



## **National Fuel Adjusts Purchased Gas Costs for Customers in Pennsylvania**

(April 30, 2008) Erie, Pa.: The Pennsylvania division of the Utility segment of National Fuel Gas Company, National Fuel Gas Distribution Corporation (National Fuel), has announced a quarterly adjustment to Gas Supply Charges effective May 1, 2008. This increase raises the **monthly** bill of a typical residential customer in northwestern Pennsylvania using 100 thousand cubic feet annually from \$123.25 to \$129.83 or by 5.34 percent.

"This increase is the result of two factors. First, the Company has completed its required quarterly reconciliation of Gas Supply Charges. As is the practice for all Pennsylvania utilities, National Fuel projects quarterly natural gas prices and then performs a reconciliation of actual costs against what had been estimated. During the last quarter, real-time market prices exceeded the costs that were being charged to customers. Secondly, as marketplace conditions persist in keeping the price of all energies, including natural gas, at high levels, the Company is forecasting higher natural gas costs to be passed on to customers in the coming months," said Nancy Taylor, Senior Manager of Corporate Communications. National Fuel is required by law to pass any increase or decrease in Gas Supply Charges on to customers dollar-for-dollar with no mark-up or profit.

Pennsylvania utility companies are permitted to update Gas Supply Charges on a quarterly basis to reflect actual changes in market prices and to pass these costs on to customers. Utility companies do not set Gas Supply Charges and are required to pass these costs on to customers on a dollar-for-dollar basis. This differs from the Delivery Service Charges, which represent the utility's cost of doing business and providing safe, reliable service to customers. Delivery Service Charges are regulated by the Pennsylvania Public Utility Commission and have remained the same for National Fuel's customers in Pennsylvania since January 2007.

In addition to the required quarterly filings related to Gas Supply Charges, or purchased gas costs, each year, utilities must submit a projection for Gas Supply Charges for the year. National Fuel's annual forecast, as filed with the Public Utility Commission in February, projected an increase in Gas Supply Charges to be effective August 1, 2008. That forecast remains on file with the Public Utility Commission, but may change before that date in response to market trends.

Customers are reminded that the Utility offers a number of programs to help those who are having trouble paying their bills. To find out more about those programs, customers are invited to call National Fuel at 1-800-365-3234 or visit the Company's Web site at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

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