



**National Fuel Gas Company**  
**Q1 2020 Earnings Conference Call**  
**January 31, 2020**

## CORPORATE PARTICIPANTS

**Kenneth E. Webster**, *Director of Investor Relations*

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

**Karen M. Camiolo**, *Treasurer and Principal Financial Officer, National Fuel Gas Company*

## CONFERENCE CALL PARTICIPANTS

**Holly Stewart**, *Scotia Howard Weil*

**Gordon Loy**, *Raymond James*

**Christopher Sighinolfi**, *Jefferies & Company*

**Timothy Winter**, *Gabelli Funds*

**Ryan Levine**, *Citi Research*

## PRESENTATION

### Operator

Welcome to the Q1 2020 National Fuel Gas Company Earnings Conference Call.

At this time, all participants are in a listen-only mode. After the speakers' presentation there will be a question-and-answer session. To ask a question during the session, you will need to press star, one on your telephone. If you require any further assistance, please press star, zero.

I would now like to hand the conference over to our speaker today, Ken Webster, Director of Investor Relations. Please go ahead.

**Kenneth E. Webster**, *Director of Investor Relations*

Thank you, Kenzie, and good morning.

We appreciate you joining us on today's conference call for a discussion of last evening's earnings release. With us on the call from National Fuel Gas Company are Dave Bauer, President and Chief Executive Officer, Karen Camiolo, Treasurer and Principal Financial Officer, and John McGinnis, President of Seneca Resources.

At the end of the prepared remarks, we will open the discussion to questions.

The first quarter Fiscal 2020 earnings release and January investor presentation have been posted on our Investor Relations website. We may refer to these materials during today's call.

We would like to remind you that today's teleconference will contain forward-looking statements. While National Fuel's expectations, beliefs, and projections are made in good faith and are believed to have a reasonable basis, actual results may differ materially. These statements speak only as of the date on which they are made, and you may refer to last evening's earnings release for a listing of certain specific risk factors.

National Fuel will be participating in the Scotia Howard Weil Energy Conference in March. If you plan on attending, please contact me or the conference planners to schedule a meeting with the Management Team.

With that, I'll turn it over to Dave Bauer.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Thank you, Ken, and good morning, everyone.

Overall, the first quarter was a good one for National Fuel. Earnings were right in line with our expectations, and from an operations perspective we continue to execute on the plans we've laid out in prior quarters.

At Seneca, production for the quarter was up nearly 20% over last year. Seneca continues to see excellent results on the Marcellus and Utica wells it brought on production in recent quarters.

Our team has done a great job cracking the code on our Utica Development program, both in the WDA and at Tract 007 in Tioga County. It's also worth highlighting our California oil production which was up about 5% over last year, on the strength of our recent Pioneer and 17N Development programs at Midway Sunset.

Lower natural gas prices are obviously a concern. Earlier this month we dropped a rig and are currently operating two rigs in our Western Development area. Given the challenging pricing environment, as we said in last night's release, we intend to make further reductions in Seneca's activity level in the coming quarters. John will have more to say on Seneca's program later on the call.

Our lower E&P activity level will also lead to a reduction in Seneca-related gathering capital at NFG Midstream. Having said that, as you can see in last night's release, we are raising the midpoint of our gathering capital spending guidance for the year by \$10 million. This increase is driven by capital expenditures related to a new gathering agreement with a third-party producer in the vicinity of our Trout Run system in Lycoming County. This is a nice little project that is expected to add roughly \$5 million to \$10 million per year in third-party revenues starting in Fiscal 2021. It's a great example of how we can optimize our existing assets to generate new growth opportunities.

The first quarter was fairly routine for our regulated businesses. The utility segment continues to perform well with earnings up a penny a share over last year. In the fall, we wrapped up another successful utility construction season and, as we have for the past several years, we continue to allocate capital to the modernization of our system. For the calendar year, our modernization program replaced over 150 miles of older distribution pipeline, including 113 miles in New York where we have a regulatory tracking mechanism that provides us with timely recovery of this rate base investment.

The warmer weather we've experienced in the Northeast will likely lead to lower second quarter earnings in our Pennsylvania jurisdiction where we don't have a weather normalization clause. On a consolidated basis, the impact shouldn't be overly significant. Our customers should see a real benefit from low natural gas prices. We expect winter heating bills will be more than 10% lower than last year.

In the Pipeline and Storage segment, though earnings were down due to the lingering effects of the Keyspan contract expiration, looking to next year and beyond, the outlook for this business is excellent. The Empire North and FM 100 projects will add a combined \$60 million in incremental annual revenue over the next few years. Both projects are proceeding according to plan. Empire North is under construction and on track to be in service late summer or early fall of this year. If FERC stays on its expected timeline, we expect a certificate for the FM 100 project later in the fiscal year.

Supply Corp. continues to work through its rate case before FERC. We've held multiple settlement meetings with parties, and I'm optimistic we'll reach a settlement.

Our balance sheet is in great shape, and our reduction in spending at Seneca will help ensure it stays that way. Just recently, S&P affirmed our investment grade credit rating and maintained a stable outlook on our credit. In the near term, we expect a modest outspend as we build the Empire North and FM 100 projects, but beyond that we should be generating significant free cash flow.

2020 is looking to be a challenging year for natural gas producers, but National Fuel is well-positioned. We are financially strong, and our integrated yet diversified business model provides a large measure of stability to earnings and cash flows. Looking to the future, though we're slowing the pace of our E&P program to match the reality of natural gas prices, our regulated segments remain on track to see meaningful growth.

With that, I'll turn the call over to John for an update on Seneca's operations.

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

Thanks, Dave, and good morning, everyone.

Seneca had a solid first quarter. We produced 58.4 Bcfe, an increase of around 19% compared to last year's first quarter, and a slight decrease quarter-over-quarter. While we continued to see strong operational results with drilling and completion activity on our recent pads coming in ahead of schedule, given the current natural gas price environment, we're reducing our Fiscal '20 activity level and associated capital.

As Dave mentioned, this last week we dropped one of our rigs after drilling a four-well Utica pad in Tioga County. We now have two rigs operating in the basin, both of which are in the WDA. Additionally, during last quarter's earnings call we discussed the possibility of a further reduction in activity should prices not rebound during the winter. Obviously, prices have not rebounded and, in fact, have continued to decline. As a result, we are now planning to drop a second rig this summer and defer some of our EDA completion activity into the next fiscal year.

We are lowering our Fiscal '20 cap ex guidance around \$42 million, or 10% of the midpoint, to now range between \$375 million to \$410 million. This reflects approximately \$100 million reduction, or 20%, in Seneca's expected Fiscal '20 capital expenditures versus 2019 levels. Because this further activity reduction will occur relatively late in our fiscal year, we do not expect to see a significant production impact in Fiscal '20.

As to production timing, last quarter I had mentioned that we expected to see increases during our second and fourth quarters. We still expect to see increased production in our second quarter, as we turned in line 12 wells in late January and expect to turn in line another 6 wells later next month. However, by deferring some EDA completion activities into next year, we now expect to see flat to slightly declining production during our third and fourth quarters. Overall, our production guidance for Fiscal 2020 remains unchanged, with our strong first quarter results largely offsetting our lower production expectations in Q4.

Moving to our marketing and hedging portfolio, we will remain well-positioned for the remainder of the year. We have approximately 102 Bcf, or 60% of our remaining Fiscal '20 East Division gas production locked in physically and financially at a realized price of \$2.28 per Mcf. We have another 43 Bcf of firm sales providing basis protection, so over 85% of our remaining forecasted gas production is already sold.

In California, we produced around 600,000 barrels of oil during the first quarter, an increase of around 5% over last year's first quarter. This increase was due primarily to our recent drill activity in both Pioneer and 17N, both located within our Midway Sunset field. These properties are now producing around 800 barrels a day, and as we look out for the remainder of Fiscal '20 we expect Q2 oil production to be down modestly from our Q1 production level and relatively flat thereafter.

Finally, over 70% of our oil production for the remainder of the year is hedged at an average price of around \$62 per barrel.

With that, I'll turn it over to Karen.

**Karen M. Camiolo**, *Treasurer and Principal Financial Officer, National Fuel Gas Company*

Thank you, John, and good morning, everyone.

National Fuel's first quarter operating results were \$1.01 per share, down \$0.11 per share quarter-over-quarter. Lower natural gas price realizations were the largest driver of the decrease. In addition, the expiration of the significant contract on our Empire Pipeline late in last year's first quarter and an increase in our effective tax rate contributed to the drop in earnings.

Our higher effective tax rate was driven by two factors. As mentioned on previous calls, the enhanced oil recovery tax credit that was in place last year is no longer available due to the current crude oil prices. Second, the difference between the book and tax accounting rules on expensing of stock-based compensation grants can lead to effective tax rate impacts on the periods in which they settle. Last year we had a large favorable impact resulting from this, which did not recur this year.

Looking to the remainder of the year, our earnings guidance has been revised downward to a range of \$2.95 to \$3.15 per share, a decrease of \$0.10 at the midpoint. This is primarily related to the reduction in our natural gas price outlook, which now reflects a \$2.05 per MMBtu NYMEX price and \$1.70 per MMBtu Appalachian spot price assumption for the remainder of the year. This is partially offset by stronger first quarter pricing and production relative to our expectations. The remainder of our major guidance assumptions are unchanged.

Given that our earnings guidance range is based upon the forward strip at a given date and the recent volatility in commodity prices, I'll provide some earnings sensitivities for your reference. A \$0.10 change in NYMEX pricing would change earnings by \$0.04 per share; a \$0.10 change in spot pricing would impact earnings by \$0.02 per share. And, a \$5.00 change in WTI oil pricing would also impact earnings by \$0.02 per share.

On the capital side, taking into account our reduced activity level, our new consolidated guidance is in the range of \$695 million to \$785 million, a decrease of approximately \$33 million at the midpoint.

With our revised earnings projections and lower capital spending plan for the year, we now expect the funds from operations and capital expenditures to be roughly in line with each other. Adding our dividend, we expect a financing need of approximately \$150 million for the full year. We started the year with nearly \$700 million of liquidity available under our revolving credit facility and would plan to use that as the first source of financing. Given the favorable conditions in the capital markets, we will remain opportunistic as it relates to long-term financing needs and nearer term maturities.

As John and Dave said, operationally, things are moving along in line with expectations. While natural gas prices are challenged, financially we are in a good spot to weather this period of low commodity prices and remain flexible to take advantage of opportunities when they are available.

With that, I'd like to turn the call over to the Operator for questions.

**Operator**

At this time, I would like to remind everyone, in order to ask a question, please press star, then the number one on your telephone keypad. Again, that is star, then the number one on your telephone keypad.

Our first question comes from the line of Holly Stewart with Scotia Howard Weil. Your line is open.

**Holly Stewart**, *Scotia Howard Weil*

Good morning, all.

**Karen M. Camiolo**, *Treasurer and Principal Financial Officer, National Fuel Gas Company*

Good morning.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Hi, Holly.

**Holly Stewart**, *Scotia Howard Weil*

Maybe start, John, with the rig reduction and just help us think through—I think you mentioned in your prepared remarks about fiscal third quarter and fourth quarter sort of flat to declining volumes. Can we just—or maybe give us a little bit of color on the one rig program as we approach the end of Fiscal 2020? I know you guys have a decent amount DUC inventory, but maybe the balance between those two things given that I don't believe that one rig could probably hold production flat?

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

No. You're right; it takes one to two rigs in terms of how we view our maintenance mode. But, you're right, Holly; as we have built up a DUC count. I think we are currently at 14. By the time we drop that second rig, we will be just above 30 DUCs, so we will...

**Holly Stewart**, *Scotia Howard Weil*

Wow. Okay.

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

Yes. Over the next year or so, depending on what gas prices do, we'll just pace that appropriately, which is why we're deferring some of our completion activity into next fiscal year.

**Holly Stewart**, *Scotia Howard Weil*

Okay. It wouldn't be appropriate then to just assume—extrapolate, I guess, that one rig program in Fiscal '21?

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

No. We've built up a fairly decent DUC count, and so we'll keep that one rig. We'll certainly look into Fiscal '21, depending on what gas prices do, we'll obviously begin to reconsider how we look going forward.

**Holly Stewart**, *Scotia Howard Weil*

Yes. Okay. Perfect. That's super helpful. Then maybe just generally about production shut-ins. Is there anything in the 2020 guide for production shut-ins? I know that you guys have, when gas prices have fallen significantly, have certainly pivoted quickly and shut in production volumes, so just trying to think through the guidance and then how you're thinking about that currently.

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

Yes. Our first quarter we had a little bit of curtailment in October; I think it was 0.7 Bcf in that. In terms of our guidance, we are not forecasting any other curtailments.

**Holly Stewart**, *Scotia Howard Weil*

Okay. Then maybe just, I'm sorry, one more for John. Maybe just, John, big picture; I know you and I have talked about your interest in M&A given the market here today and assuming that Northeast PA is a potential target for you guys. As you think about that market and knowing NFG is a very integrated story, are there positions in that area right now that are free of Midstream commitments that would interest you?

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

From that perspective, there hasn't been a lot of change since the last quarter, but, Holly, as we talked many times, we're always looking for opportunities in the EDA. But we still see the same Midstream attachments that we've seen historically.

**Holly Stewart**, *Scotia Howard Weil*

Okay. That's all I had. Thank you, guys.

**Operator**

Our next question comes from the line of Gordon Loy from Raymond James. Your line is open.

**Gordon Loy**, *Raymond James*



Hey. Good morning, all. Thanks for taking my question.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Good morning.

**Gordon Loy**, *Raymond James*

Kind of the first question I had, kind of following up on Holly, was it seems like the one to two rigs was kind of mentioned as, like, a maintenance level of activity spending, but that's—and so, I guess, given that initially you guys apparently have this buffer of DUCs. Would that kind of trend, as far as maintenance level going forward, be closer to a two-rig program? I guess I'm just trying to think about what that'll translate to in terms of spending going forward.

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

It's a bit early to be discussing Fiscal '21, but having said that, we've just, until recently, been at three rigs, which has allowed us to build this DUC inventory. I do not view going into next year as a maintenance mode, per se. We're looking to keep production generally flat, maybe cap ex at \$350 million range, plus or minus. But I want to make sure or ensure that we're prepared, when gas prices rebound, that we'll be able to react quickly. So, I really wouldn't call this a maintenance mode, per se, but it's more just to pull back and wait until we see gas prices improve.

**Gordon Loy**, *Raymond James*

Got it. That makes sense. I guess just to kind of—this may be over simplistic, but your previous guidance was assuming kind of a \$2.40 NYMEX and a two-rig program. Is that kind of where you guys would want to see gas recover to, to kind of go back to maybe two rigs?

**John P. McGinnis**, *President, Seneca Resources Company, LLC*

No. I think it would have to be a bit better than \$2.40. I think we would begin to have that conversation if we saw the \$2.50 to \$2.75 range, and those were volumes that we could hedge. I think \$2.40 would still be a bit light.

**Gordon Loy**, *Raymond James*

Got it. Then, sorry, just one more question. I guess, so we were trying to figure out—you guys had previously mentioned, like, a 10% CAGR in terms of gathering revenue. We were just trying to figure out if you guys have any adjustments to that given kind of the shift in terms of your activity level, and kind of what that'll mean going forward.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Well, it should generally follow Seneca's production cadence, but then layer on top of that the third-party opportunity that we had that, again, is in the, call it, \$5 million to \$10 million annual range.

**Gordon Loy**, *Raymond James*

Okay. That makes sense then. That's all I had.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes.



**Operator**

Our next question from the line of Chris Sighinolfi with Jefferies. Your line is open.

**Christopher Sighinolfi, Jefferies & Company**

Hey, good morning, guys.

**David P. Bauer, President and Chief Executive Officer, National Fuel Gas Company**

Hey, Chris.

**Christopher Sighinolfi, Jefferies & Company**

I wanted to also follow up on, I guess, previous questions. If I look, maybe to inform what I'm asking about, if I look at your slide presentation you guys published last night, Slide 8; on the right-hand side of that you have sort of the forecast of gross production trend and then built up with it the physical elements of your portfolio in terms of takeaway and security of flow. John, I'm just curious; if we think about that, then is the sort of flattish line that we see throughout much of calendar '21 just that idea of completing those DUCs, but maybe keeping the one rig program and using the DUC inventory to sort of hold that production?

**John P. McGinnis, President, Seneca Resources Company, LLC**

Yes. That's exactly right, Chris. If we didn't have the DUC count, we wouldn't be able to hold our production flat at a one-rig pace.

**Christopher Sighinolfi, Jefferies & Company**

Right. Then I guess, the 30 DUCs that you were talking about with Holly having sort of, anticipate to be in place by the time you drop down to a one-rig program, just out of curiosity, how many pads is that broken across because I'm assuming you'd make a decision around completion on a pad basis.

**John P. McGinnis, President, Seneca Resources Company, LLC**

Yes. Honestly, Chris, I don't know that answer. Let me talk to Ken, and we'll get that back to you. I'm not sure how many pads that includes.

**Christopher Sighinolfi, Jefferies & Company**

Okay. Then is there anything—as I look at this, obviously you've had the wedge here for a while where the idea was let's try to fill in some in-basin firm sales, if prices and those opportunities are appropriate, sort of further de-risk our exposure. Obviously, the wedge is lower now with a lower production profile, but are there other things, John, you can do to maybe pull forward contracts that are in the future at different points, and as sort of your production profile not only is lowered but maybe the location of it has shifted a bit?

**John P. McGinnis, President, Seneca Resources Company, LLC**

Yes. Some of our fixed-price deals, we can certainly push those around, depending on what pipe we need them on. But we're not going to be pulling forward, I guess, futures pricing into at least within this fiscal year. I just don't see us doing that.

**Christopher Sighinolfi, Jefferies & Company**

Into Fiscal '20, yes?

**John P. McGinnis, President, Seneca Resources Company, LLC**

Exactly. Yes. Exactly.

**Christopher Sighinolfi, Jefferies & Company**

But where that wedge exists perhaps in '21, that's an option you'll look to, depending on what's available, perhaps?

**John P. McGinnis, President, Seneca Resources Company, LLC**

Absolutely. Yes.

**Christopher Sighinolfi, Jefferies & Company**

Okay. I guess staying on this Slide 8 and following up on the previous question, if I look at the left side of this slide, where you have the reduction, the 2020 guidance obviously includes half the fiscal year at a two-rig program, and you sort of noted what a rig costs on an annual basis. But I'm just curious; the completion side of it, are you seeing benefits there or, as a lot of producers in the region scale back, or should we just look at prior comments about completion costs and sort of extrapolate from there what the budget might be?

**John P. McGinnis, President, Seneca Resources Company, LLC**

Actually, in December we saw significant reduction, both in our rig rates and what we're paying on the completion side. On the completions side we saw almost up to 20% reduction. But those are baked into a lot of our guidance already. I don't see us being able to drive that down further. I'm not sure I want to. I want to make sure we keep this rig crew busy, and that they don't head out to another basin. But having said that, we've seen a lot of that reduction already, and we will keep a rig crew busy through the remainder of this year.

Okay. All right. If I could just one final question; Dave, you had mentioned the third-party gathering opportunity—I believe it was in the EDA and modest amount of capital, which sort of implies that you're leveraging some iron in the ground or steel in the ground already. I'm just curious; I hadn't seen this from you guys in a while. What's that opportunity set like? Are your commercial teams out there sort of hunting across the basin for these opportunities? Is that something that sort of came to you given installed capacity located close to where this operator is operating? Can you just give us a sense of how it came to be and what the opportunity set might be?

**David P. Bauer, President and Chief Executive Officer, National Fuel Gas Company**

Yes. It's really both, right, where we try to keep relationship with producers in and around our acreage and try to leverage our existing investment. In this case, we were dealing with state lands, and it was just far cheaper and efficient to build onto our system than to cut through the forest.

**Christopher Sighinolfi**, *Jefferies & Company*

Then I guess the modest capital pickup for Fiscal '20, does that have an extension into '21? Should we expect some spending modestly on this arrangement as well?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. That'll be—it's really modest.

**Christopher Sighinolfi**, *Jefferies & Company*

Okay. All right. Well, thanks a lot for the time this morning, guys. Appreciate it.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

You bet.

**Operator**

Our next question comes from the line of Tim Winter with Gabelli. Your line is open.

**Timothy Winter**, *Gabelli Funds*

Good morning, guys. Thanks for taking my question.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Good morning.

**Timothy Winter**, *Gabelli Funds*

Going back to big picture with the political challenges in the state and sort of the view toward natural gas in New York and now surrounding states, do you guys consider branching out into other states or maybe getting into the renewable development business or evolving some of the business into some business with less political challenges?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. Certainly, if you look at the way we're spending our capital on the pipeline side, most of our future spending is in Pennsylvania as opposed to New York. As we've said on other calls, we're always looking at different opportunity sets, whether it be on the gas side or other businesses. I guess at this point I don't really have anything to comment on beyond that, but we're always mindful of other opportunities.

**Timothy Winter**, *Gabelli Funds*

Okay. Has the change in drilling activity and the sort of ongoing low gas prices impacted your interest or the economics of building the Northern Access pipeline?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. Well, the biggest challenge we face on Northern Access in the near term is on the litigation front. We're going to wait for that to play itself out. Right now, the DEC has sued FERC in U.S. Court and that

proceeding is going to play out into, call it, the middle to second half of 2021. So, that's, in the near term, the biggest challenge. But then, I mean, you're certainly right; with prices where they are and the reduction in Seneca's program, having a delay in that project is not the worst thing in the world.

**Timothy Winter**, *Gabelli Funds*

Okay. Thank you.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

You bet.

**Operator**

Our next question comes from the line of Ryan Levine with Citi. Your line is open.

**Ryan Levine**, *Citi Research*

Good morning.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Good morning.

**Ryan Levine**, *Citi Research*

What are your current thoughts around your leverage targets in this environment as you go out a couple of years, and what're your plans around the refinancing in two to three years?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. Our intent is to remain investment-grade credit. Our leverage ratios are well within the yard sticks or goal posts, whatever analogy you want to use, of what the agencies have laid out for us. With bringing Seneca's spending in, that business should be—is not going to be generating any sort of outspend, so the growth and leverage overtime is going to be linked mostly to the pipeline side of our business. We have two good-sized projects that'll be built this year and then, next year, it'll cause our leverage to tick up modestly. Then after that, even at strip pricing, we should be generating really meaningful free cash flow thereafter.

**Ryan Levine**, *Citi Research*

If production or gas prices were to deteriorate further, what levers would you be prioritizing to achieve that investment grade?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Well, I think it would be mostly on the E&P capital side, further scaling back our activity.

**Ryan Levine**, *Citi Research*

Okay. Then I guess last one on that thought is, in terms of the distribution or dividend policy, what are the longer-term outlooks there, and how you continue to—or I guess you reiterated stable and growing dividend in your press release and presentation; should we read into anything of like that?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. As we've said in the past, we generally view our dividend in light of the earnings of our regulated businesses, and so, if you look over time, between the modernization programs and modest customer growth on the Utility side and the bigger pipeline projects on the FERC-regulated jurisdictions, we'd see earnings in those business continue to grow and continue to fund an increase in our dividend.

**Ryan Levine**, *Citi Research*

Okay. Then last question for me, in terms of the gathering cap ex increase, can you comment on a build multiple associated with that spend?

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. For competitive reasons, I guess I'd prefer not to. It's really not a large amount of capital, as you can see from the release, and we gave you the revenue guidance.

**Ryan Levine**, *Citi Research*

Okay. Understood. Thank you.

**David P. Bauer**, *President and Chief Executive Officer, National Fuel Gas Company*

Yes. You bet.

**Operator**

This concludes the Q&A session for today. I will now hand the call back to Ken Webster for closing comments.

**Kenneth E. Webster**, *Director of Investor Relations*

Thank you, Kenzie. We'd like to thank everyone for taking the time to be with us today. A replay of this call will be available at approximately 3:00 PM Eastern time on both our website and by telephone, and will run through the close of business on Friday, February 7. To access the replay online, please visit our Investor Relations website at [investor.nationalfuelgas.com](http://investor.nationalfuelgas.com), and to access by telephone dial 1-800-585-8367 and enter Conference ID number 8154487.

This concludes our conference call for today. Thank you and goodbye.

**Operator**

This concludes today's conference call. Thank you for your participation. You may now disconnect.