



**NATIONAL FUEL GAS SUPPLY CORPORATION
OPEN SEASON - OS240**

National Fuel Gas Supply Corporation (“National”) is pleased to announce the commencement of an Open Season for 4,748 Dth/d of Incremental Firm Storage Service Withdrawal Deliverability and Associated Firm Storage Transportation.

Available Capacity:

In this Open Season, National is pleased to make available an incremental 4,748 Dth/day of firm storage withdrawal deliverability under its Firm Storage Service (FSS) Rate Schedule and its Firm Storage Transportation (FST) Rate Schedule. This incremental storage withdrawal deliverability and transportation is being made available to improve the deliverability of existing 150-day FSS and FST contracts only. That is, the incremental deliverability will allow an existing 150-day storage shipper to increase its FSS & FST Contract Maximum Daily Withdrawal Quantity by up to 4,748 Dth/day. Participation in this Open Season is limited to existing 150-day FSS contracts with corresponding contractual FST receipt points of either TGP – Colden and/or TGP – Nashville. In the event that bidders’ existing FSS and FST contracts have discounted rates, such rates shall transition to National’s current maximum FSS and FST tariff rates on the effective date of the contract modification.

Please Note: No new storage capacity is available in this Open Season and no reductions in Maximum Storage Quantity will be granted.

Available Capacity:

| Capacity (Dth) | MDIQ (Dth/day) | MDWQ (Dth/day) |
|----------------|----------------|----------------|
| 0 | 0 | 4,748 |

Open Season Time Frame:

Thursday, October 25, 2018 through 11:00 a.m. (Eastern Time) on Friday, November 2nd, 2018.

Term:

The incremental deliverability offered herein commences April 1, 2019. There is no minimum or maximum term requirement, however qualifying bids must reflect an entire storage injection and an entire storage withdrawal season (April 1 through March 31).

Firm Injection and Withdrawal Rights:

No additional storage capacity is available in this Open Season. The incremental deliverability allows an FSS shipper to increase its FSS MDWQ and FST MDWTQ, by up to 4,748 Dth/day. The incremental withdrawal deliverability is subject to the ratchet schedule as outlined in the table below. National reserves the right to adjust existing FSS storage withdrawal ratchets accordingly upon successful bid of increased deliverability and in accordance with the ratchet profile of the incremental deliverability. The injection ratchets associated with bidders’ existing FSS contract(s) are unaffected by this offering.

| FSS Service | Maximum Storage Quantity (MSQ) Inventory | WD Rights* | WD Quantities (Dth/day) |
|---|--|--------------|-------------------------|
| Withdrawal Period Nov 1 – March 31 | From greater than 59% to 100% | 1/XX of MSQ | 4,748 |
| | From greater than 0% to 59% | 1/XXX of MSQ | 0 |

*Character of service will be determined based on combining the deliverability and respective ratchets offered in this Open Season with the deliverability and respective ratchets associated with the successful bidder's existing 150-day FSS capacity.

Primary and Delivery Points:

Below is the available FST withdrawal point associated with the FSS deliverability enhancement. National will amend successful bidder's service agreement(s) to reflect the increase in deliverability.

| Pipeline | Point Name | Meter Number | FST Receipt Capacity Dth/Day | FST Delivery Capacity Dth/Day |
|----------|------------|--------------|------------------------------|-------------------------------|
| TGP | Colden | 49756 | 0 | 4,748 |

National is not offering FST injection point changes in this Open Season.

Eligible requests for incremental TGP – Colden FST delivery point capacity as well as incremental FSS MDWQ deliverability must be originated from an existing FST contract with contractual receipt points of either TGP – Colden and/or TGP – Nashville.

Rate Information:

The maximum tariff rates under the FSS and FST rate schedules are listed below.

Firm Storage Service (FSS):

| Component | Maximum Tariff |
|--|-----------------------------------|
| Demand (monthly, applied to withdrawal deliverability) | \$2.3833 per Dth/day |
| Demand/Deliverability Stg PS/GHG Surcharge | \$0.1033 per Dth/day |
| Capacity (monthly, applied to capacity) | \$0.0366 per Dth |
| Capacity Stg PS/GHG Surcharge | \$0.0015 per Dth |
| Commodity Injection/Withdrawal | \$0.0391 per Dth |
| ACA Commodity Surcharge (injection and withdrawal) | \$0.0013 per Dth |
| Surface Operating and LAUF Allowance | See "Fuel and Loss" section below |

Firm Transportation Service (FST):

| Component | Maximum Tariff |
|---|-----------------------------------|
| Reservation (monthly, applied to MDWTQ) | \$3.6293 per Dth/day |
| Reservation PS/GHG Surcharge | \$0.0581 per Dth/day |
| Commodity | \$0.0135 per Dth |
| ACA Commodity Surcharge (applied to all transportation) | \$0.0013 per Dth |
| Transportation Fuel/LAUF | See "Fuel and Loss" section below |

PS/GHG Reservation Surcharge:

The Pipeline Safety and Greenhouse Gas Surcharges are applicable to storage and transportation agreements and are subject to change pursuant to National's GT&C Section 42 tariff sheets. Please note that National has made a PS/GHG cost adjustment filing under docket RP18-1257. Pending FERC approval, the filing under docket RP18-1257 may become effective as early as November 1, 2018

Fuel and Loss Allowances:

Storage Operating and LAUF Allowance and Transportation Fuel and Company Use Retention and Transportation LAUF Retention (collectively "Transportation Fuel/LAUF") are applicable to all transportation quantities and established and subject to change under the tracking mechanism guidelines in National's GT&C Section 41 tariff sheets.

For informational purposes, National's applicable allowances are as follows:

FSS: Storage Operating and LAUF Allowance of 0.89% on injection, and 0.89% on withdrawal.

FST: On injection and non-storage transportation, Transportation Fuel and Company Use Retention and Transportation LAUF Retention (collectively "Transportation Fuel/LAUF") is 0.79%. On withdrawal, there is no charged Transportation Fuel/LAUF.

Bid Award Process:

During the Open Season period, National will accept requests for incremental FSS/FST service (deliverability) as described herein. No request for rate discounts on incremental FSS and FST quantities will be considered.

Shippers may request all or part of the offered capacity. Bidders are allowed to revise their bids within the posting period. For the purposes of awarding the available FSS and FST capacity, all acceptable requests will be ranked and the best bid(s) determined based on the highest net present value (NPV) of the incremental reservation charge revenues, per unit of capacity (Dth/day). The NPV calculation will incorporate length of contract term and will utilize a monthly rate of 0.8% (9.6% annually) for discounting purposes.

Participation in this Open Season is non-binding for bidders and National.

All requests must be submitted using a Service Request Form ("SRF"). Bidders may indicate on the SRF a proposed term extension of their existing FSS and FST contracts. Requests for rate discounts or discounts of Transportation Fuel/LAUF will not be accepted. In the event that bidders' existing FSS and FST contracts have discounted rates, such rates shall transition to National's current maximum FSS and FST tariff rates on the effective date of the contract modification.

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 quantities requested.

Credit Requirements:

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

Execution of Agreements:

Successful bidders will be required to execute and return a Service Agreement within 10 business days of receipt.

Bid Documents:

As noted above, all requests must be submitted using a 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:

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