



MEDIA ADVISORY

National Fuel Responds to PUSH Buffalo's Rejection of the Company's Conservation Incentive Program

(September 17, 2010) Williamsville, N.Y.: National Fuel Gas Distribution Corporation (the "Utility") replied this week to comments from community activist organization People United for Sustainable Housing of Buffalo ("PUSH") in a filing to the New York State Public Service Commission ("PSC"). PUSH demanded the PSC reject National Fuel's filing for a fourth year of its Conservation Incentive Program ("CIP").

The Utility noted since the inception of the CIP in 2007, it has already weatherized 1,500 low-income homes in Western New York and will reach 3,000 homes by the end of 2011. In 2010-11, the CIP, if approved, will spend another \$2.94 million on such improvements, bringing the total spent to more than \$10 million. In addition, the CIP has provided more than 27,000 furnace and water heater rebates to residential customers, as well as equipment rebates to nearly 900 commercial customers.

For 2010-11, the low-income weatherization funding represents 29 percent of an overall \$10.1 million. The rest is fairly allocated towards energy savings outreach and education, and residential and commercial customer appliance rebates.

In response to assertions from PUSH to the PSC that National Fuel should emphasize energy savings to low-income customers, exclusive of other customers, National Fuel's filing states: "This is unfair to all customers who are already paying for CIP, as well as other assistance programs that [the company] offers and which produce lower bills for low-income customers."

National Fuel urges customers to understand the harmful implications if the CIP is altered, delayed or eliminated as a result of PUSH's demands. The Utility strongly opposes PUSH's stance for the following reasons:

- The CIP's objective is to promote energy conservation and efficiency across the service territory for all customers. PUSH's objective is to improve the low-income housing stock on Buffalo's West Side.
- The CIP is a conservation and efficiency program funded by all customers and designed to benefit all customers by reducing natural gas consumption. Therefore, the CIP's funding is allocated to programs in a balanced way and is available to customers across the Utility's service territory.
- The CIP supports jobs for small businesses, including local contractors.
- If the PSC suspends the CIP, jobs could be lost. More so, rebates and free weatherization would no longer be available. All customers would suffer.

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In addition, National Fuel has declined to partner with PUSH and will continue to do so.

“For some time, PUSH has been engaged in a public campaign against National Fuel using demands, ultimatums and misinformation with a stated goal of having National Fuel stop rebates and fund the weatherization of 1000 homes on Buffalo’s West Side,” said Nancy J. Taylor, spokesperson for National Fuel. “We have responded that our CIP already has a strong weatherization element available to *all* National Fuel customers, including those on the West Side. Now, PUSH demands that the PSC reject a sound, fair and effective broad-based conservation program and advocates it be changed into a low-income weatherization program. We wish PUSH well with its efforts to improve the West Side, but we disagree with the group’s effort to suspend the CIP unless or until it is changed into a low-income weatherization program, dictating terms of employment and hiring to weatherization contractors. PUSH’s tactics, approach and way of doing business are not consistent with National Fuel’s or any responsible business. Therefore, we will continue to decline to partner with PUSH. We are aware that our decision to not partner with PUSH may be criticized and misunderstood by some, but we choose our business partners carefully. We only partner with parties when mutual trust exists and that is not the case with PUSH.”

In addition to the CIP, National Fuel also continues to support the Home Energy Assistance Program (“HEAP”), which pays the heating bills of thousands of Western New Yorkers.

HEAP customers can receive regular payments by meeting the household income eligibility requirements, whether or not they pay separately for heat. Emergency HEAP grants provide for additional assistance payments needed to prevent termination of energy service or to restore it. Funding through HEAP is also available for furnace repair and/or replacement. HEAP money is applied directly to customer accounts to help pay their bills.

National Fuel Gas Company is an integrated energy company with \$4.9 billion in assets comprised of the following four operating segments: Exploration and Production, Pipeline and Storage, Utility and Energy Marketing. National Fuel Gas Distribution Corporation, the Utility segment, provides natural gas service to more than 500,000 customers in Western New York. Additional information about the Utility and its customer services is available at www.nationalfuelgas.com or by calling 1-800-365-3234.

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