

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service.

Case 16-G-0257

EXHIBIT 2
OF
UIU RATE PANEL

Dated: September 16, 2016
Albany, New York

UTILITY INTERVENTION UNIT
DIVISION OF CONSUMER PROTECTION
NYS DEPARTMENT OF STATE
99 WASHINGTON AVENUE
SUITE 640
ALBANY, NY 12231-0001
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**Index to
URP-2 (National Fuel Gas)
of
UIU Rate Panel**

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National Fuel Gas
Class Rates of Return
Embedded Cost of Service Study Comparison

Line	Customer Class	National Fuel Gas		Multiple Intervenors		Utility Intervention Unit	
		Rate of Return *	Unitized Rate of Return*	Rate of Return*	Unitized Rate of Return*	Rate of Return**	Unitized Rate of Return**
1	SC-1	5.71%	0.73	5.70%	0.73	8.01%	1.03
2	SC-3	16.34%	2.09	16.43%	2.10	9.82%	1.26
3	SC-13 TC 1.1	24.64%	3.15	24.88%	3.19	7.51%	0.96
4	SC-13 TC 2.0	17.04%	2.18	17.14%	2.19	2.48%	0.32
5	SC-13 TC 3.0	19.37%	2.48	19.43%	2.49	3.04%	0.39
6	SC-13 TC 4.0	17.29%	2.21	17.33%	2.22	3.33%	0.43
7	SC-13 TC 4.1	11.25%	1.44	11.28%	1.44	-0.74%	-0.09
8	Cogen	-25.36%	-3.25	-25.06%	-3.21	-27.31%	-3.50
9	Total	7.81%	1.00	7.81%	1.00	7.81%	1.00

* Distribution Mains Classified 58.56% Customer / 41.44% Demand

** Distribution Mains Classified 100% Demand

National Fuel Gas
Revenue Allocation Proposals

		National Fuel Gas				
Line	Customer Class	ECOS Unitized Rate of Return	Tolerance Band Status	Revenue Allocation Proposal	Base Revenue Increase	Base Revenue Percent Increase
1	SC-1	0.73	N/A	1.00	\$ 30,335,735	15.4%
2	SC-3	2.09	N/A	1.00	\$ 5,820,136	15.4%
3	SC-13 TC 1.1	3.15	N/A	1.00	\$ 1,853,821	15.4%
4	SC-13 TC 2.0	2.18	N/A	1.00	\$ 688,908	15.4%
5	SC-13 TC 3.0	2.48	N/A	1.00	\$ 729,562	15.4%
6	SC-13 TC 4.0	2.21	N/A	1.00	\$ 677,215	15.4%
7	SC-13 TC 4.1	1.44	N/A	1.00	\$ 244,813	15.4%
8	Cogen	-3.25	N/A	0.00	\$ -	0.0%
9	System Average	1.00		1.00	\$ 40,350,189	15.4%

		Multiple Intervenors				
Line	Customer Class	ECOS Unitized Rate of Return	Tolerance Band Status	Revenue Allocation Proposal	Base Revenue Increase	Base Revenue Percent Increase
10	SC-1	0.73	Below 15%	1.25	\$ 37,893,287	19.28%
11	SC-3	2.10	Above 15%	0.24	\$ 1,369,891	3.63%
12	SC-13 TC 1.1	3.19	Above 15%	0.24	\$ 436,336	3.63%
13	SC-13 TC 2.0	2.19	Above 15%	0.24	\$ 162,149	3.63%
14	SC-13 TC 3.0	2.49	Above 15%	0.24	\$ 171,718	3.63%
15	SC-13 TC 4.0	2.22	Above 15%	0.24	\$ 159,397	3.63%
16	SC-13 TC 4.1	1.44	Above 15%	0.50	\$ 122,322	7.71%
17	Cogen	-3.21	Below 15%	1.25	\$ 35,091	19.28%
18	System Average	1.00		1.00	\$ 40,350,189	15.42%

		Staff				
Line	Customer Class	ECOS Unitized Rate of Return	Tolerance Band Status	Revenue Allocation Proposal	Base Revenue Increase	Base Revenue Percent Increase
1	SC-1	0.73	N/A	1.00	\$ 1,419,713	0.71%
2	SC-3	2.09	N/A	1.00	\$ 285,527	0.71%
3	SC-13 TC 1.1	3.15	N/A	1.00	\$ 85,577	0.71%
4	SC-13 TC 2.0	2.18	N/A	1.00	\$ 31,802	0.71%
5	SC-13 TC 3.0	2.48	N/A	1.00	\$ 33,678	0.71%
6	SC-13 TC 4.0	2.21	N/A	1.00	\$ 31,262	0.71%
7	SC-13 TC 4.1	1.44	N/A	1.00	\$ 11,301	0.71%
8	Cogen	-3.25	N/A	0.00	\$ -	0.00%
9	System Average	1.00		1.00	\$ 1,898,860	0.71%

		Utility Intervention Unit				
Line	Customer Class	ECOS Unitized Rate of Return	Tolerance Band Status	Revenue Allocation Proposal	Base Revenue Increase	Base Revenue Percent Increase
10	SC-1	1.03	At average	1.00	\$ 1,449,951	0.73%
11	SC-3	1.26	Above 15%	0.75	\$ 218,707	0.55%
12	SC-13 TC 1.1	0.96	At average	1.00	\$ 87,400	0.73%
13	SC-13 TC 2.0	0.32	Below 15%	1.25	\$ 40,599	0.91%
14	SC-13 TC 3.0	0.39	Below 15%	1.25	\$ 42,995	0.91%
15	SC-13 TC 4.0	0.43	Below 15%	1.25	\$ 39,910	0.91%
16	SC-13 TC 4.1	-0.09	Below 15%	1.50	\$ 17,313	1.09%
17	Cogen	-3.50	Below 15%	1.50	\$ 1,987	1.09%
18	System Average	1.00		1.00	\$ 1,898,860	0.71%

National Fuel Gas
*Comparison of Current and Proposed Customer Charges
and Delivery Rates*

Line No	SC-1 Residential	National Fuel Gas			Staff		Utility Intervention Unit			
		Current Rates	Proposed Rates	Percent Change	Proposed Rates	Percent Change	December - March		All Other Months	
						Proposed Rates*	Percent Change	Proposed Rates*	Percent Change	
1	Monthly Customer Charge (First 4 CCF)	\$ 15.54	\$ 19.66	26.5%	\$ 15.54	0.0%	\$ 14.75	-5.1%	\$ 14.75	-5.1%
2	Next 46 CCF	\$ 0.372554	\$ 0.388449	4.3%	\$ 0.381409	2.4%	\$ 0.380005	2.0%	\$ 0.380005	2.0%
3	Over 50 CCF	\$ 0.100813	\$ 0.116708	15.8%	\$ 0.103209	2.4%	\$ 0.115230	14.3%	\$ 0.126016	25.0%

* Rate Design based on (1) Staff's proposed overall revenue increase of \$1.88 million and (2) UIU's proposed revenue allocation.

National Fuel Gas
*Comparison of Current and Proposed Customer Charges
and Delivery Rates*

		National Fuel Gas			Staff		Utility Intervention Unit	
		Current Rates	Proposed Rates	Percent Change	Proposed Rates	Percent Change	Proposed Rates*	Percent Change
SC-3 Commercial								
1	Monthly Customer Charge (First 10 CCF)	\$ 17.86	\$ 23.77	33.1%	\$ 17.86	0.0%	\$ 17.00	-4.8%
2	Next 490 CCF	\$ 0.251345	\$ 0.267950	6.6%	\$ 0.242067	-3.7%	\$ 0.236264	-6.0%
3	Next 9,500 CCF	\$ 0.194282	\$ 0.210887	8.5%	\$ 0.187111	-3.7%	\$ 0.195447	0.6%
4	Over 10,000 CCF	\$ 0.156935	\$ 0.173540	-10.7%	\$ 0.151142	-3.7%	\$ 0.175447	11.8%

* Rate Design based on (1) Staff's proposed overall revenue increase of \$1.88 million and (2) UIU's proposed revenue allocation.

National Fuel Gas
Percentage of DELIVERY ONLY Bill Impacts
SC-1 Residential

Line No	CCF	Company Proposed Change per month	Staff Proposed Change per month	Utility Intervention Unit Proposed Change		Percent of Customers January	Percent of Customers July
				Jan - March	Other Months		
1	0	24.62%	-0.18%	-4.94%	-4.94%	0.6%	2.6%
2	4	24.62%	-0.18%	-4.94%	-4.94%	0.6%	7.3%
3	10	22.18%	0.11%	-4.14%	-4.14%	0.8%	17.4%
4	20	19.27%	0.49%	-3.10%	-3.10%	1.5%	35.5%
5	30	17.11%	0.76%	-2.40%	-2.40%	1.5%	20.9%
6	40	15.52%	0.97%	-1.83%	-1.83%	1.5%	8.2%
7	50	14.28%	1.10%	-1.42%	-1.42%	1.8%	2.9%
8	60	14.33%	1.15%	-0.98%	-0.66%	2.2%	1.3%
9	70	14.37%	1.20%	-0.53%	0.08%	2.8%	0.7%
10	80	14.41%	1.22%	-0.11%	0.76%	3.6%	0.5%
11	90	14.45%	1.24%	0.26%	1.40%	4.4%	0.4%
12	100	14.46%	1.29%	0.62%	2.01%	5.3%	0.3%
13	150	14.62%	1.41%	2.19%	4.65%	31.1%	1.0%
14	200	14.73%	1.51%	3.44%	6.75%	22.2%	0.5%
15	300	14.93%	1.66%	5.31%	9.87%	15.6%	0.4%
16	400	15.05%	1.77%	6.62%	12.10%	3.0%	0.1%
17	500	15.14%	1.85%	7.60%	13.74%	0.8%	0.1%
18	1,000	15.38%	2.05%	10.21%	18.12%	0.5%	0.1%
19	5,000	15.67%	2.30%	13.31%	23.33%	0.1%	0.0%
20	10,000	15.72%	2.34%	13.79%	24.14%	0.0%	0.0%

National Fuel Gas
Comparison of DELIVERY ONLY Bill Impacts
SC-1 Residential

Line No	CCF	Company	Company	Staff	Utility Intervention Unit		Percent of Customers January	Percent of Customers July
		Current Bill per month	Proposed Bill per month	Proposed Bill per month	Proposed Bill			
					Jan - March	Other Months		
1	0	\$ 16.61	\$ 20.70	\$ 16.58	\$ 15.79	\$ 15.79	0.6%	2.6%
2	4	16.61	20.70	16.58	15.79	15.79	0.6%	7.3%
3	10	18.85	23.03	18.87	18.07	18.07	0.8%	17.4%
4	20	22.57	26.92	22.68	21.87	21.87	1.5%	35.5%
5	30	26.30	30.80	26.50	25.67	25.67	1.5%	20.9%
6	40	30.02	34.68	30.31	29.47	29.47	1.5%	8.2%
7	50	33.75	38.57	34.12	33.27	33.27	1.8%	2.9%
8	60	34.76	39.74	35.16	34.42	34.53	2.2%	1.3%
9	70	35.76	40.90	36.19	35.57	35.79	2.8%	0.7%
10	80	36.77	42.07	37.22	36.73	37.05	3.6%	0.5%
11	90	37.78	43.24	38.25	37.88	38.31	4.4%	0.4%
12	100	38.79	44.40	39.29	39.03	39.57	5.3%	0.3%
13	150	43.83	50.24	44.45	44.79	45.87	31.1%	1.0%
14	200	48.87	56.07	49.61	50.55	52.17	22.2%	0.5%
15	300	58.95	67.75	59.93	62.08	64.77	15.6%	0.4%
16	400	69.03	79.42	70.25	73.60	77.38	3.0%	0.1%
17	500	79.11	91.09	80.57	85.12	89.98	0.8%	0.1%
18	1,000	129.52	149.44	132.17	142.74	152.99	0.5%	0.1%
19	5,000	532.77	616.27	545.01	603.66	657.05	0.1%	0.0%
20	10,000	1,036.84	1,199.81	1,061.06	1,179.81	1,287.13	0.0%	0.0%

National Fuel Gas
Percentage of TOTAL Bill Impacts
SC-1 Residential

Line No	CCF	Company Proposed Change per month	Staff Proposed Change per month	Utility Intervention Unit Proposed Change		Percent of Customers January	Percent of Customers July
				Jan - March	Other Months		
1	0	24.62%	-0.18%	-4.94%	-4.94%	0.6%	2.6%
2	4	21.89%	-0.11%	-4.32%	-4.32%	0.6%	7.3%
3	10	17.43%	0.17%	-3.15%	-3.15%	0.8%	17.4%
4	20	13.23%	0.45%	-1.99%	-1.99%	1.5%	35.5%
5	30	10.82%	0.59%	-1.37%	-1.37%	1.5%	20.9%
6	40	9.26%	0.68%	-0.96%	-0.96%	1.5%	8.2%
7	50	8.19%	0.76%	-0.65%	-0.65%	1.8%	2.9%
8	60	7.69%	0.75%	-0.35%	-0.18%	2.2%	1.3%
9	70	7.28%	0.74%	-0.10%	0.21%	2.8%	0.7%
10	80	6.93%	0.73%	0.11%	0.52%	3.6%	0.5%
11	90	6.63%	0.72%	0.29%	0.79%	4.4%	0.4%
12	100	6.37%	0.72%	0.45%	1.03%	5.3%	0.3%
13	150	5.48%	0.70%	0.99%	1.86%	31.1%	1.0%
14	200	4.95%	0.70%	1.30%	2.35%	22.2%	0.5%
15	300	4.36%	0.68%	1.67%	2.90%	15.6%	0.4%
16	400	4.03%	0.68%	1.87%	3.20%	3.0%	0.1%
17	500	3.82%	0.67%	1.99%	3.40%	0.8%	0.1%
18	1,000	3.38%	0.66%	2.26%	3.81%	0.5%	0.1%
19	5,000	2.99%	0.65%	2.49%	4.16%	0.1%	0.0%
20	10,000	2.94%	0.65%	2.52%	4.21%	0.0%	0.0%

National Fuel Gas
Comparison of TOTAL Bill Impacts
SC-1 Residential

Line No	CCF	Company Current Bill per month	Company Proposed Bill per month	Staff Proposed Bill per month	Utility Intervention Unit Proposed Bill		Percent of Customers January	Percent of Customers July
					Jan - March	Other Months		
1	0	\$ 16.61	\$ 20.70	\$ 16.58	\$ 15.79	\$ 15.79	0.6%	2.6%
2	4	18.73	22.83	18.71	17.92	17.92	0.6%	7.3%
3	10	24.16	28.37	24.20	23.40	23.40	0.8%	17.4%
4	20	33.19	37.58	33.34	32.53	32.53	1.5%	35.5%
5	30	42.23	46.80	42.48	41.65	41.65	1.5%	20.9%
6	40	51.27	56.02	51.62	50.78	50.78	1.5%	8.2%
7	50	60.30	65.24	60.76	59.91	59.91	1.8%	2.9%
8	60	66.62	71.74	67.12	66.39	66.50	2.2%	1.3%
9	70	72.94	78.25	73.48	72.87	73.09	2.8%	0.7%
10	80	79.26	84.75	79.84	79.35	79.67	3.6%	0.5%
11	90	85.58	91.25	86.20	85.83	86.26	4.4%	0.4%
12	100	91.90	97.75	92.56	92.31	92.85	5.3%	0.3%
13	150	123.49	130.26	124.36	124.71	125.79	31.1%	1.0%
14	200	155.09	162.77	156.17	157.11	158.73	22.2%	0.5%
15	300	218.28	227.79	219.77	221.92	224.61	15.6%	0.4%
16	400	281.47	292.81	283.37	286.72	290.49	3.0%	0.1%
17	500	344.66	357.83	346.97	351.52	356.37	0.8%	0.1%
18	1,000	660.62	682.92	664.97	675.53	685.78	0.5%	0.1%
19	5,000	3,188.26	3,283.66	3,208.98	3,267.63	3,321.02	0.1%	0.0%
20	10,000	6,347.82	6,534.59	6,389.00	6,507.75	6,615.07	0.0%	0.0%

National Fuel Gas
Percentage of DELIVERY ONLY Bill Impacts
SC-3 Commercial

Line No	CCF	Company Proposed Change per month	Staff Proposed Change per month	UIU Proposed Change per month	Percent of Customers January	Percent of Customers July
1	0	31.06%	-0.16%	-4.70%	2.9%	25.0%
2	10	31.06%	-0.16%	-4.70%	3.9%	34.3%
3	20	28.22%	-0.56%	-4.85%	2.7%	12.2%
4	30	25.92%	-0.92%	-4.97%	2.6%	6.3%
5	40	24.10%	-1.17%	-5.06%	2.7%	3.4%
6	50	22.60%	-1.38%	-5.14%	2.6%	2.2%
7	70	20.23%	-1.73%	-5.26%	5.9%	3.0%
8	100	17.76%	-2.07%	-5.42%	7.9%	3.0%
9	150	15.15%	-2.46%	-5.54%	12.0%	2.5%
10	200	13.54%	-2.70%	-5.64%	9.5%	1.6%
11	300	11.65%	-2.96%	-5.73%	12.5%	1.9%
12	400	10.57%	-3.11%	-5.79%	8.7%	1.3%
13	500	9.87%	-3.22%	-5.83%	5.4%	0.9%
14	1,000	9.33%	-3.41%	-3.22%	12.1%	1.6%
15	5,000	8.73%	-3.63%	-0.30%	8.0%	0.6%
16	10,000	8.64%	-3.66%	0.14%	0.4%	0.0%
17	30,000	9.83%	-3.68%	7.28%	0.2%	0.0%

National Fuel Gas
Comparison of Delivery ONLY Bill Impacts
SC-3 Commercial

Line No	CCF	Company Current Bill per month	Company Proposed Bill per month	Staff Proposed Bill per month	UIU Proposed Bill per month	Percent of Customers January	Percent of Customers July
1	0	\$ 18.93	\$ 24.81	\$ 18.90	\$ 18.04	2.9%	25.0%
2	10	18.93	24.81	18.90	18.04	3.9%	34.3%
3	20	21.44	27.49	21.32	20.40	2.7%	12.2%
4	30	23.96	30.17	23.74	22.77	2.6%	6.3%
5	40	26.47	32.85	26.16	25.13	2.7%	3.4%
6	50	28.98	35.53	28.58	27.49	2.6%	2.2%
7	70	34.01	40.89	33.42	32.22	5.9%	3.0%
8	100	41.55	48.93	40.69	39.30	7.9%	3.0%
9	150	54.12	62.32	52.79	51.12	12.0%	2.5%
10	200	66.69	75.72	64.89	62.93	9.5%	1.6%
11	300	91.82	102.52	89.10	86.56	12.5%	1.9%
12	400	116.95	129.31	113.31	110.18	8.7%	1.3%
13	500	142.09	156.11	137.51	133.81	5.4%	0.9%
14	1,000	239.23	261.55	231.07	231.53	12.1%	1.6%
15	5,000	1,016.36	1,105.10	979.51	1,013.32	8.0%	0.6%
16	10,000	1,987.77	2,159.53	1,915.06	1,990.56	0.4%	0.0%
17	30,000	5,126.47	5,630.33	4,937.91	5,499.50	0.2%	0.0%

National Fuel Gas
Percentage of TOTAL Bill Impacts
SC-3 Commercial

Line No	CCF	Company Proposed Change per month	Staff Proposed Change per month	UIU Proposed Change per month	Percent of Customers January	Percent of Customers July
1	0	31.06%	-0.16%	-4.70%	2.9%	25.0%
2	10	24.71%	0.00%	-3.55%	3.9%	34.3%
3	20	19.54%	-0.16%	-3.03%	2.7%	12.2%
4	30	16.40%	-0.28%	-2.74%	2.6%	6.3%
5	40	14.31%	-0.34%	-2.50%	2.7%	3.4%
6	50	12.78%	-0.38%	-2.37%	2.6%	2.2%
7	70	10.74%	-0.47%	-2.17%	5.9%	3.0%
8	100	8.94%	-0.53%	-2.00%	7.9%	3.0%
9	150	7.34%	-0.59%	-1.85%	12.0%	2.5%
10	200	6.46%	-0.62%	-1.76%	9.5%	1.6%
11	300	5.54%	-0.65%	-1.67%	12.5%	1.9%
12	400	5.05%	-0.67%	-1.62%	8.7%	1.3%
13	500	4.75%	-0.68%	-1.59%	5.4%	0.9%
14	1,000	4.28%	-0.59%	-0.53%	12.1%	1.6%
15	5,000	3.86%	-0.51%	0.42%	8.0%	0.6%
16	10,000	3.81%	-0.50%	0.54%	0.4%	0.0%
17	30,000	3.91%	-0.38%	2.30%	0.2%	0.0%

National Fuel Gas
Comparison of TOTAL Bill Impacts
SC-3 Commercial

Line No	CCF	Company Current Bill per month	Company Proposed Bill per month	Staff Proposed Bill per month	UIU Proposed Bill per month	Percent of Customers January	Percent of Customers July
1	0	\$ 18.93	\$ 24.81	\$ 18.90	\$ 18.04	2.9%	25.0%
2	10	24.20	30.18	24.20	23.34	3.9%	34.3%
3	20	31.98	38.23	31.93	31.01	2.7%	12.2%
4	30	39.76	46.28	39.65	38.67	2.6%	6.3%
5	40	47.53	54.33	47.37	46.34	2.7%	3.4%
6	50	55.31	62.38	55.10	54.00	2.6%	2.2%
7	70	70.87	78.48	70.54	69.33	5.9%	3.0%
8	100	94.21	102.63	93.71	92.33	7.9%	3.0%
9	150	133.11	142.88	132.33	130.65	12.0%	2.5%
10	200	172.01	183.13	170.94	168.98	9.5%	1.6%
11	300	249.80	263.63	248.17	245.63	12.5%	1.9%
12	400	327.60	344.13	325.41	322.28	8.7%	1.3%
13	500	405.39	424.63	402.64	398.94	5.4%	0.9%
14	1,000	765.84	798.61	761.32	761.78	12.1%	1.6%
15	5,000	3,649.41	3,790.39	3,630.77	3,664.58	8.0%	0.6%
16	10,000	7,253.88	7,530.12	7,217.57	7,293.07	0.4%	0.0%
17	30,000	20,924.80	21,742.09	20,845.44	21,407.03	0.2%	0.0%