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## **Federal Energy Regulatory Commission Approves National Fuel's \$455 Million Northern Access Project**

(Feb. 4, 2017) WILLIAMSVILLE, N.Y. – Buffalo-based National Fuel Gas Supply Corporation ("Supply") and Empire Pipeline, Inc. ("Empire"), both wholly-owned subsidiaries of National Fuel Gas Company ("National Fuel") (NYSE: NFG), today received notice that the Federal Energy Regulatory Commission ("FERC") has approved their application to construct the Northern Access 2016 Project ("Northern Access Project" or "Project"). The Project, an expansion of the interstate natural gas pipeline infrastructure systems of Supply and Empire, will transport domestically-produced natural gas and provide a reliable, low-cost source of energy for residential and commercial customers throughout the North American pipeline system.

The Northern Access Project consists of approximately 97 miles of new pipeline to be constructed within McKean County, Pa., and the counties of Allegheny, Cattaraugus, Erie, N.Y., and approximately two miles of new pipeline to be constructed in Niagara County, N.Y. The Project also includes the addition of compression facilities at an existing compressor station in Erie County and construction of a new compressor station and a new dehydration facility, both in Niagara County. The pipeline will be integrated with the existing National Fuel pipeline network, providing for increased reliability to the Western New York natural gas markets.

Once completed, the Northern Access Project will provide in total 490,000 Dth/day of incremental firm transportation capacity on Supply. Of the Project capacity, 140,000 Dth/day will be delivered to the Tennessee Gas Pipeline 200 Line, serving New York state and New England markets, and the remaining 350,000 Dth/day of incremental firm transportation capacity will be delivered to Empire's pipeline system, providing access to New York state, Canadian, Northeast and Midwest U.S. markets.

"We continue to make progress working through the various federal, state and local regulatory processes, and this authorization keeps us on track for our recently announced in-service date during the second quarter of our 2018 fiscal year. National Fuel will invest nearly a half billion dollars to construct the facilities necessary to transport this critical source of natural gas to the Northeast U.S. and eastern Canadian markets," said Ronald Kraemer, senior vice president at Supply and president at Empire. "As the northeast becomes increasingly more reliant on this nearby supply source, and in order to meet the growing demand from residential and commercial customers as well as from electric utilities that are replacing their coal-fired electric plants with natural gas-fired generation, the infrastructure required to provide these supplies must be built."

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The Northern Access Project will have more than a \$930 million economic impact, both direct and indirect, with approximately \$735 million of the impact taking place in New York state. A private sector investment by National Fuel, it will be financed without government subsidies or economic incentives. Job totals will peak during the construction phase as the Project's workforce is estimated at 1,680 jobs, 75 percent of which will be in New York. The Buffalo, Niagara County and Southwestern Building, and Construction Trades Councils recently announced an agreement with the National Fuel subsidiaries on the use of local union labor within New York. Pipeline construction in Pennsylvania will also employ union labor. The Project also supports new and growing employment at National Fuel.

Locally, the Project is estimated to increase annual property taxes receipts for New York's four counties by approximately \$11.8 million, with an additional one-time sales tax impact of approximately \$6.6 million for those same four counties. Twelve local school districts within those New York counties will benefit from the annual incremental tax dollars that can be allocated towards capital or infrastructure projects, restoring or enhancing academic programs or staffing levels.

"As a Buffalo-based company that built, owns and operates nearly 10,000 miles of pipeline in New York state, FERC's approval of the Northern Access Project is an important next step in our ability to continue to invest in the essential pipeline infrastructure serving New York state and interconnected markets," said Ronald J. Tanski, president and chief executive officer of National Fuel Gas Company. "While the state and nation continue their transition to more renewable energy generation, natural gas will continue to be a critical component of America's energy supply, economic health and national security. Equally, it's integral to the New York state economy, as the use of natural gas and the pipeline infrastructure that brings gas from neighboring states not only delivers clean, homegrown, abundant and affordable energy, but also provides good-paying jobs and hundreds of millions of dollars in revenue for communities. We have 740,000 utility customers that depend on us to keep them safe and warm each winter. We want to make sure we have the pipeline infrastructure available to meet their expectations"

During the more than 31 months of the FERC review process for this Project, community input relative to the pipeline route, noise, emissions, property values, lighting, security and environmental impacts were taken into consideration and incorporated into the design of the Northern Access Project facilities. Examples include pipeline route modifications based on landowner requests where possible and feasible, relocation of the proposed compressor station in Pendleton, N.Y., to an industrially-zoned area, relocation of the proposed dehydration facility to an existing industrial park, use of state-of-the-art sound and emissions reduction technologies at above ground facility sites, and the incorporation of an agricultural exterior design for the proposed Pendleton Compressor Station to enhance the aesthetics for the facility.

National Fuel reviewed and responded to hundreds of questions and comments submitted by residents and community groups throughout the lengthy FERC review process, all of which are well-documented and posted on the FERC eLibrary website, <https://www.ferc.gov/docs-filing/elibrary.asp>, and on the Northern Access Project website, <http://www.natfuel.com/Supply/NorthernAccess2016/default.aspx>.

National Fuel is a diversified energy company headquartered in Western New York that operates an integrated collection of natural gas and oil assets across five business segments: Exploration and Production, Pipeline and Storage, Gathering, Utility, and Energy Marketing. Additional information about National Fuel is available at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).