National Fuel

TRANSPORTATION SCHEDULING SYSTEM

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

AGGREGATOR MANUAL

Revised February 2023

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A. Monthly Metered Natural Gas Service – MMNGS (Pennsylvania only)

Under this rate schedule the Aggregator assumes primary responsibility for balancing management of a group of MMT customers for the purpose of netting out the imbalances of each individual MMT customer into one net imbalance for which the Aggregator is liable.

Please refer to the PA Tariff and Gas Transportation Operations Procedures (GTOP) manual for all applicable rate information.

B. Small Aggregation Transportation Supplier – SATS (Pennsylvania only)

Under the SATS rate schedule the Aggregator assumes all obligations of its SATS customers for all unbundled services rendered to the SATS customer by the Company including, but not limited to, transportation, balancing, capacity release, and standby.

Please refer to the PA Tariff and Gas Transportation Operations Procedures (GTOP) manual for all applicable rate information.

C. Supplier Transportation Balancing and Aggregation – STBA (New York only)

Under the STBA rate schedule the Aggregator assumes all obligations of its STBA customers for all unbundled services rendered to the STBA customer by the Company including, but not limited to, transportation, balancing, capacity release, and standby.

Please refer to the NY Tariff and Gas Transportation Operations Procedures (GTOP) manual for all applicable rate information.

D. New York Daily Metered Transportation – NY DMT

Under the SC-13D rate schedule an Aggregator (typically a Marketer) agrees to assume primary responsibility for balancing management of a group of DMT customers for the purpose of netting out the imbalances of each individual DMT customer into one net imbalance for which the Aggregator is liable.

Please refer to the NY Tariff and Gas Transportation Operations Procedures (GTOP) manual for all applicable rate information

E. SC-16 Cogeneration (New York only)

Under the SC-16 rate schedule an Aggregator (typically a Marketer) agrees to assume primary responsibility for balancing management of a group of SC-16 customers for the purpose of netting out the imbalances of each individual SC-16 customer into one net imbalance for which the Aggregator is liable.

Please refer to the NY Tariff and Gas Transportation Operations Procedures (GTOP) manual for all applicable rate information

2. GROUP SETUP AND VERIFICATION

For all aggregation group operators in NY and PA it is necessary to set up an additional market pool/group (NABCS00 or PABCS00) each month. This pool is known as a "zero" pool and is used for imbalance trading, mandatory month-end imbalance cash-out, and billing purposes. During monthly processing, all individual NY market pool imbalances (STBA and DMT) will automatically be combined into the "zero" pool and all individual PA market pool imbalances (MMNGS and SATS) will automatically be combined into the "zero" pool. No DDQs will be calculated for this pool and no nominations should be made to this pool. SC-16 is not included in this "zero" pool calculation in NY.

A. MMNGS Group Setup and Verification (Pennsylvania)

To set up and verify an MMNGS group in TSS, perform the same steps as are required to set up any market pool. The instructions for this process are in the Market Pool Operator Manual.

Procedures for enrolling customers into the MMNGS group are available in the GTOP manual.

Note that an MMNGS group number is assigned to these market pools. Individual RBAs are not kept in TSS for MMNGS groups. Therefore, nominations are made at the group level, not at the individual RBA level in TSS.

B. SATS Group Setup and Verification (Pennsylvania)

To set up and verify an SATS group in TSS, perform the same steps as are required to set up any market pool. The instructions for this process are in the Market Pool Operator Manual.

Procedures for enrolling customers into the SATS group are available in the GTOP manual.

Note that a SATS group number is assigned to these market pools. Individual RBAs are not kept in TSS for SATS groups. Therefore, nominations are made at the group level, not at the individual RBA level in TSS.

C. DMT Group Setup and Verification (Pennsylvania)

To set up and verify a DMT group in TSS, perform the same steps as are required to set up any market pool. The instructions for this process are in the Market Pool Operator Manual.

Procedures for entering individual customers into the DMT market pool are in the Market Pool Operator Manual.

Note that nominations are made at the individual RBA level in TSS. Banks are kept at the customer level and are not aggregated to the marketer level as an imbalance.

D. STBA Group Setup and Verification (New York)

To set up and verify an STBA group in TSS, perform the same steps as are required to set up any market pool. The instructions for this process are in the Market Pool Operator Manual.

Procedures for enrolling customers into the STBA group are available in the Gas Transportation Operations Procedures (GTOP) manual.

Note that an STBA group number is assigned to these market pools. Individual RBAs are not kept in TSS for STBA groups. Therefore, nominations are made at the group level, not at the individual RBA level in TSS.

E. **DMT Group Setup and Verification (New York)**

To set up and verify a DMT group in TSS, perform the same steps as are required to set up any market pool. The instructions for this process are in the Market Pool Operator Manual.

Procedures for enrolling customers into the DMT group are available in the Gas Transportation Operations Procedures (GTOP) manual.

Note that a DMT group number is assigned to these market pools. Nominations are made at the group level, not at the individual RBA level in TSS.

F. **SC-16 Group Setup and Verification (New York)**

To set up and verify an SC-16 group in TSS, perform the steps outlined in the Market Pool Operator Manual.

Procedures for entering customers into the SC-16 group are available in the Market Pool Operator Manual.

Note that when an SC-16 group is created, an associated market pool is created as well. Nominations are made at the individual RBA level in TSS for SC-16 market pools.

3. DAILY CITY GATE IMBALANCE RECONCILIATION

- STBA, SC-16, MMNGS, and SATS Suppliers are responsible for delivering gas supply to Distribution's City Gate in amounts calculated by Distribution as described in the New York and Pennsylvania GTOP manuals. For each customer, a Daily Delivery Quantity ("DDQ") is determined and combined with other customers' DDQs to produce the Aggregated Daily Delivery Quantity ("ADDQ").

- For amounts delivered to the City Gate by the Supplier outside of applicable ADDQ tolerances, the Supplier will incur charges as described in the New York and Pennsylvania Tariffs and GTOP manuals.

- Daily city gate imbalances are finalized during monthly processing, which occurs approximately nine business days following the end of the month. The actual monthly processing schedule is detailed on the TSS Calendar posted on the NFGDC TSS Support Site:
https://www.nationalfuel.com/business-partners/news-and-announcements/

4. END OF MONTH BURNER TIP IMBALANCE RECONCILIATION

- End of month burner tip imbalances are finalized during monthly processing, which occurs approximately nine business days following the end of the month. The actual monthly processing schedule is detailed on the TSS Calendar posted on the NFGDC TSS Support Site:
https://www.nationalfuel.com/business-partners/news-and-announcements/

- Aggregators are provided with several options for reconciling end of month burner tip imbalances:
  - ❖ Trading
  - ❖ Cash-out (mandatory for NY STBA, NY DMT, PA MMNGS, PA SATS)
  - ❖ Cash-out (upon request for NY SC-16)
  - ❖ Rollover of imbalance to a future month only for NY SC-16 (NY SC-16 one month roll)
    - o When operationally feasible

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5. TRADING

A. General

- Trading of imbalances is allowed in New York and Pennsylvania. Trading between states is not allowed.
- Pennsylvania MMNGS Aggregators can trade with other MMNGS Aggregators. Note that for each Aggregator all individual PA MMNGS and PA SATS market pools are automatically combined into the "zero" pool and trading is conducted on this "zero" pool (PABCS00).
- New York STBA, DMT, and SC-16 Aggregators can trade with each other. Note that for each Aggregator all individual NY STBA and NY DMT market pools are automatically combined into the "zero" pool and trading is conducted on this "zero" pool (NABCS00).
- TSS allows two trading sessions per day for 3 consecutive business days immediately following the completion of processing each month. The first day of trading sessions each month will typically be on or about the 10th business day following the end of the month being processed.
- A schedule of upcoming trading sessions can be viewed in TSS via the shortcut ETMTH. The days highlighted in red are days on which trading is allowed. Click on the red box to display the times of day that trading is allowed. The trading days are also listed on the TSS calendar that is posted monthly on the NFGDC web site under Services for Marketers.
- Each session is normally 3 hours in length, typically 9 AM to 12 noon ET for the morning session, and 1 PM to 4 PM ET for the afternoon session.
- All quantities traded are in Shrunk Mcf.
- Imbalances may only be traded toward zero.
- At the end of each trading session, Transportation Services runs a job to pair up trades-out with their corresponding trades-in. Traders can view their own completed trade(s) on the ETRADI screen in TSS approximately one hour following the close of each trading session.
- Unmatched trades are deleted at the end of each trading session and do not carry forward into the next trading session. Use the shortcut ETWOM to verify matched trades prior to the end of each trading cycle so that corrections can be made before the end of the trading session.
- All post-trading New York STBA and DMT imbalances are cashed out through the "zero" pool.
- All post-trading Pennsylvania MMNGS and SATS imbalances are cashed out through the "zero" pool.
- SC-16 positive post-trading imbalances carry forward from the month an imbalance is created to the next calendar month. All negative post-trading SC-16 imbalances are cashed out.

B. Imbalance Summary

- Immediately following the end of each month's processing, (approximately the 9th business day of the new month) Aggregators can view contact information for other Operators and a listing of imbalances. The Aggregator has the option whether to show a + or – instead of the actual positive or negative imbalance volume. To show a + or – instead of the actual positive or negative imbalance volume, go to the EMPAM screen and select the Modify button. After selecting the applicable month, check off the box that reads, 'Suppress Display of Imbalance?'

- To view this summary choose:

    - Customer Activities
    - Flowing Gas
    - Imbalances
    - Imbalance Trading
    - Imbalance Summary Listing – or enter shortcut EGISL and Run

- This imbalance summary can be viewed on screen or e-mailed as a .pdf.

- The decision each month to accept or reject cash-out requests for NY SC-16 will be made by the Company and posted in TSS prior to the beginning of trading. This notice is posted in the upper right corner of the EGISL report. Month-end imbalance cash-out is mandatory for NY STBA, NY DMT, PA MMNGS, and PA SATS.
- Aggregators can also view their individual imbalance(s) by entering TSS shortcut ETRADI.
- Marketer Trading Statements are available in TSS once monthly processing has been completed.

- These statements include:
  - Prior month imbalance
  - Adjustments
  - Deliveries
  - Customer usage
  - Trades
  - Cash-outs
  - Current imbalance

- All Aggregators can obtain their Monthly Marketer Trading Statements by selecting the following in TSS:
  - Customer Activities
  - Flowing Gas
  - Imbalances
  - Imbalance Trading
  - Monthly Marketer Trading Statements – or enter shortcut EMMTS and Run

Note: Aggregator Monthly Cash-out Detail Reports are included with each run of EMMTS. NY Daily Marketer Trading Statements are in a separate output from Monthly Marketer Trading Statements.

- All Aggregators can obtain a file of their Trading Statements by selecting the following in TSS:
  - Customer Activities
  - Flowing Gas
  - Imbalances
  - Imbalance Trading
  - Monthly Marketer Trading Statements – or enter shortcut EMMTSF and Run

- It is recommended that Trading Statements be run before trading begins and again after trading and cash-outs of remaining imbalances have been completed.
- Note that various statements and files can be automatically e-mailed to TSS users by selecting the appropriate Contact Types on the ECNTM screen.

C. Entering a Trade

- A Trader cannot post Trades-in and Trades-out in the same trading session.
- To initiate a Trade-out or Trade-in in TSS:
  - Customer Activities
  - Flowing Gas
  - Imbalances
  - Imbalance Trading
  - Imbalance Trading - or shortcut ETRAD and Run
  - New
  - Select
  - TSS will list group imbalances

- Pick the Group with which trading is to be completed (for NY STBA, NY DMT, PA MMNGS, and PA SATS) trades take place at the "zero" pool level only)
- Enter the desired trade amount in Mcf in the Volume to Trade field.

- In order for a trade to be completed, corresponding trade entries must be made by both Aggregators prior to the end of the same trading session. If matching entries are not made in the same trading session, the trade will be deleted. Mismatched entries will not be carried forward to the next trading session.
- At the end of each trading session, Transportation Services runs a job to match trades.
- To view trade information, enter ETRADI in the TSS shortcut field.
- After the TSS batch job is run to match trades, the Aggregators can verify that the trade was completed. To do this select:
  - Customer Activities
  - Flowing Gas
  - Imbalance
  - Imbalance Trading
  - ETRADI: Imbalance Trade Inquiry – or enter shortcut ETRADI and Run
  - To view trades without matches enter shortcut ETWOM and Run
  - Unless corrective action is taken prior to the end of the Trading Cycle, both the Trade-out and the Trade-in will be deleted because of non-matching volumes.

6. CASH-OUT

- Under the Cash-out Option, Distribution either purchases a surplus imbalance from the Aggregator or sells a volume to the Aggregator sufficient to offset a deficiency imbalance. The Aggregator may elect through TSS to cash-out all or part of their imbalance position for NY SC-16. Any remaining SC-16 imbalance will be handled consistent with the Imbalance Rollover option. Any remaining NY STBA, NY DMT, PA MMNGS, and PA SATS imbalance will be automatically cashed out at the "zero" pool level each month. Reference the NY and PA GTOP manuals for specific information on the various rate tiers applicable to cash-out volumes and for the various "safe-harbor" mechanisms that enable marketers to be cashed out at the market pricing tier.

- NY SC-16 aggregators have the opportunity to elect that Distribution cash out imbalances at the end of the trading period. This cash-out election does not carry forward from month to month. The Aggregator must select the cash-out choice within TSS each month it elects month-end imbalance positions to be cashed-out. Distribution may elect not to satisfy cash-out purchase requests or cash-out sales requests during a month. Distribution's election will be communicated through the EGISL screen in TSS prior to the initiation of trading.

- Distribution will automatically cash-out any remaining post-trading NY DMT, NY STBA, PA MMNGS, and PA SATS surplus or deficiency imbalances at the "zero" pool level noted above.

- Distribution will automatically cash-out any remaining post-trading NY SC-16 deficiency imbalances.

- The procedure to elect a cash-out for NY SC-16 is as follows:
  - At the conclusion of the trading period, a final imbalance position will be calculated for each Aggregator and will be made available via EGISL in TSS.
  - By the business day following conclusion of the trading period, as detailed on the monthly TSS calendar, an SC-16 aggregator must populate a check off box and specify a volume via TSS to request the cash-out by selecting:

- Customer Activities
- Flowing Gas
- Imbalance
- Imbalance Trading
- Imbalance Cashout Volume – or enter shortcut EICOV and Run

  o Should Distribution schedule a cash-out, a revised final imbalance position will be calculated for each affected Aggregator and will be posted via EGISL in TSS.

7. ROLLOVER

- Any final remaining SC-16 surplus imbalance will be redelivered in the next following month, as operating conditions permit. In practice, this has meant that January imbalances, for example, are redelivered to February.

- Rollover of deficiency imbalances for SC-16 is not allowed. Any final remaining SC-16 deficiency imbalance will automatically be cashed out.

- NY STBA, NY DMT, PA MMNGS, and PA SATS final remaining deficiency or surplus imbalances will automatically be cashed out.

8. OPTIONAL ROLLOVER METHODOLOGY FOR MMNGS (available only when mandatory cash-out has been turned off in PA)

- Under this methodology, an MMNGS deficiency or surplus may be applied to the remaining days of the month after the imbalance occurs, as operating conditions permit, as an addition to, or deduction from, the ADDQs calculated for that month. In practice, this means all, or part, of a January imbalance, for example, may be applied as an addition to, or deduction from, the ADDQ calculated for the remaining days of February after trading and cashouts have been completed. Any remaining imbalance volume will be processed according to the default rollover methodology as described above.

- MMNGS Suppliers may elect this option and specify the volume to be applied via TSS by selecting:

  o Customer Activities
  o Flowing Gas
  o Imbalance
  o Imbal DDQ Offset Adj Request – or enter shortcut EIDOAR and Run

- An MMNGS Group imbalance may only be applied to the group from which the imbalance originated.