

**EMPIRE PIPELINE, INC.
OPEN SEASON - OS018**



Long Term Firm Transportation (“FT”) and/or Firm Transportation No-Notice (“FTNN”) Capacity from TCPL Chippawa to Connector Line and Original Line points.

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.

Empire has currently available pipeline capacity that may be used now to provide FT service. Further information on Empire’s currently available pipeline capacity is posted on [Empire’s website](#).

In addition to requests for FT service utilizing currently available pipeline capacity, this Open Season offers an additional 150,750 Dth/day of transportation capacity that will be available on December 22, 2018. Shipper requests for FT/ FTNN service that requires use of this returned capacity may begin no earlier than December 22, 2018.

Open Season Time Frame:

November 27, 2018 through 11:00 a.m. (Eastern Time) on December 3, 2018.

Term:

FT/FTNN service may begin as early as December 22, 2018 (service may begin now for requests using currently available FT capacity). There is no minimum or maximum term requirement.

Available Primary Receipt Point:

Receipt Point	Meter Number	MDTQ (Dth/day)*
Chippawa (TransCanada)	012000010	453,019

Available Primary Delivery Points:

Delivery Point	Meter Number	MDTQ (Dth/day)*
Grand Island (NFGSC)	012003010	71,000
Wheatfield (NFGSC)	012003015	51,350
Pendleton (NFGSC)	012003020	154,215
Royalton (NYSEG)	012004010	41,184
Oakfield (U.S. Gypsum)	012005010	12,550
RG&E City Gate (RG&E)	012001010	230,859
Arcadia (NYSEG)	012004020	11,000
Lysander (Dominion)	012006100	98,500
Phoenix Line 63 (Sithe)	012002010	111,510
Phoenix Line 39 (National Grid)	012002020	60,000
Hopewell (TGP)	412856	210,638
Milo (Greenidge)	022008610	33,250
Corning (Millennium)	022008810	273,250
Tuscarora (NFGSC)	022009010	60,166

*The Maximum Daily Transportation Quantity (“MDTQ”) is inclusive of 150,750 Dth/day of transportation capacity to be returned on December 22, 2018 and the volumes currently available as shown on Empire’s unsubscribed capacity posting. System/meter limitations can impact the capacity available to delivery points.

Rate Information:

The service offered in this open season can be subscribed under either the FT or FTNN rate schedule and is subject to the maximum tariff rates. These rates are exclusive of ACA Surcharges and 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)
\$0.0000		Original Main-Line Commodity Rate (applied to Dth quantity transported)
\$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

The current applicable Empire Connector (FTC and FTNNC) maximum tariff rates are listed in the table below:

Maximum Rate (Per Dth)	100% Load Factor Rate*	FTC and FTNNC Rate Component
\$7.3800	\$0.2426	Connector- Line Annual Reservation Rate (monthly, applied to contract MDTQ)
\$10.6272	\$0.3494	Connector-Line Winter Reservation Rate (monthly, applied to contract MDTQ)
\$5.0606	\$0.1664	Connector-Line Summer Reservation Rate (monthly, applied to contract MDTQ)
\$0.0000		Connector-Line Commodity Rate (applied to Dth quantity transported)
\$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 & Compressor Fuel retention

Note: Empire has filed a Section 4 rate case under FERC Docket RP18-940-000. The listed rates in this open season may be subject to modification pursuant to Empire’s Rate Case.

Secondary Point Surcharge:

The Secondary Point Commodity Surcharge is applicable to Empire 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 and FTNNO-A Rate Schedule is \$0.1573. The current applicable Secondary Point Commodity Surcharge under the FTO-S and FTNNO-S Rate Schedule is \$0.1946 during the winter period and \$0.1201 during the summer period. Secondary point surcharge may be subject to modification pursuant to Empire’s Rate Case.

Fuel and Loss Allowances:

OGFTU retention is applicable to all transportation quantities. Compressor Fuel retention is applicable to contracts with a primary receipt and/or delivery point on the Empire Connector. Both are established and subject

to change under the tracking mechanism guidelines in Empire’s 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 Empire’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 or Compressor Fuel 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 Empire.

Service Agreements:

Successful bidders will be required to execute and return service agreements within 5 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:

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