



National Fuel Adjusts Purchased Gas Costs for Customers in Pennsylvania

(July 31, 2009) Erie, Pennsylvania: The Pennsylvania division of National Fuel Gas Distribution Corporation (National Fuel) has announced its annual adjustment to Gas Supply Charges effective August 1, 2009. The adjustment will lower the **monthly** bill of a typical residential customer in northwestern Pennsylvania who uses 100 thousand cubic feet annually from \$117.16 to \$83.74 or by 28.5 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. "Overall rates are down more than 50 percent from rates that went into effect on August 1, 2008." While this decrease is good news, customers are cautioned that National Fuel has no control over the market price of natural gas and that the price can change at any time.

Pennsylvania utility companies are permitted to update Gas Supply Charges on a quarterly basis to reflect actual changes in market prices. Utility companies 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.

"As a utility company, National Fuel must plan ahead for colder weather," Taylor added. "We enter into contracts with our suppliers during the summer to ensure that we have an adequate supply of natural gas for our customers during the winter months. Gas Supply Charges include contract costs as well as 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 match the spot market price of gas, which reflects only the current daily price of the commodity."

Customers are reminded that National Fuel offers a number of programs to help those who are having trouble paying their bills. Information is available by calling the company 1-800-365-3234 or by visiting the corporate Web site at www.nationalfuelgas.com.

National Fuel Gas Company is an integrated energy company with four major segments; its Utility segment, National Fuel Gas Distribution Corporation, serves approximately 214,000 customers in 14 counties in northwestern Pennsylvania and approximately 500,000 customers in western New York.