



Mountaineer Gas Company

Press Release for Immediate Distribution

Date: June 1, 2009

Mountaineer Gas Company Plans Filings to Change Base Rates and Gas Costs

Mountaineer Gas Company, West Virginia's largest natural gas utility company serving over 220,000 customers, announced today that two filings will be made with the Public Service Commission of West Virginia that will impact customer bills.

The first filing made June 1, 2009, will affect only the base rates Mountaineer charges to deliver natural gas to homes and businesses. Mountaineer's request would increase an average residential bill by \$8.25 per month, approximately 7.8 percent. Mountaineer's last request for an increase in base rates was approved by the Public Service Commission in September 2005. The Company also indicated it is in the final steps of its transition, begun in 2005, to become an independent utility focusing solely on providing quality service and affordable natural gas to its customers in West Virginia. These last steps will include a new Customer Service Center based in West Virginia, which will further enhance Mountaineer's capability of providing safe, reliable, and efficient natural gas service and low cost natural gas supplies to the residents of West Virginia.

The second filing is planned to be made in early August 2009. Based on the Company's gas supply plans and the current projections of natural gas market conditions, it expects to reduce the natural gas component of customers' bills by approximately \$22 per month. As a result of these filings, a typical residential customer – who uses 80 Mcf – is expected to save about \$165 a year representing a 13% decrease. Both rate changes are contingent upon approval from the Public Service Commission.

Tom M. Taylor, President of Mountaineer Gas Company, stated, "The base rate increase is necessary to recover the costs to provide safe and reliable natural gas service to our customers and to obtain an adequate supply of gas to meet our customers natural gas supply needs. In the current economy we are especially pleased for our customers that the price of natural gas is expected to be lower this winter."

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