

NATIONAL FUEL GAS CO
Form U-9C-3
May 29, 2002

**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, 2002

National Fuel Gas Company
(Name of Registered Holding Company)

10 Lafayette Square
Buffalo, New York 14203
(Name of Principal Executive Officer)

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

James R. Peterson
Assistant Secretary
National Fuel Gas Company
Suite 1500
10 Lafayette Square
Buffalo, New York 14203
(716) 857-7702

ITEM 1 - ORGANIZATION CHART

| Name of Reporting Co. | Energy or Gas Related | Date of Organization | State of Organization |
|---|------------------------------|-----------------------------|------------------------------|
| National Fuel Gas Company | Holding | 1902 | New Jersey |
| Seneca Independence Pipeline Company | Gas | 1996 | Delaware |
| Niagara Independence Marketing Company | Holding | 1997 | Delaware |
| DirectLink Gas Marketing Company | Gas | 1997 | Delaware |

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| | | | |
|-------------------------------|---------|------|--------------|
| Upstate Energy Inc. | Gas | 1997 | New York |
| Roystone Gas Processing Plant | Gas | 1994 | Pennsylvania |
| Horizon Power, Inc. | Holding | 1995 | New York |
| Seneca Energy II, LLC | Energy | 2000 | New York |
| Model City Energy, LLC | Energy | 2000 | New York |

NARRATIVE DESCRIPTION:

National Fuel Gas Company is not a "reporting company" but is included in this Item 1 because it holds, directly or indirectly, voting securities issued by reporting companies as indicated above.

Horizon Power, Inc. (formerly NFR Power, Inc.) ("Power"), a direct, wholly owned subsidiary of National Fuel Gas Company and an exempt wholesale generator, is not a "reporting company" but is included in this Item 1 because it holds voting securities issued by reporting companies as indicated above.

During the quarter ended March 31, 2002, the reporting companies engaged in the following activities:

Seneca Independence Pipeline Company ("SIP") retained its 33 1/3% general partnership interest in Independence Pipeline Company, pursuant to approval by the SEC under the Public Utility Holding Company Act of 1935 (see File 70-9117, HCAR No. 35-26840). SIP's transactions this quarter are described in its financial statements at Item 6.

Niagara Independence Marketing Company ("Niagara") retained its 33 1/3% interest in DirectLink Gas Marketing Company ("DirectLink"). Niagara's and DirectLink's transactions this quarter are described in their financial statements at Item 6.

Upstate Energy Inc. ("Upstate") engaged in gas marketing transactions this quarter.

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

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

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

ITEM 2 - ISSUANCE OF SECURITIES AND CAPITAL CONTRIBUTIONS

Principal

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| Company Issuing Stock | Type of Security Issued | Amount of Security | Issue or Renewal | Cost of |
|-----------------------|------------------------------|------------------------|--------------------|---------|
| SIP | Note | \$ 100,000 | Issue* | |
| DirectLink | No transactions this quarter | | | |
| Niagara | No transactions this quarter | | | |
| Upstate | Note | \$100,000 \$200,000 | Issue** Issue** | |
| Roystone | No transactions this quarter | | | |
| Seneca Energy | No transactions this quarter | | | |
| Model City | No transactions this quarter | | | |

* Represents an increase in the daily principal balance of borrowings from the National Fuel Gas Supply Corporation compared with the balance from preceding day. For the quarter, the outstanding balance increased.

** Represents an increase in the daily principal balance of borrowings from the National Fuel Gas Supply Corporation compared with the balance from the preceding day. For the quarter, the outstanding balance decreased.

Company Contributing Capital **Company Receiving Capital** **Amount of Capital Contribution**
 No capital contributions this quarter

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 |
|----------------------------------|--------------------------------------|----------------------------|----------------------|
| Roystone | National Fuel Gas Supply Corporation | Natural gas processing | \$30,143* |

* Represents payments made by National Fuel Gas Supply Corporation (Supply) to Roystone pursuant to a gas processing agreement.

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 |
|----------------------------------|----------------------------------|--|----------------------|------------------------|-----------------|
| Supply | SIP | Managerial, financial, legal and other similar services. | \$1,875 | \$0 | \$0 |
| Seneca Resources Corporation | Upstate | Managerial, financial and other similar services. | \$0 | \$0 | \$0 |

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| | | | | | |
|-------------------------------|---------------|--|---------|-----|-----|
| National Fuel Resources, Inc. | Upstate | Managerial services. | \$0 | \$0 | \$0 |
| Power | Seneca Energy | Accounting services. | \$2,500 | \$0 | \$0 |
| Power | Model City | Accounting services. | \$2,500 | \$0 | \$0 |
| Power | Model City | Sales brokerage and administrative services. | \$0 | \$0 | \$0 |

Upstate also may have purchased regulated interstate natural gas transportation and storage services pursuant to Supply's FERC gas tariff, but such services are "exempted transactions" pursuant to the Public Utility Holding Company Act of 1935 (17 CFR Sec. 250.81).

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:

| | |
|---------------------------------|--|
| 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 DirectLink | Confidential treatment requested pursuant to Rule 104(b) |
| Income Statement for DirectLink | Confidential treatment requested pursuant to Rule 104(b) |
| Balance Sheet for Upstate | Confidential treatment requested pursuant to Rule 104(b) |

| | |
|------------------------------------|--|
| Income Statement for Upstate | 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) |

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: May 29, 2002

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

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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 29th day of May, 2002.

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