

NATIONAL FUEL GAS CO
Form U-9C-3
June 01, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM U-9C-3
QUARTERLY REPORT PURSUANT TO RULE 58
For the Quarterly Period Ending March 31, 2004

National Fuel Gas Company
(Name of Registered Holding Company)

6363 Main Street
Williamsville, New York 14221
(Address of Principal Executive Offices)

Inquiries concerning this Form U-9C-3 may be directed to:

James R. Peterson
Assistant Secretary
National Fuel Gas Company
6363 Main Street
Williamsville, New York 14221
(716) 857-7702

ITEM 1 ORGANIZATION CHART

| Name of Reporting Co. | Energy or Gas Related | Date of Organization | State of Organization | Percentage of Voting Securities | Nature of Business Held |
|--|------------------------------|-----------------------------|------------------------------|--|--|
| National Fuel Gas Company | Holding | 1902 | New Jersey | | National Fuel Gas Company is an integrated natural gas operation engaged in owning and holding securities issued by its subsidiaries. |
| Seneca Independence Pipeline Company | Gas | 1996 | Delaware | 100% | Held a 33 1/3% general partnership interest in Independence Pipeline Company, which was dissolved in September 2002 and its affairs wound up during the quarter ended December 31, 2003. |
| Niagara Independence Marketing Company | Holding | 1997 | Delaware | 100% | Held a 33-1/3% general partnership interest in DirectLink Gas Marketing Company, which was dissolved and its affairs wound up during the quarter ended December 31, 2003. |

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| Name of Reporting Co. | Energy or Gas Related | Date of Organization | State of Organization | Percentage of Voting Securities | Nature of Business Held |
|---|-----------------------|----------------------|-----------------------|---------------------------------|--|
| Horizon LFG, Inc. (formerly Upstate Energy Inc.) | Gas | 1997 | New York | 100% | Gas marketing and related activities. |
| Seneca Resources Corporation | Holding | 1913 | Pennsylvania | 100% | Holds a 50% general partnership interest in the Roystone Gas Processing Plant and a 33% general partnership interest in the Kane Gas Processing Plant, which were acquired pursuant to Rule 58; holds a non-voting ownership interest in Highland Forest Resources, Inc. |
| Roystone Gas Processing Plant | Gas | 1994 | Pennsylvania | 50% (general partnership) | Processes natural gas and sells natural gas liquids. |
| Kane Gas Processing Plant | Gas | 2001 | Pennsylvania | 33% (general partnership) | Processes natural gas and sells natural gas liquids. |
| Horizon Power, Inc. | Holding | 1995 | New York | 100% | Holds a 50% limited liability company interest in each of Seneca Energy II, LLC and Model City Energy, LLC. |
| Seneca Energy II, LLC | Energy | 2000 | New York | 50% | Landfill gas-powered electric generation. |
| Model City Energy, LLC | Energy | 2000 | New York | 50% | Landfill gas-powered electric generation. |
| Highland Forest Resources, Inc. | Holding | 2003 | New York | 100% | Holds sole membership interest in Empire State Pipeline Company LLC and St. Clair Pipeline Company LLC. |
| Empire State Pipeline Company LLC | Gas | 2003 | New York | 100% | Holds a 50% joint venture interest in Empire State Pipeline. |
| St. Clair Pipeline Company LLC | Gas | 2003 | New York | 100% | Holds a 50% joint venture interest in Empire State Pipeline. |
| Empire State Pipeline | Gas | 2003 | New York | 100% | Natural gas pipeline. |
| Toro Partner LLC | Gas | 2003 | Delaware | 100% | Gas marketing and related activities. |
| Toro Partners, LP | Gas | 1999 | Texas | 100% | Gas marketing and related activities. |
| Toro Energy of Indiana, LLC | Gas | 2000 | Texas | 100% | Gas marketing and related activities. |
| Toro Energy of Kentucky, LLC | Gas | 1999 | Delaware | 100% | Gas marketing and related activities. |
| Toro Energy of Maryland, LLC | Gas | 1999 | Texas | 100% | Gas marketing and related activities. |
| | Gas | 1999 | Delaware | 100% | |

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| Name of Reporting Co. | Energy or Gas Related | Date of Organization | State of Organization | Percentage of Voting Securities | Nature of Business Held |
|------------------------------------|-----------------------|----------------------|-----------------------|---------------------------------|---------------------------------------|
| Toro Energy of Michigan, LLC | | | | | Gas marketing and related activities. |
| Toro Energy of Missouri, LLC | Gas | 1999 | Texas | 100% | Gas marketing and related activities. |
| Toro Energy of Ohio, LLC | Gas | 1999 | Delaware | 100% | Gas marketing and related activities. |
| Toro Energy of Ohio-American, LLC | Gas | 2001 | Texas | 100% | Gas marketing and related activities. |
| Toro Energy of Ohio-Statewide, LLC | Gas | 1999 | Delaware | 100% | Gas marketing and related activities. |

NARRATIVE DESCRIPTION:

National Fuel Gas Company, Seneca Resources Corporation (Seneca Resources), Horizon Power, Inc. (Power, an exempt wholesale generator) and Highland Forest Resources, Inc. (Highland) are not reporting companies but are included in this Item 1 because they hold, directly or indirectly, voting securities issued by reporting companies as indicated above.

During the quarter ended March 31, 2004, the reporting companies engaged in the following activities:

Seneca Independence Pipeline Company (SIP) was dissolved during the quarter. SIP s transactions this quarter are described in its financial statements at Item 6.

Niagara Independence Marketing Company (Niagara) was dissolved during the quarter. Niagara s transactions this quarter are described in its financial statements at Item 6.

The name of Upstate Energy Inc. (Upstate) has been changed to Horizon LFG, Inc. (Horizon LFG). Horizon LFG retained its interest in Toro Partner LLC. Horizon LFG and Toro Partner LLC retained their interests in Toro Partners, LP, which engaged in natural gas marketing and related activities through eight wholly owned limited liability companies.

Roystone Gas Processing Plant (Roystone) and Kane Gas Processing Plant (Kane) engaged in processing natural gas and selling natural gas liquids during the quarter.

Seneca Energy II, LLC (Seneca Energy) and Model City Energy, LLC (Model City), each a qualifying facility under the Public Utility Regulatory Policies Act of 1978, as amended, engaged in electric generation activities.

Empire State Pipeline Company LLC (ESPC) and St. Clair Pipeline Company LLC (SCPC) each held a 50% joint venture interest in Empire State Pipeline (Empire), which engaged in natural gas transportation activities during the quarter.

ITEM 2 ISSUANCE OF SECURITIES AND CAPITAL CONTRIBUTIONS

| Company Issuing Stock | Type of Security Issued | Principal Amount of Security | Issue or Renewal | Cost of Capital | Person to Whom Security Was Issued | Collateral Given With Security | Consideration Received for Each Security |
|------------------------------|-------------------------|------------------------------|------------------|-----------------|------------------------------------|--------------------------------|--|
| No transactions this quarter | | | | | | | |

| Company Contributing Capital | Company Receiving Capital | Amount of Capital Contribution |
|------------------------------|---------------------------|--------------------------------|
| National Fuel Gas Company | SIP | \$10,230,000 |

ITEM 3 -ASSOCIATE TRANSACTIONS

PART 1 - TRANSACTIONS PERFORMED BY REPORTING COMPANY ON BEHALF OF ASSOCIATE COMPANIES

| Reporting Co. Rendering Services | Associate Co. Receiving Services | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|----------------------------------|----------------------------------|----------------------------|----------------------|------------------------|-----------------|---------------------|
| Roystone | Seneca Resources | | \$0 | \$0 | \$0 | \$0 |

PART 1 - TRANSACTIONS PERFORMED BY REPORTING COMPANY ON BEHALF OF ASSOCIATE COMPANIES

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| Reporting Co. Rendering Services | Associate Co. Receiving Services | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|----------------------------------|----------------------------------|----------------------------|----------------------|------------------------|-----------------|---------------------|
| Kane | Seneca Resources | Natural gas processing | \$5,030 | \$0 | \$0 | \$5,030 |

Empire provided regulated natural gas transportation services to its associate companies, National Fuel Gas Distribution Corporation (Distribution) and National Fuel Resources, Inc., pursuant to Empire's NYPSC tariff, but such services are exempted transactions pursuant to Rule 81 under the Public Utility Holding Company Act of 1935 (17 CFR Sec. 250.81).

PART 2 TRANSACTIONS PERFORMED BY ASSOCIATE COMPANIES ON BEHALF OF REPORTING COMPANY

| Associate Co. Rendering Services | Reporting Co. Receiving Services | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|----------------------------------|----------------------------------|--|----------------------|------------------------|-----------------|---------------------|
| Supply | Empire | Managerial, financial, legal and other similar services. | \$2,150 | \$0 | \$0 | \$2,150 |
| Supply | Empire | Operational, maintenance, administrative and similar services. | \$214,404 | \$0 | \$0 | \$214,404 |
| Supply | Toro | Accounting and administrative services. | \$4,682 | \$0 | \$0 | \$4,682 |
| Supply | Horizon LFG | Accounting and administrative services. | \$1,719 | \$0 | \$0 | \$1,719 |
| Distribution | Empire | Operational, administrative and similar services. | \$216,129 | \$0 | \$0 | \$216,129 |
| Distribution | Toro | Accounting and administrative services. | \$22,590 | \$0 | \$0 | \$22,590 |
| Distribution | Horizon LFG | Accounting and administrative services. | \$6,148 | \$0 | \$0 | \$6,148 |

ITEM 4 SUMMARY OF AGGREGATE INVESTMENT

Investments in Energy-Related Companies:

Confidential Treatment requested pursuant to Rule 104(b)

Investments in Gas-Related Companies:

Confidential Treatment requested pursuant to Rule 104(b)

ITEM 5 OTHER INVESTMENTS

| Major Line of Energy- Related Business | Other Investment in last U-9C-3 Report | Other Investment in This U-9C-3 Report | Reason For Difference in Other Investment |
|--|--|--|---|
| NONE | | | |

ITEM 6- FINANCIAL STATEMENTS AND EXHIBITS

A. FINANCIAL STATEMENTS:

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| | |
|------------------------------------|--|
| Balance Sheet for SIP | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for SIP | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Niagara | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement of Niagara | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Horizon LFG | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Horizon LFG | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Roystone | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Roystone | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Seneca Energy | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Seneca Energy | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Model City | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Model City | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Empire | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Empire | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Kane | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for Kane | Confidential treatment requested pursuant to Rule 104(b) |

B. EXHIBITS:

Certificate stating that a copy of the report for the previous quarter has been filed with interested state commissions: EXHIBIT A

SIGNATURES

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, National Fuel Gas Company has duly caused this report to be signed and authorized on its behalf by the undersigned.

Dated: June 1, 2004

NATIONAL FUEL GAS COMPANY

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

EXHIBIT A

**NATIONAL FUEL GAS COMPANY
CERTIFICATE**

The undersigned certifies that he is the duly designated and acting Assistant Secretary of National Fuel Gas Company, a New Jersey Corporation, and that the report on Form U-9C-3 for the previous quarter was filed with National Fuel Gas Company's interested State Commissions whose names and addresses are listed below:

State of New York Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Pennsylvania Public Utility Commission
P.O. Box 3265
North Office Building
Harrisburg,
Pennsylvania 17120

IN WITNESS WHEREOF, I have hereunto set my hand as of the 1st day of June, 2004.

James R. Peterson
James R. Peterson

