

NATIONAL FUEL GAS CO  
Form 8-K  
February 27, 2015

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

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): February 26, 2015**

**NATIONAL FUEL GAS COMPANY**

**(Exact name of registrant as specified in its charter)**

**New Jersey**  
**(State or other jurisdiction**  
  
**of incorporation)**

**1-3880**  
**(Commission**  
  
**File Number)**

**13-1086010**  
**(IRS Employer**  
  
**Identification No.)**

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

**14221**  
**(Zip Code)**

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

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

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

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 26, 2015, the Compensation Committee of the Board of Directors of National Fuel Gas Company (the Company) approved payments under the National Fuel Gas Company Performance Incentive Program (the Program) for the performance period of October 1, 2011 to September 30, 2014 (Performance Period). As disclosed in the Company's proxy statement filed on January 23, 2015 (the Proxy Statement), the performance condition for the Performance Period was the Company's total return on capital as compared to the total return on capital for peer companies in the Natural Gas Distribution and Integrated Natural Gas Companies group as calculated and reported in the Monthly Utility Reports of AUS, Inc. (AUS), a leading industry consultant not affiliated with the Company.

Under the Program, the percentage of the target incentive paid to participants depends upon the Company's performance relative to the peer group, and not upon a pre-established absolute level of return on capital achieved by the Company. To achieve the target incentive established, the Company must outperform 60% of the peer group with respect to total return on capital. The established performance targets and payout schedule are as follows:

| National Fuel Gas Company's Rank as a Percentile of the Peer Companies | Percentage of Target Incentive Paid |
|--|-------------------------------------|
| <45.01%  | 0%                                  |
| 45.01%   | 50%                                 |
| 60%  | 100%                                |
| 75%  | 150%                                |
| 100%   | 200%                                |

For performance levels between two established targets, the payout is determined by mathematical interpolation.

The Company estimated in the Proxy Statement that its performance relative to the peer group would result in a payout of approximately 187.6% of the target incentive set for each participant in the Program. As stated in the Proxy Statement, the estimated payments disclosed therein were subject to change based on the final Monthly Utility Report of AUS for the Performance Period. Taking into account that final report, the Company calculated a three-year average return on capital for each of the companies in the peer group, as follows:

| Company                                       | Three-Year<br>Average Return<br>on Capital | Percentile<br>Ranking |
|---|--|-----------------------|
| Questar Corporation                           | 10.50                                      | 100.0%                |
| <b>National Fuel Gas Company</b>              | <b>9.63</b>                                | <b>92.3%</b>          |
| New Jersey Resources Corp.                    | 8.20                                       | 84.6%                 |
| Delta Natural Gas Company                     | 7.97                                       | 76.9%                 |
| Southwest Gas Corporation                     | 7.90                                       | 69.2%                 |
| RGC Resources, Inc.                           | 7.80                                       | 61.5%                 |
| Atmos Energy Corporation                      | 7.13                                       | 53.9%                 |
| South Jersey Industries, Inc.                 | 6.73                                       | 46.2%                 |
| Washington Gas Light Company (WGL Holdings)   | 6.73                                       | 46.2%                 |
| Northwest Natural Gas Co.                     | 6.63                                       | 30.8%                 |
| Piedmont Natural Gas Co., Inc.                | 6.60                                       | 23.1%                 |
| AGL Resources Inc.                            | 6.53                                       | 15.4%                 |
| Laclede Gas Company                           | 6.27                                       | 7.7%                  |
| Gas Natural, Inc. (formerly Energy West Inc.) | 4.77                                       | 0.0%                  |

As indicated in the table, the Company achieved a percentile rank of 92.3% in the peer group. Based upon that level of performance, the Compensation Committee approved a payout of 184.6% of the target incentive awarded to the participants in the Program for the Performance Period.

The approved payouts are as follows for the Company's named executive officers: R.J. Tanski, \$923,000; D.P. Bauer, \$258,440; M.D. Cabell, \$830,700; A.M. Cellino, \$443,040; J.R. Pustulka, \$443,040; and D.F. Smith, \$1,230,218. These payouts will result in new total compensation figures for purposes of the Summary Compensation Table appearing in the Proxy Statement for fiscal 2014 as follows: R.J. Tanski, \$6,561,582; D.P. Bauer, \$1,323,685; M.D. Cabell, \$3,023,259; A.M. Cellino, \$3,133,855; J.R. Pustulka, \$3,151,292; and D.F. Smith, \$6,019,011.

SIGNATURES

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

NATIONAL FUEL GAS COMPANY

February 27, 2015

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