

NATIONAL FUEL GAS CO

Filed by

NEW MOUNTAIN VANTAGE, L.P.

FORM DFAN14A

(Additional Proxy Soliciting Materials - Non-Management (definitive))

Filed 01/17/08

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 Rule14a-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)

New Mountain Vantage GP, L.L.C.
New Mountain Vantage, L.P.
New Mountain Vantage (California), L.P.
New Mountain Vantage (Texas), L.P.
New Mountain Vantage Advisers, L.L.C.
New Mountain Vantage (Cayman) Ltd.
New Mountain Vantage HoldCo Ltd.
Mr. Steven B. Klinsky
NMV Special Holdings, LLC
California Public Employees' Retirement System
F. Fox Benton, III
David M. DiDomenico
Frederic V. Salerno

(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)(1) 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:

- (5) Total fee paid:

- 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:

On January 17, 2008, New Mountain Vantage Advisers, L.L.C. (“Vantage”) began mailing a letter to shareholders of National Fuel Gas Company. A copy of the letter is attached as Exhibit 1.

In addition, on January 17, 2008, Vantage issued a press release, a copy of which is attached as Exhibit 2. The press release was also posted to <http://www.buildnfgvalue.com>.

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.
787 SEVENTH AVENUE , 49TH FLOOR NEW YORK , NY 10019

January 17, 2008

Dear NFG Shareholder:

New Mountain Vantage Advisers is currently the largest shareholder of National Fuel Gas Company, with ownership of 9.7% of NFG's outstanding common stock. For more than a year, we have sought to work constructively with NFG's Board and management by providing them with strategic suggestions that we believe will increase the value of NFG for all shareholders. Unfortunately, NFG has chosen not to pursue most of our suggestions, deciding instead to maintain the status quo. We believe management's strategy has led to significant underperformance.

**NFG'S STOCK PRICE HAS SIGNIFICANTLY
UNDERPERFORMED ITS PEERS**

NFG would have you believe it has performed well for its shareholders and that NFG's performance should be compared only with utility companies. In fact, NFG's performance has been extremely poor when compared with its appropriate peers. It is important for shareholders to understand that Exploration & Production (E&P) is NFG's largest business unit, accounting for 44% of NFG's earnings before interest, taxes, depreciation, and amortization (EBITDA) and 59% of its total capital expenditures.

As such, we believe it is grossly misleading for NFG to compare its returns to the S&P 400 Utilities Index or even the S&P 500 Index. Rather, we believe the best peers for comparison are those NFG has identified and clearly listed in their proxy statement. They are: Energen Corporation, Equitable Resources Inc., and Questar Corporation, each of which shares a similar asset mix to NFG, including both regulated utility and E&P assets.

Here is how an investment of \$1,000 in each of these peers compares with a similar investment in NFG, starting on the date Philip C. Ackerman became NFG's CEO:

Aggregate Total Return to Shareholders

	Value of \$1,000 investment (at 10/1/2001) as of 12/31/2007	Aggregate Return To Shareholders (%)
Energen Corporation	\$6,305	530%
Equitable Resources	\$4,084	308%
Questar Corporation	\$6,009	501%
Peer Average	\$5,466	446%
National Fuel Gas	\$2,582	158%

**NFG'S UNDERPERFORMING STOCK PRICE REFLECTS AN UNDERPERFORMING
MANAGEMENT TEAM**

NFG's shareholder returns have suffered from the mismanagement of its E&P business. NFG has invested almost \$750 million of capital expenditures in its E&P operations over the last six years. This investment has been misallocated towards failed projects in the Gulf of Mexico and Canada. Appalachia is the most promising and has the highest growth potential of the four basins in which NFG has had acreage (Gulf of Mexico, Canada, California, Appalachia), and yet has received the fewest investment dollars every year for the last six years.

This chronic mismanagement has wrought an inexcusable decline in NFG's most promising business unit — E&P. NFG's oil and gas reserves and production volumes have *declined* over the last six years. As a consequence, normalized earnings per share for the entire company have been flat over the last six years. In contrast, NFG's peers have grown reserves, production and earnings.

Operating Performance (2001 — 2006)

	Reserve Growth	Production Growth	EPS Growth*
	2001 – 2006	2001 – 2006	2001 – 2006
Energen Corporation	13.8%	6.9%	24.4%
Equitable Resources	3.7%	4.7%	8.8%
Questar Corporation	6.6%	8.7%	20.7%
Peer Average	8.0%	6.7%	17.9%
National Fuel Gas	-8.3%	-9.0%	0.0%

**Source: Bloomberg estimates for Diluted Earnings Per Share for Continuing Operations Before Extraordinary Items*

In addition, NFG has failed to take advantage of the use of Master Limited Partnership (MLP) structures. The MLP structure was put in place by the U.S. government to foster increased energy investment by creating significant tax savings for the owners of energy assets, including shareholders. We are concerned that NFG has not yet given proper consideration to the use of MLP structures for its own pipeline and E&P assets.

IT'S YOUR COMPANY AND YOUR DECISION

Based on NFG's response to our suggestions to date, it appears the company and its management are content with the status quo: a failed strategy undermining NFG's vast potential. **However, we believe that NFG shareholders deserve more.**

NFG has sought to prevent you from electing new directors to your Board that are committed to improving NFG's stock price and dividend growth. We urge you to send a message to NFG that you want representatives on the Board who are committed to a strategy of high returns on capital and are focused on building shareholder value.

PROTECT YOUR VALUABLE INVESTMENT

Please vote **FOR** our highly experienced, dedicated nominees on the enclosed **BLUE** proxy card **TODAY** —by telephone, Internet or by signing, dating and returning the **BLUE** proxy card in the postage-paid envelope provided. If you have already voted on NFG's White proxy card, you have every legal right to change your vote by using the enclosed **BLUE** proxy card to vote **TODAY** .

Thank you for your support,

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.

Your Vote Is Important, No Matter How Many Shares You Own.

If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

INNISFREE M&A INCORPORATED
Shareholders call Toll-Free: (877) 456-3422
Banks and Brokers Call Collect: (212) 750-5833

FOR IMMEDIATE RELEASE

**NEW MOUNTAIN VANTAGE SENDS LETTER TO NFG SHAREHOLDERS
HIGHLIGHTING COMPANY'S SUB-PAR PERFORMANCE**

Vantage Urges Shareholders to Appoint New Board Members to Protect Shareholder Interests

NEW YORK, January 17, 2008 — New Mountain Vantage Advisers (“Vantage”) today mailed the attached letter to National Fuel Gas Company’s (NYSE: NFG) shareholders. Vantage strongly urges NFG shareholders to elect its three highly qualified, experienced nominees to the NFG Board of Directors by voting the BLUE proxy card by Internet, telephone or mail today.

New Mountain Vantage Advisers is an institutional asset management firm investing on behalf of the pension accounts of more than one million Americans. For more information, go to www.buildnfgvalue.com.

The full text of Vantage’s letter to NFG shareholders follows below:

NEW MOUNTAIN VANTAGE ADVISERS, L.L.C.
787 SEVENTH AVENUE, 49TH FLOOR NEW YORK, NY 10019
TEL: 212-720-0300 FAX: 212-582-2277

January 17, 2008

Dear NFG Shareholder:

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As such, we believe it is grossly misleading for NFG to compare its returns to the S&P 400 Utilities Index or even the S&P 500 Index. Rather, we believe the best peers for comparison are those

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Thank you for your support,

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Contacts

Investors:

INNISFREE M&A INCORPORATED

Shareholders may call toll-free: (877) 456-3422

Institutional Investors, Banks and Brokers may call collect: (212) 750-5833

Media:

Brunswick Group

Nina Devlin/Steve Lipin

(212) 333-3810

Additional Information

New Mountain Vantage Advisers, L.L.C. and related parties, together with the California Public Employees' Retirement System, and their nominees (collectively, the "Participants") filed a definitive proxy statement with the Securities and Exchange Commission on January 7, 2008, in connection with the Participants' solicitation of proxies for the 2008 Annual Meeting of the shareholders of National Fuel Gas Company (the "Company") and began the process of mailing the Participants' definitive proxy statement and BLUE proxy card to shareholders. Detailed information regarding the Participants can be found in the definitive proxy statement filed by the Participants. Shareholders of the Company are advised to read the Participants' definitive proxy statement and other documents relating to the solicitation of proxies by the Participants because they contain important information. The definitive proxy statement and other documents relating to the solicitation of proxies by the Participants are available at no charge at the website of the Securities and Exchange Commission at <http://www.sec.gov> or by contacting Innisfree M&A Incorporated by telephone at 1-877-456-3422 or by e-mail at info@innisfreema.com.