Northern Access 2016 Project
Pendleton Compressor Station

Docket Number CP15-115
Northern Access 2016 Project

• $451 million project to expand the natural gas infrastructure of 2 National Fuel Gas Company subsidiaries:
  • National Fuel Gas Supply Corporation
  • Empire Pipeline, Inc.

• Enable economically produced regional supplies of natural gas to enter the North American pipeline grid, including Western New York utility markets
  • Project facilities span McKean County, Pa., and Alleghany, Cattaraugus, Erie and Niagara counties, N.Y.

• Project is regulated by the Federal Energy Regulatory Commission (FERC)

• Lengthy and rigorous environmental and regulatory review of project began July 2014
  • FERC Application filed March 2015
  • FERC Certificate typically received approximately 1 year after application
• Pendleton Compressor Station
  • 2 @ Solar (Caterpillar) T-70 — turbine-power natural gas compressors in buildings
    • Total of 22,214 horsepower
  • Meter and odorizer building
  • Electrical control and office buildings
  • Ancillary equipment: No storage tanks

• Approximately 2 miles of new pipeline
  • Approximately 1.1 miles of 24" pipeline to compressor station
  • Approximately 0.9 miles of 16" pipeline leaving compressor station
Proposed Facility Map

- Existing 16" XM10
- Proposed New 16"
- Proposed New 24"
- Existing 24" Line X
Station Site Layout

National Fuel: Pendleton, NY - birdseye view
Meet or beat all federal safety codes for design and operation

• State-of-the-art control system:
  • Fire detection
  • Gas detection
  • Onsite automated fail-safe safety control systems
    • No off-site intervention required for shutdown
    • Automatic emergency shutdown system

• Monitored 24/7 by local National Fuel Gas Dispatch Center

• Highly trained and qualified National Fuel personnel operate 38 stations
  • On-site daily maintenance/inspection (M-F)
  • Local and on-duty and on-call station technicians
Minimal to no predicted increase over ambient noise levels at closest residences

- State-of-the-art noise control
  - All sources of noise are treated
  - Acoustically designed building enclosures
  - Silencers on all vent "blow downs"

- Federal requirement of 55 dBA Ldn (day-night average) at closest residence
  - Equivalent to 48.6 dBA continuous

- Predicted noise level* approximately 15 dBA Ldn better than federal requirement
  - Equivalent to 34.4 dBA continuous

*Pending results of noise study
The day-night average sound level (Ldn) is the average noise level over a 24-hour period. The noise between the hours of 10 p.m. and 7 a.m. is artificially increased by 10 dB.

48.6 dBA is a level much quieter than an average conversation.

Federal Noise Requirement
Meet or beat stringent Department of Environmental Conservation (DEC) and Environmental Protection Agency (EPA) permit requirements

- Permit requirements are designed to protect public health and welfare including sensitive populations
- Air dispersion modeling assures air quality standards (NAAQS) are met at compressor station property line
- Annual emission testing for DEC demonstrates compliance
- "Solar has more than 95,000,000 operating hours with SoLoNOx technology [and] has saved an estimated 3,300,000 tons of NOx emissions since introduction and received a Department of Energy (DOE) grant to develop the next generation of high-efficiency, low-emission gas turbines." - Caterpillar website
Federal Requirement:
No perceptible increase in vibration during operation

- Turbine compressors inherently vibration free
- No blasting or driven piles during construction
Minimized Station Lighting

• Normal: Building entry lighting only
• Staffed: Shielded "down-lighting" - only as required for safety
• Lighting controlled by station control panel
Aesthetic treatment to fit with the character of the community

- Retained architect to assist with "agricultural design"
- Building architectural treatments
- Exhaust silencer enclosure/silo
- Berms and evergreen visual barrier
- Site layout to reduce sightlines
- Minimize visible above grade infrastructure
- Conservation deed restriction and plantings; preserves "buffer acreage"
View from Killian Road
View from Beach Ridge Subdivision

Northwest Views
No quantifiable evidence in the marketplace indicating a discernible impact on either property values or appreciation rates for properties in close proximity to natural gas compressor stations.

- Study results from 7 New York locations
- Constructed on large parcels of land set-back well off road.
- Both natural buffers and constructed buffers are utilized as barriers for noise and view.

*September 2015 study prepared by NYS Certified General Real Estate Appraiser*
Industrial Zoning — Use fits within "Essential Services"

• Station is not "Heavy Industry"
  • The facility would be part of critical energy infrastructure necessary for the transportation of natural gas through our system, and bears no resemblance to heavy industry.
  • There is no processing of natural gas or any other product on the site.
  • The only emission from the site is the products of combustion of natural gas — the same result as the burning of natural gas in the furnaces of homes in the surrounding area.

• Significant distance from residential development
  • 1,600' to closest proposed Beach Ridge Meadows
  • 2,800' to closest Ridgeview development
  • Extensive wooded buffer between Ridgeview Drive

• 2.8 miles to Starpoint Central School
• No pipeline construction adjacent to Frontier Chemical Site
• Remove and restore Aiken Road Meter/Odorizer Station
  • Incorporate in new station design within enclosure

Site Attributes
Local Company Growing the Local Economy

• Headquartered in Williamsville, N.Y. (NYSE: NFG)
• More than 110 years experience

• **In Western New York:**
  • Employs 1,240 employees (728 union)
  • Supports 1,346 retirees
  • More than 230 employees and retirees live in Niagara County

• **Over the last 5 years:**
  • Hired 423 new employees
  • Invested $4.2 billion invested in Western New York and Pennsylvania capital expenditures and infrastructure
  • Paid $380 million in taxes in New York state
  • Donated $7.2 million in employee, Company and Foundation donations ($1.6 million in 2014)
Significant Annual Taxes in Niagara County

- Starpoint Central School: $1,587,000
- Niagara-Wheatfield Central School: $373,000
- Niagara County: $748,000
- Town of Pendleton (fire, water, etc.): $103,000
- Town of Wheatfield (fire, sewer, etc.): $25,000

- Total Estimated Property Taxes: $2,837,000
- Total Niagara County Sales Tax: $2,403,000
- Total project investment by National Fuel
  - $451 million
    - $354 million in New York

- Direct/indirect economic impact of $923 million
  - Multiplier effect adds $472 million with ripple effect related to increased economic activity during construction

- Construction estimated to create 1,000-1,200 jobs throughout entire project
  - $138 million in direct, incremental payroll
  - $63 million in North American-sourced pipe and compression

- Estimated economic impact in annual property taxes in 4 New York counties of $11.5 million

- One-time sales impact of approximately $6.6 million for 4 New York counties

Substantial NYS Investment
Timeline of Events
September- November 2015

- Community Outreach Focused on New Site
- Noise and Environmental/Engineering Studies
- Pipeline Routing and Surveys
- Compressor Station Site Tours
- Begin Site Plan Approval Process
- Begin Community Benefit Discussion
- Public Information Forum
- FERC Filing Amendment
- FERC Scoping Meeting and Comment Period

Next Steps
• Meet or beat all federal safety codes for design and operation

• Design and construct the station for minimal to no predicted increase over ambient noise levels at closest residences

• Meet or beat stringent Department of Environmental Conservation (DEC) and Environmental Protection Agency (EPA) permit requirements

• Design, construct and operate the station with no perceptible increase in vibration

Our Commitment To the Community & FERC
• Minimize and direct station lighting only as required for safe operation

• Design the station facilities, buildings and property to fit with the character of the community and minimize impact on surrounding property

• Empire will not seek any property tax abatements
### Contact Information

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<thead>
<tr>
<th><strong>Contact:</strong></th>
<th>Corporate Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phone:</strong></td>
<td>1-800-634-5440, ext. 7861</td>
</tr>
<tr>
<td><strong>Address:</strong></td>
<td>Feedback Northern Access 2016</td>
</tr>
<tr>
<td></td>
<td>c/o Corporate Communications</td>
</tr>
<tr>
<td></td>
<td>6363 Main Street</td>
</tr>
<tr>
<td></td>
<td>Williamsville, N.Y. 14221</td>
</tr>
<tr>
<td><strong>Email:</strong></td>
<td><a href="mailto:corpcomm@natfuel.com">corpcomm@natfuel.com</a></td>
</tr>
<tr>
<td><strong>Online:</strong></td>
<td><a href="http://www.nationalfuelgas.com/empire/northernaccess2016">www.nationalfuelgas.com/empire/northernaccess2016</a></td>
</tr>
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