



National Fuel®

M-2026-3059585

April 13, 2026

DATE OF DEPOSIT

APR 14 2026

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

PA Public Utility Commission
Secretary's Bureau

**RE: Chapter 62.111(c)(5) Licensing Requirements for Natural Gas Suppliers
Bonds or Other Security - - NGDC Annual Reporting**

Dear Secretary Chiavetta:

Pursuant to 52 Pa. Code, Chapter 62, § 62.111, National Fuel Gas Distribution Corporation ("National Fuel") is required to file an annual report with the Secretary no later than April 30 of each year providing information for the prior calendar year. This report is for calendar year 2024.

Should you have any questions concerning the above, please contact me at 716-857-7210.

Acknowledgement hercof is desired, and duplicate letters are enclosed with self-addressed, stamped envelope for that purpose.

Regards,

Alicia Miliotto
Senior Lead - Credit
Credit and Receivables Management

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PA Public Utility Commission
Secretary's Bureau

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ANNUAL SECURITY REPORTING

**REPORT TO THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Report Date: April 13, 2026

REPORTING PERIOD: January 1, 2025 – December 31, 2025

Prepared by:
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I. **Criteria used to establish the amount of security an Applicant must post to be granted a license by the Commission**

Pursuant to 66 Pa. C.S. § 2208 (c), an applicant for a natural gas supplier (NGS) license in the Commonwealth of Pennsylvania must furnish security to each utility where the supplier will do business to ensure the financial responsibility of said natural gas supplier. The following is the criteria used to establish the amount of security required.

Applicant's security requirement to serve Pennsylvania customers is dependent on the type of transportation service utilized.

Small Aggregation Transportation Supplier Service (SATS) – Service for natural gas suppliers providing service to small volume customers. If the NGS is applying only for SATS with Purchase of Receivables (POR), there is no separate security requirement for the Applicant as long as the customer pool comprises 100% POR qualified Small Aggregation Transportation Customers (SATC) that will be enrolled in National Fuel's POR program.

For any SATS customers that do not qualify for the POR program, the amount of the security will be determined based on the criteria contained in Appendix A.

Monthly Metered Natural Gas Supplier Service (MMNGS) – Service for natural gas suppliers providing service predominantly to large volume customers. Service under this Rate Schedule is contingent upon the MMNGS Supplier meeting National Fuel's creditworthiness standards. Dun & Bradstreet reports/ratings and other criteria are reviewed initially to determine creditworthiness. If the NGS is not deemed creditworthy based on the initial review, the amount of security required to be posted is determined using the criteria contained in Appendix A.

II. Criteria used to determine licensees' amount of security required to ensure financial responsibility in order to maintain a license

- 1) Licensee had been deemed creditworthy and, by extension, no security deposit required. If a Major Change in Risk occurs thus causing the licensee's creditworthy status to be rescinded, then a security deposit will be required and the amount will be determined using the criteria contained in Appendix A.
- 2) Licensee deemed not creditworthy and currently posting security. Seasonal security requirements are determined using the criteria contained in Appendix A. An increase in the calculated credit requirement, as determined using the criteria contained in Appendix A, will require additional security.

In addition to the seasonal reviews, periodic reviews are provided to determine if the amount of security being held should be increased or decreased based for example on a change in the customers' consumption, the number of customers enrolled, or commodity prices.

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III. **Criteria used to determine that a change in the amount of security is needed for the licensee to maintain a license**

In addition to the referenced Major Change in Risk in Section II, a major change shall mean a change in the calculated credit requirement, as determined using the criteria contained in Appendix A.

If a Major Change in Risk, as described, is caused by any combination of, a change in customer usage, customer enrollments, or energy/commodity prices, and such change is sustained for at least thirty (30) days, then that change will be communicated to Licensee.

If the change is an increase, then an increase in the amount of security is needed for the licensee to maintain a license.

If the change is a decrease, upon notification by National Fuel, the licensee has the option to leave the security unchanged.

IV. Summary of instances where a change in the amount of security was needed for a licensee to maintain its license

**Chapter 63
Title 52, Chapter 63, § 62.111
NGS Security Deposit Adjustment
Annual Report
Calendar 2025**

National Fuel Gas Distribution Corporation
6363 Main Street
Williamsville, New York 14221

Report Date: April 13, 2025

Name of Licensee or NGS	Date of Determination	Reason for Determination	Licensee's Response to Determination	Type of Security	Name & Address of Entity Issuing Security	Amount of Security	Date Sec. Posted
<i>§(c)(5)(iv)(A) & (v)(A)</i>	<i>§(c)(5)(iv)(B)</i>	<i>§(c)(5)(iv)(C)</i>	<i>§(c)(5)(iv)(D)</i>		<i>§(c)(5)(v)(B)</i>	<i>§(c)(5)(v)(C)</i>	<i>§(c)(5)(v)(D)</i>
Sprague Operating Resources, LLC	11/20/2025	Change in security requirement from summer to winter period	Provided amendment to letter of credit increasing security amount	Letter of Credit	MUFG Bank, Ltd. New York Branch 1251 Avenue of the Americas New York, NY 10020	\$186,310.00	11/24/2025
TOTAL # of Instances: 1						\$186,310.00	

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V. Appendix A: Security Deposit Calculation Procedures

Marketer Security Deposit

SATC and MMNGS

Volume (CCF) calculation procedures

** Assignments included are **Pending** and **Active**.

If an account is **active** with one marketer and **pending** with a new marketer, the account will be included in the **pending** marketer's calculation.

** In all reporting types, when there is insufficient historical data, previous historical information for that Meter Location is used until the required amount of consumption is obtained. Consumption is measured in CCF. Commodity Rate is in Decatherms, Capacity Rate is in CCF.

** Consumption – per customer basis, round to nearest whole number.

Delivery 60 Day = Sum of the two highest months of consumption in the last twelve months. Multiply by 60 and divide by the actual number of billing days.

Summer Volume = Highest consumption between April 1st and October 31st. Multiply by 10 and divide by the actual number of billing days.

Winter Volume = Highest consumption between November 1st and March 31st. Multiply by 10 and divide by the actual number of billing days.

**** Formulas –**

Delivery Charge = (Transportation amt + Transition amt + Take or Pay amt +
Weather Norm amt + Gross Receipts Tax amt + Sales Tax amt
+ Economic Zone Discount Rate) Rounded to the nearest 100.

Total Summer = (Summer Volume * Commodity Rate)
Rounded to the nearest 100.

Total Winter = (Winter Volume * Commodity Rate)
Rounded to the nearest 100.

Total Summer Security = Sum of the Delivery Charge and Total Summer.

Total Winter Security = Sum of the Delivery Charge and Total Winter.

**** For the Delivery Charge, the Transportation Rate** assigned to each individual account is used, not an average rate.

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UPS CampusShip: View/Print Label

1. Ensure there are no other shipping or tracking labels attached to your package. Select the Print button on the print dialog box that appears. Note: If your browser does not support this function select Print from the File menu to print the label.

2. Fold the printed label at the solid line below. Place the label in a UPS Shipping Pouch. If you do not have a pouch, affix the folded label using clear plastic shipping tape over the entire label.

3. GETTING YOUR SHIPMENT TO UPS
Customers with a Daily Pickup
Your driver will pickup your shipment(s) as usual.

Customers without a Daily Pickup

Schedule a same day or future day Pickup to have a UPS driver pickup all your CampusShip packages.
Hand the package to any UPS driver in your area.
Take your package to any location of The UPS Store®, UPS Drop Box, UPS Customer Center, Staples® or Authorized Shipping Outlet near you. Items sent via UPS Return Services(SM) (including via Ground) are also accepted at Drop Boxes. To find the location nearest you, please visit the Resources area of CampusShip and select UPS Locations.

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FOLD HERE

PENNY DONALDSON 7168577000 NATIONAL FUEL GAS 6363 MAIN STREET WILLIAMSVILLE NY 14221		0.1 LBS LTR	1 OF 1
SHIP TO: ROSEMARY CHIAVETTA, SECRETARY PA PUBLIC UTILITY COMMISSION COMMONWEALTH KEYSTONE BLDG 400 NORTH STREET HARRISBURG PA 17120-0200			
	PA 172 9-24 		
UPS 2ND DAY AIR		2	
TRACKING #: 1Z V31 Y26 02 9304 7715			
			
BILLING: P/P			
Department Number: 1860 Activity Number: 581040			
<small>CS 24.0.04. WNT/NV50 18.0A 04/2026*</small>			

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