

Natural Gas Costs to Go Up Slightly

(October 30, 2009) Erie, Pennsylvania: National Fuel Gas Distribution Corporation has filed a quarterly adjustment to Gas Supply Charges to be effective November 1, 2009. For an average customer using approximately 100,000 cubic feet a year, the adjustment represents an increase of 1.5 percent and will raise the annual bill for a typical residential customer from \$1,004.25 to \$1,019.60. The Gas Supply Charge is the largest portion of a residential customer's monthly gas bill and represents the marketplace price of the natural gas customer's use. These costs are, by law, passed on dollar for dollar, without any mark-up or discount.

According to Sandra James, Assistant Director of Corporate Communications, "This adjustment is necessary to more accurately reflect the price of the natural gas the Company purchases for its customers. The amount is directly related to the actual market price of natural gas during the past three months as well as the projected price of gas that the Company will be purchasing for its customers from now through July 2010. Our next opportunity to adjust Gas Supply Charges is February 1, 2010." For National Fuel's Pennsylvania customers, gas costs are adjusted on a quarterly basis with an annual reconciliation while New York customers experience monthly gas cost adjustments to account for changes in the marketplace price of natural gas.

"Despite this moderate increase in gas costs, customers should see winter bills that are substantially lower than last year," James said. "Rates are nearly 40 percent lower than at this time last year. Assuming a normal winter, customers should experience significantly lower bills compared to last year's higher prices."

"There are things customers can do now to prepare for the months ahead," James added. "We urge customers to take steps to make sure their homes are energy efficient: drafts around doors and windows should be sealed; attics and walls should be well insulated; heating equipment and appliances should be checked to make certain they operate at peak efficiency."

Customers are also encouraged to call the Company now to find out about payment programs and services that may help them. National Fuel offers a Budget Plan that is a simple and no-cost means for customers to level out their bills over a year, which will ease the impact of winter bills. "By enrolling in the Budget Plan, we'll establish a monthly payment amount that represents an average of lower summertime and higher wintertime bills that will reduce the amount customers pay during the coldest months of the year," James explained. The Company also has programs specifically designed for low-income customers. Customers can call 1-800-365-3234 for additional information.

National Fuel serves approximately 214,000 customers in 14 counties in northwestern Pennsylvania.