

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of a Review of the	)	
Long-Term Gas System Plan of	)	Case 22-G-0610
National Fuel Gas Distribution	)	
Corporation	)	

**NATIONAL FUEL GAS DISTRIBUTION CORPORATION’S
ANNUAL REPORT RELATIVE TO ITS LONG-TERM PLAN**

I. Introduction

In its *Order Adopting Gas System Planning Process* the New York Public Service Commission (PSC or Commission) directed utilities to make long-term plan filings on a three-year cycle and to file annual reports relative to those plans on May 31 of each intervening year “to help stakeholders, [Department of Public Service] Staff, and the Commission continue to develop and maintain their awareness and understanding of the LDC’s long-term plan.”¹ The Gas Planning Order details the contents of the annual reports and the Commission’s subsequent *Order Implementing Long-Term Natural Gas Plan With Modifications* in the above-referenced Case includes certain additional requirements for National Fuel Gas Distribution Corporation’s (National Fuel or Company) annual report.² National Fuel’s annual report relative to its long-term plan filed with the Commission on July 17, 2023 (LTP or Long-Term Plan) is outlined below.

¹ *Order Adopting Gas System Planning Process*, Case 20-G-0131, Proceeding on Motion of the Commission in Regard to Gas Planning Procedures (May 12, 2022) (Gas Planning Order), p. 21.

² *Order Implementing Long-Term Natural Gas Plan with Modifications*, Case 22-G-0610, In the Matter of a Review of the Long-Term Plan of National Fuel Gas Distribution Corporation (December 14, 2023) (Implementing Order).

II. Long-Term Plan Progress Report

On December 14, 2023, the Commission issued its Implementing Order regarding the Company's Long-Term Plan, authorizing the Company to begin under the LTP "the process of decarbonizing [its] system" and take "steps toward achieving targets established in the ... CLCPA."³ The Implementing Order includes modifications to the Long-Term Plan and to the Company's annual report. Since the previous annual report, the Company continues to pursue the initiatives included in the Implementing Order and LTP, as summarized below.

A. Completed and Ongoing Initiatives from the Implementing Order and LTP

- Partnership for Urban Revitalization in Western New York (PUR-WNY) – The Implementing Order directs the Company to file a proposal explaining how it will revise its PUR-WNY program to encourage electrification and remove incentives for additional natural gas usage.⁴ On March 13, 2024, the Company filed its *Proposal to Revise PUR-WNY Program* and is considering a revised filing that accounts for recent policy changes. The original filing awaits Commission review and approval.
- Benefit Cost Analysis Handbook (BCA Handbook) – The Implementing Order requires the Company to "undertake a collaborative process ... to develop a Benefit-Cost Analysis handbook."⁵ Following a technical conference with Department of Public Service Staff (Staff) and interested stakeholders and an opportunity for public comment, the Company filed its final BCA Handbook on April 10, 2024. As detailed in the Company's Non-Pipes Alternatives Implementation Plan (NPA Implementation Plan), annexed hereto as **Appendix B**, this handbook supports how NPA projects are screened and analyzed. In

³ Implementing Order, p. 2.

⁴ Implementing Order, p. 62.

⁵ Implementing Order, p. 63.

accordance with the Implementing Order, the Company will file an updated BCA Handbook in the next iteration of its Long-Term Plan.

- Consideration of Non-Pipes Alternatives (NPAs) – The Implementing Order directs the Company to develop a more specific plan for incorporating NPAs and pilot projects to test the viability of avoiding leak prone pipe (LPP) replacement through NPAs. The Company’s NPA Implementation Plan was included as Appendix C to the Annual Report Relative to its Long-term Plan dated May 31, 2024. The NPA Implementation Plan details how projects are screened and analyzed using the Company’s BCA Handbook. An NPA webpage was developed and posted on the Company’s website that details the importance of NPA consideration, strategy, project selection process, appropriate contact information, and project opportunities.
- Gas Demand Response Pilot Program Proposal – The Implementing Order directs the Company to file a proposal for one or more demand response programs.⁶ The Company’s *Proposal for 2024/25 – 2026/27 Winter Seasons Gas Demand Response Pilot Programs* was filed simultaneously with the May 31, 2024, LTP annual report. The Company is awaiting Commission approval. In anticipation of approval, the Company has executed an agreement with a distributed energy resource management system (DERMS) service provider for its proposed residential demand response program.
- Hybrid Heating Pilot Program Proposal – The Implementing Order directs the Company to formulate plans for a pilot project to test hybrid heating options that include both cold climate and standard heat pumps paired with gas-fired equipment as well as to test all-electric cold climate heat pumps compared to hybrid heating options.⁷ The Company

⁶ Implementing Order, p. 62.

⁷ Implementing Order, p. 63

developed a pilot program proposal with the objective of attaining statistically significant and relevant data to expand the understanding of these heating systems' performance, costs, and benefits across a mix of homes in the Western New York service territory. The Company filed its *Hybrid Heating Pilot Program Proposal* on June 28, 2024, and is currently awaiting implementation approval from the Commission. As ordered by the Commission,⁸ Staff published the Hybrid Electrification Study⁹ regarding hybrid heating programs on May 18, 2026, that recognizes the regional differences that affect performance of Hybrid Heating systems, customer level affordability of installing and operating various system configurations, and potential electric transmission and distribution system upgrades. An example of this is the report's finding that "All else equal, Hybrid Electrification provides more value relative to Full Electrification in colder climates (i.e., IECC Climate Zone 5 and 6 areas of Upstate NY) where the efficiency of heat pumps is reduced at cold temperatures, resulting in increased operating costs."¹⁰ Moreover, the report notes that significant emissions reductions at a more cost-effective rate than full electrification can be achieved through the use of Hybrid Heating technology programs in Western New York. However, "utility-led hybrid heating programs... analyzing switchover temperatures, simultaneous operation..., equipment operating efficiencies, and integrated control systems" are required to "develop a robust understanding of the tradeoffs and technical specifications"¹¹, something the Company intends to achieve as detailed in its Hybrid Heating Pilot Program Proposal. National Fuel

⁸ *Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030*, Ordering Clause 22 on p. 164.

⁹ *New York Hybrid Electrification Study*, published May 15, 2026, and revised May 21, 2026, prepared by Charles River Associates for the DPS and filed under Case 25-M-0248.

¹⁰ *New York Hybrid Electrification Study*

¹¹ *New York Hybrid Electrification Study*

will continue to review the study’s findings and analysis process to better understand how it may inform further refinement of its Hybrid Heating Pilot Program Proposal, LTP, and/or energy efficiency offerings in the future.

- Infrastructure Upgrade Analysis & NPAs – The Implementing Order directs the Company to file a report detailing 2025 infrastructure upgrade or main extension projects with costs in excess of \$1 million, the types of NPAs considered, and resulting BCA calculations.¹² This report was filed July 31, 2024, detailing eight projects and was presented to stakeholders at a meeting held on September 18, 2024. From the initial listing of eight projects and consistent with the Implementing Order,¹³ proposals for two sites were solicited that ultimately did not meet the requirements outlined in the NPA Implementation Plan. Additional information, including details related to the remaining six projects, can be found in Section V.
- Company Resourcing – To develop its first Long-Term Plan the Company assembled a cross-functional team that included existing employees from several departments, including, but not limited to, Energy Services, Engineering Services, Operations, Gas Supply Administration, Legal and Rates & Regulatory Affairs. Certain members of this team are also involved in the development and implementation of the Company’s other ongoing initiatives such as energy efficiency and utility thermal energy networks. The Company also engaged outside consultants to assist with these efforts, including Concentric Energy Advisors, Cadmus, C.J. Brown, and LaBella Associates and relied on relevant existing studies prepared by some of those consultants to support the development of its first Long-Term Plan. As the Company continues to implement its

¹² Implementing Order, p. 62.

¹³ Implementing Order, p. 62.

Long-Term Plan and related decarbonization actions the number and nature of the employees and consultants involved will change and the organization and management of these efforts will evolve to ensure successful execution of the initiatives. Specifically, effective October 1, 2024, the Company developed a Gas Planning/Energy Transition team within its Energy Services department to support the ongoing decarbonization efforts, including developing future triennial Long-Term Plans. To develop this team the Company obtained approval through a subsequent rate case (Case Number 23-G-0627) to add the following roles:

- Demand Response/EE Program Analyst
- Utility Emissions Manager
- Utility Emissions Analyst
- Energy Transition Policy Advisor
- Gas System Planning/Forecast Analyst
- NPA Lead/Analyst
- Disadvantaged Community (DAC)/Low- to Moderate-Income (LMI) Compliance and Reporting Lead

The Company has filled these roles using a mix of internal and external hires and reorganized its Energy Services and Rates and Regulatory Affairs groups to more effectively implement its LTP and initiatives. With technical experience in engineering and operations, the team is well suited to continue supporting the Company's efforts.

- Utility Thermal Energy Networks (UTENs) – The Company filed its *Utility Thermal Energy Network (UTEN) Feasibility Study Final Report Buffalo District System* (UTEN Feasibility Study) on June 20, 2024, with a focus on providing thermal energy to the Buffalo District Heating System and a neighboring group of apartment buildings. Following consideration of the UTEN Feasibility Study, approval was granted by Staff for the project to advance to Stage 2 on December 23, 2024.¹⁴ The Company executed an

¹⁴ *Stage 1 Compliance Letter 12.23.24* for Case 22-M-0429.

agreement with a third-party engineering firm to perform formal design of the thermal energy network and conversations with potential customers are ongoing. The Company filed its Stage 2 Pilot Project Engineering Design and Customer Protection Plan on February 23, 2026, as well as certain supplemental information on May 18, 2026.

- **Additional Annual Report Requirements** – The Implementing Order also identifies a number of requirements to be included in the Company’s LTP annual reports in addition to the requirements enumerated in the Commission’s Gas Planning Order. These additional requirements are included herein, as follows:
 - **Section IV** – Information regarding the Company’s portfolio of energy efficiency programs as authorized and updated in Cases 18-M-0084, 25-M-0248, and 25-M-0249, including discussion and findings relative to quantifying the benefits of such programs to disadvantaged communities.¹⁵
 - **Section V** – A process for identifying segments of LPP that can be addressed by NPAs, including an evaluation of segments of LPP scheduled for replacement at least 18 months in the future, and using criteria identified in the Implementing Order.¹⁶
 - **Section VI** – Updated renewable natural gas (RNG) purchase and interconnection data.¹⁷

B. Initiatives Under Evaluation for Future Program Consideration

In addition to completing the above-enumerated initiatives required by the Implementing Order and consistent with the Company’s desire to further develop its capabilities and facilitate

¹⁵ Implementing Order, p. 63.

¹⁶ Implementing Order, p. 44.

¹⁷ Implementing Order, p. 32.

decarbonization within its service territory, the Company has and continues to deploy its energy transformation team and related resources to pursue the following initiatives:

- Continue to monitor the evolution of the RNG and hydrogen markets, and heat pump technologies;
- Continue to actively participate in energy efficiency programs that deliver benefits to low- and moderate-income customers and customers living in disadvantaged communities;
- Continue to engage with customers relative to decarbonization opportunities and challenges;
- Collaborate with electric utilities in the Company's service territory regarding coordination of certain energy planning and/or transformation activities;
- Continue development of a thermal energy network business model and related pilot project proposals;
- Evaluate options to reduce usage in homes heated with boilers, including the use of residential gas absorption heat pumps and hydronic hybrid heating systems;
- Continue to evaluate potential pursuit of the following initiatives in future rate filings:
 - RNG procurement and cost recovery program,
 - Research initiatives relative to hydrogen and weatherization, and
 - Continuance of its LPP replacement program.

The Company will continue to evaluate these and other decarbonization actions consistent with its Long-Term Plan and the priorities that guided its development, including ensuring safe, reliable, resilient and affordable energy for consumers while preserving emissions reduction options and customer choice.

III. System Planning Update

A. Gas Demand Forecast Update

1. Forecast Updates in the LTP Development Process

Since the development of the Company's volumetric and account forecasts utilized in its initial Long-Term Plan filing, several changes have been made to the forecasting methodology. These changes include:

- Enhanced econometric forecasting methodology for all non-large volume customers by utilizing the service class level versus the revenue class type.
- For heat sensitive customers, the forecasted volumes were normalized using a 15-year (2006-2020) average of actual heating degree days experienced at the Buffalo-Niagara International Airport reporting location, as reported by National Oceanic and Atmospheric Administration (NOAA).¹⁸
- Future residential SC1 and SLIP customer and volumetric projections reflect the forecasted impact of the New York State All-Electric Building Act, which prohibits installation of fossil-fuel equipment and building systems in certain newly constructed buildings, that was expected to go into effect December 31, 2025 but is currently stayed pending appellate court review.
- All projected volumes for Large Volume surveyed customers were held constant at their FY2030 levels through the end of the forecast period.
- Increased the number of individual customer accounts that were surveyed and forecasted independently, by adding large Commercial and Public Authority customers.

¹⁸ Design day capacity planning will continue to be evaluated using NOAA 30 Year Data

- Added an assumption for energy efficiency savings. A forecasted reduction to residential usage was developed using proposed energy efficiency programs from the Company and NYSERDA.

Figures III-1 through III-6 below include updated demand forecast and supply forecast summaries for fiscal years 2027 through 2042.¹⁹

Figure III-1					
Reference Case Annual Average Account Projection by Sector					
	Residential	Commercial	Industrial	Public Authority	Total
FY2027	507,555	33,701	452	2,402	544,110
FY2028	508,083	33,827	454	2,407	544,771
FY2029	508,611	33,954	456	2,412	545,433
FY2030	508,743	34,081	458	2,417	545,699
FY2031	508,744	34,206	459	2,422	545,831
FY2032	508,744	34,599	461	2,427	546,231
FY2033	508,744	34,990	462	2,432	546,628
FY2034	508,745	35,382	467	2,437	547,031
FY2035	508,745	35,775	472	2,442	547,434
FY2036	508,746	36,167	478	2,447	547,838
FY2037	508,746	36,559	482	2,452	548,239
FY2038	508,746	36,952	488	2,457	548,643
FY2039	508,747	37,344	492	2,462	549,045
FY2040	508,747	37,736	497	2,467	549,447
FY2041	508,747	38,128	502	2,472	549,849
FY2042	508,748	38,520	508	2,477	550,253

¹⁹ See **Appendix A** for additional information.

Figure III-2					
Reference Case Annual Usage/Account Projection by Sector (MCF/Account)					
	Residential	Commercial	Industrial	Public Authority	Total
FY2027	104.7	563.5	45,627.7	2,736.4	182.5
FY2028	105.2	563.7	45,460.9	2,736.8	183.1
FY2029	104.6	557.5	45,109.6	2,701.5	181.9
FY2030	104.6	553.7	44,895.8	2,693.6	181.7
FY2031	104.6	548.0	44,694.9	2,686.9	181.3
FY2032	105.1	550.8	44,653.6	2,695.3	182.5
FY2033	104.6	547.8	44,385.6	2,671.8	181.8
FY2034	104.6	547.6	43,923.0	2,664.6	182.0
FY2035	104.6	547.4	43,469.9	2,657.3	182.3
FY2036	105.1	550.2	43,087.0	2,665.3	183.5
FY2037	104.6	547.0	42,583.6	2,640.9	182.8
FY2038	104.6	546.7	42,077.2	2,633.7	183.0
FY2039	104.5	546.3	41,737.8	2,625.6	183.2
FY2040	105.0	548.8	41,478.5	2,634.0	184.2
FY2041	104.4	545.4	40,929.7	2,609.4	183.5
FY2042	104.3	545.1	40,456.3	2,601.7	183.6

Figure III-3**Reference Case Annual Demand Forecast by Sector (MCF)**

	Residential	Commercial	Industrial	Public Authority	Company Use	Shrinkage	Total
FY2027	53,133,468	18,991,440	20,623,705	6,572,898	102,247	741,221	100,164,979
FY2028	53,452,863	19,069,152	20,639,241	6,587,412	102,709	744,411	100,595,788
FY2029	53,204,400	18,930,267	20,569,982	6,516,031	102,247	740,471	100,063,398
FY2030	53,224,485	18,870,606	20,562,299	6,510,512	102,247	740,076	100,010,224
FY2031	53,203,447	18,744,134	20,514,968	6,507,575	102,247	738,602	99,810,972
FY2032	53,487,897	19,057,191	20,585,294	6,541,587	102,709	743,839	100,518,517
FY2033	53,203,665	19,167,788	20,506,137	6,497,732	102,247	741,620	100,219,189
FY2034	53,203,815	19,375,599	20,512,044	6,493,666	102,247	743,187	100,430,557
FY2035	53,203,908	19,583,310	20,517,798	6,489,246	102,247	744,745	100,641,254
FY2036	53,488,401	19,899,397	20,595,596	6,521,902	102,709	750,053	101,358,058
FY2037	53,204,198	19,998,207	20,525,272	6,475,390	102,247	747,797	101,053,111
FY2038	53,204,304	20,200,697	20,533,662	6,471,031	102,247	749,332	101,261,272
FY2039	53,159,107	20,402,596	20,534,980	6,464,303	102,247	750,465	101,413,698
FY2040	53,395,469	20,709,153	20,614,801	6,498,056	102,709	755,361	102,075,550
FY2041	53,111,239	20,796,440	20,546,694	6,450,545	102,247	753,027	101,760,192
FY2042	53,055,706	20,996,832	20,551,781	6,444,529	102,247	754,097	101,905,192

Figure III-4	
Reference Case Annual Design Day Demand with Shrinkage (Dth/Day)	
	Design Day Demand (Dth/Day)
FY2027	989,203
FY2028	989,247
FY2029	988,864
FY2030	988,357
FY2031	984,533
FY2032	988,610
FY2033	991,169
FY2034	993,548
FY2035	996,074
FY2036	996,963
FY2037	1,000,985
FY2038	1,003,535
FY2039	1,005,305
FY2040	1,007,124
FY2041	1,007,804
FY2042	1,011,155

Figure III-5 -

Reference Case Design Day Demand and Capacity by Source (Dth/day)-Design Peak Day Demand

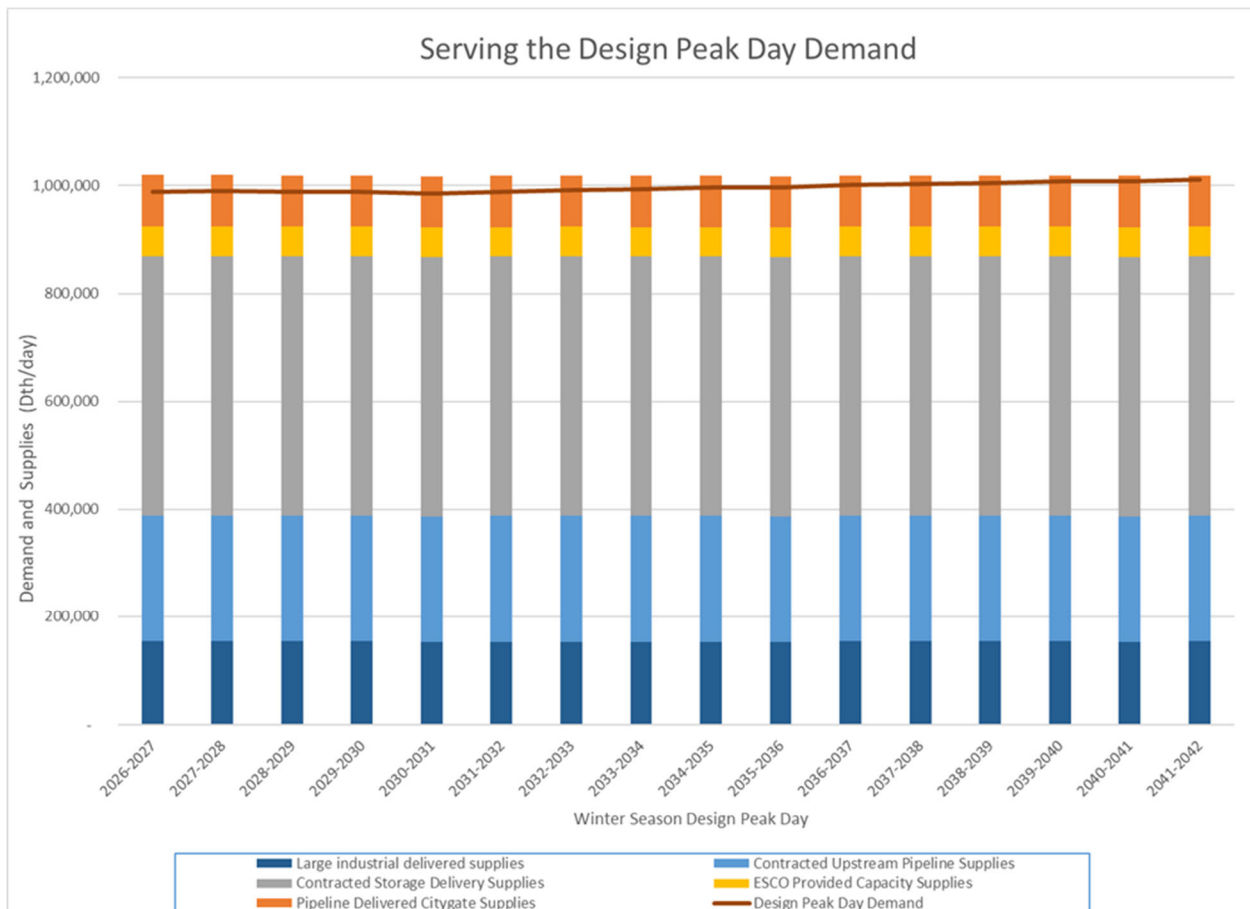


Figure III-6						
Reference Case Capacity by Source Forecast						
	Contracted Upstream Pipeline Supplies	Pipeline Delivered Citygate Supplies	Contracte d Storage Delivery Supplies	ESCO Provided Capacity Supplies	Large industrial delivered supplies	Total
FY 2027	234,473	95,534	480,663	54,805	153,982	1,019,457
FY 2028	234,473	95,534	480,663	54,805	153,885	1,019,360
FY 2029	234,473	95,534	480,663	54,805	153,623	1,019,098
FY 2030	234,473	95,534	480,663	54,805	153,668	1,019,143
FY 2031	234,473	95,534	480,663	54,805	151,935	1,017,410
FY 2032	234,473	95,534	480,663	54,805	153,382	1,018,857
FY 2033	234,473	95,534	480,663	54,805	153,524	1,018,999
FY 2034	234,473	95,534	480,663	54,805	153,439	1,018,914
FY 2035	234,473	95,534	480,663	54,805	153,491	1,018,966
FY 2036	234,473	95,534	480,663	54,805	152,139	1,017,614
FY 2037	234,473	95,534	480,663	54,805	153,560	1,019,035
FY 2038	234,473	95,534	480,663	54,805	153,708	1,019,183
FY 2039	234,473	95,534	480,663	54,805	153,640	1,019,115
FY 2040	234,473	95,534	480,663	54,805	153,672	1,019,147
FY 2041	234,473	95,534	480,663	54,805	152,248	1,017,723
FY 2042	234,473	95,534	480,663	54,805	153,740	1,019,215

B. Gas System Planning Update

As a result of the current demand forecast, the Company reports no significant areas of concern or vulnerability in its system due to supply or delivery constraints, and ample firm capacity and supplies are available to serve the Company's projected design day. A vulnerable location is a portion of the system where gas may not be able to be delivered safely or reliably within the next five years. National Fuel reported in its LTP that it did not have any vulnerable

locations. Furthermore, the Company does not anticipate the need to propose a moratorium on new connections during the LTP period.

National Fuel has previously identified the following three risk factors that do not impact the current LTP but may impact future LTPs related to the supplies and capacity used by energy service companies (ESCO) to serve transportation customers. National Fuel will continue to monitor these potential situations and will develop a plan to address them should the need arise.

- **Decline or Elimination of Local Production:** ESCOs purchase small amounts of local production for delivery to transportation customers on the Company's system. Local production has been declining over the last decade, and declines are expected to continue. While the overall amount of local production that is delivered to the Company's system is minimal, and the reduction in local production is gradual, reductions in supply injections near where the production wells are located could lead to lower operating pressure areas on the distribution system on a design day that would need to be addressed.
- **Transportation Customers Seeking Sales Service Requiring Firm Capacity:** ESCOs must hold pipeline capacity rights to serve non-core transportation customer loads. If these transportation customers convert to sales service provided by National Fuel, ESCOs are not required to transfer their associated firm capacity entitlements to National Fuel. Consequently, the Company could be required to procure additional capacity to serve these customers. At this point in time, National Fuel believes that the amount of capacity that could be necessary under these circumstances is unlikely to

exceed what would be available in the market, but circumstances could change in the future.

- **Decline or Elimination of ESCO Capacity:** The Company is required to provide ESCOs with an allocation of its firm capacity rights to serve core customers electing to receive transportation service from an ESCO rather than sales service from the Company.²⁰ An exception to this "mandatory capacity assignment" program allows authorized ESCOs to secure their own capacity to serve core customers. The Company relies on ESCOs to utilize their demonstrated capacity to make deliveries on behalf of these customers. The Company considers the loss of the ESCO capacity secured for these purposes as a notable potential system-wide vulnerability. Evolving market conditions and significant changes to the Commission-approved capacity assignment program may prove challenging to some marketers. This appears to have resulted in and may continue to result in their exit from the program. ESCOs that provide their own capacity to serve customers connected to the system are not obligated to transfer their associated capacity rights to the Company. For example, an ESCO with demonstrated capacity may transfer its core customers (customers that require firm capacity) to another ESCO or return them to the Company. The transferring ESCO is not obligated to transfer the demonstrated capacity to the receiving ESCO or the Company as part of that transaction. Thus, the ESCO may elect to terminate its capacity contracts with the upstream pipeline or storage service

²⁰ The Company's "core customers" include all sales customers and critical transportation customers. "Critical transportation customers" include those transportation customers that use 5,000 Mcf or less per year and those that use more than 5,000 Mcf per year to serve human needs, such as hospitals.

provider or release the capacity to another party. In either instance, the Company must be the supplier of capacity. The Company believes ample capacity is available if the remaining ESCOs with grandfathered capacity entitlement rights elect to exit the New York retail choice program and the Company must fulfill its obligation to serve those core customers and/or provide capacity to the replacement ESCOs over the next 5 years.

IV. Energy Efficiency Programs

National Fuel considers energy efficiency a key decarbonization action to achieve meaningful greenhouse gas (GHG) emissions reductions, an effort that the Company has championed since 2007. Following the May 15, 2025, publication by the Commission of orders related to Low- to Moderate-Income (LMI) and Non-LMI Energy Efficiency and Building Electrification Portfolios for 2026 to 2030 (EE/BE Orders),²¹ the Company extensively revised its energy efficiency programs. The EE/BE Orders shifted program incentive offerings away from gas combustion equipment rebates and towards weatherization programs and other measures that are in alignment with the state's climate goals.

National Fuel coordinates two energy efficiency programs that are focused on market rate customers: a Residential Rebate Program (recently branded as the Weatherwise Savings Program) and a Non-Residential Rebate Program. The Company also supports two energy efficiency programs focused on LMI customers and coordinated by the New York State Energy Research and Development Authority (NYSERDA): the EmPower+ program for one- to four-

²¹ The EE/BE Orders are the *Order Authorizing Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios for 2026-2030*, Case 25-M-0248, In the Matter of the 2026-2030 Non-Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolios (May 15, 2025) and *Order Authorizing Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio for 2026-2030*, Case 25-M-0249, In the Matter of the 2026-2030 Low- to Moderate-Income Energy Efficiency and Building Electrification Portfolio (May 15, 2025).

family properties and the Affordable Multifamily Program Upstate (AMP Up) for properties with five or more families. **Figure IV-1** below shows the gross annual gas savings obtained for program year 2025, the last year of the Company’s energy efficiency portfolio authorized under the New Efficiency: New York 2020 order.²²

Figure IV-1	
2025 Gross Annual Gas Savings	
Program Name	Gross Annual Savings (MMBtu)
Residential Rebate Program	140,192
Non-Residential Rebate Program	159,220
LMI	39,842
Total	339,254

On a quarterly basis, the Company reports the number of incentives paid and savings incurred in accordance with the Clean Energy Dashboard.²³ Additionally, the Company reports the total incentives paid to those customers located in a disadvantaged community annually.²⁴ This filing includes spending and savings for energy efficiency incentive programs as well as the spending and savings for other programs, such as the Emergency Heating Repair and Replace (EHRR) Program. **Figure IV-2** shows the total investments made in disadvantaged communities and the associated savings invested during 2025.

²² See Case 18-M-0084, Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025. Order issued January 16, 2020.

²³ See quarterly filings of the Clean Energy Dashboard pursuant to the *Order Authorizing Utility-Administered Energy Efficiency Portfolio Budgets and Targets for 2019–2020*, issued and effective March 15, 2018 in Case 15-M-0252, and *Order Authorizing Utility Energy Efficiency and Building Electrification Portfolios Through 2025*, issued and effective January 16, 2020 in Case 18-M-0084.

²⁴ See annual filings of DAC investment summaries pursuant to *Order Directing Energy Efficiency and Building Electrification Proposals* in Case 18-M-0084 and New York State Department of Public Service (DPS) guidance in Matter 23-02017 in the *Matter of Reporting Investments and Benefits to Disadvantaged Communities*.

Figure IV-2			
2025 Total Investments and Savings in Disadvantaged Communities			
Program Name	Total Investments (\$)	Investments in Disadvantaged Communities (\$)	Total Annual Savings in Disadvantaged Communities (MMBtu)
Residential Rebate Program	4,383,042	585,539	20,639
Non-Residential Rebate Program	882,186	674,721	149,311
LMI	6,306,947	2,729,357	14,852
EHRR	800,893	357,682	1,407
Total Portfolio	12,373,068	4,347,299	186,209

The total investments made in disadvantaged communities are 35.1%²⁵ of the total energy efficiency investments coordinated or supported by the Company. This funding level meets the State’s requirement of at least 35%. To further investments in disadvantaged communities, the Company will continue to focus certain marketing and outreach efforts in these areas, hold discussions with the Regional Clean Energy Hubs to discuss best practices, and consider adjustments to rebate levels.

V. Non-Pipe Alternatives

National Fuel included in its Long-Term Plan a NPA proposal that identified the procedure the Company would use for evaluating NPAs for capital replacement projects. In the Implementing Order, the Commission directed National Fuel to further “develop a process for identifying segments of LPP that can be addressed by NPAs in its Annual Update to its long-term plan.”²⁶ The Company will continue to use the screening process identified in its NPA

²⁵ When combined with Energy Affordability Program benefits paid to customers in DACs, this number increases to 45.4%.

²⁶ Implementing Order, p. 44.

Implementation Plan to identify the locations of specific segments of LPP where NPAs may be appropriate.

The screening process detailed in the NPA Implementation Plan allows the Company to evaluate all LPP projects that may be suitable for an NPA solution and can reliably meet customer needs. The NPA Implementation Plan includes a preliminary screening process that allows the Company to make an initial determination as to whether a project should proceed to the full evaluation phase. In the preliminary review phase, the Company will consider whether the project satisfies certain criteria before an NPA can be considered. Such criteria include requirements associated with timing, safety, and system reliability, as well as analyses based on project risk, subject matter expert input, and service obligation factors.

If the project satisfies the preliminary screening criteria, the Company will then further evaluate the project using the two-prong approach that the Company proposed in its Long-Term Plan. Smaller capital projects with a cost of \$2 million or less will undergo an expedited standardized review that involves a streamlined economic and technical analysis to determine the feasibility of an NPA. Large capital projects that exceed \$2 million will undergo comprehensive review, including a full-scale market request for proposal (RFP) of potential NPA solutions. For both the expedited standard review and the full-scale RFP solicitation, the Company will consider several factors, including a benefit cost analysis (BCA), to determine if an NPA solution is appropriate. The review will be completed before any detailed engineering, permitting, or construction activities have commenced, and before more than 5% of the total project cost has been spent. Following the completion of the applicable review process, if an NPA solution is determined to be technically and economically feasible, including an initial confirmation of electrical grid capacity by the local electric distribution company, customer outreach will

commence and the project will proceed with acceptable customer participation. If no acceptable NPAs are feasible or if there is limited customer willingness to participate, the traditional solution may proceed.

To date, over 480 projects have been evaluated through National Fuel's preliminary screening process. This includes all identified LPP projects, as outlined by the Company's Non-Pipes Alternative Implementation Plan (Appendix B), as well as 8 additional projects identified in accordance with the Implementing Order.²⁷ Of these projects, seven have passed preliminary screening to date. Projects that have passed preliminary screening are currently undergoing further NPA analysis through National Fuel's expedited standardized review in accordance with the NPA Implementation Plan.

As referenced above, in accordance with the Implementing Order,²⁸ the Company engaged in an NPA evaluation of 8 sites where pipeline replacement construction costs exceeded \$1 Million for the potential to offer NPAs. A project stakeholder meeting with interested parties and DPS Staff was held on September 18, 2024, to discuss the projects and the preliminary results of the NPA evaluations from the BCA. Following the stakeholder meeting, two sites were selected by the Company for NPA RFP solicitation: one in the Town of Richmond, NY (Honeoye Lake) and one in the Village of Williamsville, NY (Highland Drive neighborhood). National Fuel issued and posted on the Company NPA webpage RFPs for each project on January 17, 2025, with the submission deadline ending April 11, 2025. Proposals were reviewed in accordance with National Fuel's NPA Implementation Plan. Neither of the proposals submitted for either the Honeoye Lake or Highland Drive projects met the requirements outlined in the RFP documents

²⁷ Implementing Order, p. 44.

²⁸ Implementing Order, p. 44.

or satisfied the evaluation criteria specified in the NPA Implementation Plan. The Company's preliminary decision not to award either RFP was reviewed with Staff prior to notifying bidders of their status on July 23, 2025.

Similar to the Company's previous annual report relative to its LTP filing made May 31, 2025, the Company identified specific segments of LPP that may potentially be abandoned in favor of NPAs and where infrastructure projects may be needed in the future to maintain reliability. The list of segments has been evaluated through the Company's NPA preliminary screening process and BCA analysis for projects that passed preliminary screening. Projects that passed both preliminary screening and BCA analysis are being evaluated for customer buy-in. National Fuel initiated communications with customers currently served off of these segments to discuss potential NPA solutions. However, customer support has not been sufficient to advance any of the projects evaluated. Of the 26 customers contacted, only one expressed potential interest in pursuing a NPA, while the remaining 25 indicated opposition to discontinuing their natural gas service. The letter distributed to customers, along with information tracking customer responses and email feedback, can be found in Appendix C, Appendix D, and Appendix E, respectively.

The list of segments and current NPA status is provided below in Figure V-1. The Company will continue to evaluate the remaining planned projects using its NPA Implementation Plan to determine whether it would be prudent to proceed with NPAs.

Figure V - 1 - Evaluation of Potential NPA Locations							
Project Location	LPP Retired (Feet)	Total Services Affected	Preliminary Screening	BCA Results	Customer Support	Project Type	Status
Richmond	0	698	Pass	Fail	N/A	System Improvement	No feasible NPA solutions identified through NPA RFP process.
Persia	12,600	5	Pass	Pass	In-progress	One-Way LPP Feed	Project evaluation continuing.
Persia	12,200	12	Pass	Pass	Insufficient	One-Way LPP Feed	Insufficient customer buy-in.
Alma	2,800	1	Pass	Pass	In-progress	One-Way LPP Feed	Project evaluation continuing.
Eagle	6,400	6	Pass	Pass	Insufficient	One-Way LPP Feed	Insufficient customer buy-in.
Gerry	0	8	Pass	Pass	Insufficient	One-Way LPP Feed	Insufficient customer buy-in.
Williamsville	10,000	158	Pass	Fail	N/A	Neighborhood LPP Approach	No feasible NPA solutions identified through NPA RFP process.
Buffalo	2,199	71	Fail	Fail	N/A	Neighborhood LPP Approach	Project does not pass preliminary screening.

Additionally, the Company continues to pursue pilot projects that may facilitate the use of NPAs in the future as an alternative to LPP replacement. Specifically, the Company is in the second stage of implementing its UTEN pilot project as part of Case 22-M-0429 (UTEN Pilot Project), discussed in Section II above. The UTEN Pilot Project includes the construction of a geothermal bore field and wastewater heat recovery system to serve the heating and cooling thermal demands of residential buildings and to baseload the existing district heating system in an area within the City of Buffalo. The UTEN Pilot Project will allow the Company to study the

effectiveness of thermal energy as an NPA that may serve as a reasonable alternative for LPP replacement in the future.

The Company submitted its Gas Demand Response Pilot Program Proposal, detailing a residential and small-commercial customer smart thermostat program and a non-residential voluntary curtailment program, for consideration by DPS Staff on May 31, 2024.²⁹ The program as proposed will allow the Company to measure the effectiveness of gas usage reduction measures in its service territory and explore system impacts and associated emission reductions. Although the Company is not currently facing issues associated with high firm demand growth, system vulnerability, or upstream gas supply constraints, the gas demand response programs may provide the Company with options for addressing such issues if they arise in the future. If successful, the demand response initiatives may also be viable alternatives that the Company can utilize to avoid LPP replacement or address future system improvement needs. The Company will continue to evaluate and consider other potential pilot projects that may facilitate the use of NPAs as an alternative to LPP replacement.

VI. Renewable Natural Gas Developments

In its Implementing Order, the Commission directs the Company to “monitor the evolution of the RNG market” and to include “RNG purchase/interconnection data in its Annual Updates and its next long-term plan.”³⁰

A. Background

A report prepared by ICF Resources, L.L.C. on behalf of NYSERDA states:

“Renewable Natural Gas (RNG) is generally derived from biomass or other renewable resources and is a pipeline-quality gas that is fully interchangeable with conventional natural gas. As RNG is a “drop-in” replacement for natural gas, it can be safely employed in

²⁹ See *Proposal for 2024/25-2026/27 Winter Seasons Gas Demand Response Pilot Programs* in Case 22-G-0610.

³⁰ Implementing Order, pp. 31-32.

any end use typically fueled by natural gas, including electricity production, heating and cooling, industrial applications, and transportation. Today, about 50 trillion Btu year (tBtu/yr.) of RNG from landfills, dairy digesters, and water resource recovery facilities (WRRFs) around the United States are injected into pipelines, with production growing from year to year. ... New York State has significant potential RNG feedstock resources from food waste, manure, agricultural residues, landfills, WRRFs as well as woody biomass and municipal solid waste.”³¹

One of the benefits of RNG is that it can be easily blended into the gas supply and does not require building-by-building installations of equipment. Supply availability, timing, and per unit production cost assumptions for development of RNG are based on recent New York State studies.³² Availability of RNG from outside New York is based on a study performed for the American Gas Foundation.³³

The RNG Coalition reported that there are 1,023 RNG facilities either operational, under construction or planned in the United States or Canada as of April 2026, including 101 facilities located in New York, Pennsylvania, and Ohio³⁴, the area where National Fuel sources almost all of its natural gas supplies and can rely on existing upstream pipeline capacity to deliver these supplies to customers in New York. RNG producers have access to the National Fuel system pursuant to tariff requirements as well as state approved RNG interconnection and gas quality specifications to ensure the RNG is merchantable, pipeline quality product that requires no appliance modifications.

³¹ *Potential of Renewable Natural Gas in New York State*, Final Report, Report Number 21-34, ICF Resources, L.L.C. (April 2022).

³² “Potential of Renewable Natural Gas in New York State,” ICF April 2022. NYSERDA Report Number 21-34, p 44, “RNG Potential in NY & NFGDC Territory,” National Fuel Gas Company, April 2020.

³³ “Renewable Sources of Natural Gas: Supply and Emissions Reduction Assessment,” An American Gas Foundation Study Prepared by: ICF, December 2019.

³⁴ <https://www.rngcoalition.com/>

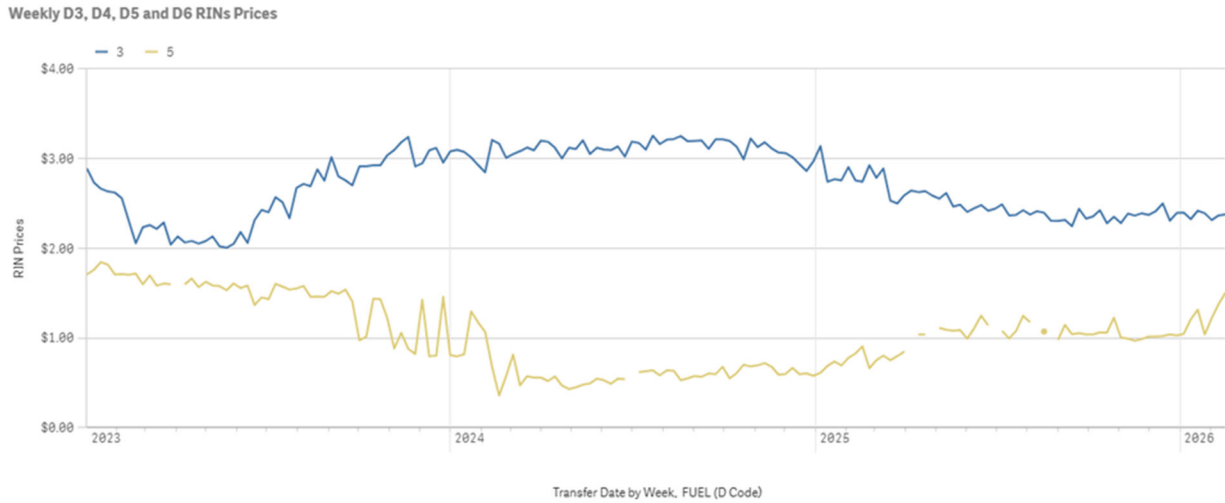
B. Evolution of the RNG Markets

RNG development continues to be seen throughout the country in connection with government incentives for the transportation sector. The US biogas industry brought 70 new projects online in 2025, an increase of 3% compared to 2024, representing \$2.1 billion of new investments for the year according to a report from the American Biogas Council (ABC), published in February 2026. From the report, landfill projects continue to produce the majority of US biogas, accounting for over 67% of the 226 million MMBtu per year production capacity, ABC data showed the total number of facilities growing to 599 in 2025.³⁵ And while most of the produced gas is used for electricity generation, RNG upgrading continues to grow as a demand pathway. Moreover, landfill-to-RNG projects are often less capital-intensive than other types, and provide consistent gas production within a predictable carbon intensity score range, a key factor in renewable identification numbers (RINS) and low carbon fuel standard credit generation.

The chart below highlights government regulations that are driving RNG development and the corresponding pricing levels. The D3 and D5 RINS, are credits used for compliance, and are the “currency” of the RFS program. Pricing for D3 RINS has ranged from \$2.00 to \$3.25 since January 2023 which is equivalent to approximately \$23-\$35 per Dth. The D5 RIN has recently traded from \$0.50 to \$1.75 since January 2023 which is equivalent to approximately \$5.50-\$20 per Dth. The strength of the D3 RIN has supported the development of agricultural feedstock RNG programs as the majority of these biogas recapture projects qualify for the D3 RIN.

³⁵ <https://americanbiogascouncil.org/wp-content/uploads/2026/02/ABC-Biogas-in-America-2026-Report.pdf>, slides 10 and 20

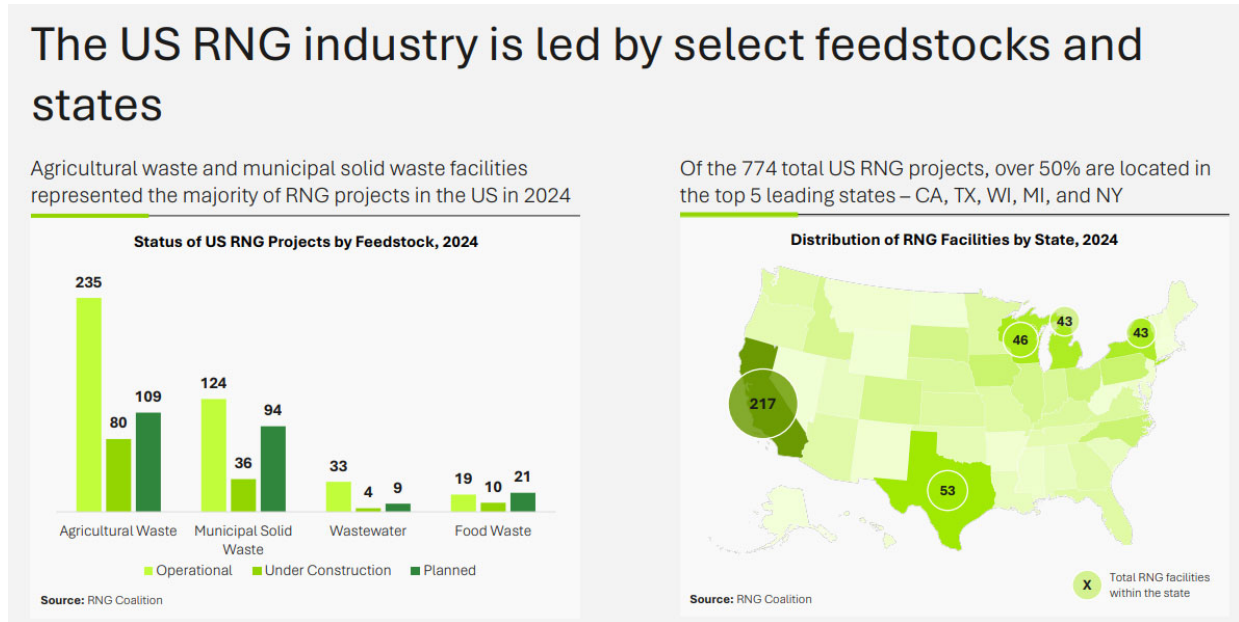
Figure VI-1 - D3 RIN Credit Value



Landfills make up the largest portion of the capacity by feedstock, but animal waste projects are on the rise, followed by food waste and wastewater treatment projects. Despite the recent growth, the RNG market currently only makes up 0.5% of the North American natural gas market.

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Figure VI-2 - RNG Feedstock



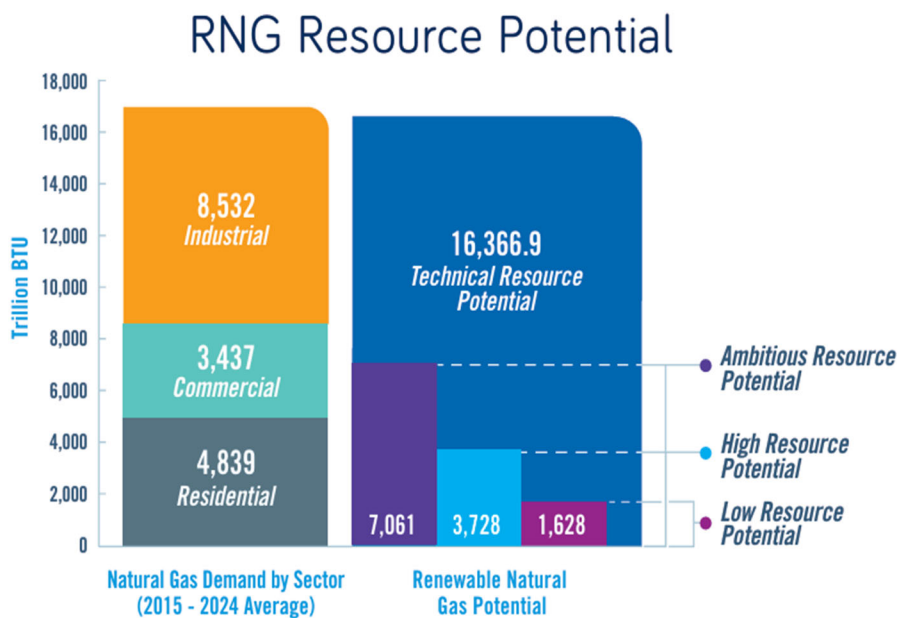
C. RNG Growth Estimates and Impact on Emissions

In 2019, ICF conducted an assessment for the American Gas Foundation (AGF) to outline the potential for RNG to contribute to greenhouse gas (GHG) emission reduction initiatives across the country, entitled *Renewable Sources of Natural Gas: Supply and Emissions Reduction Assessment* (2019 AGF RNG study). In July of 2025, The American Gas Foundation and ICF released an update to their previous 2019 report *Renewable Sources of Natural Gas Supply & Emission Reduction Assessment Study*. “This study updates and expands on the 2019 AGF assessment of renewable natural gas (RNG), which is derived from biomass or other renewable resources and is a pipeline-quality gas that is fully interchangeable with conventional natural gas. The study incorporates a revised assessment of supply potential, recent advancements in technology, and shifts in policy landscapes. The focus of the study is on assessing the volumetric

potential of RNG production from diverse feedstocks and technologies, examining the broader implications for greenhouse gas (GHG) emission reductions, and analyzing the cost-effectiveness of RNG implementation across various timescales.”³⁶

Based on the findings of the updated report, AGF states that “RNG production potential has grown. The total biomass available for RNG production has increased by 17% compared to the 2019 assessment, owing to improved data and more detailed feedstock evaluation. The study presents RNG technical potential from biomass resources and three production scenarios. Additionally, RNG production potential from power-to-gas (P2G) production estimates ranged from 118 to 472 tBtu/ year, with a base technical potential of 1,420 tBtu/year.”³⁷ Figure VI-3 highlights the RNG Resource Potential in the updated study.

Figure VI-3 - RNG Resource Potential



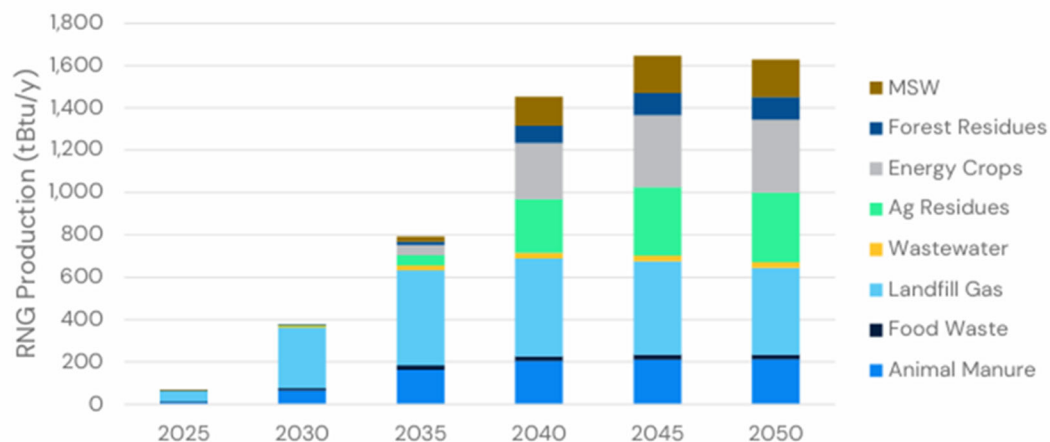
³⁶ https://gasfoundation.org/wp-content/uploads/2025/07/AGF-RNG-Study_FINAL-09022025.pdf

³⁷ <https://gasfoundation.org/wp-content/uploads/2025/07/AGF-RNG-Report-FactSheet-July2025.pdf>

In the Low Scenario (Figure-VI-4), “RNG production via anaerobic digestion of feedstocks drives deployment to 2035, with landfill gas making up a large proportion of RNG supply potential, and then declining out to 2050. Commercialization of the thermal gasification production technology after 2035 sees the increased deployment of feedstocks expected to utilize that technology, with agricultural residues and energy crops a larger share of total potential. Overall, the Low Scenario delivers a maximum supply of 1,628 tBtu/y, or 10% of aggregated biomass feedstock that could be used for RNG production.”³⁸

Figure VI-4 – Low Scenario Annual RNG Production

Figure 8. Low Scenario Annual RNG Production, 2025–2050 (tBtu/y)



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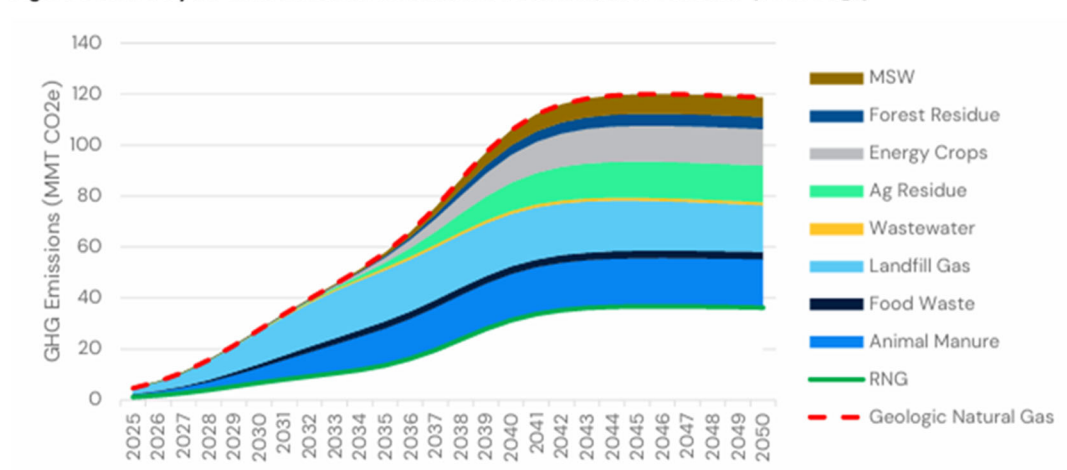
The Report finds that “RNG could contribute significantly to emissions reductions in multiple sectors, including buildings, industrial processes, and transportation. Greenhouse gas

38 https://gasfoundation.org/wp-content/uploads/2025/07/AGF-RNG-Study_FINAL-09022025.pdf, Page 41

emissions reductions potential from RNG range from 82 to over 328 million metric tons (MMT) annually in 2050 when using a lifecycle approach. The Low Scenario and High Scenario show similar trends with respect to the GHG emission reduction potential. In the Low Scenario, the largest potential GHG emission reduction comes from RNG derived from landfill gas with a reduction potential of 18.2 MMT CO₂e by 2050. Wastewater, with modest RNG production potential based on ICF’s analysis, yields a GHG emissions reduction potential of about 0.9 MMT CO₂e by 2050. The cumulative impact of RNG supply deployment delivers a 70% to 75% reduction in GHG emissions compared to geologic natural gas, on a lifecycle GHG emission accounting basis.”³⁹ Figure VI-5 GHG Mitigation Potential highlights GHG emission reductions under a Low Scenario, the most cautious approach.

Figure VI-5 – GHG Mitigation Potential

Figure 56. Life Cycle GHG Emission Reductions Potential, Low Scenario (MMT CO₂e)



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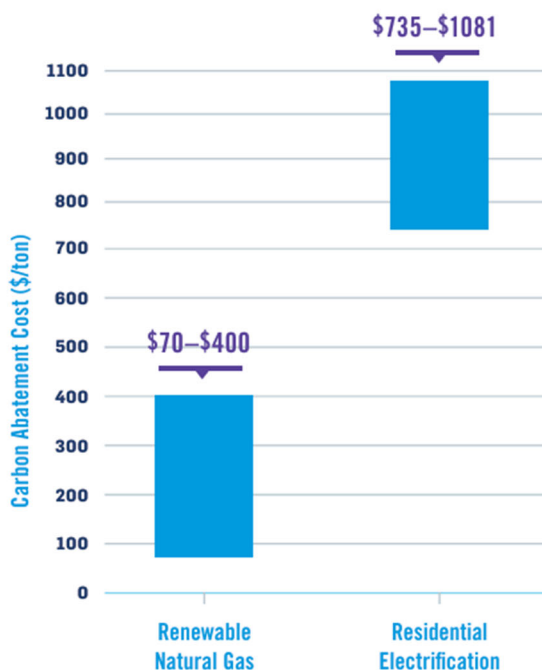
64

³⁹ https://gasfoundation.org/wp-content/uploads/2025/07/AGF-RNG-Study_FINAL-09022025.pdf, Page 65

The report also concludes that “RNG represents a cost-effective way to reduce GHG emissions, while RNG is more costly to produce than conventional natural gas, RNG can be a cost-effective measure to reduce greenhouse gas emissions. Three quarters of RNG production potential across the Low and High scenarios could be available at an average price of less than \$20/MMBtu. The estimated greenhouse gas abatement costs range from \$70 to \$400 per ton of CO₂e. By contrast, an electric heat pump costs on average \$735 to \$1,081 per ton of CO₂e.”⁴⁰ Figure VI-6 provides a cost comparison of emission reduction pathways.

Figure VI-6– Cost Comparison of Emission Reduction Pathways

Cost Comparison of Emission Reduction Pathways



1 American Gas Association, “Building for Efficiency”, 2024 | 2 American Gas Foundation, “Renewable Natural Gas Supply Assessment”, 2025

⁴⁰ <https://gasfoundation.org/wp-content/uploads/2025/07/AGF-RNG-Report-FactSheet-July2025.pdf>

1. Regional Dairy Growth

The Company continues to see growth in the dairy food production sector in its service territory and the surrounding areas that is resulting in job growth and increased demand for milk from local dairy farmers. The growing milk demand requires a greater number of dairy cows that increase fugitive methane emissions in the local rural areas. Capturing and managing the increasing emissions offers a tremendous RNG resource opportunity that provides environmental and economic benefits for communities throughout western New York in the upcoming years.

In the Company's service territory, significant investments continue with over \$1.5 billion being invested in the dairy industry in the last few years. New York is the fourth largest dairy producing state in the nation, with Wyoming County being the state's largest dairy producer.⁴¹ One of the area's largest business expansion projects is the Great Lakes Cheese project. This project more than doubled the size of their previous plant to greater than 500,000 square feet. "This plan is expected to use 4.5 million pounds of raw milk daily. Located in the small town of Cuba, the plant also added 300 employees, bringing the total employee count over 500."⁴²

Within and adjacent to the Company's service territory, multiple significant projects are underway:

"Announced in May 2023, the new facility will serve as Fairlife's flagship Northeast location. The facility represents a \$650 million investment into the region and is expected to generate approximately 250 jobs in the greater Webster, New York area. Upon completion, the Fairlife production facility will span 745,000 square feet and will stand on a lot of approximately 110 acres. The facility will take in five to six million pounds of

⁴¹ Dairy Company Expansions Boost Western New York Economy, Buffalo Business First, <https://www.bizjournals.com/buffalo/news/2025/03/20/dairy-company-expansions-buffalo-unlocked.html>.

⁴² "Dairy Company Expansions," *Buffalo Business First*.

milk per day from local dairy farmers, which will help support ongoing local dairy farm jobs.”⁴³

“Dairy products producer Upstate Niagara Cooperative Inc. plans to expand its operations in West Seneca, New York. The \$150 million project is expected to create 130 jobs. The investment will include additional manufacturing capacity and storage at the company's existing facility at the North America Center corporate and industrial park. Construction is scheduled for completion in late 2026.”⁴⁴ Upstate Niagara Cooperative Inc. also announced plans to expand their existing yogurt manufacturing facility, located in Batavia, NY.⁴⁵

“Wells Enterprises will invest \$425 million to expand its ice cream manufacturing facility in Dunkirk, N.Y., nearly doubling the plant’s size and quadrupling production capacity. The expansion, one of the largest single private investments ever in Chautauqua County, will add 270 new jobs and retain 380 full-time positions at the facility. The Dunkirk facility at 1 Ice Cream Drive will expand to 350,000 square feet, adding new production lines and a chocolate ingredient manufacturing facility. The expansion is expected to benefit Northeast dairy farmers, as the plant will continue to require millions of pounds of dairy products annually.”⁴⁶

In June 2025, Lactalis USA reported it will “invest more than \$75 million to upgrade both its Walton and Buffalo facilities, enabling the plants to expand capacity and gain efficiencies, New York Gov. Kathy Hochul announced Monday. The projects in Delaware and Erie counties include the purchase of new equipment and upgrades that will allow the dairy manufacturer to retain more than 800 full time jobs and create more than 50 new jobs. The Buffalo plant produces Galbani Ricotta, Mozzarella and Provolone cheese, along with whey powder that is distributed across the US and abroad. The \$60 million expansion includes the installation of six 50,000-pound vats, an advanced cheese belt, separators, silos, and a robotic palletizer. With the addition of this expansion project, Lactalis USA has committed to investing a total of approximately \$123 million in its Buffalo facilities from 2020 through the end of 2027.”⁴⁷

⁴³ The Coca-Cola Company Breaks Ground on New fairlife Production Facility in Webster, NY, The Coca-Cola Company, <https://www.coca-colacompany.com/media-center/the-coca-cola-company-breaks-ground-on-new-fairlife-production-facility-in-webster-ny>.

⁴⁴ Upstate Niagara Cooperative to Expand West Seneca Operations, Area Development, https://www.areadevelopment.com/newsitems/8-16-2024/upstate-niagara-cooperative-west_seneca-new-york.shtml.

⁴⁵ Town of Batavia – Upstate Niagara Cooperative, Inc. COSCDA. <https://coscda.org/projects/town-of-batavia-upstate-niagara-cooperative-inc>.

⁴⁶ Ice Cream Giant Wells Enterprises Plans \$425M New York Expansion, Transport Topics, <https://www.ttnews.com/articles/wells-new-york-expansion>.

⁴⁷ <https://cheesereporter.com/news/industry-news-developments/2025/07/01/lactalis-to-invest-over-75-million-to-upgrade-two-new-york-state-dairy-plants/>

D. RNG Purchase Data:

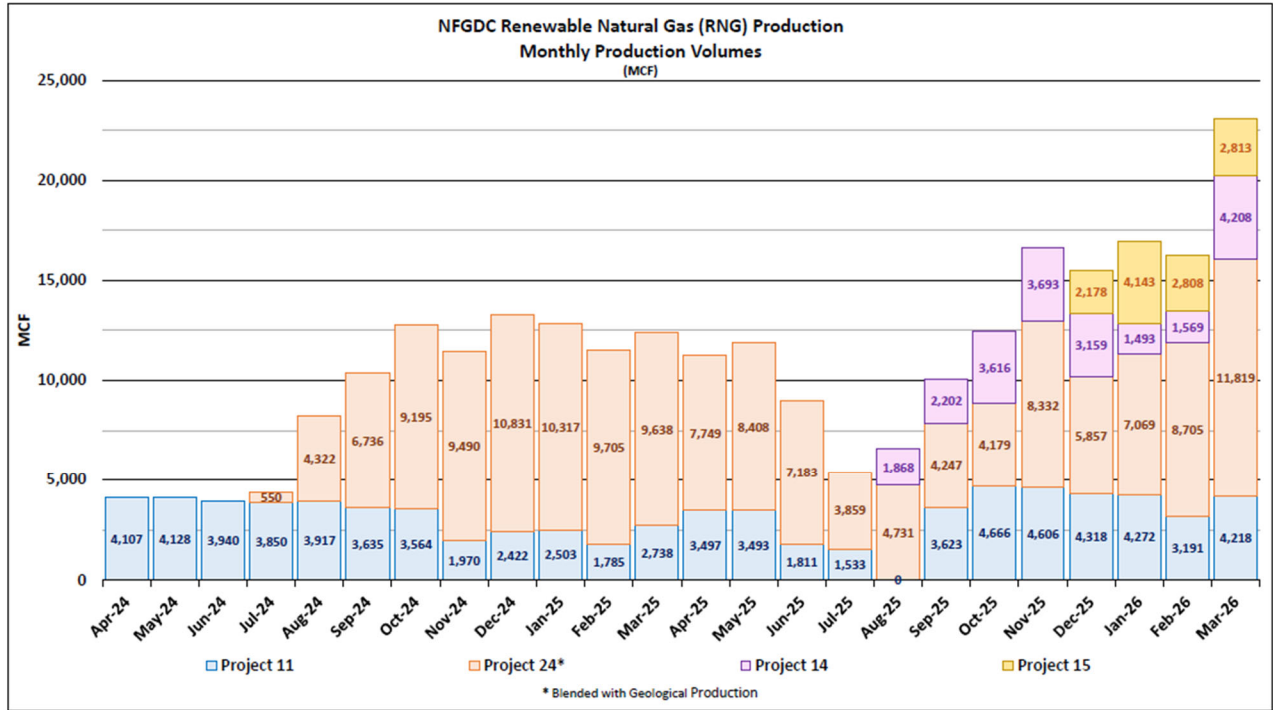
In August of 2023, the Company purchased 500 Dth/d of monthly baseload supplies of RNG that was sourced from an upstream RNG landfill facility located in New York. The seller transported the RNG without the environmental attributes from the nearby RNG source to an existing National Fuel Gas Supply Corporation interconnection meter where the Company took title to the gas. The Company then delivered the gas to its citygate via its firm transportation contract. The Company did not purchase the environmental attributes associated with the RNG. The Company's purchase of the RNG from the RNG source was priced competitively relative to alternative supplies and followed the current rules regarding the least cost mandate.

Current On-System Projects:

RNG producers have access to the National Fuel system pursuant to tariff requirements as well as state approved RNG interconnection and gas quality specifications to ensure the RNG is merchantable, pipeline quality product that requires no appliance modifications. RNG production has expanded significantly during the period 2024-2026, as shown in Figure VI-7. Currently, four RNG projects are operational on the Company's system, and one project was initiated and then later placed on hold.

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Figure VI-7: Current RNG Projects



Project Name: “Project 11”

Project Status: Operational

Project 11, located in Oakfield, NY, is the first RNG project directly connected to the Company’s distribution system. It began operations and RNG deliveries in July 2021. This RNG project relies on a feedstock of dairy waste where biogas is produced from an existing anaerobic digester and upgraded to merchantable quality RNG and then delivered to National Fuel. This project has produced approximately 50,000 Mcf per year since inception and 39,228 Mcf during the most recent 12 months.

Project Name: “Project 24”

Project Status: Operational

Project 24, located in Kennedy, NY, has been operational since August 2024. The project is delivering RNG gas into the Company’s system from an upstream farm and geological natural gas from an associated gathering system. The RNG feedstock for this project is dairy waste, and RNG production is anticipated to remain at approximately 48,000 Dth per year.

Project Name: “Project 14”

Project Status: Operational

Project 14, located in Buffalo, NY has been operational since August 2025. The feedstock for this project is food waste where biogas is produced from an existing anaerobic digester and upgraded to merchantable quality RNG and then delivered to National Fuel. This project has delivered 21,808 Mcf since commissioning and projects deliveries of 95,000 Dth annually.

Project Name: “Project 15”

Project Status: Operational

Project 15, located in Niagara Falls, NY has been operational since December 2025. The feedstock for this project is food waste where biogas is produced from an existing anaerobic digester and upgraded to merchantable quality RNG and then delivered to National Fuel. This project has delivered 11,942 Mcf since commissioning and projects deliveries of 95,000 Dth annually.

Project Name: “Project 8”

Project Status: On Hold

Project 8, located in Arkport, NY, was placed on hold during the design and engineering phase. The developer identified concerns regarding the ability to secure stable and sufficient revenue streams associated with environmental attribute monetization, which is necessary to support project economics. The proposed RNG feedstock is dairy waste. If advanced, the project is expected to produce approximately 60,000 Dth per year. No timeline has been shared regarding moving the project forward.

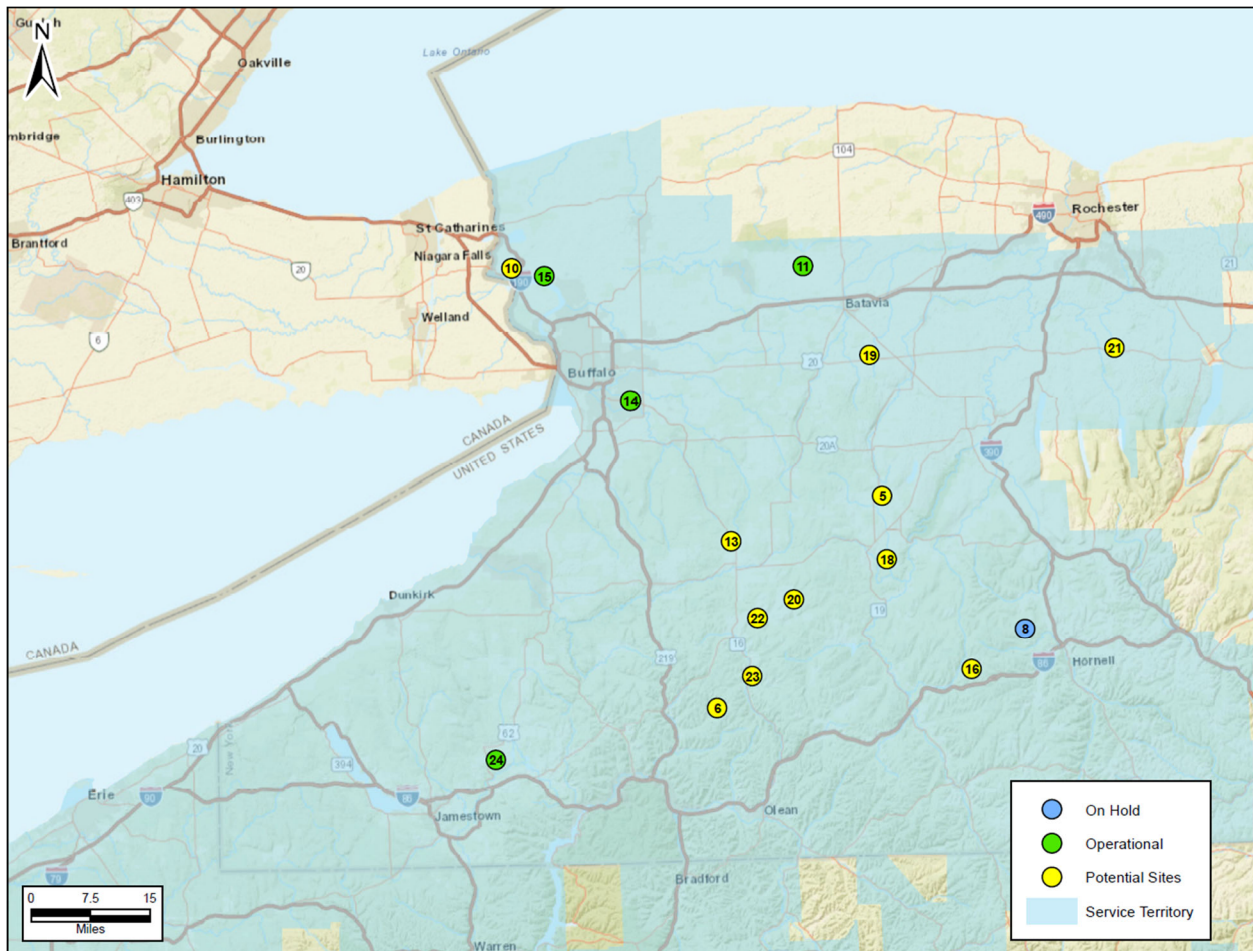
While RNG development expanded significantly between 2021 and 2024, the Company has observed a notable slowdown in new project origination activity within its service territory over the past 12 months. Developers have become more hesitant to advance projects, and fewer new opportunities are being presented to the Company. This slowdown is not driven by a lack of technical potential or feedstock availability, but rather by uncertainty in revenue streams required to support project economics, particularly the ability to monetize environmental attributes associated with RNG production. As evidenced by Project 8 being placed on hold, developers require stable and predictable mechanisms to capture the value of environmental benefits in order to proceed with final investment decisions.

Additional Potential RNG Projects

Figure VI-8 below highlights RNG projects that could directly connect to the Company’s system. The sixteen projects represent a potential for approximately 2.6 BCF per year. There are nine other projects in various stages that expand RNG potential in the Company’s service

territory to 4.2 Bcf; however, these additional projects will likely deliver RNG directly to other natural gas infrastructure.

Figure VI-8 – RNG Map



Regional RNG development activity has declined in the last 12 months, as evidenced by reduced developer engagement, fewer new project proposals, and the deferral of certain previously advancing projects. This trend reflects broader uncertainty regarding the monetization of environmental attributes under the current policy framework, which remains a key driver of project economics. As a result, RNG developers have not approached National Fuel about new

development opportunities at the same pace observed in prior years located throughout the Company's New York and Pennsylvania service territories.

E. Proposed RNG Pilot Program

As part of the Company's Rate Case: Case 23-G-0627, the Company proposed a three-year pilot program to purchase RNG that includes the physical natural gas commodity and the associated environmental attributes. The Company intended to retire the environmental attributes associated with the RNG and to take physical delivery of the RNG and transport the fuel to the Company's citygate to meet system-wide natural gas requirements.

The Company's Pilot Program was modified as part of the Company's Rate Case settlement, Case 23-G-0627. Per the resulting Joint Proposal, NFG is allowed to solicit and purchase RNG to meet its system-wide supply commodity needs, provided that any such purchases are priced equal to or less than the weighted average cost of gas in NFG's existing portfolio but prohibited from recovering costs associated with any purchase of environmental attributes.

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VII. Conclusion

The Company continues to implement its Long-Term Plan in accordance with Commission directives and the priorities that guided the LTP's development - ensuring safe, reliable, resilient and affordable energy for consumers while maintaining customer choice and facilitating emissions reductions consistent with the state's climate goals.

Dated: May 29, 2026

Respectfully submitted,

**NATIONAL FUEL GAS DISTRIBUTION
CORPORATION**

By: /s/ *Randy C. Rucinski*

Randy C. Rucinski
Chief Regulatory Counsel
National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, New York 14221
Tel: 716-857-7237
Email: rucinskir@natfuel.com

Appendix A: Supplemental Demand Forecast Information

A. Background

As requested by the stakeholders, the following pages contain the work papers used to compute the design day requirements for 2027.

B. Design Day Work Papers

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

DIVISION: NEW YORK

PEAK DAY USED FOR CAPACITY ALLOCATION

WINTER PERIOD

VOLUMES IN MCF

Shrinkage

2025 Master Estimate

April 29, 2026

	FY 2026				
	0.74%				
	NOAA				
	2006-2020				
JANUARY NORMAL DEGREE DAYS =	1,196			BASE CASE 2026 62	BASE CASE 2026 74
Retail Sales	Jan-26	Jul-26	Aug-26	DEG DAYS	DEG DAYS
Residential	9,456,268	891,167	940,676	472,273	557,962
Commercial	1,255,033	118,275	124,846	62,680	74,053
Small Industrial (< 55,000 Mcf/Yr)	79,984			3,809	3,809
Public Authority	159,285	15,011	15,845	7,955	9,399
Street Lighting	347			11	11
Company Use	13,392			432	432
Total Retail Sales	10,964,309			547,160	645,666
Total Retail Sales Shrinkage	81,741			4,079	4,814
Total Retail Sales Requirements	11,046,050			551,239	650,480

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DIVISION: NEW YORK
PEAK DAY USED FOR CAPACITY ALLOCATION
WINTER PERIOD
VOLUMES IN MCF
Shrinkage

2025 Master Estimate
April 29, 2026

	FY 2026				
	0.74%				
	NOAA 2006-2020				
JANUARY NORMAL DEGREE DAYS =	1,196			BASE CASE 2026 62 DEG DAYS	BASE CASE 2026 74 DEG DAYS
Residential	Jan-26	Jul-26	Aug-26		
Transportation Service					
Consolidated Billing (Choice)					
Residential <5,000 Mcf/Yr	578,368	54,506	57,534	28,885	34,126
Residential >5,000 Mcf/Yr	3,934	371	391	196	232
Consolidated Billing	582,302	54,877	57,925	29,081	34,358
Consolidated Billing Shrinkage	4,341	409	432	217	256
Consolidated Billing Requirements	586,643	55,286	58,357	29,298	34,614
Dual Billing					
Residential <5,000 Mcf/Yr	4,652	438	463	232	274
Residential >5,000 Mcf/Yr	6,150	580	612	307	363
Dual Billing	10,802	1,018	1,075	539	637
Dual Billing Shrinkage	81	8	8	4	5
Dual Billing Requirements	10,883	1,026	1,083	543	642
Marketer Consolidated Billing					
Residential <5,000 Mcf/Yr	37,003	3,487	3,681	1,848	2,183
Residential >5,000 Mcf/Yr	53,629	6,299	5,028	2,669	3,150
Marketer Consolidated Billing	90,632	9,786	8,709	4,517	5,333
Marketer Consolidated Billing Shrinkage	676	73	65	34	40
Marketer Consolidated Billing Requirements	91,308	9,859	8,774	4,551	5,373
Summary:					
Residential <5,000 Mcf/Yr	620,023	58,431	61,678	30,965	36,583
Residential <5,000 Mcf/Yr Shrinkage	4,622	436	460	231	273
Residential <5,000 Mcf/Yr Requirements	624,645	58,867	62,138	31,196	36,856
Residential >5,000 Mcf/Yr	63,713	7,250	6,031	3,172	3,745
Residential >5,000 Mcf/Yr Shrinkage	475	54	45	24	28
Residential >5,000 Mcf/Yr Requirements	64,188	7,304	6,076	3,196	3,773
Total Residential Transportation	683,735	65,681	67,708	34,137	40,328
Total Residential Transportation Shrinkage	5,097	490	505	254	301
Total Residential Transportation Requirements	688,832	66,171	68,213	34,391	40,629

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DIVISION: NEW YORK
PEAK DAY USED FOR CAPACITY ALLOCATION
WINTER PERIOD
VOLUMES IN MCF
Shrinkage

2025 Master Estimate
April 29, 2026

	FY 2026				
	0.74%				
	NOAA 2006-2020			76,365 9,530	
JANUARY NORMAL DEGREE DAYS =	1,196				
			BASE CASE 2026 62 DEG DAYS	BASE CASE 2026 74 DEG DAYS	
Commercial Transportation Service	Jan-26	Jul-26	Aug-26		
Consolidated Billing (Choice)					
Commercial <5,000 Mcf/Yr	691,376	65,156	68,776	34,529	40,794
Commercial >5,000 Mcf/Yr	163,546	22,154	20,778	8,058	9,483
Consolidated Billing	854,922	87,310	89,554	42,587	50,277
Consolidated Billing Shrinkage	6,374	651	668	317	375
Consolidated Billing Requirements	861,296	87,961	90,222	42,904	50,652
Dual Billing					
Commercial <5,000 Mcf/Yr	252,588	23,804	25,127	12,615	14,904
Commercial >5,000 Mcf/Yr-DMT	85,895	37,707	38,657	3,705	4,184
Dual Billing	773,290	191,870	191,618	36,176	41,931
Dual Billing Shrinkage	5,765	1,430	1,429	270	313
Dual Billing Requirements	779,055	193,300	193,047	36,446	42,244
Marketer Consolidated Billing					
Commercial <5,000 Mcf/Yr	297,353	28,023	29,580	14,851	17,545
Commercial >5,000 Mcf/Yr	247,786	36,370	37,084	12,126	14,244
Marketer Consolidated Billing	545,139	64,392	66,663	26,977	31,789
Marketer Consolidated Billing Shrinkage	4,064	480	497	201	237
Marketer Consolidated Billing Requirements	549,203	64,872	67,160	27,178	32,026
Summary:					
Commercial <5,000 Mcf/Yr	1,241,317	116,983	123,482	61,995	73,243
Commercial <5,000 Mcf/Yr Shrinkage	9,254	872	921	462	546
Commercial <5,000 Mcf/Yr Requirements	1,250,571	117,855	124,403	62,457	73,789
Commercial >5,000 Mcf/Yr	846,139	188,882	185,696	40,040	46,570
Commercial >5,000 Mcf/Yr - DMT	85,895	37,707	38,657	3,705	4,184
Subtotal Commercial >5,000 Mcf/Yr	932,034	226,589	224,353	43,745	50,754
Commercial >5,000 Mcf/Yr Shrinkage	6,948	1,689	1,673	326	378
Commercial >5,000 Mcf/Yr Requirements	938,982	228,278	226,026	44,071	51,132
Total Commercial Transportation	2,173,351	343,572	347,835	105,740	123,997
Total Commercial Transportation Shrinkage	16,202	2,561	2,594	788	924
Total Commercial Transportation Requirements	2,189,553	346,133	350,429	106,528	124,921

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
 DIVISION: NEW YORK
 PEAK DAY USED FOR CAPACITY ALLOCATION
 WINTER PERIOD
 VOLUMES IN MCF
 Shrinkage

2025 Master Estimate
 April 29, 2026

	FY 2026 0.74%		
		BASE CASE 2026 62 DEG DAYS	BASE CASE 2026 74 DEG DAYS
Industrial	Jan-26		
Transportation Service			
Consolidated Billing (Choice)			
Industrial <5,000 Mcf/Yr	20,950	676	998
Consolidated Billing	70,265	1,407	1,729
Consolidated Billing Shrinkage	524	10	13
Consolidated Billing Requirements	70,789	1,417	1,742
Dual Billing			
Industrial <5,000 Mcf/Yr	15,855	511	755
Industrial 5,000-55,000 Mcf/Yr (TC1.1, TC2.0)	302,400	3,504	5,124
TC 3.0 (55-150,000 Mcf/Yr)	154,562	3,851	4,603
TC 4.0 (>150,000 Mcf/Yr)	641,813	21,755	21,755
Industrial 5,000-55,000 Mcf/Yr - DMT & Neg.	18,912	677	859
Dual Billing	1,857,255	67,691	71,835
Dual Billing Shrinkage	13,846	505	536
Dual Billing Requirements	1,871,101	68,196	72,371
Marketer Consolidated Billing			
Industrial <5,000 Mcf/Yr	12,248	395	583
Industrial 5,000-55,000 Mcf/Yr (TC1.1, TC2.0)	66,973	2,160	3,189
TC 3.0 (55,000-150,000 Mcf/Yr)	8,397	271	271
TC 4.0 (>150,000 Mcf/Yr) Ind	75,275	2,428	2,428
Marketer Consolidated Billing	162,893	5,254	6,471
Marketer Consolidated Billing Shrinkage	1,214	39	48
Marketer Consolidated Billing Requirements	164,107	5,293	6,519
Summary:			
Industrial <5,000 Mcf/Yr	49,053	1,582	2,336
Industrial <5,000 Mcf/Yr Shrinkage	366	12	17
Industrial <5,000 Mcf/Yr Requirements	49,419	1,594	2,353
Industrial 5,000-55,000 Mcf/Yr	398,629	5,748	8,397
Industrial 5,000-55,000 Mcf/Yr - DMT	18,912	677	859
Subtotal Industrial >5,000 Mcf/Yr	417,541	6,425	9,255
Industrial 5,000-55,000 Mcf/Yr Shrinkage	3,113	48	69
Industrial 5,000-55,000 Mcf/Yr Requirements	420,654	6,473	9,324
Industrial >55,000 Mcf/Yr	975,106	43,952	44,704
Industrial >55,000 Mcf/Yr - DMT	648,713	22,394	23,739
Subtotal Industrial >55,000 Mcf/Yr	1,623,819	66,345	68,443
Industrial >55,000 Mcf/Yr Shrinkage	12,106	495	510
Industrial >55,000 Mcf/Yr Requirements	1,635,925	66,840	68,953
Total Industrial Transportation	2,090,413	74,352	80,035
Total Industrial Transportation Shrinkage	15,585	555	596
Total Industrial Transportation Requirements	2,105,998	74,907	80,631

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
DIVISION: NEW YORK
PEAK DAY USED FOR CAPACITY ALLOCATION
WINTER PERIOD
VOLUMES IN MCF
Shrinkage

2025 Master Estimate
April 29, 2026

	FY 2026				
	0.74%				
	NOAA 2006-2020				
JANUARY NORMAL DEGREE DAYS =	1,196			BASE CASE 2026 62 DEG DAYS	BASE CASE 2026 74 DEG DAYS
Public Authority Transportation Service	Jan-26	Jul-26	Aug-26		
Consolidated Billing (Choice)					
Public Authority <5,000 Mcf/Yr	21,043	1,983	2,093	1,051	1,242
Public Authority >5,000 Mcf/Yr	0	0	0	0	0
General Transportation SC 3-St. Lighting	0	0	0	0	0
Consolidated Billing	21,043	1,983	2,093	1,051	1,242
Consolidated Billing Shrinkage	157	15	16	8	9
Consolidated Billing Requirements	21,200	1,998	2,109	1,059	1,251
Dual Billing					
Public Authority <5,000 Mcf/Yr	63,807	6,013	6,347	3,187	3,765
Public Authority >5,000 Mcf/Yr	437,203	79,179	81,021	21,096	24,679
Public Authority >5,000 Mcf/Yr-DMT	13,604	1,282	1,353	679	803
Dual Billing	514,614	86,474	88,722	24,962	29,247
Dual Billing Shrinkage	3,837	645	661	186	218
Dual Billing Requirements	518,451	87,119	89,383	25,148	29,465
Marketer Consolidated Billing					
Public Authority <5,000 Mcf/Yr	169,550	15,978	16,866	8,468	10,004
Public Authority >5,000 Mcf/Yr	329,296	40,958	42,357	16,255	19,141
General Transportation SC 3-St. Lighting	108	108	108	3	3
Marketer Consolidated Billing	498,954	57,045	59,331	24,726	29,148
Marketer Consolidated Billing Shrinkage	3,720	425	442	184	217
Marketer Consolidated Billing Requirements	502,674	57,470	59,773	24,910	29,365
Summary:					
Public Authority <5,000 Mcf/Yr	254,508	24,083	25,415	12,709	15,014
Public Authority <5,000 Mcf/Yr Shrinkage	1,897	180	189	95	112
Public Authority <5,000 Mcf/Yr Requirements	256,405	24,263	25,604	12,804	15,126
Public Authority >5,000 Mcf/Yr	766,500	120,137	123,378	37,351	43,820
Public Authority >5,000 Mcf/Yr - DMT	13,604	1,282	1,353	679	803
Subtotal Public Authority >5,000 Mcf/Yr	780,103	121,419	124,731	38,030	44,623
Public Authority >5,000 Mcf/Yr Shrinkage	5,816	905	930	284	333
Public Authority >5,000 Mcf/Yr Requirements	785,919	122,324	125,661	38,314	44,956
Total Public Authority Transportation	1,034,611	145,502	150,146	50,739	59,637
Total Public Authority Transportation Shrinkage	7,713	1,085	1,119	378	445
Total Public Authority Transportation Requirements	1,042,324	146,587	151,265	51,117	60,082

National Fuel Gas Distribution Corporation
New York Division
Projected Volumes in Mcf
Shrinkage

	0.74%		
	2026		
	62 DD	74 DD	74 DD
	Base Case	Base Case	v.
	Peak Day	Peak Day	62 DD
	JAN 2026	JAN 2026	Variance
Retail Sales			
Residential	472,273	557,962	85,689
Commercial	62,680	74,053	11,373
Small Industrial (< 55,000 Mcf/Yr)	3,809	3,809	0
Public Authority	7,955	9,399	1,444
Street Lighting	11	11	0
Company Use	432	432	0
Total Retail Sales	547,160	645,666	98,506
Total Retail Sales Shrinkage	4,079	4,814	735
Total Retail Sales Requirements	551,239	650,480	99,241
Transportation Service			
Residential <5,000 Mcf/Yr	30,965	36,583	5,618
Residential >5,000 Mcf/Yr	3,172	3,745	573
Total Residential Transportation Service	34,137	40,328	6,191
Commercial <5,000 Mcf/Yr	61,995	73,243	11,248
Commercial >5,000 Mcf/Yr	40,040	46,570	6,530
Commercial >5,000 Mcf/Yr - DMT	3,705	4,184	479
Total Commercial Transportation Service	105,740	123,997	18,257
Industrial <5,000 Mcf/Yr	1,582	2,336	754
Industrial 5,000-55,000 Mcf/Yr	5,748	8,397	2,649
Industrial 5,000-55,000 Mcf/Yr - DMT	677	859	182
Industrial >55,000 Mcf/Yr	28,952	29,704	753
Industrial >55,000 Mcf/Yr - DMT & Neg. DMT	22,394	23,739	1,346
SC 21 Large Electric Generation - Negotiated	15,000	15,000	0
SC 16 Bypass Response	0	0	0
Total Industrial Transportation Service	74,352	80,035	5,683
Public Authority <5,000 Mcf/Yr	12,709	15,014	2,305
Public Authority >5,000 Mcf/Yr	37,351	43,820	6,469
Public Authority >5,000 Mcf/Yr - DMT	679	803	124
Total Public Authority Transportation Service	50,739	59,637	8,898
Total Transportation Service	264,968	303,997	39,029
Total Transportation Service Shrinkage	1,975	2,266	291
Total Transportation Requirements	266,943	306,263	39,320
Total Throughput	812,128	949,663	137,535
Total Throughput Shrinkage	6,054	7,080	1,026
Total Throughput Requirements	818,182	956,743	138,561

National Fuel Gas Distribution Corporation
New York Division
Projected Volumes in Mcf
Shrinkage

0.74%

	2026		
	62 DD	74 DD	74 DD
	Base Case	Base Case	v.
	Peak Day	Peak Day	62 DD
	JAN 2026	JAN 2026	Variance
Retail Sales			
Residential	472,273	557,962	85,689
Commercial	62,680	74,053	11,373
Public Authority	7,966	9,410	1,444
Small Industrial (<55,000 Mcf/Yr)	3,809	3,809	0
Company Use	432	432	0
Total Retail Sales	547,160	645,666	98,506
Total Retail Sales w/Shrinkage	551,239	650,480	99,241
Total Retail Sales (Dth)	569,430	671,946	102,516
DTH/Mcf	1.033	1.033	1.033
Transportation Service			
Residential < 5,000 Mcf/Yr	30,965	36,583	5,618
Residential > 5,000 Mcf/Yr	3,172	3,745	573
Total Residential Transportation Service	34,137	40,328	6,191
Commercial < 5,000 Mcf/Yr	61,995	73,243	11,248
Commercial > 5,000 Mcf/Yr	40,040	46,570	6,530
Commercial > 5,000 Mcf/Yr - DMT	3,705	4,184	479
Total Commercial Transportation Service	105,740	123,997	18,257
Industrial < 5,000 Mcf/Yr	1,582	2,336	754
Industrial 5,000-55,000 Mcf/Yr	5,748	8,397	2,649
Total Industrial Transportation Service	74,352	80,035	5,683
Public Authority < 5,000 Mcf/Yr	12,709	15,014	2,305
Public Authority > 5,000 Mcf/Yr	37,351	43,820	6,469
Public Authority > 5,000 Mcf/Yr - DMT	679	803	124
Total Public Authority Transportation Service	50,739	59,637	8,898
Transportation Service < 5,000 Mcf/Yr	107,251	127,176	19,925
Transportation Service < 5,000 Mcf/Yr w/Shrinkage	108,051	128,125	20,074
Transportation Service < 5,000 Mcf/Yr (Dth)	111,617	132,353	20,736
Transportation Service > 5,000 Mcf/Yr	115,262	132,236	16,973
Transportation Service > 5,000 Mcf/Yr w/Shrinkage	116,122	133,221	17,100
Transportation Service > 5,000 Mcf/Yr (Dth)	119,954	137,617	17,663
Transportation Service > 5,000 Mcf/Yr - DMT	42,455	44,585	2,131
Transportation Service > 5,000 Mcf/Yr w/Shrinkage - DMT	42,771	44,918	2,146
Transportation Service > 5,000 Mcf/Yr (Dth) - DMT	44,182	46,400	2,217
Total Transportation Service	264,968	303,997	39,029
Total Transportation Service w/Shrinkage	266,944	306,264	39,320
Total Transportation Service w/Shrinkage (Dth)	275,753	316,371	40,618
Total Throughput	812,128	949,663	137,535
Total Throughput w/Shrinkage	818,183	956,744	138,561
Total Throughput w/Shrinkage (Dth)	845,183	988,317	143,134
	Peak Day		
Total Retail Sales Requirements	671,946		
Transportation < 5,000 Mcf/Yr	132,353		
Transportation > 5,000 Mcf/Yr Imbalance	17,663		
Transportation > 5,000 Mcf/Yr DMT Imbalance	2,217		
Total Capacity Requirements	824,179 Dth		

Appendix B: Non-Pipes Alternatives Implementation Plan



Non-Pipes Alternatives Implementation Plan

National Fuel Gas Distribution Corporation

May 31, 2024

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Introduction

In accordance with the New York State Public Service Commission’s (“Commission”) December 14, 2023 *Order Implementing Long-Term Natural Gas Plan with Modifications* in Case 22-G-0610, this Non-Pipes Alternatives (“NPA”) Implementation Plan (“Plan”) describes the process that National Fuel Gas Distribution Corporation (“National Fuel” or “Company”) will follow when evaluating leak prone pipe (“LPP”) projects to determine whether they may be suitable for an NPA solution. NPAs reduce or remove the need to install traditional natural gas infrastructure and may include solutions such as renewable natural gas (“RNG”) or hydrogen, thermal energy networks, electrification, energy efficiency, or demand response. This Plan details the process the Company will use when evaluating whether an NPA solution may be a viable option for a planned LPP replacement project.

For evaluating NPA projects, National Fuel will utilize a benefit cost analysis (“BCA”) to compare the present value of the net costs and benefits of the proposed NPA project versus the present value of the net costs and benefits of a traditional LPP replacement project. The Company will utilize the standardized methodology contained in its BCA Handbook¹ to analyze all relevant benefit and cost categories when evaluating a potential NPA project.

Project Identification and Suitability

Project Identification

LPP replacement projects that may be considered for NPAs will be identified and addressed using the methods described below. Once identified, these projects will be screened to determine if an NPA evaluation should occur.

1. Spring & Fall Planning Meetings

Engineering and Operations will review maps of high priority areas during the annual spring and fall planning meetings, held at each operating location, to identify potential pipeline replacement projects for further development. Engineering and Operations will also identify any system reliability concerns and potential conflicts with planned highway and municipal construction work. Projects identified at these meetings will be screened for a potential NPA using the procedure detailed below.

2. Systematic Replacement Planning/ System Modernization Program (SMP)

National Fuel will conduct a Systematic Modernization review each year to identify and prioritize potential pipeline replacement projects to ensure that the capital replacement budget is focused on the highest priority projects system-wide. The SMP identifies and prioritizes pipeline projects on a system-wide basis using a comprehensive planning process. The SMP is used to help ensure the safety and reliability of the Company’s system and to control leakage rates by prioritizing pipeline replacements systemwide. Numerous

¹ Case 22-G-0610 – In the Matter of a Review of the Long-Term Gas System Plan of National Fuel Gas Distribution Corporation, *Benefit-Cost Analysis Handbook* (filed April 10, 2024).

factors are considered throughout this process which include but are not limited to risk, system reliability, budget, and project timing. Upon finalization of the plan, each project that qualifies for construction is assigned a proposed schedule and the project design/planning process begins. Projects identified through this program will be screened for a potential NPA using the procedure detailed below.

3. Distribution Gas Planning Meetings

Annually, Engineering will meet with Gas Supply Administration, Gas Control, and Operations to discuss gas planning matters across the Company's distribution system. LPP projects that are discussed will be screened for a potential NPA using the procedure detailed below.

Project Suitability

The following types of natural gas projects will be considered for NPAs:

LPP Replacement Projects

All identified LPP projects will be screened for an NPA solution. However, the instances described below may have fewer negative system impacts and a higher chance of a positive BCA, thus increasing the likelihood of progressing to an NPA:

One-Way Feeds	Long one-way segments of leak prone pipe with minimal customers may be suitable for NPA solutions as there is less chance for system reliability concerns associated with the retirement without replacement.
Retirement without Replacement	In situations where gas mains are no longer required for system reliability or to serve customers, National Fuel will seek to abandon facilities in-place as opposed to replacement.
Neighborhoods/ Segments with low customer counts	In National Fuel's system there may be scenarios where individual neighborhoods provide opportunities for NPA solutions without negatively impacting system reliability. This neighborhood approach may provide an opportunity for NPA implementation.

Preliminary Screening Criteria²

Projects identified as potentially suitable for an NPA solution will be subjected to National Fuel's preliminary screening process. This preliminary screening process involves a review of several criteria that will determine if a project should proceed to the evaluation phase.

² The criteria adopted by the Company at this and other stages of the NPA evaluation process are appropriately focused on critical issues such as safety, reliability, risk, etc.; all of which are consistently placed at the forefront of the Company's operation and management of its system on behalf of its customers. If as part of the overall NPA

1. Time Threshold

Projects planned to commence within 18 months of identification will not be evaluated for NPAs.

2. Safety

Projects that address immediate threats to public safety, active leakage (Type I, II, or IIA), priority segments, or active corrosion will not be evaluated for NPAs.

3. System Reliability

Replacement and/or remediation projects required to maintain system integrity & reliability will not be evaluated for NPAs. Replacement and/or remediation projects addressing customer outages due to water issues will not be evaluated for NPAs.

4. Risk

Projects that are considered very high or high risk based on the segment risk score will not be evaluated for NPAs. This number is subject to change based on overall risk reduction throughout the system over time.

5. Subject Matter Expert (SME) Input

An NPA project's likelihood of acceptance, feasibility and viability should be considered when screening projects for potential NPA solutions. Assessing projects with SMEs may offer insights that will advance or deter a potential NPA project.

6. Service Obligation

Replacement projects that have the potential to compromise service obligations to any of National Fuel's customers will not be evaluated for NPA's. Projects that are designed to meet a customer's specific request for new or expanded service will not be evaluated for NPAs.

Analysis of Screened Projects

National Fuel will take a two-prong approach to evaluating projects that have passed the preliminary screening for NPAs. Projects that fall under the cost threshold of \$2 million will be evaluated through an expedited standardized review with a streamlined analysis. Projects that exceed the cost threshold of \$2 million will require a full-scale solicitation of NPA proposals followed by a BCA of potential solution. National Fuel will only proceed with NPA implementation if 100% customer support and participation is achieved.

Dual Track Approach

1. Expedited Standard Review – (Projects <\$2 million)

For projects with an estimated cost less than \$2 million, an expedited review will be completed. A standard evaluation tool will be used to analyze NPA projects for cost-

process the Company is required to take action(s) contrary to these priorities, it disclaims liability for any negative outcomes.

effectiveness. This EXCEL-based model will be based on the Company's most recent BCA Handbook.

2. Full-Scale Solicitation (Projects >\$2 million)

For projects with an estimated cost greater than \$2 million, a more comprehensive review of NPAs will be completed. This review will include issuing a request for proposal ("RFP") to identify and procure NPAs.

Evaluation of BCA and NPA Project Feasibility

It is important to note that the cost-effectiveness tests are not the only criteria National Fuel may consider when evaluating NPAs. As listed below, for both the Expedited Standard Review and Full-Scale Solicitation, multiple factors will be considered to determine if an NPA solution should proceed. These additional criteria will be used to ensure compliance with various policy objectives and reliability needs.

- 1. Cost Effectiveness Tests**
- 2. Safety**
- 3. Environmental Impacts**
- 4. Schedule / Time Requirements**
- 5. Customer Impact & Participation**
- 6. Technical Reliability**

Potential NPA Solutions

National Fuel will consider a number of potential NPA solutions as the company evaluates the BCA and NPA project feasibility. These solutions may include, but are not limited to, the following:

Electrification	Full Electrification - Electric conversions involve meeting the customer's gas needs via a technology that exclusively uses electricity. The application could be a complete replacement of gas heating equipment with electric heat pumps serving the customer directly or to multiple customers through a thermal loop. Hybrid Electrification - Gas reduction via supplementing existing natural gas use to use electricity and/or installation of hybrid equipment capable of operating on electricity or natural gas. Installation of electrical equipment to meet a portion of the customer's gas requirements. The application could be a complete replacement of gas equipment with a hybrid system that can run on electricity or natural gas for an individual customer or in a thermal loop; or installation of electric equipment to supplement and reduce the need to operate an existing gas system.
Energy Efficiency	Gas reduction via an Energy Efficiency program. Energy Efficiency reduces gas consumption at the customer's premises.

Demand Response	Gas reduction via a dispatchable Demand Response program. Demand Response reduces or displaces gas use during specific hours or days. Demand Response is typically available only for limited days in a year and is dispatchable in nature. The operational objective of the Demand Response determines how it may contribute to various benefit and cost categories.
Renewable Natural Gas / Hydrogen / Certified Natural Gas	Incremental, baseload supply via an on-system RNG supply project or other alternatives such as hydrogen or certified natural gas. RNG production produces energy by using organic feedstock that would otherwise typically be deposited in a landfill or emissions at farms that would directly enter the atmosphere as methane. The RNG or hydrogen solution can create an ongoing dispatchable supply of energy that reduces the need to use traditional sources of natural gas or the need to install new infrastructure.
Other	Moving forward there may be other NPA technologies or methods that can be considered for implementation.

NPA Project Implementation

Customer Outreach

Customer and community outreach and education will be critical to the successful implementation of any NPA. As NPA projects progress beyond the analysis stage, and scope, schedule, and customer impacts are identified, National Fuel will share this information with the affected stakeholders to solicit input and feedback. To that end, National Fuel will include information relative to NPAs on the Gas Planning portion of its website. The website will include any RFPs the Company issues for potential NPAs, including maps showing the location of the potential NPA and data that will enable energy developers to pursue demand-side solutions, such as peak hourly gas reduction requirements and pressure-related information. The website will also have functionality to allow developers to contact the Company regarding RFPs and potential NPA projects.

Capital Budget

National Fuel's LPP replacement budget is based on historical spending, contractor pricing and forecasted LPP replacement projects. The budget is determined based on an average forecasted cost per mile for the annual targeted LPP replacement mileage. The program identifies and prioritizes replacements based on risk, controlling leak rates, reducing emissions, and maintaining the overall reliability of the distribution system. Costs associated with the NPA project will be considered capital expenditures. National Fuel will use preliminary expenditure requests for tracking costs associated with potential NPAs on the LPP replacement budget. These costs will be accounted for in budget forecasts to the extent that they may increase or decrease the cost per mile.

Project Tracking

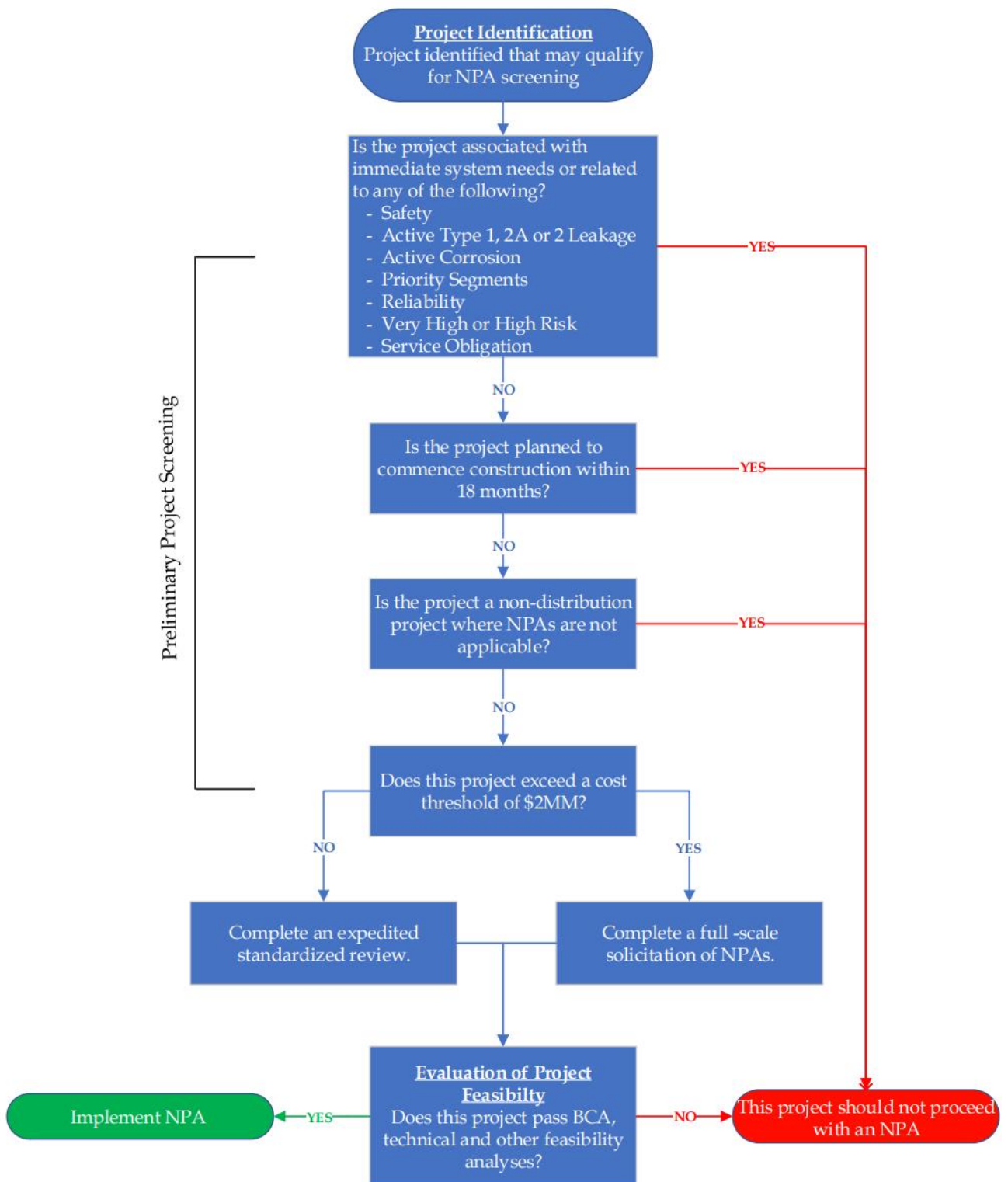
NFG will document and track projects that have passed the preliminary screening process and have undergone feasibility analysis for an NPA. As projects may proceed to implementation, metrics will continue to be tracked and documented.

Information to be tracked may include:

- Evaluation Date
- Project Specific Information (Cost Estimates, Customer Count, Energy Usage, Scope)
- Evaluation Results (SCT, UCT, RIM scores)
- NPA expenditures (Internal and external spending)

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Non-Pipes Alternatives Process Flowchart



Appendix C: Blank NPA Letter

Date

[Customer Name]
[Customer Address]
[Customer City, State, Zip]
[Customer Account Number]

National Fuel is considering removal of the natural gas pipeline system serving your neighborhood and we need your feedback.

Dear Customer:

As part of the regular review of our pipeline system, National Fuel plans to replace the pipeline serving your neighborhood. However, rather than replacing the system in your area, National Fuel would be interested in whether you would consider alternatives that would allow for discontinuation of gas service (known as a “Non-Pipe Alternative” or “NPA”). This effort complies with the New York Public Service Commission’s (PSC) directive toward meeting State mandated emission reduction goals.

Please understand that, at this time, we are only attempting to gauge customer interest in alternatives to gas service and ask you to consider the following options.

Potential Options

(1) Electrify Your Home:

This option would involve abandonment of the pipeline system serving your residence and replacement of the gas appliances in your home with comparable electric appliances at no cost to you. Any increase in your electric utility bills will be your responsibility. Upon decommissioning the pipeline system, National Fuel will be unable to provide gas service in the future.

If there is sufficient interest from affected customers, National Fuel would coordinate with an area HVAC contractor (or contractor of your choice) to review your property, develop a scope of work, and estimate the cost of electrifying your home. This work would include replacement of your gas appliances as well as any electrical upgrades that may be necessary. Note that if you have a natural gas backup generator, it cannot be replaced.

The cost estimates would then be used in a final evaluation to determine if an NPA is feasible. You will be informed of the results of this evaluation regardless of the outcome.

(2) Cash Payment:

As an alternative to the above, National Fuel would offer a “lump-sum” payment, which could be used toward converting to an alternative energy source and replacement of appliances.

Similar to the above, the amount of the lump-sum payment and your choice of alternative energy would be used in a final NPA evaluation to determine feasibility, and you will be informed of the results.

(3) Maintain Existing Service:

This option would require replacement of National Fuel's pipeline infrastructure serving your residence.

This planned replacement is part of National Fuel's normal system maintenance and improvement aimed at providing safe, reliable, and affordable service to our customers. No action would be required on your part and there would be no cost to you.

What's next?

To be clear, there will be no change to your gas service at this time. National Fuel only wishes to gauge customer interest in potential alternatives, and we would value your feedback.

We would appreciate your reply by 14 days from date of letter. Please feel free to contact us if you have any questions or if you would like to discuss these options in more detail. Responses may be made by email SAMPLE_EMAIL@natfuel.com or by telephone at (716) XXX-XXXX.

National Fuel would still like your feedback even if you prefer to maintain your existing gas service. Thank you for your cooperation in this matter.

Sincerely,

Appendix D: NPA Customer Outreach Tracking

NPA Customer Outreach Tracking

Project	Customer Service Address	Customer Response	Comments
Point Peter (Persia)	Customer A	Opposed	Counts on gas appliances/generator.
	Customer B	Opposed	Stated that electric service is not great in area.
	Customer C	Opposed	Has private gas well.
	Customer D	Opposed	Old farmhouse; Counts on gas generator.
	Customer E	Opposed	Electric bill is already too high.
	Customer F	Opposed	Not interested.
	Customer G	Opposed	Not interested.
	Customer H	Opposed	Not interested; doesn't like current NYS Admin.
	Customer I	Opposed	Not interested.
	Customer J	Opposed	Not interested.
	Customer K	Opposed	Not interested.
	Customer L	Opposed	Not interested; doesn't like current NYS Admin.

Project	Customer Service Address	Customer Response	Comments
West Hill (Eagle)	Customer M	Possibly In-favor	Wants to talk to fiancée who is an electrician.
	Customer N	Opposed	Love their gas.
	Customer O	Opposed	Stated their electric bill already tripled in last 2 years.
	Customer P	Opposed	Not interested; doesn't like current NYS Admin.
	Customer Q	Opposed	Not interested.
	Customer R	Opposed	Not interested; doesn't like current NYS Admin.

Project	Customer Service Address	Customer Response	Comments
Stockton (Gerry)	Customer S	Opposed	Not interested.
	Customer T	Opposed	Not interested.
	Customer U	Opposed	Not interested.
	Customer V	Opposed	Prefers to keep their gas.
	Customer W	Opposed	Not interested; doesn't like current NYS Admin.
	Customer X	Opposed	Like their gas.
	Customer Y	Opposed	Not interested.
	Customer Z	Opposed	Not interested; doesn't like current NYS Admin.

Appendix E: NPA Customer Email Responses

NPA – NFG Customer Email Responses

“I am a resident of [REMOVED]. I received a letter from National Fuel to gauge interest in discontinuing our gas service.

I am AGAINST any change. My house is heated with gas, I cook with gas, my dryer is gas. It is clean and efficient. Electric is very expensive and I cannot bear the burden of extra expenses in my budget as I am a widow. I ask you to please make repairs as needed to the pipeline and continue to provide us with natural gas.” – NFG Customer

“To whom it may concern,

I have received the survey dated December 8th and I want to express my hard NO THANK YOU to the removal of the gas line serving my neighborhood.

I have no interest in electrifying my home or receiving a cash payment. I have a completely gas serviced residence meaning heat, hot water, cooking, clothes dryer, pool heater are all gas fired and I am considering a backup generator as well. I do not wish to convert to electric or any other energy source!!!

Please inform the PSC (Kathy Hochul) that I will not be bullied into accepting their nonsense of electrifying New York, especially not my house.” – NFG Customer

“Hello - I received your letter in the mail.

I wanted to let you know that option 3 is my choice. If you take away my natural gas supply I won't be able to afford my electric bill. It has already tripled in the last 2 years with no changes to things in my house and I can't imagine what it would be without natural gas heating my home.” – NFG Customer