

# NATIONAL FUEL GAS CO

## FORM 8-K (Current report filing)

Filed 09/18/08 for the Period Ending 09/18/08

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

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): September 18, 2008**

**NATIONAL FUEL GAS COMPANY**

(Exact name of registrant as specified in its charter)

New Jersey  
(State or other jurisdiction  
of incorporation)

1-3880  
(Commission File Number)

13-1086010  
(IRS Employer  
Identification No.)

6363 Main Street, Williamsville, New York  
(Address of principal executive offices)

14221  
(Zip Code)

Registrant's telephone number, including area code: (716) 857-7000

Former name or former address, if changed since last report: Not Applicable

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( *see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 7.01 Regulation FD Disclosure

National Fuel Gas Company (the “Company”) will make a presentation to securities market professionals in Erie, Pennsylvania on Thursday, September 18, 2008. A copy of the presentation is furnished as part of this Current Report as Exhibit 99.

Neither the furnishing of the presentation as an exhibit to this Current Report nor the inclusion in such presentation of any reference to the Company’s internet address shall, under any circumstances, be deemed to incorporate the information available at such internet address into this Current Report. The information available at the Company’s internet address is not part of this Current Report or any other report filed or furnished by the Company with the Securities and Exchange Commission.

In addition to financial measures calculated in accordance with generally accepted accounting principles (“GAAP”), the presentation furnished as part of this Current Report as Exhibit 99 contains certain non-GAAP financial measures. The Company believes that such non-GAAP financial measures are useful to investors because they provide an alternative method for assessing the Company’s operating results in a manner that is focused on the performance of the Company’s ongoing operations. The Company’s management uses these non-GAAP financial measures for the same purpose, and for planning and forecasting purposes. The presentation of non-GAAP financial measures is not meant to be a substitute for financial measures prepared in accordance with GAAP.

Certain statements contained herein or in the presentation furnished as part of this Current Report, including statements regarding expected future natural gas and oil production, estimated future earnings, future prospects, plans and capital structure, anticipated capital expenditures, and completion of construction projects, as well as statements that are identified by the use of the words “anticipates,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “predicts,” “projects,” “believes,” “seeks,” “will,” “may,” and similar expressions, are “forward-looking statements” as defined by the Private Securities Litigation Reform Act of 1995. There can be no assurance that the Company’s projections will in fact be achieved nor do these projections reflect any acquisitions or divestitures that may occur in the future. While the Company’s expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, actual results may differ materially from those projected in forward-looking statements. Furthermore, each forward-looking statement speaks only as of the date on which it is made. 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, and downturns in economic activity including national or regional recessions; changes in demographic patterns and weather conditions, including the occurrence of severe weather such as hurricanes; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments or the valuation of the Company’s natural gas and oil reserves; uncertainty of oil and gas reserve estimates; ability to successfully identify, drill for and produce economically viable natural gas and oil reserves, including shortages, delays or unavailability of equipment and services required in drilling operations; significant changes from expectations in the Company’s actual production levels for

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natural gas or oil; changes in the availability and/or price of derivative financial instruments; changes in the price differentials between various types of oil; inability to obtain new customers or retain existing ones; significant changes in competitive factors affecting the Company; changes in laws and regulations to which the Company is subject, including changes in tax, environmental, safety and employment laws and regulations; governmental/regulatory actions, initiatives and proceedings, including those involving acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained gas), affiliate relationships, industry 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 or plans; the nature and projected profitability of pending and potential projects and other investments, and the ability to obtain necessary governmental approvals and permits; occurrences affecting the Company's ability to obtain funds from operations, from borrowings under our credit lines or other credit facilities or from issuances of other short-term notes or debt or equity securities to finance needed capital expenditures and other investments, including any downgrades in the Company's credit ratings; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; changes in the market price of timber and the impact such changes might have on the types and quantity of timber harvested by the Company; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; the cost and effects of legal and administrative claims against the Company or activist shareholder campaigns to effect changes at the Company; changes in actuarial assumptions and the return on assets with respect to the Company's retirement plan and post-retirement benefit plans; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide post-retirement benefits; or increasing costs of insurance, changes in coverage and the ability to obtain insurance. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit 99      Presentation materials dated September 18, 2008

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL FUEL GAS COMPANY

By: /s/ James R. Peterson  
James R. Peterson  
Assistant Secretary

September 18, 2008

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## EXHIBIT INDEX

Exhibit Number	Description
99	Presentation materials dated September 18, 2008



***National Fuel***

**Erie, Pennsylvania  
Financial  
Professional  
Presentation**

*September 18<sup>th</sup>, 2008*

# Safe Harbor

## For Forward Looking Statements

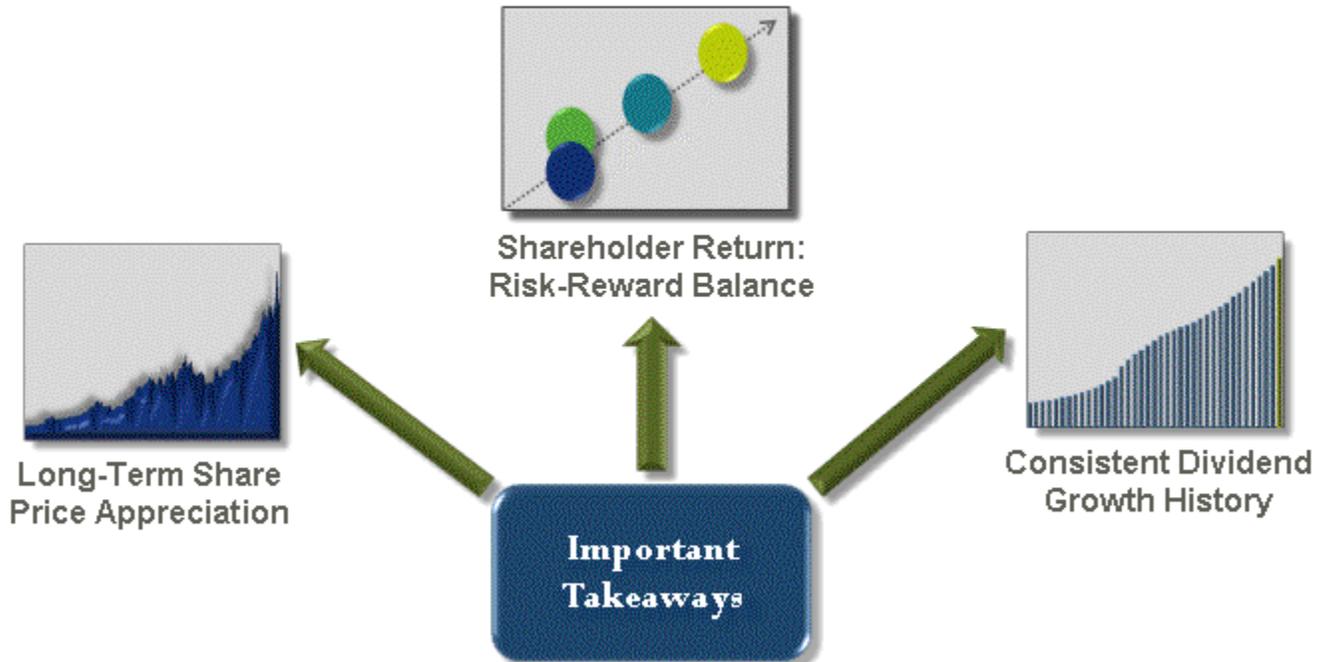
This presentation may contain "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995, including statements regarding future prospects, plans, performance and capital structure, anticipated capital expenditures and completion of construction projects, as well as statements that are identified by the use of the words "anticipate," "estimate," "expect," "forecast," "intend," "plan," "predict," "project," "believe," "seek," "will," "may," and similar expressions. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking 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 results referred to in the forward-looking statements: changes in economic conditions, including economic disruptions caused by terrorist activities, acts of war or major accidents, and downturns in economic activity; including national or regional recessions; changes in demographic patterns and weather conditions, including the occurrence of severe weather such as hurricanes; changes in the availability and/or price of natural gas or oil and the effect of such changes on the accounting treatment of derivative financial instruments or the valuation of the Company's natural gas and oil reserves; uncertainty of oil and gas reserve estimates; ability to successfully identify, drill for and produce economically viable natural gas and oil reserves, including shortages, delays or unavailability of equipment and services required in drilling operations; significant changes from expectations in the Company's actual production levels for natural gas or oil; changes in the availability and/or price of derivative financial instruments; changes in the price differential between various types of oil; inability to obtain new customers or retain existing ones; significant changes in competitive factors affecting the Company; changes in laws and regulations to which the Company is subject, including changes in tax, environmental, safety and employment laws and regulations; governmental/regulatory actions, initiatives and proceedings, including those involving acquisitions, financings, rate cases (which address, among other things, allowed rates of return, rate design and retained gas), affiliate relationships, industry 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 or plans; the nature and projected profitability of pending and potential projects and other investments, and the ability to obtain necessary governmental approvals and permits; occurrence affecting the Company's ability to obtain funds from operations, from borrowings under our creditline or other credit facilities or from issuances of other short-term notes or debt or equity securities to finance needed capital expenditures and other investments, including any downgrades in the Company's credit ratings; ability to successfully identify and finance acquisitions or other investments and ability to operate and integrate existing and any subsequently acquired business or properties; impairments under the SEC's full cost ceiling test for natural gas and oil reserves; changes in the market price of timber and the impact such changes might have on the type and quantity of timber harvested by the Company; significant changes in tax rates or policies or in rates of inflation or interest; significant changes in the Company's relationship with its employees or contractors and the potential adverse effects if labor disputes, grievances or shortages were to occur; changes in accounting principles or the application of such principles to the Company; the cost and effects of legal and administrative claims against the Company or activist shareholder campaigns to effect change at the Company; changes in actuarial assumptions and the return on assets with respect to the Company's retirement plan and post-retirement benefit plans; increasing health care costs and the resulting effect on health insurance premiums and on the obligation to provide post-retirement benefits; or increasing costs of insurance, changes in coverage and the ability to obtain insurance.

For a discussion of these risks and other factors that could cause actual results to differ materially from results referred to in the forward-looking statements, see "Risk Factors" in the Company's Form 10-K for the fiscal year ended September 30, 2007 and Form 10-Q for the quarters ended March 31, 2008 and June 30, 2008. 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.

# National Fuel Gas Company

## *Important Takeaways*



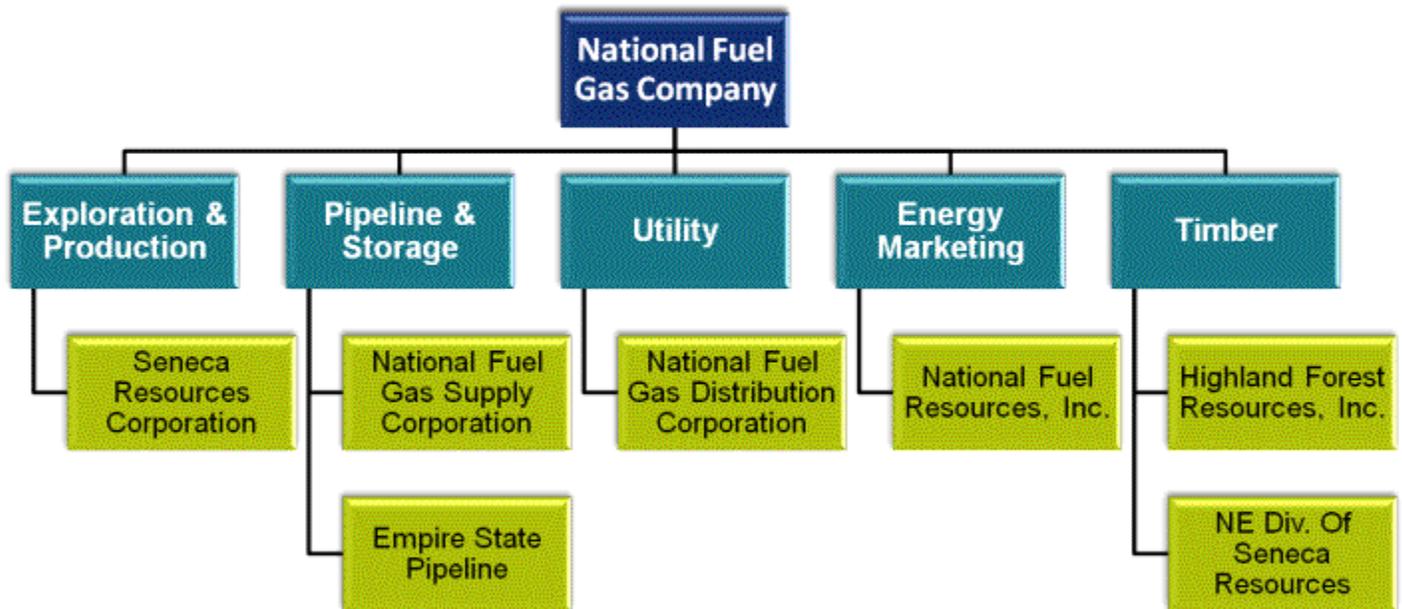
# National Fuel Gas Company

## Corporate Overview

Key Information & Statistics	
New York Stock Exchange	NFG
Fiscal Year End	September
Shares Outstanding (Approx.) <i>(As of 06/30/08)</i>	81.5 Million
Average Daily Trading Volume <i>(12 Months Ended 07/31/08)</i>	614,859
Market Capitalization (Approx.) <i>(As of 07/31/08)</i>	\$4.1 Billion
Annual Dividend Rate <i>(As of 06/30/08)</i>	\$1.30

# National Fuel Gas Company

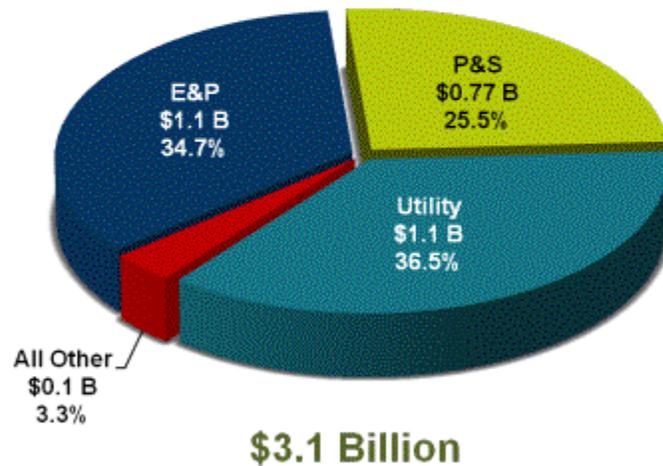
## *Business Segment Reporting*



# National Fuel Gas Company

## *Net Plant by Segment*

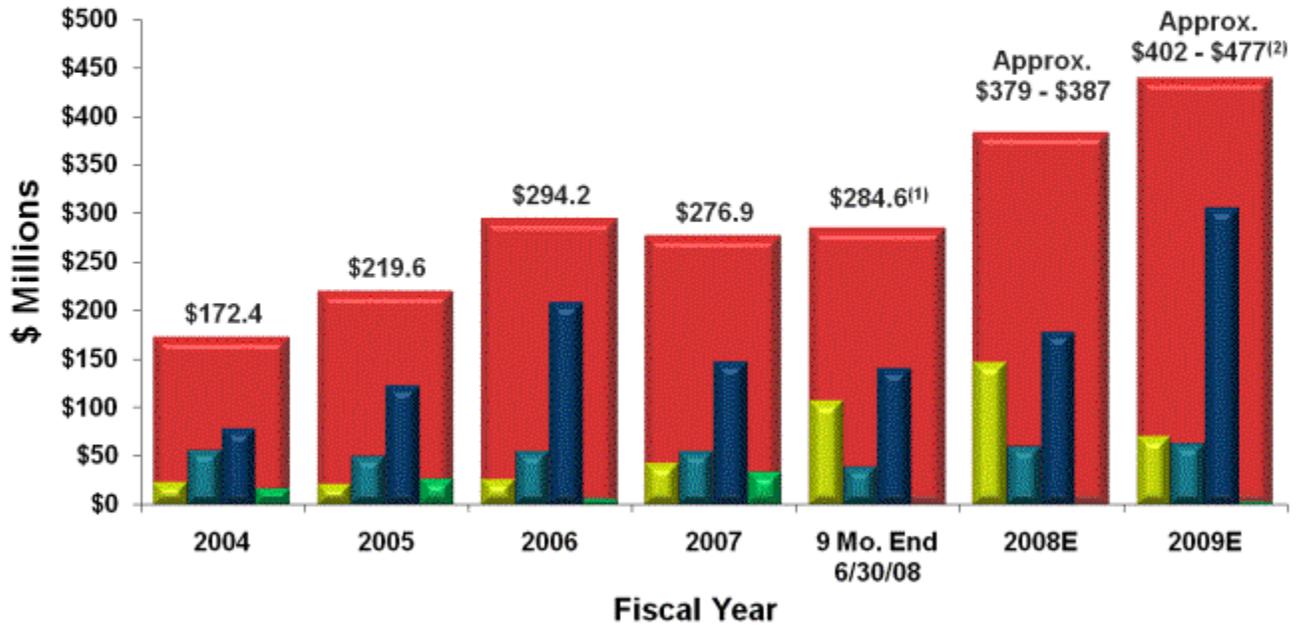
**Projected Net Plant**  
*As of September 30<sup>th</sup>, 2008*



# National Fuel Gas Company

## Expenditures for Long-Lived Assets

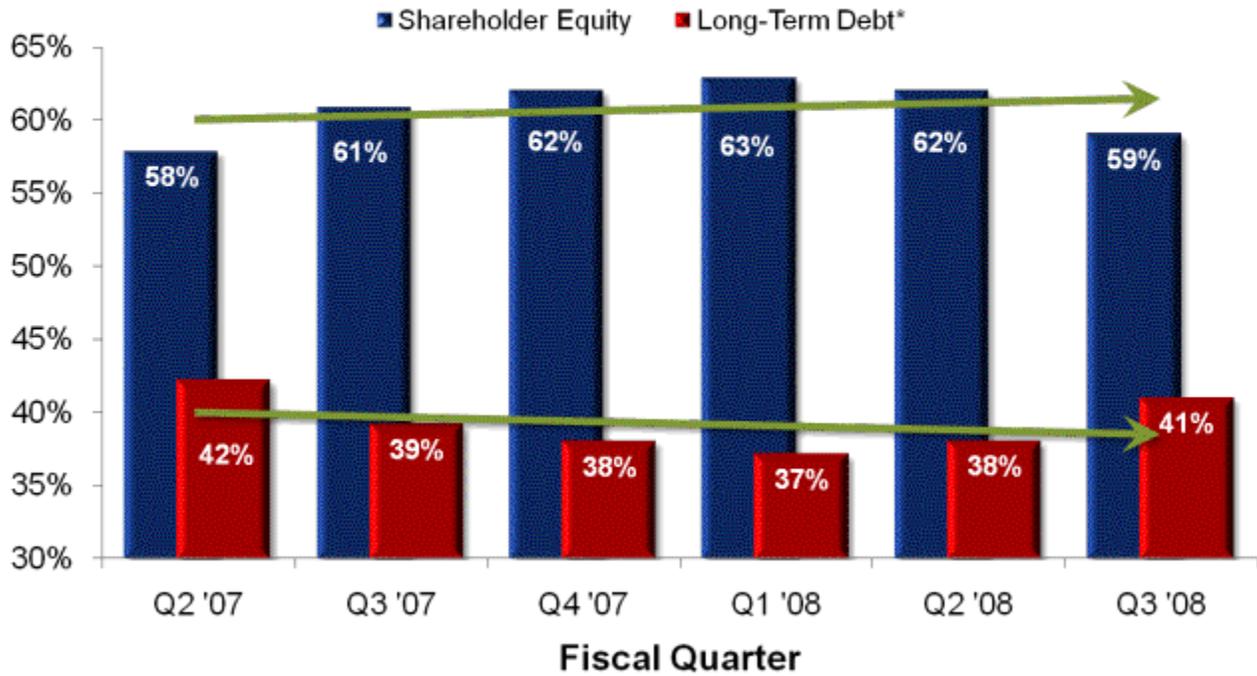
■ Total ■ P&S ■ Utility ■ E&P ■ All Other



(1) Total includes an Elimination of \$(24) Million of capital expenditures included in the Expenditure of the E&P segment for the purchase of storage facilities, buildings, and base gas from the P&S segment during the quarter ended June 30, 2008.

(2) Total includes \$74 MM of incremental capital expenditures to previously disclosed range of \$326 MM - \$405 MM as a result of successful bid on PP, DCNE, leasehold awarded September 3, 2008.

# National Fuel Gas Company Capitalization



\* Long-Term Debt includes the Current Portion of Long-Term Debt

# National Fuel Gas Company

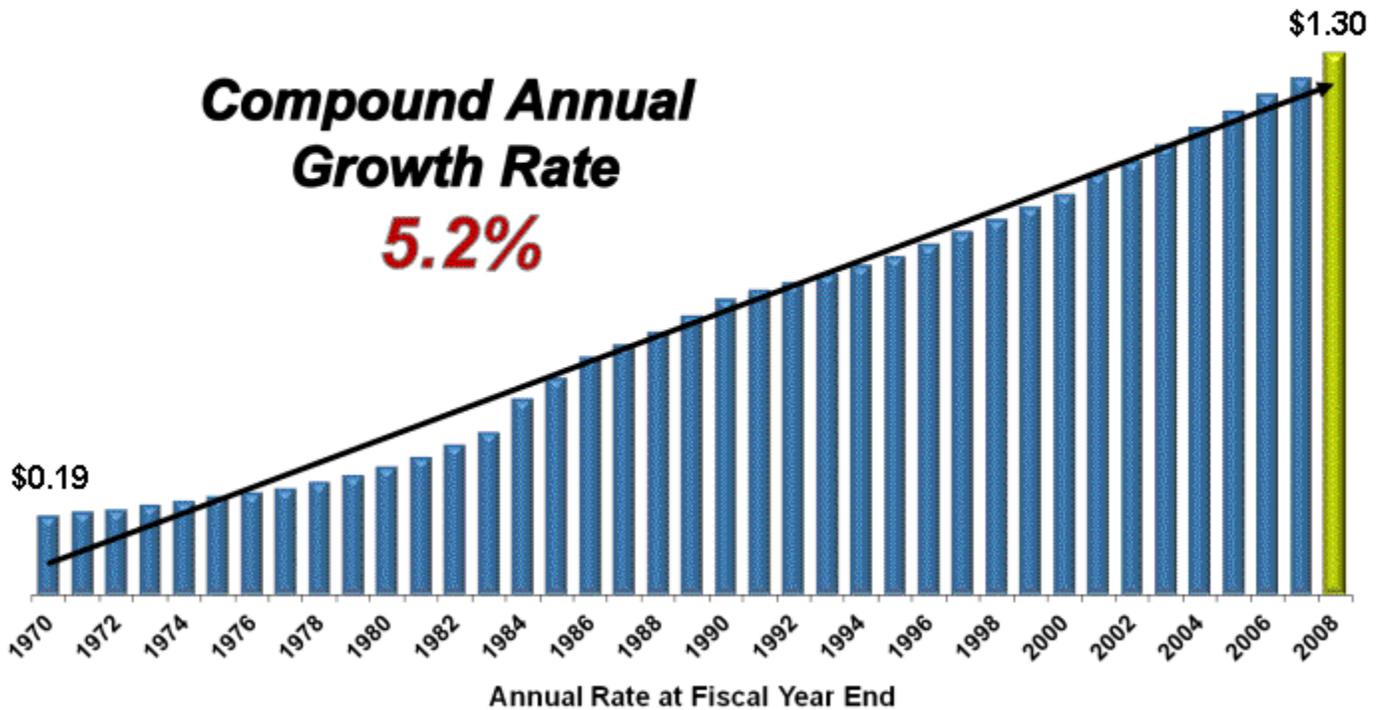
## Share Price Appreciation



# National Fuel Gas Company

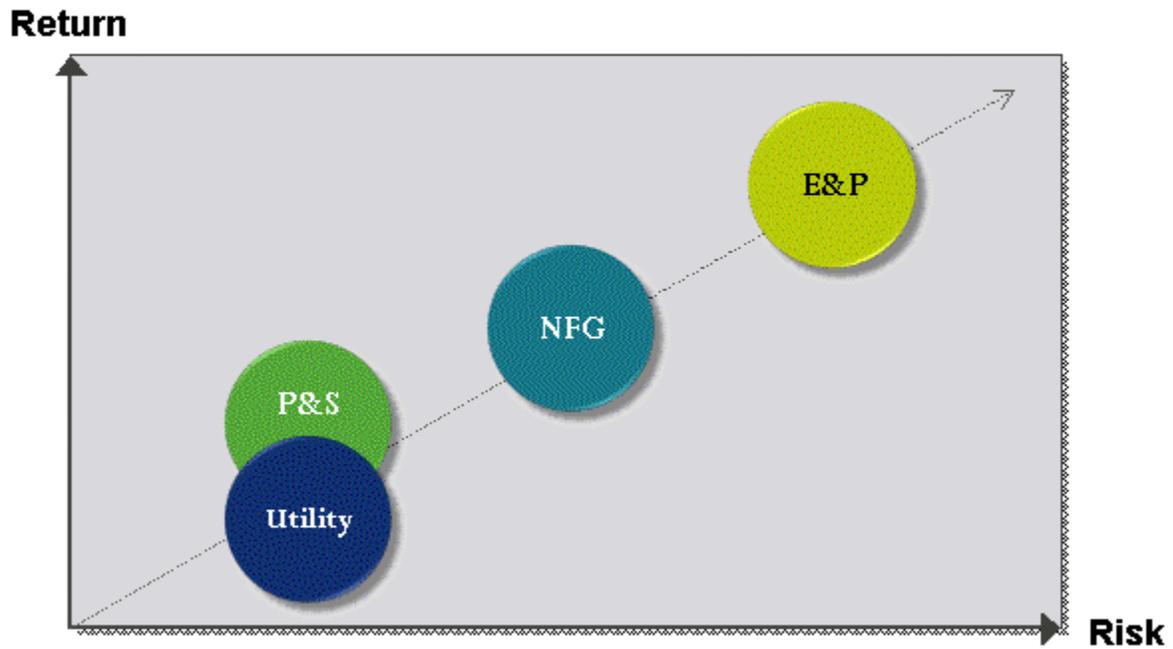
## Dividend Growth

**Compound Annual  
Growth Rate**  
**5.2%**



# National Fuel Gas Company

## *Strategic Risk-Return Balance*



# National Fuel Gas Company

## Total Shareholder Return

As of August 31, 2008

	Since Oil \$145 July 3 <sup>rd</sup> , 2008	1-Year Return	3-Year Return
<b>National Fuel Gas Company</b>	<b>-17.89%</b>	<b>9.46%</b>	<b>71.79%</b>
E&P Comparative Group <sup>(1)</sup>	-18.80%	42.39%	62.19%
Utility Comparative Group <sup>(2)</sup>	3.66%	7.72%	35.69%
Diversified NG Comparative Group <sup>(3)</sup>	-12.78%	15.43%	45.36%

In a decreasing Natural Gas price scenario, our Utility provides downside protection in comparison to our E&P peers

In an increasing Natural Gas price scenario, our E&P business helps us outperform our Utility peers

Our unique structure has helped shareholder returns outperform in the long-run

- (1) Group consists of APC, APA, AIN, COG, CRZO, CHK, MEC, DMR, DVN, ECA, EOG, HCO, FSI, MMR, NFX, NGL, PVA, PFD, PFD, PIP, EWR, EEC, EREN, SWN, SM, SPY, SPY, TLM, UPL, WTI, XCO, and NFG
- (2) Group consists of AIG, CEK, HWN, EWSI, NTR, EGCO, SWK, and NFG
- (3) Group consists of EGN, HQT, MIDU, CKA, STX, SE, and NFG

# National Fuel Gas Company

## Analyst Estimates <sup>(1)</sup>

	2008 EPS Estimate	2009 EPS Estimate	2010 EPS Estimate
Mean	\$3.23	\$3.55	\$3.77
High	\$3.29	\$3.89	\$4.08
Low	\$3.15	\$3.32	\$3.56
NFG Guidance	\$3.10 -	\$3.20 -	N/A
	\$3.20	\$3.40	

*(NFG Guidance is as of August 7, 2008. FY '09 guidance assumes E&P segment production of 38-44 Bcfe, and flat commodity pricing, exclusive of basis differential, of \$9.50/MMBtu natural gas and \$115/Bbl crude oil)*

**Average 12-month Price Target: \$53.21 <sup>(1)</sup>**

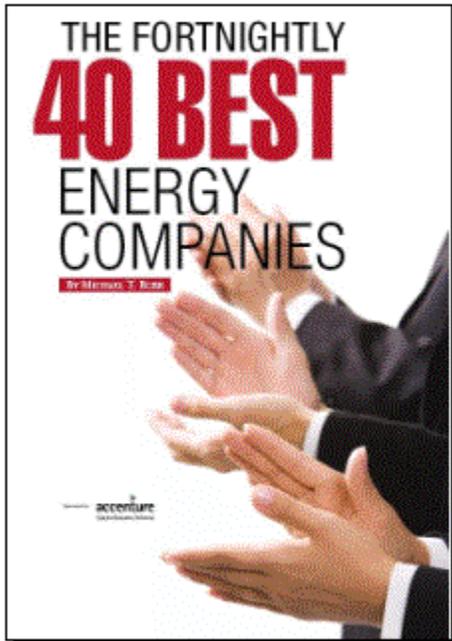


**Mean Recommendation: 2.2**

(1) Mean, Low and High EPS Guidance Provided by Thomson Financial, and the 12-month average price target taken from Yahoo! Finance. This information is presented for informational purposes only, and National Fuel does not affirm nor acknowledge the consensus information presented as correct or accurate. All analyst estimates and price targets are as of 9/17/08.

# National Fuel Gas Company

## *Public Utilities Fortnightly*



- ✓ *Ranked the 3<sup>rd</sup> best energy company in 2008*

Based on the 3-year averages of:

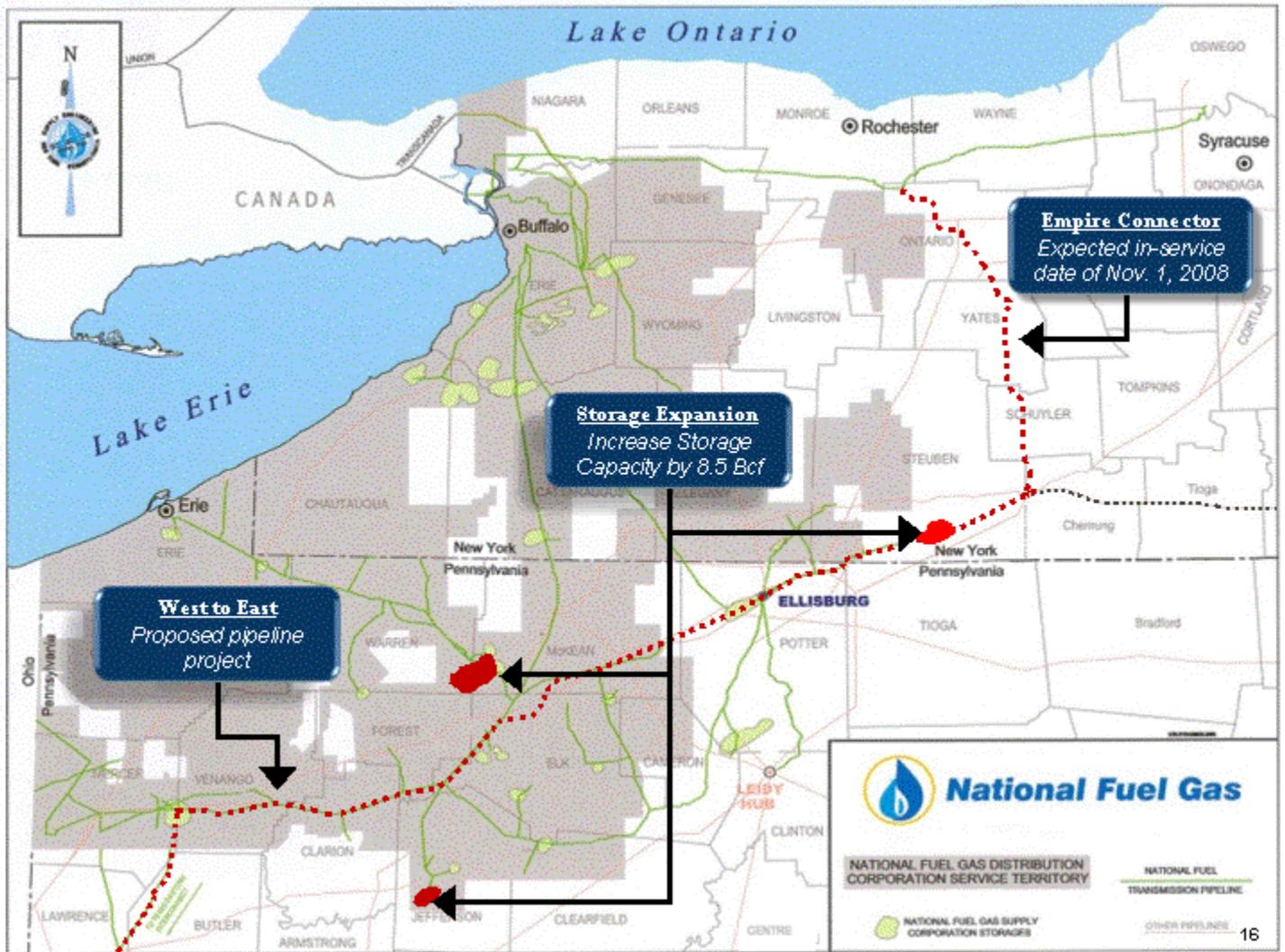
- Profit Margin
- Dividend Yield
- FCF, ROE, ROA
- Sustainable Growth

- ✓ *Consistently in the Top 10 best energy companies (2006-2008)*
- ✓ *“National Fuel Gas ... strongly positioned in gas markets from the well to the burner tip.”*

# Pipeline & Storage Segment



*National Fuel Gas Supply Corporation  
Empire State Pipeline*



# Pipeline & Storage Segment

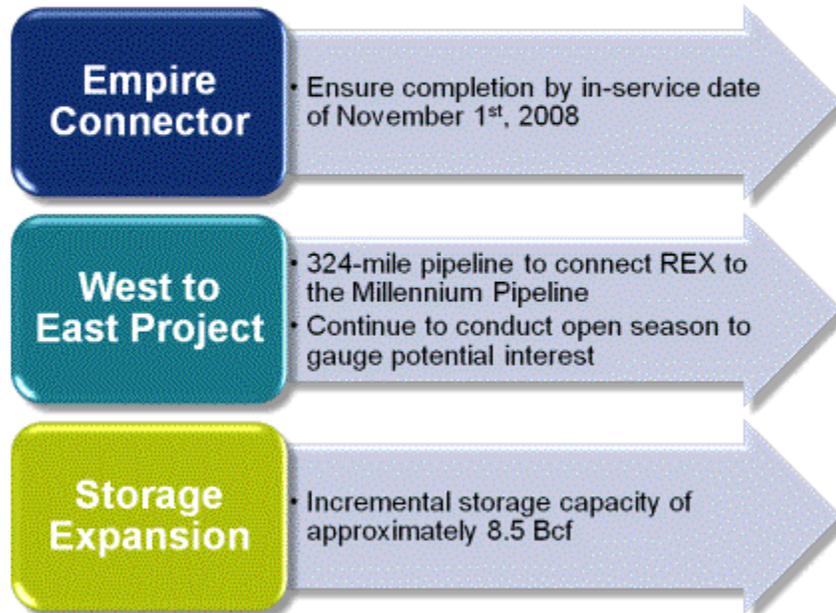
## Segment Overview

Key Statistics	
System Pipeline Mileage	2,936 Miles
Transportation Volume (2007)	356.1 Bcf
Working Storage Capacity (2007)	78.3 Bcf
Pipeline Revenue (2007)	\$122.9 MM
Storage Revenue (2007)	\$67.1 MM
Diluted EPS (2007)	\$0.58 <sup>(1)</sup>

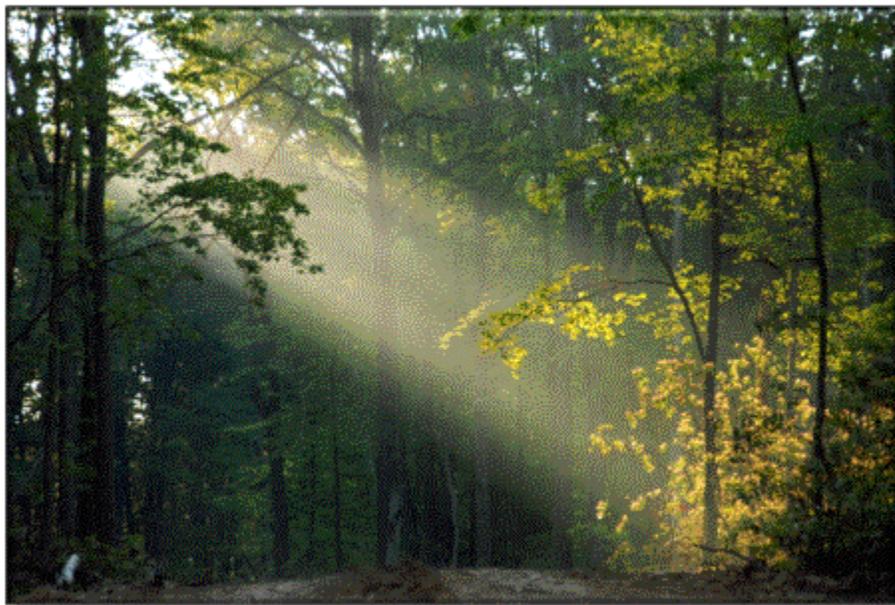
(1) Excludes unusual items for preliminary projects of \$0.04, and Discontinuation of Hedge Accounting of \$0.02

# Pipeline & Storage Segment

## *Future Outlook*



# Exploration & Production Segment



*Seneca Resources Corporation*

**East – Appalachia**

Provides Growth Opportunities  
Reserves: 110 BCFE (22%)

Marcellus  
Shale

**West – California**

Provides Operating Cash Flow  
Reserves: 347 BCFE (71%)

**Gulf of Mexico**

Provides Short Cycle Upside  
Reserves: 34 BCFE (7%)  
5 Recent Discoveries

# Exploration & Production Segment

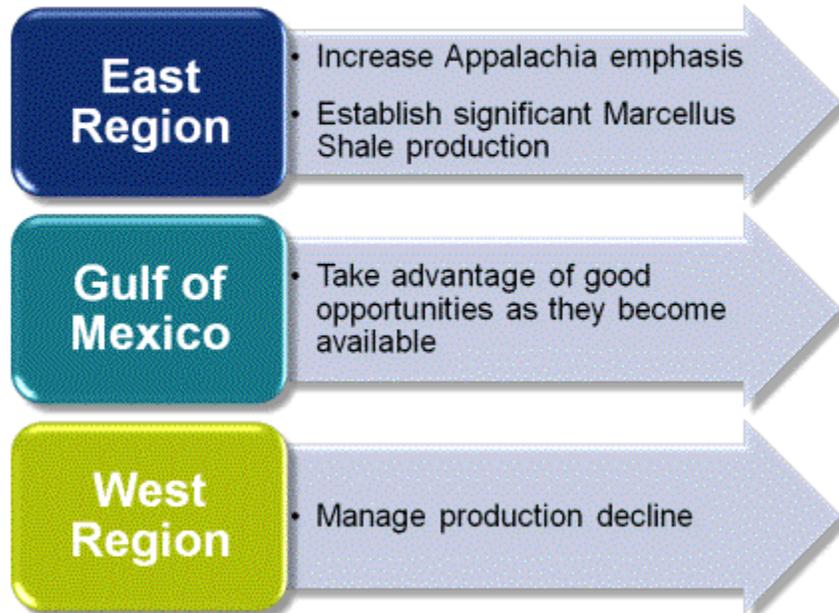
## Segment Overview

Key Statistics	
Proved Reserves <i>(As of 09/30/07)</i>	491 BCFE
Oil as a Percentage of Reserves	58%
Gas as a Percentage of Reserves	42%
Marcellus Shale Acreage	700,000 Acres
Exploration & Production Revenue (2007)	\$324.0 MM
Diluted EPS (2007)	\$0.88 <sup>(1)</sup>

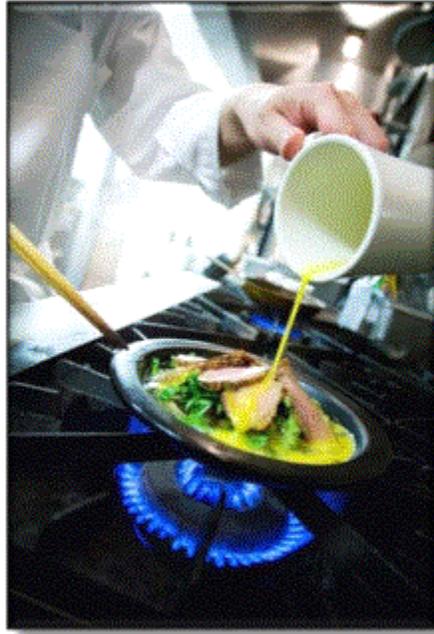
(1) Excludes gain on disposal of discontinued operations of +\$1.41 and earnings from discontinued operations of +\$0.16

# Exploration & Production Segment

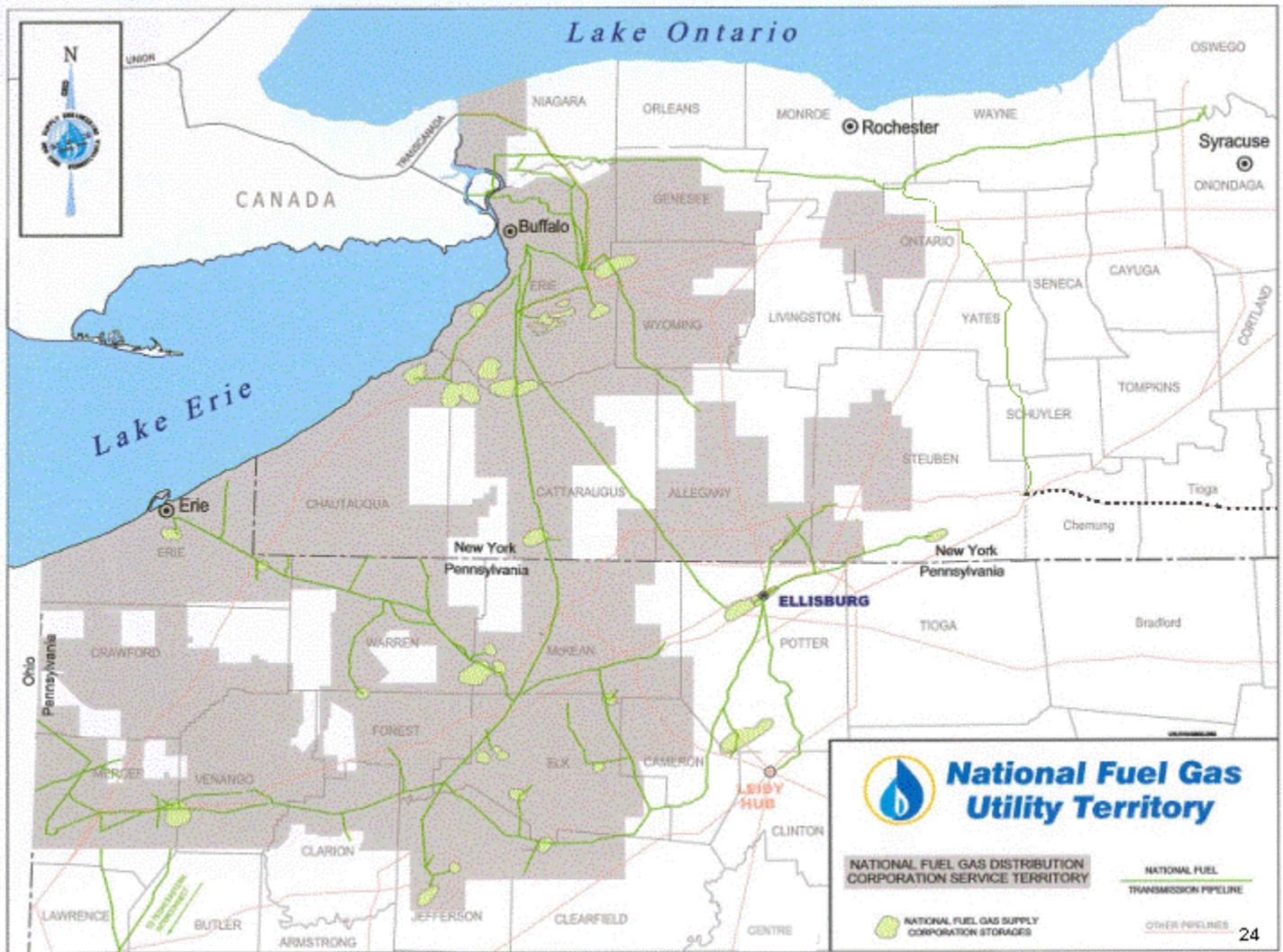
## *Future Outlook*



# Utility Segment



*National Fuel Gas Distribution Corporation*



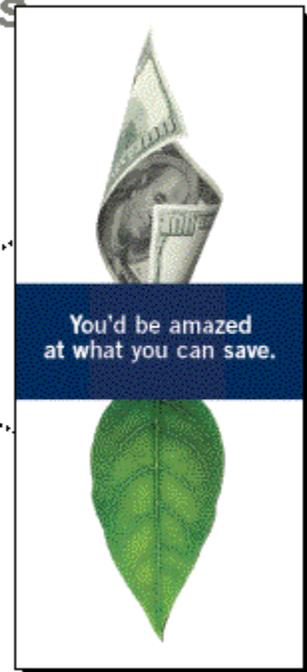
# Utility Segment

## Segment Overview

Key Statistics	
Total Average Number of Customers	725,399
Total Utility Volumes	135,271 MMcf
Utility Revenue (2007)	\$1,121 MM
Utility Pipeline Mileage (2007)	14,813 Miles
Diluted EPS (2007)	\$0.60
Average Annual Residential Bill (2007)	\$1,395

# Utility Segment

## Keys to Continued Success

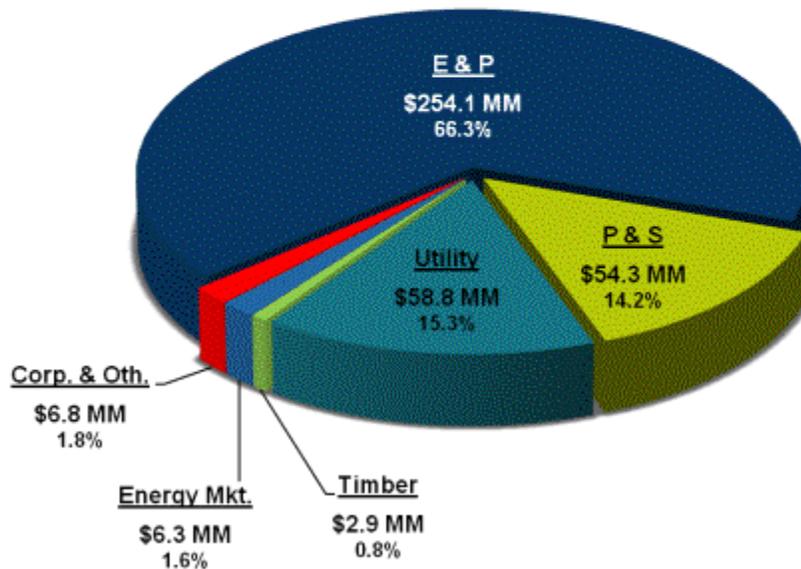


**Conservation  
Incentive Program**

# National Fuel Gas Company

**Net Income: \$383.2 Million**

12 Months Ended June 30<sup>th</sup>, 2008





# National Fuel Gas Company

FOR ANY FURTHER QUESTIONS OR REQUESTS, PLEASE  
CONTACT:

**James C. Welch**

*Director, Investor Relations*

**Phone:** (716) 857-6987

**E-Mail:** [WelchJ@natfuel.com](mailto:WelchJ@natfuel.com)

***Thank You!***

**Reconciliation of Segment Diluted Earnings per Share to Consolidated Diluted Earnings per Share**

	Fiscal Year 2007	
Utility		\$ 0.60
Pipeline & Storage	0.58	
Plus: Reversal of reserve for preliminary project costs	0.06	
Discontinuance of Hedge Accounting	0.02	0.66
Exploration & Production	0.88	
Plus: Gain on disposal of discontinued operations	1.41	
Earnings from discontinued operations	<u>0.18</u>	2.47
Energy Marketing		0.09
Timber		0.04
Corporate & Other		<u>0.10</u>
<b>GAAP Consolidated Diluted Earnings per Share</b>		<b><u>\$ 3.96</u></b>

**Reconciliation of Segment Revenues to Consolidated Revenue**

	Fiscal Year 2007	
( <b>'000</b> )		\$ 324,037
Exploration and Production		
Pipeline & Storage		
Transportation Revenue	122,932	
Storage Revenue	67,135	
Other P&S Revenue	<u>21,899</u>	211,966
Utility		1,120,724
Marketing		413,612
Timber		58,897
Corporate & Other		18,702
Intersegment Eliminations		<u>(108,372)</u>
<b>GAAP Consolidated Revenue</b>		<b><u>\$2,039,566</u></b>

**Reconciliation of Segment Capital Expenditures to Consolidated Capital Expenditures (millions)**

	2004	2005	2006	2007	9 Mo. Ending 6/30/08	2008E*	2009E
Pipeline & Storage Capital Expenditures	\$ 55.40	\$ 50.10	\$ 54.40	\$ 54.20	\$ 38.80	\$ 59.00	\$ 62.00
Utility Capital Expenditures	23.20	21.10	26.00	43.20	106.20	146.00	70.00
Exploration & Production Capital Expenditures	46.30	83.95	166.50	146.70	140.50	173.00 - 181.00	269.00 - 344.00
Acquisition Expenditures	—	—	—	—	—	18.00	—
Expenditures from Discontinued Operations	31.40	38.50	41.80	29.10	—	—	—
Total Exploration & Production Capital Expenditures	\$ 77.70	\$122.45	\$ 208	\$175.80	\$140.50	\$191.00 - \$199.00	\$269.00 - \$344.00
All Other	16.00	20.00	5.50	3.50	1.40	1.00	1.00
Intersegment Eliminations					(2.40)		
Total Corporation	\$172.30	\$213.65	\$294.20	\$276.70	\$284.50	\$379.00 - \$387.00	\$402.00 - \$477.00

\* Total excludes acquisition expenditures