



National Fuel Files Purchased Gas Cost Projections for Next Winter

(January 2, 2009) Erie, Pennsylvania: National Fuel Gas Distribution Corporation ("National Fuel") has submitted to the Pennsylvania Public Utility Commission ("PUC") its required annual Purchased Gas Cost projection for gas supplies to be purchased August 1, 2009, through July 31, 2010. The company is projecting a decrease in overall gas cost expense totaling \$65,756,600 in this state-required filing. If approved as filed, in August 2009, the bill for a typical residential customer using one hundred thousand cubic feet of natural gas annually would decrease from \$138.48 to \$114.70 per month or by 17.2 percent.

"This projection is based upon a forecast of market prices for gas purchases to be made August 1, 2009, through July 31, 2010," said Nancy Taylor, Senior Manager of Corporate Communications. "We wish to remind our customers that this is just a forecast for prices to be experienced later this year and it must be reviewed and approved by the PUC before becoming effective. Additionally, as required, this forecast for purchased gas costs will be reviewed again in the coming months and may be adjusted further to reflect actual market prices during this winter."

For National Fuel's Pennsylvania customers, gas costs are adjusted on a quarterly basis, in August, November, February and May, to account for changes in the marketplace price of natural gas. In National Fuel's New York service area, gas costs are adjusted on a monthly basis. For all of National Fuel's customers, gas costs are passed on dollar for dollar, without any mark-up or discount.

"Right now, current rates combined with the season's colder temperatures are resulting in bills that can present a hardship for some of our customers. With this year's new income guidelines, more customers than ever before can qualify for help with their heating bills from the LIHEAP program. This federally funded program can provide a minimum of \$300 in assistance to qualifying customers. We urge anyone who is having trouble paying his or her bill to call us at 1-800-365-3234. Our service representatives will work with them to set up a payment plan or refer them to the appropriate agency for assistance," Ms. Taylor added.

National Fuel serves approximately 209,000 customers in 14 counties in northwestern Pennsylvania.