



NATIONAL FUEL GAS SUPPLY CORPORATION OPEN SEASON - OS 264

System Expansion - Long Term Firm Transportation Capacity in Western PA

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

This expansion project makes FT capacity available in a south-to-north flow direction from the Texas Eastern at Holbrook (“Holbrook”) receipt point to a proposed new delivery point.

Capacity

National expects that it can make available up to 21,000 Dth/day of FT capacity as described above through additional delivery point facilities, located south of National’s Buffalo Compressor Station in Greene County, PA (“Market Delivery Point”).

FT service is offered in accordance with the terms of National’s Tariff FT 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
- Pipeline lateral and downstream piping

Facilities Authorization

National expects that this expansion 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 service could begin as early as January 1, 2021.

Term Requirement

Transportation services resulting from this Open Season require an 11-year contractual term.

Open Season Period: October 8, 2020 through 11:00 AM EST on October 16, 2020

Primary Receipt and Delivery Points:

Primary Point Name	Receipt	Delivery
TETCO Holbrook 70015	X	
Market Delivery Point ⁽¹⁾		X

(1) Location as described in the “Capacity” section above.

Rate Information:

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

Rate	FT Rate Component
\$4.5019 per Dth/day	Reservation Charge (monthly, applied to contract MDTQ)
\$0.0140 per Dth	Commodity Charge (daily, applied to Dth quantity transported)
\$0.1620 per Dth	100% Load Factor Rate (Excluding surcharges and applicable Transportation Fuel/LAUF)

The current applicable tariff Transport Fuel and Surcharges are listed in the table below:

Rate	Transport Fuel and Surcharge Components for FT
1.03%	Transportation Fuel and LAUF Retention *
\$0.0000 per Dth/day	PS/GHG Reservation Surcharge (monthly, applied to contract MDTQ)**
\$0.0011 per Dth	Applicable FERC ACA Commodity Surcharge, Rate shown effective October 1, 2020 (daily, applied to Dth quantity transported)

***Fuel and Loss Allowances:**

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. National’s current Transportation Fuel/LAUF allowance is 1.03%.

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

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. Please note that National has made a PS/GHG cost adjustment filing under docket RP20-1250. Pending FERC approval, the filing under docket RP20-1250 proposing a PS/GHG Reservation Surcharge of \$0.0255 may become effective as early as November 1, 2020.

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 21,000 Dth/day of project capacity with or without the ramp-up provisions outlined below.



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.

Foundation Shippers may request a ramp-up of capacity starting from an initial quantity of at least 1,479 Dth/day to the full contractual Maximum Daily Transportation Quantity (“MDTQ”) during the period of January 1, 2021, or the date on which the project facilities are placed into service, through February 15, 2022. The full MDTQ will be effective on February 15, 2022.

Bid Award Process:

During the Open Season period, National will accept requests for new FT service.

Requests for rate discounts or discounts of Transportation Fuel/LAUF will not be accepted. Shippers may request all or part of the advertised capacity, and 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 requested. In the event that National receives two or more 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.
- 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 net present value (NPV) of the reservation charge revenues, per unit of capacity requested. In the event that National receives two or more 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 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, and National reserves the right to develop the new transportation path outlined herein.

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 20 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 20 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.

Credit Requirements:

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

Contacts:

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