

National Fuel Gas Supply Corporation

OFFERING: LONG TERM FIRM STORAGE SERVICE AND FIRM STORAGE TRANSPORTATION CAPACITY

NOTICE OF TERMINATION OF AGREEMENT SUBJECT TO RIGHT OF FIRST REFUSAL

National Fuel Gas Supply Corporation ("National Fuel") is pleased to offer up to 531,300 Dth of firm storage service and associated firm transportation service under its FSS and FST rate schedules. This FSS and FST capacity is currently contracted with a term set to expire March 31, 2016 and is being made available to interested bidders subject to the Right of First Refusal ("ROFR") provisions in Section 11 of the General Terms and Conditions of NFGSC's FERC Gas Tariff.

Available Storage Capacity (MSQ)

531,300 Dth

Available Transportation Capacity (MDTWQ)

Up to 6,900 Dth/d

Offering Period

May 27, 2015 until 11:00am (EDT) on June 9, 2015.

Term

Commencing April 1, 2016. No minimum or maximum term requirement.

Injections and Withdrawals:

The following identifies the injection and withdrawal periods and service characteristics with this Open Season Offering:

FSS 77-Day Service		
Period	Inventory Level	Daily Limitations
Injection Period (April 1 to October 31)	0% to 100%	Daily Injection Limitations 1/135 of maximum storage quantity
Withdrawal Period (November 1 to March 31)	100% to 0%	Daily Withdrawal Limitations 1/77 of maximum storage quantity

RATE INFORMATION:

Bids will be accepted under National Fuel's FSS and FST rate schedules. The current maximum tariff rates under the FSS and FST Rate Schedules are listed in the tables below.

Firm Storage Service (FSS):

Component	Maximum Tariff
Demand (monthly, applied to withdrawal deliverability)	\$2.4826 per Dth/d
Capacity (monthly, applied to capacity)	\$0.0381 per Dth
Injection/Withdrawal	\$0.0391 per Dth
Applicable FERC ACA Commodity Surcharge Rate shown effective October 1, 2014 (injection and withdrawal)	\$0.0014 per Dth

Firm Storage Transportation (FST):

Component	Maximum Tariff
Reservation (monthly, applied to MDWTO)	\$3.7805 per Dth/d
Commodity	\$0.0135 per Dth
Applicable FERC ACA Commodity Surcharge Rate shown effective October 1, 2014 (applied to all transportation)	\$0.0014 per Dth

Fuel and Loss Allowance

Storage Operating and LAUF Allowance, and Transportation Fuel and Company Use Retention and Transportation LAUF Retention will apply and will be subject to change under GT&C Section 41 of National's tariff.

For informational purposes, National's allowances as of April 1, 2015 are as follows:

FSS: Storage Operating and LAUF Allowance of 0.46% on injection and 0.46% on withdrawal.

FST: On withdrawal, there is no charged Transportation Fuel and Company Use Retention and Transportation LAUF Retention (collectively "Transportation Fuel/LAUF"). On injection and non-storage transportation, the current Transportation Fuel/LAUF is 0.96%.

Firm Storage (FST) Receipt and Delivery Points:

Current Receipt and Delivery Points:

		METER NUMBER	SYSTEM AREA	FST RECEIPT CAPACITY DTH/D	FST DELIVERY CAPACITY DTH/D
TGP	Rose Lake	420527	Eastern	3,928	
TRN	Wharton	6325	Eastern		1,900
TRN	Leidy	7126	Eastern		1,976
TETCO	Leidy	75977	Eastern		3,024

Additional Available Receipt and Delivery Points:

		METER NUMBER	SYSTEM AREA	FST RECEIPT CAPACITY DTH/D	FST DELIVERY CAPACITY DTH/D
TGP	Rose Lake	420527	Eastern	Up to 3,928	Up to 6,900
Transco	Leidy	7126	Eastern	0	Up to 6,900
Transco	Wharton	6325	Eastern	0	Up to 6,900
DTI	Ellisburg Station	41202	Eastern	Up to 3,928	0
Empire	Pendleton	012003020	Northern	Up to 3,928	0
TGP	Clarence	420497	Northern	Up to 3,928	0
TGP	East Aurora	420077	Northern	Up to 3,928	0
TCPL	Niagara	421079	Northern	Up to 3,928	0

Additional Points:

Receipt and Delivery capacity may also be available at the following points. Please refer to the Supply web site Receipt and Delivery Meter Design Capacity tables located within the “Informational Postings” area, or contact a Marketing representative for details.

CITY GATE	NFGDC Distribution – PA	NFGDC-PA
CITY GATE	Kane Gas City Gate	PSN1301336
CITY GATE	Songer Gas Company	PSN1427941
CITY GATE	Clarion River Gas City Gate	CRGCG
CITY GATE	Myers Gas Company	PSX1427931
CITY GATE	Pine Roe Gas	PSN1201457
N/A	Greentree Landfill	GREENTO
N/A	Imperial Landfill	IMPTO

Bid Format and Capacity Award

During the posting period, National will accept requests for the FSS and/or FST capacity as outlined above. Requests for rate discounts will not be considered during this offering. Bidders may request all or part of the available FSS and/or FST capacity for each individual service, and are allowed to revise their bids within the posting period. Bidder(s) may also specify that bids for each individual service are contingent upon the ability to contract for the requested capacity under both services.

Bids will be ranked according to the net present value (NPV) of the Reservation Charge revenues or Storage Capacity and Demand Charge revenues, as applicable, per unit. The NPV calculation will incorporate length of contract term and will utilize a monthly rate of 0.8% (9.6% annually) for discounting purposes. Upon receipt of National Fuel’s notice of best bid(s), the original (terminating) shipper will have 15 business days to notify National Fuel whether it is willing to match all or a quantitative portion of the best bid(s). Capacity will be awarded and service agreements tendered to bidder(s) if the original (terminating) shipper does not exercise its ROFR rights with respect to all or a quantitative portion of the capacity. In the event that more than one shipper submits mutually exclusive requests that are equivalent in value and term that are not matched by the original Shipper, National Fuel will consider the bid submitted earliest in time to be the best bid. If the original shipper matches the best bid as to a portion of the capacity bid upon, National Fuel will tender a service agreement to the best bidder for the remainder of the capacity bid upon.

Credit Requirements

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

Bid Process:

All requests must be submitted using the Service Request Form (“SRF”). Bidders may complete a Service Request Form online or download the PDF version from our website (<http://www.natfuel.com/supply/market/Forms/Forms.aspx>) or obtain one by contacting our Marketing Department at 716.857.7740. If not submitted online, the completed form can be, mailed or faxed to the address listed below:

National Fuel Gas Supply Corporation 6363 Main Street Williamsville, NY 14221 PHONE: 716.857.7740 FAX 716.857.7310	<u>Marketing Representatives:</u> Terry Falsone – 716.857.7602 Joe Kolis – 716.857.7520 Anthony Limina – 716.857.7924
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