



National Fuel Files Request With PUC For Interim Decrease to Gas Supply Charges

(August 6, 2008) Erie, Pennsylvania: The Pennsylvania division of National Fuel Gas Distribution Corporation has filed a petition with the Pennsylvania Public Utility Commission (PUC) for an interim decrease to Gas Supply Charges to be effective on Commission approval. This decrease would lower the bill of a typical residential customer using one hundred thousand cubic feet of gas annually from \$2,078.42 to \$1,855.65, or by 10.7 percent.

According to Sandra James, Assistant Director of Corporate Communications, "This request comes on the heels of the Company's annual adjustment to Gas Supply Charges that took effect on August 1, 2008, resulting in an overall increase of 33.4 percent. Since the information for that filing was compiled, the market price of natural gas has seen a marked decline, but is still higher than it was a year ago."

Natural gas market prices, as measured by "futures" quoted on the New York Mercantile Exchange (NYMEX) have been extremely volatile over the past month, exhibiting periods of rapid price increases followed by dramatic price declines. The price projections included in the rates established as of August 1, 2008, do not reflect the most recent decline. Therefore, the Company is requesting this interim decrease so that the lower cost can be passed on to customers before the next scheduled adjustment date. Pennsylvania utility companies are permitted to update Gas Supply Charges on a quarterly basis to reflect actual changes in market prices. National Fuel's next opportunity to adjust Gas Supply Charges will be November 1, 2008. Gas Supply Charges are passed along to customers dollar for dollar, with no mark-up or profit to National Fuel.

"Even with this interim decrease, rates will still be up 19.1 percent," Ms. James added, "and we remain concerned about the impact these costs will have on our customers."

Customers are encouraged to call the Company now to find out about payment programs and services that may help them. National Fuel offers a Budget Plan that is a simple and no-cost means for customers to level out their bills over a year, which will ease the impact of these price changes during the winter months. The Company also has programs specifically designed for low-income customers. Customers can call 1-800-365-3234 for additional information.

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