SYSTEM ALERT (Warm) – PENNSYLVANIA DIVISION

commencing 10:00 AM Friday, December 29, 2006 until further notice

A System Alert is hereby declared for the National Fuel Gas Distribution Corporation ("Distribution" or "Company") - Pennsylvania service territory commencing 10:00 AM Friday, December 29, 2006 until further notice. Due to anticipated warmer-than-normal weather conditions over this period and the corresponding lack of demand, Distribution is requesting that all Market Pool Operators make every attempt to match deliveries to their customers’ actual usages to prevent a critical situation that could require the Company to issue an Operational Flow Order ("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 downturns 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, when warranted.

David D. Wolford

12/29/2006