



October 19, 2016

**VIA ELECTRONIC FILING**

Honorable Kathleen Burgess, Secretary  
New York State Public Service Commission  
3 Empire State Plaza, 19th Floor  
Albany, New York 12223

Re: Case 16-G-0257 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service

Dear Secretary Burgess:

On April 28, 2016, the Company filed amendments to its new tariff schedule, P.S.C. No. 9 – Gas, which would amend gas delivery rates and supersede Distribution’s current tariff schedule, P.S.C. No. 8 - Gas. The New York State Public Service Commission (“Commission”) instituted this proceeding to review the propriety of the rates, charges, rules, and regulations contained in the amendments to Schedule P.S.C. No. 9. By Notices issued May 11, 2016 and September 6, 2016, the Commission suspended the effective date of Distribution’s tariff amendments through March 27, 2017.

On October 19, 2016, the Company filed a Notice of Impending Confidential Settlement Negotiations notifying the Commission that the Company, Department of Public Service Staff and other interested parties were entering into settlement discussions, which may result in settlement of some or all of the issues raised in this proceeding. To facilitate settlement discussions and to allow the parties additional time to, potentially, negotiate a joint proposal, the Company proposes an extension of the maximum suspension period by an initial period of one month, through and including April 27, 2017. In exchange for the extension of the suspension period to facilitate negotiations, the Company requests the courtesy of a “make-whole” provision that would keep the Company and its customers in the same position they would have been absent the aforementioned extension.

For purposes of this proceeding, the Company understands being “made whole” to mean that the Company would recover or refund any revenue under-collections or over-collections, respectively, as if the finally determined revenue requirement were determined at the original expiration of the suspension period. The Company would calculate any revenue adjustments as the difference between 1) sales revenues Distribution would have billed at new rates during the extension of the suspension period; and 2) the same level of sales revenues at current rates. The revenue adjustments would include all applicable surcharges and carrying charges, and would be subject to reconciliation in accordance with all applicable adjustment mechanisms.

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Should you have any questions or concerns, please contact us.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory G. Nickson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bruce V. Miller  
Gregory G. Nickson

cc: DMM Party List (via e-mail)  
Honorable Dakin Lecakes (via e-mail)  
Joseph N. Del Vecchio, Esq. (via e-mail)