

NATIONAL FUEL GAS SUPPLY CORPORATION
 OPEN SEASON - OS242
 Revised December 6, 2018



Long Term Firm Storage (“FSS”) and Firm Storage Transportation (“FST”) Capacity

National Fuel Gas Supply Corporation (“National”) is pleased to announce the commencement of an Open Season for firm storage service and associated firm transportation service under National’s FSS and FST rate schedules.

The FSS capacity offered in this Open Season will have firm injection rights from April 1 through October 31, and will have firm withdrawal rights from January 1 through **April 15**.

Available Capacity:

CAPACITY (Dth)	MDIQ (Dth/day)	MDWQ (Dth/day)
651,274	4,313	14,000

Open Season Time Frame:

November 16, 2018 through 11:00 a.m. (Eastern Time) on **Thursday, December 13, 2018**.

Term:

Commencing April 1, 2019. There is no minimum or maximum term requirement.

Firm Injection and Withdrawal Rights:

	Maximum Storage Quantity (MSQ) Inventory	INJ/WD Rights	INJ/WD Quantities (Dth/d)
Injection Period			
April 1 – October 31	From greater than 0% to 25% From greater than 25% to 100%	1/151 of MSQ 1/189 of MSQ	4,313 3,450
Withdrawal Period (FSS primary withdrawal rights available January through April 15 only)			
January 1 – April 15	From greater than 0% to 47% From greater than 47% to 80% From greater than 80% to 100%	1/148 of MSQ 1/80 of MSQ 1/46 of MSQ	4,400 8,100 14,000

PRIMARY RECEIPT and DELIVERY POINTS

Please see below for a complete list of available FST injection and withdrawal points.

Pipeline	Point Name	METER NUMBER	FST RECEIPT CAPACITY Dth/D	FST DELIVERY CAPACITY Dth/D
TGP	Colden	49756	4,313	14,000
TGP	Mercer	412888	0	14,000

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/d
Demand/Deliverability Stg PS/GHG Surcharge*	\$0.1140 per Dth/d
Capacity (monthly, applied to capacity)	\$0.0366 per Dth
Capacity Stg PS/GHG Surcharge*	\$0.0016 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/d
Reservation PS/GHG Surcharge*	\$0.0434 per Dth/d
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 Surcharge:**

The Pipeline Safety and Greenhouse Gas Surcharge is applicable to transportation and storage agreements and is subject to change pursuant to National’s GT&C Section 42 tariff sheets.

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 as established and subject to change under the tracking mechanism guidelines in National’s GT&C Section 41 tariff sheets.

For informational purposes, National’s allowances applicable 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 Format and Discounts:

National will accept bids reflecting a discount below the maximum FSS and FST rates, provided that the bid exceeds the applicable Unit Rate Floor. Discounted bids must be submitted as a requested combined unit rate for FSS storage service and (if applicable) FST transportation service. For the purposes of converting a unit rate bid into component rates, National will first discount the FSS injection and withdrawal charges, followed by the FST reservation charge (where FST service is requested), then the FSS capacity charge, then the FSS demand

charge. Any discount to the FST rate will be limited to transportation of gas to and from National's storage point (NFSTOR).

National has predetermined a minimum acceptable Unit Rate Floor, and will reject any discount proposal below the applicable Unit Rate Floor. National has not revealed the Unit Rate Floor to any person outside the company.

Bid Award Process:

Shippers may request all or part of the offered MSQ - withdrawal and injection quantities will be allocated in proportion to such requested MSQ. Bidders are allowed to revise their bids within the posting period. All bids that exceed the Unit Rate Floor will be evaluated in a single ranking. For the purposes of awarding the available FSS and FST capacity, bids will be ranked according to the net present value (NPV), per unit of storage capacity, of the sums of the FSS capacity charges, FSS demand charges and FST reservation charges as derived above. The NPV calculation will incorporate length of contract term and will utilize an annual rate of 9.6% for discounting. The "Storage Component" of a bid shall be the NPV, per unit of storage capacity, of the FSS capacity charge and FSS demand charge. In the event that a customer bids for FSS service only, and its bid is equal to the Storage Component of another bid or bids for both FSS and FST service ("Comparable Combined Service Bid"), the FSS-only bid shall be considered equal in value to the Comparable Combined Service Bid with the highest value. In the event that National receives two or more bids of equal NPV per unit of storage capacity, a ratable capacity allocation shall be determined, subject to other conditions in this posting. Bids that are prorated for any reason are considered to have been awarded at the reduced MSQ.

National reserves the right to award capacity subject to the aggregate inventory and deliverability parameters described herein.

The FST receipt and FST delivery point capacities represented above reflect the total capacity available. Each awarded bid may reduce the amount of remaining FST receipt or FST delivery point capacity available for subsequent awards. However, in addition to indicating on the [Bid Form](#) preferred primary FST receipt and FST delivery points, bidders may also indicate alternative FST primary receipt and/or FST primary delivery points. Should capacity at the requested alternative points be available, National shall award FST capacity pursuant to the bid ranking method described above to/from such alternative points in order to fulfill the storage request.

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 a Service Agreement within 10 business days after they are received.

Bid Process

All requests must be submitted using a [Service Request Form \("SRF"\)](#) and a [Bid Form](#). Both documents are available on our website or by calling our Marketing Department @ 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:

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