

Long Term Firm Transportation Capacity in Western Pennsylvania

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

The expansion involves the construction of a new 7.5-mile pipeline lateral off Line N to a new market delivery point, an industrial facility located in Shippingport Borough, Pennsylvania (“Market Delivery Interconnect”), along with other minor facilities needed to accommodate the FT service.

Open Season Period

This Open Season commences February 19, 2025, and expires at 11:00 a.m. (Eastern Time) on February 26, 2025. Participation in this Open Season is binding for bidders.

Project Highlights

- Capacity: Up to 125,000 Dth/d of north-to-south FT capacity from National’s TGP Mercer receipt point (“TGP Mercer”) to the Market Delivery Interconnect via the proposed 7.5-mile lateral, and 30,000 Dth/d of FT Capacity from National’s Aliquippa Market Area Pooling Point (“Aliquippa”) to the Market Delivery Interconnect.
- Proposed In-Service Date: As early as November 1, 2026
- FT services are 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.

Transportation Paths & Quantities:

This Open Season provides bidders with the opportunity to make a request on one or both of the following two (2) firm transportation capacity offers:

1. **Capacity Offer 1 (“Offer #1”):** 125,000 Dth/d of FT capacity from TGP Mercer to the Market Delivery Interconnect.
2. **Capacity Offer 2 (“Offer #2”):** 30,000 Dth/d of FT capacity from Aliquippa to the Market Delivery Interconnect.

Rate Information

The rates applicable to both Capacity Offers are National’s maximum tariff rates under the FT rate schedule. The current applicable tariff rates are listed in the table below:

Rate	FT Rate Component
\$6.1350	Reservation Charge (monthly, applied to contract MDTQ)
\$0.0069 per Dth	Commodity Charge (daily, applied to Dth quantity transported)

\$0.2086 per Dth	100% Load Factor Rate (Excluding surcharges and applicable Transportation Fuel/LAUF)
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Fuel and Loss Allowances & Other Surcharges

National’s current applicable tariff surcharges are listed in the table below:

Rate	Transport Fuel and Surcharge Components for FT
1.09%	Transportation Fuel and LAUF Retention*
\$0.0014 per Dth	Applicable FERC ACA Commodity Surcharge, Rate shown effective October 1, 2024 (daily, applied to Dth quantity transported)

* 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.

Expansion Facilities

The incremental facilities required to provide the capacity associated with this Open Season may include, but are not limited to:

- 7.5-mile pipeline lateral
- Crossover valves and other minor modifications at National’s existing Mercer compressor station
- M&R facilities

Facilities Authorization

This expansion will be subject to applicable state and federal regulatory approvals, including FERC authorization.

In-Service Date

Subject to sufficient and timely market commitments, and regulatory approvals, National expects that transportation services under this offering could commence as early as November 1, 2026.

Minimum Term Requirements

National requires a minimum contract term of twenty (20) years for both Offer #1 and Offer #2.

Foundation Shipper Status

Foundation Shipper status is available to any bidder that requests a minimum contract term of twenty (20) years for both Offer #1 and Offer #2 *and* which requests:

- 125,000 Dth/day of FT capacity under Offer #1, at National’s maximum Tariff FT rates; AND
- 30,000 Dth/day of FT capacity under Offer #2, at National’s maximum Tariff FT rates.

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 the transportation services described above. For the purposes of awarding capacity, bidders are required to designate a firm transportation service commencement date of **November 1, 2026**. Bidders may request service under Offer #1 and/or Offer #2, though Foundation Shippers must request service under both Offers #1 & #2 as described in the “Foundation Shipper Status” section above.

Shippers may request all or a portion of the available capacity under each Offer and are allowed to revise their bids within the posting period. Requests for FT rate discounts, negotiated rates, and discounts of Transportation Fuel/LAUF will not be accepted.

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. Should National receive 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 under Offer #1 and/or Offer #2 can be awarded, non-Foundation Shipper requests under Offer #1 and Offer #2 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. Should National receive 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 reserves the right to award capacity in a manner that will maximize the amount of capacity awarded in this Open Season by considering the hydraulics and facility requirements associated with receipt and delivery point requests, and/or to award capacity to the combination of bids that generate the highest NPV for National. National is not obligated to proceed with any facilities expansion project. National may proceed with such project, but only if it is ultimately able to execute precedent agreements with term, quantity, and rate provisions that economically justify the 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. National reserves the right to proceed with one or more projects that will be defined through the contracting process and to develop alternative projects from the requests received during this Open Season representative of the timing requested and markets served.

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) 857-7485. The completed forms can be emailed to Marketing@NatFuel.com, or mailed to the address below:

National Fuel Gas Supply Corporation
Commercial Services, Interstate Marketing Department
6363 Main Street
Williamsville, NY 14221

Bid Results

The results of this Open Season will be posted on National’s website – [Click to View](#)

Credit

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

Precedent Agreements

Shippers who are awarded capacity in this Open Season must have either executed a Precedent Agreement or enter into discussions leading to a binding Precedent Agreement. Once tendered, such agreements must be executed and returned to National within ten (10) business days.

Contacts

For more information, please contact a member of our Marketing team:

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