

RELEASE DATE: Oct. 5, 2017

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NATIONAL FUEL'S FORECAST FOR 2017-18 WINTER HEATING SEASON BILLS EXPECTED TO BE UP WHEN COMPARED TO THE PAST TWO WINTERS

Customers can still expect low natural gas bills when comparing to years' past

(October 5, 2017) WILLIAMSVILLE, N.Y. – While you may not be thinking about winter yet, National Fuel Gas Distribution Corporation (referred to as National Fuel or the Utility) has its eyes set on the upcoming winter heating season. The outlook for residential bills during the upcoming months of November through March – the winter heating season – is up from the past two winters that featured unseasonably warm temperatures and historically low natural gas commodity prices.

National Fuel, in its annual winter forecast, predicts that customers should expect to pay on average nearly 27 percent more than last winter when a typical customer paid \$464 for the five-month heating season. Assuming this year's winter sees normal average temperatures, a typical residential customer should expect to pay about \$588. An increase was in the making after customers saw the lowest natural gas bills in nearly 20 years in the past two winters thanks to a fortunate combination of mild winter weather and rock-bottom natural gas prices.

“Customers will likely pay more to heat their homes this winter than they did the last two years but that should be expected with back-to-back record warm winters and historically low natural gas pricing,” said Karen L. Merkel, spokesperson for National Fuel. “Higher commodity prices and colder weather add up to an increase in heating costs.”

Nearly all of the natural gas consumed by National Fuel's customers in recent years comes from domestic Northeast production from the Marcellus Shale. This region of New York state benefits in several ways from its prime location close to both Pennsylvania shale gas supplies and to the interstate natural gas pipelines that carry the lower-cost shale gas to local utilities for customer benefit.

National Fuel's customers have been particularly advantaged because of the Utility's access to and contracts with multiple interstate natural gas pipelines that deliver lower-cost shale gas. As well, the Utility contracts for natural gas storage service, which allow supplies to be stored in nearby underground storage fields to help cushion the impact of high demand during cold weather.

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The Company's gas supply management team purchases nearly half of the natural gas that will be used this winter at the best available market prices during the summer months. That gas is then placed into storage and withdrawn in the winter, which helps to meet seasonal and sudden increases in demand while insulating customers from market price fluctuations that other Northeast cities may experience during extended periods of extreme cold when demand for the gas supply is high. On the coldest of winter days, up to 70 percent of National Fuel's gas deliveries may be provided from gas storage service, providing both system reliability and price stability.

Not that long ago, winter heating season bills that capped off at more than \$1,123 was a common occurrence for National Fuel customers in the mid-2000s. A four-year span beginning in 2005 and continuing through 2009 featured residential average bills of more than \$1,000 each year. The difference between then and now can be credited to both the shale revolution resulting from the use of horizontal directional drilling and hydraulic fracturing that untapped domestic resources located across the New York state border. A robust and reliable interstate natural gas pipeline system transports the more affordable energy to local distribution companies (utilities) to serve residential, industrial and manufacturing customers. Without this natural gas infrastructure system, customer bills would be substantially higher as seen in Northeastern states of Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, and Vermont. These states lack the necessary pipeline infrastructure to transport the natural gas supplies from the shale production that Western New Yorkers can credit for lower winter heating season bills.

That said, National Fuel does realize that there are customers who need some help when it comes to heating costs. Numerous programs are available to help individuals who struggle to make their payments, and the Utility encourages its customers to contact a customer assistance representative to discuss their personal situation. For customers who want to have level, predictable month gas payments this winter, National Fuel suggests budget plan billing as a way to stabilize monthly heating bills. Information is available on the Utility's website at www.nationalfuelgas.com.

The federally-funded **Home Energy Assistance Program (HEAP)** provides payment-challenged families and individuals with financial assistance on a first-come, first-served basis, based on income guidelines. HEAP will open across New York state in mid-November. Visit www.HEAPhelps.com or contact 1-877-443-2743 to check eligibility.

A quick call to customer service can provide information on the following programs: **Neighbor For Neighbor Heat Fund** is open year round and helps qualified customers, aged 55 years or older, or have a certified medical condition, or are disabled, or are currently receiving unemployment benefits or are a veteran, to prevent an energy emergency; a **Deferred Payment Agreement** allows the potential to negotiate a repayment plan in the event of a problem or special circumstance; **Special Protections** is applicable for households where all residents are aged 62 years or older, 18 years or younger, blind or disabled. Customer assistance is available each weekday from 7 a.m. to 6 p.m. by contacting 1-800-365-3234.

National Fuel Gas Distribution Corporation is the Utility segment of National Fuel Gas Company, a diversified energy company that is engaged in a number of natural gas-related activities. The Utility provides natural gas service to approximately 740,000 customers in Western New York and northwestern Pennsylvania. To learn more about natural gas safety, visit www.NationalFuelGas.com.

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