



National Fuel Adjusts Purchased Gas Costs for Customers in Pennsylvania

(April 30, 2009) Erie, Pennsylvania: The Pennsylvania division of the Utility segment of National Fuel Gas Company, National Fuel Gas Distribution Corporation (National Fuel), has announced a quarterly adjustment to Gas Supply Charges effective May 1, 2009. This decrease lowers the **monthly** bill of a typical residential customer in northwestern Pennsylvania using 100 thousand cubic feet annually from \$127.13 to \$117.16 or by 7.8 percent.

"This decrease is the direct result of a continuing decline in the market price of natural gas," said Nancy Taylor, Senior Manager of Corporate Communications. As is the practice for all Pennsylvania utilities, National Fuel projects quarterly natural gas prices and then performs a reconciliation of actual costs against what had been estimated. National Fuel is required by law to pass any increase or decrease in Gas Supply Charges on to customers dollar-for-dollar with no mark-up or profit.

Pennsylvania utility companies are permitted to update Gas Supply Charges on a quarterly basis to reflect actual changes in market prices and to pass these costs on to customers. "The quarterly updates to Gas Supply Charges also include contracted prices that were locked in last summer when prices were higher than they are now," added Ms. Taylor. "As a utility company, we must plan ahead for colder weather and enter into contracts with our suppliers to ensure that we have an adequate supply of natural gas for our customers during the winter months. Additionally, the Gas Supply Charges also include 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 do not set market gas prices 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 Charges, 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 the Utility 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 Web site at www.nationalfuelgas.com.

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