



National Fuel

National Fuel Gas Supply Corporation
Empire Pipeline, Inc.



Northern Access 2016 Project Pendleton Compressor Station

Docket Number CP15-115

Northern Access 2016 Project

- \$451 million project to expand the natural gas infrastructure of 2 National Fuel Gas Company subsidiaries:
 - National Fuel Gas Supply Corporation
 - Empire Pipeline, Inc.
- Enable economically produced regional supplies of natural gas to enter the North American pipeline grid, including Western New York utility markets
 - Project facilities span McKean County, Pa., and Alleghany, Cattaraugus, Erie and Niagara counties, N.Y.
 - Project is regulated by the Federal Energy Regulatory Commission (FERC)
 - Lengthy and rigorous environmental and regulatory review of project began July 2014
 - FERC Application filed March 2015
 - FERC Certificate typically received approximately 1 year after application

Project Context

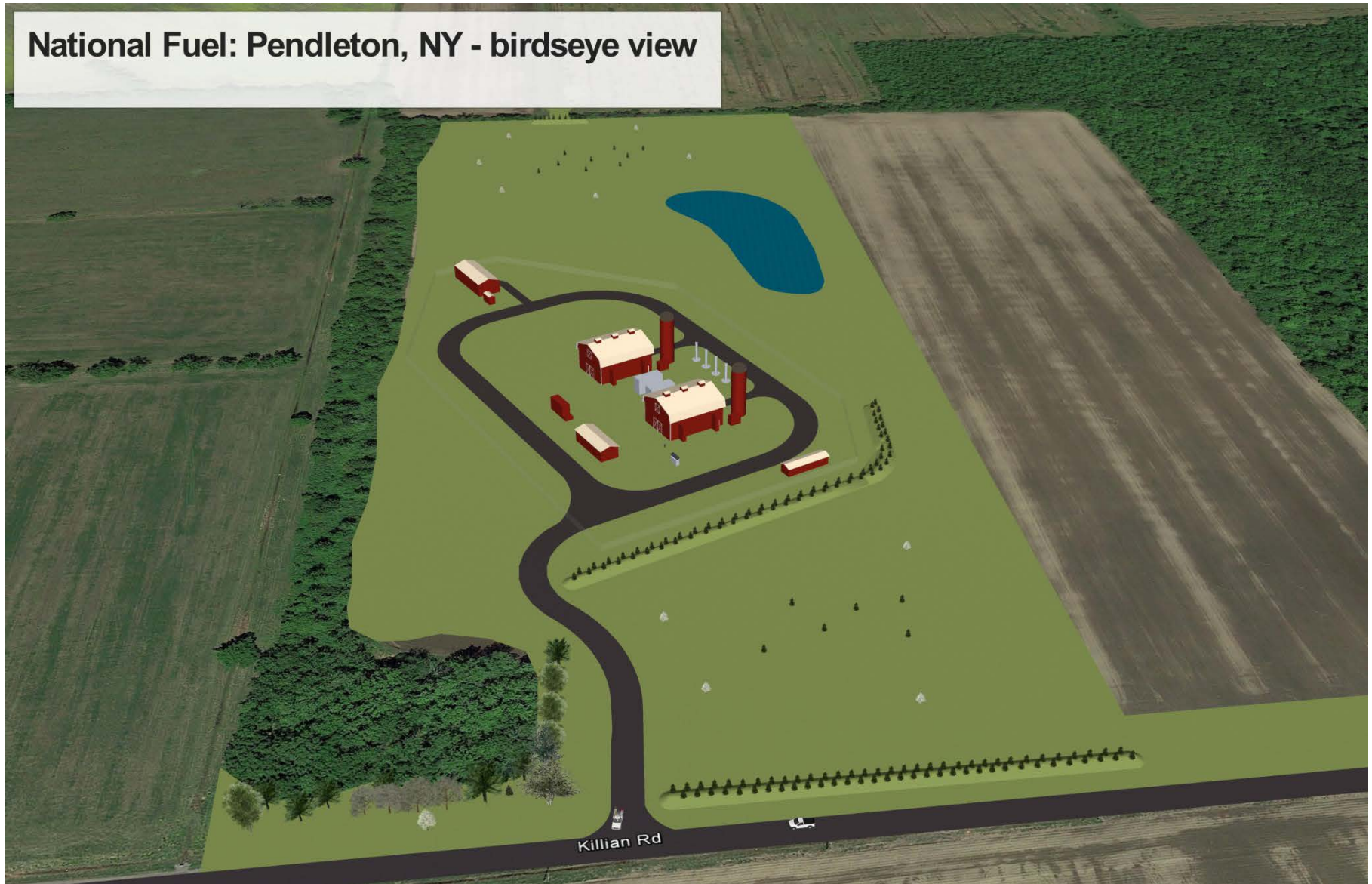
- Pendleton Compressor Station
 - 2 @ Solar (Caterpillar) T-70 — turbine-power natural gas compressors in buildings
 - Total of 22,214 horsepower
 - Meter and odorizer building
 - Electrical control and office buildings
 - Ancillary equipment: No storage tanks
- Approximately 2 miles of new pipeline
 - Approximately 1.1 miles of 24" pipeline to compressor station
 - Approximately 0.9 miles of 16" pipeline leaving compressor station

Pendleton Project Facilities



Proposed Facility Map

National Fuel: Pendleton, NY - birdseye view



Station Site Layout

Meet or beat all federal safety codes for design and operation

- State-of-the-art control system:
 - Fire detection
 - Gas detection
 - Onsite automated fail-safe safety control systems
 - No off-site intervention required for shutdown
 - Automatic emergency shutdown system
- Monitored 24/7 by local National Fuel Gas Dispatch Center
- Highly trained and qualified National Fuel personnel operate 38 stations
 - On-site daily maintenance/inspection (M-F)
 - Local and on-duty and on-call station technicians

Compressor Station Safety

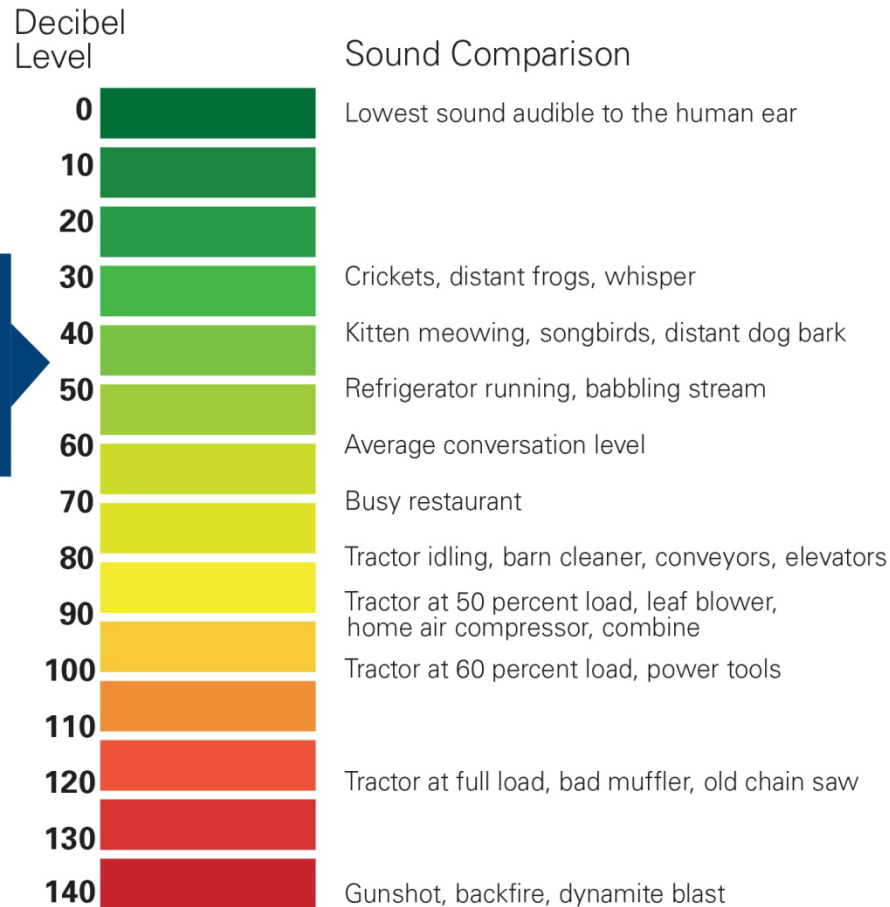
Minimal to no predicted increase over ambient noise levels at closest residences

- State-of-the-art noise control
 - All sources of noise are treated
 - Acoustically designed building enclosures
 - Silencers on all vent "blow downs"
- Federal requirement of 55 dBA Ldn (day-night average) at closest residence
 - Equivalent to 48.6 dBA continuous
- Predicted noise level* approximately 15 dBA Ldn better than federal requirement
 - Equivalent to 34.4 dBA continuous

*Pending results of noise study

State-of-the-Art Noise Control

48.6 dBA is a level much quieter than an average conversation



Data courtesy of the Texas Cooperative Extension, Texas A&M University

“The day-night average sound level (Ldn) is the average noise level over a 24-hour period. The noise between the hours of 10 p.m. and 7 a.m. is artificially increased by 10 dB.”

Federal Noise Requirement

Meet or beat stringent Department of Environmental Conservation (DEC) and Environmental Protection Agency (EPA) permit requirements

- Permit requirements are designed to protect public health and welfare including sensitive populations
- Air dispersion modeling assures air quality standards (NAAQS) are met at compressor station property line
- Annual emission testing for DEC demonstrates compliance
- "Solar has more than 95,000,000 operating hours with SoLoNOx technology [and] has saved an estimated 3,300,000 tons of NOx emissions since introduction and received a Department of Energy (DOE) grant to develop the next generation of high-efficiency, low-emission gas turbines." - Caterpillar website

Low-Emission Technology

Federal Requirement:

No perceptible increase in vibration during operation

- Turbine compressors inherently vibration free
- No blasting or driven piles during construction

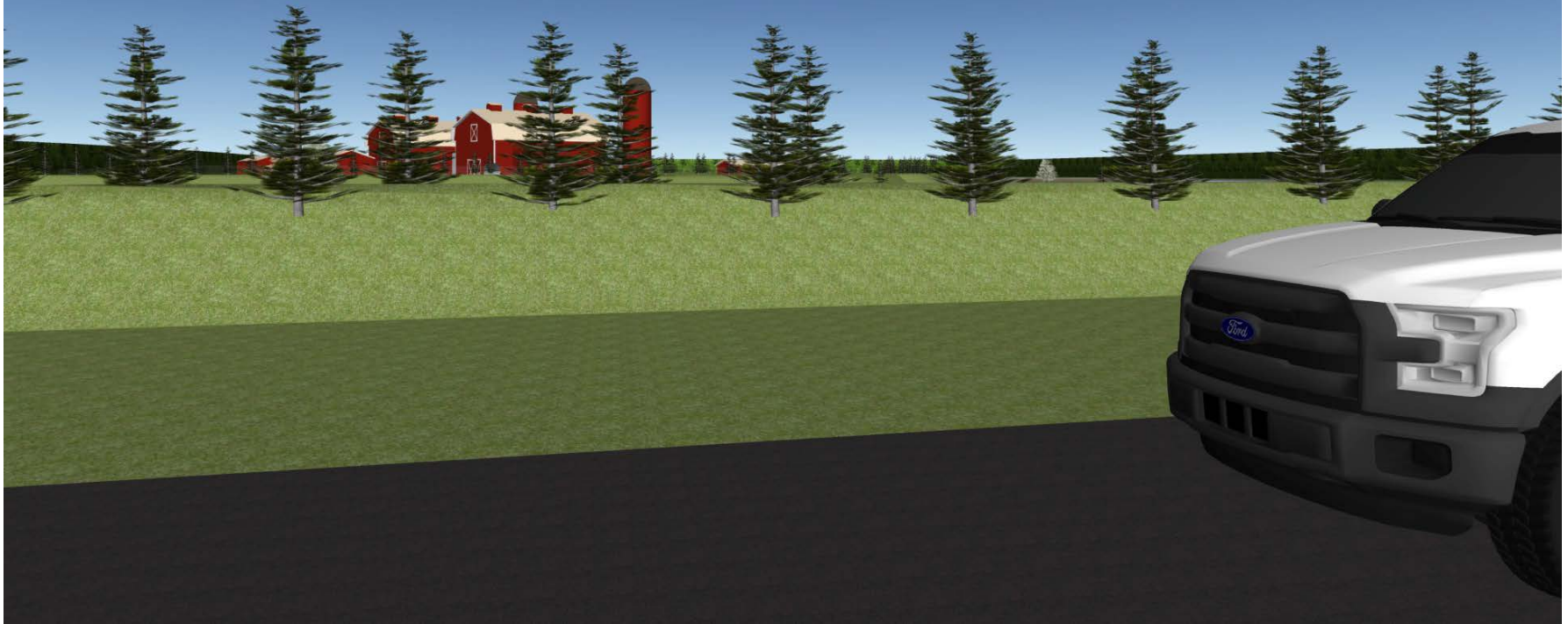


Vibration Free

Minimized Station Lighting

- Normal: Building entry lighting only
- Staffed: Shielded "down-lighting" - only as required for safety
- Lighting controlled by station control panel

Minimized Lighting



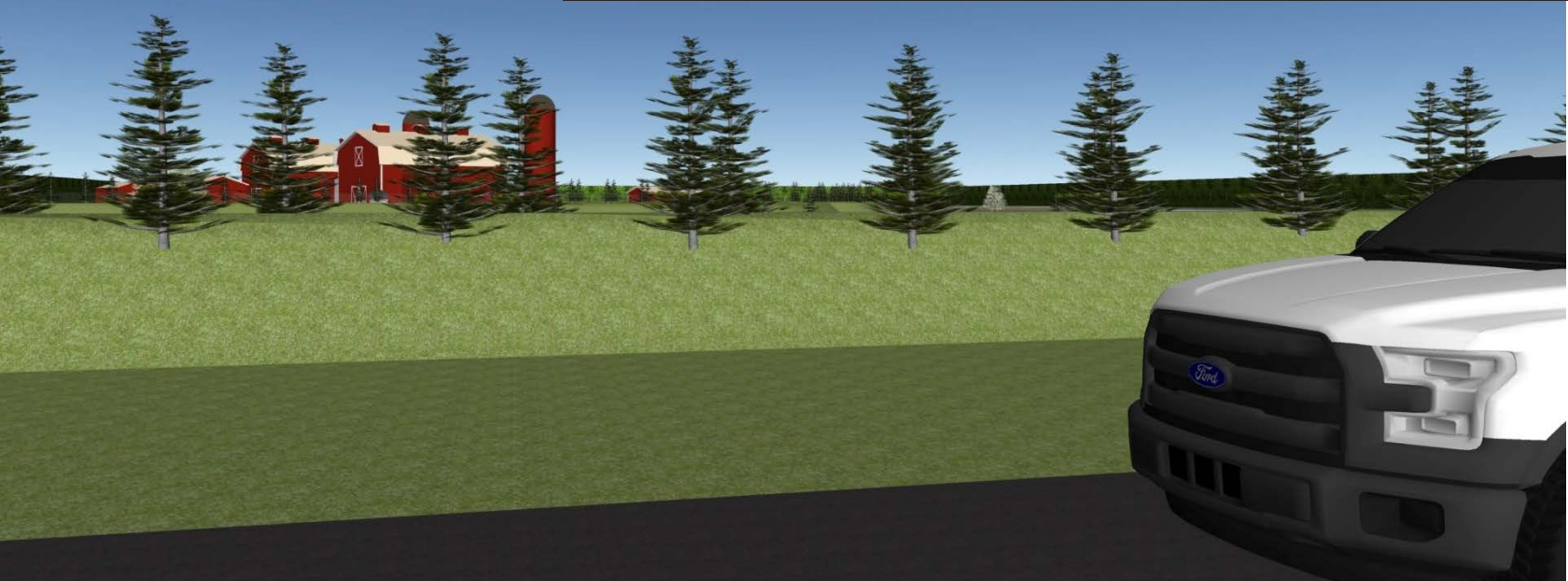
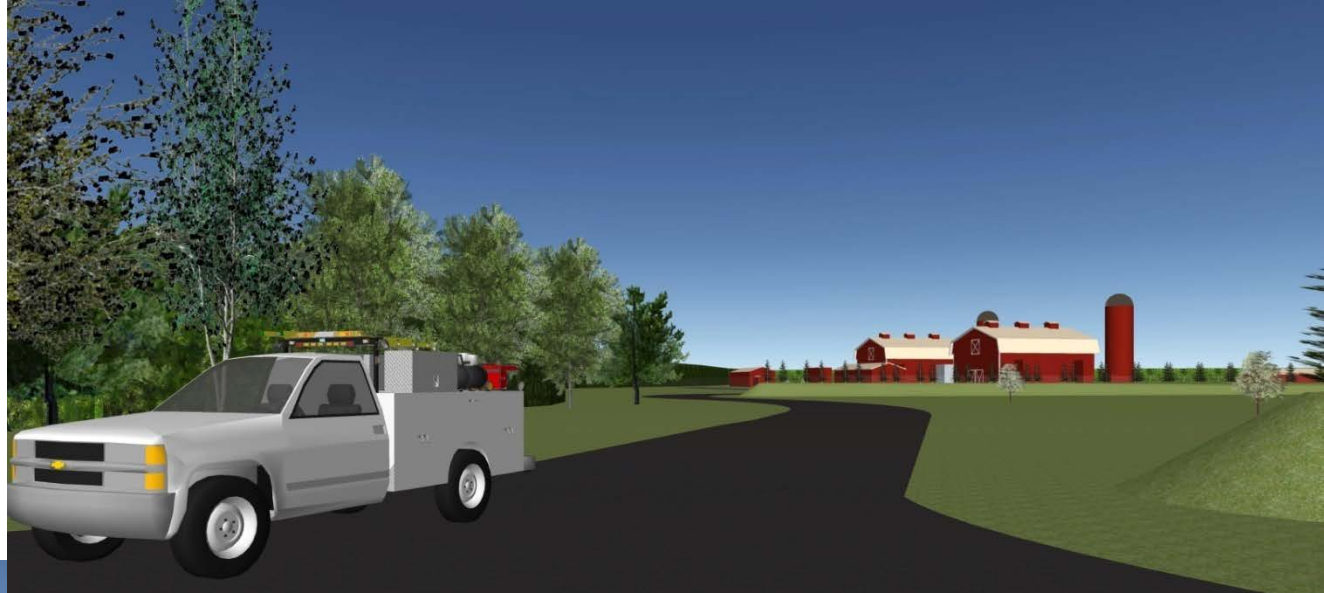
Proposed Design

Aesthetic treatment to fit with the character of the community

- Retained architect to assist with "agricultural design"
- Building architectural treatments
- Exhaust silencer enclosure/silo
- Berms and evergreen visual barrier
- Site layout to reduce sightlines
- Minimize visible above grade infrastructure
- Conservation deed restriction and plantings; preserves "buffer acreage"

Aesthetic Treatment

View from Killian Road



Southern Views

View from Beach Ridge Subdivision

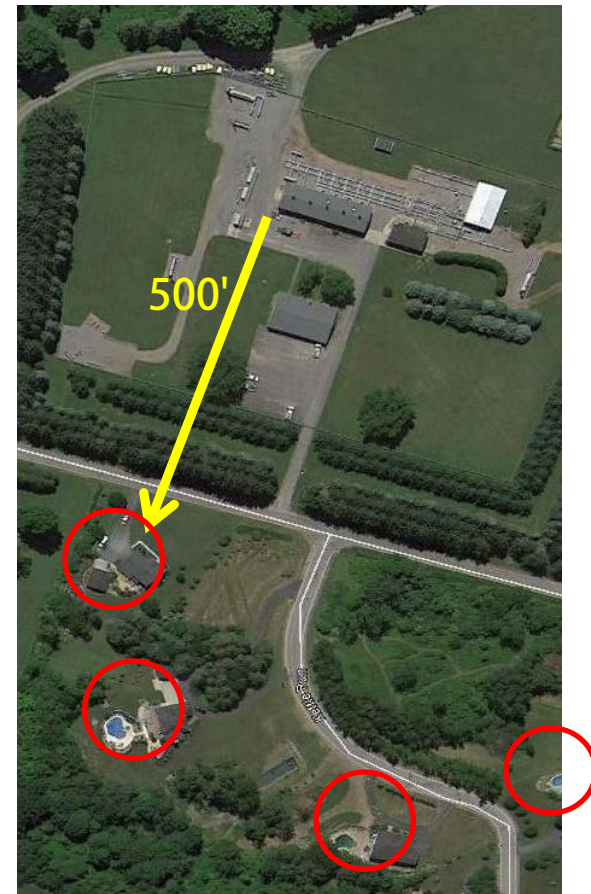


Northwest Views

No quantifiable evidence in the marketplace indicating a discernible impact on either property values or appreciation rates for properties in close proximity to natural gas compressor stations.

- Study results from 7 New York locations
- Constructed on large parcels of land set-back well off road.
- Both natural buffers and constructed buffers are utilized as barriers for noise and view.

September 2015 study prepared by NYS Certified General Real Estate Appraiser



Porterville Compressor Station

- Station built in 1950s
- New upscale house adjacent
- No apparent impact on valuation

Protecting Property Values

Industrial Zoning — Use fits within "Essential Services"

- Station is not "Heavy Industry"
 - The facility would be part of critical energy infrastructure necessary for the transportation of natural gas through our system, and bears no resemblance to heavy industry.
 - There is no processing of natural gas or any other product on the site.
 - The only emission from the site is the products of combustion of natural gas — the same result as the burning of natural gas in the furnaces of homes in the surrounding area.
- Significant distance from residential development
 - 1,600' to closest proposed Beach Ridge Meadows
 - 2,800' to closest Ridgeview development
 - Extensive wooded buffer between Ridgeview Drive
- 2.8 miles to Starpoint Central School
- No pipeline construction adjacent to Frontier Chemical Site
- Remove and restore Aiken Road Meter/Odorizer Station
 - Incorporate in new station design within enclosure

Site Attributes

Local Company Growing the Local Economy

- Headquartered in Williamsville, N.Y. (NYSE: NFG)
- More than 110 years experience
- In Western New York:
 - Employs 1,240 employees (728 union)
 - Supports 1,346 retirees
 - More than 230 employees and retirees live in Niagara County
- Over the last 5 years:
 - Hired 423 new employees
 - Invested \$4.2 billion invested in Western New York and Pennsylvania capital expenditures and infrastructure
 - Paid \$380 million in taxes in New York state
 - Donated \$7.2 million in employee, Company and Foundation donations (\$1.6 million in 2014)

Our Company

Significant Annual Taxes in Niagara County

- Starpoint Central School: \$1,587,000
- Niagara-Wheatfield Central School: \$373,000
- Niagara County: \$748,000
- Town of Pendleton (fire, water, etc.): \$103,000
- Town of Wheatfield (fire, sewer, etc.): \$25,000

- Total Estimated Property Taxes: \$2,837,000
- Total Niagara County Sales Tax: \$2,403,000

Direct Local Impact

- Total project investment by National Fuel
 - \$451 million
 - \$354 million in New York
- Direct/indirect economic impact of \$923 million
 - Multiplier effect adds \$472 million with ripple effect related to increased economic activity during construction
- Construction estimated to create 1,000-1,200 jobs throughout entire project
 - \$138 million in direct, incremental payroll
 - \$63 million in North American-sourced pipe and compression
- Estimated economic impact in annual property taxes in 4 New York counties of \$11.5 million
- One-time sales impact of approximately \$6.6 million for 4 New York counties

Substantial NYS Investment

Timeline of Events

September-November 2015

- Community Outreach Focused on New Site
- Noise and Environmental/Engineering Studies
- Pipeline Routing and Surveys
- Compressor Station Site Tours
- Begin Site Plan Approval Process
- Begin Community Benefit Discussion
- Public Information Forum
- FERC Filing Amendment
- FERC Scoping Meeting and Comment Period

Next Steps



- Meet or beat all federal safety codes for design and operation
- Design and construct the station for minimal to no predicted increase over ambient noise levels at closest residences
- Meet or beat stringent Department of Environmental Conservation (DEC) and Environmental Protection Agency (EPA) permit requirements
- Design, construct and operate the station with no perceptible increase in vibration

Our Commitment To the Community & FERC



- Minimize and direct station lighting only as required for safe operation
- Design the station facilities, buildings and property to fit with the character of the community and minimize impact on surrounding property
- Empire will not seek any property tax abatements

Our Commitment To the Community & FERC

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