

NATIONAL FUEL GAS CO
Form U-9C-3
August 29, 2003

**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 June 30, 2003

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 |
| Seneca Resources Corporation | Holding | 1913 | Pennsylvania |
| 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 |
| Highland Forest Resources, Inc. | Holding | 2003 | New York |
| Empire State Pipeline Company LLC | Gas | 2003 | New York |
| St. Clair Pipeline Company LLC | Gas | 2003 | New York |
| Empire State Pipeline | Gas | 2003 | New York |
| Toro Partner LLC (new) | Gas | 2003 | Delaware |
| Toro Partners, LP (new) | Gas | 1999 | Texas |
| Toro Energy of Indiana, LLC (new) | Gas | 2000 | Texas |
| Toro Energy of Kentucky, LLC (new) | Gas | 1999 | Delaware |
| Toro Energy of Maryland, LLC (new) | Gas | 1999 | Texas |
| Toro Energy of Michigan, LLC (new) | Gas | 1999 | Delaware |
| Toro Energy of Missouri, LLC (new) | Gas | 1999 | Texas |
| Toro Energy of Ohio, LLC (new) | Gas | 1999 | Delaware |
| Toro Energy of Ohio-American, LLC (new) | Gas | 2001 | Texas |
| Toro Energy of Ohio-Statewide, LLC (new) | Gas | 1999 | Delaware |

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NARRATIVE DESCRIPTION:

National Fuel Gas Company, Niagara Independence Marketing Company ("Niagara") Seneca Resources", Horizon Power, Inc. ("Power," an exempt wholesale generator) and Highland Forest Res "reporting companies" but are included in this Item 1 because they hold, directly or indirectly, companies as indicated above.

During the quarter ended June 30, 2003, the reporting companies engaged in the following

Seneca Independence Pipeline Company ("SIP") retained its 33 1/3% general partnership in Company, pursuant to approval by the SEC under the Public Utility Holding Company Act of 1935 (see SIP's transactions this quarter are described in its financial statements at Item 6.

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

Upstate Energy Inc. ("Upstate") formed Toro Partner LLC pursuant to Rule 58, and Upstate Partners, LP pursuant to Rule 58. Toro Partners, LP engaged in natural gas marketing and related owned limited liability companies.

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

Seneca Energy II, LLC ("Seneca Energy") and Model City Energy, LLC ("Model City"), each Public Utility Regulatory Policies Act of 1978, as amended, engaged in electric generation activi

Empire State Pipeline Company LLC ("ESPC") and St. Clair Pipeline Company LLC ("SCPC") e interest in Empire State Pipeline ("Empire"), which engaged in natural gas transportation activit

ITEM 2 - ISSUANCE OF SECURITIES AND CAPITAL CONTRIBUTIONS

| Company Issuing Stock | Type of Security Issued | Principal Amount of Security | Issue or Renewal | Cost o |
|-----------------------|------------------------------|------------------------------|------------------|--------|
| SIP | Note* | \$ 100,000 | | |
| DirectLink | No transactions this quarter | | | |
| Niagara | No transactions this quarter | | | |
| Upstate | Note* | \$47,700,000 | | |
| | Note* | \$ 400,000 | | |
| Roystone | No transactions this quarter | | | |
| Seneca Energy | No transactions this quarter | | | |
| Model City | No transactions this quarter | | | |
| Empire | No transactions this quarter | | | |
| Toro Partner LLC | LLC membership interest | N/A | | |
| Toro Partner LLC | Promissory Note | \$48,000,000 | | |

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* Represents an increase in the principal balance of borrowings from the National Fuel Gas compared with the balance from the preceding day.

Company Contributing Capital

Company Receiving Capital

Power

Seneca Energy

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 | Seneca Resources | Natural gas processing | \$32,530 |

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 NYPSA 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 | Costs |
|---|---|--|-----------------------------|-------------------------------|--------------|
| Supply | SIP | Managerial, financial, legal and other similar services. | \$675 | \$0 | \$0 |
| Power | Seneca Energy | Accounting services. | \$0 | \$0 | \$0 |
| Power | Model City | Accounting services. | \$0 | \$0 | \$0 |
| Power | Model City | Sales brokerage and administrative services. | \$0 | \$0 | \$0 |
| Supply | Empire | Operational, | \$130,019 | \$0 | \$0 |

| | | | | | | |
|--------------|--------|--|--|-----------|-----|-----|
| | | | maintenance, administrative and similar services. | | | |
| Distribution | Empire | | Operational, administrative and similar services. | \$274,774 | \$0 | \$0 |

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) |

Balance Sheet for Empire
Income Statement for Empire

Confidential treatment requested pursuant to Rule 104(b)
Confidential treatment requested pursuant to Rule 104(b)

B. Exhibits:

Operating and Maintenance Agreement between Empire State Pipeline and National Fuel Gas Supply Corporation
(Confidential treatment requested pursuant to Rule 104(b)): EXHIBIT A

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

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: August 29, 2003

NATIONAL FUEL GAS COMPANY

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

EXHIBIT B

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 29th day of August, 2003.

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