

NATIONAL FUEL GAS CO

FORM DEFA14A

(Additional Proxy Soliciting Materials (definitive))

Filed 01/24/08

Address	6363 MAIN STREET WILLIAMSVILLE, NY 14221-5887
Telephone	716-857-7000
CIK	0000070145
Symbol	NFG
SIC Code	4924 - Natural Gas Distribution
Industry	Natural Gas Utilities
Sector	Utilities
Fiscal Year	09/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES
EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to 240.14a -12

NATIONAL FUEL GAS COMPANY
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

In connection with certain matters to be voted on at the 2008 Annual Meeting of Shareholders, on January 24, 2008, National Fuel Gas Company (the "Company") posted a note to its employees on its employee news center, a copy of which is attached as Exhibit 1 hereto; the Company will also be mailing correspondence to its retirees, a copy of which is attached as Exhibit 2 hereto. On January 24, 2008, the Company also made available on its website a page for the use of the Company's shareholders in connection with certain matters to be voted on at the 2008 Annual Meeting of Stockholders, the contents of which are attached as Exhibit 3 hereto.



A Message For All Employees

We are pleased to announce that the Company and the New Mountain Vantage GP, L.L.C. and its affiliates (“Vantage”) have agreed to a settlement, which ends the proxy contest pertaining to the election of directors at the Company’s 2008 Annual Meeting of Stockholders. All parties to this settlement agree that our shareholders, employees, retirees and customers are best served by resolving this matter and working together in a cooperative and productive manner.

We believe that this settlement is a fair resolution to the differences between the Company and Vantage and we are pleased that we have found common ground where we can jointly focus our attention on continuing to grow shareholder value. The Company is very well positioned to maintain our long record of providing superior returns to all of our investors and this settlement does not substantially change the course that had been charted for your Company before this matter arose.

As part of the settlement, the Company has agreed to increase the size of our Board from 10 to 11 directors and to nominate, in addition to our original slate of continuing directors, a new director, Vantage’s candidate Frederic V. Salerno, who, in accordance with Vantage’s policies and at their request, will receive no compensation for his Board service for as long as Vantage continues to own Common Stock of the Company. All four candidates will be nominated to serve for a term to expire in 2011.

We will file a supplement to our Proxy Statement and new voting card to reflect these nominees, which will be mailed to shareholders. Likewise, Vantage will immediately cease its efforts related to its own proxy solicitation, and withdraw its Proxy Statement and its own nominations. Upon receiving these new proxy materials, we ask that you vote using the new proxy card.

It was also agreed, in order to address a corporate governance matter, following the 2008 Annual Meeting of Shareholders, Phil will continue to serve as Chairman of the Board and Dave will be named Chief Executive Officer. To find out more about the terms of this settlement, you may refer to our Web site where a news release is posted.

We would like to thank you for all of your efforts in supporting the Company’s position during this proxy contest. We have always known that the outstanding returns provided to shareholders are directly associated with your hard work and dedication. In this matter, you further showcased the superior talent, commitment and volunteerism that are deeply engrained in our employees. We would like to thank, in particular, those of you who made calls to our shareholders in the evenings and on the weekend. We are deeply grateful for the sacrifice you and your families made in finding time to make those calls, which were of critical importance to this effort.

Thank you again for all that each of you does, every day, on behalf of the Company and in service to our customers.

Phil Ackerman

Dave Smith

Ron Tanski

IMPORTANT INFORMATION AND WHERE TO FIND IT

In connection with its 2008 Annual Meeting, National Fuel Gas Company has filed a definitive proxy statement, WHITE proxy card and other materials with the U.S. Securities and Exchange Commission ("SEC"), and will be filing a supplement to such definitive proxy statement. WE URGE INVESTORS TO READ THE PROXY STATEMENT AND THESE OTHER MATERIALS CAREFULLY WHEN THEY BECOME AVAILABLE, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT NATIONAL FUEL GAS COMPANY AND THE MATTERS TO BE CONSIDERED AT ITS ANNUAL MEETING. Investors may contact Morrow & Co., LLC, National Fuel Gas Company's proxy advisor for the 2008 Annual Meeting, at (800) 252-1959 or by email at nfginfo@morrowco.com. Investors may also obtain a free copy of the proxy statement and other relevant documents as well as other materials filed with the SEC concerning National Fuel Gas Company at the SEC's website at <http://www.sec.gov>. Free copies of National Fuel Gas Company's SEC filings are also available on National Fuel Gas Company's website at <http://www.nationalfuelgas.com>. These materials and other documents may also be obtained for free from: Secretary, National Fuel Gas Company, 6363 Main Street, Williamsville, New York 14221, (716) 857-7000.

CERTAIN INFORMATION REGARDING PARTICIPANTS IN THE SOLICITATION

National Fuel Gas Company and its directors are, and certain of its officers and employees may be deemed to be, participants in the solicitation of proxies from National Fuel Gas Company's stockholders with respect to the matters considered at National Fuel Gas Company's 2008 Annual Meeting. Information regarding these directors, and these certain officers and employees, is included in the definitive proxy statement on Schedule 14A filed with the SEC on January 11, 2008, and on National Fuel Gas Company's website at <http://www.nationalfuelgas.com>. Security holders can also obtain information with respect to the identity of the participants and potential participants in the solicitation and a description of their direct or indirect interests, by security holdings or otherwise, for free, by contacting: Secretary, National Fuel Gas Company, 6363 Main Street, Williamsville, New York 14221, (716) 857-7000. More detailed information with respect to the identity of the participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with National Fuel Gas Company's 2008 Annual Meeting.



National Fuel

Philip C. Ackerman
Chairman and Chief Executive Officer

January 24, 2008

[Address]

Dear [Recipient]:

We are writing to you today to announce that we have reached a settlement in the proxy contest with New Mountain Vantage GP, L.L.C. and its affiliates, including CalPERS, the California Public Employees' Retirement System, ("Vantage"), pertaining to the election of directors to the National Fuel Gas Company Board of Directors at the Company's 2008 Annual Meeting of Stockholders. The Company and Vantage have determined that the Company's shareholders, employees, retirees and customers are best served by resolving this matter and working together in a cooperative and productive manner and we are pleased to see this come to a close.

We understand that this has been a troublesome and, on occasion, confusing process and we regret the inconvenience it has caused you, particularly as you have likely received several phone calls, letters and voting cards from both parties. Fortunately this settlement puts all of that to rest.

On behalf of the Board, please accept our thanks for the outstanding show of support all of our retirees offered as this matter unfolded. It comes as no surprise to us that you would display such solidarity during the proxy contest; it is our long-held belief that the success our Company has enjoyed over the years is directly associated with having assembled a best-in-class employee group whose dedication continues long into their retirement.

Upon reaching this settlement, we have agreed to increase the size of our Board from 10 to 11 directors and to nominate, as a new director, Vantage's candidate Frederic V. Salerno, who, in accordance with Vantage's policies and at its request, will receive no compensation for his Board service for as long as Vantage continues to own Common Stock of the Company. Mr. Salerno will be added to our originally proposed slate of continuing directors: Robert T. Brady, Rolland E. Kidder and John F. Riordan. All four candidates will be nominated to serve for a term to expire in 2011.

The Company will file a supplement to our Proxy Statement and a new voting card to reflect these agreed upon nominees. Likewise, Vantage will immediately cease efforts related to its own proxy solicitation and withdraw its Proxy Statement and its own nominations. ***The Board asks you to vote by using the new proxy card that you will receive from the Company. Again, we do apologize for the inconvenience you've experienced, but we hope that you will give this new card your attention because, as always, your vote is very important.***

We believe that this settlement is a fair resolution to the differences between the Company and Vantage and we are pleased that we have found common ground where we can jointly focus our attention on continuing to grow shareholder value. The Company is very well positioned to maintain our long record of providing superior returns to all of our investors and this settlement does not substantially change the course that had been charted for your Company before this matter arose.

In addition to the change in the number of directors to serve on our Board, certain of the provisions in the Settlement Agreement relate to corporate governance matters. In order to have separate individuals serve as Chairman of the Board of Directors and as Chief Executive Officer, the parties agree that, following the February 2008 Annual Meeting, Phil Ackerman will continue to serve as Chairman of the Board and Dave Smith will be named Chief Executive Officer of the Company.

Other elements of the Settlement Agreement include:

- The Company and Vantage have agreed to a standstill whereby, until September 2009, Vantage will not, among other things: acquire Voting Securities that would increase its beneficial ownership to more than 9.6 percent of the Company's Voting Securities; engage in any proxy solicitations or advance any shareholder proposals; attempt to control the Company's Board, management or policies; call a meeting of shareholders; obtain additional representation to the Board; or effect the removal of any member of the Board.
 - The Company and Vantage agree that the Company's Appalachian acreage, including the Marcellus Shale, is extremely valuable and should be developed with all reasonable speed and on a commercially reasonable best efforts basis. The Company will provide, in conjunction with its quarterly conference call, information on these development efforts, to the extent material and not competitively sensitive.
 - The Company reaffirms that it intends to evaluate the divestiture of its assets in the Gulf of Mexico as one key alternative if performance targets set by the Company are not met during this fiscal year. The Company will keep shareholders apprised of its progress in conjunction with its quarterly conference call, to the extent material and not competitively sensitive.
 - Vantage will provide to the Company copies of all reports and analyses developed or based upon the research and analysis of Schlumberger Data and Consulting Services.
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- The Company will provide its new director, Mr. Salerno, with a copy of the Morgan Stanley report and the other reports, materials and information reviewed by non- executive directors of the Board in evaluating or analyzing Vantage's suggestions.
- The Company will, with the cooperation of Vantage, file motions to withdraw the petitions it previously filed with the Pennsylvania Public Utility Commission and the New York State Public Service Commission that had requested each regulatory agency take action with respect to the Vantage's investment in the Company.
- The Company and Vantage agree that, on a semi-annual basis designated representatives from Vantage will be provided an opportunity to meet with the Board. These meetings will afford Vantage an opportunity to bring its ideas to the Board for its reasonable consideration.
- In addressing other corporate governance matters, the Company will amend the charters of the Audit Committee, the Compensation Committee and the Nominating/Corporate Governance Committee to provide for annual performance reviews of individual directors to be presented to the full Board; amend its administrative rules to provide that, subject to certain exceptions, future equity awards will vest or become exercisable only upon the attainment of certain performance goals; and cause the adoption or disclosure of target levels of beneficial ownership of shares of Common Stock for each director.

On behalf of the Board and all of us at National Fuel, thank you for your support and understanding and, most of all, for your dedicated service to the Company.

Sincerely yours,



Phil Ackerman

Dave Smith

Ron Tanski

Chairman and Chief
Executive Officer

President and Chief
Operating Officer

Treasurer and
Principal Financial
Officer

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Posted: January 24, 2008

Thank You for Your Support

We are pleased to announce that the Company has reached a settlement in the proxy contest with New Mountain Vantage GP, L.L.C. and its affiliates, including CalPERS, the California Public Employees' Retirement System, ("Vantage"), pertaining to the election of directors to our Board at the 2008 Annual Meeting of Stockholders. The Company and Vantage have determined that National Fuel's shareholders, employees, retirees and customers are best served by resolving this matter and working together in a cooperative and productive manner, and we are pleased to see this come to a close.

We understand that this has been a troublesome and, on occasion, confusing process and we regret the inconvenience it has caused you, particularly as you have likely received several phone calls, letters and voting cards from both parties. Fortunately, this settlement puts all of that to rest.

Upon reaching this settlement, we have agreed to increase the size of our Board from 10 to 11 directors and to nominate, as a new director, Vantage's candidate Frederic V. Salerno. In accordance with Vantage's policies and at its request, Mr. Salerno will receive no compensation for his Board service for as long as Vantage continues to own Common Stock of the Company. Mr. Salerno will be added to our originally proposed slate of continuing directors: Robert T. Brady, Rolland E. Kidder and John F. Riordan. All four candidates will be nominated to serve for a term to expire in 2011.

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For more information on this settlement, [click here](#) to view the news release that was issued.

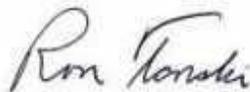
Sincerely yours,



Phil Ackerman
Chairman and Chief
Executive Officer



Dave Smith
President and Chief
Operating Officer



Ron Tanski
Treasurer and Principal
Financial Officer

Important Note Regarding Proxy Materials

National Fuel stockholders may have received definitive proxy materials and proxy cards from both National Fuel and Vantage. Stockholders are requested by both National Fuel and Vantage NOT to vote on the proxy cards previously supplied and instead to vote on the white proxy card to be included with the supplemental proxy materials that will be subsequently mailed to all National Fuel stockholders and filed with the U.S. Securities and Exchange Commission. Questions about the voting of proxies should be addressed to National Fuel's proxy solicitation firm, Morrow & Co., Inc., at (800) 252-1959.

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and a description of their direct or indirect interests, by security holdings or otherwise, for free, by contacting: Secretary, National Fuel Gas Company, 6363 Main Street, Williamsville, New York 14221, (716) 857-7000. More detailed information with respect to the identity of the participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with National Fuel Gas Company's 2008 Annual Meeting.
