



National Fuel Files Next Winter's Purchased Gas Cost Projection for Customers in Northwestern PA

National Fuel Gas Distribution Corporation has submitted to the Pennsylvania Public Utility Commission (PUC) its required annual Purchased Gas Cost projection for gas purchases to be made beginning August 1, 2010, through July 31, 2011. The company is projecting an increase in overall gas cost expense totaling approximately \$54,014,000 per year in this state-required filing. If approved as filed, in August 2010, the monthly bill for a typical residential customer using ninety five thousand cubic feet of natural gas annually would increase from \$81.45 to \$100.71 per month or by 23.6 percent.

"National Fuel is required by law to shop for the most reasonably priced gas while still maintaining an adequate supply for our more than 200,000 customers during the most severe weather," said Nancy Taylor, Senior Manager of Corporate Communications. "When market prices change, either up or down, we are required to pass those changes on to our customers. The primary reason for this projected increase is the completion of a refund of previous over-collections that is included in current rates. In addition, the market prices for natural gas to be effective beginning in August 2010 are projected to be greater than the market prices for natural gas currently reflected in rates."

Customers are advised that this is just a forecast for prices to be experienced later this year and that it must be reviewed and approved by the PUC before becoming effective. Additionally, upon review, this forecast will be adjusted to reflect actual and more current market prices as the year progresses.

For National Fuel's Pennsylvania customers, gas supply charges are established through annual filings like this and can be adjusted on a quarterly basis, to account for changes in the marketplace price of natural gas. Gas supply charges make up approximately 65 percent of a customer's annual bill and are passed on to customers dollar for dollar, without any mark-up or discount. This differs from delivery service charges, which reflect the company's cost of doing business, and are determined by the PUC. "Although rates are roughly 40 percent lower than last winter, the seasonal colder temperatures are resulting in bills that can present a hardship for some of our 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.