



National Fuel Files Next Winter's Purchased Gas Cost Projection For Customers In Northwestern PA

(January 2, 2008) Erie, 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, 2008, through July 31, 2009. The company is projecting an increase in overall gas cost expense totaling approximately \$7,617,000 per year in this state-required filing. If approved as filed, in August 2008, the bill for a typical residential customer using one hundred thousand cubic feet of natural gas annually would increase from \$125.50 to \$128.23 per month or by 2.2 percent.

"This projection is based upon a forecast of market prices for gas purchases to be made beginning August 1, 2008, and through July 31, 2009," 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 will 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 and more current market prices as this year progresses."

For National Fuel's Pennsylvania customers, gas supply charges are established through 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 80 percent of a customer's winter 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.

"Right now, current gas costs, combined with the season's 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.