



## National Fuel Announces Annual Gas Cost Adjustment

(July 31, 2007) Erie, Pennsylvania: National Fuel Gas Distribution Corporation's Pennsylvania Division has announced its annual adjustment to purchased gas cost rates, or gas supply charges, to be effective beginning Wednesday, August 1, 2007. This increase will raise the **monthly** bill of a typical residential customer using 100 thousand cubic feet of gas annually from \$118.33 to \$128.99 or by 9 percent.

Utilities in Pennsylvania are required to file annual gas cost adjustments with the Pennsylvania Public Utility Commission and also are permitted to file for quarterly adjustments to account for changing marketplace conditions during the year. Gas supply charges amount to approximately 75 percent of a customer's winter bill and are always passed on to customers without any mark-up or discount.

"In January, when we submitted our required gas costs projection, we estimated that a 5.8 percent increase would take affect in August. That forecast was developed based upon marketplace conditions at the time. Since then, changes in the national forecast for winter commodity prices, combined with adjustments to other components of the gas costs that are passed on to our customers, resulted in an increase of 9 percent," said Nancy J. Taylor, Senior Manager of Corporate Communications.

If gas costs change significantly, utility companies in Pennsylvania are permitted to update rates on a quarterly basis to reflect current market conditions. The Company's next opportunity to adjust gas supply charges will be November 1, 2007.

As the summer months pass, customers are encouraged to prepare now for when colder weather will lead to increased usage and higher bills. Customers can call National Fuel at 1-800-365-3234 to find out about payment programs and available services.

"We realize that summer is not the time customers typically begin to think about higher gas bills," Taylor said. "However, now is a great time to prepare for the cold weather months by enrolling in the Budget Plan. This plan spreads heating costs out over 12 months, or as many months as a customer chooses, making monthly bills more predictable and manageable."

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

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