SYSTEM ALERT - PENNSYLVANIA DIVISION
Effective 01/17/2005

The following is a System Alert for the National Fuel Gas Distribution Corporation ("Distribution" or "Company") - Pennsylvania service territory effective for today, 01/17/2005, and continuing until further notice. Due to anticipated cold weather conditions over this period and the anticipated increase in demand, Distribution is requesting that all Market Pool Operators make every attempt to match deliveries to their customers' actual usages.

Please note that Monthly (MMT) Market Pool ADDQ's are based on the average anticipated daily usage for normal weather. We suggest that all MMT suppliers consider delivering in excess of posted ADDQ's in order to ensure adequate deliveries for their customers for this month. Therefore, Suppliers that wish to deliver in excess of 120% of any Market Pool's ADDQ, in order to match customer usage during this period, should request DDQ changes per standard operating procedures.

Suppliers who schedule and deliver quantities above posted ADDQ's for monthly and SATS transportation customers on a voluntary basis will also help to prevent a critical situation that could require the Company to issue an OFO.

The Company believes that avoiding OFO situations would be in everyone's best interest. It may be possible to avoid OFO's by diligently monitoring customer usage and nominating supplies accordingly on a "gas in, gas out" basis. This is especially true of weekend and/or holiday nominations that do not reflect changes in end-user consumption and for end-of-month nominations that attempt to make up for under-deliveries throughout the month.

Distribution will continue to provide periodic updates to the operational status of the system as warranted.

David D. Wolford
01/17/2005