National Fuel Pipeline Unit Receives Rate Complaint and Motion for Summary Disposition

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WILLIAMSVILLE, N.Y.--(BUSINESS WIRE)--April 9, 2006--Late Friday, April 7, 2006, National Fuel Gas Supply Corporation ("Supply Corporation"), the wholly-owned interstate pipeline subsidiary of National Fuel Gas Company (NYSE: NFG), learned that the Public Service Commission of the State of New York, the Pennsylvania Public Utility Commission and the Pennsylvania Office of Consumer Advocate filed a complaint and motion for summary disposition against Supply Corporation with the Federal Energy Regulatory Commission ("FERC") under Sections 5(a) and 13 of the Natural Gas Act. In pleadings, the complainants are asking FERC to determine whether Supply Corporation's rates for natural gas transportation service should be reduced. If FERC were to find, after a hearing, that Supply Corporation's current rates should be reduced, then FERC would issue an order establishing the rates that would be applicable to transportation services performed after the date of that FERC order. The complainants also ask FERC to determine if Supply Corporation has the authority to make certain gas sales and to order refunds if appropriate.

"We will vigorously oppose these actions. We believe our rates have been, since their approval more than 10 years ago, fair, reasonable and in the public interest," said David F. Smith, President of Supply Corporation. "In addition, the gas sales called into question have been disclosed to FERC and our investing public for as long as they have been made. The FERC's regulations and our tariff provide for the authority to engage in natural gas sales and we continue to believe steadfastly that we are authorized to make these sales." Smith added, "These filings were just received late Friday, and given that the length of time it will take to resolve these matters is uncertain, it would be premature at this time to predict any future impact on Supply Corporation's business or financial performance."

Supply Corporation comprises the largest portion of the Pipeline and Storage segment of National Fuel Gas Company. The operations of Empire State Pipeline are also part of National Fuel Gas Company's Pipeline and Storage segment, but Empire State Pipeline is not cited in these pleadings. Supply Corporation owns and operates 2,972 miles of natural gas pipelines and 32 natural gas storage fields, including four that are co-owned with non-affiliated companies.

National Fuel Gas Company is an integrated energy company with $3.9 billion in assets comprised of the following five operating segments: Utility, Pipeline and Storage, Exploration and Production, Energy Marketing, and Timber. Additional information about National Fuel Gas Company is available on its Internet Web site: http://www.nationalfuelgas.com or through its investor information service at 1-800-334-2188.

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