

NATIONAL FUEL GAS SUPPLY CORPORATION OPEN SEASON – OS 288

Line N 4.0 Expansion Project

Long Term Firm Transportation Capacity to Key Markets in Western Pennsylvania

National Fuel Gas Supply Corporation (“National”) is pleased to announce the commencement of a non-binding Open Season for new firm transportation service designed to provide shippers with access to multiple Pennsylvania, Ohio, and West Virginia gas supply sources and market points.

Through an expansion of facilities, Line N 4.0 will provide shippers with the opportunity to take advantage of National’s unique footprint and the access it provides to shale gas supply and premium markets. By utilizing its ability to expand inexpensively, National is able to offer significant new firm transportation capacity with seamless paths, competitive rates, and a variety of receipt and delivery options.

Open Season Period

This Open Season commences February 15, 2022, and expires at 11:00 a.m. (Eastern Time) on March 15, 2022. Participation in this Open Season is non-binding for bidders and for National.

PROJECT DESCRIPTION

Capacity

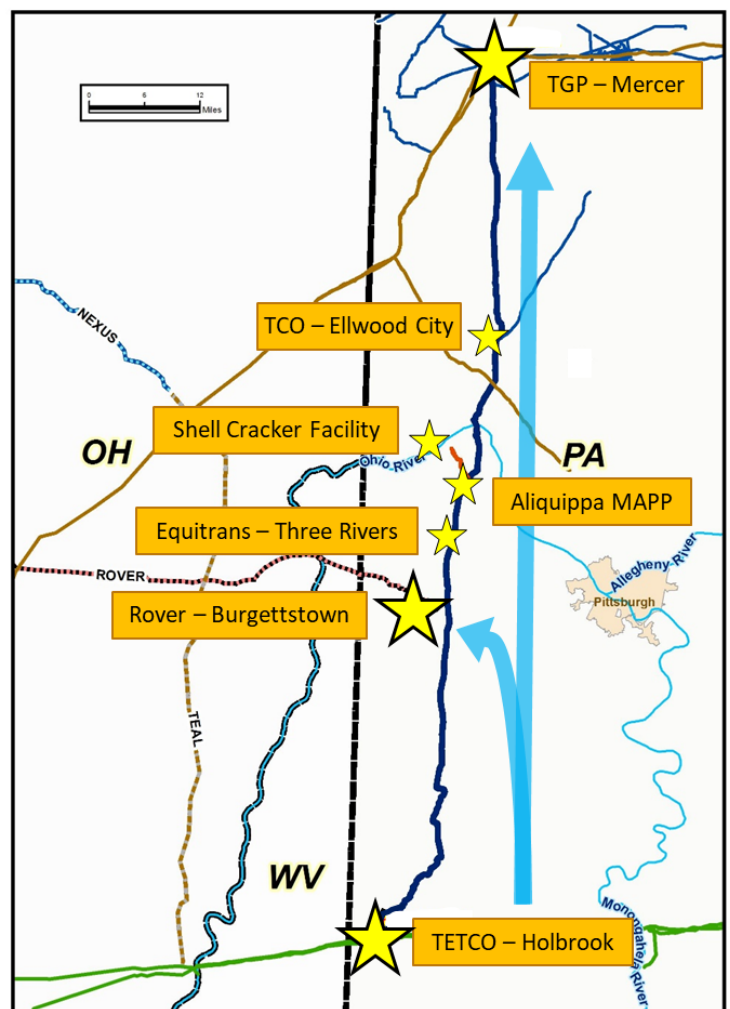
The Line N 4.0 Expansion Project makes available firm transportation capacity under National’s existing Firm Transportation (“FT”) rate schedule, with complete access to on-path gas supply sources and outlets located between TETCO-Holbrook (“Holbrook”) and TGP-Mercer (“Mercer”), including a proposed new interconnect with Rover on the Burgettstown Lateral (“Burgettstown”). National expects that it may award as much as **260,000 Dth/d** of FT capacity in this Open Season, with up to 120,000 Dth/d delivered to Mercer.

Transportation Path – Receipt and Delivery Points

The key transportation paths available in this Open Season are:

- Holbrook to Mercer (“Path M”)
- Holbrook to Burgettstown (“Path B”)
- Holbrook to Mercer and Burgettstown, with 50% of the total capacity delivered to Mercer and 50% delivered to Burgettstown (“Path MB”)

Other receipt and delivery points along the Line N system can be proposed, including existing and proposed producer interconnections located south of the Ohio River. Interested parties are encouraged to contact National to discuss their specific receipt/delivery point requirements.



Rate Information

National expects to apply its maximum FT tariff rates to the services provided in this offering. The current applicable tariff rates are listed in the table below:

Rate	FT Rate Component
\$4.5019 per Dth/day	Reservation Charge (monthly, applied to contract MDTQ) ¹
\$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)

¹Pending FERC approval, effective April 1, 2022 the FT Maximum tariff Reservation Charge will be \$4.9375 per dth/day.

Fuel and Loss Allowances & Applicable Surcharges

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

Rate	Transport Fuel and Surcharge Components for FT
1.37%	Transportation Fuel and LAUF Retention ²
\$0.0014 per Dth	PS/GHG Reservation Surcharge (100% Load Factor Rate) ³
\$0.0012 per Dth	Applicable FERC ACA Commodity Surcharge (daily, applied to Dth quantity transported)

²Fuel and Loss Allowances

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 in National’s GT&C Section 41 tariff sheets. National’s current Transportation Fuel/LAUF allowance is 1.37%.

³PS/GHG Reservation Surcharge

The Pipeline Safety and Greenhouse Gas Surcharge is applicable to transportation agreements and is subject to change pursuant to National’s GT&C Section 42 tariff sheets. National’s current PS/GHG reservation surcharge rate is \$0.0426 per dth/day (monthly, applied to contract MDTQ).

It is expected that a portion of the required facilities may be installed as part of National’s system modernization program. Any other facilities required to provide the new transportation services offered herein shall be considered when deriving the costs of service and rates associated with such new services. National reserves the right to propose in Precedent Agreements an incremental rate for transportation capacity subscribed in this Open Season, based on final facility design and aggregate market interest.

GENERAL PROJECT INFORMATION

Expansion Facilities

Subject to market interest, the incremental facilities required to provide the capacity associated with this Open Season may include, but are not limited to:

- Looping and/or upsizing of existing pipeline(s)
- Replacement of various short sections of 20” pipe between the Ohio River and National’s interconnect with TGP at TGP-Mercer
- Replacement of the National’s existing Line N Ohio River crossing
- Replacement of various pipeline segments along the Line N corridor
- New pipeline laterals to producing areas or third-party pipeline systems
- New compression facilities and/or modifications to existing compressor stations
- Pressure upgrades on certain Line N segments

Facilities Authorization

National expects that this expansion will be filed with FERC under the Natural Gas Act 7(c) process, though National reserves the right to utilize the Blanket Prior Notice process should this Open Season identify a qualifying expansion.

In-Service Dates

Subject to sufficient and timely market commitments, and regulatory approvals, National expects that transportation services under this offering could commence as early as November 1, 2025.

Term Requirement

National requires a minimum contract term of ten (10) years for transportation services requested in this Open Season. In Precedent Agreement negotiations, National reserves the right, for certain projects resulting from this Open Season, to propose a contractual term longer than ten (10) years.

Receipt and Delivery Point Requirements

Unless waived by National pursuant to its tariff, primary receipt points must be equipped with real time measurement, communication and control capability. However, the commencement of firm transportation service provided under this Open Season will not be contingent on the completion of either modifications to existing producer interconnects or construction of new producer interconnects.

Bidders may propose points and paths not specifically identified this Open Season. National reserves the right to include or exclude such requests in developing economic project(s).

Foundation Shipper Status

Foundation shipper status is available to any bidder meeting the minimum term requirements (refer to the "Term Requirement" section above) and requesting at least **75,000 Dth/day** of new FT capacity. Foundation shippers shall not be subject to proration in this Open Season, other than proration necessary should there be multiple Foundation Shipper requests.

Bid Award Process

During the Open Season period, National will accept requests for the transportation service described above. For the purposes of awarding capacity, bidders are required to designate a firm transportation commencement date of November 1, 2025. Bidders may request all or part of the available capacity, and are allowed to revise their bids within the posting period. Bids shall be exclusive of any applicable surcharges.

Requests for FT rate discounts or discounts of Transportation Fuel/LAUF will not be accepted. Acceptable requests will be ranked, and the best bid(s) determined based on the highest net present value (NPV) of the reservation charge revenues, per unit of capacity (Dth/day) requested. The NPV calculation will incorporate length of contract term and will utilize a monthly rate of 0.8% (9.6% annually) for discounting purposes. In the event that National receives two or more bids of equal NPV per unit of capacity, the bid with the shortest term will be deemed the best bid. Subject to other conditions in this posting, a ratable allocation, based on the quantities requested, shall be made among shippers that submit bids that are equal with respect to both NPV and term. As described above, Foundation Shippers shall not be subject to proration in this Open Season, other than proration necessary should there be multiple Foundation Shipper requests.

National reserves the right to award capacity in a manner that will maximize the amount of capacity awarded in this Open Season by considering the hydraulics and facility requirements associated with receipt and delivery point requests, and/or to award capacity to the combination of bids that generate the highest net present value for National. Furthermore, National reserves the right to award capacity in two steps: first to requests specifying Path MB, and then to requests specifying Path M or Path B.

National is not obligated to proceed with any facilities expansion project. National may proceed with such projects, but only if it is ultimately able to execute precedent agreements with term, quantity, and rate provisions that economically justify the project.

The total amount of firm transportation capacity to be awarded in this Open Season will depend on the requested paths, system hydraulics, and the system capabilities from requested receipt points. Based on certain combinations of these and other factors, National reserves the right, in its sole discretion, to develop, revise, and optimize the resulting project(s) design and modify the amount of awarded transportation capacity to be greater or less than the amounts listed above, and National reserves the right to develop the new transportation path(s) outlined herein, even if at the expense of another proposed path. National reserves the right to proceed with one or more projects that will be defined through the contracting process and to develop alternative projects from the requests received during this Open Season representative of the timing requested and markets served.

National reserves the right to consider, or not consider, non-conforming bids.

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) 857-7485. The completed form can be faxed to (716) 857-7310, emailed to Marketing@NatFuel.com, or mailed to the address below:

National Fuel Gas Supply Corporation
Interstate Marketing Department
6363 Main Street
Williamsville, NY 14221

Bid Results

The results of this Open Season will be posted on National’s website – [Click to View](#)

Credit

Shippers will be required to demonstrate creditworthiness or provide a credit alternative acceptable to National.

Precedent Agreements

Shippers who are awarded capacity in this Open Season must enter into discussions leading to a binding Precedent Agreement. Once tendered, such agreements must be executed and returned to National within thirty (30) business days.

Contacts

For more information, please contact a member of our Marketing team:

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APPENDIX A

SOLICITATION FOR TURN BACK OF TRANSPORTATION CAPACITY

With this posting, National Fuel Gas Supply Corporation (“National”) is soliciting offers to turn back long-term firm transportation capacity that utilizes National’s Line N pipeline system, including Lines N-20 and NM-50. In conjunction with National’s proposed Line N 4.0 project, National may loop, replace and/or upsize existing pipeline(s), add or modify compression facilities, construct new pipeline laterals to producing areas or third-party pipeline systems, and make pressure upgrades on certain Line N segments.

To determine whether National’s facility investment in providing the Line N 4.0 expansion capacity can be minimized, National Fuel is soliciting capacity turn back offers from existing firm shippers with a primary transportation path that includes Line N capacity in the ***south-to-north direction*** only, and with primary contract terms that extend beyond November 1, 2025.

National Fuel is soliciting such offers only during the Open Season Period specified in OS 288.

Offers to turn back capacity must utilize the “Offer to Release Capacity” form (Exhibit B), which describes the applicable terms and conditions.

Acceptance of any such offers by National Fuel would require, without limitation, its determination that a turn back or release of the rights offered by the shipper would be an economical substitute for its planned capacity increase and would not be financially detrimental to National Fuel. Any release of rights would be subject to National Fuel’s determination to proceed with the expansion project, the receipt of regulatory approvals, property rights and contract rights, on terms satisfactory to National Fuel and its expansion shippers, and the commencement of new service agreements. To the extent that a shipper’s proposed turn back of capacity provides a cost-of-service savings that is less than such shipper’s contractual rate, National reserves the right to propose an equivalent partial credit. Shipper is required to accept or decline such proposal within five (5) business days of receipt.

National has determined that prospective turn back of north-to-south Line N capacity would not affect the proposed Line N 4.0 project facilities.

The results of this solicitation will be posted on our web site in the Open Season section under Marketing News and Offers.

Completed forms should be submitted via mail, fax or email as listed below:

Address: National Fuel Gas Supply Corporation
Interstate Marketing Department
6363 Main Street
Williamsville, NY 14221

Phone: (716) 857-7485

Fax: (716) 857-7310

Email: Marketing@NatFuel.com

APPENDIX B

OFFER TO RELEASE CAPACITY

By its execution of this Offer to Release Capacity ("Offer") where indicated below, _____ ("Shipper") offers to release its rights to _____ Dth [of its Contract Maximum Daily Quantity] of its capacity between the following points [_____] under its transportation service agreement with National Fuel Gas Supply Corporation ("Transporter"), Service Agreement # _____. This offer is made in recognition of the following:

1. Following receipt of this Offer, Transporter will evaluate whether a release of the rights offered by Shipper would be, without financial detriment to Transporter, an economical substitute for facilities to be proposed by Transporter in an application to the Federal Energy Regulatory Commission ("FERC") for National's Line N 4.0 Project.

2. If this Offer is accepted by Transporter where indicated below, Shipper and Transporter shall execute a document effecting a termination of the above-referenced service agreement, or, in the case of a reduction of Shipper's contract quantity or a change to its primary receipt or delivery point(s), an amendment to such agreement, effective upon the receipt of FERC authorization and all other required governmental approvals, property rights, and contract rights necessary for the construction of the facilities required for the incremental transportation services, upon terms and conditions acceptable to Transporter and its project shippers, and the execution of the corresponding service agreements. This document will provide that such termination or reduction would take effect upon commencement of the service agreements, unless otherwise agreed by Shipper and Transporter, provided that if the anticipated in-service date of Transporter's proposed facilities is delayed beyond the expiration of the primary term of Shipper's service agreement, both parties will be relieved from further obligations thereunder.

3. Except as otherwise provided herein, this Offer is unconditional. If Transporter has not accepted this Offer prior to April 1, 2022, Shipper may revoke this Offer, but otherwise this Offer is irrevocable.

This Offer to Release Capacity is hereby made by Shipper this ____ day of _____, 2022.

(Shipper)
By: _____
Its: _____

Accepted this ____ day of _____, 2022, by:

National Fuel Gas Supply Corporation

By: _____
Its: _____