



National Fuel Adjusts Purchased Gas Costs For Customers In Pennsylvania

(April 30, 2007) Erie, Pa.: National Fuel Gas Distribution Corporation's Pennsylvania division has announced a quarterly adjustment to gas cost rates effective May 1, 2007. This increase raises the **monthly** bill of a typical residential customer in northwestern Pennsylvania using 100 thousand cubic feet annually from \$113.49 to \$118.30, or by 4.3 percent.

According to Nancy Taylor, Senior Manager of Corporate Communications, "The market price of gas has been driven higher by colder than normal temperatures. National Fuel is required by law to pass any increase or decrease in gas costs on to customers dollar for dollar with no mark-up or profit. This increase also takes into account projected gas costs for the next four months."

Pennsylvania utility companies are permitted to update Gas Supply Charges on a quarterly basis to reflect actual changes in market prices and pass these costs on to customers. Utility companies do not set purchased gas costs 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 National Fuel's cost of doing business and providing safe, reliable service to customers throughout the Pennsylvania service territory.

"This change is expected to have a minimal impact on customers' upcoming bills as customer usage is typically lower in the spring and summer months and follows a winter season when, overall, customer's bills were 21 percent lower than last year, primarily as a result of lower gas costs," Ms. Taylor said.

In February, National Fuel forecast an increase for purchased gas costs in their annual state-required filing, to be effective August 1, 2007. That forecast remains on file with the Public Utility Commission, but may change before that date in response to market trends.

In spite of this year's lower energy bills, National Fuel recognizes that some customers may have trouble paying their bills. Customers are reminded that help is available by calling National Fuel at 1-800-365-3234 to find out about payment programs and available services.

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

Media Contact: Nancy J. Taylor (814) 871-8699