

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS  
ADJUSTMENT TO COST ELEMENT - EMPLOYEE BENEFITS  
TWELVE MONTHS ENDING MARCH 31, 2018

PENSION

Pension Expense TME December 31, 2015			\$18,053,170
Pension Expense			<u>\$18,053,000</u>
Rate Year			
FAS 87 Expense Fiscal 2017 6 months	\$26,315,303		\$13,157,652
FAS 87 Expense Fiscal 2018 6 months	\$27,571,436		<u>\$13,785,718</u>
Total Rate Year Pension FAS 87 Expense			\$26,943,370
Rounded Rate Year Pensions			26,943,000
Rate Allowance		58.30%	15,708,000
Less: Amortization of Estimated Over Recovery Prior to Rate Year per Policy Statement			<u>(\$1,024,000)</u>
Rate Year Pension per Policy Statement			\$14,684,000
Amortization of A/C 182353 Internal Reserve-Accrued Income-Pension			\$1,199,000
Less: Pension Expense - TME 12/31/2015			<u>18,053,000</u>
Rate Year Adjustment			<u><u>(\$2,170,000)</u></u>
* Under Recovery Prior to Rate Year	Current	Under(Over)	
	Rates 7/31/16 thru 3/31/17	FAS 87 7/31/16 thru 3/31/17	Recovery
Gross Allowance	\$18,202,483	\$20,022,545	
O&M Percent (Case 07-G-0141)	67.82%	67.82%	
	<u>\$12,344,924</u>	<u>\$13,579,290</u>	\$1,234,366
Amortization of A/C 182318, 182325, 182335, 182340, & 182345 thru 3/31/17			<u>(\$1,353,677)</u>
			<u><u>(\$119,312)</u></u>
Balance in Deferral accounts at 7/31/16			
A/C 182318 NYD DFD Over/Under Pension			\$ (619,295)
A/C 182325 Capitalized Pension Costs			\$ (4,362,839)
A/C 182335 NY Over/Under - Dfd Cont (RSA)			\$ 1,478
A/C 182340 Defined Contribution Plan - Supv			\$ 402,751
A/C 182345 Retirement Savings Acct Union			\$ 599,586
			<u>\$ (3,978,319)</u>
			<u><u>(\$1,024,000)</u></u>
A/C 182353 Internal Reserve-Accrued Income-Pension (Forecasted thru 3/31/17 - includes impact of amortization)			\$ 4,795,886
			\$1,199,000
Total Under Recovery estimated prior to rate year			<u>\$ 698,255</u>
Amortization Over 4 Years			<u><u>\$175,000</u></u>
			\$175,000

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OPEBS

OPEB Expense TME December 31, 2015				\$2,446,909
OPEB Expense				<u>\$2,447,000</u>
Rate Year				
FAS 106 Expense Fiscal 2017 6 months		\$5,982,509		\$2,991,255
FAS 106 Expense Fiscal 2018 6 months		\$7,445,134		<u>\$3,722,567</u>
Total Rate Year OPEB FAS 106 Expense				<u>\$6,713,822</u>
Rounded Rate Year OPEBs				6,714,000
Rate Allowance			58.30%	3,914,000
Less: Amortization of Estimated Over Recovery Prior to Rate Year				<u>(\$1,825,000)</u>
Rate Year OPEBs				\$2,089,000
Less: OPEB Expense - TME 12/31/2015				<u>2,447,000</u>
Rate Year Adjustment				<u>(\$358,000)</u>
* Over Recovery Prior to Rate Year	Current	FAS 106	Under(Over)	
	Rates 7/31/16	7/31/16 thru	Recovery	Annual
	thru 3/31/17	3/31/17		Amortization
Gross Allowance	\$0	\$4,290,383		by Account
O&M Percent (Case 07-G-0141)	67.82%	67.82%		
	<u>\$0</u>	<u>\$2,909,738</u>	\$2,909,738	
Amortization of A/C 182314, 182315, 182316, & 182317 thru 3/31/17			<u>(\$1,533,953)</u>	
			<u>\$1,375,785</u>	\$344,000
Balance in Deferral accounts at 7/31/16				
A/C 182314 NYD Under/Over Collection - OPEB Supervisory			\$ (163,523)	(41,000)
A/C 182315 NYD Under/Over Collection - OPEB Union			\$ (747,064)	(\$187,000)
A/C 182316 NYD Dfd OPEB Non-Supervisory			\$ 3,317,868	\$829,000
A/C 182317 NYD Dfd OPEB - Supervisory			\$ (11,082,461)	<u>(\$2,770,000)</u>
			<u>\$ (8,675,180)</u>	<u>(\$1,825,000)</u>
Total Over Recovery estimated prior to rate year			\$ (7,299,394)	
Amortization Over 4 Years				<u>(\$1,825,000)</u>