

**NATIONAL FUEL GAS SUPPLY CORPORATION**  
**OPEN SEASON - OS267**



**System Expansion - Long Term Enhanced Firm Transportation (“EFT”) and Enhanced Storage Service (“ESS”) in Western, PA**

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National Fuel Gas Supply Corporation (“National”) is pleased to announce the commencement of an Open Season for EFT & ESS services associated with an expansion of National’s Line N Pipeline System (“Line N”) in western Pennsylvania.

This expansion project makes a no-notice storage and transportation service available to a new system delivery point.

**Capacity**

National expects that it can make available up to 4,000 Dth/day of EFT capacity & 267,143 Dth of ESS Maximum Storage Quantity (“MSQ”) through additional delivery point facilities, located north of National’s Buffalo Compressor Station in Allegheny County, PA (“Market Delivery Point”).

EFT & ESS service is offered in accordance with the terms of National’s Tariff EFT & ESS rate schedule.

A Precedent Agreement with one Foundation Shipper (as defined in the “Foundation Shipper Status” section below) has been executed. Other parties interested in becoming a Foundation Shipper may do so by participating in this Open Season and meeting the Foundation Shipper requirements.

**Facilities**

The project facilities, to be constructed at the Market Delivery Point, include:

- New delivery point interconnection

**Facilities Authorization**

National expects that the expansion facilities will be constructed under National’s Blanket Certificate authorization.

**Projected In-Service Date**

Subject to sufficient and timely market commitments and necessary regulatory approvals, National expects the required facilities could be completed and transportation & storage service could begin as early as August 1, 2021.

**Term Requirement**

Transportation & storage services resulting from this Open Season require a minimum 10-year contractual term.

**Open Season Period:**

February 5, 2021 through 11am EST on February 12, 2021

**EFT Service:**

**Primary Receipt and Delivery Points (Up to 4,000 Dth/d):**

Primary Point Name	Receipt	Delivery
TGP Mercer 420069	X – Up to 1,571 Dth/d	
NFSTOR	X – Up to 2,429 Dth/d	
Market Delivery Point <sup>(1)</sup>		X – Up to 4,000 Dth/d

<sup>(1)</sup> Location as described in the “Capacity” section above.

**ESS Service:**

**110 Day Service; MSQ 267,143 Dth:**

	Maximum Storage Quantity (MSQ) Inventory	INJ/WD Rights	INJ/WD Quantities (Dth/d)
<b>Injection Period</b>			
<b>April 1 – October 31</b>	0% to less than 80%	1/170 of MSQ	1,571
	From equal to or greater than 80% to 100%	1/200 of MSQ	1,335
<b>Withdrawal Period</b>			
<b>November 1 – April 15</b>	From greater than 30% to 100%	1/110 of MSQ	2,429
	From greater than 20% to less than or equal to 30%	1/122 of MSQ	2,186
	From greater than 10% to less than or equal to 20%	1/137 of MSQ	1,943
	From greater than 0% to less than or equal to 10%	1/157 of MSQ	1,700

**Rate Information:**

The rates applicable to the capacity being offered in this open season are National’s maximum tariff rates under the EFT & ESS rate schedule.

Rate	EFT Rate Component
\$4.6455 per Dth/day	Reservation Charge (monthly, applied to contract MDTQ)
\$0.0148 per Dth	Commodity Charge (daily, applied to Dth quantity transported)
\$0.1675 per Dth	100% Load Factor Rate (Excluding surcharges and applicable Transportation Fuel/LAUF)
1.03%	Transportation Fuel and LAUF Retention *
\$0.0011 per Dth	Applicable FERC ACA Commodity Surcharge (daily, applied to Dth quantity transported)
\$0.0255 per Dth/day	PS/GHG Reservation Surcharge (monthly, applied to contract MDTQ)**

Rate	ESS Rate Component
\$2.6433 per Dth/day	Demand Charge (monthly, applied to withdrawal deliverability)
\$0.0485 per Dth	Capacity Charge (monthly, applied to capacity)
\$0.0458 per Dth	Commodity Injection/Withdrawal Charge
0.93%	Storage Operating/LAUF Allowance *
\$0.0011 per Dth	ACA Commodity Surcharge (daily, applied to injections and withdrawals)

\$0.0999 per Dth/day	PS/GHG Demand Surcharge (monthly, applied to contract MDTQ)**
\$0.0014 per Dth/day	PS/GHG Capacity Surcharge (monthly, applied to contract MSQ)**

**\*Fuel and Loss Allowances:**

Storage Operating and LAUF Allowance and 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 guidelines in National’s GT&C Section 41 tariff sheets.

**\*\*PS/GHG Reservation Surcharge:**

The Pipeline Safety and Greenhouse Gas Surcharge is applicable to storage and transportation agreements and is subject to change pursuant to National’s GT&C Section 42 tariff sheets.

**Foundation Shipper Status:**

A Precedent Agreement with one Foundation Shipper, as detailed below, has been executed. Other parties interested in becoming a Foundation Shipper may do so by participating in this Open Season and meeting the Foundation Shipper requirements.

Foundation Shipper Status is available to any bidder meeting the minimum term requirements and by requesting a no-notice service representing the full amount of EFT & ESS capacity being offered (4,000 Dth/d of EFT & 267,143 Dth of ESS)

Such Foundation Shipper(s) will be granted the following benefits:

- Foundation Shippers shall not be subject to proration, other than proration necessary should there be multiple Foundation Shippers.

**Bid Award Process:**

During the Open Season period, National will accept requests for ESS & EFT service.

Requests for rate discounts or discounts of Transportation Fuel/LAUF will not be accepted. Shippers not requesting Foundation Shipper Status may request all or part of the advertised capacity. Shippers are allowed to revise their bids within the posting period. A Shipper’s bid shall be exclusive of all applicable surcharges.

National will award capacity using the methodology as outlined below. All net present value (“NPV”) calculations will incorporate length of contract term and utilize a monthly rate of 0.8% (9.6% annually) for discounting purposes:

- First, qualifying Foundation Shipper requests will be ranked, and the best bid(s) determined based on the highest NPV of the reservation charge revenues, per unit of capacity. Bidders are allowed to revise their bids within the posting period. For the purposes of awarding the available ESS and EFT capacity, bids will be ranked according to the net present value (NPV), per unit of storage capacity, of the sums of the ESS capacity charges, ESS demand charges and EFT reservation charges as derived above. The NPV calculation will incorporate length of contract term and will utilize an annual rate of 9.6% for discounting. The "Storage Component" of a bid shall be the NPV, per unit of storage capacity, of the ESS capacity charge and ESS demand charge. In the event that National receives two or more bids of equal NPV per unit of storage

capacity, a ratable capacity allocation shall be determined, subject to other conditions in this posting. Bids that are prorated for any reason are considered to have been awarded at the reduced MSQ.

- Second, subject to a determination by National in its sole discretion that additional capacity can be awarded, non – foundation Shipper requests will be ranked, and the best bid(s) determined based on the highest NPV of the reservation charge revenues, per unit of capacity requested. Shippers may request all or part of the offered MSQ - withdrawal and injection quantities will be allocated in proportion to such requested MSQ. Bidders are allowed to revise their bids within the posting period. For the purposes of awarding the available ESS and EFT capacity, bids will be ranked according to the NPV, per unit of storage capacity, of the sums of the ESS capacity charges, ESS demand charges and EFT reservation charges as derived above. The NPV calculation will incorporate length of contract term and will utilize an annual rate of 9.6% for discounting. The "Storage Component" of a bid shall be the NPV, per unit of storage capacity, of the ESS capacity charge and ESS demand charge. In the event that a customer bids for ESS service only, and its bid is equal to the Storage Component of another bid or bids for both ESS and EFT service ("Comparable Combined Service Bid"), the ESS-only bid shall be considered equal in value to the Comparable Combined Service Bid with the highest value. In the event that National receives two or more bids of equal NPV per unit of storage capacity, a ratable capacity allocation shall be determined, subject to other conditions in this posting. Bids that are prorated for any reason are considered to have been awarded at the reduced MSQ.

National is not obligated to proceed with any facilities expansion 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.

Participation in this Open Season is binding for bidders requesting Foundation Shipper status. All such requests must be made by (1) submitting a completed Service Request Form before the close of this Open Season, and (2) executing and returning a Precedent Agreement agreed upon by shipper and National. The Precedent Agreement, once tendered, must be executed by an officer of the bidding entity and returned to National within 10 business days.

Requests by non-Foundation shippers are non-binding and must be made by submitting a completed Service Request Form before the close of this Open Season. Non-Foundation Shippers awarded capacity in this Open Season must enter into discussions leading to execution of a binding Precedent Agreement. Once tendered, such agreements must be executed by an officer of the bidding entity and returned to National within 10 business days.

#### **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) 857-7740. The completed form can be mailed or faxed to the address listed below or emailed to [Marketing@NatFuel.com](mailto:Marketing@NatFuel.com).

#### **Credit Requirements:**

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

#### **Contacts:**

For more information, please contact:

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