

NATIONAL FUEL GAS CO  
Form DEF 14A  
January 24, 2014  
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**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
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**NATIONAL FUEL GAS COMPANY**

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**NATIONAL FUEL GAS COMPANY**

**Notice of Annual Meeting**

**and**

**Proxy Statement**

**Annual Meeting of Stockholders**

**to be held on**

**March 13, 2014**

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\*\* To be voted on at the meeting

**YOUR VOTE IS IMPORTANT!  
PLEASE VOTE BY INTERNET, PHONE OR COMPLETE, SIGN, DATE AND RETURN YOUR PROXY.**

**Table of Contents****2014 Proxy Statement Overview & Summary**

This overview and summary includes certain business performance information and highlights information contained elsewhere in this proxy statement. This overview and summary does not contain all of the information that you should consider, and you should read the Company's Summary Annual Report and Form 10-K and this entire proxy statement carefully before voting.

**Annual Meeting Voting Matters**

The table below summarizes the matters that will be subject to the vote of stockholders at the 2014 Annual Meeting of Stockholders of National Fuel Gas Company:

	<b>Board Vote</b>	<b>Page Number</b>
<b>Proposals</b>	<b>Recommendation</b>	<b>(for additional details)</b>
1. Election of Directors	FOR ALL NOMINEES	Page 4
2. Ratification of Auditor	FOR	Page 63
3. Advisory Approval of Named Executive Officer Compensation	FOR	Page 64
4. Stockholder Proposal	AGAINST	Page 71

**Annual Meeting of Stockholders**

Ø Time and Date	March 13, 2014 at 9:30 a.m. local time
Ø Location	The Ritz-Carlton Golf Resort, Naples 2600 Tiburón Drive, Naples, FL 34109
Ø Record Date	January 13, 2014
Ø Voting Details	Stockholders as of the record date are entitled to one vote for each share of common stock for each director nominee and each other proposal to be voted.
Ø Voting Deadline	Votes must be received by March 12, 2014. <u>For employee benefit plans</u> votes must be received by March 11, 2014.
Ø Attending the Meeting	National Fuel stockholders as of the record date are entitled to attend the annual meeting. In accordance with our security procedures, all persons attending the annual meeting may be asked for picture identification and proof of stock ownership. Please see Attending the Meeting on page 2.

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### **Overview of Business Performance and Long-Term Strategic Initiatives**

Fiscal 2013 was a remarkable year for the Company, both financially and operationally. Year over year results improved in each of the Company's reporting segments.

The Company's exploration & production subsidiary, Seneca Resources Corporation ( Seneca ), continued to develop its position in the Eastern Development area of its Marcellus Shale acreage. Seneca also identified a high-quality geologic trend with the potential for nearly 2,000 well locations in Elk and Cameron counties, Pennsylvania, a major breakthrough on its legacy Western Development acreage.

Additionally, the Company's midstream businesses, consisting of the Pipeline & Storage and Gathering segments, continued to evaluate, construct and operate substantial expansions to their Appalachian pipeline infrastructure, not only for affiliated customers, but also third-party producers active in developing the Marcellus and Utica Shales. These projects can take three to five years from conception to active service and the Company continues to pursue additional expansions to alleviate the pipeline constraints facing many natural gas shippers in the Appalachian Basin.

### **2013 Financial and Operating Highlights:**

**17% Growth in Earnings per Share:** The Company's earnings per share in 2013 were \$3.08, which was an increase of 17% compared to the prior year.

**Strong TSR Performance:** The Company's total shareholder return ( TSR ) for the one-year, three-year and five-year periods was 30%, 43% and 87%, respectively. These results placed the Company at the 69<sup>th</sup>, 44<sup>th</sup>, and 63<sup>rd</sup> percentiles of the 2013 Hay peer group for the same respective periods.

**45% Increase in Natural Gas and Crude Oil Production:** Seneca increased its total natural gas and crude oil production to 120.7 billion cubic feet equivalent ( Bcfe ), a 45% increase over the prior year.

**24% Growth in Natural Gas & Crude Oil Reserves:** At the end of fiscal 2013, Seneca increased its proved reserves of natural gas and crude oil to 1.549 trillion cubic feet equivalent ( Tcfe ), an improvement of 24% from the prior year.

**Midstream Businesses Achieved Growth:** The Company's midstream businesses generated combined net income of \$76.6 million (\$63.3 million for the Pipeline and Storage segment and \$13.3 million for the Gathering segment), which was an increase of 14% over the prior year. This growth was driven by the completion of three new major pipeline projects in late fiscal 2012 and early fiscal 2013.

**43<sup>rd</sup> Year of Consecutive Dividend Increases:** In June, the Company's annual dividend rate was increased by 2.7% to \$1.50 per share, marking the 43<sup>rd</sup> year of consecutive dividend increases and 111<sup>th</sup> year of uninterrupted dividend payments.

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**2013 Long-Term Strategic Results**

National Fuel's capital intensive operations require a focus on strategic initiatives and projects that may take several years from business planning through completion. The results of this focus include:

***Commencing a Major New Marcellus Development Program:*** The Company's Exploration & Production segment continued its multi-year delineation efforts in the Marcellus Shale. In 2013, these efforts led to a major breakthrough on Seneca's 780,000 net acres in Pennsylvania. New wells tested during the year have significantly furthered the Company's confidence in the long-term potential of its Marcellus Shale acreage. In particular, an additional 2,000 drilling locations, with a resource potential of more than 10 Tcfe, have been identified as economic at natural gas prices of \$4 per Mcf or lower. With this new confidence, the Company moved to a full-scale development program in its Rich Valley/Clermont prospect area that will last for many years.

***Ongoing Interstate Pipeline Expansion Projects:*** In the Pipeline & Storage segment, two major interstate pipeline expansion projects were placed in service. In the first half of fiscal 2013, the Company completed construction of National Fuel Gas Supply Corporation's Northern Access Expansion and Line N 2012 Expansion. These projects, combined with the phase-in of previously completed projects, added more than \$26 million in transportation revenue to the Pipeline & Storage segment in fiscal 2013.

***Continued Build Out of Gathering Infrastructure:*** National Fuel Gas Midstream Corporation and its subsidiaries, within the Company's Gathering segment, invested \$48 million in 2013 for



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the continued expansion of the Trout Run Gathering System in Pennsylvania. This gathering system is instrumental to the success of Seneca's Eastern Development area, and ensuring that its natural gas production reaches a sales market promptly upon completion of wells. Additionally, initial plans were formulated for a new 1 Bcf per day gathering system to support Seneca's development of its Rich Valley/Clermont prospect area. Net income of the Gathering segment increased 93% in 2013 to \$13.3 million from \$6.9 million in 2012.

***Expanding Natural Gas Transportation Capabilities:*** The Company continues to aggressively pursue opportunities to expand its infrastructure to serve the rapid growth in volumes of natural gas produced from the Marcellus and Utica Shales in Appalachia. Capital expenditures for fiscal 2014 through fiscal 2016 are estimated to be \$648.6 million in the Pipeline and Storage segment and \$392.6 million in the Gathering segment, a combined addition of 84% to the \$1,235.2 million of Midstream business net property plant and equipment, and 20% to the \$5,151.7 million of Company net property plant and equipment, both as of the end of fiscal 2013. A component of this spending is for the Northern Access 2015 Expansion project. This is designed to provide Seneca's production with a path to export gas to high-value Canadian markets, further enhancing the Company's ability to export natural gas.

**Proposal 1 Nominees for Election as Directors**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES FOR THE BOARD OF DIRECTORS**

**Ronald W. Jibson Age 60**

***Principal Occupation:*** Chairman of the Board of Questar Corporation ( Questar ) and President and Chief Executive Officer of Questar

***Expertise:*** Leadership, Industry

**Jeffrey W. Shaw Age 55**

***Principal Occupation:*** President and Chief Executive Officer of Southwest Gas Corporation

***Expertise:*** Leadership, Industry

**Ronald J. Tanski Age 61**

***Principal Occupation:*** President and Chief Executive Officer of National Fuel Gas Company

***Expertise:*** Leadership, Industry, Regional

**Proposal 2 Ratification of Auditors**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THIS APPOINTMENT**

As a matter of good governance, it is important that stockholders vote to ratify the selection of PricewaterhouseCoopers LLP as the Company's independent auditors for fiscal 2014.

*For full details, please see page 63*

**Proposal 3 Advisory Approval of Named Executive Officer Compensation**

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPANY'S NAMED EXECUTIVE OFFICER COMPENSATION.**

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This proposal allows stockholders to take part in a non-binding, advisory vote to approve the compensation of the Company's named executive officers. The summary below and the discussion in the Compensation Discussion and Analysis ( CD&A ) beginning on page 21 provide information about the Company's compensation programs.

<sup>1</sup> Unless otherwise indicated, we intend capitalized and abbreviated terms to have the same meaning in this section as in the CD&A.

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As described in the 2013 Financial and Operating Highlights on page 64, from both a short- and long-term perspective, fiscal 2013 was a highly successful year operationally and financially. Stockholders were rewarded with strong short-term and long-term TSR performance relative to the Company's peers and the market. The Company's one-year TSR of 30% was at the 69<sup>th</sup> percentile of the Company's 2013 Hay peer group, and three- and five-year TSR of 43% and 87% were at the 44<sup>th</sup> and 63<sup>rd</sup> percentile of the same peer group, respectively. The Board of Directors ( Board ) recommends a vote FOR the advisory approval of named executive officer compensation because it believes that the Company's compensation policies and procedures, as developed following engagement with its stockholders, encourage a culture of pay for performance and are strongly aligned with the interests of the Company's stockholders.

*For complete information on this proposal, please refer to page 64 and following.*

### **2013 Advisory Vote on Executive Compensation and Stockholder Feedback**

#### **2013 Say-on-Pay Vote and Stockholder Engagement**

The 2013 Say-on-Pay advisory vote yielded a result of 84% of votes cast in support of the compensation of the Company's named executive officers. As in 2012, in the summer of 2013 members of Company management again held meetings with some of the Company's largest stockholders to obtain feedback on the Company's compensation program, among other topics. This engagement, reaching holders of more than 24% of our shares outstanding as of September 30, 2013, facilitated important dialogue from which we continued to gather various viewpoints.

As a result of the stockholder feedback received in 2012, in 2013 the Compensation Committee of the Board (the Compensation Committee ) converted a cash-based long-term incentive program to an equity-based program utilizing restricted stock units ( RSUs ). As with the cash-based program, the RSU program is subject to the same three-year total return on capital performance target relative to companies reported in the Natural Gas Distribution and Integrated Natural Gas Companies group of the Monthly Utility Reports of AUS, Inc. ( AUS peer group ). In both programs the target award will vest should the Company rank at the 60<sup>th</sup> percentile of the peer group. For the RSU program, performance at the 60<sup>th</sup> percentile will result in fifty percent of the RSUs vesting.

For fiscal 2014, the Compensation Committee adopted a new approach to long-term incentive compensation. Going forward, approximately two-thirds of a named executive officer's long-term incentive award will be comprised of performance shares, split between two distinct performance conditions: one performance condition is tied to 3-year TSR and the other is tied to 3-year total return on capital, both relative to the performance of companies in the Hay peer group (as described below). The remaining approximately one-third of the long-term incentive award will be comprised of time-vested RSUs used as a retention tool. The Compensation Committee's action represents an evolution from its practice prior to fiscal 2013 of utilizing a cash component for approximately one-half of long-term incentive awards.

#### **CEO Compensation**

In fiscal 2013, because of the transition to a new Chief Executive Officer ( CEO ) and away from a long-term incentive partially paid in cash, the Summary Compensation Table does not appropriately reflect the philosophy behind the Compensation Committee's approach to CEO Compensation.

Below is a chart which compares the recommendation that Hay made to the Compensation Committee's target for Mr. Tanski's compensation upon his succession to the CEO position, the Compensation Committee's targeting of Mr. Tanski's pay for fiscal 2013 and the corresponding amounts contained in the Summary Compensation Table.

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Fiscal 2013

## CEO Compensation

	Hay Target	As Targeted by		As Contained in the
	Recommendation	Compensation	Committee	Summary Compensation Table
Base Salary	750,000		726,148	726,148
Bonus	750,000		580,918	802,829
<b>Total Cash</b>	<b>1,500,000</b>		<b>1,307,066</b>	<b>1,528,977</b>
Stock Awards (Performance-Based RSU Grant)	Not Broken Out		1,601,750	3,026,063
Equity Awards (SAR Grant)	Not Broken Out		458,250	458,072
<b>Total Target LTI</b>	<b>2,060,000</b>		<b>2,060,000</b>	<b>3,484,135</b>
<b>Total Direct Compensation</b>	<b>3,560,000</b>		<b>3,367,066</b>	<b>5,013,112</b>

In particular, note that the amount reported in the Summary Compensation Table under Stock Awards reflects close to double the target amount. This is due to the doubling of the RSU grant to allow for performance at two times the target percentile and an estimate for Summary Compensation Table purposes close to that maximum opportunity. Should the Company achieve only target performance at the 60<sup>th</sup> percentile of the AUS peer group, 50% of the awarded RSUs will vest. Stated another way, the award amount is a maximum opportunity to be decreased should the percentile ranking be below the 100<sup>th</sup> percentile. The award will only vest following fiscal 2015, in accordance with the vesting schedule below:

Company's Rank as a Percentile of the		
AUS Peer Group		Percentage of RSUs Vesting
<45.01%		0%
45.01%		25.00%
60.00%		50.00%
75.00%		75.00%
100.00%		100.00%

**Compensation Summary and Overview****Objectives of the Compensation Committee**

When setting compensation for the Company's executives, the Compensation Committee's primary goal is to provide balanced incentives for creating value for stockholders in both the near-term and long-term. In order for this to occur, the Committee awards a combination of cash and equity components that are designed to:

- Ø Focus management efforts on both near-term and long-term drivers of stockholder value;
- Ø Tie a significant portion of executive compensation to long-term TSR by linking a significant portion of an executive officer's potential compensation to the future price of the Company's Common Stock; and
- Ø Attract, motivate, reward and retain management talent in the highly competitive energy industry in order to achieve the objectives that contribute to the overall success of the Company.

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### **Elements of Compensation**

The main elements of the 2013 executive compensation program are as follows:

- Ø *Base Salary (Cash)* Provides a predictable base compensation for day-to-day job performance;
- Ø *Short-Term Performance Incentives (Cash)* Utilizes metrics specific to each executive in order to motivate them to deliver near-term results for stockholders, generally over a period that is no longer than two years; and
- Ø *Long-Term Performance Incentives (Equity)* Focuses the attention of executives on delivering long-term stockholder value and on maintaining a significant personal investment in the Company through stock ownership.

### **Recent Changes to the Compensation Program**

Executive compensation for fiscal 2013 was set early in the fiscal year, prior to the voting results at the Annual Meeting of Stockholders held in March of 2013. After meeting with many of our largest stockholders during the past two fiscal years and obtaining valuable feedback, the compensation program has been amended in each of the past two years.

These recent changes to the executive compensation program are as follows:

- Ø *Shifting Long-Term Performance Incentive to Equity* Prior to 2013, the Company granted a combination of equity-based awards (restricted stock and stock appreciation rights ( SARs )) and performance-based cash target awards tied to total return on capital goals. In 2013, as an interim step prior to an in-depth review of its long term incentive ( LTI ) approach, the Compensation Committee replaced the cash portion of the program with performance-based RSUs, utilizing the same relative total return on capital metric. For 2014, the Company further revised the mix of awards to be approximately two-thirds performance shares (split between two distinct performance metrics measured over three years against a peer group) and one-third time-vested RSUs (vesting ratably over a 3-year period).
- Ø *Adoption of Relative Performance Conditions for Fiscal 2014* As noted above, for fiscal 2014, the Compensation Committee devoted two-thirds of the LTI award to performance shares. The Committee established two distinct performance metrics: 3-year TSR relative to the Hay peer group and 3-year total return on capital relative to the Hay peer group.
- Ø *CEO Compensation* To increase the CEO compensation tied to equity and moderate cash compensation, upon his appointment as CEO, Mr. Tanski's salary was set at approximately the 25th percentile of the Hay Energy Industry data and an additional performance-based equity award was made so that total direct compensation is targeted at the 50th percentile.
- Ø *Ownership Requirements were Increased for the CEO to Six Times Base Salary.* Our CEO's stock ownership is 22 times his base salary as of November 29, 2013.

### **Other Key Compensation Features**

- Ø The Company does not provide tax gross-ups ;
- Ø Executive officers and other officers are required to meet stock ownership guidelines that range from one to six times base salary;
- Ø Equity incentive plans prohibit the repricing or exchange of equity awards without stockholder approval;
- Ø The Committee has engaged two independent compensation consultants to assist in setting compensation; and
- Ø All change-in-control agreements are double triggered.

**Table of Contents****Reported Pay Does Not Adequately Reflect The Changing Compensation Approach**

Given changes by the Compensation Committee (following stockholder outreach) to the LTI program as discussed above, we have provided an additional, supplemental compensation table below in order to distinguish the annual short-term cash incentive from the 3-year long-term cash incentive, to remove the impact of the 2013 move from a cash-based LTI award to an RSU-based LTI award, and to remove the volatile, significant effects of changes in actuarial assumptions on the value of the named executive officers' pension benefits disclosed in the 2013 Summary Compensation Table. This table, however, is not a substitute for the Summary Compensation Table, which can be found at page 41 in this proxy statement.

Name and Principal Position	Year	Salary (\$)	Short-Term Cash Incentive (\$)	Long-Term Cash Incentive (1)(\$)	Stock Awards (2)(\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
<b>David F. Smith</b>	2013	776,600	1,378,894	1,439,730	N/A	909,650	168,863	4,673,737
Chairman and Chief	2012	880,000	1,073,160	1,317,400	550,900	448,008	151,211	4,420,679
Executive Officer of the Company until 3/7/13, when named Executive Chairman	2011	835,000	1,457,075	1,091,232	598,734	574,838	171,440	4,728,319
<b>Ronald J. Tanski</b>	2013	726,148	802,829	809,260	N/A	458,072	107,613	2,903,922
President and Chief	2012	681,000	640,140	752,800	344,313	280,005	96,124	2,794,382
Executive Officer of the Company since 3/7/13	2011	652,500	810,144	631,500	399,156	383,225	104,539	2,981,064
<b>David P. Bauer</b>	2013	318,000	233,000	225,840	N/A	113,353	26,042	916,235
Treasurer and Principal	2012	293,750	215,000	75,280	68,863	56,001	23,728	732,622
Financial Officer of the Company	2011	268,750	200,000	50,520	79,831	76,645	20,039	695,785
<b>Matthew D. Cabell</b>	2013	591,250	774,981	564,600	N/A	356,866	80,721	2,368,418
President of Seneca	2012	573,750	445,402	564,600	309,881	252,005	58,412	2,204,050
Resources	2011	547,789	676,060	404,160	359,241	344,903	55,962	2,388,115
Corporation								
<b>Anna Marie Cellino</b>	2013	497,000	543,942	432,860	N/A	249,901	78,171	1,801,874
President of National Fuel	2012	482,250	585,861	423,450	206,588	168,003	79,695	1,945,847
Gas Distribution Corporation	2011	458,750	551,853	336,800	239,494	229,935	76,204	1,893,036
<b>John R. Pustulka</b>	2013	462,750	415,272	432,860	N/A	235,909	70,306	1,617,097
President of National Fuel	2012	425,000	443,573	225,840	206,588	168,003	69,617	1,538,621
Gas Supply Corporation	2011	383,750	448,201	176,820	239,494	229,935	67,309	1,545,509

(1) For fiscal 2013, Long-Term Cash Incentive represents an estimated payment for the three-year performance period ended September 30, 2013. See footnote 3 to the Summary Compensation Table for more information.

(2) This column as shown includes the full grant date fair value of Restricted Stock awards for fiscal 2012 and 2011 and excludes any value for performance-based RSU awards for fiscal 2013.

**CEO Compensation in Alignment with Peers**

The Compensation Committee understands the importance of using benchmark data that reflects information from companies with comparable business segments over similar time periods. Reflected in the chart below is The Hay Group's comparison of fiscal 2012 total direct compensation for the Company's then CEO (Mr. Smith) against that of CEOs in our Hay peer group. The Company's CEO total direct compensation, shown in the table below, is in line with that of our peers.

**Fiscal 2012 is the most recent complete fiscal year for which proxy statement data is available. 2013 compensation may not yet be accurately compared to peers because 2013 compensation data for those peers is not yet available.**



**Table of Contents****Chairman and CEO**

Compared to CEO proxy data for fiscal year 2012

Company	Title	Sales (\$M)	Total Direct Compensation	
			Actual	Target
AGL Resources, Inc.	Chairman, President & CEO	\$3,922	\$4,411,529	\$5,422,429
Atmos Energy Corp.	President & CEO	\$3,438	\$3,716,482	\$3,510,867
Cabot Oil & Gas Corp.	Chairman, President & CEO	\$1,205	\$7,625,350	\$6,553,555
Energen Corp.	Chairman & CEO	\$1,617	\$3,737,734	\$3,973,008
EQT Corp.	Chairman, President & CEO	\$1,642	\$7,886,279	\$6,717,202
MDU Resources Group Inc	President & CEO	\$4,075	\$2,165,527	\$2,397,277
New Jersey Resources Corp.	Chairman, President & CEO	\$2,249	\$2,445,243	\$2,445,243
Northwest Natural Gas Co.	President & CEO	\$731	\$1,735,204	\$1,854,929
Questar Corp.	Chairman, President & CEO	\$1,099	\$3,522,862	\$3,315,507
Quicksilver Resources Inc	President & CEO	\$709	\$4,009,998	\$4,692,498
Range Resources Corp.	President & CEO	\$1,408	\$7,443,134	\$7,188,230
SM Energy Co.	CEO	\$1,532	\$4,691,137	\$4,762,291
Southwest Gas Corp.	President & CEO	\$1,928	\$2,257,698	\$2,180,418
UGI Corp.	Chairman & CEO	\$6,519	\$5,108,935	\$5,582,345
Ultra Petroleum Corp.	Chairman, President & CEO	\$1,114	\$5,800,000	\$5,400,000
Whiting Petroleum Corp.	Chairman & CEO	\$2,170	\$7,969,957	\$6,305,539
<b>Summary Statistics</b>				
75th Percentile		\$2,546	\$6,210,784	\$5,763,144
Average		\$2,210	\$4,657,942	\$4,518,834
Median		\$1,629	\$4,210,764	\$4,727,395
25th Percentile		\$1,182	\$3,253,457	\$3,097,941
National Fuel Gas Company	Chairman & CEO	\$1,830	\$3,752,068	\$3,558,908
<i>Percentile Rank</i>		<i>58%</i>	<i>40%</i>	<i>34%</i>

**Total Direct Compensation = base salary + bonus + long-term incentives (target value for cash and grant date value for equity).**

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**NATIONAL FUEL GAS COMPANY**

6363 MAIN STREET

WILLIAMSVILLE, NEW YORK 14221

January 24, 2014

Dear Stockholders of National Fuel Gas Company:

We are pleased to invite you to join us at the Annual Meeting of Stockholders of National Fuel Gas Company. The meeting will be held at 9:30 a.m. local time on March 13, 2014, at The Ritz-Carlton Golf Resort, Naples, 2600 Tiburón Drive, Naples, Florida, 34109. The matters on the agenda for the meeting are outlined in the enclosed Notice of Annual Meeting and Proxy Statement.

So that you may elect Company directors and secure the representation of your interests at the Annual Meeting, we urge you to vote your shares. **The preferred methods of voting are either by telephone or by Internet as described on the proxy card.** These methods are both convenient for you and reduce the expense of soliciting proxies for the Company. If you prefer not to vote by telephone or the Internet, please complete, sign and date your proxy card and mail it in the envelope provided. The Proxies are committed by law to vote your shares as you instruct on the proxy card, by telephone or by Internet.

**A company's annual proxy statement contains important stockholder and/or company proposals for which votes are needed in order to be passed and your vote is always important. Stockholder voting is the primary means by which stockholders can influence a company's operations and its corporate governance. In fact, stockholders who do vote can influence the outcome of the election in greater proportion than their percentage share ownership.**

**Your vote is important. Please make your voice heard by voting your shares on these important matters.**

If you plan to be present at the Annual Meeting, you may so indicate when you vote by telephone or the Internet, or you can check the **WILL ATTEND MEETING** box on the proxy card. Even if you plan to be present, we encourage you to promptly vote your shares either by telephone or the Internet, or to complete, sign, date and return your proxy card in advance of the meeting. If you later wish to vote in person at the Annual Meeting, you can revoke your proxy by giving written notice to the Secretary of the Annual Meeting and/or the Trustee (as described on the first page of this proxy statement), and/or by casting your ballot at the Annual Meeting.

Coffee will be served at 9:00 a.m. and I look forward to meeting with you at that time.

Please review the proxy statement and take advantage of your right to vote.

Sincerely yours,

David F. Smith

*Executive Chairman of the Board of Directors*

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**to be held on March 13, 2014**

To the Stockholders of National Fuel Gas Company:

Notice is hereby given that the Annual Meeting of Stockholders of National Fuel Gas Company (the Company) will be held at 9:30 a.m. local time on March 13, 2014 at The Ritz-Carlton Golf Resort, Naples, 2600 Tiburón Drive, Naples, Florida, 34109. The doors to the meeting will open at 9:00 a.m. local time. At the meeting, action will be taken with respect to:

- (1) the election of three directors to hold office for three-year terms as provided in the attached proxy statement and until their respective successors have been elected and qualified;
- (2) ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for fiscal 2014;
- (3) advisory approval of named executive officer compensation; and

(4) a Stockholder Proposal

and such other business as may properly come before the meeting or any adjournment or postponement thereof.

Stockholders of record at the close of business on January 13, 2014, will be entitled to vote at the meeting.

BY ORDER OF THE BOARD OF DIRECTORS

PAULA M. CIPRICH

*General Counsel and Secretary*

January 24, 2014

**Important Notice Regarding The Availability Of Proxy Materials For The Stockholder**

**Meeting To Be Held On March 13, 2014**

**The proxy statement and summary annual report to security holders and financial statements are available at**

**[proxy.nationalfuelgas.com](http://proxy.nationalfuelgas.com)**

**YOUR VOTE IS IMPORTANT**

**Please vote by telephone or Internet.**

**Whether or not you plan to attend the meeting, and whatever the number of shares you own, please vote your shares either by telephone or the Internet as described in the proxy/voting instruction card and reduce National Fuel Gas Company's expense in soliciting proxies. Alternatively, you may complete, sign, date and promptly return the enclosed proxy/voting instruction card in the accompanying envelope, which requires no postage if mailed in the United States.**

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**NATIONAL FUEL GAS COMPANY**

**6363 MAIN STREET**

**WILLIAMSVILLE, NEW YORK 14221**

**PROXY STATEMENT**

**GENERAL INFORMATION**

**Introduction**

This proxy statement is furnished to the holders of National Fuel Gas Company (the **Company** ) common stock (the **Common Stock** ) in connection with the solicitation of proxies on behalf of the Board of Directors of the Company (the **Board of Directors** or the **Board** ) for use at the Annual Meeting of Stockholders (the **Annual Meeting** ) to be held on March 13, 2014, or any adjournment or postponement thereof. This proxy statement and the accompanying proxy/voting instruction card are first being mailed to stockholders on or about January 24, 2014.

**Solicitation of Proxies**

All costs of soliciting proxies will be borne by the Company. MacKenzie Partners, Inc., 105 Madison Avenue, New York, NY 10016, has been retained to assist in the solicitation of proxies by mail, telephone, and electronic communication and will be compensated in the estimated amount of \$12,500 plus reasonable out-of-pocket expenses.

**Record Date, Outstanding Voting Securities and Voting Rights**

Only stockholders of record at the close of business on January 13, 2014, will be eligible to vote at the Annual Meeting or any adjournment or postponement thereof. As of that date, 83,745,862 shares of Common Stock were issued and outstanding. The holders of 41,872,932 shares will constitute a quorum at the meeting.

Each share of Common Stock entitles the holder thereof to one vote with respect to each matter that is subject to a vote at the Annual Meeting. Shares may not be voted unless the owner is present or represented by proxy. To be represented by proxy, a stockholder can return a signed proxy card or use the telephone or Internet voting procedures. All shares that are represented by effective proxies received by the Company in time to be voted shall be voted by the authorized Proxy at the Annual Meeting or any adjournment or postponement thereof.

If you hold your shares through a broker, bank or other nominee (in **street name** ), you will receive instructions from them on how to vote your shares. If you do not give the broker specific instructions on how you would like your shares to be voted, your broker may nonetheless vote your shares on **routine** matters such as Proposal 2 Ratification of Independent Auditor. However, your broker is prohibited from voting uninstructed shares on **non-routine** matters such as Proposal 1 Election of Directors, Proposal 3 Advisory Approval of Named Executive Officer Compensation and Proposal 4 Stockholder Proposal. **The absence of voting instruction results in what is called a broker non-vote on those proposals and will not be counted. Your vote is important. Please make your voice heard by voting your shares on these important matters.**

Where stockholders direct how their votes shall be cast, shares will be voted in accordance with such directions. Proxies submitted with abstentions and broker non-votes will be included in determining whether or not a quorum is present. Abstentions and broker non-votes will not be counted in tabulating the number of votes cast on proposals submitted to stockholders and therefore will have no effect on the outcome of the votes.

The proxy also confers discretionary authority to vote on all matters that may properly come before the Annual Meeting, or any adjournment or postponement thereof, respecting (i) matters of which the Company did not have timely notice but that may be presented at the meeting; (ii) approval of the minutes

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of the prior meeting; (iii) the election of any person as a director if a nominee is unable to serve or for good cause will not serve; (iv) any stockholder proposal omitted from this proxy statement pursuant to Rule 14a-8 or 14a-9 of the Securities and Exchange Commission's (the "SEC") proxy rules; and (v) all matters incident to the conduct of the meeting.

### **Attending the Meeting**

You are entitled to attend the Annual Meeting if you are a stockholder as of the close of business on January 13, 2014, the record date. In order to be admitted to the Annual Meeting, each stockholder may be asked to present valid picture identification, such as driver's license or passport, and proof of stock ownership as of the record date, such as the enclosed proxy card or a brokerage statement reflecting stock ownership. Cameras, recording devices and other electronic devices will not be permitted at the meeting.

### **Revoking a Proxy**

Any stockholder giving a proxy may revoke it at any time prior to the voting thereof by mailing a revocation or a subsequent proxy to Paula M. Ciprich, General Counsel and Secretary of the Company, at the National Fuel Gas Company address noted below, by voting a subsequent proxy by Internet or phone, or by filing written revocation at the meeting with Ms. Ciprich, Secretary of the meeting, or by casting a ballot at the meeting. If you are an employee stockholder or retired employee stockholder, you may revoke voting instructions given to the Trustee by following the instructions under "Employee and Retiree Stockholders" in this proxy statement.

### **Employee and Retiree Stockholders**

If you are a participant in the Company's Employee Stock Ownership Plan or any of the Company's Tax-Deferred Savings Plans (the "Plans"), the proxy card will also serve as a voting instruction form to instruct Vanguard Fiduciary Trust Company (the "Trustee" for the Plans), as to how to vote your shares. All shares of Common Stock for which the Trustee has not received timely directions shall be voted by the Trustee in the same proportion as the shares of Common Stock for which the Trustee received timely directions, except in the case where to do so would be inconsistent with the provisions of Title I of the Employee Retirement Income Security Act ("ERISA"). If the voting instruction form is returned signed but without directions marked for one or more items, regarding the unmarked items you are instructing the Trustee and the Proxies to vote FOR Proposals 1, 2 and 3 and AGAINST Proposal 4. Participants in the Plan(s) may also provide those voting instructions by telephone or the Internet. Those instructions may be revoked by re-voting or by written notice to the Trustee on or before March 11, 2014 in care of the following address:

To: Vanguard Fiduciary Trust Co.

c/o National Fuel Gas Company

Attn: Legal Department

6363 Main Street

Williamsville, NY 14221

### **Multiple Copies of Proxy Statement**

The Company has adopted a procedure approved by the SEC called "householding." Under this procedure, stockholders of record who have the same address and last name may receive only one copy of the proxy statement and the Company's annual report. However, if any stockholder wishes to revoke consent for householding and receive a separate summary annual report, financial statements or proxy statement for the upcoming Annual Meeting or in the future, he or she may telephone, toll-free, 1-800-542-1061. The stockholder will need their 12-digit Investor ID number and should simply follow the prompts. Stockholders may also write Broadridge Household Department, 51 Mercedes Way,

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Edgewood, NY 11717. Stockholders sharing an address who wish to receive a single set of reports may do so by contacting their banks or brokers if they are the beneficial holders, or by contacting Broadridge at the address provided above if they are the record holders. This procedure will reduce our printing costs and postage fees, and reduce the quantity of paper arriving at your address.

Stockholders who participate in householding will continue to receive separate proxy cards. Householding will not affect your dividend check mailings.

For additional information on householding, please see **IMPORTANT NOTICE REGARDING DELIVERY OF STOCKHOLDER DOCUMENTS** in this proxy statement.

**Other Matters**

The Board of Directors does not know of any other matter that will be presented for consideration at the Annual Meeting. If any other matter does properly come before the Annual Meeting, the Proxies will vote in their discretion on such matter.

**Annual Report**

Mailed herewith is a copy of the Company's Summary Annual Report for the fiscal year ended September 30, 2013 ( fiscal 2013 ). Also enclosed are the financial statements for fiscal 2013. The Company will furnish any exhibit to the Form 10-K upon request to the Secretary at the Company's principal office, and upon payment of \$5 per exhibit.

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**PROPOSAL 1. ELECTION OF DIRECTORS**

Three directors are to be elected at the Annual Meeting. The nominees for the three directorships are: Ronald W. Jibson, Jeffrey W. Shaw, and Ronald J. Tanski. The nomination process is discussed under "Nominating/Corporate Governance" on page 11 of this proxy statement.

The services of Mr. Robert T. Brady and Mr. Rolland E. Kidder conclude at the 2014 Annual Meeting, in accordance with the provisions of the Company's Corporate Governance Guidelines on Director Age. Mr. Brady has been a director since 1995 and has served as the Company's Lead Director since 2003. In addition, Mr. Kidder has been a director since 2002. The Board is deeply appreciative of their strong leadership and valuable contributions.

The Company's Restated Certificate of Incorporation provides that the Board of Directors shall be divided into three classes, and that these three classes shall be as nearly equal in number as possible. (A class of directors is the group of directors whose terms expire at the same annual meeting of stockholders.) As well, the Company's Restated Certificate of Incorporation provides that any elected director shall hold office until their successors are elected and qualify, subject to prior death, resignation, retirement, disqualification or removal from office. Accordingly, Messrs. Jibson, Shaw and Tanski have been nominated for terms of three years and until their respective successors shall be elected and shall qualify.

It is intended that the Proxies will vote for the election of Messrs. Jibson, Shaw and Tanski as directors, unless they are otherwise directed by the stockholders. Although the Board of Directors has no reason to believe that any of the nominees will be unavailable for election or service, stockholders' proxies confer discretionary authority upon the Proxies to vote for the election of another nominee for director in the event any nominee is unable to serve, or for good cause will not serve. Messrs. Jibson, Shaw and Tanski have consented to being named in this proxy statement and to serve if elected.

The affirmative vote of a plurality of the votes cast by the holders of shares of Common Stock entitled to vote is required to elect each of the nominees for director.

Refer to the following pages for information concerning the three nominees for director, as well as concerning the six incumbent directors of the Company whose current terms will continue after the Annual Meeting, including information with respect to their principal occupations and certain other positions held by them.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR**

**THE ELECTION OF EACH OF THE NOMINEES NAMED BELOW.**

**Nominees for Election as Directors for Three-Year Terms to Expire in 2017**

**Ronald W. Jibson** has been Chairman of the Board of Questar Corporation ( Questar ), since July 2012 and President and Chief Executive Officer since June 2010. He is also President and CEO of both Questar Gas Company (a natural gas utility) and Wexpro Company (an exploration and production subsidiary), and he is Chairman of Questar Pipeline Company. Mr. Jibson has been a director of Questar since 2010. Mr. Jibson has held various positions at Questar and its subsidiaries over his 33-year career, including Senior Vice President, Executive Vice President, General Manager of Operations and Director of Engineering. Mr. Jibson has served on the Board of IDACORP, Inc. since September of 2013. Mr. Jibson has additional significant industry board experience as Chairman of the Board of Directors of the American Gas Association ( AGA ) and as past Chairman of the Western Energy Institute. He also serves on the Board of Gas Technology Institute. He serves as Chairman of Utah State University's Board of Trustees and the Chair of the Salt Lake Chamber Board of Directors, as well as past Chair of the Economic Development Corporation of Utah. Mr. Jibson, 60, is a licensed engineer in the state of Utah and received his B.S. in engineering from Utah State University and MBA from Westminster College. (1)

(1) All ages are as of the Annual Meeting date.

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Mr. Jibson brings to the National Fuel Board his substantial industry experience at Questar, across three major business segments (utility, pipeline and exploration and production) in which the Company also participates. Mr. Jibson will provide insight with respect to strategic business planning, operations, performance, and regulatory issues. In addition, his participation in industry organizations will provide the Board with knowledge and perspectives on current natural gas industry trends and developments.

**Jeffrey W. Shaw** has been President and Chief Executive Officer of Southwest Gas Corporation ( Southwest ) since July 2012. He was named Chief Executive Officer and a director of Southwest in 2004. Previously Mr. Shaw, a CPA, held various positions at Southwest, including Director of Internal Audit, Controller and Chief Accounting Officer, Vice President/Controller and Chief Accounting Officer, Vice President and Treasurer, Senior Vice President/Finance and Treasurer, Senior Vice President/Gas Resources and Pricing, and President. He worked for Arthur Anderson & Co. in its Dallas and Las Vegas offices in the audit division prior to joining Southwest in May of 1988. He is a member of the American Institute of Certified Public Accountants, the Nevada Society of CPAs and the Leadership Las Vegas Alumni Association. Mr. Shaw serves on the boards of the AGA and the UNLV Foundation, and is past President of the Western Energy Institute and past President of the Las Vegas Area Council of the Boy Scouts of America. Mr. Shaw, 55, received a B.S. in accounting from the University of Utah.

Mr. Shaw's extensive executive management experience at an energy company with regulated businesses similar to those of the Company provides the Board with an additional and valuable perspective on the Company's operations. In addition, Mr. Shaw's accounting and finance background, and the significant roles he has held in this area over his career qualify him as an audit committee financial expert and position him to assist the Board in its audit oversight function.

**Ronald J. Tanski** has been President and Chief Executive Officer of the Company since March 2013. Prior to that Mr. Tanski served as President and Chief Operating Officer of the Company from July 2010 and as Treasurer and Principal Financial Officer from April 2004. Mr. Tanski was President of National Fuel Gas Supply Corporation (2) from July 2008 to July 2010 and President of National Fuel Gas Distribution Corporation (2) from February 2006 to July 2008. He was previously Treasurer of Distribution, Supply, Empire Pipeline, Inc. and National Fuel Resources, Inc. (2), as well as Senior Vice President of Distribution. Mr. Tanski also served in management roles at Seneca Resources Corporation (2), and other Company subsidiaries, including Empire Exploration, Inc. (merged into Seneca), and Horizon Energy Development, Inc. (sold in 2010). He is a Board Member of the Interstate Natural Gas Association of America (INGAA). Mr. Tanski, 61, holds a B.A. in biology and an MBA from the State University of New York at Buffalo, as well as a J.D. from the State University of New York at Buffalo School of Law.

Mr. Tanski has been employed by the Company since 1979, and during his career, as noted above, has served in numerous positions in both the regulated and non-regulated businesses. Mr. Tanski's substantial management experience with the varied subsidiaries, and in particular, his financial background with the Company will assist the Board with in-depth review of the Company's operations. Mr. Tanski also has deep ties to Western New York, the location of the Company's corporate headquarters and a number of its significant business units.

**Directors Whose Terms Expire in 2015**

**Philip C. Ackerman** was Chief Executive Officer of the Company from October 2001 to February 2008, Chairman of the Board of the Company from January 2002 to March 2010, President of the Company from July 1999 to February 2006, Senior Vice President of the Company from June 1989 to July 1999 and Vice President of the Company from 1980 to June 1989. He was also President of National Fuel Gas Distribution Corporation (2) from October 1995 to July 1999 and Executive Vice President from June 1989 to October 1995, Executive Vice President of National Fuel Gas Supply Corporation (2) from

(2) Wholly-owned subsidiary of the Company



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October 1994 to March 2002, President of Seneca Resources Corporation (2) from June 1989 to October 1996, President of Horizon Energy Development, Inc. (2) from September 1995 to March 2008 and President of certain other non-regulated subsidiaries of the Company from prior to 1992 to March 2008. Mr. Ackerman is also currently a Director of Associated Electric and Gas Insurance Services Limited. Mr. Ackerman holds a B.S. in accounting from the State University of New York at Buffalo and a J.D. from Harvard University. Mr. Ackerman, 70, has been a Company director since 1994.

Mr. Ackerman's more than 40 years' involvement with the Company, including his experience as President of all of the Company's major subsidiaries, enables him to provide the Board with an in-depth perspective on the Company. During his tenure with the Company, National Fuel grew from a regional utility company with \$300 million in assets to a fully integrated energy company with over \$5.1 billion in assets. Also, Mr. Ackerman has deep ties to Western New York, the location of the Company's corporate headquarters and a number of its significant business operations.

**R. Don Cash** has been Chairman Emeritus since May 2003, and a Board Director since May 1978, of Questar Corporation, an integrated natural gas company headquartered in Salt Lake City, Utah. He was Chairman of Questar from May 1985 to May 2003, Chief Executive Officer of Questar from May 1984 to May 2002 and President of Questar from May 1984 to February 1, 2001. Mr. Cash has been a director of Zions Bancorporation since 1982, a director of Associated Electric and Gas Insurance Services Limited since 1993 and is a director of the Ranching Heritage Association. He was a director of TODCO (The Offshore Drilling Company) from May 2004 to July 2007 and a former Trustee, until September 2002, of the Salt Lake Organizing Committee for the Olympic Winter Games of 2002. Mr. Cash holds a B.S. in engineering from Texas Tech University. Mr. Cash, 71, has been a Company director since 2003.

Because of his nearly 18 years of experience at the helm of Questar Corporation and over 30 years of directorship experience on multiple oil and gas industry-related boards, Mr. Cash provides a broad perspective on the issues facing the Company. In particular, Mr. Cash's depth of experience with Questar (a company which at the time had utility, pipeline and storage and exploration and production businesses) uniquely positions him to provide valuable insights and to inform Board discussions.

**Stephen E. Ewing** was Vice Chairman of DTE Energy (DTE), a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide, from November 2005 to December 2006. Two of DTE's subsidiaries are Detroit Edison, the nation's 7th largest electric utility, and Michigan Consolidated Gas Co. (MichCon), the nation's 10th largest natural gas local distribution company. Mr. Ewing also had responsibility for DTE's exploration and production subsidiary (DTE Gas Resources) with operations in the Antrim and Barnett Shales. He was also at various times Group President, Gas Division, DTE, President and Chief Operating Officer of MCN Energy Group, Inc. (the then parent of MichCon and a company which had utility, pipeline and storage and exploration and production businesses) and President and Chief Executive Officer of MichCon, until it was acquired by DTE. Mr. Ewing has been a Director of CMS Energy since July 2009. He was also Chairman of the Board of Directors of the AGA for 2006, a member of the National Petroleum Council, and Chairman of the Midwest Gas Association and the Natural Gas Vehicle Coalition. He is currently a Trustee and past Chairman of the Board of The Skillman Foundation, a not-for-profit foundation focused on providing education for low-income children, Chairman of the Auto Club of Michigan and Chairman of the Board of the Auto Club Group (AAA). Mr. Ewing holds a B.A. from DePauw University and an MBA from Michigan State University, and completed the Harvard Advanced Management Program. Mr. Ewing, 69, has been a Company director since 2007.

Mr. Ewing's extensive executive management experience at energy companies with regulated businesses similar to those of the Company provides the Board with a valuable perspective on the Company's regulated operations. Also, his responsibility for DTE's exploration and production subsidiary, with operations in the Antrim and Barnett Shales, enables Mr. Ewing to provide knowledgeable insights with regard to the Company's exploration and production business.

(2) Wholly-owned subsidiary of the Company

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**Directors Whose Terms Expire in 2016**

**David C. Carroll** has been President and CEO of Gas Technology Institute ( GTI ) since 2006. He joined GTI in 2001 as Vice President of Business Development. From 1996 to 2001, he worked for Praxair, Inc., serving as Director of Business Development from 1999 to 2001. Prior to that, Mr. Carroll held positions of increasing responsibility with Liquid Carbonic Industries, a subsidiary of Chicago Bridge & Iron, from 1994 to 1996, and Air Products and Chemicals, Inc. from 1980 to 1994. All of these companies are industrial gas producers and manufacturers. He is a member of the Society of Gas Lighting. Mr. Carroll served on the board of Versa Power Systems, Inc. from 2006 through 2012. He was also Chairman of the steering committee for the 17<sup>th</sup> International Conference and Exhibition on Liquefied Natural Gas in Houston (2013). In June 2015, Mr. Carroll will become President of the International Gas Union as the United States prepares to host the 2018 World Gas Conference in Washington, D.C. Mr. Carroll earned a B.S. in chemical engineering from the University of Pittsburgh, an MBA from Lehigh University, and has completed the Stanford Executive Program at Stanford University's Graduate School of Business. Mr. Carroll, 57, has been a Company director since June 2012.

As a highly respected, nationally recognized leader with a multi-faceted knowledge of the natural gas industry, Mr. Carroll brings both industry and leadership experience to the Board. His technical expertise on unconventional gas production, transmission and distribution pipeline integrity, and end-use technologies is directly relevant to the Company's business operations. In addition, Mr. Carroll's involvement in both the domestic and international natural gas communities provides the Board with a broad perspective on emerging issues.

**Craig G. Matthews** was President, Chief Executive Officer and Director of NUI Corporation, a diversified energy company acquired by AGL Resources Inc. on November 30, 2004, from February 2004 to December 2004. In addition, he was Vice Chairman, Chief Operating Officer and Director of KeySpan Corporation ( KeySpan , previously Brooklyn Union Gas Co.), a natural gas utility company, from March 2001 to March 2002, and held various positions over a 36-year career at KeySpan, including Executive Vice President, and Chief Financial Officer. He was also a Director of KeySpan as well as its exploration and production subsidiary Houston Natural Gas Co. He was a Director of Hess Corporation (formerly Amerada Hess Corporation) from 2002 until 2013, and has been a Board member of Republic Financial Corporation since May 2007. Mr. Matthews is a Member and Former Chairman of the Board of Trustees, Polytechnic Institute of New York University, and is a member of the National Advisory Board for the Salvation Army as well as the founding Chairman of the New Jersey Salvation Army Board. He received his B.S. in civil engineering from Rutgers in 1965, and completed his M.S. in industrial management at Brooklyn Polytechnic University. He also holds a Doctor of Engineering (Honorary) from NYU/POLY received in 2009. Mr. Matthews, 71, has been a Company director since 2005.

Mr. Matthews' substantial background in the energy industry, including executive, managerial and financial experience with KeySpan and NUI Corporation over 37 years, and particularly his experience in applying accounting principles and developing financial strategy at energy companies, makes him highly qualified for his service as Chairman of the Company's Audit Committee. As more fully described in the Audit Committee discussion on page 16, Mr. Matthews qualifies as an audit committee financial expert under the Securities and Exchange Commission Rules. During his career, Mr. Matthews has had responsibilities in the areas of marketing, information systems, engineering, finance, and strategic planning.

**David F. Smith** became Executive Chairman of the Board of the Company on March 7, 2013. Prior to that he served as Chairman of the Board from March 11, 2010 and Chief Executive Officer of the Company from February 2008. Mr. Smith was Chairman of National Fuel Gas Distribution Corporation (2), and National Fuel Gas Supply Corporation (2) and Chairman of Empire Pipeline, Inc. (2) and Seneca Resources Corporation (2) from April of 2008 until March of 2013. He was previously President of the Company from February 2006 to June 2010 and Vice President from April 2005 to February 2006, President from April 2005 to July 2008 and Senior Vice President from June 2000 to April

(2) Wholly-owned subsidiary of the Company

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2005 of National Fuel Gas Supply Corporation (2), and President from July 1999 to April 2005 and Senior Vice President from January 1993 to July 1999 of National Fuel Gas Distribution Corporation (2). Mr. Smith was also President of Empire State Pipeline (2) from April 2005 through July 2008, and President or Chairman of various non-regulated subsidiaries of the Company. He is a Board member of the AGA (Executive Committee and Policy Committee), American Gas Foundation, Gas Technology Institute (Executive Committee and Audit Committee), the Business Council of New York State (Chairman and member of the Executive Committee), the Buffalo Niagara Enterprise (immediate past Chairman and member of the Executive Committee), the State University of New York at Buffalo Law School Dean's Advisory Council and The Buffalo Sabres Foundation. Mr. Smith holds a B.A. in political science from the State University of New York at Fredonia, as well as a J.D. from the State University of New York at Buffalo School of Law. Mr. Smith, 60, has been a Company director since 2007.

Mr. Smith has been employed by the Company since 1978, and during his tenure has served as President of the Company's pipeline and storage, and utility subsidiaries, and Chairman of Seneca Resources Corporation. He has a long and active participation in industry groups that tackle important issues facing our industry. Also, Mr. Smith has deep ties to Western New York, the location of the Company's corporate headquarters and a number of its significant business units.

### **Annual Meeting Attendance**

Last year all directors attended the 2013 Annual Meeting, and they are expected to do so this year. A meeting of the Board of Directors will take place on the same day and at the same place as the Annual Meeting (and probably future years), and directors are expected to attend all meetings. If a director is unable to attend a Board meeting in person, participation by telephone is permitted and in that event the director may not be physically present at the Annual Meeting of Stockholders.

### **Director Independence**

The Board of Directors has determined that directors Ackerman, Brady, Carroll, Cash, Ewing, Kidder and Matthews are independent, and that Mr. Smith, Executive Chairman of the Board, is not independent due to his employment relationship with the Company. Mr. Reiten and Mr. Salerno, whose Board service ended in fiscal 2013, had been determined by the Board to be independent. The Board has determined that Messrs. Jibson and Shaw are independent and that Mr. Tanski is not independent due to his employment with the Company. The Board's determinations of director independence were made in accordance with the listing standards of the New York Stock Exchange (the NYSE) and SEC regulations. In making its independence determinations, the Board considered that Mr. Brady is Executive Chairman of Moog, which maintains its headquarters in the Company's utility service territory, and that payments made by Moog to Company affiliates for natural gas service in each of Moog's last three fiscal years were less than (i) \$1,000,000 or (ii) 2% of Moog's consolidated gross revenues for the applicable fiscal year. Similarly, the Board considered that Mr. Carroll is President and Chief Executive Officer of GTI, an organization that receives payments from the Company for dues and fees to support research and development, and that such payments in each of GTI's last three fiscal years were less than (i) \$1,000,000 or (ii) 2% of GTI's consolidated gross revenues for the applicable fiscal year. The Board also considered that a son of Mr. Kidder is employed by an affiliate of the Company (since before Mr. Kidder became a Company director) in a non-executive supervisory position, at a rate of total compensation that does not implicate the SEC's regulations regarding related person transactions.

### **Board Leadership Structure**

The Board of Directors has decided that the appropriate leadership structure at the present time is to separate the CEO and Chairman positions. The Board believes that Mr. Smith's role as Chairman and Mr. Tanski's position as Chief Executive Officer, since March of 2013, is an effective leadership model given Mr. Smith's experience in the role of CEO in the past and his experience as Chairman of the Board and Mr. Tanski taking on the role of CEO. The Board believes this is the optimal

(2) Wholly-owned subsidiary of the Company

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leadership at this time. As in the past, it is the Board's opinion that the stockholders' interests are best served by allowing the Board to retain flexibility to determine the optimal organizational structure for the Company at a given time, including whether the Chairman role should be filled by the CEO who serves on the Board. At times in the past the roles have been separate and have been combined. The members of the Board possess considerable experience and unique knowledge of the challenges and opportunities the Company faces, have significant industry experience and are in the best position to evaluate its needs and how best to organize the capabilities of the directors and management to meet those needs.

The independent directors met three times during fiscal 2013, consistent with the requirements of the NYSE rules. In addition, non-management directors meet at regularly scheduled executive sessions without management. The sessions have been chaired by the Lead Independent Director, Robert T. Brady. The Board of Directors provides a process for stockholders and other interested parties to send communications to the Board or to certain directors. Communications to the Lead Director, to the non-management directors as a group, or to the entire Board should be addressed as follows: Lead Independent Director, c/o 6363 Main Street, Williamsville, NY 14221. For the present, all stockholder and interested parties' communications addressed in such manner will go directly to the indicated directors. If the volume of communication becomes such that the Board determines to adopt a process for determining which communications will be relayed to Board members, that process will appear on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

**Diversity**

Under the Company's Corporate Governance Guidelines, the Board of Directors is required, when selecting candidates for re-election and candidates for Board membership, to consider factors that include a diversity of experience related to the business segments in which the Company operates, as well as a diversity of perspectives to be brought to the Board by the individual members.

**Meetings of the Board of Directors and Standing Committees**

In fiscal 2013, there were four meetings of the Board of Directors. In addition, directors attended meetings of standing or pro tempore committees. The Audit Committee held nine meetings, the Compensation Committee held seven meetings, the Executive Committee did not meet, and the Nominating/Corporate Governance Committee held three meetings. During fiscal 2013, all directors attended at least 75% of the aggregate of meetings of the Board and of the committees of the Board on which they served.

The table below shows the number of meetings conducted in fiscal 2013 and the directors who serve or did serve during fiscal 2013 on these committees. As previously announced, Mr. Reiten retired from the Board on March 7, 2013, and Mr. Salerno stepped down on June 12, 2013. As noted above, Messrs. Brady and Kidder will conclude their tenure as Directors at the 2014 Annual Meeting.

DIRECTOR	BOARD COMMITTEES			Nominating/ Corporate Governance
	Audit	Compensation	Executive	
Philip C. Ackerman			X	
Robert T. Brady		X	X	X (Chair)
David C. Carroll				X
R. Don Cash	X	X(Chair)		X
Stephen E. Ewing	X	X		
Rolland E. Kidder	X			X
Craig G. Matthews	X (Chair)		X	
Richard G. Reiten		X		X
Frederic V. Salerno		X		X
David F. Smith			X (Chair)	
Number of Meetings in Fiscal 2013	9	7	0	3

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### *Audit*

The Audit Committee is a separately designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Audit Committee held nine meetings during fiscal 2013 in order to review the scope and results of the annual audit, to receive reports of the Company's independent registered public accounting firm and chief internal auditor, to monitor compliance with the Company's Reporting Procedures for Accounting and Auditing Matters (included in this proxy statement as Appendix A) and to prepare a report of the committee's findings and recommendations to the Board of Directors. The members of the committee are independent as independence for audit committee members is defined in NYSE listing standards, and in SEC regulations. No Audit Committee member simultaneously serves on the audit committees of more than three public companies. The Board limits the number of audit committees on which an Audit Committee member can serve to three, unless the Board has determined that such simultaneous service would not impair the ability of such members to serve effectively. The Company's Board of Directors has determined that the Company has one audit committee financial expert (as defined by SEC regulations) serving on its Audit Committee, namely Mr. Matthews who is an independent director.

In connection with its review of the Company's internal audit function, the Audit Committee in 2011 had a Quality Assessment performed by Ernst & Young that concluded that the Company's Audit Services Department conducts its audits in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (the Standards). The Standards state that an external Quality Assessment should be conducted at least once every five years.

Further information relating to the Audit Committee appears in this proxy statement under the headings *Audit Fees* and *Audit Committee Report*. A current copy of the Audit Committee charter is available to security holders on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

### *Compensation*

As described in the Compensation Discussion and Analysis in this proxy statement, the Compensation Committee held seven meetings during fiscal 2013, in order to review and determine the compensation of Company executive officers and to review reports and/or grant awards under the Company's 2010 Equity Compensation Plan, the National Fuel Gas Company Performance Incentive Program, the National Fuel Gas Company 2012 Performance Incentive Program (both referred to herein as the Performance Incentive Program and separately referred to by name), the Annual At Risk Compensation Incentive Program (AARCIP or the At Risk Plan), and the Executive Annual Cash Incentive Program (EACIP). The members of the committee are independent as independence is defined in NYSE listing standards. The members of the committee are also non-employee directors as defined in SEC regulations and outside directors as defined in Federal tax regulations. A current copy of the charter of the Compensation Committee is available to security holders on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com).

The Compensation Committee is responsible for various aspects of executive compensation, including approval of the base salaries and incentive compensation of the Company's executive officers. The committee is authorized to evaluate director compensation and make recommendations to the full Board regarding director compensation. The committee may form subcommittees and delegate to those subcommittees such authority as the committee deems appropriate, other than authority required to be exercised by the committee as a whole. The committee also administers the Company's 2010 Equity Compensation Plan, the 1997 Award and Option Plan, the At Risk Plan, and the National Fuel Gas Company Performance Incentive Program, and approves performance conditions and target incentives of executive officers under the EACIP. As described more fully in the Compensation Discussion and Analysis, the Company retained The Hay Group, and Meridian Compensation Partners, LLC, both independent compensation consulting firms, to assist in determining executive compensation. In addition, as set forth in the Compensation Committee's charter, the Chief Executive Officer may and does make,

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and the committee may and does consider, recommendations regarding the Company's compensation and employee benefit plans and practices. The committee then approves executive compensation as it deems appropriate.

### *Executive*

The Executive Committee did not meet during fiscal 2013. The committee has, and may exercise, the authority of the full Board, except as may be prohibited by New Jersey corporate law (N.J.S.A. § 14A:6-9).

### *Nominating/Corporate Governance*

All the members of the Nominating/Corporate Governance Committee are independent, as independence is defined in NYSE listing standards. The committee makes recommendations to the full Board on nominees for the position of director. The committee also has duties regarding corporate governance matters as required by law, regulation or NYSE rules. The committee held three meetings during fiscal 2013. Stockholders may recommend individuals to the committee to consider as potential nominees. Procedures by which stockholders may make such recommendations are set forth in Exhibit B to the Company's Corporate Governance Guidelines, described in the following paragraph.

In general, the committee's charter provides for the committee to develop and recommend to the Board criteria for selecting new director nominees and evaluating unsolicited nominations, which criteria are included in this proxy statement as part of the Company's Corporate Governance Guidelines. A current copy of the charter of the committee is available to stockholders on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com) and in print to stockholders who request a copy from the Company's Secretary at its principal office. A current copy of the Corporate Governance Guidelines is included in this proxy statement as Appendix B, and is available to stockholders on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com). Appendix B also addresses the qualifications and skills the committee believes are necessary in a director, and the committee's consideration of stockholder recommendations for director. Stockholder recommendations identifying a proposed nominee and setting out his or her qualifications should be delivered to the Company's Secretary at its principal office no later than September 26, 2014 in order to be eligible for consideration at the 2015 Annual Meeting of Stockholders.

Under the process for selecting new Board candidates, the Chairman and the Chief Executive Officer and the committee discuss the need to add a new Board member or to fill a vacancy on the Board. The committee will initiate a search, working with staff support and seeking input from Board members and senior management, hiring a search firm if necessary, and considering candidates recommended by stockholders in accordance with Exhibit B to the Corporate Governance Guidelines. In 2013, the Committee retained a search firm to assist in identifying qualified candidates. As part of that process, Messrs. Smith and Tanski reviewed the search firm's list of potential candidates and identified a number of other possible candidates including Mr. Shaw. Candidates were then approached by the search firm as to their interest in serving on the Board. The firm was specifically directed to pursue diversity in candidates. Of the candidates approached, three were women, and each declined consideration. Mr. Jibson was separately identified by Messrs. Smith and Tanski for Committee consideration. The Committee interviewed Mr. Shaw and Mr. Jibson and subsequently recommended their nomination to the Board.

### **Charitable Contributions by Company**

Within the preceding three years, the Company did not make any charitable contributions to any charitable organization in which a director served as an executive officer which exceeded the greater of \$1 million or 2% of the charitable organization's consolidated gross revenues in a single fiscal year.

### **Compensation Committee Interlocks and Insider Participation**

There are no Compensation Committee interlocks or insider participation which SEC regulations or NYSE listing standards require to be disclosed in this proxy statement.

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### **Risk Oversight**

The Company has an enterprise risk management program developed by senior management and the Board and overseen by the CEO. Under this program, major enterprise-wide risks have been identified, along with the mitigative measures to address and manage such risk. At each quarterly meeting of the Audit Committee, to which all Directors are invited and typically attend, the major risks and associated mitigative measures are reviewed. At each Board meeting, a specific presentation is made regarding one or two specific areas of risk. Additional review or reporting on enterprise risks is conducted as needed or as requested by the Board.

### **Related Person Transactions**

The Company had no related person transactions in fiscal 2013. The Company's Code of Business Conduct and Ethics (the "Code") (which is in writing and available to stockholders as described at the end of this proxy statement) identifies the avoidance of any actual or perceived conflicts between personal interests and Company interests as an essential part of the responsibility of the Company's directors, officers and employees. The Code provides that a conflict of interest may arise when a director, officer or employee receives improper personal benefits as a result of his or her position in the Company, or when personal situations tend to influence or compromise a director's, officer's or employee's ability to render impartial business decisions in the best interest of the Company. Potential conflicts of interest under the Code would include but not be limited to related person transactions. The Audit Committee administers the Code as it relates to the Company's directors and executive officers.

The Company's policies and procedures for the review, approval or ratification of related person transactions are set forth in writing in the charter of the Audit Committee. The charter provides that the Audit Committee will review and, if appropriate, approve or ratify any transaction between the Company and a related person which is required to be disclosed under SEC rules. In the course of its review of a transaction, the Audit Committee will consider the nature of the related person's interest in the transaction, the material terms of the transaction, the significance of the transaction to the related person and to the Company, whether the transaction would affect the independence of a director, and any other matters the Audit Committee deems appropriate. The Audit Committee will approve or ratify only those transactions that are in, or are not inconsistent with, the best interests of the Company and its stockholders, as the Audit Committee determines in good faith. Any member of the Audit Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction.

### **Directors' Compensation**

The 2009 Non-Employee Director Equity Compensation Plan ("Director Compensation Plan") was approved at the 2009 Annual Meeting of Stockholders. This plan provides for the issuance of shares on a quarterly basis to non-employee directors, in such amounts as the Board may determine from time to time. In addition, non-employee directors receive a portion of their compensation in cash, as determined by the Board from time to time. Directors who are not Company employees or retired employees do not participate in any of the Company's employee benefit or compensation plans. Directors who are current employees receive no compensation for serving as directors.

In fiscal 2013, non-employee directors were paid an annual retainer of \$44,000 in quarterly installments plus quarterly stock payments; 450 shares of Common Stock for each of the first two quarterly payments and 550 shares for each of the second two quarterly payments, for a total of 2,000 shares, with payments prorated for any quarter in which a director was scheduled in advance to retire. Beginning in April 2013, in addition to the retainer of \$44,000, the amount of stock to be paid was increased to 2,200 shares of Common Stock annually and it was determined that the Lead Director was to be paid an additional annual retainer of \$10,000. These changes were the result of the Hay Group's recommendation to the Compensation Committee, which had retained the Hay Group to evaluate the Company's director fees.

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Common Stock issued to non-employee directors under director compensation plans is nontransferable until the later of two years from issuance or six months after the recipient's cessation of service as a director of the Company except that transferability restrictions lapse upon the death of the recipient.

Fees for each Board and committee meeting were \$1,800. Non-employee directors were each paid an additional annual retainer of \$10,000 if appointed as Chairman of any committee; accordingly, Messrs. Brady, Cash and Matthews each received an additional annual retainer of \$10,000 during fiscal 2013. Mr. Brady received an additional \$10,000 annual retainer fee for his position as the Lead Director.

Benefit accruals under the Directors' Retirement Plan ceased for each current non-employee director on December 31, 1996. Individuals who become directors after February 1997 are not eligible to receive benefits under the Directors' Retirement Plan. The Directors' Retirement Plan pays an annual retirement benefit equal to 10% of the annual retainer in effect on December 31, 1996 (\$18,000 per year), multiplied by the number of full years of service prior to January 1, 1997, but not to exceed 100% of that annual retainer. The retirement benefit begins upon the later of the date of the director's retirement from the Board or the date the director turns age 70, and continues until the earlier of the expiration of ten years or the death of the director. Mr. Brady is the only current director eligible for benefits under the Directors' Retirement Plan, and after he leaves the Board he will receive his accrued Directors' Retirement Plan benefits of \$1,800 per year for up to ten years.

The Company requires that each director, in order to receive compensation for service as a director, must beneficially own at least 500 shares of Common Stock at the end of the first year of service as a director, at least 1,000 shares at the end of the second year of service and at least 3,000 shares at the end of the third year of service. All directors are compliant with this requirement.

The following table sets forth the compensation paid to each non-employee director for service during fiscal 2013:

**DIRECTOR COMPENSATION TABLE FISCAL 2013**

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings \$(3)	All Other Compensation \$(4)	Total (\$)
Philip C. Ackerman	53,000	112,365	None	None	N/A	3	165,368
Robert T. Brady	87,400	112,365	None	None	N/A	3	199,768
David C. Carroll	56,600	112,365	None	None	N/A	3	168,968
R. Don Cash	95,400	112,365	None	None	N/A	3	207,768
Stephen E. Ewing	81,800	112,365	None	None	N/A	3	194,168
Rolland E. Kidder	72,800	112,365	None	None	N/A	3	185,168
Craig G. Matthews	79,200	112,365	None	None	N/A	3	191,568
Richard G. Reiten(5)	31,667	40,894	None	None	N/A	2	72,563
Frederic V. Salerno(6)	45,600	80,432	None	None	N/A	1	126,033

- (1) Represents the portion of the annual retainer paid in cash, plus meeting fees, plus an additional annual retainer for service as a committee Chairman, and as Lead Director, as applicable.
- (2) Represents the aggregate fair value on the date of issuance of the Common Stock issued under the Director Compensation Plan, as required by the Financial Accounting Standards Board's (FASB's) authoritative guidance for stock compensation. The average of the high and low stock price on each date of issuance was used to compute the fair value. The average prices (and resultant quarterly values of the Stock Awards) were as follows: \$53.395 for October 1, 2012 (stock in total valued at \$24,027.75); \$51.11 for January 2, 2013 (stock in total valued at \$22,999.50); \$60.735 for April 1, 2013



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(stock in total valued at \$33,404.25); and \$58.06 for July 1, 2013 (stock in total valued at \$31,933.00). In accordance with the terms of the Director Compensation Plan, Mr. Reiten received the October 1, 2012 issuance and a prorated portion of the January 2, 2013 issuance, and Mr. Salerno received all but the July 1, 2013 issuance. As of September 30, 2013, the aggregate number of shares paid for all years of director service under director compensation plans to Messrs. Ackerman, Brady, Carroll, Cash, Ewing, Kidder, Matthews, Reiten and Salerno are 6,389, 18,600, 2,569, 15,233, 10,446, 15,690, 12,841, 11,856 and 6,615 respectively.

- (3) Mr. Brady is the only active director who has an accrued pension benefit under the Directors Retirement Plan described above. The Company expensed the present value of this future benefit in a prior fiscal year and continues to expense only the interest associated with this benefit. For fiscal 2013, the interest expense to the Company was \$661. The directors do not have a non-qualified deferred compensation plan or any other pension plan.
- (4) Represents premiums paid on a Blanket Travel Insurance Policy, which covers each director up to a maximum benefit of \$500,000. This insurance provides coverage in case of death or injury while on a trip for Company business.
- (5) Mr. Reiten retired from the Board as of March 7, 2013.
- (6) Mr. Salerno stepped down from the Board as of June 12, 2013.

**AUDIT FEES**

In addition to retaining PricewaterhouseCoopers LLP to report on the annual consolidated financial statements of the Company for fiscal 2013, the Company retained PricewaterhouseCoopers LLP to provide various non-audit services in fiscal 2013. The aggregate fees billed for professional services by PricewaterhouseCoopers LLP for each of the last two fiscal years were as follows:

	2012	2013
Audit Fees(1)	\$ 1,829,000	\$ 1,542,000
Audit-Related Fees(2)	\$ 0	\$ 0
<b>Tax Fees</b>		
Tax advice and planning(3)	\$ 0	\$ 14,900
Tax compliance(4)	\$ 53,868	\$ 75,570
All Other Fees(5)	\$ 3,589	\$ 3,589
<b>TOTAL</b>	<b>\$ 1,886,457</b>	<b>\$ 1,636,059</b>

- (1) Audit Fees include audits of consolidated financial statements and internal control over financial reporting, reviews of financial statements included in quarterly Forms 10-Q, comfort letters and consents, and audits of certain of the Company's wholly-owned subsidiaries to meet statutory or regulatory requirements.
- (2) Audit-Related Fees include audits of certain of the Company's wholly-owned subsidiaries not required by statute or regulation, and consultations concerning technical financial accounting and reporting standards.
- (3) Tax advice and planning includes consultations on various federal, state and foreign tax matters.

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(4) Tax compliance includes tax return preparation and tax audit assistance.

(5) All Other Fees relate to permissible fees other than those described above and include the software-licensing fee for an accounting and financial reporting research tool.

The Audit Committee's charter (available on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com) and in print to stockholders who request a copy from the Company's Secretary at its principal office) references its pre-approval policies and procedures. The committee has pre-approved the use of PricewaterhouseCoopers LLP for specific types of services, including various audit and audit-related services and certain tax services, among others. The chair of the committee and, in his absence, another

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specified member of the committee, are authorized to pre-approve any audit or non-audit service on behalf of the committee. Each pre-approval is to be reported to the full committee at the first regularly scheduled committee meeting following such pre-approval.

For fiscal 2013, none of the services provided by PricewaterhouseCoopers LLP were approved by the Audit Committee in reliance upon the de minimus exception contained in Section 202 of Sarbanes-Oxley and codified in Section 10A(i)(1)(B) of the Exchange Act and in 17 CFR 210.2-01(c)(7)(i)(C).

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**AUDIT COMMITTEE REPORT**

The Company's Board of Directors has adopted a written charter for the Audit Committee of the Board of Directors, a copy of which is available on the Company's website at [www.nationalfuelgas.com](http://www.nationalfuelgas.com) and in print to stockholders who request a copy from the Company's Secretary at its principal office.

The Audit Committee has reviewed and discussed the Company's audited financial statements for fiscal 2013 with management. The Audit Committee has also reviewed with management its evaluation of the Company's internal control over financial reporting and reviewed management's assessment about the effectiveness of the Company's internal control over financial reporting, including any significant deficiencies in such internal control over financial reporting. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (PCAOB). The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Rule 3526, *Communication with Audit Committees Concerning Independence*, of the PCAOB and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence. The Audit Committee also has considered whether the independent registered public accounting firm's provision of non-audit services to the Company and its affiliates is compatible with the independent registered public accounting firm's independence.

Based on the review, discussions and considerations referred to in the preceding paragraph, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the SEC.

**AUDIT COMMITTEE**

CRAIG G. MATTHEWS, Chairman

R. DON CASH

STEPHEN E. EWING

ROLLAND E. KIDDER

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN****BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth for each current director, each nominee for director, each of the executive officers named in the Summary Compensation Table, and for all directors and officers as a group, information concerning beneficial ownership of Common Stock. The Common Stock is the only class of Company equity securities outstanding. Unless otherwise stated, to the best of the Company's knowledge, each person has sole voting and investment power with respect to the shares listed, including shares which the individual has the right to acquire through exercise of stock options or stock-settled stock appreciation rights (SARs) but has not done so. All information is as of November 29, 2013.

Name of Beneficial Owner	Shares Held in						Percent of Class(6)
	Exercisable Stock Options/SARs(1)	Shares Held in ESOP(2)	401(k) Plan(3)	Restricted Stock(4)	Shares Otherwise Beneficially Owned(5)		
Philip C. Ackerman	0	0	0	0	1,084,155(7)	1.29%	
David P. Bauer	39,200	0	4,794	1,251	3,916	*	
Robert T. Brady	0	0	0	0	21,350	*	
Matthew D. Cabell	152,597	0	1,789	55,625	28,658	*	
David C. Carroll	0	0	0	0	3,254	*	
R. Don Cash	0	0	0	0	29,783(8)	*	
Anna Marie Cellino	61,340	1,092	27,100	3,750	160,274	*	
Stephen E. Ewing	0	0	0	0	14,196	*	
Ronald W. Jibson	0	0	0	0	0	*	
Rolland E. Kidder	0	0	0	0	28,240(9)	*	
Craig G. Matthews	0	0	0	0	21,303	*	
John R. Pustulka	80,413	3,724	17,022	3,750	34,103	*	
Jeffrey W. Shaw	0	0	0	0	0	*	
David F. Smith	243,371	1,829	16,408	9,792	211,887(10)	*	
Ronald J. Tanski	148,319	2,904	20,516	6,251	223,885(11)	*	
Directors and Executive Officers as a Group 20 Total	964,706	13,672	147,925	85,923	2,084,974	3.89%	

\* Represents beneficial ownership of less than 1% of issued and outstanding Common Stock.

- (1) This column lists shares with respect to which each of the named individuals, and all current directors and executive officers as a group (20 individuals), have the right to acquire beneficial ownership within 60 days of November 29, 2013, through the exercise of stock options/SARs granted under the 1997 Award and Option Plan and the 2010 Equity Compensation Plan. The shares included in this column for exercisable SARs equal the number of shares the officer would have received by exercising those SARs on November 29, 2013, when the Fair Market Value (or FMV) was \$67.84 per share. Stock options and SARs, until exercised, have no voting power. The FMV is the average of the high and low stock price on a specified date.
- (2) This column lists shares held in the National Fuel Gas Company Employee Stock Ownership Plan (ESOP). The beneficial owners of these shares have sole voting power with respect to shares held in the ESOP, but do not have investment power respecting most of those shares until they are distributed.

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- (3) This column lists shares held in the Company Tax-Deferred Savings Plan for Non-Union Employees ( TDSP ), a 401(k) plan. The beneficial owners of these shares have sole voting and investment power with respect to shares held in the TDSP.

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- (4) This column lists shares of restricted stock, certain restrictions on which had not lapsed as of November 29, 2013. Owners of restricted stock have power to vote the shares, but have no investment power with respect to the shares until the restrictions lapse.
  - (5) This column includes shares held of record and any shares beneficially owned through a bank, broker or other nominee.
  - (6) This column lists the sum of the individual s (or individuals ) stock options, SARs and shares shown on this table, expressed as a percent of the Company s outstanding shares and that individual s (or individuals ) exercisable stock options and SARs.
  - (7) Includes 1,000 shares held by Mr. Ackerman s wife in a trust originally established for the benefit of her mother, 8,991 shares held by Mr. Ackerman s wife as trustee for her sister, 72,250 shares also held in trust, as to which shares Mr. Ackerman disclaims beneficial ownership, 362,950 shares also held in four Grantor Retained Annuity Trusts (shares of 110,150, 52,800, 100,000 and 100,000 respectively in each trust), as to which shares Mr. Ackerman disclaims beneficial ownership and 220 shares with respect to which Mr. Ackerman shares voting and investment power with his wife.
  - (8) Includes 5,000 shares held by the Don Kay Clay Cash Foundation, a Utah not-for-profit corporation, of which Mr. Cash, his wife, son and daughter-in-law are directors and also includes 9,000 shares held by Triple C Securities & Investment, Ltd. a limited partnership in which Mr. Cash has an interest. Mr. Cash disclaims beneficial ownership of all 14,000 shares.
  - (9) Includes 10,000 shares owned by Mr. Kidder s wife, as to which Mr. Kidder shares voting and investment power.
  - (10) Includes 51,902 shares owned by Mr. Smith s wife, as to which Mr. Smith shares voting and investment power.
  - (11) Includes 614 shares owned jointly with Mr. Tanski s wife, as to which Mr. Tanski shares voting and investment power.
- As of January 13, 2014, the Company knows of no one who beneficially owns in excess of 5% of the Company s Common Stock, which is the only class of Company stock outstanding, except as set forth in the table below.

Name and Address of Beneficial Owner	Shares Held as Trustee for Company Employee Benefit Plans(1)	Shares Otherwise Beneficially Held	Percent of Class(2)
Vanguard Fiduciary Trust Company	3,644,213	4,906,672(3)	10.21%
100 Vanguard Boulevard			
Malvern, PA 19355			
Mario J. Gabelli	N/A	7,559,756(4)	9.03%
Gabelli & Company, Inc.			
One Corporate Center			
Rye, NY 10580			
State Street Corporation	N/A	5,050,827(5)	6.03%
One Lincoln Street			

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Boston, MA 02111

BlackRock, Inc

N/A

4,241,076(6)

5.06%

40 East 52nd Street

New York, NY 10022

- (1) This column lists the shares held by Vanguard Fiduciary Trust Company in its capacity as trustee for certain employee benefit plans. Vanguard Fiduciary Trust Company held 3,644,213 shares on behalf of the plans as of January 13, 2014, all of which have been allocated to plan participants. The plan trustee votes the shares allocated to participant accounts as directed by those participants. Shares held by the Trustee on behalf of the plans as to which participants have made no timely voting



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directions are voted by the Trustee in the same proportion as the shares of Common Stock for which the Trustee received timely directions, except in the case where to do so would be inconsistent with provisions of Title I of ERISA. Vanguard Fiduciary Trust Company disclaims beneficial ownership of all shares held in trust by the Trustee that have been allocated to the individual accounts of participants in the plans for which directions have been received, pursuant to Rule 13d-4 under the Exchange Act.

- (2) This column lists the sum of the shares shown on this table, expressed as a percent of the Company's outstanding shares at January 13, 2014.
- (3) The Vanguard Group, which is affiliated with Vanguard Fiduciary Trust Company, has sole investment discretion and no voting authority with respect to 4,853,724 shares of Company Common Stock, and defined investment discretion and sole voting authority with respect to 48,948 shares of Company Common Stock and sole investment discretion and sole voting authority with respect to 4,000 shares of Company Common Stock, according to its Form 13F for the period ended September 30, 2013.
- (4) This number of shares is derived from Amendment No. 4 to Schedule 13D filed on July 10, 2012 by Gabelli Funds, LLC, GAMCO Asset Management Inc., Gabelli Securities, Inc., MJG Associates, Inc., MJG-IV Limited Partnership, Gabelli Foundation, Inc., GGCP, Inc., GAMCO Investors, Inc., and Mario J. Gabelli.
- (5) The number of shares is derived from State Street Corporation's Form 13F for the period ending September 30, 2013. State Street has defined investment discretion and sole voting authority with respect to these shares.
- (6) The number of shares is derived from the BlackRock, Inc. Schedule 13G filed January 30, 2013. BlackRock has sole investment discretion and sole voting with respect to these shares.

**Table of Contents****EQUITY COMPENSATION PLAN INFORMATION**

As of September 30, 2013

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	3,205,308	\$ 37.90	1,211,293(1)
Equity compensation plans not approved by security holders	0	0	0
<b>Total</b>	<b>3,205,308</b>	<b>\$ 37.90</b>	<b>1,211,293</b>

- (1) Of the securities listed in column (c), 54,816 were available at September 30, 2013 for issuance pursuant to the Company's 2009 Non-Employee Director Equity Compensation Plan and 1,156,477 were available for future issuance under the 2010 Equity Compensation Plan.

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**EXECUTIVE COMPENSATION**

**Compensation Committee Report**

The Compensation Committee of the Board of Directors (the Committee) has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based upon this review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013.

COMPENSATION COMMITTEE

R. D. CASH, Chairman

R. T. BRADY

S. E. EWING

**Compensation Discussion and Analysis**

**EXECUTIVE SUMMARY**

The Company's compensation policies and procedures encourage a culture of pay for performance and are strongly aligned with the long-term interests of the Company's stockholders. In fiscal 2013, the Compensation Committee reviewed and revised certain aspects of the compensation program to incorporate feedback from stockholders.

The Compensation Discussion and Analysis (CD&A) provides a detailed review of the Company's executive compensation program, including the goals of the program. The Committee has retained two compensation consultants; the Hay Group (Hay) and Meridian Compensation Partners, LLC (Meridian) to assist it in setting and monitoring the program. Overall, the Company's long-term performance and total direct compensation are in line with that of its peers.

**2013 Say on Pay Vote and Stockholder Engagement**

The 2013 Say-on-Pay advisory vote yielded a result of 84% of votes cast in support of the compensation of the Company's named executive officers. As in 2012, in the summer of 2013, members of Company management again held meetings with some of the Company's largest stockholders to obtain feedback on the Company's compensation program, among other topics. This engagement, reaching holders of more than 24% of our shares outstanding as of September 30, 2013, facilitated important dialogue from which we continued to gather various viewpoints.

**Recent Changes to the Compensation Program**

Executive compensation for fiscal 2013 was set early in the fiscal year, prior to the voting results at the Annual Meeting of Stockholders held in March of 2013. After meeting with many of our largest stockholders during the past two fiscal years and obtaining valuable feedback, the compensation program has been amended in each of the past two years to incorporate the following:

***Shifting Long-Term Performance Incentive to Equity*** Prior to 2013, the Company granted a combination of equity-based awards (restricted stock and stock appreciation rights (SARs)) and performance-based cash target awards tied to total return on capital goal. In 2013, as an interim step prior to an in-depth review of its long-term incentive (LTI) approach, the Compensation Committee replaced the cash portion of the program with performance-based RSUs, utilizing the same relative total return on capital metric. For 2014, the Company further revised the mix of awards to be approximately two-thirds performance shares (split between two distinct performance metrics measured over three years against a peer group) and one-third time-vested RSUs (vesting ratably over a 3-year period).

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**Adoption of Relative Performance Conditions for Fiscal 2014** As noted above, for fiscal 2014, the Compensation Committee devoted two-thirds of the LTI award to performance shares. The Committee established two distinct performance metrics: 3-year TSR relative to the Hay peer group and 3-year total return on capital ( TROC ) relative to the Hay peer group.

**CEO Compensation** To increase the CEO compensation tied to equity and moderate cash compensation, upon his appointment as CEO, Mr. Tanski's salary was set at approximately the 29<sup>th</sup> percentile of the Hay Energy Industry data and an additional performance-based equity award was made so that total direct compensation is targeted at the 50<sup>th</sup> percentile.

**Ownership Requirements were Increased for the CEO to Six Times Base Salary** Our CEO's stock ownership is 22 times his base salary as of November 29, 2013.

Management and the Board consider it important to maintain a program of ongoing stockholder engagement, communication, and transparency, and as a result, the Company plans to continue to build upon these efforts in fiscal 2014.

**Transition to New CEO**

During the fiscal year, the Company underwent a change at the CEO position as part of its long-term succession planning process. The departing CEO, Mr. Smith, became the Executive Chairman of the Board of Directors, a role created to help in the transition to the new CEO. In his role, Mr. Smith is responsible for the leadership and strategic direction of the Company and the Board, and serves as a representative of the Company with industry and business organizations. Mr. Smith's business memberships are set out at pages 7-8. As CEO, Mr. Tanski focuses on the operations and management of the day-to-day business of the Company.

**CEO Compensation**

In fiscal 2013, because of the transition to a new CEO and away from a long-term incentive partially paid in cash, the Summary Compensation Table does not appropriately reflect the philosophy behind the Compensation Committee's approach to CEO Compensation.

Below is a chart which compares the recommendation that Hay made to the Compensation Committee's target for Mr. Tanski's compensation upon his succession to the CEO position, the Compensation Committee's targetting of Mr. Tanski's pay for fiscal 2013 and the corresponding amounts contained in the Summary Compensation Table.

Fiscal 2013

CEO Compensation

	Hay Target	As Targeted by	
	Recommendation	Compensation Committee	As Contained in the Summary Compensation Table
Base Salary	750,000	726,148	726,148
Bonus	750,000	580,918	802,829
<b>Total Cash</b>	<b>1,500,000</b>	<b>1,307,066</b>	<b>1,528,977</b>
Stock Awards (Performance-Based RSU Grant)	Not Broken Out	1,601,750	3,026,063
Equity Awards (SAR Grant)	Not Broken Out	458,250	458,072
<b>Total Target LTI</b>	<b>2,060,000</b>	<b>2,060,000</b>	<b>3,484,135</b>
<b>Total Direct Compensation</b>	<b>3,560,000</b>	<b>3,367,066</b>	<b>5,013,112</b>

In particular, note that the amount reported in the Summary Compensation Table under Stock Awards reflects close to double the target amount. This is due to the doubling of the RSU grant to allow

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for performance at two times the target percentile and an estimate for Summary Compensation Table purposes close to that maximum opportunity. Should the Company achieve target performance at the 60<sup>th</sup> percentile of the AUS peer group, 50% of the awarded RSUs will vest. Stated another way, the award amount is a maximum opportunity to be decreased should the percentile ranking be below the 100<sup>th</sup> percentile. The award will only vest following fiscal 2015, in accordance with the vesting schedule below:

<b>Company's Rank as a Percentile of the AUS Peer Group</b>	<b>Percentage of RSUs Vesting</b>
<45.01%	0%
45.01%	25.00%
60.00%	50.00%
75.00%	75.00%
100.00%	100.00%

**2013 Named Executive Officer Compensation**

From a short-term and long-term perspective, fiscal 2013 was a great year both operationally and financially despite the continued challenge of low natural gas prices, which most significantly impacts the Company's Exploration and Production subsidiary, specifically within several localized delivery points within the Appalachian Basin. In spite of these challenges, the Company achieved tremendous growth across many facets of its business. Shareholders were rewarded with strong short-term and long-term TSR performance relative to the Company's peers and the market. The Company's one-year TSR of 30% was at the 6<sup>th</sup> percentile of its 2013 Hay peer group. Its three- and five-year TSR of 43% and 87%, were at the 44<sup>th</sup> and the 63<sup>rd</sup> percentile, of the same peer group, respectively.

**2013 Summary Compensation Table Double-Counts Long-Term Incentive Compensation**

As part of the Company's engagement efforts, the aforementioned change to the LTI program from performance-based cash to performance-based equity will distort the 2013 Summary Compensation Table. Prior to 2013, the Company's LTI program had a meaningful cash component, and for Summary Compensation Table purposes, this is reported with respect to the fiscal year for which it is earned and not for the year in which the award opportunity was granted. In 2013, the Committee approved changes to the program to move the value of the cash component to performance-based equity. Equity grants are reported in the Summary Compensation Table in the year in which they are granted. As a result of this change, the 2013 Summary Compensation Table, as well as the same table for the next fiscal year, will overstate long-term incentive compensation. Cash paid for the three-year period ended September 30, 2013 appears in the same row of the table as the equity grant for the three-year period ended September 30, 2015.

In addition, the performance-based RSU grants made in fiscal 2013 were doubled to allow for performance at two times the target amount. The amount reflected in the Summary Compensation Table for these grants estimates that performance will be at the 85.9<sup>th</sup> percentile of the AUS peer group, which would result in 85.9% of the award vesting. Should the Company achieve only target performance at the 60<sup>th</sup> percentile of the AUS peer group, only 50% of the awarded RSUs will vest. The award will only vest following fiscal 2015, in accordance with the schedule shown above.

**Reported Pay Does Not Adequately Reflect Changing Compensation Approach**

Given changes by the Compensation Committee (following stockholder outreach) to the LTI program as discussed above, we have provided an additional, supplemental compensation table below in order to distinguish the annual short-term cash incentive from the 3-year long-term cash incentive, to remove the impact of the 2013 move from a cash-based LTI award to an RSU-based LTI award, and to remove the volatile, significant effects of changes in actuarial assumptions on the value of the named

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executive officers' pension benefits disclosed in the 2013 Summary Compensation Table. This table, however, is not a substitute for the Summary Compensation Table, which can be found at page 41 in this proxy statement.

Name and Principal Position	Year	Salary (\$)	Short-Term Cash Incentive (\$)	Long-Term Cash Incentive (1)(\$)	Stock Awards (2)(\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
<b>David F. Smith</b>	2013	776,600	1,378,894	1,439,730	N/A	909,650	168,863	4,673,737
Chairman and Chief	2012	880,000	1,073,160	1,317,400	550,900	448,008	151,211	4,420,679
Executive Officer of the Company until 3/7/13, when named Executive Chairman	2011	835,000	1,457,075	1,091,232	598,734	574,838	171,440	4,728,319
<b>Ronald J. Tanski</b>	2013	726,148	802,829	809,260	N/A	458,072	107,613	2,903,922
President and Chief	2012	681,000	640,140	752,800	344,313	280,005	96,124	2,794,382
Executive Officer of the Company since 3/7/13	2011	652,500	810,144	631,500	399,156	383,225	104,539	2,981,064
<b>David P. Bauer</b>	2013	318,000	233,000	225,840	N/A	113,353	26,042	916,235
Treasurer and Principal	2012	293,750	215,000	75,280	68,863	56,001	23,728	732,622
Financial Officer of the Company	2011	268,750	200,000	50,520	79,831	76,645	20,039	695,785
<b>Matthew D. Cabell</b>	2013	591,250	774,981	564,600	N/A	356,866	80,721	2,368,418
President of Seneca	2012	573,750	445,402	564,600	309,881	252,005	58,412	2,204,050
Resources	2011	547,789	676,060	404,160	359,241	344,903	55,962	2,388,115
Corporation								
<b>Anna Marie Cellino</b>	2013	497,000	543,942	432,860	N/A	249,901	78,171	1,801,874
President of National Fuel	2012	482,250	585,861	423,450	206,588	168,003	79,695	1,945,847
Gas Distribution Corporation	2011	458,750	551,853	336,800	239,494	229,935	76,204	1,893,036
<b>John R. Pustulka</b>	2013	462,750	415,272	432,860	N/A	235,909	70,306	1,617,097
President of National Fuel	2012	425,000	443,573	225,840	206,588	168,003	69,617	1,538,621
Gas Supply Corporation	2011	383,750	448,201	176,820	239,494	229,935	67,309	1,545,509

(1) For fiscal 2013, Long-Term Cash Incentive represents an estimated payment for the three-year performance period ended September 30, 2013. See footnote 3 to the Summary Compensation Table for more information.

(2) This column as shown includes the full grant date fair value of Restricted Stock awards for fiscal 2012 and 2011 and excludes any value for performance-based RSU awards for fiscal 2013.

**CEO Compensation in Alignment with Peers**

The Compensation Committee understands the importance of using benchmark data that reflects information from companies with comparable business segments over similar time periods. Reflected in the chart below is The Hay Group's comparison of fiscal 2012 total direct compensation for the Company's CEO against that of CEOs in our Hay peer group. The Company's CEO total direct compensation, shown in the table below, is in line with that of our peers.

Fiscal 2012 is the most recent complete fiscal year for which proxy statement data is available. It is not possible to compare 2013 compensation against the peer group because 81% of the group maintains a fiscal year based on the calendar year, and will therefore not report 2013 compensation until months after this proxy statement is filed.

**Table of Contents****Chairman and CEO**

Compared to CEO proxy data for fiscal year 2012

Company	Title	Sales (\$M)	Total Direct Compensation	
			Actual	Target
AGL Resources, Inc.	Chairman, President & CEO	\$3,922	\$4,411,529	\$5,422,429
Atmos Energy Corp.	President & CEO	\$3,438	\$3,716,482	\$3,510,867
Cabot Oil & Gas Corp.	Chairman, President & CEO	\$1,205	\$7,625,350	\$6,553,555
Energen Corp.	Chairman & CEO	\$1,617	\$3,737,734	\$3,973,008
EQT Corp.	Chairman, President & CEO	\$1,642	\$7,886,279	\$6,717,202
MDU Resources Group Inc	President & CEO	\$4,075	\$2,165,527	\$2,397,277
New Jersey Resources Corp.	Chairman, President & CEO	\$2,249	\$2,445,243	\$2,445,243
Northwest Natural Gas Co.	President & CEO	\$731	\$1,735,204	\$1,854,929
Questar Corp.	Chairman, President & CEO	\$1,099	\$3,522,862	\$3,315,507
Quicksilver Resources Inc	President & CEO	\$709	\$4,009,998	\$4,692,498
Range Resources Corp.	President & CEO	\$1,408	\$7,443,134	\$7,188,230
SM Energy Co	CEO	\$1,532	\$4,691,137	\$4,762,291
Southwest Gas Corp.	President & CEO	\$1,928	\$2,257,698	\$2,180,418
UGI Corp.	Chairman & CEO	\$6,519	\$5,108,935	\$5,582,345
Ultra Petroleum Corp.	Chairman, President & CEO	\$1,114	\$5,800,000	\$5,400,000
Whiting Petroleum Corp.	Chairman & CEO	\$2,170	\$7,969,957	\$6,305,539
<b>Summary Statistics</b>				
75th Percentile		\$2,546	\$6,210,784	\$5,763,144
Average		\$2,210	\$4,657,942	\$4,518,834
Median		\$1,629	\$4,210,764	\$4,727,395
25th Percentile		\$1,182	\$3,253,457	\$3,097,941
National Fuel Gas Company	Chairman & CEO	\$1,830	\$3,752,068	\$3,558,908
<i>Percentile Rank</i>		<i>58%</i>	<i>40%</i>	<i>34%</i>

**Total Direct Compensation = base salary + bonus + long-term incentives (target value for cash and grant date value for equity).**

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**OBJECTIVES OF THE EXECUTIVE COMPENSATION PROGRAM**

The Company's executive compensation program is designed to attract, motivate, reward and retain executive talent in order to achieve the objectives that contribute to the overall success of the Company. The Company provides a total compensation program established by the Compensation Committee based on its business judgment after consultation with its compensation consultants. Total compensation for executive officers is comprised of the following components, each of which is addressed in greater detail below:

<b>Compensation Component</b>	<b>Objectives</b>	<b>Key Features in 2013</b>
<b>Base Salary</b>	Provide a fixed level of pay in recognition of day-to-day job performance.	CEO targeted in March 2013 at the 25th percentile.
	Attract, retain and motivate leadership with compensation reflecting specific responsibilities, experience and effectiveness.	Targeted range of the 50 <sup>th</sup> to 75 <sup>th</sup> percentile of peer median provided by independent compensation consultants.
		Adjustments are made based on Compensation Committee members' business judgment.
<b>Annual Cash Incentive Compensation</b>	Motivate performance toward, and reward achievement on, near-term financial, operating and individual goals.	Overall corporate performance is a factor for subjective consideration. Targets are set as a percentage of base salary based on position, up to 200% of target compensation.
	Focus attention on managing Company from a long-term investor's perspective to create long-term shareholder value.	2013 long-term compensation denominated in equity.
<b>Long-Term Equity Incentive Compensation</b>	Encourage executives and other managers to have a significant, personal investment in the Company through stock ownership.	Approximately 50% of awards granted in the form of SARs with the other 50% granted in the form of performance-based RSUs.
	Reward executives for longer-term performance years of the Company relative to an industry peer group.	SARs vest in equal increments over the next 3
		Performance-based RSUs have a performance cycle of 3 years and vest, if at all, based upon the Company's total return on capital relative to an industry peer group over that time period.





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<b>Compensation Component</b>	<b>Objectives</b>	<b>Key Features in 2013</b>
<b>Executive Health, Welfare, and Retirement Benefits</b>	<p>Provide executives with reasonable and competitive benefits commensurate with those in the regulated and unregulated energy industry.</p> <p>Help the Company attract and retain high-caliber employees in high-level management positions.</p> <p>Restore retirement benefits lost under qualified retirement plans as a result of Internal Revenue Code limits.</p>	<p>Retirement benefits consisting of:</p> <ol style="list-style-type: none"> <li>1. a qualified defined contribution plan (401(k));</li> <li>2. a qualified non-contributory defined contribution plan (Retirement Savings Account or RSA ) or qualified defined benefit plan (depending on year of hire); and</li> <li>3. a non-qualified executive retirement plan and/or non-qualified top hat plan.</li> </ol>
<b>Change in Control Arrangements</b>	<p>Assure that executives direct their attention to their duties, acting in the best interests of stockholders, notwithstanding potential for loss of employment in connection with a Change in Control.</p>	<p>Double-trigger provision to avoid providing benefits to officers who continue to enjoy employment with the Company after a Change in Control event.</p>

No tax gross-up on payment.

Payment is reduced on a pro-rata basis if termination occurs between age 62 and 65.

**Role of the Compensation Committee** The Committee is comprised of three directors, all of whom have been determined by the Board to be independent. The Committee administers the Company's compensation program for executive officers, setting base salaries and available incentive compensation ranges. The Committee exercises the authority delegated to it by the stockholders or the Board under the Company's cash and equity incentive compensation plans, which include:

**Cash Compensation Plans**

Short-Term

2012 Annual At Risk Compensation Incentive Plan (the At Risk Plan )

Executive Annual Cash Incentive Program (the EACIP )

Long-Term (both referred to herein as Performance Incentive Program ) as stated above, the Committee has moved away from awards of cash long-term incentives

National Fuel Gas Company Performance Incentive Program (a closed program under which the last award was made in fiscal 2011)

National Fuel Gas Company 2012 Performance Incentive Program (the new program approved by the stockholders in 2012 that replaces the above program)

Equity Compensation Plans

Long-Term

2010 Equity Compensation Plan

In addition, the Committee makes recommendations to the Board with respect to:

the development of incentive compensation plans and equity-based plans; and

changes in compensation for non-employee directors.

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As described below, the Committee retains the services of independent compensation consultants to assist the Committee in administering the Company's compensation program. Further, as described earlier in this proxy statement, the members of the Committee have vast experience in the energy industry and/or as leaders of major corporations. In these roles, as well as through their experiences with the Company, the Committee has garnered extensive knowledge regarding the art of establishing a competitive and properly focused compensation program for the Company's executive officers. In making the decisions discussed below, the Committee uses its subjective business judgment developed through its years of experience.

### **Role of Chief Executive Officer**

In making its subjective determinations with respect to executive officers other than Mr. Tanski, the Committee discusses the information it receives from its compensation consultants with Mr. Tanski and seeks his recommendation as to the appropriate base salaries, and target short-term and long-term incentive awards for each of these officers, based on Hay and Meridian recommendations and his assessment of their performance, contributions and abilities. Mr. Tanski also provides input to the Committee's compensation consultants with regard to the functions of the Company's officers, to facilitate their recommendations and comparisons of such officers and their positions to other positions in the marketplace.

### **Independent Compensation Consultants**

The Compensation Committee utilizes recommendations of compensation consultants in exercising its business judgment as to compensation matters, including the selection of peer companies for compensation comparison purposes. The Committee has retained the services of two independent compensation consultants, Hay and Meridian, to assist in setting and monitoring executive compensation; Meridian to benchmark compensation at the Company's exploration and production business and Hay to benchmark compensation at its other businesses.

### **Determining Our Peers**

Because of the Company's diverse asset mix, selecting an appropriate peer group of companies requires a customized approach that calls for more critical thought than simple selection of a standard industry group, which may include companies without a natural gas business. The Company's assets span the entire natural gas supply chain and include exploration & production (E&P), pipeline and storage, midstream, and natural gas utility operations. For compensation and performance comparisons, the Committee utilizes two separate peer groups. The Hay peer group is the primary peer group against which the Compensation Committee generally benchmarks named executive officer compensation and is intended to include a group of companies that, as a whole, represent our asset mix as illustrated in the chart below. Meridian assists in the formulation of a peer group that is targeted to evaluate our E&P business and the compensation of executives that oversee it. Both groups change and evolve over time as the Committee believes is warranted based on its business judgment. The Committee believes that the peer groups selected with the guidance of Hay and Meridian include a mix of companies that reflect businesses in which the Company participates, or with which it competes, as reflected in the tables below.

For the purpose of benchmarking 2013 performance and establishing 2014 compensation, the Compensation Committee reviewed the Hay peer group listed below. Given no significant changes to the operations of the Company or its peers, the Committee made no changes to the group during 2013. In addition, in 2014 the Committee utilized the Hay peer group for purposes of setting relative performance conditions on LTI awards of performance shares.

### **The Hay Group**

Hay assists the Compensation Committee in evaluating and setting compensation for Company officers and officers employed by affiliate companies other than Seneca. Generally, Hay provides job

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evaluation to a wide range of companies through detailed position analysis based on proprietary information from multiple parent organizations and business units. Hay provides similar analysis for supervisory positions in the Company's regulated subsidiaries. Hay's job evaluation and benchmarking methodology allows for customizable job descriptions and organizational rankings that are specific to the Company but relative to industry benchmarks.

In 2012 for Company officers, and officers employed by affiliate companies other than Seneca, Hay provided an analysis of compensation practices with respect to the following forms of compensation compared to similar positions in the general industry and, where appropriate, in the energy industry based on Hay's proprietary databases:

- 1) Base Salary
  - 2) Total Cash Compensation (base salary plus short-term and long-term cash incentive)
  - 3) Total Direct Compensation (base salary plus short-term and long-term cash incentive plus long-term equity incentive)
- Hay also made recommendations on incentive compensation target amounts to the Committee for:

- 1) Short-Term Incentive (cash incentive payments as discussed below)
- 2) Long-Term Incentive (stock appreciation rights, restricted stock units and performance share units also discussed below)

Additionally, Hay provided a proxy analysis of base salary, incentive targets, total cash compensation, long-term incentive and total direct compensation for four of the six named executive officers (Messrs. Smith, Tanski and Bauer and Mrs. Cellino) for whom adequate comparative information was available based on 2012 proxy data for the Company and the 16 energy companies in the peer group listed below. These 16 companies were selected for the peer group because each participates in one or more businesses that are similar to those of the Company:

		<b>Exploration &amp; Production</b>	<b>Natural Gas Utility</b>	<b>Pipeline &amp; Storage</b>
	<b>Hay Group Peer Companies</b>			
1	<b>AGL Resources Inc.</b>		X	X
2	<b>Atmos Energy Corporation</b>		X	X
3	<b>Cabot Oil &amp; Gas Corporation</b>	X		
4	<b>Energen Corporation</b>	X	X	
5	<b>EQT Corporation</b>	X	X	X
6	<b>MDU Resources, Inc.</b>	X	X	X
7	<b>New Jersey Resources Corporation</b>		X	X
8	<b>Northwest Natural Gas Company</b>		X	X
9	<b>Questar Corporation</b>	X	X	X
10	<b>Quicksilver Resources, Inc.</b>	X		
11	<b>Range Resources Corporation</b>	X		
12	<b>Southwest Gas Corporation</b>		X	
13	<b>SM Energy Company</b>	X		
14	<b>UGI Corporation</b>		X	
15	<b>Ultra Petroleum Corporation</b>	X		
16	<b>Whiting Petroleum Corporation</b>	X		
	<b>TOTAL</b>	<b>10</b>	<b>10</b>	<b>7</b>

The Compensation Committee reviews the members of the peer group from time to time, and makes adjustments, as it believes are warranted.



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**Meridian Compensation Partners, LLC** Meridian assists the Committee in evaluating and setting compensation for employees at Seneca, including that of Mr. Cabell. Meridian also benchmarks Mr. Smith's and Mr. Tanski's compensation against this peer group. The Committee requested this analysis for its use in supplementing the Hay provided comparisons due to the increasing importance of the Company's E&P segment and Mr. Smith's and Mr. Tanski's management of that segment. The Committee selected Meridian due to its expertise in E&P industry compensation matters.

In 2012, Meridian provided an analysis for Messrs. Cabell, Smith and Tanski of compensation practices with respect to the following forms of compensation compared to similar positions in the E&P industry:

1. Base Salary
2. Target Short-Term Incentive
3. Target Cash Compensation (base salary plus short-term incentive)
4. Long-Term Incentive
5. Total Target Compensation (base salary plus short-term and long-term incentive)

The Meridian analysis was based on data from Meridian's Proprietary Oil and Gas Compensation Database, supplemented by published survey data and available proxy data, from 21 E&P companies chosen by the Committee based on certain criteria, such as revenues, assets, and the nature of each company's operations in the E&P segment of the energy industry, that made them relatively comparable to the operations at Seneca. The companies in the 21-member peer group range in size from \$2.1 billion to \$61 million in E&P revenues, (with a median of \$645 million) and from \$6.5 billion to \$675 million in E&P asset size (with a median of \$2.5 billion). The peer group is:

<b>Meridian Compensation Partners</b>	<b>Peer E&amp;P Companies</b>
1 <b>Approach Resources</b>	12 <b>Oasis Petroleum</b>
2 <b>Berry Petroleum</b>	13 <b>PDC Energy</b>
3 <b>Bill Barrett Corporation</b>	14 <b>Quicksilver Resources, Inc.</b>
4 <b>Carrizo Oil &amp; Gas, Inc.</b>	15 <b>Range Resources Corporation</b>
5 <b>Endeavour International</b>	16 <b>Resolute Energy</b>
6 <b>Energen Corporation</b>	17 <b>SM Energy Company</b>
7 <b>EQT Corporation</b>	18 <b>Southwestern Energy Company</b>
8 <b>EXCO Resources, Inc.</b>	19 <b>Swift Energy Company</b>
9 <b>Forest Oil Corporation</b>	20 <b>Ultra Petroleum Corporation</b>
10 <b>Goodrich Petroleum</b>	21 <b>Unit Corporation</b>
11 <b>Laredo Petroleum Holdings</b>	

The Committee reviews the members of this E&P peer group from time to time and makes adjustments, as it believes are warranted.

**TOTAL COMPENSATION**

**Base Salary**

Base salaries provide a predictable base compensation for day-to-day job performance. The Committee reviews base salaries at calendar year-end for the Company's executive officers and adjusts them, if it deems appropriate in its subjective business judgment, following review of its compensation consultants' competitive analysis and upon consideration of the recommendations of the CEO. In addition, base salary may be adjusted during the calendar year when changes in responsibility occur.

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Base salary is not adjusted based on specific objective financial results, although overall corporate performance is reviewed by the Committee in its decision making process. The Committee does not use formulas; rather, it exercises its business judgment.

In establishing the base salary amount, for named executive officers other than Mr. Cabell, the Committee generally references the 50<sup>th</sup> percentile of the Hay Energy survey data. In its subjective business judgment, the Committee, may pay between the 50<sup>th</sup> and 75<sup>th</sup> percentiles of the Hay data if it is necessary to attract, retain and motivate the individuals responsible for the success of the business enterprise. The Committee also considers overall corporate performance and an individual's specific responsibilities, experience (including time in position), and effectiveness and makes adjustments based on the Committee members' business judgment and the CEO's recommendations. Given the growth and importance of the E&P segment to the Company and the highly competitive nature of the Marcellus Shale, the Committee sets Mr. Cabell's base salary above the 75<sup>th</sup> percentile of the Meridian survey data. The Committee references the Meridian survey data to target Mr. Cabell's total direct compensation at approximately the 50<sup>th</sup> percentile of that data.

Effective on January 1, 2013, the Committee considered the report of Hay that Mr. Smith's salary was below the Energy Industry median for a second year and increased Mr. Smith's base salary by 2.2% to approximately that median. The Committee believed that this action was important given the competition for talent in the industry. In determining Mr. Smith's base salary increase, the Committee also considered the Company's overall performance, financially and operationally. Mr. Smith's base salary was subsequently lowered in March 2013, as explained below.

The Committee also increased Mr. Tanski's base salary by 2.5%, effective January 1, 2013 to an amount that was above the market median, but well below the 75<sup>th</sup> percentile, for the Energy Industry. This increase was based on the Committee's and Mr. Smith's assessment of Mr. Tanski's performance in the key position of President and Chief Operating Officer of the Company, particularly Mr. Tanski's oversight of the growth of the E&P segment, the pipeline and storage segment, and the gathering segment. Mr. Tanski's base salary was subsequently increased in March, 2013, as explained below.

For calendar year 2013, based on its and Messrs. Smith and Tanski's assessment of Mr. Cabell's responsibilities, experience and effectiveness in the past year, the Committee increased Mr. Cabell's base salary by 2.6%. This increase was awarded in recognition of his performance in the management of the E&P segment, and to retain him in his position given the competition for talent in the industry and in that geographic region.

The Committee considered Hay's report that Mrs. Cellino's salary was below the Energy Industry median, and following discussion with Messrs. Smith and Tanski, the Committee increased Mrs. Cellino's base salary by 2.5% to an amount that was approximately the median for the Energy Industry. The increase was based on the Committee's and Messrs. Smith and Tanski's assessment of her attention to customer service, safety and oversight of budget and cost control at the utility segment.

For calendar year 2013, upon consultation with Messrs. Smith and Tanski, the Committee increased Mr. Pustulka's base salary by 8.5% to an amount below the Energy Industry market median. This decision was in recognition of Mr. Pustulka's performance in the management of Supply Corporation and the successful development of pipeline expansion projects.

In making the annual base salary increase in 2013 for Mr. Bauer, the Committee referenced Hay's report and increased Mr. Bauer's salary to the level between the Energy Industry median and 75<sup>th</sup> percentile. The Committee action followed discussion with Messrs. Smith and Tanski, of Mr. Bauer's specific responsibilities, experience and effectiveness, and his performance managing the Company's financial strategy.

Effective on March 7, 2013 the Board of Directors elected Mr. Tanski as CEO of the Company. Mr. Tanski had served as President and Chief Operating Officer since July 2010, and continues to serve as President. Mr. Tanski succeeds Mr. Smith as CEO. Mr. Smith, who had served as CEO since 2008 and



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Chairman of the Board since 2010, was elected Executive Chairman of the Board, effective March 7, 2013. In this position, Mr. Smith continues to chair the Board of Directors and remains an employee and executive officer of the Company. In connection with these changes, the Compensation Committee received from Hay an analysis of pay adjustments to reflect the new positions of Messrs. Smith and Tanski. The Committee also considered feedback received from stockholders during fiscal 2012 to increase compensation tied to equity and moderate cash compensation. After consideration of the Hay analysis, the Committee determined, for the CEO position, to raise Mr. Tanski's base salary to approximately the 25<sup>th</sup> percentile of Hay's Energy Industry market data and to provide an additional long-term incentive so that total direct compensation is targeted at the 50<sup>th</sup> percentile of the data. The Committee determined that, for the Executive Chairman position, base salary should be decreased by 25%. In exercising its business judgment, the Committee increased Mr. Tanski's annual base salary to \$750,000 and reduced Mr. Smith's base salary to \$682,500.

The fiscal 2013 base salaries of the named executive officers are shown in the Summary Compensation Table under the Salary column within this proxy statement.

**Annual Cash Incentive**

The Company pays an annual cash incentive to its executives to motivate their performance over a short-term (which is generally considered to be no longer than two years). Early in the fiscal year, the Committee establishes a target amount for the annual cash incentive, stated as a percentage of base salary. Executives, other than Mr. Smith, can earn up to 200% of target, based on performance on written goals. Mr. Smith can earn up to 200% of base salary, based on performance on written goals. For executives under the EACIP, including Mr. Bauer, the CEO has broad discretion to reduce the amount payable as annual cash incentive based on any factors the CEO may determine.

*Target Award Levels*

In setting target award levels for the annual cash incentive for 2013, the Committee exercised its business judgment and, upon consideration of the recommendations of Hay and Meridian and, other than with respect to their target incentive, those made by Mr. Smith and Mr. Tanski, set target awards as follows:

<b>Executive</b>	<b>Target (As a Percentage of Base Salary)</b>
Mr. Smith	105%
Mr. Tanski	80%
Mr. Bauer	45%
Mr. Cabell	70%
Mrs. Cellino	70%
Mr. Pustulka	70%

*Performance Goals*

Based upon discussions with Mr. Smith and Mr. Tanski and upon review of forecasted financial data, the Committee approved for each named executive who participated in the At Risk Plan (Messrs. Smith, Tanski, Cabell and Pustulka and Mrs. Cellino) or the EACIP (Mr. Bauer), a set of particular performance goals for the 2013 fiscal year. Certain goals overlapped among named executives; for example, each named executive had a goal tied to consolidated EBITDA and to safety. Incentive payments under the At Risk Plan and the EACIP are based upon performance against the stated objectives. For those officers who participated in the At Risk Plan, 100% of the target incentive was made dependent on objective performance criteria. For Mr. Bauer, under the EACIP, 75% of the target incentive was made dependent on objective performance criteria, and 25% was made dependent on a subjective performance criterion, namely, the CEO's subjective determination of Mr. Bauer's performance. All performance criteria,

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including any subjective measures, applicable to a particular executive are communicated to that executive in writing at the time the criteria are established.

To determine the annual cash incentive award based on stated performance objectives, the weight assigned to each goal is multiplied by the percentage of the goal achieved to calculate a weighted percentage for each goal. Once the weighted percentage for each goal is determined, the percentages are totaled. That total weighted percentage is multiplied by the target award to arrive at the total incentive payment amount. The target award is a percentage of the named executive's base salary for the fiscal year, and the maximum possible award is two times the target amount, except for Mr. Smith, whose maximum possible award is approximately 1.9 times the target amount. The fiscal 2013 annual cash incentives of the named executive officers are shown in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation column, except that for Mr. Bauer, the portion of his annual cash incentive not based on objective performance criteria is shown in the Bonus column. For each named executive, the amount awarded was based on the executive's performance against the pre-established performance criteria. With respect to the subjective performance criterion applicable to Mr. Bauer, Mr. Smith noted in particular Mr. Bauer's performance in overseeing preparation and control of the financial statements, communications with investors and his role as Treasurer and Principal Financial Officer of the Company. The incentive payments made to the named executives were approved by the Committee.

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The following chart identifies the goals assigned to each of the named executive officers for the 2013 fiscal year, the percentage of each goal achieved, the weight assigned to each goal, and the weighted percentage achieved for each goal. Also noted is each named executive's target percentage of base salary, maximum percentage of base salary, total weighted percentage, target, and incentive payout. Following the chart, numbered sequentially to match the appearance of the performance objective in the chart is a summary of what the objective was at the threshold level, target level and maximum level of performance, and a summary of actual performance. With regard to EBITDA goals, the 2013 EBITDA performance was averaged with the 2012 EPS performance to calculate performance levels for the consolidated EBITDA goal and regulated companies' EBITDA goal, as a mechanism to incent individuals to consider more than a one-year earnings impact. The Seneca EBITDA goal was not averaged.

Executive	Annual Cash Incentive																	
	David F. Smith		Ronald J. Tanski		David P. Bauer		Matthew D. Cabell		Anna Marie Cellino		John R. Pustulka							
Target % of Base Salary	105%		80%		45%		70%		70%		70%							
Maximum % of Base Salary	200%		160%		90%		140%		140%		140%							
Fiscal 2013 Goals	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght	% Achvd	Wght
1. Consolidated EBITDA*	150	0.25	37.50	150	0.25	37.50	150	0.25	37.50	150	0.15	22.50	150	0.25	37.50	150	0.25	37.50
2. Regulated EBITDA*	200	0.25	50.00	200	0.25	50.00	200	0.25	50.00				200	0.25	50.00	200	0.25	50.00
3. Seneca EBITDA										200	0.15	30.00						
4. Production Volume	200	0.20	40.00	200	0.10	20.00				200	0.25	50.00						
5. Safety	116	0.10	11.60	116	0.10	11.60	116	0.05	5.80				116	0.10	11.60	116	0.10	11.60
6. Environmental/Safety	200	0.10	20.00							200	0.05	10.00						
7. Investor Relations - PE Ratio	100	0.10	10.00	100	0.10	10.00	100	0.10	10.00									
8. Capital Expenditures- Mainline Installation				0	0.10	0.00							0	0.05	0.00	0	0.10	0.00
9. Capital Expenditures- Services Installation				91	0.10	9.10							91	0.05	4.55	91	0.10	9.10
10. Seneca Reserve Replacement										169	0.15	25.35						
11. Seneca F&D Cost										200	0.15	30.00						
12. Seneca LOE and G&A										194	0.10	19.40						
13. Investor Relations - 1 on 1 Visits							200	0.05	10.00									
14. SOX Internal Control Compliance							200	0.05	10.00									
15. HEAP - NY													123	0.05	6.15			
16. HEAP - PA													131	0.05	6.55			
17. PA Telephone Response													200	0.10	20.00			
18. Distribution Operational Safety													200	0.10	20.00			
19. Supply Fuel Consumption/LAUF																0	0.10	0.00
20. Supply and Empire Transportation and Storage Revenue																200	0.10	20.00
21. CEO Discretion							158.09	0.25	39.52									
Total Weighted % Achieved	169.10%		138.20%		162.82%		187.25%		156.35%		128.20%							
Target	\$815,431		\$580,918		\$143,100		\$413,875		\$347,900		\$323,925							
Annual Cash Incentive	\$1,378,894		\$802,829		\$233,000		\$774,981		\$543,942		\$415,272							

\* reflects an average of 2013 performance and 2012 performance



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	<b>Performance Measure</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>	<b>Actual Performance</b>
1.	<b>Consolidated EBITDA</b> In determining final performance level, the results of this goal are averaged with the prior year results on the consolidated earnings per shares goal.	<b>\$715 Million</b>	<b>\$775 Million</b>	<b>\$800 Million</b>	<b>2013 EBITDA=\$844 Million; performance level of 200%; 2-year average of performance levels=(200%+100%)/2=150%</b>
2.	<b>Regulated EBITDA</b> In determining final performance level, the results of this goal are averaged with the prior year results on the regulated companies earnings per share goal.	<b>\$300 Million</b>	<b>\$310 Million</b>	<b>\$325 Million</b>	<b>2013 Regulated EBITDA=\$325 Million; performance level of 200%;  2-year average of performance levels=(200%+200%)/2=200%</b>
3.	<b>Seneca EBITDA</b>				