



National Fuel Files Next Winter's Purchased Gas Cost Projection for Customers in Northwestern Pennsylvania

National Fuel Gas Distribution Corporation has submitted to the Pennsylvania Public Utility Commission (PUC) its required annual Purchased Gas Cost projection for gas purchases to be made beginning August 1, 2012, through July 31, 2013. The company is projecting an increase in overall gas cost expense totaling approximately \$19,732,000 per year in this state-required filing. If approved as filed, in August 2012, the monthly bill for a typical residential customer using ninety five thousand cubic feet of natural gas annually would increase from \$84.87 to \$95.51 per month or by 10.2 percent. In addition, the Company's Monthly Metered Transportation customers, typically large commercial or industrial customers, will also see an increase from \$.23 to \$.31 per thousand cubic feet.

Customers are advised that this is just a forecast for prices to be experienced later this year and that it must be thoroughly reviewed and approved by the PUC before becoming effective. Additionally, upon review, this forecast will be adjusted to reflect actual and more current market prices as the year progresses. No change is being made at this time.

"National Fuel is required by law to shop for the most reasonably priced gas while still maintaining an adequate supply for our more than 200,000 customers during the most severe weather," said Nancy Taylor, Senior Manager of Corporate Communications. "When market prices change, either up or down, we are required to pass those changes on to our customers. The primary reason for this increase is that costs associated with the purchase and transmission of natural gas to be effective beginning in August 2012 are projected to be greater than those reflected in current rates."

For National Fuel's Pennsylvania customers, gas supply charges are established through annual filings like this and can be adjusted quarterly, to account for changes in the marketplace price of natural gas. Gas supply charges make up approximately 60 percent of a residential customer's annual bill and are passed on to customers dollar for dollar, without any mark-up or discount. This differs from delivery service charges, which reflect the company's other costs of doing business (including costs associated with installing and maintaining the local pipeline delivery system), and are determined by the PUC.

"Winter weather and colder temperatures can result in bills that can present a hardship for some of our customers. We urge anyone who is having trouble paying his or her bill to call us at 1-800-365-3234. Our service representatives will work with them to set up a payment plan or refer them to the appropriate agency for assistance," Ms. Taylor added.

National Fuel serves approximately 209,000 customers in 14 counties in northwestern Pennsylvania.