NATIONAL FUEL GAS DISTRIBUTION CORPORATION

AREA DEVELOPMENT PROGRAM & PRIME-WNY PROGRAM

CONSOLIDATED REPORT TO THE NEW YORK STATE PUBLIC SERVICE COMMISSION

Case 23-G-0627

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I. Background

On October 20, 2005, National Fuel Gas Distribution Corporation ("NFGDC," "National Fuel," or the "Company") established† the Area Development Program ("ADP") to provide grants for economic development projects within its service territory. Initially, the program was approved with an annual funding allowance of up to $750,000‡, totaling $3.75 million§ over five years.

On December 3, 2010, NFGDC requested permission to continue the ADP with an alternate funding source. This request was approved on April 20, 2012, with an additional $750,000 per year for two years, bringing the total budget to $5.25 million.

On December 6, 2013, a joint proposal for a two-year rate plan included ADP funding of $1.25 million per year, with modifications to cap awards at $400,000 for gas infrastructure projects and $200,000 for other grants. This funding level was reaffirmed in 2017.

On December 9, 2014, NFGDC filed revisions to extend its Partnership for Distributed Generation and Natural Gas Vehicle Programs to March 31, 2018. The company also sought authorization to institute the Partnership to Revitalize the Industrial Manufacturing Economy of Western New York ("PRIME-WNY") Pilot Program.

On May 14, 2015, the New York Public Service Commission ("NYPSC") approved the PRIME-WNY Pilot Program, which became effective on May 15, 2015.

On December 20, 2017, NFGDC filed revisions to continue the PRIME-WNY Pilot Program for a new three-year term and eliminate the existing volumetric surcharge of $0.10 per Mcf to increase participation. The NYPSC issued an order on November 21, 2018, approving a three-year extension of the program but denied the request to eliminate the surcharge. Instead, the surcharge was modified and scaled on an equal percentage basis of transportation charges for all applicable service classifications.

On July 30, 2021, NFGDC filed revisions to continue the PRIME-WNY Pilot Program for an additional three-year term, or through November 30, 2024. The NYPSC approved this proposal on November 18, 2021, and the changes became effective on December 1, 2021.

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† Case 04-G-1047, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service, Order Establishing Rates and Terms of Two-Year Rate Plan (issued July 22, 2005).

‡ Unspent funds will carry over and may be spent in the following year.

§ Funding in the amount of $1 million was re-allocated to a bill credit to be issued to customers pursuant to the Commission's order issued in Case 09-M-0435, also known as the Austerity Proceeding. Case 09-M-0435, Order Approving Ratepayer Credits (issued December 22, 2009).

On January 19, 2023, the Commission authorized a Phase 2 Utility Arrears Relief Program, which included a $2.5 million offset from the ADP regulatory liability to reduce bill impacts on customers.

On October 31, 2023, NFGDC made a rate filing in which it proposed to convert the PRIME-WNY Pilot Program to a permanent program. The proposal included modifications to promote emissions reductions while continuing to encourage regional business job growth and overall business retention within New York State.

On December 19, 2024, the NYPSC adopted a joint proposal for a three-year rate plan starting in 2025, which included modifications to align the ADP and the PRIME-WNY Pilot Program ("Programs") with the NYPSC's clean energy objectives.** The Joint Proposal mandated annual reports on the Programs' activities. The modifications, effective January 1, 2025, are detailed in the 2025 Programs Overview Section and Appendix A. Applications received from applicants in 2024 and included in this report were evaluated prior to the approval and implementation of these program modifications and evaluated according to the criteria previously approved by the NYPSC through earlier Cases.††

II. 2024 Programs Results

A. Programs Summary & Highlights in 2024

In 2024, twelve ADP grants were awarded, totaling [redacted]. The annual breakdown of the ADP grant totals is illustrated in Chart 1. The grant amounts for 2024 ranged from $16,319.59 to $400,000. Prior to 2024, National Fuel had contracted with three customers under the PRIME-WNY program. One customer has fulfilled their contract, another has completed the second year of their contract, and the third has just begun their contract.

[redacted]

** Case 23-G-0627, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service, Order Adopting Terms of Joint Proposal and Establishing Gas Rate Plan with Minor Modifications (issued December 19, 2024) ("Rate Plan Order").
††Case 04-G-1047, Case 07-G-0141, Case 14-G-0551, Case 17-G-0799, Case 21-G-0423

Ten of the ADP projects were located in Erie County, with two in Genesee County. Most of the projects that received ADP grants had also been awarded economic development grants and assistance from various state and local agencies and authorities. The ADP grants were provided as an additional incentive within the applicable requirements. Based on information supplied by the applicants, the following benefits are expected from the projects associated with the grants:

- **Jobs Created/Retained**: 1,136
- **Incremental Gas Load**: 213,956 Mcf/year
- **Anticipated Private Investment**: $190,780,000

Some of these figures are based on the applicants' best-efforts projections at the time of the funding request and will require time to verify. The Company will make every reasonable effort to monitor these estimates and provide proper feedback for the continued development of the Programs.

In addition to financial support, significant environmental benefits were realized. The coal conversion at [redacted] reduced greenhouse gas emissions by approximately 40,000 metric tons per year. By eliminating the coal boiler, [redacted] reduced the discharge of hazardous air pollutants by over 95% and greenhouse gases by 50%. [redacted] roughly $15.5 Million equipment investment makes their facility more energy efficient than others. [redacted] soil emission reduction included 46,000 tons of brownfield contaminated soil clean up. The [redacted] Project is expected to achieve significant reductions in energy usage through large scale energy efficiency measures.

The tables below offer a project-by-project description for each of the twelve projects awarded in 2024. Additionally, the appendices listed below offer further details of these Programs:

- **Appendix B**: Summary of each ADP award since the program's inception.
- **Appendix C**: Annual breakdown of ADP funding and grant disbursement.
- **Appendix D**: Consumption and bill payment history
- **Appendix E**: Summary of each PRIME recipient since inception.

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III. 2025 Programs Overview

A. New Programs Design, Objectives & Benefits

Pursuant to the Joint Proposal adopted under the Rate Plan Order, NFGDC is implementing new program measures that support the State's clean energy goals. Starting in 2025, all applications received by NFGDC seeking funding from the Programs will be subject to new approval criteria.

Application Process

Applicants interested in participating in National Fuel's economic development programs must complete a new joint application for the Programs. This singular form streamlines the applicant's application process. This streamlined approach is appropriate as the Programs are often applicable to the applicant's project.

Upon receipt of joint application from an applicant, the Energy Services Department coordinates the application review with an internal team and supported by third-party consultants as needed. The internal team, led by an Energy Services account manager, includes representatives from Energy Services, Engineering Services, and New Services to review the joint application.

Program Qualification Criteria

Commencing with the 2025 program year, applicants for program funding must consider supply alternatives and an energy usage evaluation to minimize their natural gas requirements. Energy supply alternatives, referred to as non-pipe alternatives ("NPA"), may include low-carbon fuels, such as electrification, hydrogen, or renewable natural gas. Energy usage alternatives within the business may include customer equipment technology review such as electric versus gas powered processes and other energy efficiency measures. Collectively, the Company's energy efficiency program, the Non-Residential Conservation Incentive Program ("NRCIP"), are designed to serve applicants' economic development objectives and now prioritizes incentives toward achieving the State's clean energy goals. Applicants need to provide an evaluation of these alternatives, including technical feasibility, costs, benefits, reliability, and greenhouse gas ("GHG") emissions.

NPA Review

All applicants will be required to perform an NPA review prior to submitting their project application. Project applications typically request financial support for costs related to the installation or upgrade of natural gas piping, facilities, and/or equipment. To align with the NYPSC's clean energy

objectives, the joint application has been updated to request information related to the NPA evaluation performed by the applicant. If needed, the Company will conduct a review during the application process to evaluate and discuss with the applicant the viability of potential NPA options on their project. The review will consider technical feasibility, cost-effectiveness, impact on the initial project scope and design, safety and reliability, and GHG emissions. If applicable, the review will include a Benefit-Cost Analysis ("BCA") consistent with the company's BCA handbook.

If no viable NPAs are identified, the application can move forward. Potential NPA options that are technically feasible, do not adversely impact reliability, pass a BCA test, and require changes to the project scope, design, and/or level of service will be presented to the applicant for consideration. If the applicant determines and provides documentation that the NPA option is not viable, the application can proceed. If the NPA is viable, preferred by the applicant, and the Company can partner in its implementation (e.g., a utility thermal energy network pilot), funding from the Programs may be available to support the project via an amended application.

Energy Efficiency Evaluation

If necessary, the Energy Services account manager will coordinate with a third-party NRCIP consultant to develop an Energy Efficiency Plan proposal specific to the applicant's project. The Energy Efficiency Plan will be funded by the Programs and presented to the applicant as a recommendation. The Energy Efficiency Plan will assess the applicant's existing energy profile at the project location and present a comprehensive list of potential energy efficiency improvements to the applicant. The applicant is encouraged to consider the recommendations presented in the Energy Efficiency Plan and incorporate all or a portion of them in their project scope. If ADP funding is awarded, the applicant may apply funds to implement all or some of the proposed energy efficiency improvements.

Joint Application Evaluation

Each application is evaluated based on the following criteria:

1. Investment in infrastructure for the development or redevelopment of underutilized industrial or commercial property, including brownfield opportunity areas receiving state assistance.
2. Impact on future GHG emissions and potential ways to further reduce GHG impacts.
3. Retention or creation of new or higher-value employment opportunities.
4. Workforce training or retraining to ensure higher-value skills are available.
5. Stimulation of private investment in direct capital expenditures needed to expand employment in the company's service territory.

Other considerations include the financial need of the applicant, the benefit to or impact on National Fuel's ratepayers, and the level of support or partnership with other cooperative agencies. The Company will assess whether the customer is located in a disadvantaged community, which may support a favorable evaluation of their application for funding. The Company is committed to providing meaningful benefits to attracting and helping expanding customers in disadvantaged communities within its service territory. The internal review team will determine the proposed program funding award amount for applicants based on each project's criteria qualifications.

Application Review and Award Process

Once the project assessment and application evaluation are compiled, an internal committee will review the results. This committee includes representatives from Rates and Regulatory Affairs, Corporate Communications, Government Affairs, Energy Services, and Corporate Executives. The Energy Services account representative will present each project and the associated qualifications and merits to the committee. The committee will confirm that the criteria that include the completion of a NPA evaluation and that an Energy Plan was developed outlining necessary and cost-effective energy efficiency measures. The committee will conditionally approve or deny each application.

Conditionally approved applications will require an agreement with the applicant detailing the NPA and energy efficiency measures to be implemented by the applicant as a condition of grant approval. The agreement will detail the total award amount associated with energy efficiency measures, natural gas infrastructure, interior natural gas piping, certain natural gas equipment costs, job training/workforce development programs, and the implementation of certain NPAs where applicable. Available funds for each grant will first be allocated towards the implementation of required NPA and energy efficiency measures before being allocated to other qualifying project costs. The award will not be distributed until the agreement is fully executed. This committee review is part of Quality Control and Quality Assurance checks to ensure program guidelines are followed. After the meeting, minutes will be distributed to the internal committee and maintained.

Quality Control and Quality Assurance

The committee review process is the first step in ensuring adherence to the guidelines of the economic development programs. Additionally, the applicant's energy efficiency project will be verified by a post-installation inspection conducted by National Fuel's third party NRCIP program consultant. This inspection will confirm and document that all agreed-upon energy efficiency projects have been implemented. If necessary, the grant may be modified if the applicant experiences unforeseen on-site issues during installation that require a change in project scope, or the nature of energy

efficiency measures applied. The Company also records the estimated usage in the application and compares it to actual usage. National Fuel does not independently assess applicants' jobs and investment estimates. The Company attempts to verify an applicant's new and/or retained employee estimates versus current employment levels, conduct site visits to verify project completion, and maintain relationships established during the application process.

B. Programs Regulatory Reporting Requirements

The Company will submit a combined annual report by March 31 each year, detailing the previous calendar year's activities related to the Programs. The report will include the following information for each grant awarded:

1. A description of the facility and operation, including the SIC code, property address, and whether it is in a disadvantaged community, along with the rationale for awarding the grant.
2. The specific amount of the grant and the date it was awarded.
3. The amount of supplemental funding provided by the NRCIP program.
4. The specific amount of money invested in the Company's infrastructure for the development or redevelopment of underutilized industrial or commercial property as a result of the grant, itemized by year if costs are incurred over multiple years. This includes:
    - The specific location and description of the property.
    - The energy usage profile developed by the Company's third-party consultant.
    - Whether the site is industrial or commercial.
    - Whether the site is a brownfield or in a brownfield opportunity area.
    - Whether the site is within a disadvantaged community.
    - Information on whether the project was evaluated for an NPA and details about the NPA determinations.
    - Information on whether the existing energy usage profile at the project location was evaluated for efficiency upgrades.
    - A comprehensive list of feasible energy efficiency measures implemented, specifying which were funded by the Company grant and which were implemented by the customer in anticipation of securing grant funding. If no efficiency measures were implemented, an

explanation of the findings of the energy usage profile. The GHG emissions (or CO2e) impacts associated with the completed project.

5. Total projected Dth/MMbtu savings associated with energy efficiency measures installed to secure application approval, including the percentage of savings that overlap with the Company's reported NRCIP program savings.
6. A description of other known economic development activities provided for the project and/or applicant.
7. The number of new jobs created, or the number of higher-value employment opportunities created.
8. The amount of retained or incremental throughput generated by the project.
9. A description of workforce training or retraining provided, and an explanation of the higher-value skills achieved or available in the workforce as a result of this training/retraining.
10. The specific amount of money spent by private investment in direct capital expenditures needed to expand employment opportunities in the Company's New York State service territory.
11. Prior year's consumption and bill payment information.
12. A description of other economic benefits and achievements provided by the project.
13. An analysis of whether the eligibility criteria were satisfied by the project.
14. A description of promotional efforts.
15. Identification of any applications that were not completed or were otherwise terminated by applicants, with a description of the underlying factors if available.

III. Programs Outreach and Education

A. Programs Outreach and Education Plan

Objectives

- Educate stakeholders about the Programs' criteria.
- Promote the benefits of the Programs to encourage participation.
- Align projects with clean energy goals and broader environmental objectives.
- Activate and motivate customers to apply and participate in the Programs.

Target Audience

- **Current and Potential Grant Applicants:** Commercial & Industrial customers and organizations that may benefit from the Programs.
- **Industry Stakeholders:** Economic Development Agencies, Energy consultants, contractors, and third-party firms.
- **Community Stakeholders:** Inform about the Programs to gain support and advocate for the program criteria and broader environmental objectives.

Key Messages

- **Support Clean Energy Goals:** Emphasize how the Programs align with clean energy objectives and environmental sustainability.
- **Evaluation ofNPAs:** Highlight the requirement for considering alternatives to natural gas, such as electrification, hydrogen, or renewable natural gas.
- **Third-Party Energy Efficiency Assessment:** Explain the support available for applicants unable to conduct NPA analysis.
- **Prioritization of Energy Efficiency Measures:** Stress the importance of implementing energy efficiency measures before other project costs.
- **Enhanced Program Governance:** Outline the updates to Programs' governance, quality assurance, and reporting processes.

Marketing Channels

- **Email Campaigns:** Send detailed information about the Programs to current and potential applicants, industry stakeholders, and community leaders.
- **Webinars and Workshops:** Host informational sessions to explain the Programs, answer questions, and provide guidance on the application process.
- **Social Media:** Use platforms like LinkedIn, Twitter, and Facebook to share updates, success stories, and key benefits of the Programs.
- **News Releases:** Issue releases to industry publications and local media to announce the criteria, benefits, and when appropriate, highlight participants.
- **Website Updates:** Create a dedicated section on the company website with detailed information about the Programs, application guidelines, and resources.

Outreach Activities

- **Direct Mail:** Send brochures and informational packets to potential applicants and stakeholders.
- **Industry Group Meetings:** Participate in meetings to promote the Programs and network with potential applicants.
- **Partnerships:** Collaborate with industry associations, environmental groups, and community organizations to spread the word and gain support.

Monitoring and Evaluation

- **Track Engagement:** Monitor email open rates, webinar attendance, social media interactions, and website traffic to gauge interest and engagement.
- **Feedback Surveys:** Collect feedback from participants in webinars, workshops, and other outreach activities to understand their needs and improve future efforts.
- **Adjust Strategies:** Based on feedback and engagement metrics, adjust the outreach and marketing strategies to better reach and engage the target audience.

This plan aims to effectively communicate the Programs' criteria, encourage participation, and support clean energy goals.

Appendix A includes examples of the Programs' brochure, fact sheet, outreach schedule, email correspondence, stakeholder examples, website page, and the joint application.

IV. Conclusion

The Programs have demonstrated significant contributions to economic development within NFGDC's service territory. Throughout the reporting period from January 1, 2024, to December 31, 2024, these programs have successfully supported various projects that align with the Company's economic development objectives and broader sustainability goals.

In 2024, twelve ADP grants were awarded, totaling [redacted]. These grants have facilitated substantial investments in infrastructure, job creation, and energy efficiency improvements. The projects supported by ADP grants have not only stimulated private investment but also contributed to the creation and retention of 1,136 jobs and an incremental gas load of 213,956 Mcf/year. The anticipated private investment from these projects amounts to [redacted]

The PRIME-WNY program has also shown positive outcomes, with three customers contracted prior to 2024. One customer has fulfilled their contract,

another has completed the second year of their contract, and the third has just begun their contract. These projects have furthered the Company's commitment to encouraging regional business growth and retention.

The Programs have effectively leveraged partnerships with state and local agencies, economic development organizations, and community stakeholders to maximize their impact. The comprehensive outreach and education plan anticipates to successfully communicate the benefits of the programs, encouraging participation and aligning projects with clean energy goals.

The detailed project summaries provided in the report highlight the diverse range of initiatives supported by the Programs. These projects span various sectors, including manufacturing, healthcare, civic and social organizations, and commercial developments. Each project has been evaluated based on its potential to contribute to economic development, energy efficiency, and environmental sustainability.

Moving forward, NFGDC remains committed to monitoring the progress of these projects and providing feedback to ensure the continued development and success of the Programs. As detailed in the report, the Company has modified the Programs to prioritize NPA and energy efficiency measures that support the State’s clean energy objectives while continuing to foster economic growth within its Western New York service territory.

In conclusion, the Programs have proven to be valuable tools in driving economic development, promoting energy efficiency, and supporting clean energy initiatives. The positive outcomes achieved in 2024 underscore the importance of these programs in contributing to the overall well-being and sustainability of the communities served by NFGDC.

V. Appendices

Appendix A

Economic Development Program Outreach & Education Materials

We're here to assist you with your energy related decisions.

National Fuel's Area Development Program can assist you with funding your business relocation, business expansion or ongoing operation.

Our Partnership to Revitalize the Industrial Manufacturing Economy of WNY Program can assist customers seeking new or additional service from National Fuel or install incremental gas-fired equipment at their industrial or large commercial facilities.

National Fuel's Energy Services Department includes a team of account representatives trained to help you improve the way you use energy in your operations, with a focus on identifying cost-saving opportunities and energy efficiency improvements.

We offer technical assistance, economic development incentives and technology funding for businesses of all sizes. For information, call us at (716) 857-7314 or e-mail lawtonk@natfuel.com.

How to Apply for Funding:

Our application process is simple. Call our Energy Services Department at (716) 857-7314 for an application and to speak with our program coordinator for more details on qualifying projects.

Visit:

nationalfuel.com/utility/benefits-of-natural-gas/financial-assistance-programs/

or use the QR code

to learn more about our Economic Development Programs.

Contact Us:

lawtonk@natfuel.com

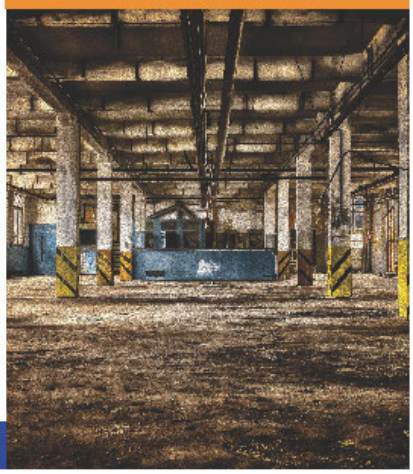
Phone: 716-857-7314

www.nationalfuel.com

National Fuel

NATIONAL FUEL'S ECONOMIC DEVELOPMENT PROGRAMS

Empowering Your Business with Energy Solutions



National Fuel

Supporting Clean Energy Goals

Our Area Development Program and Partnership to Revitalize the Industrial Manufacturing Economy of WNY ("Programs") have been updated to encourage new and expanding businesses to align with New York State's clean energy goals. The funding for these projects supports New York's broader environmental objectives. Here are the key updates:

Evaluation of Non-Pipe Alternatives (NPA)

- Projects applying for Program grants must consider energy usage and supply alternatives to minimize natural gas requirements.
- Energy usage alternatives may include reviewing customer equipment technology, such as electric versus gas-powered processes, and other energy efficiency measures.
- Energy supply alternatives may include low-carbon fuels like electrification, hydrogen, or renewable natural gas.
- Applicants must provide an evaluation of these alternatives, including technical feasibility, costs, benefits, reliability, and greenhouse gas emissions.

Third-Party Energy Efficiency Assessment

- For applicants unable to conduct an NPA analysis, a third-party firm will assess energy usage and develop an Energy Efficiency Plan.
- Implementing reasonable energy efficiency upgrades will be a condition for grant approval.

Prioritization of Energy Efficiency Measures

- Grant funds will prioritize reasonable energy efficiency measures, which must be implemented before funds are allocated to other project costs.

Area Development Program

National Fuel's Area Development Program can assist your business with relocation or expansion initiatives. As authorized by the New York State Public Service Commission, annual funding is available for:

- Energy and/or process efficiency upgrades
- Utility connections
- Interior natural gas piping
- Applicable equipment costs
- Potentially job training

The program offers grants for targeted projects aimed at boosting economic activity and redevelopment within National Fuel's New York service area. To qualify for funding, projects must be related to natural gas, align with clean energy goals and meet the following criteria:

- Stimulate investment in underutilized industrial/commercial property.
- Create new or higher-value employment opportunities.
- Provide workforce training or retraining.
- Stimulate private investment in capital expenditures.

PRIME Program

National Fuel's Partnership to Revitalize the Industrial Manufacturing Economy of WNY program offers upfront capital buydowns to help customers utilize available capacity or install additional gas-fired equipment at their industrial or commercial properties. As authorized by the New York State Public Service Commission, annual funding is available to offset capital costs, including construction, equipment, materials, utility connections, and environmental expenses related to increased natural gas consumption.

To qualify for funding, projects must:

- Promote investment in business expansion and the revitalization of underutilized industrial and commercial properties.
- Increase natural gas consumption by utilizing available capacity or installing additional gas-fired equipment.
- Enter into a performance agreement with a term of up to seven years.
- Provide security for the capital buydown amount.

Our application process is simple. Call our Energy Services Department at (716) 857-7314 or e-mail lawtonk@natfuel.com for an application and to speak with our program coordinator for more details on qualifying projects.

National Fuel's Energy Services Department includes a team of account representatives trained to help you improve the way you use energy in your operations, with a focus on identifying cost-saving opportunities and energy efficiency improvements.

AREA DEVELOPMENT PROGRAM APPLICATION FOR GRANT AND PRIME CAPITA BUYDOWN APPLICATION

National Fuel must receive this application at least ninety (90) days prior to the requested date for the grant. Submission of a completed application does not constitute qualification for the grant and/or capital buydown.

Please fill in all the requested information:

REQUESTING ORGANIZATION

Name: _____
Address: _____
Business Description: _____

PRIMARY CONTACT

Name: _____
Title: _____
Address (if different from above): _____
Telephone Number: _____
E-Mail Address: _____

PROJECT INFORMATION

Name: _____
Address: _____
Located in a Disadvantaged Community (DAC): _____ (Yes or No)
Commercial or Industrial: _____
Vacant Land: _____ (Yes or No)
If vacant, how long: _____ years
Brownfield Site/Brownfield Opportunity Area: _____ (Yes or No)
SIC: _____
NAICS: _____
Estimated In-Operation Date: _____
Requested Amount: $_____
Date Needed: _____

Please attach a complete narrative and address the following:

1. Stimulate investment in infrastructure for the development of redevelopment of underutilized industrial or commercial property, including but not limited to brownfield sites/brownfield opportunity areas receiving state assistance pursuant to Section 970-r of the General Municipal Law.
2. Indicate the number of current employees and the number of new employment opportunities created.
3. Describe the workforce training or retraining to assure that higher value skills are available in the workforce.
4. Stimulate the expenditure of private investment in direct capital expenditures needed to expand employment opportunities in National Fuel's service territory.
5. Explain how the project will enhance economic development efforts in the Western New York area.
6. Explain in detail how you evaluated non-pipe alternatives (this is a mandatory PSC requirement).
7. Explain in detail how you evaluated high-efficiency equipment alternatives (this is a mandatory PSC requirement).
8. Explain the project's connection to natural gas, **including estimated annual incremental natural gas usage for the next seven years.**
9. Discuss supply chain and sales impact, if applicable (i.e. local, regional, in-state, out-of-region).
10. Provide support for how the requested amount was determined (i.e. National Fuel or contractor proposal, training proposal, etc.).
11. List other sources of funding for this project as well as any sponsoring organizations.

I acknowledge that non-pipeline alternatives along with high-efficiency equipment alternatives have been evaluated for this project.

Name: _____ Date: _____
Title: _____
Signature: _____

I acknowledge that the information given above is true to the best of my knowledge.

Name: _____ Date: _____
Title: _____
Signature: _____

Mail the completed application to:
National Fuel, Energy Services Department, 6363 Main Street, Williamsville, NY 14221

National Fuel®

STAKEHOLDERS

for Economic Development Programs

Company	Address		Contact	Telephone Number
County of Chautauqua Industrial Development Agency	201 West Third Street	Jamestown, NY 14701	Mark Geise	716-661-8900
Invest Buffalo Niagara	257 West Genesee Street	Buffalo, NY 14202	Thomas Kucharski	716-842-1357
Erie County Industrial Development Agency	95 Perry Street	Buffalo, NY 14203	John Cappellino	716-856-6525
Genesee County Economic Development Center	99 MedTech Drive	Batavia, NY 14020	Mark Masse	585-343-4866
County of Cattaraugus Industrial Development Agency	9 East Washington Street	Ellicottville, NY 14731	Corey Wiktor	716-699-2005
Empire State Development	95 Perry Street	Buffalo, NY 14203	Karen Utz	716-846-8200
Niagara County Industrial Development Agency	6311 Inducon Corporate Drive	Sanborn, NY 14132	Andrea Klyczek	716-278-8760
Amherst Industrial Development Agency	4287 Main Street	Amherst, NY 14226	David Mingoia	716-688-9000
Erie Canal Harbor Development Corp.	95 Perry Street	Buffalo, NY 14203	Mark Wendel	716-846-8200
Westminster Economic Development Initiative	436 Grant Street	Buffalo, NY 14213	Carolynn Welch	716-393-4088
Orleans Economic Development Agency	121 North Main Street	Albion, NY 14411	Michael Dobell	585-589-7060
Town of Lockport Economic Development	6560 Dysinger Road	Lockport, NY 14094	Thomas Sy	716-478-0608
Wyoming County Industrial Development Agency	36 Center Street	Warsaw, NY 14569	James Pierce	585-786-3764
Allegany County Industrial Development Agency	6087 Route 19 North	Belmont, NY 14813	Craig Clark	585-268-7472
University at Buffalo Center for Industrial Effectiveness	1576 Sweet Home Road	Amherst, NY 14228	Timothy Leyh	716-645-8844

Area Development & Partnership to Revitalize the Industrial Manufacturing Economy of WNY Outreach

Tentative Gantt Chart - Subject to change

Department	Task	2025											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Energy Services	Identify department's primary methods of outreach	■											
	Develop Outreach plan and schedule	■											
	Brochure Updates	■											
	Internal document update	■											
	External document updates	■											
	Email campaign to large commercial and industrial customers		■	■		■		■		■		■	
	Webinars/ Workshops/ Virtual Meetings									■			
	Direct Mail		■		■		■		■		■		■
	Partnerships (i.e. Economic Development Agencies)			■						■			
	Industry Group Meetings (based on available events)				■				■		■		
Corporate Communications	Identify department's primary methods of outreach	■											
	Develop Outreach plan and schedule	■											
	Website updates	■											
	News Releases/ Media outlet communication			■			■			■			■
	Social media postings												■
	Review website activity and update							■					■

Financial Assistance Programs

Supporting Clean Energy Goals

Our Area Development Program and Partnership to Revitalize the Industrial Manufacturing Economy of WNY ("Programs") have been updated to encourage new and expanding businesses to align with New York State's clean energy goals. The funding for these projects supports New York's broader environmental objectives. Here are the key updates:

Evaluation of Non-Pipe Alternatives ("NPA")

- Projects applying for Program grants must consider energy usage and supply alternatives to minimize natural gas requirements.
- Energy usage alternatives may include reviewing customer equipment technology, such as electric versus gas powered processes, and other energy efficiency measures.
- Energy supply alternatives may include low-carbon fuels like electrification, hydrogen or renewable natural gas.
- Applicants must provide an evaluation of these alternatives, including technical feasibility, costs, benefits, reliability, and greenhouse gas emissions.

Third-Party Energy Efficiency Assessment

- For applicants unable to conduct an NPA analysis, a third-party firm will assess energy usage and develop an Energy Efficiency Plan.
- Implementing reasonable energy efficiency upgrades will be a condition for grant approval.

Prioritization of Energy Efficiency Measures

- Grant funds will prioritize reasonable energy efficiency measures, which must be implemented before funds are allocated to other project costs.

Subject: Important Updates to ADP and PRIME Programs

Dear [Recipient's Name],

I hope this message finds you well. We are excited to share some important updates to our ADP and PRIME programs that align them with New York's commitment to clean energy and environmental sustainability. These changes are designed to enhance program efficiency, support clean energy goals, and ensure that funded projects contribute to achieving New York's broader environmental objectives.

Key Program Changes:

1. **Evaluation of Non-Pipe Alternatives (NPA):**
    - Projects applying for grants must consider alternatives to natural gas, such as electrification, hydrogen, or renewable natural gas.
    - Applicants need to provide an evaluation of these alternatives, including technical feasibility, costs, benefits, reliability, and greenhouse gas emissions.
2. **Third-Party Energy Efficiency Assessment:**
    - For applicants unable to conduct an NPA analysis, we will use a third-party firm to assess energy usage and develop an Energy Efficiency Plan.
    - Implementing reasonable energy efficiency upgrades will be a condition for grant approval.
3. **Prioritization of Energy Efficiency Measures:**
    - Grant funds will prioritize necessary energy efficiency measures, which must be implemented before funds are allocated to other project costs.

These changes aim to support clean energy goals and ensure that projects funded by these programs are aligned with broader environmental objectives. We believe these Program updates will provide significant benefits to our stakeholders and contribute to a sustainable future.

National Fuel hopes that (Company) considers participating in these beneficial programs that support your business growth plans. We encourage you to review the attached document for more detailed information on these changes. If you have any questions or need further clarification, please do not hesitate to contact your National Fuel Energy Service Representative or via our webpage by contacting:

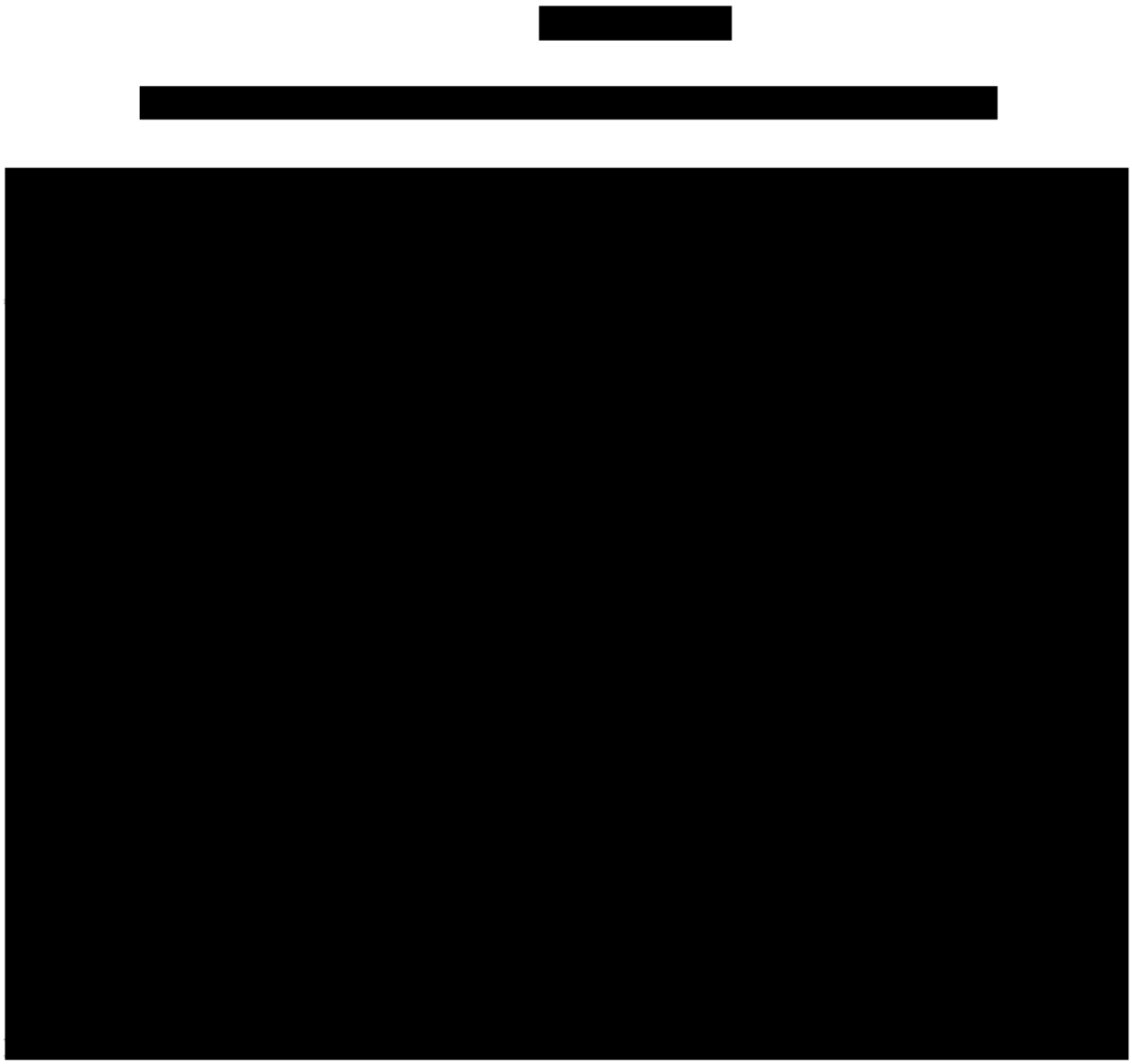
<Energy Services Rep>

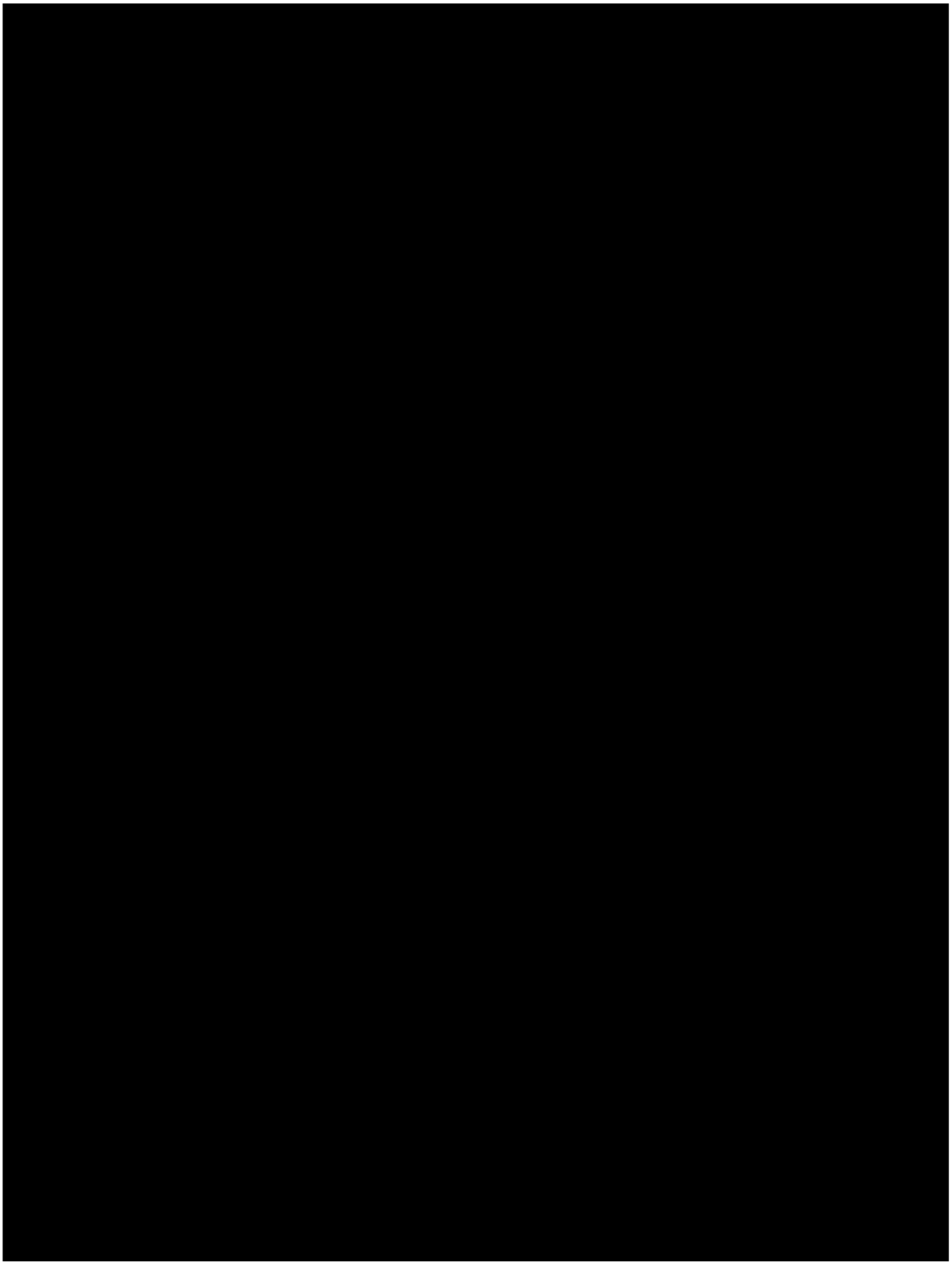
<email address>

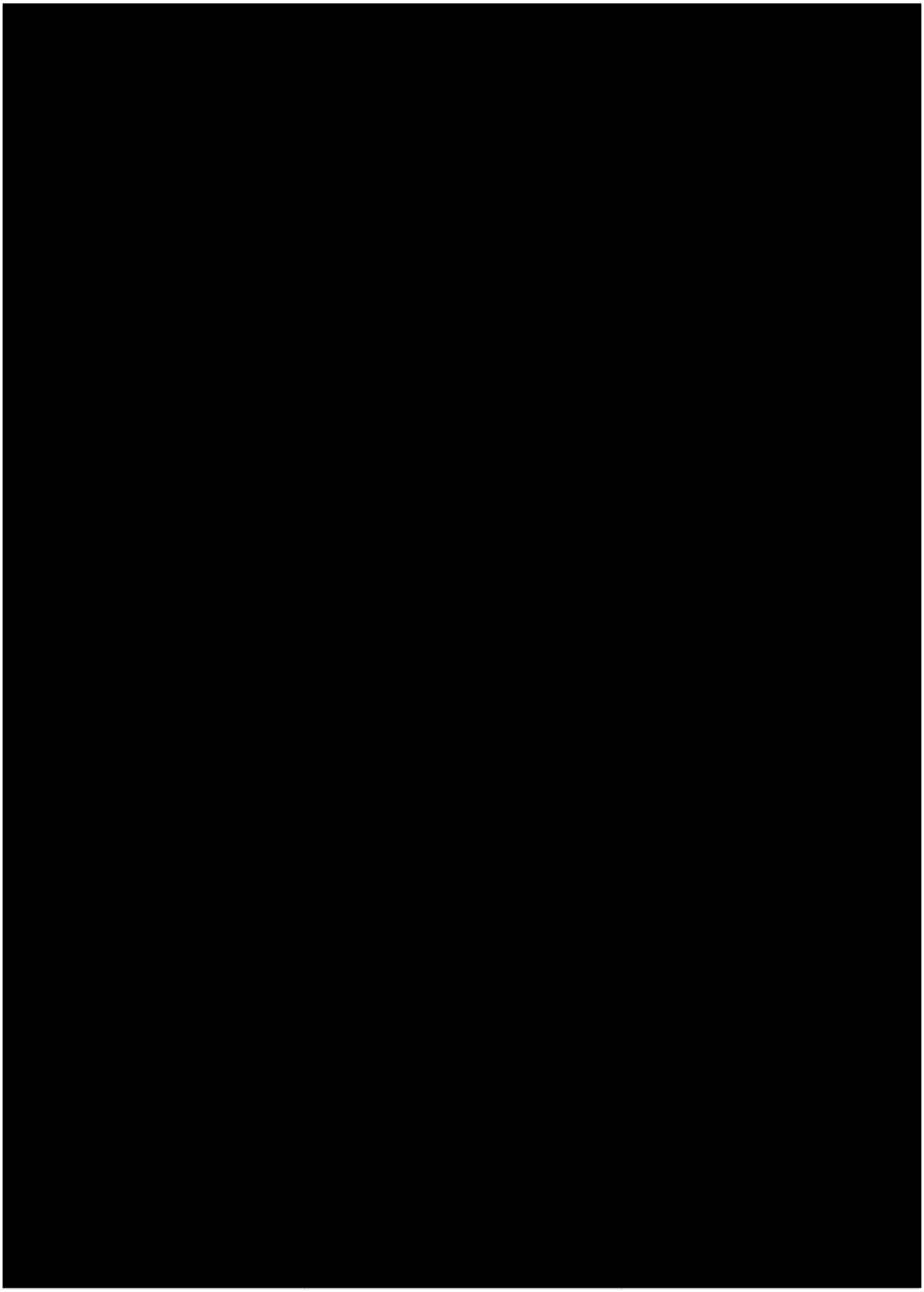
<phone number>

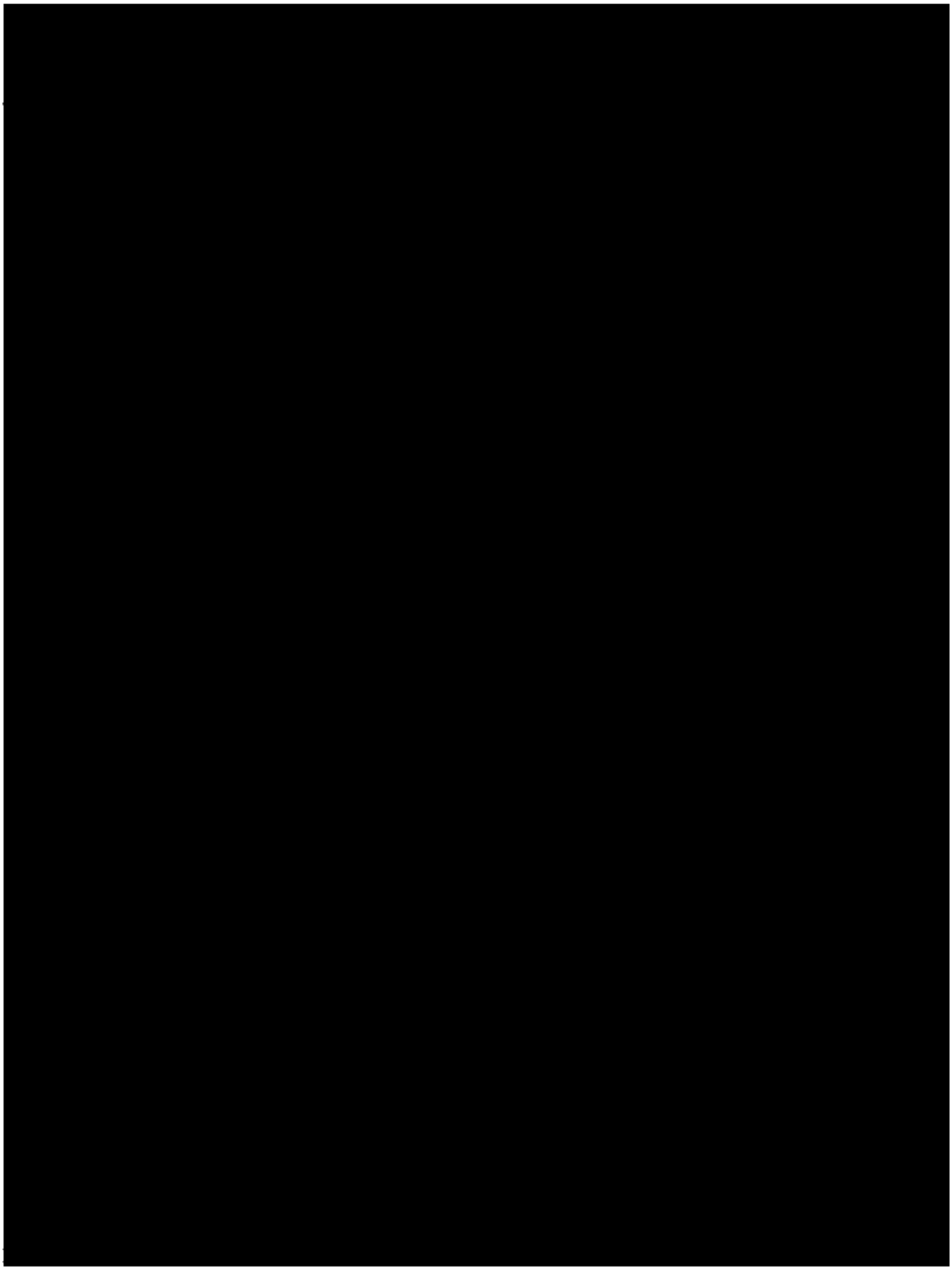
https://www.nationalfuel.com/utility/benefits-of-natural-gas/financial-assistance-programs/

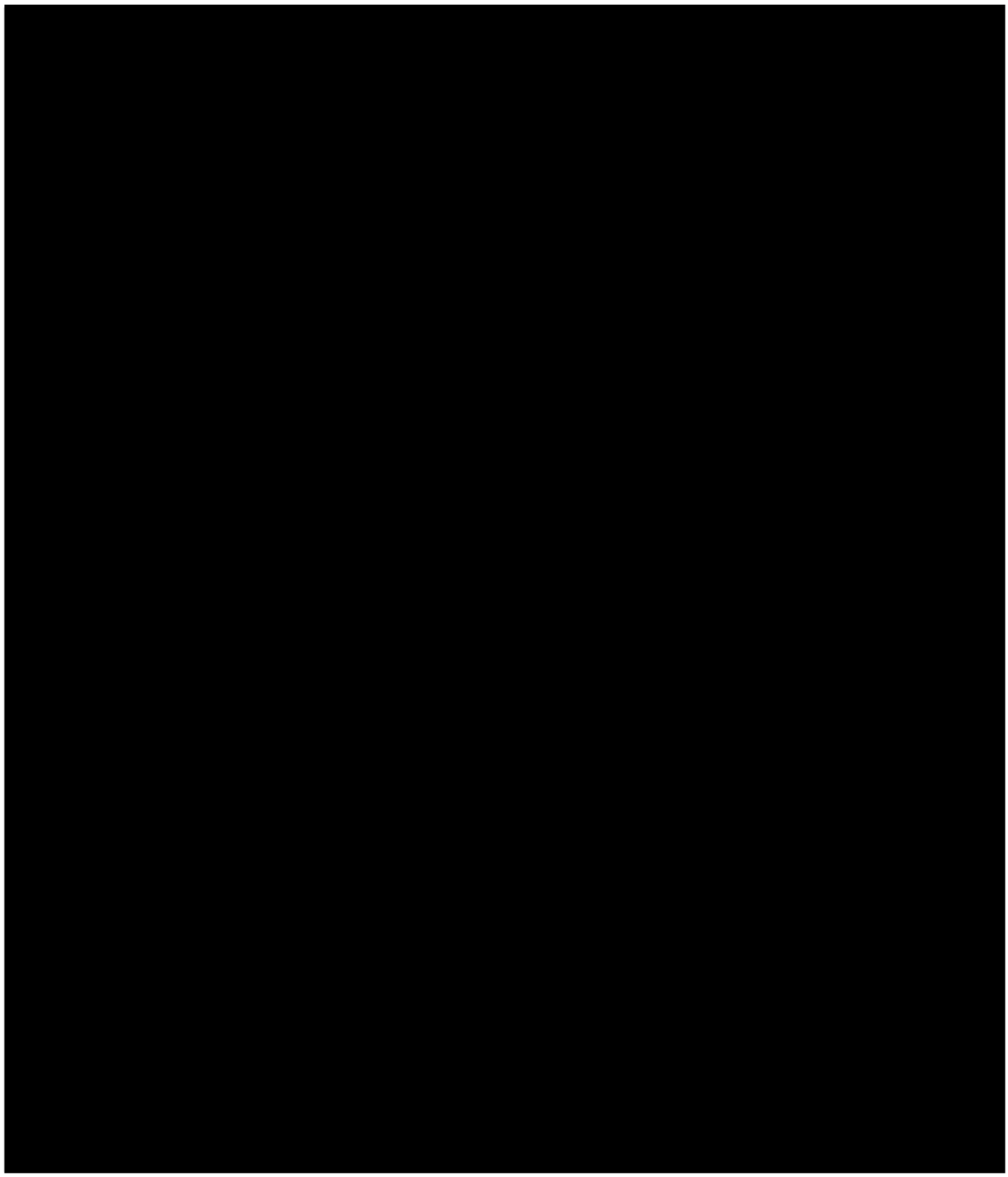
Best regards

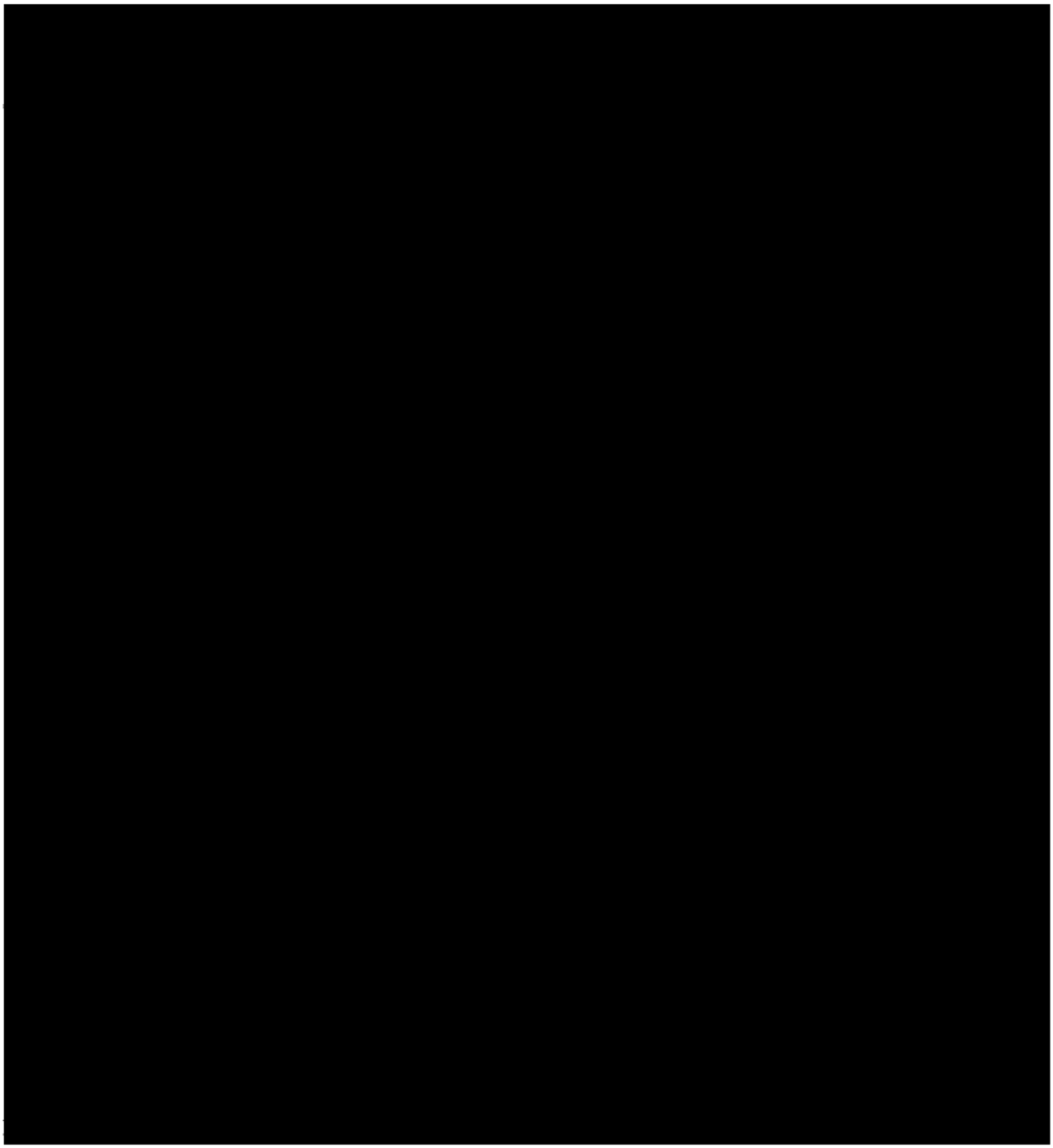


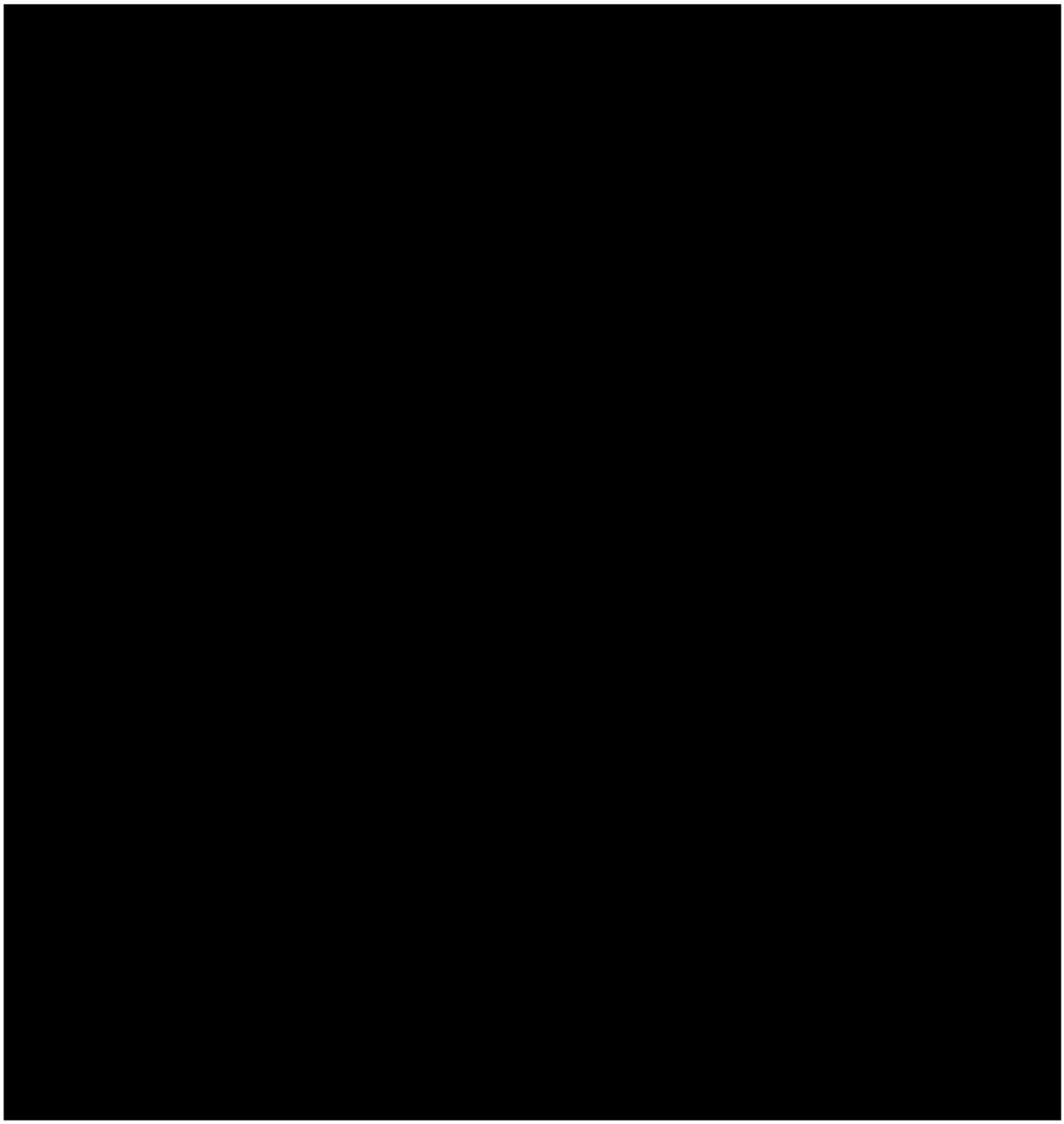












Appendix C

Area Development Program Grant Funding and Disbursement

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
AREA DEVELOPMENT

						Dr (Cr)
August 2005		Initial Funding from CMR per C 04-G-1047				($3,750,000)
Calendar Year		Interest	Grants	Offsystem Sales and Capacity Release Allocation[1]	Base Rate Funding	
	2005	($54,671)	$0	$0	$0	
	2006	(182,896)	384,904	0	0	
	2007	(195,073)	266,287	0	0	
	2008	(179,495)	730,701	0	0	
	2009	(179,858)	820,995	0	0	
	2010	(36,451)	900,186	0	0	
	2011	(7,099)	472,068	0	0	
	2012	(31,277)	373,910	0	0	
	2013	(19,319)	496,779	(250,000)	(64,776)	
	2014	(45,210)	304,452	(423,332)	(444,327)	
	2015	(69,701)	1,119,078	(250,000)	(1,000,000)	
	2016	(70,976)	516,081	(250,000)	(1,000,000)	
	2017	(77,910)	420,741	0	(1,136,808)	
	2018	(121,483)	699,501	0	(1,250,000)	
	2019	(188,614)	1,874,606	0	(1,250,000)	
	2020	(119,596)	1,261,823	0	(1,250,000)	
	2021	(85,072)	906,585	0	(1,250,000)	
	2022	(88,916)	959,493	0	(1,250,000)	
	2023	(157,850)	1,346,139	0	(1,250,000)	
	2024	(186,459)	647,273	0	(1,234,823)	
Total		($2,097,927)	$14,501,604	($1,173,332)	($12,380,734)	($1,150,389)
Additional Adjustments						
December 2009		Compliance with C 09-M-0435 Austerity Order				$1,000,000
April 2012		Funding C 04-G-1047				($1,500,000)
April 2014		Funding Transco Refund				($576,668)
February 2023		Bill Relief Program Funding				$2,500,000
Balance at 12/31/2024						($3,477,057)
		Estimated Outstanding Grants				($1,353,666)
		Total Funds Available				(2,123,391)

[redacted]

[redacted]

[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	$ [redacted]

Appendix E

PRIME Award Recipients

National Fuel Gas Distribution Corp.

New York Division

[redacted]

I. Project Capital Cost

A. NFG Distribution Corp. Components		
Mainline Work	$	[redacted]
Station Work	$	[redacted]
Total Cost	**$**	[redacted]
B. [redacted]		
Station Work	**$**	[redacted]
C. Total Project Cost	**$**	[redacted]
NFGDC System Benefit Credit	$	[redacted]
Net Project Cost to Customer	**$**	[redacted]

II. Capital Cost Contribution

A. Net Project Cost	$	[redacted]
B. NFGDC Contribution - PRIME-WNY	$	[redacted]
C. [redacted]		
1. Up Front Payment	**$**	[redacted]

2. SC-13M Transportation		Pro Forma	Actual Year 1	Actual Year 2	Actual Year 3	Actual Year 4	Actual Year 5	Actual Year 6	Actual Year 7
- Monthly Minimum Bill	$	[redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
- Transportation Margin ($/Mcf)	$	[redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
- Total Transportation Charge ($/Mcf)	$	[redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
- Annual Usage (Mcf)		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
- Effective Total Transportation Rate	$	[redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
Contract Term (years)		7							
Annual Transportation									
- Transportation Margin	$	[redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
- Shortfall Payment (Credit Forward)			$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]	$ [redacted]
- Margin Obligation	**$**	[redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]
Annual Contribution to overall system costs	**$**	[redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]
Letter of Credit	**$**	[redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** [redacted]	**$** -

National Fuel Gas Distribution Corp.

New York Division

[redacted] - [redacted]

I. Project Capital Cost

A. NFG Distribution Corp. Components		
Total Mains Installation Cost	$	[redacted]
Total Service Installation Cost	$	[redacted]
Total Meter Set Installation Cost	$	[redacted]
Total Cost	**$**	[redacted]

II. Capital Cost Contribution

A. Net Project Cost	$	[redacted]
B. NFGDC Contribution		
- Area Development Program Grant	$	[redacted]
- PRIME-WNY	$	[redacted]
C [redacted]		
1. Up Front Payment	**$**	-

2. SC-13M Transportation		**Pro Forma**		**Actual Year 1**		**Actual Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
- Monthly Minimum Bill	$	[redacted]	$	[redacted]	$	[redacted]	-	-	-	-	-
- Transportation Margin ($/Mcf)	$	[redacted]	$	[redacted]	$	[redacted]	-	-	-	-	-
- Total Transportation Charge ($/Mcf)	$	[redacted]	$	[redacted]	$	[redacted]	-	-	-	-	-
- Annual Usage (Mcf)		[redacted]		[redacted]		[redacted]	-	-	-	-	-
- Effective Total Transportation Rate	$	[redacted]	$	[redacted]	$	[redacted]	-	-	-	-	-
Contract Term (years)		[redacted]									
Annual Transportation											
- Transporation Margin	$	[redacted]	$	[redacted]	$	[redacted]	-	-	-	-	-
- Shortfall Payment (Credit Forward)*			$	[redacted]	$	[redacted]	-	-	-	-	-
- Minimum Annual Volume Obligation	**$**	[redacted]	**$**	[redacted]	**$**	[redacted]	-	-	-	-	-
Annual Contribution to overall system costs	**$**	[redacted]	**$**	[redacted]	**$**	[redacted]	-	-	-	-	-
Letter of Credit	**$**	[redacted]	**$**	[redacted]	**$**	[redacted]	-	-	-	-	-

National Fuel Gas Distribution Corp.

New York Division

[redacted]

I. Project Capital Cost		
A. NFG Distribution Corp. Components		
Mainline Work	$	[redacted]
M&R Station Work	$	[redacted]
Total Cost	**$**	[redacted]
B. NFG Supply Corp. Components		
Station Work	**$**	[redacted]
C. Total Project Cost	**$**	[redacted]
Net Project Cost to Customer	**$**	[redacted]
II. Capital Cost Contribution		
A. Net Project Cost	$	[redacted]
B. NFGDC Contribution		
- Area Development Program Grant	$	[redacted]
- PRIME-WNY	$	[redacted]
C. [redacted]		
1. Up Front Payment	**$**	[redacted]

2. SC-13M Transportation		Pro Forma Year 1		Pro Forma Year 2-7	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
- Monthly Minimum Bill	$	[redacted]	$	[redacted]	-	-	-	-	-	-	-
- Transportation Margin ($/Mcf)	$	[redacted]	$	[redacted]	-	-	-	-	-	-	-
- Total Transportation Charge ($/Mcf)	$	[redacted]	$	[redacted]	-	-	-	-	-	-	-
- Annual Usage (Mcf)		[redacted]		[redacted]	-	-	-	-	-	-	-
- Effective Total Transportation Rate		[redacted]		[redacted]	-	-	-	-	-	-	-
Contract Term (years)		[redacted]									
Annual Transportation											
- Transportation Margin	$	[redacted]	$	[redacted]	-	-	-	-	-	-	-
- Shortfall Payment (Credit Forward)	-				-	-	-	-	-	-	-
- Margin Obligation	**$**	[redacted]	**$**	[redacted]	-	-	-	-	-	-	-
Annual Contribution to overall system costs	-				-	-	-	-	-	-	-
Letter of Credit	**$**	[redacted]	**$**	[redacted]	-	-	-	-	-	-	-