Gas Adjustment Charge			
2.387¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
<u>0.008¢</u>	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
2.395¢	per 100 cubic feet	Total Gas Adjustment Charge	(I)
Natural Gas Supply Charge			
51.372¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.175¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
<u>1.149¢</u>	per 100 cubic feet	Gas Procurement Charge (Rider H)	
52.696¢	per 100 cubic feet	Total Natural Gas Supply Charge	(I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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:

Effective:

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

Basic Service Charge			
\$252.00	per Month		
Distribution Charges			
17.734¢	per 100 cubic feet		(I)
Gas Adjustment Charge			
2.387¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.008¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
2.395¢	per 100 cubic feet	Total Gas Adjustment Charge	(I)
Natural Gas Supply Charge			
51.372¢	per 100 cubic feet	Purchased Gas Cost Component (Rider A)	(I)
0.175¢	per 100 cubic feet	Merchant Function Charge (Rider G)	(I)
1.149¢	per 100 cubic feet	Gas Procurement Charge (Rider H)	
52.696¢	per 100 cubic feet	Total Natural Gas Supply Charge	(I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with the provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge 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

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

Industrial and Large Industrial customers, during the Company peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volumes of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$1.2613/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.5122 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$3.5086 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$3.1278/Mcf	(I)
Non Gas Costs	\$0.3808/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

- 1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

2. The amount of \$0.3808 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$0.8908 per Mcf, which includes \$0.3808 for recovery of non-gas costs and \$0.5100 for recovery of purchased gas. (I)

V. SURCHARGE

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. 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:

Effective:

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			
\$1,023.00	per Month		
Distribution Charges			
14.630¢	per 100 cubic feet		(I)
Gas Adjustment Charge			
2.387¢	per 100 cubic feet	Purchased Gas Cost Component	(I)
		(Rider A)	
0.008¢	per 100 cubic feet	Merchant Function Charge	(I)
		(Rider G)	
2.395¢	Per 100 cubic feet	Total Gas Adjustment Charge	(I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

LVIS
Large Volume Industrial Service (Cont'd)

Natural Gas Supply Charge				
51.372¢	per 100 cubic feet	Purchased Gas Cost Component	(I)	
		(Rider A)		
0.175¢	per 100 cubic feet	Merchant Function Charge	(I)	
		(Rider G)		
<u>1.149¢</u>	per 100 cubic feet	Gas Procurement		
		Charge (Rider H)		
52.696¢	per 100 cubic feet	Total Natural Gas Supply	(I)	
	Charge			

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

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.

APPLICABLE PERIOD

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

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

Commercial and Public Authority, Small Volume Industrial, Intermediate Volume Industrial, Large Volume Industrial and Large Industrial customers, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS and (b) the volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$1.2613/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered qualifying load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered qualifying load balancing facilities that ended during on of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.3182 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$3.3751 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$3.1278/Mcf	(I)
Non Gas Costs	\$0.2473/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

- 1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

2. The amount of \$0.2473 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$0.7573 per Mcf, which includes \$0.2473 for recovery of non-gas costs (I) and \$0.5100 for recovery of purchased gas.

V. SURCHARGE

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. 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:

Effective:

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
\$1,165.00 per Month

Distribution Charges
10.380¢ per 100 cubic feet (I)

Gas Adjustment Charge
2.387¢ per 100 cubic feet Purchased Gas Cost Component (I)
(Rider A)
0.008¢ per 100 cubic feet Merchant Function Charge (I)
(Rider G)
2.395¢ per 100 cubic feet Total Gas Adjustment Charge (I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

LIS
Large Industrial Service (Cont'd)

Natural Gas Supply Charge			
51.372¢ per 100 cubic feet		Purchased Gas Cost Component (Rider A)	(I)
0.175¢ per 100 cubic feet		Merchant Function Charge (Rider G)	(I)
<u>1.149¢</u> per 100 cubic feet		Gas Procurement Charge (Rider H)	
52.696¢ per 100 cubic feet		Total Natural Gas Supply Charge	(I)

The Natural Gas Supply Charge shall include a Merchant Function Charge (Rider G) to recover uncollectible costs associated with purchase gas costs of 0.3398% and the Gas Procurement Charge (Rider H) to recover costs of procuring natural gas pursuant to 52 Pa. Code §62.223.

The above non-purchased gas cost rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

GAS SHORTAGE CURTAILMENT

Service under this schedule to an LIS Industrial Customer is subject to curtailment and excess consumption penalty as set forth in Rule 26 of this tariff.

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:

Effective:

LBS and (b) volume of service (expressed in Mcf) to all customers under the "Monthly Volume" provisions of Rate Schedule SB, during the Company Peak Sales Month defined in Rate Schedule CPA-LBS.

3. The amount determined in Item 1 above shall be divided by the amount determined in Item 2 above to determine the amount included in the rate for recovery of purchased gas costs.
4. The rate per Gas BDU shall be the amount for purchased gas demand costs (Item 3).

The current rate per Gas BDU is as follows:

Purchased Gas Demand Cost	\$1.2613/BDU	(I)
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Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made, under Items 1, 2 and 3, above, of the component to be included in the rate for purchased gas demand costs and the rate per Gas BDU shall be changed accordingly.

b. Determination of Customer's Gas BDUs

The Customer's Gas BDUs shall be determined as follows: The actual volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Gas BDUs applicable to Customer shall be zero (0).

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

2. Margin Demand Charge

- a. The rate per Margin BDU shall be \$.2517 per Margin BDU.
- b. Determination of Customer's Margin BDUs

The Customer's Margin BDUs shall be determined as follows: The actual deliveries of gas to the Customer by Company, including not only volumes of gas purchased by the Customer from the Company and used by the Customer in the separately-metered load balancing facilities but also volumes of Customer-owned gas transported to the Customer's load balancing facilities through the Company's facilities, during such Customer's Peak billing Cycle, as defined hereinafter, shall be multiplied by a fraction. The numerator shall be the number 30. The denominator shall be the number of days of service for which such Customer was billed in such Customer's Peak Billing Cycle.

The Customer's Peak Billing Cycle shall be the single billing cycle of maximum delivery to the Customer's separately-metered load balancing facilities that ended during one of the months of December, January, February and March during the period beginning with the most recently-completed billing cycle ended in December and ending with the current billing cycle.

If the customer used no gas under this rate schedule during the most recently concluded billing cycles ended in December, January, February or March, then the level of Margin BDUs applicable to Customer shall be zero (0).

B. COMMODITY CHARGES FOR SALES AND FOR TRANSPORTATION SERVICE

1. Commodity Charge for Sales Service

The monthly Commodity Charge for Sales Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas sold to the Customer by the Company during the applicable billing cycle.

The rate per Mcf shall be determined as follows and shall be \$3.3202 per (I) Mcf, subject to revision as provided below:

The current components of the rate are as follows:

Purchased Gas Commodity		
Costs, set forth in Rider "A"	\$3.1278/Mcf	(I)
Non Gas Costs	\$0.1924/Mcf	

a. Determination of Rate per Mcf

The rate per Mcf shall be the sum of:

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

1. The net amount per Mcf for recovery of the commodity component of purchased gas costs and for recovery or refund of "E" factor amounts, the "PGCC", as determined in Rider "A" - Section 1307(f) Purchased Gas Costs of this tariff; plus

2. The amount of \$.1924 per Mcf for recovery of non-gas costs.

Each time there is a change in the provision for recovery of purchased gas costs pursuant to Rider "A" of this tariff, a recomputation shall be made of the commodity component of purchased gas costs (Item 1, above) and the rate per Mcf shall be changed accordingly. The component included in the rate for recovery of non-gas costs shall remain constant until changed in accordance with a procedure, other than a proceeding pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. Section 1307(f).

2. Commodity Charge for Transportation Service

The monthly Commodity Charge for Transportation Service shall be the product of multiplying the rate per Mcf, determined as provided below, by the volume of gas transported by the Company to the Customer's load balancing facilities.

The rate per Mcf for transportation of gas under this rate schedule shall be \$0.7024 per Mcf, which includes \$0.1924 for recovery of non-gas costs and \$0.5100 for recovery of purchased gas. (I)

V. SURCHARGE

The non-purchased gas cost Demand Charges and the non-purchased gas cost Commodity Charge for Sales Service and the non-purchased gas cost Commodity Charge for Transportation Service shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - Section 1307(f) Purchased Gas Costs.

VII. SPECIAL PROVISIONS

Monthly metered Special Provisions A through J contained in the Company's Rate Schedule for Transportation Service shall apply to transportation service under this rate schedule.

VIII. 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:

Effective:

RATE SCHEDULE - NGV

NATURAL GAS VEHICLE SERVICE

I. APPLICABILITY

Throughout the territory served under this tariff.

II. AVAILABILITY

Sales Service under this rate schedule is available for use of natural gas by a customer directly in a natural gas motor vehicle ("NGV").

III. NATURE OF SERVICE

Service provided in this rate schedule shall be firm service subject to the curtailment priorities of Rule 26. For curtailment purposes, service under this rate schedule shall be defined as curtailment priority number (6), firm large noncritical commercial and industrial requirements other than requirement for boiler fuel use.

IV. RATE

Rates per 100 cu. Ft. shall be established by the Company on the first day of each calendar month for each of the categories set forth below to compete with alternative vehicle fuels. The rates shall not be less than the 100% load factor base cost of gas, plus the take-or-pay surcharge, plus the surcharge for Transition Cost, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any, plus \$0.01 per cu. ft., plus the state tax adjustment surcharge, and not more than the tailblock rate of the Commercial and Public Authority Service Rate Schedule, including all applicable surcharges, plus the incremental operating cost incurred by the Company for operating Company owned NGV compression equipment on a per Ccf basis, if any.

The 100% load factor base cost of gas shall be \$0.43891 per 100 cu. ft. (I)
(as calculated by adding the purchase gas components of the Load Balancing Service Rates).

Purchased Gas 100% Load Factor Demand Cost	\$0.12613/Ccf	(I)
plus Purchased Gas Commodity Cost	<u>\$0.31278/Ccf</u>	(I)
Equals 100% Load Factor Base Cost of Gas	\$0.43891/Ccf	(I)

The incremental operating cost for compression shall be \$0.13436/Ccf.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

Natural gas vehicle customers are classified into the following categories:

NGV(1) All natural gas vehicle customers utilizing Company owned filling facilities. A uniform rate shall be established each month within the parameters set forth above, for customers utilizing Company-owned filling facilities.

The minimum NGV(1) rate shall be: \$0.58275/Ccf (I)

The current components of the minimum NGV(1) rate are as follows:

100% load factor base cost of gas:	\$0.43891/Ccf	(I)
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge	\$(0.00052)/Ccf	(D)
Minimum allowable Non-Gas cost	\$0.01000/Ccf	

The maximum NGV(1) rate shall be: \$0.89455/Ccf (I)

The current components of the maximum NGV(1) rate are as follows:

Tailblock rate of the Commercial and Public Authority Service Rate schedule:	\$0.76100/Ccf	(I)
Incremental operating cost of Company owned NGV compression equipment:	\$0.13436/Ccf	
State Tax Adjustment Surcharge	\$(0.00081)/Ccf	(D)

NGV(2) Natural gas vehicle customers utilizing customer owned filling facilities. A uniform rate will be established each month within the parameters set forth above, to customers utilizing customer owned filling facilities.

The minimum NGV(2) rate shall be: \$0.44851/Ccf (I)

The current components of the minimum NGV(2) rate are as follows:

100% load factor base cost of gas:	\$0.43891/Ccf	(I)
Transition Cost Surcharge	\$0.00000/Ccf	
State Tax Adjustment Surcharge	\$(0.00040)/Ccf	(D)
Minimum allowable Non-Gas cost	\$0.01000/Ccf	

The maximum NGV(2) rate shall be: \$0.76032/Ccf (I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

The current components of the maximum NGV(2) rate are as follows:

Tailblock rate of the Commercial and Public Authority		(I)
Service Rate schedule:	\$0.76100/Ccf	
State Tax Adjustment Surcharge	\$(0.00068)/Ccf	(D)

V. SURCHARGE

All non-purchased gas cost charges under this rate schedule will be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge as set forth in this tariff.

VI. AMOUNTS TO BE INCLUDED IN OVER/UNDERCOLLECTION OF GAS COSTS

Purchased gas cost revenues billed under this rate schedule shall be included as revenues for recovery of gas costs for purposes of computing Factor "E" of Company's 1307(f) rate in accordance with procedures set forth in Rider "A" - section 1307(f) Purchased Gas Costs. Purchased gas cost revenues recovered under this rate schedule shall be the 100% load factor base cost of gas as defined above.

VII. 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:

Effective:

RATE SCHEDULE PSB

PRIORITY STANDBY SERVICE

APPLICABILITY

Throughout the territory served under this tariff.

AVAILABILITY OF SERVICE

Service under this rate schedule is available to all customers under the Residential, Commercial and Public Authority, and SVIS Rate Schedules which enter into a contract for service under this Rate Schedule. A customer will be permitted to enter into a contract, prepared by the Company, for service under this rate schedule, however, only if the Company projects that sufficient volumes of gas will be available to the Company during the period of the customer's contract for Priority Standby Service.

Service under this rate schedule is mandatory for all customers categorized as Priority 1 under the curtailment priorities of Rule 26 who enter into contracts with the Company to receive Transportation Service and who do not have dual or alternate fuel equipment on site which is installed and operable with sufficient amounts of alternate fuel available on site during each winter period of each year commencing on December 1 and ending on March 31 of the following year. Service under this rate schedule is voluntary for all other customers.

NATURE OF SERVICE

Priority standby service shall permit the customer to purchase gas on a firm basis subject to curtailment priorities of Rule 26. The Company will take all reasonable steps to obtain or to maintain gas supplies sufficient to enable the Company to provide reasonably continuous service to each Customer receiving Priority Standby Service.

MONTHLY RATE

The monthly rate shall be \$1.2284 per Mcf, which shall be applied to the (I) total monthly volumes transported by the customer during the month.

The rate shall equal the PGDC portion of the commodity rate applicable to the corresponding sales rate classification.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

MONTHLY RATE

The monthly rate shall be \$0.5764 per Mcf, which shall be applied to (I)
the Monthly Volume, as defined below.

MONTHLY VOLUME

The Mcf volume of gas to which the Monthly Rate set forth above shall
be applied, shall be determined for each billing cycle, as set forth below;

1. The volume of gas specified in the Service Agreement under this rate schedule shall be adjusted for each billing cycle by, multiplying such volume, expressed in Mcf, by a fraction. The numerator of the fraction shall be the number of days in the billing cycle applicable to the customer and the denominator shall be thirty (30).
2. If the volume determined under item 1, above, is greater than the sum of the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, the Monthly Rate shall be applied to the difference between: (a) the volume determined under item 1, above, and (b) the Mcf volume of gas purchased by the customer under the rate schedules other than load balancing rate schedules during such billing cycle.
3. If the volume determined under item 1, above, is equal to or less than the Mcf volume of gas purchased by the customer under rate schedules other than load balancing rate schedules during the billing cycle, then the Monthly Volume shall be zero (0) Mcf.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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

MONTHLY RATES

Commodity Rates

The commodity rates set forth below contain a component, presently (I)
\$0.5100 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:

\$3.4711 Mcf (I)

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:

\$2.8094 per Mcf for Small Commercial/Public Authority using not more (I)
than 250 Mcf per year

\$2.5655 per Mcf for Small Commercial/Public Authority using greater (I)
than 250 Mcf but not more than 1,000 Mcf per year

\$2.1772 per Mcf for Large Commercial/Public Authority (I)

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:

\$2.8094 per Mcf for Small Commercial/Public Authority using not more (I)
than 250 Mcf per year

\$2.5655 per Mcf for Small Commercial/Public Authority using greater (I)
than 250 Mcf but not more than 1,000 Mcf per year

\$2.1722 per Mcf for Large Commercial/Public Authority (I)

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

\$2.5822 per Mcf for SVIS Customers (I)

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

\$2.5822 per Mcf for SVIS Customers (I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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:
\$1.8447 per Mcf for IVIS Customers (I)

For transportation of gas to Intermediate Volume Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:
\$1.8447 per Mcf for IVIS Customers (I)

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:
\$1.5343 per Mcf (I)

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:
\$1.5343 per Mcf (I)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced within the Commonwealth of Pennsylvania shall be:
\$1.1093 per Mcf (I)

For transportation of gas to Large Industrial Customers, the monthly rate for transportation of gas produced outside the Commonwealth of Pennsylvania shall be:
\$1.1093 per Mcf (I)

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:

Effective:

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the MMT Customer must sell to the Company all or a portion of the MMT Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$5.5714. (I)

F. If for any reason (including the default of an MMNGS Supplier), the MMNGS Supplier fails to provide sufficient daily deliveries of natural gas supplies to meet the MMT Customers DDQ pursuant to the terms of MMNGS supply service, and/or MMT Customer's MMNGS Supplier does not provide complete compensation to the Company for services provided under Rate Schedule MMNGS, Special Provision D.3, the Company shall charge the MMT Customer for the deficient daily deliveries under the applicable gas sales rate schedule plus applicable surcharge as set forth in Rate Schedule SB Special Provisions.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the DMT Service Customer must sell to the Company all or a portion of the DMT Service Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate, which is \$5.5714. (I)

F. If a Gas Service Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("excess deliveries"), the Gas Service Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining excess deliveries of gas from the DMT service Customer at a rate equal to the lowest of (1) the cost at which it was acquired by the DMT Service Customer, including pipeline transportation charges, or (2) the Company's average commodity delivered cost of gas to National Fuel Gas Supply Corporation, or (3) the Company's average commodity cost of locally produced gas during the month when excess deliveries were received by the Company. The cost at which the DMT Service Customer acquired the gas will be determined from such Customer's contract with the supplier or by a sworn affidavit setting forth the Customer's cost of gas, including cost of delivery of such gas to the Company's system. Upon request by the Company, the DMT Service Customer will be required to furnish to the Company the DMT service Customer's choice of (1) a copy of this contract or (2) an affidavit. The banking/balancing period shall be the three billing months after the billing month in which the Company received excess deliveries in behalf of the Customer.

G. "Underdeliveries" are volumes of gas taken from the Company by a Gas Service Customer in excess of the sum of (1) any excess deliveries of the customer at the beginning of the day and (2) the volume of gas delivered to the Company for the customer's account, after adjustment for line losses less volumes of volumes of gas determined to be sales by the Company to the customer. Cumulative underdeliveries, as determined each day, in excess of two percent of the volume of gas delivered by the Company to the customer that day, shall be a sale of gas by the Company to the customer under the applicable rate schedule plus applicable surcharges as set forth in Rate Schedule SB Special Provisions and shall not be recharacterized as transportation service under any circumstances. Cumulative underdeliveries of not more than two percent of the volume of gas delivered to a customer by the Company on any day may be offset by volumes of gas delivered to the Company for the customer's account, after adjustment for line losses, in excess of the volume of gas taken by the customer from the Company on subsequent days within the same billing month.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

RATE SCHEDULE SATC
SMALL AGGREGATION TRANSPORTATION CUSTOMER SERVICE (Cont'd)

RATES AND CHARGES

A. Customer Transportation Service Rates

The Company will provide transportation services to deliver gas supplies to the SATC Customer(s). The Customer shall be billed the charges for the transportation services rendered for it at the appropriate charges provided herein for which service the SATC Customer qualifies.

The SATC Customer shall pay the following transportation charges for the transportation of gas. The commodity rates set forth below contain a component, presently \$0.04387 per Ccf, for the recovery of purchased gas demand costs and shall be adjusted pursuant to Rider A of the tariff. Such purchased gas costs collected through these rates shall be included as revenues for the recovery of purchased gas costs as specified in Rider A of this tariff. (I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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:

\$14.00	Basic Service Charge	
\$0.33998	per 100 cubic feet (I)	(I)

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:

\$27.00	Basic Service Charge	
\$0.27381	per 100 cubic feet	(I)

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:

\$37.00	Basic Service Charge	
\$0.24942	per 100 cubic feet	(I)

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

\$151.00	Basic Service Charge	
\$0.21009	per 100 cubic feet	(I)

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

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:

\$82.00 Basic Service Charge
\$0.25109 per 100 cubic feet (I)

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:

\$252.00 Basic Service Charge
\$0.17734 per 100 cubic feet (I)

B. Miscellaneous Customer Surcharges

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

2. The above non-purchased gas cost SATC rates shall be subject to surcharges in accordance with provisions of Rider B - State Tax Adjustment Surcharge and DSIC - Distribution System Improvement Charge.

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

RATE SCHEDULE SATS
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

C. Total Upstream Capacity Requirements for SATS Suppliers

SATS Suppliers shall be required to provide sufficient firm pipeline transportation and storage capacity to meet the estimated extreme day requirements of their SATC Customer groups as further described below. The SATS Suppliers' estimated extreme day requirements of their SATC Customer Group used for Supplier capacity allocations and requirements shall be based on a sixty-two (62) degree day extreme peak day calculation. The Company shall utilize peaking and temperature swing storage capacity retained by the Company and recovered through SATC rates to provide for any variances between actual and forecasted usage and for any peak delivery requirements for days colder than sixty-two (62) degree days.

Such sufficient pipeline transportation and storage capacity shall be provided through the following means:

1. Released ESS Storage Capacity and Associated EFT Capacity

a. Requirements To Be Met Through ESS Storage

52% of extreme peak day requirements shall be provided through the Company's ESS storage and associated EFT transportation capacity on NFGSC. Such NFGSC Storage and transmission capacity shall be released to SATS Suppliers at the maximum rate under the pipeline's FERC gas tariff. (D)

b. Initial Assignment of ESS Storage Capacity

In a month a SATS Supplier begins to serve SATC customers, it shall be provided with an initial assignment of storage capacity, based on the percentage set forth at C.1.a. above, to meet the Supplier's requirements for the upcoming winter period. Approximately fifteen days prior to the close of nominations for the month, the Company will calculate the quantity of storage capacity released to match the SATS Supplier's winter requirements based on the number of SATC Customers aggregated by the Supplier. If the initial assignment takes place in a month other than April, the Company will transfer storage gas to the Supplier pursuant to C.1.c below. The SATS Supplier shall be responsible for all taxes and pipeline fees associated with moving or transferring the storage gas to the Company.

(D) Indicates Decrease
(I) Indicates Increase

Issued:

Effective:

RATE SCHEDULE SATS
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

c. Additional Assignments of ESS Storage Capacity

Approximately fifteen days prior to the close of nominations for each month, the Company will recalculate the quantity of storage capacity released to match the SATS Supplier's revised winter requirements based on the number of SATC Customers aggregated by the Supplier. If additional SATC Customers join a SATS Supplier's SATC Customer Group, the Company will release additional capacity as required, based on the percentage set forth at C.1.a. above. In addition, the SATS Supplier will be required to pay the Company for storage gas transferred and all taxes and pipeline fees associated with moving or transferring the storage gas to the Supplier. The storage gas transfer rate shall be the sum of (1) the higher of the Company's average cost of gas based upon the Company's Section 1307f rate, or the DMI for the first day of month in which gas is transferred plus all transportation costs to the Company's City Gate, plus (2) the demand Transfer Recovery Rate ("DTR Rate"). The DTR rate shall equal the per Mcf System Average Unrecovered Demand Charge revenue beginning in the month of April through the initial month that storage capacity is released to the Supplier. The System Average Unrecovered demand Charge Revenue shall equal the sum of the differences between the average demand charge revenues and the average fixed demand costs beginning the month of April through the initial month that storage capacity is released to the Supplier.

The DTR by month shall be as follows:

Capacity Transfer Month	DTR \$/Mcf	
April	\$0.00	
May	\$0.00	
June	\$0.00	
July	\$0.00	
August	\$0.00	
September	\$0.00	
October	\$0.00	
November	\$0.94	(I)
December	\$1.31	(I)
January	\$1.09	(I)
February	\$0.56	(I)
March	\$0.00	

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

RATE SCHEDULE SATS
SMALL AGGREGATION TRANSPORTATION SUPPLIER SERVICE (Cont.)

2. Released Transmission Capacity Not Included in SATC
Transportation Rates

48% of extreme peak day requirements is to be provided by the release of pipeline capacity upstream of NFGSC and the release of associated EFT transportation capacity on NFGSC which is not included in transportation rates. All such capacity shall be released to SATS Suppliers, and SATS Suppliers shall take such released capacity, at the maximum rate under the pipeline's FERC gas tariff. The actual pipeline capacity path upstream of NFGSC to be released to the Supplier by the Company shall be designated by the Company from its available capacity. The Company will attempt to accommodate a Supplier's request for particular capacity on a first-come first-serve basis. (I)

As an alternative to the above, the Company may designate an alternative capacity path(s) from its available capacity. The capacity release rate for the pipeline capacity path released to the Supplier shall be \$7.1451/Dth which equals the weighted average demand cost of upstream capacity, however, capacity released on NFGSC will be released at the maximum rate under NFGSC's FERC gas tariff. The Company will post a listing of the alternative capacity path(s) designated, including the associated quantity of capacity, on its web site. (I)

For capacity termination notices, prior to the termination notice date of any capacity contract in this Section C.2., the Company will issue a request for proposals to qualified Suppliers under this tariff to determine if the Company should terminate, renew, or replace such contract, in whole or in part. The Company will terminate a proportionate share of the capacity contract if: (1) Suppliers demonstrate that they will provide comparable firm capacity to serve the Company's core customers, (2) the Suppliers agree to assign such comparable capacity at the contracted price to the Company upon Company request if such capacity is required to meet supply requirements of SATC Customers due to the termination of the SATS Supplier pursuant to Section H.1. or if the Supplier has reduced the level of delivery requirements from the previous periods requirements, and 3) the Commission approves such comparable capacity. Comparable capacity must have firm rights for at least the seven (7) winter months, and such capacity must have primary delivery rights into available primary receipt rights on NFGSC held by the Company. Comparable capacity must have firm capacity rights sufficient in volume and duration (with renewal rights) to serve the customers to be served by the SATS Supplier. The Company will post a listing of capacity contracts, including the associated quantity of capacity, that it determines to be of critical status on its web site.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

E. In the event of interruption or curtailment of transportation service, pursuant to items C and D, above, and during such period of interruption or curtailment, the DMLMT Service customer must sell to the Company all or a portion of the DMLMT Service Customer's supply of gas at the higher of (1) the Transportation Service Customer's cost of purchased gas at the point of delivery to the Company or (2) the Company's average cost of purchased gas per Mcf, as determined based upon the Company's Section 1307(f) Rate which is \$5.5714.

(I)

F. If a Gas Service Customer receiving gas transported by the Company uses less than the amount of gas delivered into the Company's system for transportation to such Customer ("excess deliveries"), the Gas Service Customer receiving gas transported by the Company may use such gas during the banking/balancing period defined below, following which the Company shall have the right, but not the obligation, to purchase remaining excess deliveries of gas from the DMLMT Service Customer at a rate equal to the lowest of (1) the cost at which it was acquired by the DMLMT Service Customer, including pipeline transportation charges, or (2) the Company's average commodity delivered cost of gas to National Fuel Gas Supply Corporation, or (3) the Company's average commodity cost of locally-produced gas during the month when excess deliveries were received by the Company. The cost at which the DMLMT Service Customer acquired the gas will be determined from such Customer's contract with the supplier or by a sworn affidavit setting forth the Customer's cost of gas, including cost of delivery of such gas to the Company's system. Upon request by the Company, the DMLMT service Customer will be required to furnish to the Company the DMLMT Service Customer's choice of (1) a copy of this contract or (2) an affidavit. The banking/balancing period shall be the three billing months after the billing month in which the Company received excess deliveries in behalf of the Customer.

G. "Underdeliveries" are volumes of gas taken from the Company by a Gas Service Customer in excess of the sum of (1) any excess deliveries of the customer at the beginning of the day and (2) the volume of gas delivered to the Company for the customer's account, after adjustment for line losses less volumes of gas determined to be sales by the Company to the customer. Cumulative underdeliveries, as determined each day, in excess of two percent of the volume of gas delivered by the Company to the customer that day, shall be a sale of gas by the Company to the customer under the applicable rate schedule plus applicable surcharges as set forth in Rate Schedule SB Special Provisions and shall not be recharacterized as transportation service under any circumstances. Cumulative underdeliveries of not more than two percent of the volume of gas delivered to a customer by the Company on any day may be offset by volumes of gas delivered to the Company for the customer's account, after adjustment for line losses, in excess of the volume of gas taken by the customer from the Company on subsequent days within the same billing month.

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

RIDER A
SECTION 1307(F) PURCHASED GAS COSTS
PROVISION FOR RECOVERY OF PURCHASED GAS COSTS

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Low Income Residential Assistance Service, Commercial and Public Authority, Commercial and Public Authority Load Balancing Service ("LBS"), Small Volume Industrial, Intermediate Volume Industrial, Intermediate Volume Industrial LBS, Large Industrial, Large Industrial LBS, Large Volume Industrial, Large Volume Industrial LBS and Natural Gas Vehicle Service rate schedules of this tariff, shall include \$1.9604 per Mcf for recovery of purchased gas commodity costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas supplied under Residential, Commercial and Public Authority, Small Volume Industrial Service, Intermediate Volume Industrial, Large Volume Industrial Service, Large Industrial Service and Standby Service rate schedules of this tariff, shall include \$1.8715 per Mcf for recovery of purchased gas demand costs, calculated in the manner set forth below, pursuant to Section 1307(f) of the Public Utility Code. (I)

Rates for each Mcf (1,000 cubic feet) of gas transported under the Small Aggregation Transportation Customer Rate Schedule shall include \$0.3676 per Mcf for the recovery of purchased gas demand costs. (I)

Such rates for gas service shall be increased or decreased, from time to time, as provided by Section 1307(f) of the Public Utility Code and the Commission's regulations, to reflect changes in the level of purchased gas costs.

The amounts per Mcf for recovery of purchased gas costs (commodity and demand) included in rates under each rate schedule of the tariff are as follows:

	Distribution		Gas Adjustment	Natural Gas	
	Total	Charges	Charge	Supply Charge	
Residential	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Low Income Residential Assistance Service	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Commercial/Public Authority	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Small Volume Industrial	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Intermediate Volume Industrial	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Large Volume Industrial	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Large Industrial	\$5.8146	\$0.4387	\$0.2387	\$5.1372	(I)
Standby	\$0.5764				(I)
Priority Standby	\$1.2284				(I)
Small Aggregation Transportation Customer Rate Schedule	\$0.4387	\$0.4387			(I)

(I) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

Rider G
Merchant Function Charge (MFC) Rider

Applicability:

The Merchant Function Charge (MFC) shall be added to the Natural Gas Supply Charge and Gas Adjustment Charge of Residential, CAP, Commercial and Public Authority, SVIS, IVIS, LVIS and LIS rate schedules.

Such charges shall be updated quarterly and effective each February 1, May 1, August 1, and November 1 of the year. The charge will also be updated whenever there is a change to the Sales Service Rate Customer Charge, Distribution Charge, Natural Gas Supply Charge or Gas Adjustment Charge.

Calculation of Rate:

For customers receiving service in the Residential classification, the MFC shall equal 1.8032% times the Natural Gas Supply Charge and the Gas Adjustment Clause as calculated for Rider A.

The current Residential MFC Charge is:

Natural Gas Supply Charge per Mcf	\$0.0926	(I)
Gas Adjustment clause (E-Factor) per Mcf	\$0.0043	(I)
Total Residential MFC per Mcf	\$0.0969	(I)

For customers receiving service in the Non-Residential classifications, the MFC shall equal 0.3398% times the Natural Gas Supply Charge and Gas Adjustment Clause as calculated for Rider A.

The current Non-Residential MFC Charge is:

Natural Gas Supply Charge per Mcf	\$0.0175	(I)
Gas Adjustment clause (E-Factor) per Mcf	\$0.0008	(I)
Total Non-Residential MFC per Mcf	\$0.0183	(I)

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

Issued:

Effective:

Rider H
Gas Procurement Charge (GPC)

APPLICABILITY

Effective June 1, 2013, the Gas Procurement Charge will be included in the Natural Gas Supply Charge of Residential, CAP, Commercial and Public Authority, SVIS, IVIS, LVIS and LIS rate schedules.

The charge is designed to recover the costs of procuring natural gas pursuant to 52 Pa. Code §62.223. The natural gas procurement costs included in the GPC charge will only be updated in a base rate case.

The GPC to be included in the Natural Gas Supply Charge shall be \$0.1149 / Mcf and is not reconcilable.

	Residential (¢ per 100 cubic feet)	Non Residential (¢ per 100 cubic feet)	
Price To Compare Component			
Natural Gas Supply Charge			
Purchased Gas Cost Component (Rider A)	51.372	51.372	(I)
Merchant Function Charge associated with Natural Gas Supply Charge (Rider G)	0.926	0.175	(I)
Gas Procurement Charge (Rider H)	<u>1.149</u>	<u>1.149</u>	
Subtotal Natural Gas Supply Charge	53.447	52.696	(I)
Gas Adjustment Charge			
Purchased Gas Cost Component (Rider A)	2.387	2.387	(I)
Merchant Function Charge associated with Gas Adjustment Charge (Rider G)	0.043	0.008	(I)
Subtotal Gas Adjustment Charge	<u>2.430</u>	<u>2.395</u>	(I)
Total Price To Compare	<u>55.877</u>	<u>55.091</u>	(I)

(C) Indicates Change

(D) Indicates Decrease

(I) Indicates Increase

APPENDIX B
COMPANY STATEMENT IN SUPPORT

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos. R-2025-3052742
Office of Consumer Advocate	:	C-2025-3052846
Office of Small Business Advocate	:	C-2025-3053300
	:	
v.	:	
	:	
National Fuel Gas Distribution Corporation	:	

**STATEMENT OF NATIONAL FUEL GAS DISTRIBUTION CORPORATION
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT OF
THE RATE INVESTIGATION PURSUANT TO 66 PA.C.S. § 1307(f)**

TO ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS:

I. INTRODUCTION

National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) files this Statement in Support of the Joint Petition for Settlement of the Section 1307(f) Rate Investigation (“Settlement”) entered into by Distribution, the Bureau of Investigation & Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) and the Office of Consumer Advocate (“OCA”) (hereinafter, collectively “Parties”) in the above-captioned purchased gas cost (“PGC”) proceeding. The Office of Small Business Advocate (“OSBA”) has indicated that it does not oppose the Settlement. Distribution respectfully requests that Administrative Law Judge Charece Z. Collins (the “ALJ”) recommend approval of, and the Commission approve, the Settlement, including the terms and conditions thereof, without modification.

The Settlement, if approved, will resolve all of the issues in this proceeding, including whether Distribution’s historic natural gas costs were and projected natural gas costs will be incurred under a least cost fuel procurement policy. The Settlement is in the interests of

Distribution, its customers, and the other Parties and is otherwise in the public interest. Accordingly, it should be approved without modification.

The Settlement was achieved after a comprehensive investigation of Distribution's natural gas procurement policies and operations. Distribution responded to numerous formal discovery requests. The Statutory Parties (*i.e.*, I&E, OCA, and OSBA) have years of experience in evaluating Distribution's annual PGC filings and thoroughly evaluated the Company's 2025 filing.

For the reasons set forth herein, the Settlement is just and reasonable and Distribution's 2025 1307(f) Filing, as modified by the Settlement, should be approved.

II. COMMISSION POLICY FAVORS SETTLEMENT

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that the parties must expend litigating a case and, at the same time, conserve precious administrative resources. The Commission has stated that settlement results are often preferable to those achieved at the conclusion of a fully-litigated proceeding. *See* 52 Pa. Code § 69.401. To accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. PGC RATES

The Settlement rates that Distribution proposes to place into effect on August 1, 2025 are supported by record evidence. Distribution explained in detail the development of its natural gas supply rates utilizing cost projections, sales projections, and the reconciliation process.

Distribution's testimony and exhibits provided full support for the rates and their underlying calculations. See Distribution PGC St. No. 6, PGC Exhibit No. 21 Revised.

In Distribution's pre-filing, filed on December 30, 2024, it provided 28 exhibits detailing its gas purchases, gas contracts, peak day requirements and other information required by the Commission's regulations. In its annual filing made on January 31, 2025, Distribution offered the testimony of 6 witnesses explaining the filing and why it was reasonable, along with additional exhibits supporting the filing. Additional detail regarding the Company's gas purchasing practices is also provided in the Proposed Findings of Fact set forth in Paragraphs 25-39 of the Settlement.

Under the terms of the Settlement, the Parties agree that, on August 1, 2025 Distribution will place into effect the natural gas rates set forth in **Appendix A** of the Settlement, subject to updates for actual over/under recoveries of purchased gas costs through June 30, 2025, for updates related to the calculation of the Monthly Metered Transportation ("MMT") balancing charge and for updates to the forecasts of wellhead prices. Settlement ¶ 44. The Company will reflect these updates and any other applicable updates in the tariff in its August 2025 compliance filing.

B. CONTRACT RENEWALS AND CHANGES

The Settlement requests that the Commission approve the renewals, extensions and changes in pipeline and storage capacity contracts that are explained in Distribution's PGC Statement Nos. 2 and 4 and in Distribution PGC Exhibits 4 and 8. Settlement ¶ 45. All of Distribution's pipeline and storage capacity is critical capacity. In addition, the Company's capacity mix meets its unique market reliability requirements at least cost to customers. Distribution PGC Exhibit 8, p. 3. The Company's contracts are in the public interest for these reasons and for the reasons further explained in the Company's testimony and exhibits, and these contracts should be approved.

C. TARIFF CHANGES

In its main filing made on January 31, 2025, Distribution identified the tariff changes that it was proposing to make in this proceeding. The majority of the proposed tariff changes related to changes in rates associated with changes in purchased gas costs. No party in this proceeding objected to the changes.

As such, the Settlement approves Distribution's Tariff, as filed. *See* Settlement ¶ 46.

D. APPROVAL OF FILING

Under the Settlement, the Parties have agreed that Distribution's 2025 Section 1307(f) filing is approved as updated in the Definitive Filing made on January 31, 2025. Settlement ¶ 43. The Parties have thoroughly investigated Distribution's PGC filing through discovery. Distribution requests that the ALJs and the Commission approve the Company's 2025 PGC filing.

E. FINDINGS THAT DISTRIBUTION HAS FOLLOWED A LEAST COST GAS PROCUREMENT POLICY

Under the Settlement, the Parties recommend that the ALJ and the Commission make specific findings on certain matters which the Commission is required to address in order to determine whether Distribution is following a "least cost" gas procurement program, consistent with its obligation to provide safe, adequate and reliable service, as required under Section 1318(a) of the Public Utility Code, 66 Pa.C.S. § 1318(a). After investigation of Distribution's filing including substantial discovery, all Parties agree that Distribution is meeting its statutory obligations.

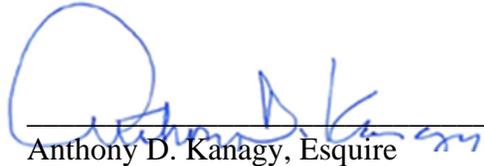
IV. CONCLUSION

Through cooperative efforts and the open exchange of information, the Parties have arrived at a Settlement that resolves all issues in the proceeding in a fair and equitable manner. The Settlement is the result of detailed examination of Distribution's natural gas procurement policies

through numerous discovery responses, Company testimony and accompanying exhibits. A fair and reasonable compromise has been achieved in this case, as is evident by the fact that all Parties, including Distribution, I&E, OCA, and OSBA, have agreed to or do not oppose the resolution of all issues.

WHEREFORE, National Fuel Gas Distribution Corporation respectfully requests that the Honorable Administrative Law Judge Charece Z. Collins recommend approval of, and the Pennsylvania Public Utility Commission approve by final order, the Settlement, including all terms, conditions and findings set forth therein without modification, and that the Pennsylvania Public Utility Commission's final order also terminate the proceeding and close the above-captioned docket.

Respectfully submitted,



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Of Counsel:
Post & Schell, P.C.

Date: April 11, 2025

Counsel for National Fuel Gas
Distribution Corporation

APPENDIX C
I&E STATEMENT IN SUPPORT

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3052742
	:	
National Fuel Gas Distribution Corporation	:	
	:	

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT OF
1307(f) RATES INVESTIGATION**

TO: ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS:

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (PUC or Commission), by and through Prosecutor Carrie B. Wright, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement of Section 1307(f) Rate Investigation (Joint Petition or Settlement) are in the public interest and represent a fair, just, and reasonable balance of the interests of National Fuel Gas Distribution Corporation (NFG or Company), I&E, the Office of Consumer Advocate (OCA), and the NFG ratepayers.

I. BACKGROUND

I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding benefits the public interest and to ensure that the public interest is served. Based upon I&E's analysis of NFG's Section 1307(f) purchased gas costs (PGC)

filing, acceptance of this proposed Settlement is in the public interest and I&E recommends that Administrative Law Judge Charece Z. Collin (the ALJ) and the Commission approve the Settlement in its entirety.

1. On December 30, 2024, pursuant to 52 Pa. Code Sections 53.64 and 53.65 of the Commission’s Rules and Regulations, NFG submitted its pre-filing information in support of its annual reconciliation of its purchased gas cost (“PGC”) tariffs.

2. On January 7, 2025, the OCA filed its Notice of Appearance, Formal Complaint and Public Statement.

3. On January 8, 2025, I&E filed its Notice of Appearance.

4. On January 21, 2025, the Office of Small Business Advocate (OSBA) filed a Notice of Appearance.

5. On January 31, 2025, pursuant to 66 Pa. C.S. Section 1307(f) and 52 Pa. Code Section 53.64(a), NFG submitted its definitive PGC filing to the Commission, which included NFG’s proposed *Pro Forma* Tariff Addendums and its supporting written direct testimony and supporting exhibits. On February 3, 2025, NFG filed replacement pages to its Tariff.

6. On February 24, 2025, ALJ Collins presided over a telephonic prehearing conference, during which the Parties agreed to a schedule for the conduct of the case including the service of testimony among the parties and the dates for evidentiary hearings. As no evidence of the need for public input hearings was presented nor a request for one made, none was scheduled or held.

7. In accordance with Commission policy favoring settlements at 52 Pa. Code § 5.231, I&E participated in settlement discussions with the Company and the other Parties to the proceeding. Following settlement negotiations and recognizing that a settlement is the result of compromises made by all Parties, the Parties in this proceeding reached a full and complete Settlement of all issues.

II. TERMS AND CONDITIONS OF SETTLEMENT

8. “The prime determinant in the consideration of a proposed Settlement is whether the settlement is in the public interest.”¹ The Commission has recognized that a settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”²

9. I&E submits that the Settlement in the instant proceeding balances the interests of the Company, its customers, and the Parties in a fair and equitable manner and presents a resolution for the Commission’s adoption that best serves the public interest. Furthermore, the negotiated Settlement demonstrates that compromises are evident throughout the Stipulation. Accordingly, for the specific reasons articulated below to achieve the full scope of benefits addressed in the Settlement, I&E requests that the Settlement be recommended by ALJ Collins and approved by the Commission, without modification.

10. After review of the filing and discovery, I&E agrees that the information provided by the Company indicates that its gas purchasing practices have satisfied its least cost procurement obligation under the Public Utility Code. 66 Pa. C.S. § 1318.

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

Adhering to a least cost procurement policy benefits ratepayers is in the public interest because least cost gas directly impacts customer gas bills, while still ensuring that customers receive safe, adequate and reliable service.

I&E analyzed the Company's E-factor which is the experienced over/under collections, it reconciles variations between the projected gas costs and actual gas costs as well as variances between projected and actual sales. The E-factor also serves as the vehicle to pass through miscellaneous revenues and to calculate interest. This review is critical because the proper calculation of the E-factor ensures that rates are adjusted appropriately. I&E is satisfied that the Company's E-factor calculation is appropriate and accurate. Additionally, I&E believes the Company's projected gas costs are consistent with a least cost fuel procurement policy. While those costs are subject to review in a future PGC proceeding, I&E maintains that ratepayers are protected in that NFG gains no unwarranted financial advantages through its projected gas purchases and projected gas purchasing policies. Accordingly, I&E represents that the Settlement maintains the proper balance of the interests of all parties.

11. In the Settlement, with respect to the eight month interim period beginning December 1, 2024, and with respect to the 12-month period beginning August 1, 2025, the period of time during which the proposed rates would be in effect, the Joint Petitioners agree and request the Commission find that NGF has satisfied each of the standards for a least cost procurement policy set forth in Section 1318 of the Public Utility Code, including the standards set forth in Sections 1318(a)(1), 1318(a)(2), 1318(a)(3), 1318(a)(4), 1318(b)(1), 1318(b)(2), and 1318(b)(3), based upon the evidence

of record in this proceeding. Nevertheless, it is expressly understood and agreed that such findings, relating to the rates, are made solely for the purpose of setting prospective rates and shall be subject to further review in an appropriate future proceeding. Further, no party is limited or prevented from challenging projected gas purchases that actually have been made, including those made during the interim period of December 1, 2024 through July 31, 2025 and future gas purchasing practices that have been implemented, or from reviewing whether these gas purchases and gas purchasing practices have, in fact, complied with the standards of Section 1318.

I&E technical staff fully analyzed the Company's filing, including all testimony and exhibits. I&E supports this settlement term as it provides regulatory certainty and a resolution of the issues; all of which facilitates the Commission's stated preference favoring negotiated settlements as in the public interest. I&E believes these agreed upon Settlement terms reflect an amicable agreement among the parties.

12. Based upon I&E's analysis of the filing, acceptance of this proposed Settlement is in the public interest because it appropriately resolves the issue in this proceeding in a way that is mutually agreeable to the Company and I&E. Further, resolution of this case by settlement rather than litigation will avoid the substantial time and effort involved in continuing to formally pursue all issues in this proceeding at the risk of accumulating excessive expense.

13. I&E further submits that the acceptance of this Settlement negates the need for evidentiary hearings, which would compel the extensive devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the

preparation of Main and Reply Briefs, the preparation of Exceptions and Replies, and the potential of filed appeals, all yielding substantial savings for all parties and ultimately all customers. Moreover, the Settlement provides regulatory certainty with respect to the disposition of issues and final resolution of this case which all the Parties agree benefits their discrete interests and is in the public interest.

14. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company, I&E, or any other Party.

15. This Settlement is being presented only in the context of this Section 1307(f) proceeding to resolve certain outstanding issues in a manner that is fair and reasonable. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation in the event the Settlement is rejected by the Commission or otherwise properly withdrawn by any other Parties to the Settlement. Furthermore, the Settlement reflects compromises on all sides, and is presented without prejudice to the positions that any of the parties may advance in future NFG proceedings on the merits of the issues.

16. If ALJ Collins recommends that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Replies to Exceptions with respect to any modifications to the terms and conditions of the Settlement or any additional matters that may be proposed by ALJ

Collins in her Recommended Decision. Further, I&E does not waive the right to file Replies in the event any party files Exceptions.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement of Section 1307(f) Rate Investigation as being in the public interest and respectfully requests that Administrative Law Judge Charece Z. Collins recommends, and the Commission approve, the terms and conditions contained in the Settlement without modification.

Respectfully submitted,



Carrie B Wright
Prosecutor
PA Attorney ID No. 208185

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
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(717) 783-6156

Dated: April 11, 2025

APPENDIX D

OCA STATEMENT IN SUPPORT AND ATTACHMENT

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
	:	
v.	:	Docket No. R-2025-3052742
	:	
National Fuel Gas Distribution	:	
Corporation	:	

STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF SETTLEMENT

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Settlement of National Fuel Gas Distribution Corporation (NFGD or the Company) Gas Cost Rate (GCR) proceeding (Settlement), finds the terms and conditions of the Settlement to be in the public interest for the following reasons:

I. INTRODUCTION

On or about December 30, 2024, NFGD filed its pre-filing information required for its annual Gas Cost Rate filing pursuant to Sections 1307(f), 1317, and 1318 of the Public Utility Code, and Sections 53.64 and 53.65 of the Commission’s Rules and Regulations. 66 Pa. C.S. §§ 1307(f), 1317, 1318; 52 Pa. Code §§ 53.64, 53.65. On or about January 31, 2025, NFGD filed its definitive 1307(f) filing. The Company’s filing was assigned to the Office of Administrative Law Judge (OALJ) and further assigned to Administrative Law Judges (ALJ) Charece Z. Collins for investigation and the scheduling of hearings to determine whether NFGD’s purchased gas costs comply with the standards set forth in the Public Utility Code.

On January 7, 2025, the OCA filed a Formal Complaint and Public Statement. On January 8, 2025, the Bureau of Investigation and Enforcement (I&E) filed its Notice of Appearance. On January 21, 2025, the Office of Small Business Advocate (OSBA) filed its Notice of Appearance. On February 7, 2025, OSBA filed its Formal Complaint and Public Statement. On February 18, 2025, the OCA filed a Notice of Appearance. Also on February 18, 2025, the Commission served a notice establishing an initial telephonic prehearing conference for this matter for Monday, February 24, 2025 at 10:00 a.m. and assigning ALJ Collins as the presiding officer.

The OCA retained Jerome D. Mierzwa¹ to provide technical assistance and to review the Company's gas purchasing practices and operations. Mr. Mierzwa reviewed the Company's preliminary and definitive filing in this matter. In addition, the OCA served discovery on the Company and reviewed all Company responses. Upon completion of its review, the OCA did not identify any issues relevant to this proceeding that warranted the filing of testimony.

Subsequently, in accordance with the Commission's Rules and Regulations at 52 Pa. Code § 5.321, the parties undertook discussions in an attempt to reach settlement. On March 20, 2025, the Joint Petitioners informed the ALJ that they had reached a settlement in principle of all issues in the proceeding. The terms and conditions of the settlement agreement reached by the Joint Petitioners are now embodied in the "Settlement Petition" that accompanies this instant Appendix/Statement in Support. The OCA submits that the Company has met the requirements of 66 Pa. C.S. §§ 1307(f) and 1318, and that the Settlement is in the public interest for the reasons set forth below.

¹ Mr. Mierzwa is a Principal with and Vice President of Exeter Associates, Inc. ("Exeter"). Since joining Exeter in 1990, he has specialized in evaluating the gas purchasing practices and policies of natural gas distribution companies ("NGDCs"), utility class cost of service and rate design analysis, sales and rate forecasting, performance-based incentive regulation, revenue requirement analysis, the unbundling of utility services and the evaluation of customer choice natural gas transportation programs.

II. TERMS AND CONDITIONS OF SETTLEMENT

The Commission encourages parties in contested, on-the-record proceedings to settle cases. See 52 Pa. Code § 5.231. A Settlement, by definition, reflects a compromise of the parties' positions. When active parties in a proceeding reach a settlement, the principal issue for Commission consideration is whether the settlement suits the public interest. *Pa. Public Utility Commission v. CS Water and Sewer Associates*, 74 Pa. PUC 767, 711 (1991). When the settling parties submitted their joint settlement petition for approval, the principal issue for the Commission is whether the agreement serves the public interest. *Pa. Public Utility Commission v. Philadelphia Electric Company*, 60 Pa. PUC 1, 21 (1985).

The settling parties (NFGD and OCA) agree to accept the underlying data and calculations submitted by NFGD in its December 30, 2024 Pre-filing and its January 31, 2025 Annual Filing subject to the terms and conditions contained in the Settlement. The OCA submits that the GCR rates in Appendix A, in conjunction with the Company's Answer to OCA-IV-1, Exhibit LAP-2 Update (attached hereto as OCA Exhibit 1), accurately represent the implementation of the terms of the Settlement. Supplement No. 280 to NFGD's Gas Service Tariff – Pa P.U.C. No. 9 as filed on January 31, 2025 shall be permitted to go into effect on August 1, 2025.

IV. CONCLUSION

The Office of Consumer Advocate submits that the terms of the Settlement are in the public interest and in the interest of NFGD's ratepayers. Based on the above reasons, the Office of Consumer Advocate submits that the proposed Settlement should be approved.

Respectfully Submitted,

/s/ Katie Kennedy

Katherine "Katie" Kennedy
Assistant Consumer Advocate
PA Attorney I.D. # 317237

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Dated: April 11, 2025

Counsel for:
Darryl A. Lawrence
Acting Consumer Advocate

OCA EXHIBIT 1 –

Company's Answer to OCA-IV-1, Exhibit LAP-2 Update

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
RESPONSE TO OFFICE OF CONSUMER ADVOCATE DATA REQUEST
DOCKET No. R-2025-3052742

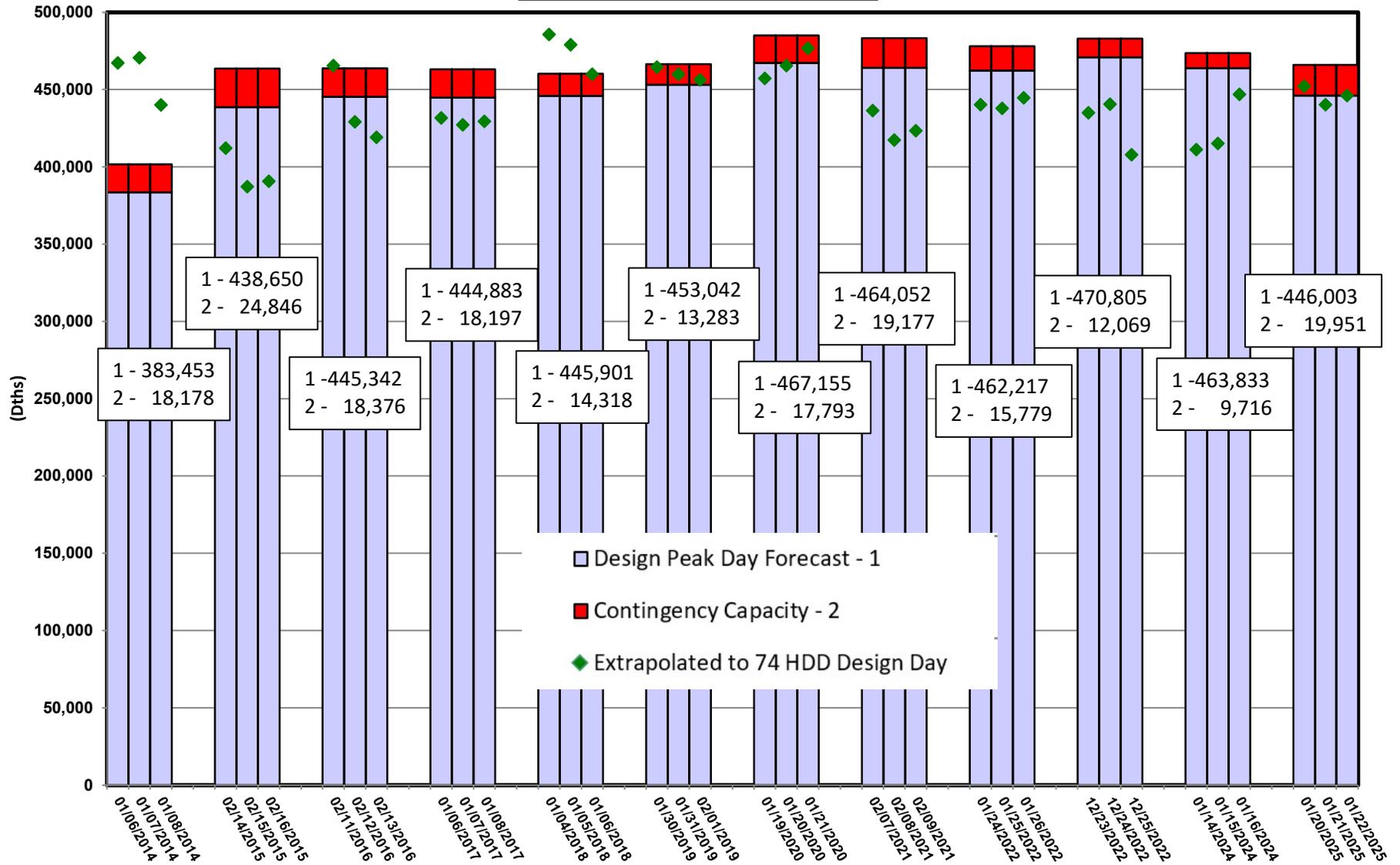
Question:

Please update Exhibit LAP-2 and Exhibit LAP-3 for the 2024 - 2025 winter to date.

Response:

See attached Exhibit LAP-2 update and Exhibit LAP-3 update (excel included) for the winter to date information as of February 13, 2025.

NFGDC-PA Peak Day Comparisons
 For seasons 2013 to 2025
 Winter 3-day Peaks
 (Temperature data 10 to 10)



* 1/4/2018 - Genon Energy Management usage exceeded design day forecast