

**NATIONAL FUEL GAS SUPPLY CORPORATION
OPEN SEASON - OS265**



National Fuel Gas Supply Corporation (“National”) is pleased to commence an Open Season for transportation capacity under the Firm Storage Transportation ("FST") rate schedule. In this offering, which is only available to shippers currently holding FST capacity, shippers may request a contractual primary delivery point change to TGP – Rose Lake (“Rose Lake”) for up to 10,000 Dth/d.

Capacity and Points:

In this Open Season, National is able to award FST primary delivery point changes to Rose Lake for up to a total of 10,000 Dth/d. Bidders may request a delivery point change to Rose Lake on their applicable existing FST agreement. Bidders may also propose an FSS/FST rate increase applicable to the remaining primary term of their existing agreements.

In order to be a conforming bid, requests must seek a point change to Rose Lake from a current contractual FST primary delivery point located within National’s FM100 ⁽¹⁾ pipeline corridor. Further, to be eligible, the existing FM100 delivery point entitlements must also have a contractual FST primary receipt point located within the Ellisburg/Leidy area of National’s system. Bidders should contact a National representative to discuss eligible FM100 delivery points and Ellisburg/Leidy area receipt points.

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

⁽¹⁾ FM100 pipeline corridor includes delivery point laterals directly connected to line FM100.

Term:

The delivery point change can commence as early as November 1st, 2020.

Rate Information:

Requests must be made under the FST rate schedule.

Open Season Time Frame:

October 23, 2020 through 11:00am EST on October 30, 2020

The current applicable FST Maximum tariff rates are listed in the table below:

Rate	FST Rate Component
\$4.5019 per Dth/day	Reservation Charge (monthly, applied to contract MDTQ)
\$0.0140 per Dth	Commodity Charge (daily, applied to Dth quantity transported)
\$0.1620 per Dth	100% Load Factor Rate (Excluding surcharges and applicable Transportation Fuel/LAUF)

The current applicable tariff Transport Fuel and Surcharges are listed in the table below:

Rate	Transport Fuel and Surcharge Components for FST
1.03%	Transportation Fuel and LAUF Retention *
\$0.0255 per Dth/day	PS/GHG Reservation Surcharge (monthly, applied to contract MDTQ)**
\$0.0011 per Dth	ACA Commodity Surcharge (daily, applied to Dth quantity transported)

The current applicable FSS Maximum tariff rates are listed in the table below:

Rate	FSS Rate Component
\$2.5326 per Dth/day	Demand Charge (monthly, applied to withdrawal deliverability)
\$0.0462 per Dth	Capacity Charge (monthly, applied to capacity)
\$0.0439 per Dth	Commodity Injection/Withdrawal Charge

The current applicable tariff Storage Fuel and Surcharges are listed in the table below:

Rate	Storage Fuel and Surcharge Components for FSS
0.93%	Storage Operating/LAUF Allowance*
\$0.0999 per Dth/day	PS/GHG Storage Demand/Deliverability Surcharge (monthly, applied to contract MDWTQ)**
\$0.0014 per Dth	PS/GHG Storage Capacity Surcharge (monthly, applied to contract MSQ)**
\$0.0011 per Dth	ACA Commodity Surcharge (injection and withdrawal)

***Fuel and Loss Allowances:**

Storage Operating and LAUF Allowance, Transportation Fuel and Company Use Retention and Transportation LAUF Retention (collectively “Transportation Fuel/LAUF”) are applicable to all storage and 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 current applicable allowances are as follows:

FSS: Storage Operating and LAUF Allowance of 0.93% on injection, and 0.93% on withdrawal.

FST: On injection and non-storage transportation, Transportation Fuel and Company Use Retention and Transportation LAUF Retention (collectively “Transportation Fuel/LAUF”) is 1.03%. 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. Effective November 1, 2020 National’s current PS/GHG surcharge is:

Transmission Surcharge: \$0.0255 (monthly, applied to contract MDTQ)

Storage Demand/Deliverability Surcharge: \$0.0999 (monthly, applied to contract MDWTQ)

Storage Capacity Surcharge: \$0.0014 (monthly, applied to contract MSQ)

Bid Format & Discounts:

During the Open Season period, National will accept requests for primary delivery point changes to Rose Lake under National’s FST rate schedule. Participation in this Open Season is non-binding for bidders and National.

All requests must be submitted using a Service Request Form (“SRF”). Requests for primary term extensions or discounts of Transportation Fuel/LAUF will not be accepted. Existing Shippers with discounted FSS/FST contract rates may propose an increase to their rates applicable to the remaining primary term of their agreement, up to National’s maximum FSS and FST tariff rates. Existing Shippers may not request discounts below the rates agreed upon in their existing FSS/FST contract package. Requests for rate increases must be submitted as a combined unit rate for FSS storage service and FST transportation service and the rate increase request will only be applicable to the remaining primary term of the agreement. For the purposes of converting a unit rate bid into contractual component rates, National will first discount the FSS injection and withdrawal charges, followed by the FST reservation charge, then the FSS capacity charge, then lastly 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).

Requests for discounts of Storage Operating Fuel/ Transportation Fuel/LAUF will not be accepted. A Shipper's bid shall be exclusive of all applicable surcharges.

Bid Award Process:

Shippers may request all or part of the available TGP-Rose Lake FST withdrawal capacity, and are allowed to revise their bids within the posting period.

Conforming requests will be ranked and the best bid(s) determined based on the highest net present value (NPV) of any proposed incremental revenue associated with an increase to a Shippers existing discount structure under the FSS and FST rate schedules, per unit of capacity (Dth/day) requested. The incremental reservation charge revenues shall be calculated based on the bidders' proposed increase to existing discounts under the FSS and FST rate schedules. The NPV calculation will incorporate length of contracts remaining primary 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, the available capacity will be awarded to the bid with the shortest term. Furthermore, if two bids are equivalent in value and term, the available capacity shall be prorated to those shippers based on quantities requested.

Bid Process and Documents:

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.

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 service agreements within 5 business days after they are received.

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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