



National Fuel Gas Distribution Corporation
Fall 2021 Marketer/Supplier Teleconference
October 19, 2021
2:00 p.m. EST

AGENDA

Welcome and Introduction	Dan Czechowicz
Transportation Update	Chase Bahne/ Dan Czechowicz
Rates & Regulatory Update <ul style="list-style-type: none">○ Federal Regulatory Update○ PA Regulatory Update○ NY Regulatory Update	Randy Rucinski
Capacity Update	Ken McAvoy
Energy Efficiency and Economic Development Incentives	Erik Solomon
General Discussion	All
Closing	Dan Czechowicz



National Fuel[®]

National Fuel Gas Distribution Corporation

Fall 2021 Marketer / Supplier Teleconference

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Transportation Update

**Presentation by: Chase Bahne and Dan Czechowicz
October 19, 2021**


Transportation Website

<https://www.nationalfuel.com/business-partners/>

Our Company Utility Service **Business Partners** Pipeline & Storage Gathering Exploration & Production

Corporate Responsibility Careers Investor Relations Contact Us Search

Transportation Service + Secure Transactions + Marketer in NY + Marketer in PA + Producers + Contractors + [Make A Payment](#)

 **National Fuel®**

National Fuel Business Partners

My Utility Account

User Name

Password

LOG IN

[Forgot Login?](#) [Issues with Login?](#)

[Create Account](#)
or [Pay Without Signing In](#)

Marketer/Supplier Operations Support

- NFGDC Website: <https://www.nationalfuel.com/business-partners/>
- Operating Procedures Manuals:
 - GTOP, TSS, TSS Reports, Aggregator, Market Pool, Production Pool
- Transportation Scheduling System – TSS
- Training
- Help Desks
 - **Scheduling: (716)-857-7232**
 - Hours: 7:30 am – 5:00 pm on business days
 - email: TSSSupport@natfuel.com
 - **Billing: (716)-857-7432**
 - Hours: 8:00 am – 4:30 pm on business days
 - email: TSD-Billing@natfuel.com
- **After Hours Scheduling Support: (716)-857-7232**

Transportation Scheduling System (TSS)

- Marketer Contact Information
 - Updated in TSS, under Contact Maintenance (**ECNTM**)
 - Important to keep this information current
 - System Alerts / OFOs
 - Scheduling cuts
 - Capacity Release
 - Announcements / Other Information
- TSS Users
 - Each user is required to have their own log in, **do not** share log in ID and passwords
 - Citrix Password must be at least 15 characters and contain 3 out of 4 of the following:
 - At least 1 lower case letter
 - At least 1 upper case letter
 - At least 1 numeral
 - At least 1 special character
 - At least one TSS user back-up is highly recommended

TSS Login Changes

- **Replacing Citrix with VMware Horizon Client**



- Increased security
 - Multifactor Authentication
 - RSA SecurID Token
 - Token ID is specific to each user
- Improved access across multiple platforms
- Required by all TSS users

TSS Outage Procedures

- **Communication**
 - Call TSS Help Desk
- **Email / Web posting**
 - Keep contact maintenance in TSS up to date (ECNTM)
- **TSS Emergency Forms** (only to be used at National Fuel's direction)
 - Available online at:
<https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/>
 - Print of copies of each of the forms to have readily available
- Forgetting password or remote connection issues on local computer is not a TSS Outage

Transportation Customers

NEW YORK		
	<u>March 2021</u>	<u>October 2021</u>
STBA (Aggregation)	52,844	45,584
DMT (Aggregation)	43	43
MMT (Stand Alone)	1	1
New York Total	52,888	45,628
PENNSYLVANIA		
MMNGS (Aggregation)	3,849	3,889
SATS (Aggregation)	20,081	19,031
DMT (Stand Alone)	77	76
Pennsylvania Total	24,007	22,996
TOTAL NFGDC		
	76,895	68,624

New York & Pennsylvania Operations

- Daily Delivery Quantities (DDQs)
 - DDQs are customer usage estimates based on usage history, weather forecasts, actual measurement – mid course correction
 - DDQ Requirements under normal operating conditions:
 - NY STBA and PA MMNGS = 95% - 105%
 - PA SATS = 98% - 102%
- Production Daily Quantities (PDQs)
 - PDQs are estimates of local production based on production volume history
- Market Pool and Production Pool operators are responsible for monitoring DDQs / PDQs and actual flowing volumes
 - Request DDQ and PDQ modifiers via TSS
 - Enter detailed descriptions when making DDQ and PDQ modifier requests
 - DDQ detail by customer is available on the website

New York & Pennsylvania Operations Billing and Adjustments

Timing and Placement of Prior Period Consumption Adjustments

- Meter Read Validation—occurs each time an actual meter read is obtained to ensure proper billing
- Length of Adjustment—is dependent on when the last actual meter read was obtained, it can vary from 1 month to years
- Timing of Adjustments—many adjustments are done automatically by the system when the meter read is posted and others are completed by back-office employees
- Placement—monthly consumption is redistributed over the adjustment period and changes sent to ESCO/NGS

Communication of Billing and Adjustments

- Nightly EDI Cycle 867s sent at customer billing or anytime a prior billing period is adjusted
 - Includes usage, reads, read type (actual or estimate), baseload/degree day factor
 - Includes any adjustments of prior consumption periods
 - Estimated Usage based on customers load profile (i.e. baseload/degree day, same month last year)
- Monthly EDI CME 867s sent at month-end and include calendar month consumption and any prior period adjustments
 - Contain same information as Cycle 867s with calendar month usage and used for month-end imbalance calculations

Minimizing Month-End Imbalances

- ESCO/NGS communication with their customers for expected usage changes
 - Customers whose usage has a high variability (i.e. difficult to estimate)
 - Customers whose usage is being estimated for long periods (i.e. lack of actual meter reads)
- Review changes to DDQ/ADDQ
 - Midcourse correction—NFG automated routine that adjusts individual customer's DDQs based on actual readings
- DDQ modifiers for any usage changes or large adjustments

New York & Pennsylvania Operations

- Meet daily delivery requirements (DDQs) to serve market
- Daily Metered Transportation (DMT) customers, match daily deliveries to actual daily usage
- On the PA DMT statement, when 'USAGE EST.' is shown under the 'Stmt Basis' column, it is the market pool operator's responsibility to obtain:
 - 10:00 am read directly from the customer
 - first of the month reading for closing out the previous month
- Deliver upstream supplies at primary firm or acceptable alternate delivery points
- Manage storage inventories
 - Required end of month storage inventory percentages are **minimums**, not targets

ESS End of Month Inventory Requirements

		New York (STBA) EOM Minimum %	Pennsylvania (SATS) EOM Minimum %
Injection	April	0%	0%
	May	12%	12%
	June	29%	29%
	July	46%	46%
	August	63%	63%
	September	80%	80%
	October	95%	95%
Withdrawal	November	89%	86%
	December	71%	68%
	January	46%	45%
	February	28%	28%
	March	0%	0%

System Maintenance Orders

* TO MAINTAIN SYSTEM OPERATIONAL INTEGRITY *

- **System Alert**
- **Operational Flow Order (OFO)**
 - NY STBA 98-105% (cold); 95-102% (warm)
 - PA SATS 100-102% (cold); 98-100% (warm)
 - PA MMNGS 100-105% (cold); 95-100% (warm)
- Option to disallow use of PA DMT banks
- Option to shrink NY DMT tolerance from 10% to as low as 2%
- Communicate through ROBO text option
 - Marketers must opt-in to receive texts messages in the contact maintenance screen in TSS (ECNTM)
 - Conducting a test using ROBO text on 11/4/21
- **Unauthorized Overrun**
- **Curtailment**



Pipeline Critical Notices are Important

- NFGDC reminds ESCO's to consider their business and regularly review the appropriate pipeline notices
 - Subscribe to receive emails of Critical Notices from each pipeline that they operate on
 - Review and assess potential impacts on their business
 - Contact the appropriate pipeline for notice clarification
 - Contact NFGDC for assistance
- To receive Critical Notice emails directly from:
 - **National Fuel Gas Supply Corp.** - contact your internal System Administrator or NFGSC Interstate Marketing to set up email notification preferences.
 - **Tennessee Gas Pipeline** - Update DART user setting in "Business Preferences" to receive email notifications

Questions ?



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Rates & Regulatory Update

**Presentation by: Randy Rucinski
October 19, 2021**

Rates & Regulatory Update

Federal Update

Pipeline Rate Events

- **RP 20-1060 - Columbia Gas Transmission, LLC**
 - Filed general NGA Section 4 rate case on July 1, 2020
 - New rates went into effect February 1, 2021
 - Settlement in principle reached on July 23, 2021
 - Parties are currently drafting settlement documents

Rates & Regulatory Update

Federal Update

Pipeline Rate Events

- **RP 21-1188 – Texas Eastern Transmission, L.P.**
 - Filed general NGA Section 4 rate case on July 30, 2021.
 - Filing was rejected by FERC due to TETCO's proposal to use a federal income tax rate of 25%, which is different than the currently effective rate of 21%
 - Re-filed general NGA Section 4 rate case on September 30, 2021
 - Assuming maximum suspension period, rate increase will go into effect, subject to refund, on April 1, 2022

Rates & Regulatory Update

Federal Update

Pipeline Rate Events

- **RP 21-1187 – Eastern Gas Transmission & Storage**
 - Filed general NGA Section 4 rate case on September 30, 2021
 - Assuming maximum suspension period, rate increase will go into effect, subject to refund, on April 1, 2022

Rates & Regulatory Update

Pennsylvania Update

Pennsylvania GTOP

- No updates to report

Rates & Regulatory Update

New York Update

Order Adopting Changes to the Retail Energy Market and Establishing Further Process

Issued and effective December 12, 2019

- September 18, 2020 Order on Rehearing, Reconsideration, and Providing Clarification
- Utilities have posted 12-month average supply rates
<https://www.nationalfuel.com/business-partners/ny-rates-information/ny-12-month-trailing-average-utility-supply-rates/>
- Track II of the proceeding commenced in August 2021

Rates & Regulatory Update

New York Update

New York GTOP

- No updates to report

Questions ?



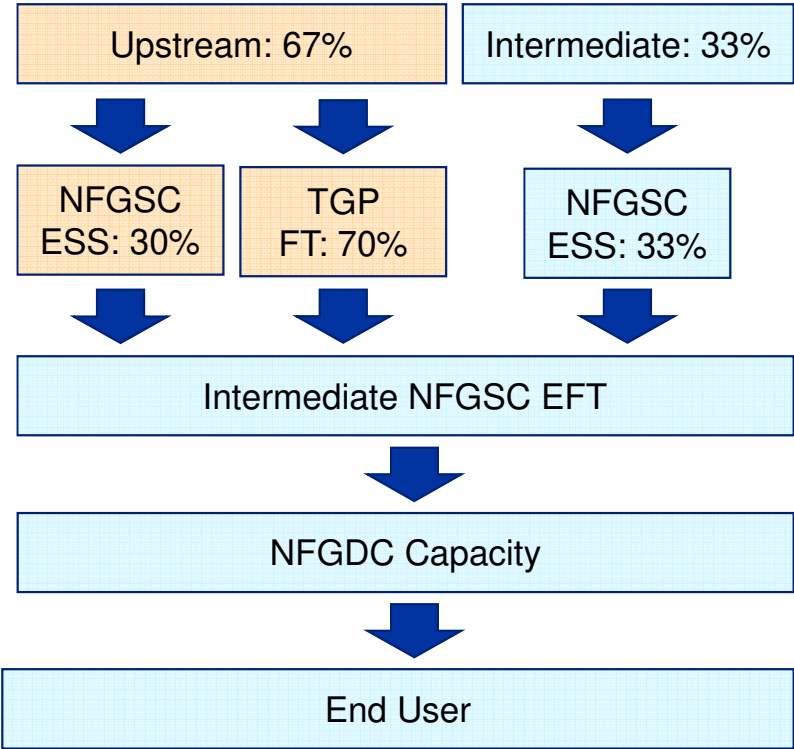
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Capacity Review

**Presentation by: Kenneth McAvoy
October 19, 2021**

NY Capacity Release

(serves requirements up to 62 HDD)

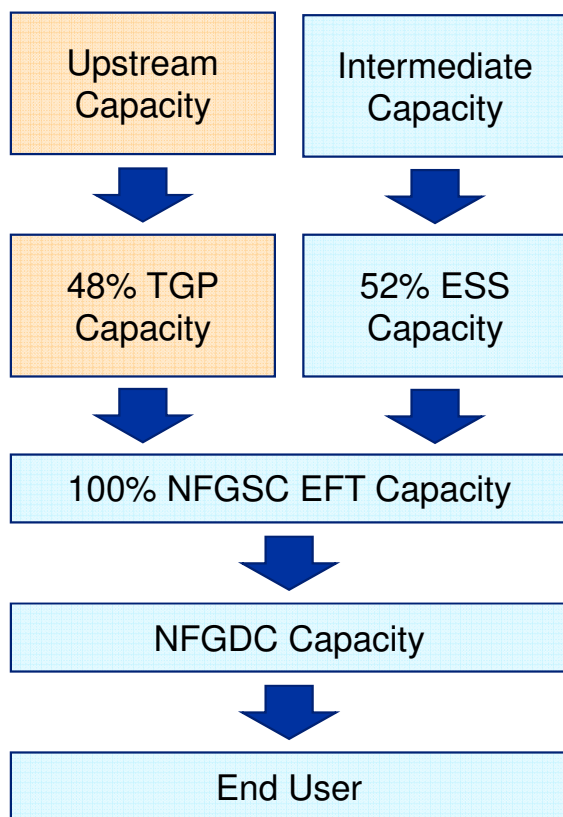


Upstream Release Rates, \$/Dth

	WACOC Rate	Change from Apr-2012	NFGSC ESS Max Rate	TGP FT Rel. Rate ¹
Apr 2012	\$10.84	-	\$4.16	\$11.92
Apr 2013	\$10.51	-3%	\$4.49	\$11.49
Apr 2014	\$9.81	-9%	\$4.48	\$10.68
Apr 2015	\$9.40	-13%	\$4.48	\$10.27
Apr 2016	\$10.05	-7%	\$4.39	\$11.04
Apr 2017	\$9.49	-12%	\$4.30	\$10.40
Apr 2018	\$8.60	-21%	\$4.48	\$10.37
Apr 2019	\$8.86	-18%	\$4.49	\$10.74
Apr 2020	\$8.96	-17%	\$4.91	\$10.69
Apr 2021	\$8.56	-21%	\$5.07	\$10.05

¹ Derived such that weighted average cost of ESS and TGP equals WACOC.

Pennsylvania SATS Capacity Release (serves requirements up to 62 HDD)



Upstream Release Rates, \$/Dth

	WACOC	Change from Aug-2012	TGP FT Rel. Rate ¹
Aug 2012	\$14.98	-	\$14.98
Aug 2013	\$13.88	-7%	\$13.88
Aug 2014	\$11.80	-21%	\$11.80
Aug 2015	\$10.14	-32%	\$10.14
Aug 2016	\$9.63	-36%	\$9.63
Aug 2017	\$9.57	-36%	\$9.57
Aug 2018	\$8.94	-40%	\$8.94
Aug 2019	\$7.78	-48%	\$7.78
Aug 2020	\$7.31	-51%	\$7.31
Aug 2021	\$8.79	-41%	\$8.79

¹ TGP FT Release Rate = PA upstream WACOC Rate

Questions ?



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Energy Efficiency and Economic Development Incentives

**Presentation by: Erik Solomon
October 19, 2021**

New York

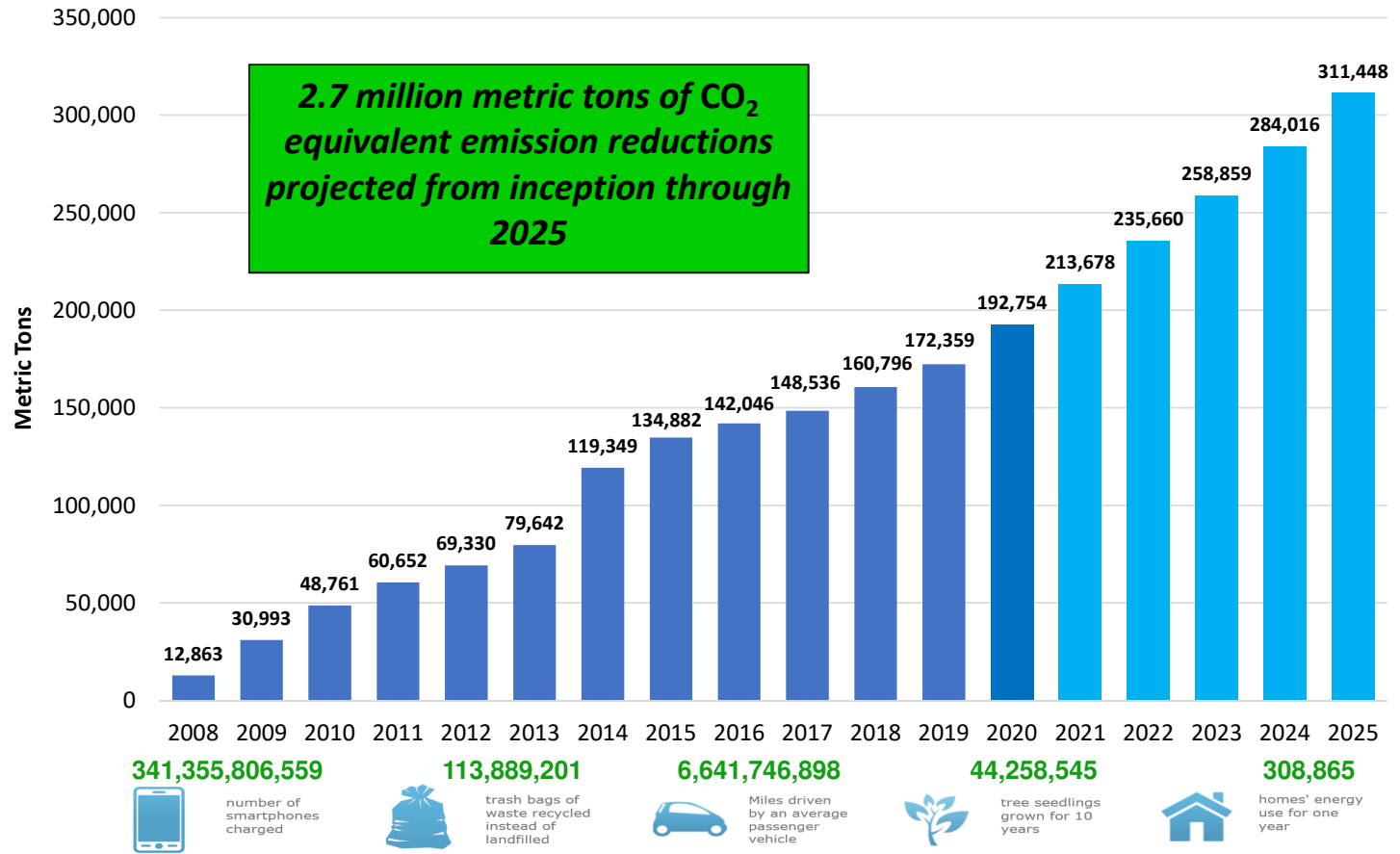
Energy Efficiency – Conservation Incentive Program (CIP)

National Fuel’s Energy Efficiency Program Approved through 2025

- Annual Baseline Budget: \$10 million
- Incremental 5-yr Budget: \$18 million

NFG’s Conservation Incentive Program

- Residential Rebates
- Non-Residential Rebates
- LMI Usage Reduction Program

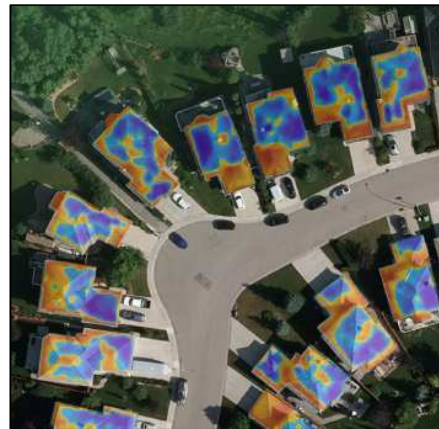
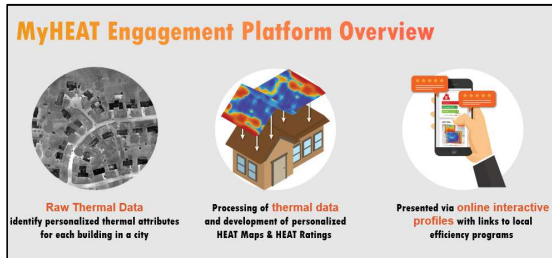


New York

Energy Efficiency – Other Opportunities

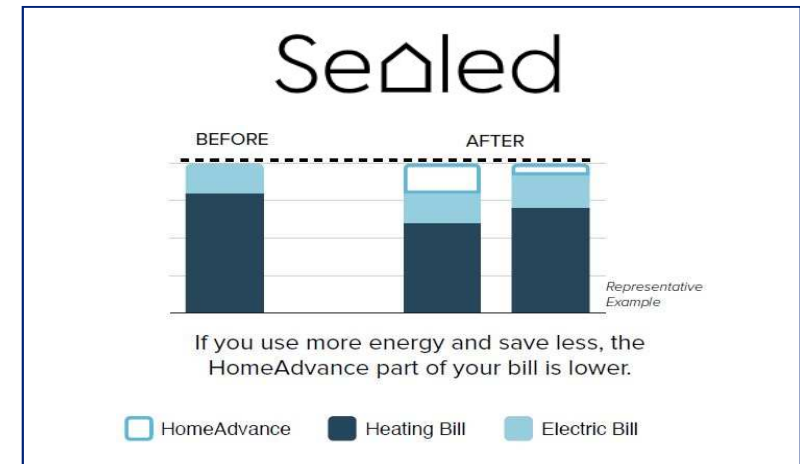
MyHeat Demonstration Project

- MyHeat performs aerial flyovers and provides thermal images of heat loss in homes
- Data provides opportunity for targeted customer outreach and education
- Can be used to increase CIP participation



Sealed Partnership

- Sealed specializes in offering financing for building shell and equipment upgrades
- Sealed is paid back with money saved on customer bills
- Customers benefit from home improvement / reduced emissions footprint with little upfront costs



New York

Economic Development Incentives

Area Development Program

- Stimulate Investment in Underutilized Property
- Create Employment Opportunities
- Provide Workforce Training
- Stimulate Private Investment

Capital Buydown Programs

- Incremental load requirement
- Term of 1 year up to 7 years
- Contractual Agreement Required

Questions ?

