



## **Final Regulatory Approval Granted for the Empire Connector Project**

(January 5, 2007) Williamsville, New York: National Fuel Gas Company (NYSE: NFG) today announced that the Federal Energy Regulatory Commission (FERC) has granted the Empire Connector Project a Certificate of Public Convenience and Necessity, thereby granting the approval to construct and operate the natural gas pipeline.

Ronald Kraemer, Vice President of the Empire State Pipeline said, "We are pleased the FERC has approved our Project application. This would not have been possible without the extraordinary cooperation of landowners along the pipeline route, who helped us develop a solid plan for this project and who continue to offer us valuable input."

The Empire Connector Project seeks to expand the 157-mile long Empire State Pipeline by about 78 miles. Extending from near Rochester to near Corning, the Empire Connector will link the existing Empire State Pipeline that runs from near Buffalo to Syracuse, NY to the proposed Millennium pipeline project, the first phase of which will be built from Corning to Suffern, NY.\* The Empire Connector and the Millennium Pipelines are part of a significant expansion project designed to bring much-needed energy supplies to the Northeast. Once completed, these projects, along with the Algonquin Gas Transmission, LLC and Iroquois Gas Transmission System, L.P. expansion projects will provide 525,400 dekatherms per day of new natural gas supply to growing markets in the Northeast.\*

Kraemer added, "Since first introducing our project in 2004, we have worked diligently with landowners, representatives from environmental agencies, agricultural specialists and legislators to identify key issues related to this project. As a result, we presented the FERC with a construction plan that addresses the variety of construction, engineering and environmental challenges that are typically associated with building a pipeline. We now look forward to continuing our work with these important constituencies as we move to the next stage of this Project."

As part of the Empire Connector Project, one compressor station will be built along the existing pipeline to increase its ability to deliver gas along the expanded pipeline system. When the Empire Connector and Millennium projects are complete, natural gas will flow from increasingly important and substantial North American supply basins to markets in the Northeast – serving customers in central and western New York along the way.

The anticipated in-service date for the project is fall 2008.\* Limited construction in targeted areas is expected to begin as early as this summer. Most of the construction will take place during the spring and summer of 2008. Soon, landowners with property located along the pipeline route will receive more information about the future phases.

National Fuel Gas Company is an integrated energy company with \$3.7 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.

(more)



\* - Certain statements contained herein, including statements concerning plans, objectives, goals, projections, strategies and future events or performance, statements which are designated with an asterisk (“\*”), and statements which are identified by use of the words “anticipates,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects,” and similar expressions, are “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such statements. The Company’s expectations, beliefs and projections contained herein are expressed in good faith and are believed to have a reasonable basis, but there can be no assurance that such expectations, beliefs or projections will result or be achieved or accomplished. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking statements: changes in economic conditions, including economic disruptions caused by terrorist activities, acts of war or major accidents; changes in demographic patterns or weather conditions, including the occurrence of severe weather; changes in the availability and/or price of natural gas, oil and coal; inability to obtain or retain sufficient customers for the proposed Empire Connector; changes in the plans of the sponsors of the proposed Millennium Pipeline with respect to that project; significant changes in competitive factors affecting the Company; governmental/regulatory actions, initiatives and proceedings, including the FERC’s consideration of the proposed Empire Connector, and other federal, state or local actions, initiatives or proceedings affecting acquisitions, financings, allowed rates of return, affiliate relationships, industry and rate structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; significant changes from expectations in actual capital expenditures and operating expenses and unanticipated project delays or changes in project costs; significant changes in the projected profitability of pending and potential projects, including the proposed Empire Connector; occurrences affecting the Company’s ability to obtain funds from operations or the issuance of debt or equity securities to finance needed capital expenditures and other investments; significant changes in the Company’s relationship with its employees and contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in laws and regulations to which the Company is subject, including tax, environmental, safety and employment laws and regulations; or the cost and effects of legal and administrative claims against the Company. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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