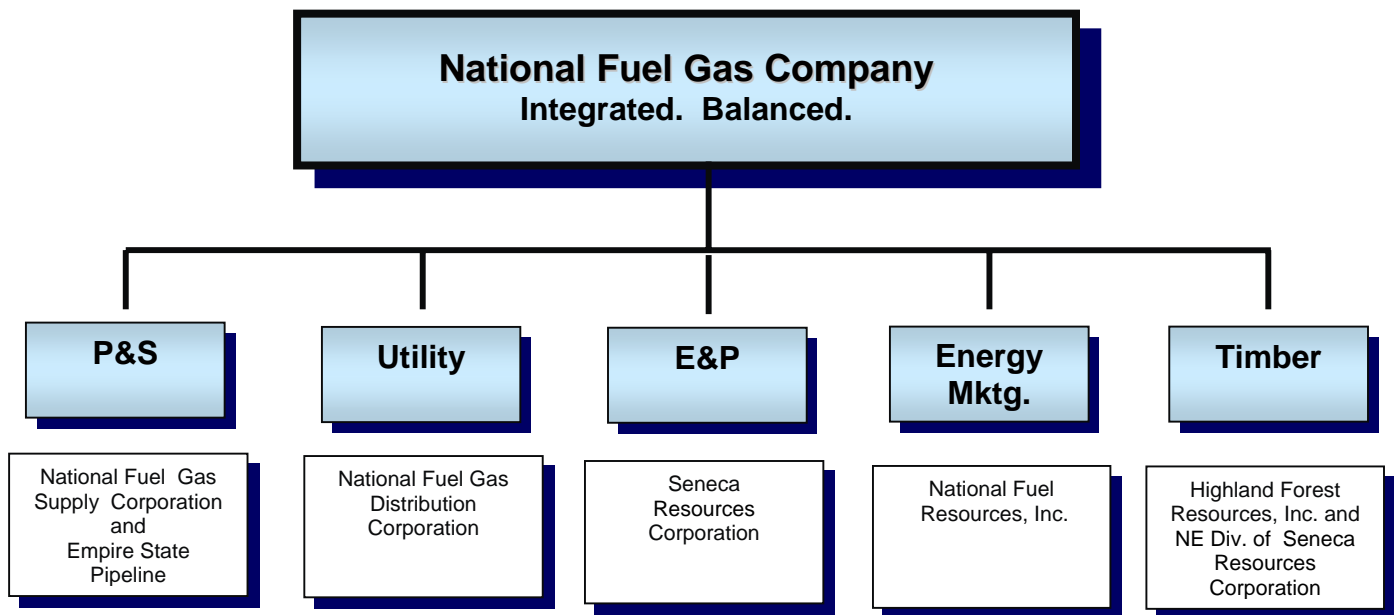


# National Fuel Gas Company



***2006 Financial & Statistical Report***



## Corporate Profile

National Fuel Gas Company, incorporated in 1902, is a diversified energy company with its headquarters in Williamsville, New York. The Company's \$3.7 billion of assets are distributed among five principal business segments: Pipeline and Storage, Utility, Exploration and Production, Energy Marketing, and Timber. National Fuel's history dates from the earliest days of the natural gas and oil industry in the United States, and the Company has been responsible for many industry firsts. Today, the Company continues to be managed in the same innovative and entrepreneurial spirit, and takes pride in its 104-year tradition of delivering service and value.

### Pipeline and Storage

National Fuel Gas Supply Corporation and Empire State Pipeline provide natural gas transportation and storage services to affiliated and nonaffiliated companies through an integrated system of 2,967 miles of pipeline and 32 underground natural gas storage fields (including four storage fields co-owned with nonaffiliated companies.) This system is located within an area bounded by the Canadian border at the Niagara River, southwestern Pennsylvania and central New York, just north of Syracuse.

### Utility

National Fuel Gas Distribution Corporation sells or transports natural gas to approximately 727,000 customers through a local distribution system located in western New York and northwestern Pennsylvania. The principal metropolitan areas served by this system include Buffalo,

Niagara Falls and Jamestown in New York, and Erie and Sharon in Pennsylvania.

### Exploration and Production

Seneca Resources Corporation explores for, develops, and purchases natural gas and oil reserves in California, the Appalachian region, the Gulf Coast region of Texas, Louisiana and Alabama, and the western provinces of Canada. Currently, Seneca's exploration emphasis is centered on drilling for new reserves in Canada and the Gulf of Mexico, while development drilling continues to expand in the Appalachian region and in California.

### Energy Marketing

National Fuel Resources, Inc. markets natural gas to industrial, commercial, public authority and residential end-users in western and central New York and northwestern Pennsylvania, offering competitively priced energy and energy management services to its customers.

### Timber

Highland Forest Resources, Inc. and the Northeast Division of Seneca Resources Corporation, carry out the Timber segment operations for the Company. Highland operates two sawmills in northwestern Pennsylvania. This segment markets timber from its New York and Pennsylvania land holdings.



**National Fuel Gas Company**

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This report is not a representation or prospectus with regard to the Company's securities and is not furnished in connection with any proposed sales or offer to sell or buy any stock or securities. Data contained herein with respect to any particular year should be considered in conjunction with the notes and comments appearing in the Company's annual report to shareholders for that year.

# Consolidated Statements of Income and Earnings Reinvested in the Business



Year Ended September 30 (Thousands of Dollars, Except Per Common Share Amounts)

	2006	2005 <sup>(1)</sup>	2004	2003	2002
<b>Income</b>					
<b>Operating Revenues</b>	<b>\$ 2,311,659</b>	\$ 1,923,549	\$ 1,907,968	\$ 1,921,573	\$ 1,369,869
<b>Operating Expenses</b>					
Purchased Gas	1,267,562	959,827	949,452	963,567	462,857
Operation and Maintenance	413,726	404,517	385,519	361,898	372,063
Property, Franchise and Other Taxes	69,942	69,076	68,978	79,692	69,837
Depreciation, Depletion and Amortization	179,615	179,767	174,289	181,329	168,745
Impairment of Oil and Gas Producing Properties	104,739	-	-	42,774	-
	<b>2,035,584</b>	1,613,187	1,578,238	1,629,260	1,073,502
Gain (Loss) on Sale of Timber Properties	-	-	(1,252)	168,787	-
Gain (Loss) on Sale of Oil and Gas Producing Properties	-	-	4,645	(58,472)	-
<b>Operating Income</b>	<b>276,075</b>	310,362	333,123	402,628	296,367
<b>Other Income (Expense):</b>					
Income from Unconsolidated Subsidiaries	3,583	3,362	805	535	224
Impairment of Investment in Partnerships	-	(4,158)	-	-	(15,167)
Interest Income	10,275	6,496	1,771	2,204	2,593
Other Income	2,825	12,744	2,908	2,427	3,184
Interest Expense on Long-Term Debt	(72,629)	(73,244)	(82,989)	(91,381)	(88,646)
Other Interest Expense	(5,952)	(9,069)	(6,763)	(11,196)	(15,109)
<b>Income from Continuing Operations Before Income Taxes</b>	<b>214,177</b>	246,493	248,855	305,217	183,446
Income Tax Expense	76,086	92,978	94,590	124,150	69,944
<b>Income from Continuing Operations</b>	<b>138,091</b>	153,515	154,265	181,067	113,502
<b>Discontinued Operations:</b>					
Income from Operations, Net of Tax	-	10,199	12,321	6,769	4,180
Gain on Disposal, Net of Tax	-	25,774	-	-	-
<b>Income from Discontinued Operations</b>	<b>-</b>	35,973	12,321	6,769	4,180
<b>Income Before Cumulative Effect of Changes in Accounting</b>	<b>138,091</b>	189,488	166,586	187,836	117,682
Cumulative Effect of Changes in Accounting	-	-	-	(8,892)	-
<b>Net Income Available for Common Stock</b>	<b>138,091</b>	189,488	166,586	178,944	117,682
<b>Earnings Reinvested in the Business</b>					
Balance at Beginning of Year	813,020	718,926	642,690	549,397	513,488
	<b>951,111</b>	908,414	809,276	728,341	631,170
Share Repurchases	66,269	-	-	-	-
Dividends on Common Stock	98,829	95,394	90,350	85,651	81,773
<b>Balance at End of Year</b>	<b>\$ 786,013</b>	\$ 813,020	\$ 718,926	\$ 642,690	\$ 549,397
<b>Earnings Per Common Share:</b>					
<b>Basic:</b>					
Income from Continuing Operations	\$ 1.64	\$ 1.84	\$ 1.88	\$ 2.24	\$ 1.42
Income from Discontinued Operations	-	0.43	0.15	0.08	0.05
Cumulative Effect of Changes in Accounting	-	-	-	(0.11)	-
<b>Net Income Available for Common Stock</b>	<b>\$ 1.64</b>	\$ 2.27	\$ 2.03	\$ 2.21	\$ 1.47
<b>Diluted:</b>					
Income from Continuing Operations	\$ 1.61	\$ 1.81	\$ 1.86	\$ 2.23	\$ 1.41
Income from Discontinued Operations	-	0.42	0.15	0.08	0.05
Cumulative Effect of Changes in Accounting	-	-	-	(0.11)	-
<b>Net Income Available for Common Stock</b>	<b>\$ 1.61</b>	\$ 2.23	\$ 2.01	\$ 2.20	\$ 1.46
<b>Weighted Average Common Shares Outstanding:</b>					
Used in Basic Calculation	84,030,118	83,541,627	82,045,535	80,808,794	79,821,430
Used in Diluted Calculation	86,028,466	85,029,131	82,900,438	81,357,896	80,534,453

<sup>(1)</sup> Note: During 2005, the Company sold its majority interest in United Energy ("U.E." or "Czech Assets"), a district heating and electric generation business in the Czech Republic. U.E.'s operations are presented in the Company financial statements, and herein, as discontinued operations. Any remaining international activity has been included in corporate operations. Prior year amounts have been reclassified to reflect this change in presentation.

# Consolidated Balance Sheets <sup>(1)</sup>



At September 30 (Thousands of Dollars)

	2006	2005	2004	2003	2002
<b>Assets</b>					
<b>Property, Plant and Equipment</b>	<b>\$ 4,703,040</b>	\$ 4,423,255	\$ 4,602,779	\$ 4,657,343	\$ 4,512,651
Less - Accumulated Depreciation, Depletion and Amortization	<b>1,825,314</b>	1,583,955	1,596,015	1,666,295	1,667,906
	<b>2,877,726</b>	2,839,300	3,006,764	2,991,048	2,844,745
<b>Current Assets</b>					
Cash and Temporary Cash Investments	<b>69,611</b>	57,607	57,541	49,960	21,864
Hedging Collateral Deposits	<b>19,676</b>	77,784	8,612	1,461	352
Receivables - Net	<b>144,254</b>	141,408	125,558	136,384	95,510
Unbilled Utility Revenue	<b>25,538</b>	20,465	18,574	20,155	21,918
Gas Stored Underground	<b>59,461</b>	64,529	68,511	89,640	77,250
Materials and Supplies - at average cost	<b>36,693</b>	33,267	35,516	27,707	25,573
Unrecovered Purchased Gas Costs	<b>12,970</b>	14,817	7,532	28,692	12,431
Prepaid Pension and Post-Retirement Benefit Costs	<b>64,125</b>	14,404	-	-	-
Other Current Assets	<b>63,723</b>	67,351	39,631	75,232	57,347
Deferred Income Taxes	<b>23,402</b>	83,774	43,105	2,439	11,861
	<b>519,453</b>	575,406	404,580	431,670	324,106
<b>Other Assets</b>					
Recoverable Future Taxes	<b>79,511</b>	85,000	83,847	84,818	82,385
Unamortized Debt Expense	<b>15,492</b>	17,567	19,573	22,119	20,635
Other Regulatory Assets	<b>76,917</b>	47,028	32,958	30,448	26,104
Deferred Charges	<b>3,558</b>	4,474	3,411	5,224	5,914
Other Investments	<b>88,414</b>	80,394	72,556	64,025	65,090
Investments in Unconsolidated Subsidiaries	<b>11,590</b>	12,658	16,444	16,425	16,753
Goodwill	<b>5,476</b>	5,476	5,476	5,476	8,255
Intangible Assets	<b>31,498</b>	42,302	45,994	49,664	11,451
Fair Value of Derivative Financial Instruments	<b>11,305</b>	-	23	1,698	3,807
Deferred Income Taxes	<b>9,003</b>	-	-	-	-
Other	<b>4,388</b>	15,677	25,977	22,799	19,918
	<b>337,152</b>	310,576	306,259	302,696	260,312
<b>Total Assets</b>	<b>\$ 3,734,331</b>	\$ 3,725,282	\$ 3,717,603	\$ 3,725,414	\$ 3,429,163
<b>Capitalization and Liabilities</b>					
<b>Capitalization:</b>					
<b>Comprehensive Shareholders' Equity</b>					
Common Stock, \$1 Par Value	<b>\$ 83,403</b>	\$ 84,357	\$ 82,990	\$ 81,438	\$ 80,265
Paid In Capital	<b>543,730</b>	529,834	506,560	478,799	446,832
Earnings Reinvested in the Business	<b>786,013</b>	813,020	718,926	642,690	549,397
Total Common Shareholders' Equity Before Items of Other Comprehensive Income (Loss)	<b>1,413,146</b>	1,427,211	1,308,476	1,202,927	1,076,494
Accumulated Other Comprehensive Income (Loss)	<b>30,416</b>	(197,628)	(54,775)	(65,537)	(69,636)
<b>Total Comprehensive Shareholders' Equity</b>	<b>1,443,562</b>	1,229,583	1,253,701	1,137,390	1,006,858
<b>Long-Term Debt, Net of Current Portion</b>	<b>1,095,675</b>	1,119,012	1,133,317	1,147,779	1,145,341
<b>Total Capitalization</b>	<b>2,539,237</b>	2,348,595	2,387,018	2,285,169	2,152,199
<b>Minority Interest in Foreign Subsidiaries</b>	<b>-</b>	-	37,048	33,281	28,785
<b>Current and Accrued Liabilities</b>					
Notes Payable to Banks and Commercial Paper	<b>-</b>	-	156,800	118,200	265,386
Current Portion of Long-Term Debt	<b>22,925</b>	9,393	14,260	241,731	160,564
Accounts Payable	<b>133,034</b>	155,485	115,979	118,563	100,886
Amounts Payable to Customers	<b>23,935</b>	1,158	3,154	692	-
Dividends Payable	<b>25,008</b>	24,445	23,210	21,952	20,830
Interest Payable on Long-Term Debt	<b>18,420</b>	18,438	18,439	21,190	24,558
Other Accruals and Current Liabilities	<b>27,040</b>	44,596	28,513	25,343	15,900
Fair Value of Derivative Financial Instruments	<b>39,983</b>	209,072	95,099	17,928	31,204
	<b>290,345</b>	462,587	455,454	565,599	619,328
<b>Deferred Credits</b>					
Deferred Income Taxes	<b>544,502</b>	489,720	501,200	425,721	368,081
Taxes Refundable to Customers	<b>10,426</b>	11,009	11,065	13,519	15,596
Unamortized Investment Tax Credit	<b>6,094</b>	6,796	7,498	8,199	8,897
Cost of Removal Regulatory Liability	<b>85,076</b>	90,396	82,020	76,782	-
Other Regulatory Liabilities	<b>75,456</b>	66,339	66,488	62,843	67,455
Pension and Other Post-Retirement Benefit Liabilities	<b>32,918</b>	143,687	70,410	143,687	91,444
Asset Retirement Obligation	<b>77,392</b>	41,411	32,292	27,493	-
Other Deferred Credits	<b>72,885</b>	64,742	67,110	83,121	77,378
	<b>904,749</b>	914,100	838,083	841,365	628,851
<b>Commitments and Contingencies</b>	<b>-</b>	-	-	-	-
<b>Total Capitalization and Liabilities</b>	<b>\$ 3,734,331</b>	\$ 3,725,282	\$ 3,717,603	\$ 3,725,414	\$ 3,429,163

<sup>(1)</sup> Note: Certain prior year amounts have been reclassified to conform with current year presentation.

# Consolidated Statements of Cash Flows <sup>(1)</sup>



Year Ended September 30 (Thousands of Dollars)

	2006	2005	2004	2003	2002
<b>Operating Activities</b>					
<b>Net Income Available for Common Stock</b>	<b>\$ 138,091</b>	\$ 189,488	\$ 166,586	\$ 178,944	\$ 117,682
Adjustments to Reconcile Net Income to Net Cash					
Provided by Operating Activities					
Gain on Sale of Discontinued Operations	-	(27,386)	-	-	-
(Gain) Loss on Sale of Timber Properties	-	-	1,252	(168,787)	-
(Gain) Loss on Sale of Oil and Gas Producing Properties	-	-	(4,645)	58,472	-
Impairment of Oil and Gas Producing Properties	<b>104,739</b>	-	-	42,774	-
Depreciation, Depletion and Amortization	<b>179,615</b>	193,144	189,538	195,226	180,668
Deferred Income Taxes	<b>(5,230)</b>	40,388	40,329	78,369	62,013
Cumulative Effect of Changes in Accounting	-	-	-	8,892	-
(Income) Loss from Unconsolidated Subsidiaries,					
Net of Cash Distributions	<b>1,067</b>	(1,372)	(19)	703	361
Impairment of Investment in Partnership	-	4,158	-	-	15,167
Minority Interest in Foreign Subsidiaries	-	2,645	1,933	785	730
Excess Tax Benefits Associated with Stock-Based					
Compensation Awards	<b>(6,515)</b>	-	-	-	-
Other	<b>4,829</b>	7,390	9,839	11,289	9,842
Change in:					
Hedging Collateral Deposits	<b>58,108</b>	(69,172)	(7,151)	(1,109)	(352)
Receivables and Unbilled Utility Revenue	<b>(7,397)</b>	(21,857)	8,887	(28,382)	40,786
Gas Stored Underground and Materials and Supplies	<b>1,679</b>	1,934	13,662	(13,826)	8,717
Unrecovered Purchased Gas Costs	<b>1,847</b>	(7,285)	21,160	(16,261)	(8,318)
Prepayments and Other Current Assets	<b>(39,572)</b>	(42,409)	35,647	(12,628)	(1,737)
Accounts Payable	<b>(23,144)</b>	48,089	(5,134)	13,699	(24,025)
Amounts Payable to Customers	<b>22,777</b>	(1,996)	2,462	692	(51,223)
Other Accruals and Current Liabilities	<b>(17,754)</b>	18,715	2,082	9,343	(27,332)
Other Assets	<b>(22,700)</b>	(13,461)	(4,829)	(9,343)	11,869
Other Liabilities	<b>80,960</b>	(3,667)	(34,450)	(23,124)	10,350
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 471,400</b>	\$ 317,346	\$ 437,149	\$ 325,728	\$ 345,198
<b>Investing Activities</b>					
Capital Expenditures	<b>\$ (294,159)</b>	\$ (219,530)	\$ (172,341)	\$ (152,251)	\$ (232,368)
Investment in Subsidiaries, Net of Cash Acquired	-	-	-	(228,814)	-
Investment in Partnerships	-	-	-	(375)	(536)
Net Proceeds from Sale of Foreign Subsidiary	-	111,619	-	-	-
Net Proceeds from Sale of Timber Properties	-	-	-	186,014	-
Net Proceeds from Sale of Oil and Gas Producing Properties	<b>13</b>	1,349	7,162	78,531	22,068
Other	<b>(3,230)</b>	3,238	1,974	12,065	5,012
<b>Net Cash Used in Investing Activities</b>	<b>\$ (297,376)</b>	\$ (103,324)	\$ (163,205)	\$ (104,830)	\$ (205,824)
<b>Financing Activities</b>					
Change in Notes Payable to Banks and Commercial Paper	<b>\$ -</b>	\$ (115,359)	\$ 38,600	\$ (147,622)	\$ (224,845)
Excess Tax Benefits Associated with Stock-Based					
Compensation Awards	<b>6,515</b>	-	-	-	-
Shares Repurchased Under Repurchase Plan	<b>(85,168)</b>	-	-	-	-
Net Proceeds from Issuance of Long-Term Debt	-	-	-	248,513	243,844
Reduction of Long-Term Debt	<b>(9,805)</b>	(13,317)	(243,085)	(227,826)	(104,212)
Proceeds from Issuance of Common Stock	<b>23,339</b>	20,279	23,763	17,019	10,915
Dividends Paid on Common Stock	<b>(98,266)</b>	(94,159)	(89,092)	(84,530)	(80,974)
Dividends Paid to Minority Interest	-	(12,676)	-	-	-
<b>Net Cash Used in Financing Activities</b>	<b>\$ (163,385)</b>	\$ (215,232)	\$ (269,814)	\$ (194,446)	\$ (155,272)
<b>Effect of Exchange Rates on Cash</b>	<b>1,365</b>	1,276	3,451	1,644	1,535
<b>Cash and Temporary Cash Investments</b>					
Net Increase (Decrease) in Cash and Temporary Cash Investments	<b>\$ 12,004</b>	\$ 66	\$ 7,581	\$ 28,096	\$ (14,363)
Cash and Temporary Cash Investments at Beginning of Year	<b>57,607</b>	57,541	49,960	21,864	36,227
<b>Cash and Temporary Cash Investments at End of Year</b>	<b>\$ 69,611</b>	\$ 57,607	\$ 57,541	\$ 49,960	\$ 21,864
<b>Supplemental Disclosure of Cash Flow Information</b>					
<b>Cash Paid For:</b>					
Interest	<b>\$ 78,003</b>	\$ 84,455	\$ 90,705	\$ 104,452	\$ 100,397
Income Taxes	<b>\$ 54,359</b>	\$ 83,542	\$ 30,214	\$ 56,146	\$ 29,985

<sup>(1)</sup> Note: Certain prior year amounts have been reclassified to conform with current year presentation.

# Consolidated Statements of Comprehensive Income



Year Ended September 30 (Thousands of Dollars)

	2006	2005	2004	2003	2002
<b>Net Income Available for Common Stock</b>	<b>\$ 138,091</b>	\$ 189,488	\$ 166,586	\$ 178,944	\$ 117,682
Other Comprehensive Income (Loss), Before Tax:					
Minimum Pension Liability Adjustment	165,914	(83,379)	56,612	(86,170)	(52,977)
Foreign Currency Translation Adjustment	7,408	14,286	21,466	54,472	24,278
Reclassification Adjustment for Realized Foreign Currency Translation Gain in Net Income	(716)	(37,793)	-	(9,607)	-
Unrealized Gain/(Loss) on Securities Available for Sale Arising During the Period	2,573	2,891	3,629	2,419	(2,086)
Reclassification Adjustment for Realized Gains on Securities Available for Sale in Net Income	-	(651)	-	-	-
Unrealized Gain/(Loss) on Derivative Financial Instruments Arising During the Period	90,196	(206,847)	(129,934)	(47,777)	(42,584)
Reclassification Adjustment for Realized (Gain)/Loss on Derivative Financial Instruments in Net Income	91,743	97,689	49,142	69,809	(20,063)
<b>Other Comprehensive Income (Loss), Before Tax</b>	<b>357,118</b>	(213,804)	915	(16,854)	(93,432)
Income Tax Expense (Benefit) Related to Minimum Pension Liability Adjustment	58,070	(29,183)	19,814	(30,159)	(18,542)
Income Tax Expense Related to Foreign Currency Translation Adjustment	-	112	-	-	-
Reclassification Adjustment for Income Tax Expense on Foreign Currency Translation Adjustment in Net Income	-	(112)	-	-	-
Income Tax Expense/(Benefit) Related to Unrealized Gain/(Loss) on Securities Available for Sale Arising During the Period	894	1,012	1,270	847	(730)
Reclassification Adjustment for Income Tax Expense on Realized Gains from Securities Available for Sale in Net Income	-	(228)	-	-	-
Income Tax Expense/(Benefit) Related to Unrealized Gain/(Loss) on Derivative Financial Instruments Arising During the Period	34,772	(79,059)	(49,113)	(18,594)	(17,341)
Reclassification Adjustment for Income Tax (Expense)/Benefit on Realized (Gain)/Loss on Derivative Financial Instruments in Net Income	35,338	36,507	18,182	26,953	(8,040)
Income Taxes - Net	129,074	(70,951)	(9,847)	(20,953)	(44,653)
Other Comprehensive Income (Loss)	228,044	(142,853)	10,762	4,099	(48,779)
<b>Comprehensive Income</b>	<b>\$ 366,135</b>	\$ 46,635	\$ 177,348	\$ 183,043	\$ 68,903



# Schedule of Business Segment Information



Year Ended September 30 (Thousands of Dollars)

	2006	2005	2004	2003	2002
<b>Operating Revenues</b>					
Utility	\$ 1,280,763	\$ 1,117,067	\$ 1,152,641	\$ 1,162,983	\$ 794,221
Pipeline and Storage	214,352	215,859	209,707	201,420	167,384
Exploration and Production	346,880	293,425	293,698	305,314	310,980
Energy Marketing	497,069	329,714	284,349	304,660	151,257
Timber	65,029	61,286	55,970	56,226	47,407
Total Reportable Segments	2,404,093	2,017,351	1,996,365	2,030,603	1,471,249
All Other	12,748	13,354	13,695	3,366	10,135
Intersegment Eliminations <sup>(1)</sup>	(105,182)	(107,156)	(102,092)	(112,396)	(111,515)
Total Consolidated	2,311,659	1,923,549	1,907,968	1,921,573	1,369,869
<b>Depreciation, Depletion &amp; Amortization</b>					
Utility	\$ 40,172	\$ 40,159	\$ 39,101	\$ 38,186	\$ 37,412
Pipeline and Storage	36,876	38,050	37,345	35,940	23,626
Exploration and Production	94,738	90,912	89,943	99,292	103,946
Energy Marketing	53	41	102	117	161
Timber	6,495	6,601	6,277	7,543	3,429
Total Reportable Segments	178,334	175,763	172,768	181,078	168,574
All Other	789	3,537	1,071	238	115
Corporate	492	467	450	13	56
Total Consolidated	\$ 179,615	\$ 179,767	\$ 174,289	\$ 181,329	\$ 168,745
<b>Significant Items</b>					
Pipeline and Storage - Impairment of Investment in Partnership	\$ -	\$ -	\$ -	\$ -	\$ 15,167
All Other - Impairment of Investment in Partnership	\$ -	\$ 4,158	\$ -	\$ -	\$ -
Exploration and Production - Impairment of Oil and Gas Producing Properties	\$ 104,739	\$ -	\$ -	\$ 42,774	\$ -
Exploration and Production - (Gain) Loss on Sale of Oil and Gas Producing Properties	\$ -	\$ -	\$ (4,645)	\$ 58,472	\$ -
Timber - (Gain) Loss on Sale of Timber Properties	\$ -	\$ -	\$ 1,252	\$ (168,787)	\$ -
<b>Operating Income (Loss)</b>					
Utility	\$ 105,969	\$ 80,389	\$ 98,642	\$ 120,345	\$ 109,591
Pipeline and Storage <sup>(2)</sup>	95,113	96,178	88,748	89,465	71,864
Exploration and Production <sup>(3)</sup>	59,938	123,208	132,053	3,377	96,339
Energy Marketing	8,909	7,288	8,749	8,279	12,989
Timber <sup>(4)</sup>	11,211	9,556	10,802	187,258	16,437
Total Reportable Segments	281,140	316,619	338,994	408,724	307,220
All Other <sup>(5)</sup>	225	(1,996)	2,367	265	(1,309)
Corporate	(5,290)	(4,261)	(8,238)	(6,361)	(9,544)
Total Consolidated	\$ 276,075	\$ 310,362	\$ 333,123	\$ 402,628	\$ 296,367
<b>Income from Unconsolidated Subsidiaries</b>					
(in All Other segment)	\$ 3,583	\$ 3,362	\$ 805	\$ 535	\$ 224
<b>Interest Income</b>					
Utility	\$ 4,889	\$ 4,111	\$ 552	\$ 1,630	\$ 1,614
Pipeline and Storage	454	76	217	77	55
Exploration and Production	8,682	4,661	1,831	1,119	987
Energy Marketing	445	783	521	692	609
Timber	747	438	312	319	303
Total Reportable Segments	15,217	10,069	3,433	3,837	3,568
All Other	22	19	15	25	44
Corporate & Intersegment Eliminations	(4,964)	(3,592)	(1,677)	(1,658)	(1,019)
Total Consolidated	\$ 10,275	\$ 6,496	\$ 1,771	\$ 2,204	\$ 2,593

<sup>(1)</sup> Represents primarily Pipeline and Storage revenue from the Utility segment.

<sup>(2)</sup> 2002 includes impairment of Independence Pipeline of \$15.2 million pretax.

<sup>(3)</sup> 2006 includes impairment of oil and gas producing properties of \$104.7 million pretax; 2004 includes an adjustment to reduce the 2003 loss on sale of oil and gas producing properties by \$4.6 million pretax; and 2003 includes impairment of oil and gas producing properties of \$42.8 million pretax and loss on sale of oil and gas producing properties of \$58.5 million pretax.

<sup>(4)</sup> 2004 includes an adjustment to reduce the 2003 gain on sale of timber properties by \$1.3 million pretax; 2003 includes gain on sale of timber properties of \$168.8 million pretax.

<sup>(5)</sup> 2005 includes impairment of an investment in a partnership of \$4.2 million pretax.



# Schedule of Business Segment Information (cont'd)



Year Ended September 30 (Thousands of Dollars)

	2006	2005	2004	2003	2002
<b>Interest Expense</b>					
Utility	\$ 26,174	\$ 22,900	\$ 21,945	\$ 29,122	\$ 30,790
Pipeline and Storage	6,620	7,128	10,933	14,000	10,424
Exploration and Production	50,457	48,856	50,642	53,326	55,367
Energy Marketing	227	11	33	33	76
Timber	3,095	2,764	2,218	2,507	2,896
Total Reportable Segments	86,573	81,659	85,771	98,988	99,553
All Other	2,555	1,726	919	521	420
Corporate & Intersegment Eliminations	(10,547)	(1,072)	3,062	3,068	3,782
Total Consolidated	\$ 78,581	\$ 82,313	\$ 89,752	\$ 102,577	\$ 103,755
<b>Income Tax Expense (Benefit)</b>					
Utility	\$ 35,699	\$ 23,102	\$ 31,393	\$ 36,857	\$ 31,657
Pipeline and Storage	33,896	39,068	30,968	30,863	18,148
Exploration and Production	(2,808)	28,353	28,899	(17,537)	15,108
Energy Marketing	3,748	3,210	3,964	3,350	5,103
Timber	3,277	2,271	3,320	72,692	4,476
Total Reportable Segments	73,812	96,004	98,544	126,225	74,492
All Other	969	(1,425)	829	279	(473)
Corporate	1,305	(1,601)	(4,783)	(2,354)	(4,075)
Total Consolidated	\$ 76,086	\$ 92,978	\$ 94,590	\$ 124,150	\$ 69,944
<b>Segment Profit (Loss): Income (Loss) from Continuing Operations</b>					
Utility	\$ 49,815	\$ 39,197	\$ 46,718	\$ 56,808	\$ 49,505
Pipeline and Storage <sup>(1)</sup>	55,633	60,454	47,726	45,230	29,715
Exploration and Production <sup>(2)</sup>	20,971	50,659	54,344	(31,293)	26,851
Energy Marketing	5,798	5,077	5,535	5,868	8,642
Timber <sup>(3)</sup>	5,704	5,032	5,637	112,450	9,689
Total Reportable Segments	137,921	160,419	159,960	189,063	124,402
All Other <sup>(4)</sup>	359	(2,616)	1,530	193	(885)
Corporate	(189)	(4,288)	(7,225)	(8,189)	(10,015)
Total Consolidated	\$ 138,091	\$ 153,515	\$ 154,265	\$ 181,067	\$ 113,502
<b>Capital Expenditures</b>					
Utility	\$ 54,414	\$ 50,071	\$ 55,449	\$ 49,944	\$ 51,550
Pipeline and Storage	26,023	21,099	23,196	18,175	29,793
Exploration and Production	208,303	122,450	77,654	75,837	114,602
Energy Marketing	16	58	10	164	51
Timber	2,323	18,894	2,823	3,493	25,574
Total Reportable Segments	291,079	212,572	159,132	147,613	221,570
All Other	85	463	200	256	6,554
Corporate & Intersegment Eliminations <sup>(5)</sup>	2,995	6,495	13,009	4,382	4,244
Total Consolidated	\$ 294,159	\$ 219,530	\$ 172,341	\$ 152,251	\$ 232,368

<sup>(1)</sup> 2002 includes impairment of Independence Pipeline of \$9.9 million after tax.

<sup>(2)</sup> 2006 includes impairment of oil and gas producing properties of \$68.6 million after tax; 2004 includes an adjustment to reduce the 2003 loss on sale of oil and gas producing properties by \$4.6 million after tax; and 2003 includes impairment of oil and gas producing properties of \$28.9 million after tax and loss on sale of oil and gas producing properties of \$39.6 million after tax.

<sup>(3)</sup> 2004 includes an adjustment to reduce the 2003 gain on sale of timber properties by \$0.8 million after tax; 2003 includes gain on sale of timber properties of \$102.2 million after tax.

<sup>(4)</sup> 2005 includes impairment of an investment in a partnership of \$2.7 million after tax.

<sup>(5)</sup> Includes capital expenditures of discontinued operations: \$5,877 for 2005, \$7,498 for 2004, \$2,499 for 2003, and \$4,244 for 2002.

# Schedule of Business Segment Information (cont'd)

## Geographic Information



Year Ended September 30 (Thousands of Dollars)		2006	2005	2004	2003	2002
<b>Investment in Subsidiaries, Net of Cash Acquired</b>						
Utility	\$	-	-	-	-	-
Pipeline and Storage		-	-	-	181,152	-
Exploration and Production		-	-	-	-	-
Energy Marketing		-	-	-	-	-
Timber		-	-	-	-	-
Total Reportable Segments		-	-	-	181,152	-
All Other		-	-	-	47,662	-
Corporate & Intersegment Eliminations		-	-	-	-	-
Total Consolidated	\$	-	-	-	228,814	-
<b>Segment Assets (At September 30)</b>						
Utility	\$	1,471,422	\$ 1,401,128	\$ 1,355,964	\$ 1,384,058	\$ 1,248,593
Pipeline and Storage		767,889	782,546	783,145	815,939	531,890
Exploration and Production		1,209,969	1,213,525	1,078,217	1,002,718	1,191,848
Energy Marketing		78,977	90,468	68,599	54,993	51,640
Timber		159,421	162,052	140,992	125,684	128,880
Total Reportable Segments		3,687,678	3,649,719	3,426,917	3,383,392	3,152,851
All Other		64,287	73,354	77,013	78,441	34,523
Corporate & Intersegment Eliminations <sup>(1)</sup>		(17,634)	2,209	213,673	263,581	241,789
Total Consolidated	\$	3,734,331	\$ 3,725,282	\$ 3,717,603	\$ 3,725,414	\$ 3,429,163

<sup>(1)</sup> 2004, 2003 and 2002 include assets of the former International segment of \$268.1 million, \$247.7 million and \$241.5 million, respectively, the majority of which have been discontinued with the sale of United Energy.

<b>Geographic Information</b>		2006	2005	2004	2003	2002
Year Ended September 30 (Thousands of Dollars)						
<b>Revenues from External Customers:<sup>(1)</sup></b>						
United States	\$	2,242,155	\$ 1,860,684	\$ 1,867,335	\$ 1,819,152	\$ 1,293,927
Canada		69,504	62,865	40,633	102,421	75,942
Total Revenues from External Customers	\$	2,311,659	\$ 1,923,549	\$ 1,907,968	\$ 1,921,573	\$ 1,369,869
At September 30 (Thousands of Dollars)						
<b>Long-Lived Assets:</b>						
United States	\$	3,117,644	\$ 2,978,680	\$ 2,941,779	\$ 2,958,000	\$ 2,627,010
Canada		97,234	171,196	143,042	116,655	258,196
Assets of Discontinued Operations		-	-	228,179	219,695	216,044
Total Long-Lived Assets	\$	3,214,878	\$ 3,149,876	\$ 3,313,000	\$ 3,294,350	\$ 3,101,250

<sup>(1)</sup> Revenue is based upon the country in which the sale originates.



## Selected Financial Ratios

Year Ended September 30	2006 <sup>(1)</sup>	2005 <sup>(2)</sup>	2004 <sup>(3)</sup>	2003 <sup>(4)</sup>	2002 <sup>(5)</sup>
Embedded Cost of Long-Term Debt <sup>(6)</sup>	6.4%	6.4%	6.4%	6.5%	7.0%
Capitalization Ratios:					
Comprehensive Shareholders' Equity to Total Capitalization	56.9%	52.4%	52.5%	49.8%	46.8%
Long-Term Debt to Total Capitalization	43.1%	47.6%	47.5%	50.2%	53.2%
Comprehensive Shareholders' Equity to Total Capitalization Plus Short-Term Debt	56.3%	52.1%	49.0%	43.0%	39.1%
Long-Term Debt to Total Capitalization Plus Short-Term Debt	42.8%	47.5%	44.3%	43.4%	44.4%
Short-Term Debt to Total Capitalization Plus Short-Term Debt	0.9%	0.4%	6.7%	13.6%	16.5%
Effective Federal Income Tax Rate (Includes Taxes from Discontinued Operations)	35.5%	35.6%	35.8%	41.7%	38.0%
Accumulated Depreciation (% of Average Depreciable Assets) <sup>(7)</sup>	41.8%	38.4%	39.3%	40.9%	43.5%
Depreciation Charge (% of Average Depreciable Assets) <sup>(7)</sup>	4.1%	4.4%	4.3%	4.5%	4.4%

## Capitalization as Defined by the Company

<b>Capitalization:</b>					
Comprehensive Shareholders' Equity	\$ 1,443,562	\$ 1,229,583	\$ 1,253,701	\$ 1,137,390	\$ 1,006,858
Long-Term Debt, Net of Current Portion	1,095,675	1,119,012	1,133,317	1,147,779	1,145,341
<b>Total Capitalization</b>	<b>\$ 2,539,237</b>	<b>\$ 2,348,595</b>	<b>\$ 2,387,018</b>	<b>\$ 2,285,169</b>	<b>\$ 2,152,199</b>
<b>Short-Term Debt:</b>					
Notes Payable to Banks and Commercial Paper	\$ -	\$ -	\$ 156,800	\$ 118,200	\$ 265,386
Current Portion of Long-Term Debt	22,925	9,393	14,260	241,731	160,564
<b>Total Short-Term Debt</b>	<b>\$ 22,925</b>	<b>\$ 9,393</b>	<b>\$ 171,060</b>	<b>\$ 359,931</b>	<b>\$ 425,950</b>
<b>Total Capitalization Plus Short-Term Debt</b>	<b>\$ 2,562,162</b>	<b>\$ 2,357,988</b>	<b>\$ 2,558,078</b>	<b>\$ 2,645,100</b>	<b>\$ 2,578,149</b>

<sup>(1)</sup> Includes impairment of oil and gas producing properties of (\$68.6) million after tax, where applicable.

<sup>(2)</sup> Includes a \$25.8 million gain and income from discontinued operations of \$10.2 million both related to the sale of Czech Assets and an impairment of an investment in a partnership of \$2.7 million after tax, where applicable.

<sup>(3)</sup> Includes an adjustment to the loss on sale of oil and gas producing properties of \$4.6 million after tax and an adjustment to the gain on sale of timber properties of (\$0.8) million after tax, where applicable.

<sup>(4)</sup> Includes gain on sale of timber properties of \$102.2 million after tax, loss on sale of oil and gas assets of (\$39.6) million after tax, impairment of oil and gas assets of (\$28.9) million after tax and cumulative effect of changes in accounting of (\$8.9) million, where applicable.

<sup>(5)</sup> Includes impairment of Independence Pipeline of (\$9.9) million after tax, where applicable.

<sup>(6)</sup> The Embedded Cost of Long-Term Debt is the weighted average interest rate on all long-term debt outstanding at the year ended September 30.

<sup>(7)</sup> Certain amounts for 2002-2004 have been restated to reflect the presentation of U.E. as discontinued operations as a result of the sale of Czech Assets in 2005.

## Security Ratings

At September 30, 2006

	Standard & Poor's	Moody's	Fitch
Long-Term Debt	BBB+	Baa1	A-
Commercial Paper	A-2	P-2	F-2



**Common Stock Data**

Year Ended September 30

	2006 <sup>(1)</sup>	2005 <sup>(2)</sup>	2004 <sup>(3)</sup>	2003 <sup>(4)</sup>	2002 <sup>(5)</sup>
Number of Common Shareholders at Year End	<b>17,767</b>	18,369	19,063	19,217	20,004
Shares Outstanding at Year End	<b>83,402,670</b>	84,356,748	82,990,340	81,438,290	80,264,734
Average Daily Volume Traded (Trailing 12 Months)	<b>445,802</b>	322,887	223,600	221,021	180,675
Return on Average Common Equity <sup>(6)</sup>	<b>10.3%</b>	15.3%	13.9%	16.7%	11.7%
Book Value Per Common Share	<b>\$ 17.31</b>	\$ 14.58	\$ 15.11	\$ 13.97	\$ 12.54
Market Price Range					
High	<b>\$ 39.16</b>	\$ 36.00	\$ 28.43	\$ 27.51	\$ 25.70
Low	<b>\$ 29.25</b>	\$ 26.20	\$ 21.71	\$ 17.95	\$ 15.61
Close	<b>\$ 36.35</b>	\$ 34.20	\$ 28.33	\$ 22.85	\$ 19.87
Market/Book Value at Year End	<b>210.0%</b>	234.6%	187.5%	163.6%	158.5%
Price/Diluted Earnings Ratio	<b>22.6</b>	15.3	14.1	10.4	13.6
Dividends					
Declared Per Share	<b>\$ 1.18</b>	\$ 1.14	\$ 1.10	\$ 1.06	\$ 1.03
Paid Per Share	<b>\$ 1.17</b>	\$ 1.13	\$ 1.09	\$ 1.05	\$ 1.02
Rate at Year End	<b>\$ 1.20</b>	\$ 1.16	\$ 1.12	\$ 1.08	\$ 1.04
Payout Ratio on Dividends Paid	<b>72.7%</b>	50.7%	54.2%	47.7%	69.8%
Yield at Year End	<b>3.3%</b>	3.4%	3.9%	4.7%	5.2%
Dividends to Book Value at Year End	<b>6.9%</b>	8.0%	7.4%	7.7%	8.3%
Diluted Earnings Per Share	<b>\$ 1.61</b>	\$ 2.23	\$ 2.01	\$ 2.20	\$ 1.46

<sup>(1)</sup> Includes impairment of oil and gas producing properties of (\$68.6) million after tax, where applicable.

<sup>(2)</sup> Includes a \$25.8 million gain and income from discontinued operations of \$10.2 million both related to the sale of Czech Assets and an impairment of an investment in a partnership of \$2.7 million after tax, where applicable.

<sup>(3)</sup> Includes an adjustment to the loss on sale of oil and gas producing properties of \$4.6 million after tax and an adjustment to the gain on sale of timber properties of (\$0.8) million after tax, where applicable.

<sup>(4)</sup> Includes gain on sale of timber properties of \$102.2 million after tax, loss on sale of oil and gas assets of (\$39.6) million after tax, impairment of oil and gas assets of (\$28.9) million after tax and cumulative effect of changes in accounting of (\$8.9) million, where applicable.

<sup>(5)</sup> Includes impairment of Independence Pipeline of (\$9.9) million after tax, where applicable.

<sup>(6)</sup> Calculated using average Total Comprehensive Shareholders' Equity.

**Research Coverage \***

The following firms provided equity investment research coverage of National Fuel Gas Company in fiscal 2006:

- A.G. Edwards**
- Argus Research Corp.**
- Citigroup Research**
- Credit Suisse**
- Edward Jones**
- Howard Weil**
- Janney Montgomery Scott, LLC**
- Lehman Brothers**
- UBS**

\* Note: National Fuel Gas Company is followed by analysts at the firms listed above. Please note that any opinions, estimates or forecasts regarding National Fuel Gas Company's performance made by these analysts are theirs alone and do not represent opinions, forecasts or predictions of National Fuel Gas Company or its management. National Fuel Gas Company does not by its reference above or distribution imply its endorsement of or concurrence with such information, conclusions or recommendations.



The Company's Pipeline and Storage operations are conducted through National Fuel Gas Supply Corporation and Empire State Pipeline.

## Regulation

National Fuel Gas Supply Corporation's operations are regulated at the federal level by the Federal Energy Regulatory Commission (FERC). Empire State Pipeline's operations are regulated at the state level by the State of New York Public Service Commission (PSC).

### FERC Overview

The FERC is an independent regulatory agency within the Department of Energy, responsible for regulating interstate activities in the natural gas, electric, hydro and oil pipeline industries. The FERC is composed of up to five commissioners, including a chair, appointed by the President and confirmed by the Senate for a five-year term.

### FERC Commissioners

(As of September 30, 2006)

	Term Began	Term Expires	Background
<b>Joseph T. Kelliher</b> , <i>Chair</i>	2003	2007	Former Senior Policy Advisor to former Secretary of Energy, Spencer Abraham.
<b>Sudeen G. Kelly</b>	2003	2009	Former Professor of Law at the University of New Mexico School of Law.
<b>Philip D. Moeller</b>	2006	2010	Former Energy Policy Advisor and former Staff Coordinator for the Washington State Senate Committee on Energy, Utilities and Telecommunications.
<b>Marc Spitzer</b>	2006	2011	Former Chairman of the Arizona Corporation Commission.
<b>Jon Wellinghoff</b>	2006	2008	Attorney formerly practicing energy law and utility regulation in private practice. Former Nevada Consumer Advocate for Customers of Public Utilities, as well as former Staff Attorney for the Federal Trade Commission.

## Summary of General Rate Changes

### National Fuel Gas Supply Corporation

Case:	Filing Date	Effective Date	Test Period Ended	Revenue Increase (Decrease)		Rate of Return (%)				Rate Base	
				---(\$ Millions)---		---Total Rate Base---		---Equity---		---(\$ Millions)---	
				Requested	Granted	Requested	Granted	Requested	Granted	Requested	Granted
RP95-031 <sup>(1)</sup> RP06-298 <sup>(3)</sup>	10-31-94	06-01-95	03-95	21.0	6.0	10.31	9.59 <sup>(2)</sup>	12.6	11.30 <sup>(2)</sup>	429.0	427.0

<sup>(1)</sup> Reflects the merger of Penn-York Energy Corporation into National Fuel Gas Supply Corporation as approved by the FERC on January 19, 1994 at Docket No. CP92-508.

<sup>(2)</sup> Not specified in the FERC-approved settlement agreement -- based upon Company calculations.

<sup>(3)</sup> Uncontested settlement was certified by the Administrative Law Judge in December 2006; final approval by FERC is pending.



### Revenues, Volumes and Revenue Rates

Year Ended September 30

	2006	2005	2004	2003	2002
<b>Operating Revenues</b> (Thousands of Dollars)					
Firm Transportation:					
Affiliated	\$ 49,252	\$ 48,705	\$ 52,187	\$ 53,884	\$ 52,200
Nonaffiliated	69,299	68,441	68,256	55,624	35,882
Total Firm Transportation	\$ 118,551	\$ 117,146	\$ 120,443	\$ 109,508	\$ 88,082
Interruptible Transportation	4,858	4,413	3,084	3,944	3,315
Total Transportation	\$ 123,409	\$ 121,559	\$ 123,527	\$ 113,452	\$ 91,397
Affiliated Storage	31,561	31,596	32,262	33,299	33,326
Nonaffiliated Storage	35,196	33,991	31,720	29,960	29,414
Total Storage	66,757	65,587	63,982	63,259	62,740
Other	24,186	28,713	22,198	24,709	13,247
<b>Total Operating Revenues</b>	<b>\$ 214,352</b>	<b>\$ 215,859</b>	<b>\$ 209,707</b>	<b>\$ 201,420</b>	<b>\$ 167,384</b>
<b>Volumes</b> (MMcf)					
Firm Transportation:					
Affiliated	103,223	113,242	116,768	131,763	112,164
Nonaffiliated	260,156	244,343	222,223	209,162	178,343
Total Firm Transportation	363,379	357,585	338,991	340,925	290,507
Interruptible Transportation	11,609	14,794	12,692	10,004	7,315
<b>Total Volumes</b>	<b>374,988</b>	<b>372,379</b>	<b>351,683</b>	<b>350,929</b>	<b>297,822</b>
<b>Average Revenues per Mcf</b>					
Firm Transportation - Nonaffiliated	\$ 0.27	\$ 0.28	\$ 0.31	\$ 0.27	\$ 0.20
Interruptible Transportation	\$ 0.42	\$ 0.30	\$ 0.24	\$ 0.39	\$ 0.45

### Transmission & Storage Statistics

At September 30

	2006	2005	2004	2003	2002
<b>Transmission</b>					
<b>Compressor Stations</b>					
Number	15	15	15	14	14
Horsepower	39,886	39,606	39,606	39,326	39,326
<b>Pipeline Mileage</b>	<b>2,967</b>	<b>2,972</b>	<b>3,014</b>	<b>3,040</b>	<b>2,910</b>
<b>Storage<sup>(1)</sup></b>					
<b>Storage Services - Bcf</b>					
Firm Service - Affiliated	30.2	30.4	30.0	32.2	33.1
Firm Service - Nonaffiliated	36.2	36.0	35.7	29.8	31.6
Operational Capacity	7.0	7.0	7.0	7.0	7.0
<b>Total Available Working Capacity - Bcf</b>	<b>73.4</b>	<b>73.4</b>	<b>72.7</b>	<b>69.0</b>	<b>71.7</b>
Leased Storage Capacity	-	-	-	-	1.0
<b>Total Capacity - Bcf</b>	<b>73.4</b>	<b>73.4</b>	<b>72.7</b>	<b>69.0</b>	<b>72.7</b>
<b>Underground Areas</b>					
<b>Compressor Stations</b>					
Number	15	15	15	15	15
Horsepower	35,475	35,475	35,700	35,700	35,700

<sup>(1)</sup> Note: All data provided pertains to National Fuel Gas Supply Corporation.



**The Company's Utility operations are carried out by National Fuel Gas Distribution Corporation.**

## Regulation

The Company's Utility operations are regulated at the state level by the State of New York Public Service Commission (PSC) and the Pennsylvania Public Utility Commission (PaPUC).

### PSC Overview

There are five commission seats. Each Commissioner is appointed by the Governor and confirmed by the State Senate for a term of six years and remains in office until a new Commissioner is appointed. The Chairman is appointed by the Governor. The PSC is, by law, bipartisan. All of the current Commissioners were appointed by Governor George E. Pataki. The PSC staff consists of approximately 557 employees.

#### Current Commissioners

(As of September 30, 2006)

	Term Began	Term Expires	Background
<b>William M. Flynn, Esq.,</b> <i>Chairman</i>	2003	2009	Former President of the New York State Energy Research and Development Authority (NYSERDA).
<b>Patricia L. Acampora</b>	2005	2009	Former Assemblywoman in the New York State Legislature representing the 1 <sup>st</sup> Assembly District on Long Island.
<b>Maureen F. Harris, Esq.</b>	2006	2012	Formerly in private law practice, specializing in municipal finance and real estate development.
<b>Robert E. Curry, Jr., Esq.</b>	2006	2012	Formerly in private law practice, with emphasis on corporate governance and transactional work.
<b>Cheryl A. Buley</b>	2006	2012	Former Chairwoman of the New York State Racing and Wagering Board.

### PaPUC Overview

The PaPUC consists of up to five members, each appointed by the Governor and confirmed by the State Senate for a term of five years. The Chairman is designated by the Governor. Wendell F. Holland was appointed Chairman by Governor Edward G. Rendell. All remaining Commissioners were also appointed by Governor Rendell, with the exception of Kim Pizzigrilli, who was appointed by former Governor Thomas J. Ridge. The PaPUC is served by a staff of approximately 520 employees, divided into eleven offices and bureaus.

#### Current Commissioners

(As of September 30, 2006)

	Term Began	Term Expires	Background
<b>Wendell F. Holland,</b> <i>Chairman</i>	2003	2008	PaPUC Commissioner since September 2003. Retired judge and serving his second non-consecutive term as Commissioner of the PaPUC.
<b>James H. Cawley,</b> <i>Vice Chairman</i>	2005	2010	Former PaPUC Commissioner (1979-1985), and former Majority Counsel to the Pennsylvania Senate Consumer Affairs Committee and Chief Counsel to the Senate Majority Floor Leader. Currently also serving as Adjunct Professor of Administrative Law at Widener University School of Law.
<b>Kim Pizzigrilli</b>	2002	2007	Former Secretary of the Commonwealth. Currently serving on the Natural Gas Committee of the National Association of Regulatory Utility Commissioners.
<b>Terrance J. Fitzpatrick</b>	2005	2009	Attorney formerly practicing utility and environmental law in private practice. Assisted with drafting the Electricity Generation Customer Choice and Competition Act. Serving his second non-consecutive term as Commission of the PaPUC.
<b>Bill Shane</b>	2005	2006	Former Chief Administrative Law Judge, Commissioner and Chairman with the PaPUC and former counsel to major natural gas producers.





## Summary of General Rate Changes

National Fuel Gas Distribution Corporation												
	Filing Date	Effective Date	Test Period Ended	Revenue Increase (Decrease)		Rate of Return (%)				Rate Base		
				--- (\$ Millions) ---		--- Total Rate Base ---		--- Equity ---		--- (\$ Millions) ---		
				Requested	Granted	Requested	Granted	Requested	Granted	Requested	Granted	
<b>New York Division:</b>												
Case:	<b>04-G-1047<sup>(1)</sup></b>	08-27-04	08-01-05	07-07	60.9	21.0	9.1	N/A	11.875	N/A	686.1	N/A
	<b>00-G-1858<sup>(2)</sup></b>	N/A	10-01-03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<b>00-G-1495<sup>(3)</sup></b>	N/A	10-01-00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<b>98-G-1291<sup>(4)</sup></b>	N/A	10-01-00	N/A	N/A	(7.2)	N/A	N/A	N/A	N/A	N/A	N/A
	<b>95-G-1009<sup>(5)</sup></b>	09-29-97	10-01-97	09-98	7.2	7.2	N/A	N/A	N/A	N/A	N/A	N/A
	<b>95-G-1009<sup>(5)</sup></b>	11-09-95	10-01-96	09-97	28.9	7.2	9.56	N/A	11.5	N/A	630.7	N/A
	<b>94-G-0885</b>	10-21-94	09-20-95	07-96	56.5	14.2	10.44	9.1	12.85	10.4	628.3	574.0
<b>Pennsylvania Division:</b>												
Case:	<b>R-061493<sup>(6)(8)</sup></b>	05-31-06	01-01-07	01-07	25.9	14.3	9.48	N/A	12.25	N/A	297.0	N/A
	<b>R-049656<sup>(7)(8)</sup></b>	09-15-04	04-15-05	05-05	22.8	12.0	9.16	N/A	11.88	N/A	279.2	N/A
	<b>R-038168<sup>(8)(9)</sup></b>	04-16-03	01-15-04	09-03	16.5	3.5	9.96	N/A	12.75	N/A	262.5	N/A
	<b>R-953299<sup>(8)</sup></b>	03-15-95	09-27-95	11-95	22.0	6.0	10.98	N/A	13.25	N/A	230.6	N/A

N/A - Not Applicable

<sup>(1)</sup> A two-year rate plan that runs from August 1, 2005 through July 31, 2007. Earnings above 11.5% on a cumulative basis are to be shared equally between shareholders and ratepayers. The plan provides that customers will receive a bill credit of \$16.25 million in the first year and up to \$16.25 million in the second year, related to the overcollection of Gross Receipts Tax.

<sup>(2)</sup> Extended most of the features of the previous rate plan (00-G-1495). Specific changes included the following: Earnings above an 11% return on equity were to be shared equally between shareholders and ratepayers. The \$5.0 million bill credit continued unless the Company could demonstrate that it was no longer justified. Increased the amount of pension and post retirement benefits recognized in existing rates by \$8.0 million. Continued deferral of pension and post-retirement benefit expenses above the amount recognized in rates.

<sup>(3)</sup> The three-year rate plan that ran from October 1, 2000 through September 30, 2003 was extended through September 30, 2004. Earnings above an 11.0% return on a cumulative basis were to be shared equally between shareholders and ratepayers. The plan provided that customers would receive a bill credit of \$17.6 million in the first year, of which \$7.6 million related to customers' share of earnings accumulated under previous settlements. The credit was reduced to \$5.0 million in the second year, and in the third and subsequent years the credit was to remain at \$5.0 million unless the Company could demonstrate that it was no longer justified.

<sup>(4)</sup> A two-year rate plan that ran through September 30, 2000. An allowed return on equity of 12%, above which 50% of additional earnings would be shared equally between shareholders and customers, was retained from the previous settlement (see note 5). The rate plan also called for a \$7.2 million general restructuring reserve to be recorded in fiscal 1999.

<sup>(5)</sup> Settlement provided for annual base rate increase of \$7.2 million in each fiscal year beginning October 1, 1996 and 1997 with no specified rate of return on equity. Earnings above a 12% return on equity (excluding certain items determined on a cumulative basis over three years ending 9/30/98) were to be shared equally between shareholders and customers.

<sup>(6)</sup> Settlement -- \$14.3 million; effective date January 1, 2007.

<sup>(7)</sup> The PaPUC adopted a Settlement Agreement in this proceeding. The settlement, among other things, provided for a \$12.0 million annual operating revenue increase. The effective date of the increase in rates was April 15, 2005.

<sup>(8)</sup> Settlement -- only revenue increase specified.

<sup>(9)</sup> On December 18, 2003, the PaPUC adopted a Settlement Agreement in this proceeding. The settlement, among other things, provided for a \$3.5 million annual operating revenue increase. The effective date of the increase in rates was January 15, 2004.



### Degree Days

Year Ended September 30

	2006	2005	2004	2003	2002
<b>Buffalo, NY</b>					
Normal	6,692	6,692	6,729	6,815	6,847
Actual	5,968	6,587	6,572	7,137	5,808
Percent Colder (Warmer) than Normal	(10.8)%	(1.6)%	(2.3)%	4.7%	(15.2)%
<b>Erie, PA</b>					
Normal	6,243	6,243	6,277	6,135	6,146
Actual	5,688	6,247	6,086	6,769	5,334
Percent Colder (Warmer) than Normal	(8.9)%	0.1%	(3.0)%	10.3%	(13.2)%

### Gas Available for Utility Sales

Year Ended September 30

	2006	2005	2004	2003	2002
<b>Gas Available for Utility Sales (MMcf)</b>					
<b>Source of Utility Gas Supply</b>					
Long-Term Contract	53,086	57,287	54,596	57,832	62,805
Spot Purchases	13,340	20,449	42,411	57,188	39,650
Appalachian	8,658	8,545	8,361	7,953	7,324
<b>Total Utility Gas Supply</b>	<b>75,084</b>	86,281	105,368	122,973	109,779
Plus:					
Storage Change - Net (Into) or Out	1,051	1,429	3,995	(1,294)	356
Used in Operations, Shrinkage and Other	(5,026)	(7,436)	(7,402)	(9,517)	(8,691)
<b>Total Gas Available for Utility Sales</b>	<b>71,109</b>	80,274	101,961	112,162	101,444



## Revenues, Volumes and Customers

Year Ended September 30

	2006	2005	2004	2003	2002
<b>Operating Revenues</b> (Thousands of Dollars)					
Residential Sales	\$ 993,928	\$ 868,292	\$ 808,740	\$ 801,984	\$ 538,345
Commercial Sales	166,779	145,393	137,092	137,905	86,963
Industrial Sales	13,484	13,998	17,454	23,263	18,332
Off-System Sales	-	-	106,841	107,220	68,606
Total Sales	1,174,191	1,027,683	1,070,127	1,070,372	712,246
Transportation	92,569	83,669	80,563	86,374	83,267
Other	14,003	5,715	1,951	6,237	(1,292)
<b>Total Operating Revenues</b>	<b>\$ 1,280,763</b>	<b>\$ 1,117,067</b>	<b>\$ 1,152,641</b>	<b>\$ 1,162,983</b>	<b>\$ 794,221</b>
<b>Volumes (MMcf)</b>					
Residential Sales	59,443	66,903	70,109	76,449	64,639
Commercial Sales	10,681	11,984	12,752	14,177	11,549
Industrial Sales	985	1,387	2,261	3,537	3,715
Off-System Sales	-	-	16,839	17,999	21,541
Total Sales Volumes	71,109	80,274	101,961	112,162	101,444
Transportation	57,950	59,770	60,565	64,232	61,909
<b>Total Volumes</b>	<b>129,059</b>	<b>140,044</b>	<b>162,526</b>	<b>176,394</b>	<b>163,353</b>
<b>Pipeline Mileage</b>	<b>14,809</b>	14,784	14,781	14,773	14,783
<b>Average Revenue per Mcf</b>					
Residential	\$ 16.72	\$ 12.98	\$ 11.54	\$ 10.49	\$ 8.33
Commercial	15.61	12.13	10.75	9.73	7.53
Industrial	13.69	10.09	7.72	6.58	4.93
Off-System	-	-	6.34	5.96	3.18
Transportation	1.60	1.40	1.33	1.34	1.34
<b>Average Number of Customers</b>					
Residential	677,233	681,713	683,253	684,175	683,166
Commercial	49,026	47,979	47,843	47,982	47,811
Industrial	1,185	1,203	1,211	1,231	1,241
<b>Total Average Number of Customers</b>	<b>727,444</b>	<b>730,895</b>	<b>732,307</b>	<b>733,388</b>	<b>732,218</b>
<b>Average Number of Transportation Customers</b>					
Aggregator Programs	56,562	54,443	51,479	51,559	49,887
Other	1,151	1,819	1,852	1,822	1,842
<b>Residential Customer Statistics</b>					
Average Mcf per Customer	94	105	109	119	101
Average Annual Bill	\$ 1,575	\$ 1,364	\$ 1,262	\$ 1,251	\$ 838
Househeating Customers - Percent	97%	97%	97%	97%	96%



### Volumes by Industrial Category (MMcf) <sup>(1)</sup>

Year Ended September 30

2006

#### Eight Largest Industrial Categories

Primary Metal	11,628
Food	4,257
Fabricated Metal Products	3,075
Chemical & Allied	2,340
Power Generation	1,862
Lumber and Wood Products (excluding furniture)	1,659
Electronic & Other Electrical Equipment	1,500
Transportation Equipment	1,444
<b>Total Volumes Eight Largest Industrial Categories</b>	<b>27,765</b>
<b>All Other Industrial Volumes</b>	<b>4,256</b>
<b>Total Industrial Volumes</b>	<b>32,021</b>
<b>All Other Utility Volumes</b>	<b>97,038</b>
<b>Total Utility Volumes</b>	<b>129,059</b>

#### Percent of Eight Largest Industrial Categories to:

Total Industrial Volumes	86.7%
Total Utility Volumes	21.5%

### Volumes by Commercial Category (MMcf) <sup>(1)</sup>

Year Ended September 30

2006

#### Eight Largest Commercial Categories

Educational Services	5,842
Retail Trade	5,092
Health Services	4,236
Real Estate	2,577
Justice, Public Order and Safety	1,849
Sanitary Services	1,253
Personal Services	923
Social Services	888
<b>Total Volumes Eight Largest Commercial Categories</b>	<b>22,660</b>
<b>All Other Commercial Volumes</b>	<b>9,013</b>
<b>Total Commercial Volumes</b>	<b>31,673</b>
<b>All Other Utility Volumes</b>	<b>97,386</b>
<b>Total Utility Volumes</b>	<b>129,059</b>

#### Percent of Eight Largest Commercial Categories to:

Total Commercial Volumes	71.5%
Total Utility Volumes	17.6%

<sup>(1)</sup> Sales and transportation volumes



The Company's Exploration and Production operations are carried out through Seneca Resources Corporation.

<b>Gas and Oil Reserves</b>		2006	2005	2004	2003	2002
Year Ended September 30						
<b>Gas Reserves (MMcf)</b>						
Beginning of Year	<b>238,140</b>	224,784	251,117	258,221	322,380	
Extensions and Discoveries	<b>30,939</b>	27,475	22,341	28,023	36,805	
Revisions of Previous Estimates	<b>(12,436)</b>	15,239	(15,268)	(1,052)	(44,784)	
Production	<b>(25,771)</b>	(29,179)	(33,013)	(33,805)	(41,454)	
Sales of Minerals In Place	<b>(12)</b>	(179)	(393)	(270)	(14,726)	
Purchases of Minerals In Place	<b>1,715</b>	-	-	-	-	
End of Year	<b>232,575</b>	238,140	224,784	251,117	258,221	
Reserve Replacement Ratio <sup>(1)</sup>	<b>(0.72)</b>	1.46	0.21	0.80	(0.19)	
<b>Oil Reserves (Mbbbl)</b>						
Beginning of Year	<b>60,257</b>	65,213	69,764	99,717	115,328	
Extensions and Discoveries	<b>477</b>	366	218	879	2,023	
Revisions of Previous Estimates	<b>673</b>	(1,331)	63	(4,661)	(9,362)	
Production	<b>(3,608)</b>	(3,869)	(4,528)	(6,737)	(7,662)	
Sales of Minerals In Place	<b>(25)</b>	(122)	(304)	(19,434)	(610)	
Purchases of Minerals In Place	<b>274</b>	-	-	-	-	
End of Year	<b>58,018</b>	60,257	65,213	69,764	99,717	
Reserve Replacement Ratio <sup>(1)</sup>	<b>(0.32)</b>	(0.24)	0.06	(0.56)	(0.96)	
<b>Total Gas &amp; Oil Reserves (MMcfe)</b>						
Beginning of Year	<b>599,682</b>	616,062	669,700	856,523	1,014,348	
Extensions and Discoveries	<b>33,801</b>	29,671	23,650	33,297	48,943	
Revisions of Previous Estimates	<b>(8,398)</b>	7,253	(14,890)	(29,018)	(100,956)	
Production	<b>(47,419)</b>	(52,393)	(60,181)	(74,227)	(87,426)	
Sales of Minerals In Place	<b>(162)</b>	(911)	(2,217)	(116,875)	(18,386)	
Purchases of Minerals In Place	<b>3,359</b>	-	-	-	-	
End of Year	<b>580,683</b>	599,682	616,062	669,700	856,523	
Reserve Replacement Ratio <sup>(1)</sup>	<b>(0.53)</b>	0.70	0.15	0.06	(0.59)	

<sup>(1)</sup> Reserve Replacement Ratio equals the sum of Extensions and Discoveries plus Revisions of Previous Estimates divided by the sum of Production plus Sales of Minerals in Place.

<b>Net Undeveloped Acreage</b>		2006	2005	2004	2003	2002
at September 30						
<b>Region</b>						
Gulf Coast	<b>85,117</b>	94,251	115,909	137,817	204,947	
West Coast	-	-	-	860	2,257	
Appalachia	<b>451,733</b>	454,513	440,004	414,710	374,380	
Canada	<b>243,287</b>	254,794	316,820	336,538	700,811	
Total Net Undeveloped Acreage	<b>780,137</b>	803,558	872,733	889,925	1,282,395	


**Net Well Completions**

Year Ended September 30	2006			2005			2004			2003			2002		
	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio
<b>Region</b>															
Gulf Coast	3.72	0.85	0.81	1.53	0.47	0.77	0.65	0.50	0.57	3.35	-	1.00	1.58	3.67	0.30
West Coast	92.98	1.00	0.99	116.97	-	1.00	49.00	-	1.00	30.97	-	1.00	47.99	2.00	0.96
Appalachia	144.46	1.75	0.99	48.00	5.00	0.91	41.00	3.00	0.93	61.00	0.10	1.00	30.00	1.10	0.99
Canada	15.10	2.35	0.87	24.64	2.00	0.93	63.35	6.08	0.91	22.16	7.50	0.75	33.90	11.90	0.74
Total Well Completions	256.26	5.95	0.98	191.14	7.47	0.96	154.00	9.58	0.94	117.48	7.60	0.94	113.47	18.67	0.86

**Producing Wells**

at September 30	2006		2005		2004		2003		2002	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Region</b>										
Gulf Coast	64	35	68	35	66	35	69	35	76	42
West Coast	1,274	1,266	1,248	1,240	1,155	1,146	1,119	1,108	1,103	1,092
Appalachia	2,169	2,077	2,026	1,943	1,943	1,862	1,905	1,817	1,865	1,773
Canada	270	191	251	177	226	158	202	145	828	705
Total	3,777	3,569	3,593	3,395	3,390	3,201	3,295	3,105	3,872	3,612

**Gas Production (MMcf)**

Year Ended September 30	2006	2005	2004	2003	2002
<b>Region</b>					
Gulf Coast	9,110	12,468	17,596	18,441	25,776
West Coast	3,880	4,052	4,057	4,467	4,889
Appalachia	5,108	4,650	5,132	5,123	4,402
Canada	7,673	8,009	6,228	5,774	6,387
Total Gas Production	25,771	29,179	33,013	33,805	41,454

**Oil Production (Mbbbl)**

Year Ended September 30	2006	2005	2004	2003	2002
<b>Region</b>					
Gulf Coast	685	989	1,534	1,473	1,815
West Coast	2,582	2,544	2,650	2,872	3,004
Appalachia	69	36	20	10	9
Canada	272	300	324	2,382	2,834
Total Oil Production	3,608	3,869	4,528	6,737	7,662

**Total Production (MMcfe)**

Year Ended September 30	2006	2005	2004	2003	2002
Total Gas & Oil Production	47,419	52,393	60,181	74,227	87,426



## Revenues, Prices and Costs

Year Ended September 30

	2006	2005	2004	2003	2002
<b>Operating Revenues</b> (Thousands of Dollars)					
Gas (after Hedging)	\$ 184,268	\$ 181,713	\$ 167,127	\$ 150,982	\$ 148,467
Oil (after Hedging)	148,293	107,801	119,564	147,101	152,746
Gas Processing Plant	42,252	36,350	28,614	28,879	16,995
Other	3,771	(2,733)	1,815	1,308	6,627
Intrasegment Elimination <sup>(1)</sup>	(31,704)	(29,706)	(23,422)	(22,956)	(13,855)
<b>Total Operating Revenues</b>	<b>\$ 346,880</b>	<b>\$ 293,425</b>	<b>\$ 293,698</b>	<b>\$ 305,314</b>	<b>\$ 310,980</b>

### Gas Prices (Average Price per Mcf)

Region					
Gulf Coast	\$ 8.01	\$ 7.05	\$ 5.61	\$ 5.41	\$ 2.89
West Coast	\$ 7.93	\$ 6.85	\$ 5.54	\$ 5.01	\$ 2.86
Appalachia	\$ 9.53	\$ 7.60	\$ 5.91	\$ 5.07	\$ 3.74
Canada	\$ 7.14	\$ 6.15	\$ 4.87	\$ 4.67	\$ 2.29
Weighted Average	\$ 8.04	\$ 6.86	\$ 5.51	\$ 5.18	\$ 2.88
Weighted Average After Hedging	\$ 7.15	\$ 6.23	\$ 5.06	\$ 4.47	\$ 3.58

### Oil Prices (Average Price per Barrel)

Region					
Gulf Coast	\$ 64.10	\$ 49.78	\$ 35.31	\$ 29.17	\$ 22.83
West Coast	\$ 56.80	\$ 42.91	\$ 31.89	\$ 26.12	\$ 19.94
Appalachia	\$ 65.28	\$ 48.28	\$ 31.30	\$ 28.77	\$ 23.76
Canada	\$ 51.40	\$ 42.97	\$ 30.94	\$ 26.41	\$ 19.94
Weighted Average	\$ 57.94	\$ 44.72	\$ 32.98	\$ 26.90	\$ 20.63
Weighted Average After Hedging	\$ 41.10	\$ 27.86	\$ 26.40	\$ 21.84	\$ 19.94

### Exploration and Production Costs (Dollars per Mcf equivalent)

Lease Operating Expense (Production/Lifting Costs)	\$ 1.18	\$ 0.98	\$ 0.80	\$ 0.97	\$ 0.84
Depreciation, Depletion & Amortization <sup>(2)</sup>	\$ 1.98	\$ 1.72	\$ 1.47	\$ 1.30	\$ 1.16
General and Administrative <sup>(3)</sup>	\$ 0.49	\$ 0.41	\$ 0.38	\$ 0.29	\$ 0.40
<b>General and Administrative Reconciliation (Thousands of Dollars)</b>					
Exploration & Production General and Administrative	\$ 23,352	\$ 21,512	\$ 23,033	\$ 21,640	\$ 35,253
Exploration & Production All Other O&M	58,977	52,874	48,399	66,880	65,116
Exploration & Production Total O&M	\$ 82,329	\$ 74,386	\$ 71,432	\$ 88,520	\$ 100,369
All Other Segments O&M	331,397	330,131	314,087	273,378	271,694
<b>Total Consolidated O&amp;M</b>	<b>\$ 413,726</b>	<b>\$ 404,517</b>	<b>\$ 385,519</b>	<b>\$ 361,898</b>	<b>\$ 372,063</b>

<sup>(1)</sup> Represents the elimination of certain West Coast gas production revenue included in "Gas (after Hedging)" in the table above that is sold to the gas processing plant shown in the table above. An elimination for the same dollar amount is made to reduce the gas processing plant's purchased gas expense.

<sup>(2)</sup> Depreciation, Depletion & Amortization costs are sourced from Note N of National Fuel Gas Company's Form 10-K which include only oil and gas production-related costs.

<sup>(3)</sup> General and Administrative cost per Mcf equivalent equals the fiscal year Exploration & Production General and Administrative cost divided by the Total Gas & Oil Production (MMcfe) in that same fiscal year.





The Company's Energy Marketing operations are carried out by National Fuel Resources, Inc.

<b>ENERGY MARKETING</b>		2006	2005	2004	2003	2002
<i>Year Ended September 30</i>						
<b>Operating Revenues</b> (Thousands of Dollars)		\$ 497,069	\$ 329,714	\$ 284,349	\$ 304,660	\$ 151,257
<i>Year Ended September 30</i>						
<b>Natural Gas Marketing Volumes</b> (MMcf)		45,270	40,683	41,651	45,135	33,042
<i>At September 30</i>						
<b>Number of Customers</b>		19,568	19,167	20,328	21,605	22,122

Highland Forest Resources, Inc. and the Northeast Division of Seneca Resources Corporation carry out the Timber segment operations for the Company.

<b>TIMBER</b>		2006	2005	2004	2003	2002
<i>Year Ended September 30</i>						
<b>Operating Revenues</b> (Thousands of Dollars)		\$ 65,029	\$ 61,286	\$ 55,970	\$ 56,226	\$ 47,407
<i>Year Ended September 30</i>						
<b>Production</b> (Thousands of Board Feet) <sup>(1)</sup>						
Log Sales	9,527	7,601	6,848	8,764	8,174	
Green Lumber Sales	10,454	10,489	9,552	11,913	12,878	
Kiln Dry Lumber Sales	16,862	15,491	15,020	13,300	10,794	
<b>Total</b>	<b>36,843</b>	<b>33,581</b>	<b>31,420</b>	<b>33,977</b>	<b>31,846</b>	
<i>At September 30</i>						
<b>Acreage</b>		100,487	100,400	87,400	8,700	155,000
<i>At September 30</i>						
<b>Total Estimated Inventory</b>						
Board Feet (Thousands)	385,200	386,000	326,800	329,600	600,000	

<sup>(1)</sup> A Board Foot is a piece of lumber measuring approximately 12" wide x 12" long x 1" thick.



## Principal Officers

### National Fuel Gas Company

**Philip C. Ackerman**, Chairman of the Board and Chief Executive Officer  
**David F. Smith**, President and Chief Operating Officer  
**Ronald J. Tanski**, Treasurer and Principal Financial Officer  
**Karen M. Camiolo**, Controller and Principal Accounting Officer  
**Anna Marie Cellino**, Secretary  
**Paula M. Ciprich**, General Counsel

## Principal Officers of Principal Subsidiaries

### National Fuel Gas Distribution Corporation

**Philip C. Ackerman**, Chairman of the Board  
**Ronald J. Tanski**, President and Treasurer  
**Anna Marie Cellino**, Senior Vice President and Secretary  
**James D. Ramsdell**, Senior Vice President  
**Karen M. Camiolo**, Controller  
**Carl M. Carlotti**, Vice President  
**Bruce D. Heine**, Vice President  
**Jay W. Lesch**, Vice President  
**Steven Wagner**, Vice President

### National Fuel Gas Supply Corporation

**Philip C. Ackerman**, Chairman of the Board  
**David F. Smith**, President  
**John R. Pustulka**, Senior Vice President  
**Ronald J. Tanski**, Treasurer and Secretary  
**Karen M. Camiolo**, Controller

### Seneca Resources Corporation

**Philip C. Ackerman**, Chairman of the Board  
**Matthew D. Cabell**, President  
**Barry L. McMahan**, Senior Vice President  
**Donald P. Butler**, Secretary

### National Fuel Resources, Inc.

**Donna L. DeCarolis**, President and Secretary

### Highland Forest Resources, Inc.

**Philip C. Ackerman**, Chairman of the Board  
**Donald P. Butler**, Secretary

## Directors

### **Philip C. Ackerman**<sup>6, 10</sup>

Chairman of the Board of Directors of the Company since January 2002. Chief Executive Officer since October 2001 and former President of the Company. Chairman and President of certain subsidiaries of the Company. Board member since 1994.

### **Robert T. Brady**<sup>3, 5, 8</sup>

Chairman, President and Chief Executive Officer of Moog Inc. Director of Astronics Corporation, M&T Bank Corporation and Seneca Foods Corporation. Director of the Buffalo Niagara Partnership. Board member since 1995.

### **R. Don Cash**<sup>1, 3, 7</sup>

Chairman Emeritus and Director of Questar Corporation. Former Chairman, Chief Executive Officer and President of Questar Corporation. Director of Zions Bancorporation, Associated Electric and Gas Insurance Services Limited, and TODCO (The Offshore Drilling Company). Board member since 2003.

### **Rolland E. Kidder**<sup>1</sup>

Executive Director of the Robert H. Jackson Center, Inc. in Jamestown, N.Y. Former Chairman and President of Kidder Exploration, Inc. Former Trustee of the New York Power Authority. Board member since 2002.

### **Craig G. Matthews**<sup>2, 9</sup>

Former President and Chief Executive Officer of NUI Corporation. Former Vice Chairman and Chief Operating Officer of KeySpan Corporation. Director of Hess Corporation (formerly Amerada Hess Corporation). Board member since 2005.

### **George L. Mazanec**<sup>1, 4, 5, 9</sup>

Former Vice Chairman of PanEnergy Corporation (now Duke Energy Corporation). Director of Dynegy Inc., Northern Trust Bank of Texas, N.A. and Associated Electric and Gas Insurance Services Limited. Member of the Board of Trustees of DePauw University. Board member since 1996.

### **Richard G. Reiten**<sup>1, 7</sup>

Director of Northwest Natural Gas Company. Former Chairman, Chief Executive Officer and President of Northwest Natural Gas Company. Director of Associated Electric and Gas Insurance Services Limited, Building Materials Holding Corporation, IDACORP, Inc. and U.S. Bancorp. Board member since 2004.

### **John F. Riordan**<sup>3, 5, 7</sup>

Former President and Chief Executive Officer of the Gas Technology Institute. Former President and Chief Executive Officer of MIDCON Corporation. Director of Nicor Inc. Board member since 2000.

<sup>1</sup> Member of Audit Committee

<sup>2</sup> Chairman, Audit Committee

<sup>3</sup> Member of Compensation Committee

<sup>4</sup> Chairman, Compensation Committee

<sup>5</sup> Member of Executive Committee

<sup>6</sup> Chairman, Executive Committee

<sup>7</sup> Member of Nominating/Corporate Governance Committee

<sup>8</sup> Chairman, Nominating/Corporate Governance Committee

<sup>9</sup> Member of Financing Committee

<sup>10</sup> Chairman, Financing Committee



## National Fuel Gas Company

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