



## **NATIONAL FUEL ADJUSTS PURCHASED GAS COSTS FOR CUSTOMERS IN PENNSYLVANIA**

(July 30, 2010) Erie, Pennsylvania: The Pennsylvania division of National Fuel Gas Distribution Corporation (National Fuel) has announced its annual adjustment to Gas Supply Charges effective August 1, 2010. This increase raises the **monthly** bill of a typical residential customer in northwestern Pennsylvania using ninety-five thousand cubic feet annually from \$76.21 to \$91.74 or by 20.4 percent.

"The primary reason for this increase is the completion of a refund of previous over-collections that has been included in rates for the past year," said Nancy Taylor, Senior Manager of Corporate Communications. "In addition, the market price for natural gas to be effective August 1, 2010 through July 31, 2011 is projected to be greater than the market price for natural gas currently reflected in rates." The Company originally projected a 23.6 percent increase in rates in a state-required filing last January.

National Fuel projects annual Gas Supply Charges each year on August 1 and can then update them through quarterly reconciliation of actual costs against projections. Any necessary updates can be made on November 1, February 1 and May 1. National Fuel is required by law to pass any increase or decrease in Gas Supply Charges on to customers with no mark-up or profit.

All Pennsylvania utility companies update Gas Supply Charges on a quarterly basis, as needed, to reflect actual changes in market prices, and to pass these costs on to customers. The Gas Supply Charge also includes all the charges the Company must pay to transport and store gas for its customers. As a result, the Gas Supply Charges on a customer's bill will never exactly match the spot market price of gas, which reflects only the current daily price of the commodity.

Utility companies cannot control the market price for natural gas and are required to pass these costs on to customers on a dollar-for-dollar basis in the Gas Supply Charge. This differs from the Delivery Service Charge, 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.

Customers are reminded that National Fuel 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 website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

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