

NATIONAL FUEL GAS SUPPLY CORPORATION

OPEN SEASON – OS 329

Tioga Pathway Project

Long Term Firm Transportation Capacity from a New Interconnect in Tioga County, PA with Deliveries to the Ellisburg/Rose Lake Area

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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 transportation capability from producing areas in Tioga County, PA to the Ellisburg area of National’s system. Through the addition of pipeline and metering facilities, the Tioga Pathway Project (“TPP”) will provide shippers the opportunity to transport Appalachian production volumes to more diverse market areas.

Open Season Period

This Open Season commences August 18th, 2023, and expires at 11:00 a.m. (Eastern Time) on August 25th, 2023. Participation in this Open Season is non-binding for bidders and for National.

PROJECT DESCRIPTION

Capacity

TPP makes available firm transportation capacity under National’s existing Firm Transportation (“FT”) rate schedule and National expects that it may award as much as 190,000 Dth/d of FT capacity in this Open Season.

National will consider both requests for new transportation capacity and point change requests in this Open Season, with the total amount of capacity awarded not to exceed 190,000 Dth/d. Shippers with a commitment for FT capacity from Empire-Tuscarora, as memorialized in an executed Service Agreement, may request a contractual FT primary receipt point change to the new interconnect contemplated in this Open Season. A point change request must include a term extension that aligns with the end date of the requested expansion-related service, the primary term of which must meet the minimum requirement outlined in the Term Requirement section below.

Receipt and Delivery Points

The transportation path being offered in this Open Season is from a proposed new interconnect in Tioga County, PA with deliveries to TGP – Rose Lake, and/or an approved Ellisburg-area Lease Transfer Point. The maximum amount of TGP – Rose Lake primary delivery capacity to be awarded in this Open Season is 120,000 Dth/d.

Interested parties are encouraged to contact National to discuss their specific receipt/delivery point requirements.

Rate Information

National expects to request rolled-in rate treatment for the facilities investment and services provided in this offering, however, National will entertain negotiated rate requests, fixed for the primary term of the contract, as an alternative to maximum FT tariff rate pricing. The current applicable tariff rates are listed in the table below:

Rate	FT Rate Component
\$4.9375	Reservation Charge (monthly, applied to contract MDTQ)
\$0.0140 per Dth	Commodity Charge (daily, applied to Dth quantity transported)
\$0.1763 per Dth	100% Load Factor Rate (Excluding surcharges and applicable Transportation Fuel/LAUF)

Fuel and Loss Allowances & Applicable Surcharges

National expects that tariff Fuel and Loss Allowances, along with other applicable surcharges, will be applicable to the incremental TPP capacity. These rates are listed in the table below:

Rate	Transport Fuel and Surcharge Components for EFT
0.82%	Transportation Fuel and LAUF Retention*
\$0.0800	PS/GHG Reservation Surcharge (monthly, applied to contract MDTQ)**
\$0.0015 per Dth	Applicable FERC ACA Commodity Surcharge, Rate shown effective October 1, 2020 (daily, applied to Dth quantity transported)

* 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.

** 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 surcharge rate is \$0.0800.

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:

- Upsizing of existing pipeline
- New pipeline lateral(s) to producing areas or third-party pipeline systems
- New interconnect(s)/metering facilities
- Addition of Over Pressure Protection facilities
- Potential modifications to existing compression facilities

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.

Facilities Authorization

National expects that this expansion will be filed with FERC under the Natural Gas Act 7(c) process.

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, 2026.

Term Requirement

National requires a minimum contract term of fifteen (15) 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 fifteen (15) 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 in this Open Season. National reserves the right to include or exclude such requests in developing economic project(s).

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, 2026**. 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 under the "Maximum FT Tariff Rate" bid option. Shippers electing the "Fixed Negotiated Rate" option may propose a unit rate (exclusive of variables and surcharges) of their choosing, however, such rate must meet or exceed the applicable Unit Rate Floor in order to be accepted. National has predetermined a minimum acceptable Unit Rate Floor for "Fixed Negotiated Rate" bids and will reject any proposal below the applicable Unit Rate Floor. National has not revealed the Unit Rate Floor to any person outside the company.

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. Should National receive two or more qualifying 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.

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

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. 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") and a [Bid Form](#). 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 Bid Form can be accessed by clicking the link above. The completed forms 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 ten (10) business days.

Contacts

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

<p>Anthony Limina LiminaA@natfuel.com (716) 857-7924</p>	<p>Mickey Zablonksi ZablonksiM@natfuel.com (716) 857-7618</p>	<p>Christian Hollfelder HollfelderC@natfuel.com (716) 857-7428</p>
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