

**NATIONAL FUEL GAS SUPPLY CORPORATION
OPEN SEASON - OS244**



Short Term Firm Storage and Firm Storage Transportation Capacity

National Fuel Gas Supply Corporation (“National”) is pleased to announce the availability of short term firm storage service and associated firm transportation service under its Firm Storage Service (“FSS”) and Firm Storage Transportation Service (“FST”) Rate Schedules.

This Open Season makes available a total of 1,085,000 Dth of high deliverability FSS capacity along with the corresponding FST service, which features southern injection points and northern withdrawal points.

Available Capacity:

Capacity (Dth)	MDIQ (Dth/day)	MDWQ (Dth/day)
1,085,000	35,000	90,000

Open Season Time Frame:

Tuesday February 19, 2019 through 11:00 am. (Eastern Time) on February 22, 2019.

Term: Commencing March 1, 2019 thru August 31, 2019.

Firm Injection and Withdrawal Rights:

FSS Service	Maximum Storage Quantity (MSQ) Inventory	Daily INJ/WD Quantities (Dth/d)
Injection Period March 1 – March 31	From 0% to 100%	35,000
Withdrawal Period Jun 1 – Aug 31	From 100% to 0%	Up to 90,000

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	Rose Lake	420527	35,000	90,000
TGP	East Aurora	420077	35,000	45,000 ^{1,3}
TGP	Hamburg	420076	-	20,000 ^{1,2,3}
TGP	Mercer	412888	-	20,000 ^{1,2,3}
Transco	Leidy	7126	35,000	90,000
TCPL	Niagara	421079	35,000	38,189 ^{1,3}
Empire	Pendleton	01003020	35,000	-
Empire	Tuscarora	022009010	30,000	-
NFGDC	NFG Dist Min. Springs	NFGDC-MSMX	-	45,000 ^{1,3}

¹ Total deliveries to East Aurora, Hamburg, Mercer, Niagara, and NFG Dist. Mineral Springs may not exceed 45,000 Dth/d.

² Total deliveries to Hamburg and Mercer may not exceed 20,000 Dth/d.

³ FST Delivery rights for East Aurora, Hamburg, Mercer, Niagara and/or NFGDC-MSMX will not commence until June 1, 2019. Shippers seeking primary FST deliveries at these points will need to choose an interim FST delivery point (either TGP Rose Lake and/or Transco Leidy) for the period of March 1, 2019 through May 31, 2019.

Rate Information:

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

Firm Storage Service (FSS):

Maximum Rate	FSS Rate Component
\$2.3833 per Dth/day	Demand Charge (monthly, applied to withdrawal deliverability)
\$0.0366 per Dth	Capacity Charge (monthly, applied to capacity)
\$0.0391 per Dth	Commodity Injection/Withdrawal Charge
0.89%	Storage Operating/LAUF Allowance * see below
\$0.0013 per Dth	ACA Commodity Surcharge (injection and withdrawal)
\$0.1140 per Dth/day	PS/GHG Demand/Deliverability Stg Surcharge (monthly, applied to contract MDWTQ) **see below
\$0.0016 per Dth	PS/GHG Capacity Stg Surcharge (monthly, applied to contract MDWTQ) **see below

Firm Transportation Service (FST):

Maximum Rate	FST Rate Component
\$3.6293 per Dth/day	Reservation Charge (monthly, applied to contract MDWTQ)
\$0.0135 per Dth	Commodity Charge (daily, applied to Dth quantity transported)
0.79%	Transportation Fuel/LAUF * see below
\$0.0013 per Dth	ACA Commodity Surcharge (daily, applied to Dth quantity transported)
\$0.0434 per Dth/day	PS/GHG Reservation Surcharge (monthly, applied to contract MDWTQ) ** see below

***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 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 currently 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.

****PS/GHG Reservation Surcharge:**

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

Bid Format & Discounts:

During the Open Season period, 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).

A Shipper’s bid shall be exclusive of the applicable PS/GHG Surcharges and ACA Commodity Surcharge.

National has predetermined minimum acceptable Unit Rate Floor(s), and will reject any discount proposal below the applicable Unit Rate Floor(s). The Unit Rate Floor(s) are based on the requested FST delivery point. National has not revealed the Unit Rate Floor(s) to any person outside National.

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 applicable 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.

Bid Documents:

All requests must be submitted using a SRF and a bid form. Bidders may download the PDFs by clicking on the links here: [Service Request Form](#) and [Bid Form](#). Also, both documents are available on National's website or by calling National's Marketing Department at (716) 857-7740. The completed forms can be mailed or faxed to the address listed below, or emailed to Marketing@NatFuel.com.

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 prior to start of service but no later than 3 days of receipt.

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

<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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