

NATIONAL FUEL GAS SUPPLY CORPORATION
OPEN SEASON - OS243



Revised – 12/12/2018

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 and FST capacity is being offered in three distinct packages, each with the unique injection and withdrawal rights outlined below.

Available Capacity:

	Character of Service	Capacity (Dth)	MDIQ (Dth/d)	MDWQ (Dth/d)
Offer #1	110 day	179,080	995	1,628
Offer #2	150 Day	340,560	1,703	2,270
Offer #3	63 Day	899,470	7,253	14,386

Open Season Time Frame:

November 16, 2018 through 11:00 a.m. (Eastern Time) on **Thursday, December 20, 2018.**

Term:

Commencing April 1, 2019. There is no minimum term requirement in this Open Season offering. Bids reflecting discounts will be granted for a maximum term of up to three years. Bids reflecting the maximum tariff rates do not have a maximum term requirement.

Firm Injection and Withdrawal Rights:

Offer #1 (110 Day Service, MSQ 179,080 Dth)

	Maximum Storage Quantity (MSQ) Inventory	INJ/WD Rights	INJ/WD Quantities (Dth/d)
Injection Period			
April 1 – October 31	0% to 100%	1/180 of MSQ	995
Withdrawal Period			
November 1 – March 31	From greater than 30% to 100%	1/110 of MSQ	1,628
	From greater than 15% to 30%	1/120 of MSQ	1,492
	From greater than 10% to 15%	1/135 of MSQ	1,326
	From 0% to 10%	1/150 of MSQ	1,194

Offer #2 (150 Day Service, MSQ 340,560 Dth)

	Maximum Storage Quantity (MSQ) Inventory	INJ/WD Rights	INJ/WD Quantities (Dth/d)
Injection Period			
April 1 – October 31	0% to 100%	1/200 of MSQ	1,703
Withdrawal Period			
November 1 – March 31	From greater than 0% to 100%	1/150 of MSQ	2,270

Offer #3 (63 Day Service, MSQ 899,470 Dth)

	Maximum Storage Quantity (MSQ) Inventory	INJ/WD Rights	INJ/WD Quantities (Dth/d)
Injection Period			
April 1 – October 31	0% to 70%	1/124 of MSQ	7,253
	From greater than 70% to 79%	1/131 of MSQ	6,853
	From greater than 79% to 100%	1/133 of MSQ	6,763
Withdrawal Period			
November 1 – March 31	From greater than 55% to 100%	1/63 of MSQ	14,386
	From greater than 30% to 55%	1/89 of MSQ	10,076
	From greater than 15% to 30%	1/92 of MSQ	9,733
	From 0% to 15%	1/100 of MSQ	8,978

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	Rose Lake	420527	7,253	18,286
Transco	Leidy	7126	2,698**	3,898
DTI	Ellisburg Station	41202	9,951	0
NFGSC	Appalachian Zone 6	AppZn6	2,698**	0

**Total receipts at Leidy and Appalachian Zone 6 cannot exceed 2,698 Dth/D

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 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 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:

In this Open Season, National will accept and evaluate bids reflecting a discount below the maximum monetary rates for FSS storage service and FST transportation service if bids meet the conditions herein. Such discount requests must (1) be submitted by using a Service Request Form & Bid Form, (2) exceed the predetermined Unit Rate Floor that National has established for the offer, and (3) propose a discount term not greater than three years. National will reject any Open Season bid that does not meet these requirements.

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 will not accept requests for discounts on Fuel and Loss Retention/LAUF, or Surface Operating Allowance.

National has predetermined a minimum acceptable Unit Rate Floor for each offer, 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. Shippers may bid on Offer #1, Offer #2 and/or Offer #3. For bids equal or greater than the Unit Rate Floor, Offer #1, Offer #2 and Offer #3 will be evaluated and awarded separately. 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 across all three offers. Each awarded bid may reduce the amount of remaining FST receipt or FST delivery point capacity available for subsequent awards under either Offer #1, Offer #2 and/or Offer #3. 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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