

National Fuel Files for Year Four of Conservation Incentive Program

(June 30, 2010) Williamsville, N.Y.: National Fuel Gas Distribution Corporation's New York division, the natural gas utility serving approximately 500,000 customers in Western New York, announces that it has filed a request with the New York State Public Service Commission to approve a plan for extending the Utility's Conservation Incentive Program (CIP) for its fourth year, beginning Dec. 1, 2010.

The CIP includes money-savings rebates for residential and non-residential customers for purchasing high-efficiency natural gas equipment. It also offers free weatherization services for qualifying low-income households.

National Fuel is committed to helping its customers conserve energy and save on heating costs. In 2007, National Fuel was the first natural gas utility in New York State to offer customers a comprehensive, multi-million dollar conservation and energy efficiency program designed to provide more efficient housing and lower gas costs for customers. Since its inception, National Fuel's CIP has provided:

- Over 45,000 rebates, totaling more than \$8 million, to customers who installed energy-efficient gas appliances and other equipment;
- Over 1,500 qualifying low-income households with energy efficiency funding at an average cost of \$4,000 per household;
- CIP customers with experienced measured drops in usage and heating systems savings of approximately 12 percent of annual consumption; and
- Added and preserved jobs for local heating contractors, appliance retailers and energy service companies.

Rebates are still available for qualifying equipment for year three of the CIP through Nov. 30, 2010. Equipment purchased and installed on Dec. 1, 2009, or after, must be eligible based on the charts listed on the following pages in order to qualify for a rebate. Visit www.NationalFuelForThought.com for those requirements.

Details on Rebates for Residential Customers: The CIP offers residential customers in National Fuel's Western New York service area rebates when they replace specified appliances with new, energy-efficient models and install an Energy Star®-rated programmable thermostat.



Rebates are available for the following items:

| Equipment | Required Minimum Efficiency | Rebate Amount |
|---------------------------------------------------------------------------|-----------------------------|---------------|
| Space Heating | | |
| Hot Air Furnace | 90% AFUE* | \$300 |
| Hot Air Furnace w/ ECM** | 90% AFUE | \$400 |
| Hot Water Boiler | 85% AFUE | \$400 |
| Steam Boiler | 81% AFUE | \$200 |
| Programmable Thermostat (in conjunction with a furnace or boiler upgrade) | Energy Star®- rated | \$25 |
| Water Heating | | |
| Indirect Water Heater | N/A | \$300 |

*AFUE stands for annual fuel utilization efficiency, which is the most widely used measure of a furnace's heating efficiency. It measures the amount of heat actually delivered to a house compared to the amount of fuel that must supply the furnace. **ECM stands for electronically commutated motor.

Please Note: Some requirements apply. Visit www.NationalFuelForThought.com to learn more.

Details on Rebates for Non-Residential Customers: Rebates are available for small, non-residential customers whose facilities use less than 12,000 Mcf (thousand cubic feet) of natural gas per year for upgrading to more energy-efficient equipment. These customers can choose from one of two rebate options:

- **Fixed (Pre-Qualified) Rebate** – Fixed rebates available on pre-qualified equipment. The list below summarizes the types of equipment and rebates associated with upgrades to those items that are now being offered as part of the CIP.
- **Customized (Performance-Based) Rebate** – Rebates are determined on a case-by-case basis, based on the results of an energy-use analysis.

Fixed rebate requirements for select natural gas appliances include:

| Equipment | Required Minimum Efficiency | Rebate Amount | | | |
|------------------|-----------------------------|---------------|------------------------------|--------------------------------|-------------------------|
| | | (<300 kBtuh) | (300-499 kBtuh) | (500-1,000 kBtuh) | (>1,000 kBtuh) |
| Hot Air Furnace | 90% AFUE | \$500 | N/A | N/A | N/A |
| Hot Water Boiler | 85% AFUE | \$600 | \$750 | \$1,500 | \$2,500 |
| | 90% AFUE | \$1,000 | \$1,500 | \$2,500 | \$3,500 |
| Steam Boiler | 81% AFUE | \$600 | (\$2/kBtuh) \$600-\$1,000 | (\$2/kBtuh) \$1,000-\$2,000 | (\$2/kBtuh) \$2,000+ |

Continued - **Fixed** rebate requirements for select natural gas appliances include:

| Equipment | Required Minimum Efficiency | Rebate Amount |
|-------------------------------|-----------------------------|---------------|
| Space Heating | | |
| Unit Heater | 90% AFUE | \$1,000 |
| Low Intensity Infrared Heater | N/A | \$500 |
| Programmable Thermostat | Energy Star®-rated | \$25 |
| Water Heating | | |
| Storage Tank Water Heater | 0.61 EF | \$150 |
| Tankless Water Heater | 0.78 EF | \$350 |
| Cooking | | |
| Fryer | Energy Star®-rated | \$750 |
| Broiler | 30% AFUE | \$500 |
| Convection Oven | 40% AFUE | \$500 |
| Combination Oven | 40% AFUE | \$750 |
| Steamer | Energy Star®-rated | \$750 |
| Griddle | 45% AFUE | \$500 |

(AFUE) Annual Fuel Utilization Efficiency

(EF) Energy Factor

(kBtuh) 1,000 Btu per hour

The CIP continues to include a non-residential rebate offer for customers whose facilities use less than 12,000 Mcf (thousand cubic feet) of natural gas per year that is not based on a fixed rebate schedule. This program feature is implemented in partnership with the New York State Energy Research and Development Authority (NYSERDA) through its Existing Facilities Program. For these customers, **customized** rebates will be based upon the installed cost for the new equipment and the amount of savings it will generate. As much as 50 percent of the incremental equipment and installation costs, up to \$25,000 per project, is currently offered. Small, non-residential customers interested in customized rebates should call 1-866-NYSERDA, or 1-866-697-3732, to learn more.

Please Note: Some requirements apply to both components of the non-residential rebates available. Visit www.NationalFuelForThought.com to learn more.

The CIP includes free weatherization assistance implemented in partnership with the NYSERDA through its EmPower New YorkSM program. This is a comprehensive, whole-house weatherization program available to qualifying low-income households throughout National Fuel's Western New York service area. Customers who may be eligible for free weatherization assistance through the CIP will be identified by National Fuel and social service providers and referred to EmPower New YorkSM.

To learn more about the CIP or to download residential and/or non-residential rebate applications, visit www.NationalFuelForThought.com or call 1-800-365-3234.

National Fuel Gas Distribution Corporation is the utility segment of National Fuel Gas Company, a diversified energy holding company that is engaged in a number of natural gas-related activities. The Utility provides natural gas service to approximately 500,000 customers in Western New York. Additional information about National Fuel and its customer services is available at www.nationalfuelgas.com or by calling 1-800-365-3234.