



National Fuel Gas Distribution Corporation
Spring 2022 Marketer/Supplier Teleconference
March 17, 2022
2:00 p.m. EST

AGENDA

Welcome and Introduction	Dan Czechowicz
Rates & Regulatory Update <ul style="list-style-type: none">○ Federal Regulatory Update○ PA Regulatory Update○ NY Regulatory Update	Jeff Same
Transportation Update	Chase Bahne
Operational Update	Dan Czechowicz
Capacity Update	Nick Pasquarella
General Discussion	All
Closing	Dan Czechowicz



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National Fuel Gas Distribution Corporation

Spring 2022 Marketer / Supplier Teleconference

National Fuel Gas Distribution Corporation Spring 2022 Marketer/Supplier Teleconference

Rates & Regulatory Update

**Presentation by: Jeff Same
March 17, 2022**

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
 - Settlement in principle reached on July 23, 2021
 - Stipulation and Agreement of Settlement filed on October 29, 2021
 - Interim rates went into effect December 1, 2021
 - Order Approving Settlement with Modification issued February 25, 2022

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
 - FERC issued order setting aside its rejection of the July 30, 2021 filing
 - TETCO filed Request for Clarification/Rehearing on February 18, 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
 - Rates will go into effect, subject to refund, on April 1, 2022
 - Settlement discussions are ongoing

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

Questions ?



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Transportation Services Update

**Presentation by: Chase Bahne
March 17, 2022**

Transportation Information

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

The screenshot displays the National Fuel Business Partners website. The top navigation bar includes links for 'Our Company', 'Utility Services', 'Business Partners', 'Pipeline & Storage', 'Gathering', and 'Exploration & Production'. A yellow arrow points to 'Utility Services'. Below this, a secondary navigation bar contains 'Corporate Responsibility', 'Careers', 'Investor Relations', and 'Contact Us', along with a search bar. A third navigation bar features 'Transportation Service +', 'Secure Transactions +', 'Marketer in NY +', 'Marketer in PA +', 'Producers +', and 'Contractors +', with a yellow arrow pointing to 'Transportation Service +'. The main content area features the National Fuel logo and the text 'National Fuel Business Partners' on the left. On the right, there is a 'My Utility Account' section with input fields for 'User Name' and 'Password', a 'LOGIN' button, and links for 'Forgot Login?', 'Create Account', and 'or Pay Without Signing In'.

Marketer/Supplier 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

Contact info:

- Chase Bahne, Patrick Dailey, Brandon Jackson, Reve Rofot and Dan Czechowicz
- **TSS Help Desk: (716)-857-7232**
- After Hours Support (24/7)
- Business Hours: 7:30 am – 5:00 pm
email: TSSSupport@natfuel.com

- **Billing Help Desk: (716)-857-7432**
- Business Hours: 8:00 am – 4:30 pm
email: TSD-Billing@natfuel.com

Transportation Scheduling System (TSS)

Replaced Citrix with VMware Horizon Client

- Required by all TSS Users as of March 9, 2022
 - Multifactor Authentication / RSA SecurID Token
 - Improved access across multiple platforms
 - Personalized Security Measures (unique to each user)
-
- VMware Horizon Client and TSS Passwords must be at least **15 characters** and contain 3 out of 4 of the following:
 - 1 upper, 1 lower case letter
 - 1 numeral, 1 special character



TSS back-up user is highly recommended

- Send in a TSS User Role Request form

Marketer Contact Information

- Update in TSS, under Contact Maintenance (**ECNTM**)
- Important to keep this information current
 - System Alerts / OFOs
 - Scheduling cuts
 - Capacity Release
 - Announcements / Other Information

Marketer Requirements

Meet daily delivery quantity requirements (DDQs) to serve your market

Nominate to primary firm or acceptable points

Released capacity for NY STBA and PA SATS must be accepted prior to the first of month

Daily Metered Transportation (DMT) customers:

- Match daily deliveries to actual daily usage
- PA DMT statement 'USAGE EST' - marketer / pool operator's responsibility to obtain:
 - 10:00 am read directly from the customer
 - first of the month meter reading for closing out the previous month

Marketer Requirements

Daily Delivery Quantities (DDQs)

- Customer usage estimates based on usage history, weather forecasts, and actual measurement including mid course correction
 - Posted in TSS and in the Secure Transactions section of the website
 - Degree Day data is derived from AccuWeather forecasts
 - “Degree Day Information Report” is on the website under General Information files
 - Requirements under normal operating conditions:
 - NY STBA and PA MMNGS = 95% - 105%
 - PA SATS = 98% - 102%

Production Daily Quantities (PDQs)

- Estimates of local production based on production volume history

Pool operators are responsible for monitoring DDQs / PDQs and actual volumes

- Request DDQ and PDQ modifiers via TSS
 - Detailed descriptions required when requesting modifiers

Marketer Requirements

End of month storage inventory requirements (minimums, not targets)

		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%

Marketer Requirements

Minimizing Month End Imbalances

Marketer communication with customers is crucial

- Customer usage changes need to be addressed by the marketer
 - Customers whose usage has daily / monthly variability (i.e. difficult to estimate)
 - Customers whose usage is being estimated for long periods - lack of actual meter reads
- Provide meter readings to TSS Support

Review DDQs daily

- Request DDQ modifiers
- Midcourse correction
 - NFG automated routine that adjusts individual customer's DDQs based on actual readings

Marketer Responsibility

Pipeline Critical Notices

Regularly review the appropriate pipeline notices

- Subscribe to receive emails of Critical Notices from each pipeline
- Review and assess potential impacts
- Contact the appropriate pipeline for notice clarification
- Contact NFGDC for assistance

Subscribe for Critical Notice emails:

- NFGSC - contact your internal System Administrator or NFGSC Commercial Services (Interstate Marketing)
- TGP - Update DART user setting in “Business Preferences”

TSS Outage Procedures

Email and Web posting

- Keep contact maintenance in TSS up to date (ECNTM)

TSS Emergency Forms

- To be used at National Fuel's direction
- Available online:

<https://www.nationalfuel.com/business-partners/operator-manuals-and-forms/>

Call TSS Help Desk if you experience a system outage

Questions ?



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Operational Update

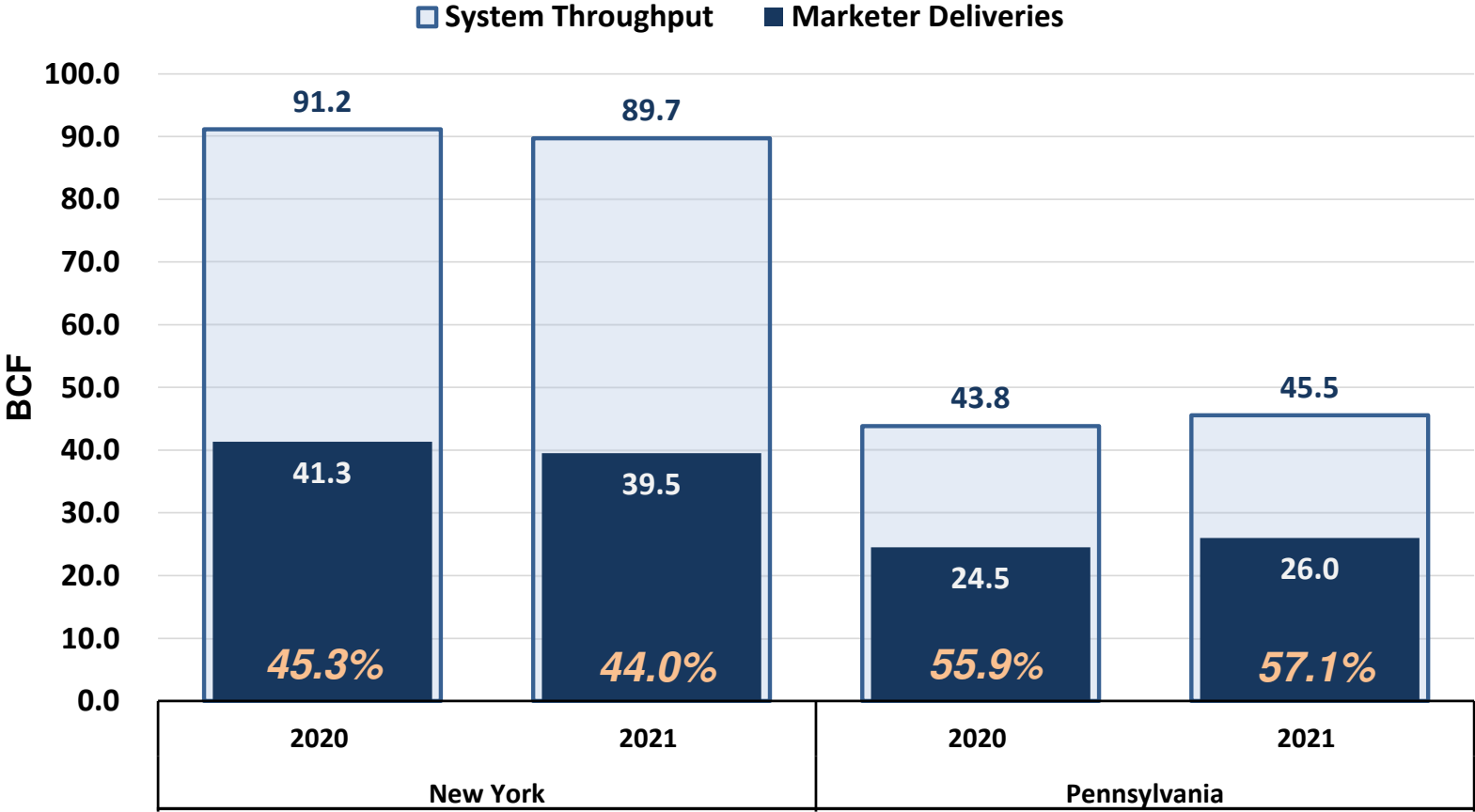
**Presentation by: Dan Czechowicz
March 17, 2022**

Transportation Customers

NEW YORK		
	<u>October 2021</u>	<u>March 2022</u>
STBA (Aggregation)	45,584	43,619
DMT (Aggregation)	43	43
MMT (Stand Alone)	1	1
New York Total	45,628	43,663
PENNSYLVANIA		
MMNGS (Aggregation)	3,889	3,948
SATS (Aggregation)	19,031	18,846
DMT (Stand Alone)	76	76
Pennsylvania Total	22,996	22,870
TOTAL NFGDC		
	68,624	66,533

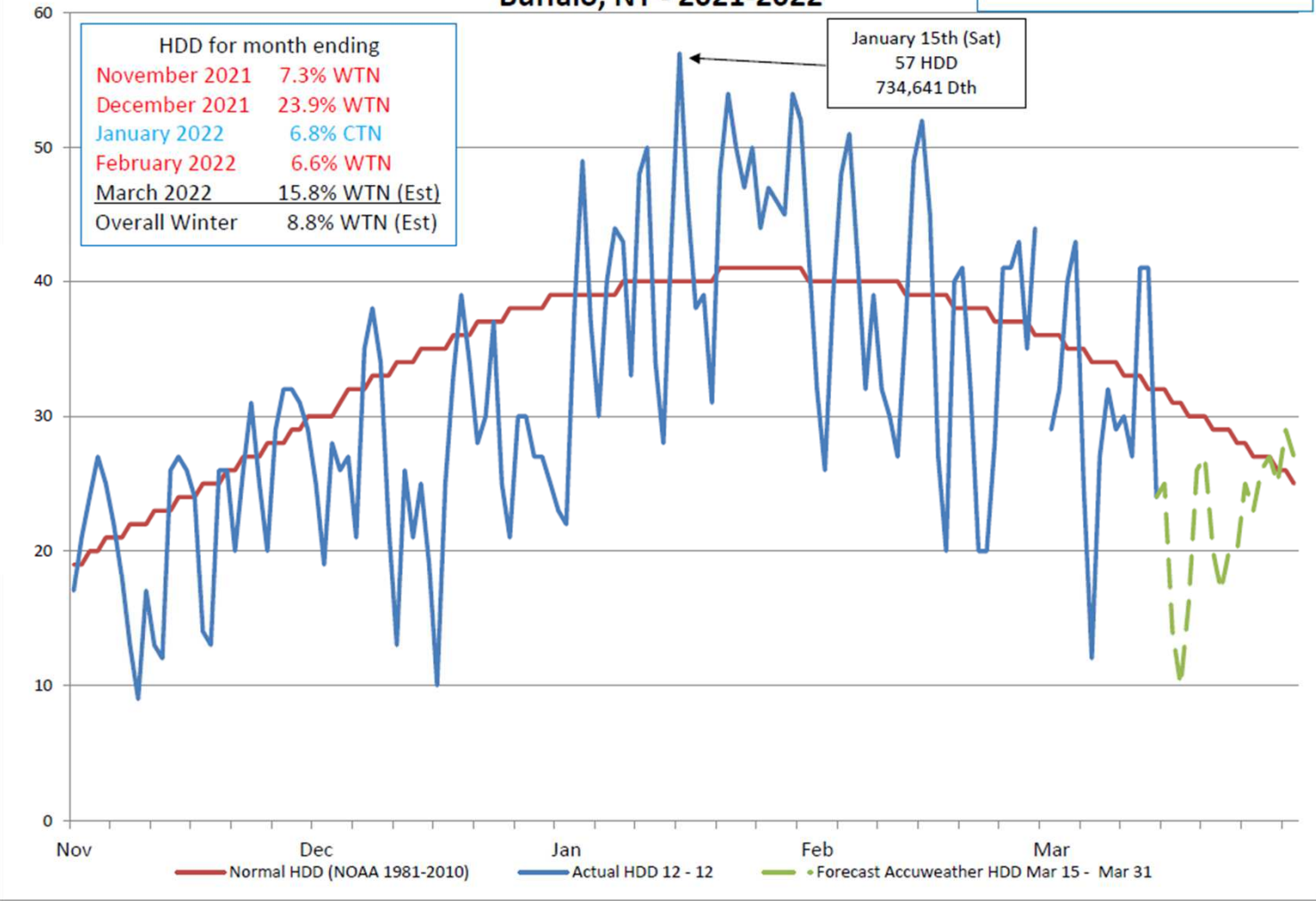
NFGDC Annual Throughput

Through December 2021



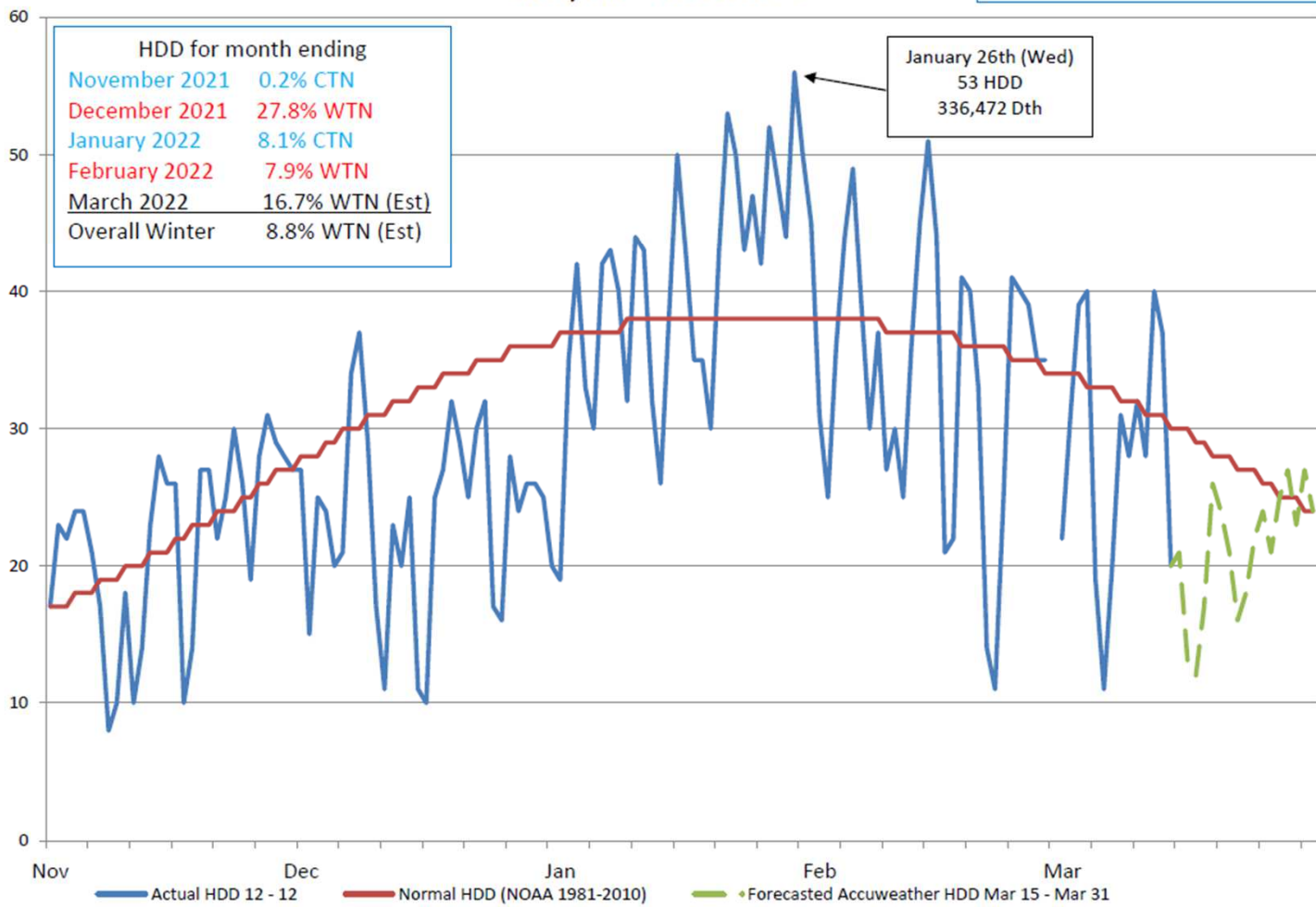
National Fuel Heating Degree Days (HDD) Buffalo, NY - 2021-2022

Winter HDD through 3-14-22
7.4% WTN



National Fuel Heating Degree Days (HDD) Erie, PA - 2021-2022

Winter HDD through 3-14-22
7.4% WTN



System Maintenance Orders (SMO)

MAINTAIN SYSTEM OPERATIONAL INTEGRITY

Communication: email and website postings



System Alert

Operational Flow Order (OFO)

- Communication: ROBO text
- Marketers must opt-in
 - TSS Contact Maintenance Screen



Unauthorized Overrun

Curtailment

System Maintenance Orders

New York - Operational Flow Order (OFO) Criteria

Tariff — General Information Section 20.E

“During any period in which the Company determines, in its sole discretion, that its ability to accommodate imbalances is restricted or impaired, or in order to maintain system operational integrity, an Operational Flow Order (“OFO”) shall be issued on a minimum 24 hours notice.” (Section 0 Leaf 73)

“The Company may issue any other OFOs reasonably required to maintain system operational integrity and to assure continued service to its firm service Customers.” (Section 0 Leaf 74)

DDQ Requirements

- NY STBA 98-105% (cold); 95-102% (warm); 95%-105% (normal)

DMT

- Option to shrink tolerance from 10% to as low as 2%

System Maintenance Orders

Pennsylvania - Operational Flow Order (OFO) Criteria

Tariff

MMNGS and SATS

“The Company reserves the right to issue Operational Flow Orders as necessary to preserve the operational integrity of its system.” (Tenth Revised Page No. 118F and Twelfth Revised Page No. 136)

DDQ Requirements

- PA SATS 100-102% (cold); 98-100% (warm); 98%-102% (normal)
- PA MMNGS 100-105% (cold); 95-100% (warm); 95%-105% (normal)

DMT

“OFOs may be issued to customers receiving service under this rate schedule to assure that adequate supplies are delivered to the Company.” (First Revised Page No. 114)

- Option to disallow use of banks

System Maintenance Orders

Winter 2021 / 2022

(Gas days inclusive, Applies to NY and PA)

January 2022						
Sun	Mon	Tues	Wed	Thurs	Fri	Sat
						1
2	3	4	5	6 SA	7 SA	8 SA
9 SA	10 SA	11 SA	12	13	14 OFO	15 OFO
						No DDQ Avg
16 OFO	17 OFO	18 SA	19 SA	20 OFO	21 OFO	22 SA
No DDQ Avg	No DDQ Avg	No DDQ Avg				
23 SA	24 SA	25 SA	26 OFO	27 SA	28 OFO	29 OFO
						No DDQ Avg
30 SA	31 SA					
No DDQ Avg	No DDQ Avg					

February 2022						
Sun	Mon	Tues	Wed	Thurs	Fri	Sat
		1	2	3	4 SA	5 SA
6 SA	7	8	9	10	11	12 SA
						No DDQ Avg
13 SA	14 SA	15	16	17	18	19 SA
No DDQ Avg	No DDQ Avg					
20	21	22	23	24	25	26
27	28					

System Alert in Effect

OFO in Effect

- November 2022 - No SMOs
- December 2022 - No SMOs
- March 2022 - No SMOs to Date

National Fuel Gas Distribution Corporation Buffalo, New York

Winter Season			OFO (Under-delivery)		Peak Day		
Colder (CTN) /Warmer (WTN) than Normal			Number issued	Total Days	Dates	Mean Temp (°F)	Throughput (Dth)
2021-2022	7.4%	WTN	4	9	1/15/2022	8	734,641
2020-2021	10.3%	WTN	0	0	2/7/2021	15	656,249
2019-2020	10.8%	WTN	0	0	2/14/2020	10	667,433
2018-2019	2.5%	CTN	2	7	1/30/2019	-1	874,658
2017-2018	1.5%	CTN	2	5	1/5/2018	1	845,535
2016-2017	11.8%	WTN	0	0	12/15/2016	14	681,532
2015-2016	17.8%	WTN	0	0	2/13/2016	-2	781,083
2014-2015	13.0%	CTN	1	15	2/23/2015	-2	836,714
2013-2014	13.3%	CTN	3	19	1/28/2014	4	845,309
2012-2013	6.1%	WTN	0	0	1/22/2013	8	743,338
2011-2012	21.6%	WTN	0	0	1/3/2012	11	672,998
2010-2011	5.7%	CTN	1	4	1/23/2011	-1	735,214
2009-2010	2.3%	WTN	0	0	1/30/2010	7	648,907

NOTE: 2021-2022 is an estimate
Winter 21-22 Temperatures through 3/14/22

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National Fuel Gas Distribution Corporation Erie, Pennsylvania

Winter Season			OFO (Under-delivery)		Peak Day		
Colder (CTN) /Warmer (WTN) than Normal			Number issued	Total Days	Dates	Mean Temp (°F)	Throughput (Dth)
2021-2022	7.4%	WTN	4	9	1/26/2022	12	336,472
2020-2021	11.2%	WTN	0	0	2/7/2021	18	295,510
2019-2020	12.6%	WTN	0	0	2/14/2020	12	313,269
2018-2019	0.1%	WTN	2	7	1/30/2019	-2	426,677
2017-2018	2.0%	CTN	1	3	1/5/2018	7	389,018
2016-2017	13.6%	WTN	0	0	12/15/2016	16	327,562
2015-2016	19.1%	WTN	0	0	2/13/2016	8	336,218
2014-2015	14.7%	CTN	1	15	2/19/2015	-6	394,737
2013-2014	15.6%	CTN	3	19	1/7/2014	1	414,064
2012-2013	3.2%	WTN	0	0	1/22/2013	10	342,059
2011-2012	21.9%	WTN	0	0	1/3/2012	14	290,254
2010-2011	7.1%	CTN	1	4	1/23/2011	2	315,776
2009-2010	0.1%	WTN	0	0	1/28/2010	16	295,043

NOTE: 2021-2022 is an estimate
Winter 21-22 Temperatures through 3/14/22

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Questions ?



National Fuel Gas Distribution Corporation Spring 2022 Marketer/Supplier Teleconference

Capacity Review

**Presentation by: Nick Pasquarella
March 17, 2022**

New York & Pennsylvania Capacity Release

New York

Supplier Transportation Balancing and Aggregation (STBA)

- Mandatory Upstream Transmission Capacity (MUTC)
- Intermediate NFGSC ESS Capacity

Pennsylvania

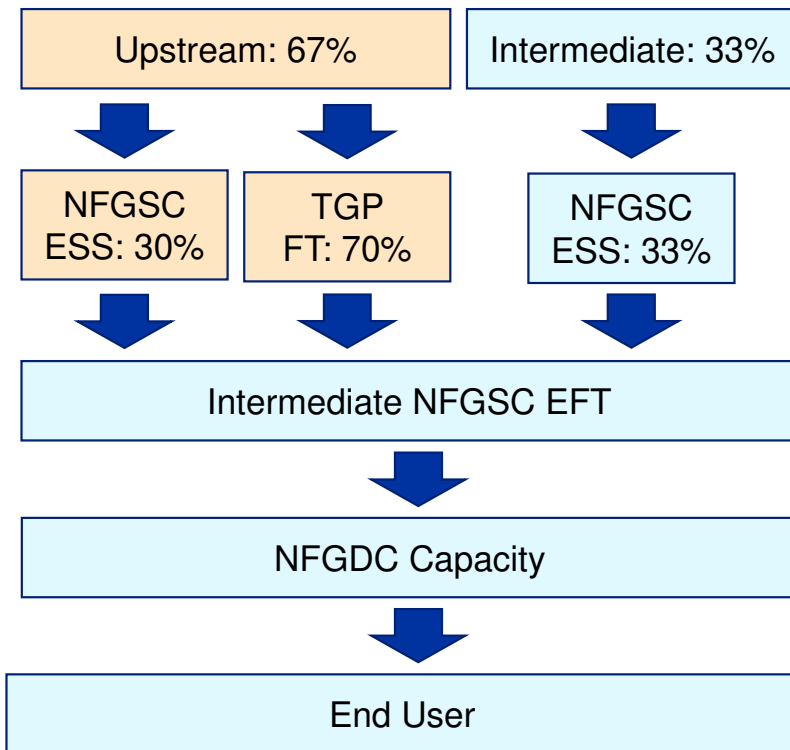
Small Aggregation Transportation Supplier (SATS)

- Released Transmission Capacity (RTC)
- Intermediate NFGSC ESS Capacity

Reminder: Capacity releases are available to execute by the 5th business day prior to each month and must be accepted by the first of month

NY STBA Capacity Release

Serves requirements up to 62 HDD



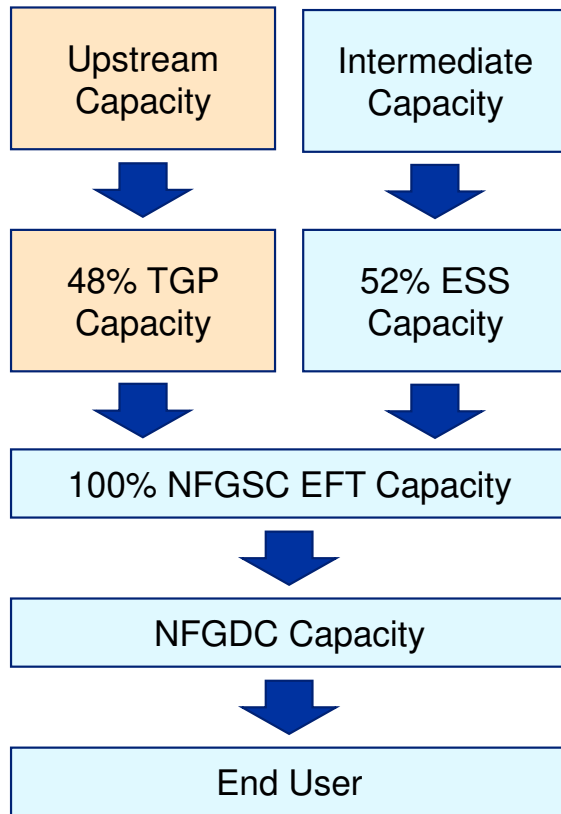
Upstream Release Rates, \$/Dth

	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	\$8.07	-26%	\$5.07	\$9.35
Apr 2022 Est.	\$8.96	-17%	\$5.12	\$10.61

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
Aug 2022 Est	\$8.10	-46%	\$8.10

¹ TGP FT Release Rate = PA upstream WACOC Rate

Questions ?

