

**EMPIRE PIPELINE, INC.
OPEN SEASON - OS017**



Long Term Firm Transportation (“FT”) and/or Firm Transportation No-Notice (“FTNN”) Capacity from TransCanada at Chippawa.

Empire Pipeline, Inc. (“Empire”) is pleased to announce the commencement of an Open Season for firm transportation capacity available under Empire’s FT and FTNN rate schedules. Additional capacity from TransCanada Pipeline at Chippawa to various delivery points is available and posted on Empire’s Unsubscribed Capacity Table posted on [Empire’s web site](#).

Available Capacity:

2,600 Dth/day

Open Season Time Frame:

Monday, October 22, 2018 through 11:00 a.m. (Eastern Time) Monday, October 29, 2018.

Term:

Commencing November 1, 2018. There is no minimum or maximum term requirement.

Available Primary Receipt Point:

TransCanada Chippawa (012000010)

Available Primary Delivery Points:

NYSEG Royalton (012004010)

RG&E Mendon (012001010)

Rate Information:

The service offered in this Open Season 017 can be subscribed under either the FT or FTNN rate schedule and is subject to the maximum tariff rates under the applicable rate schedule. These rates are exclusive of ACA Surcharges. The FT and FTNN Service offered in this Open Season will be subject to the Other Gas for Transporter’s Use (“OGFTU”) retention rate and Compressor Fuel retention (if applicable). Detailed rate information can be found in Empire’s tariff.

The current applicable Empire Original (FTO and FTNNO) maximum tariff rates are listed in the table below:

Maximum Rate (Per Dth)	100% Load Factor Rate*	FTO and FTNNO Rate Component
\$5.1827	\$0.1704	Original Main- Line Annual Reservation Rate (monthly, applied to contract MDTQ)
\$7.4632	\$0.2454	Original Main-Line Winter Reservation Rate (monthly, applied to contract MDTQ)
\$3.5539	\$0.1168	Original Main-Line Summer Reservation Rate (monthly, applied to contract MDTQ)
\$0.0013		Applicable FERC ACA Commodity Surcharge, Rate Shown effective October 1, 2018 (daily, applied to Dth quantity transported)

*100% Load Factor Rate is exclusive of surcharges and applicable OGFTU

Note: Empire has filed a section 4 rate case under FERC Docket RP18-940-000. The listed Reservation Rates in this Open Season 017 may be subject to modification pursuant to Empire’s Rate Case.

Secondary Point Surcharge:

The Secondary Point Commodity Surcharge is applicable to Original Line transportation agreements and is a charge per Dth for all gas delivered to secondary point(s) of delivery located on the Empire Connector, or at any point(s) of delivery with respect to quantities scheduled from point(s) of receipt located on the Empire Connector. The current applicable Secondary Point Commodity Surcharge under the FTO-A Rate Schedule is \$0.1573. The current applicable Secondary Point Commodity Surcharge under the FTO-S Rate Schedule is \$0.1946 during the winter period and \$0.1201 during the summer period.

Fuel and Loss Allowances:

Compressor Fuel and OGFTU retention are applicable to all transportation quantities and are established and subject to change under the tracking mechanism guidelines in Empires’ GT&C Section 23 tariff sheets. Empire’s current Compressor Fuel Retention allowance is 0.15% and the current OGFTU allowance is 0.00%.

Bid Award Process:

During the Open Season period, Empire will accept requests for this transportation service under National’s FT and FTNN rate schedules. Participation in this Open Season is non-binding for bidders and Empire.

Requests for rate discounts or discounts of OGFTU will not be accepted. Shippers may request all or part of the available capacity, and are allowed to revise their bids within the posting period. A Shipper’s bid shall be exclusive of the applicable ACA Commodity Surcharge.

All acceptable requests will be ranked and the best bid(s) determined based on the highest net present value (“NPV”) of the reservation charge revenues, per unit of capacity (Dth/day) requested. The NPV calculation will incorporate length of contract term and will utilize a monthly rate of 0.8% (9.6% annually) for discounting purposes. In the event that multiple shippers submit requests that are equivalent in value and term, the available capacity shall be prorated to those shippers based on the quantities requested. These service agreements will provide for a range of quantities between the prorated quantities and the requested quantities. The contract quantity will be within this range and will be determined by the capacity subscribed by all successful bidders under executed service agreements.

Credit Requirements:

Shippers will be required to demonstrate creditworthiness or provide a credit alternative acceptable to National.

Service Agreements:

Successful bidders will be required to execute and return service agreements within 3 business days after they are received.

Bid Process:

All requests must be submitted using a Service Request Form (“SRF”). Bidders may complete an SRF online, download the [PDF version](#) from the Forms section of our website, or obtain one by contacting our Marketing Department at (716) 857-7740. The completed form can be mailed or faxed to the address listed below or emailed to Marketing@NatFuel.com.

Questions may be directed to the Marketing Department at (716) 857-7740, or to one of the Marketing Representatives listed here:

<p>Empire Pipeline, Inc. 6363 Main Street Williamsville, NY 14221 PHONE: (716) 857-7740 FAX: (716) 857-7310</p>	<p>Empire Marketing Representatives: Terry Falsone – (716) 857-7602 Joe Kolis – (716) 857-7520 Anthony Limina – (716) 857-7924 Marketing@NatFuel.com</p>
--	--