



## **New York Public Service Commission Approves New Rates for New York Utility Business**

### ***Three-Year Rate Settlement Approved with No Significant Modifications to the Joint Proposal***

**(December 19, 2024) Williamsville, N.Y.** – National Fuel Gas Distribution Corporation (Distribution), the Utility segment of National Fuel Gas Company (NYSE: NFG) (National Fuel or the Company), today received approval from the New York Public Service Commission (PSC) on the terms of a Joint Proposal filed in Distribution’s rate proceeding resulting in a three-year settlement with new rates commencing January 1, 2025.

The incremental revenues will support necessary investments in Distribution’s pipeline infrastructure and workforce, address the rising cost of operating its gas delivery system, and advance more affordable decarbonization initiatives to comply with state climate goals.

This is the first increase to Distribution’s base delivery rates in New York since 2017 and only the second increase in 16 years. The terms of the Joint Proposal, as approved and modified by the PSC, also include several provisions relating to gas safety and customer service that will provide benefits and protections to customers.

#### *Key Financial Outcomes*

The rate case settlement reflects a rate base of \$1.04 billion (in year one), a return on equity of 9.7%, and an equity ratio of 48% (consistent with the terms outlined in the Joint Proposal filed in September). The settlement also results in an increase in the revenue requirement of \$57 million in fiscal 2025, \$73 million (or increase of \$16 million) in fiscal 2026, and \$86 million (or increase of \$13 million) in fiscal 2027, with a portion (approximately \$13 million per year) relating to the recovery of regulatory assets that were previously recorded to accrue revenues under Distribution’s system modernization trackers. See table below for additional information.

#### *Key Ratemaking Items*

The settlement continues previously existing rate mechanisms such as weather normalization and revenue decoupling, which seek to mitigate the impact of weather and align returns with energy conservation goals and adds a new uncollectible expense tracker for the first two rate years, which will allow Distribution to timely collect customer arrearages that have remained elevated due to policies in place during the pandemic.

The rate increase also allows Distribution to recover costs associated with investments needed to support critical resiliency through our long-standing modernization program, such as a pipeline replacement target of a minimum of 105 miles per year.

## Timing

The settlement includes a make-whole provision which allows Distribution to recover the impact of higher rates from October 1, 2024, when new rates were requested to take effect, through January 1, 2025, when new rates will commence. The recovery of earnings from the make-whole provision will be recognized in fiscal 2025.

## Summary of Key Financial Items

(\$ millions, except as noted)	Current Rates	Approved (New) Rates		
	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027
Revenue Requirement Increase (relative to fiscal 2024)	n/a	\$57.3	\$73.1	\$85.8
Rate Base	\$858	\$1,044	\$1,104	\$1,163
Overall Rate of Return	n/a	7.3%	7.4%	7.5%
Authorized Return on Equity	8.7%	9.7%	9.7%	9.7%
Authorized Equity Ratio	43%	48%	48%	48%

The terms and key financial items from the New York rate case, as outlined above, were incorporated into the Company's previously issued guidance for fiscal 2025.

### About National Fuel Gas Company:

National Fuel is a diversified energy company headquartered in Western New York that operates an integrated collection of natural gas assets across four business segments: Exploration and Production, Pipeline and Storage, Gathering and Utility.

Additional information about National Fuel is available at [www.nationalfuel.com](http://www.nationalfuel.com).

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### Cautionary Statements

Certain statements contained herein, including statements identified by the use of the words "anticipates," "expects," "intends," "plans," "predicts," "projects," "believes," "will," "may," and similar expressions, and statements other than statements of historical facts, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. While National Fuel's expectations, beliefs, and projections are expressed in good faith and are believed to have a reasonable basis, actual results may differ materially from those projected in forward-looking statements. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking

statements: (1) National Fuel's ability to estimate accurately the time and resources necessary to implement new practices; (2) governmental/regulatory actions and/or market pressures to reduce or eliminate reliance on natural gas; and (3) the other risks and uncertainties described in (i) National Fuel's most recent Annual Report on Form 10-K at Item 7, MD&A, and (ii) the "Risk Factors" included in National Fuel's most recent Annual Report on Form 10-K at Item 1A. National Fuel disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof. Because of these risks and uncertainties, readers should not place undue reliance on these forward-looking statements or use them for anything other than their intended purpose.

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