



National Fuel's Conservation Program Offers Rebates *Customers Eligible for Rebates Beginning November 1, 2007*

(October 31, 2007) Williamsville, New York: National Fuel Gas Distribution Corporation's New York division (the "Utility") today announced that, as part of its Conservation Incentive Program ("CIP"), rebates will be available for qualifying natural gas equipment, beginning with purchases made on or after November 1, 2007.

On January 29, 2007, the Utility submitted to the New York State Public Service Commission ("PSC") a request to re-design and raise its Delivery Service Charges beginning in 2008. As part of that request, the Utility proposed the CIP, which represents a substantial commitment to running extensive programs promoting the benefits of conservation through education, rebate offers and targeted low-income initiatives. On September 19, 2007, the PSC approved the CIP, which allowed National Fuel to then move forward in developing the program in detail. The other issues included in the request filed in January have yet to be decided.

While the materials for the CIP and its components are still being developed, the Utility viewed it important to advise customers now of the rebate effective date so that they could factor that benefit into the purchasing decisions they are now making. Choosing high-efficient energy appliances is always the best option, but can be more expensive. In order to make the decision easier, the Conservation Incentive Program's rebates are designed to offset the cost of purchasing a high-efficiency item when compared to a lower-efficiency model.

For Residential customers in National Fuel's western New York service area, rebates will be available on the purchase of the following items:

	Required Minimum Efficiency	Rebate Amount
Space Heating		
Hot Air Furnace	90% AFUE*	\$300
Hot Water Boiler	85% AFUE*	\$400
Steam Boiler	81% AFUE*	\$200
Programmable Thermostat	ENERGY STAR® - Rated	\$25
Water Heating		
Storage Tank Heater	0.61 EF**	\$150
Tankless Heater	0.78 EF**	\$350



The CIP also includes a non-residential rebate offer for customers whose facilities use less than 12,000 Mcf (thousand cubic feet) of natural gas per year that is not based on a fixed rebate schedule. For these customers, rebates will be based upon the installed cost for the new equipment and the amount of savings it will generate. As much as 50 percent of the incremental equipment and installation costs, up to \$25,000 per project, will be offered. The rebate effective date for qualifying purchases made by non-residential customers is also November 1, 2007. Non-residential customers (with annual usage of less than 12,000 Mcf) should contact National Fuel if they are contemplating the installation of new natural gas equipment or are seeking other ways to improve the energy efficiency at their facility. Non-residential customers will be provided with specific documentation requirements for the rebate program and should contact National Fuel with any questions.

Rebates will be processed beginning on December 1, 2007. Until then, residential customers who purchase qualifying equipment (as of November 1, 2007) should be observant of the following guidelines so that they can keep the documentation they will need in order to complete the application for a rebate:

Purchased item	Required documentation
Programmable thermostat	Receipt; make and model number, UPC (bar code) label from the package (only ENERGY STAR®-rated models qualify).
Furnaces, Boilers and Water Heater	<p>Paid invoice or receipt(s) indicating the Retailer/Contractor name, business address, phone and Federal ID (tax) number.</p> <p>Itemized description of each product, including: Manufacturer, and complete model number. Energy Factor (EF) for natural gas water heaters. AFUE (efficiency) rating for natural gas furnace or boiler.</p> <p>Product installation date.</p>

No rebates will be processed before December 1, 2007, and customers should not submit any information pertaining to their equipment purchase before that date. In the coming weeks, the Utility will provide more information to customers on the CIP, including the rebate applications, to its customers.

National Fuel is an integrated energy company with \$3.8 billion in assets comprising five operating segments: Utility, Pipeline and Storage, Exploration and Production, Energy Marketing, and Timber. The Utility segment serves approximately 500,000 customers in western New York. Additional information about National Fuel is available at www.nationalfuelgas.com.

* AFUE – Annual Fuel Utilization Efficiency is the most widely used measure of a furnace’s heating efficiency. It measures the amount of heat actually delivered to a house compared to the amount of fuel that must supply the furnace.

** EF – The efficiency of a storage water heater is indicated by its Energy Factor (EF). An overall efficiency measure based on the use of 64 gallons of hot water per day, the EF takes into consideration both the transfer of heat to the water from the fuel used, and the standby loss of heat from the water.