

NATIONAL FUEL GAS CO
Form U-9C-3
March 01, 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 December 31, 2001**

**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	Percentage of Voting Securities Held	Nature
National Fuel Gas Company	Holding	1902	New Jersey	Holds all voting securities of the reporting companies except as indicated below.	Nation integr in own issued
Seneca Independence Pipeline Company	Gas	1996	Delaware	100%	Holds intere Compan under
Niagara Independence Marketing Company	Holding	1997	Delaware	100%	Holds intere Compan
DirectLink Gas Marketing Company	Gas	1997	Delaware	33-1/3%	Gas ma

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Upstate Energy Inc.	Gas	1997	New York	100%	Gas ma in the which
Roystone Gas Processing Plant	Gas	1994	Pennsylvania (general partnership)	50%	Proces gas li
Horizon Power, Inc.	Holding	1995	New York	100%	Holds intere and Mo
Seneca Energy II, LLC	Energy	2000	New York	50%	Landfi
Model City Energy, LLC	Energy	2000	New York	50%	Landfi

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 December 31, 2001, 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

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 Each Sec
SIP	Note	\$100,000 \$400,000	Issue* Issue*	N/A	National Fuel Gas	N/A	\$100, \$400,

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Company

DirectLink no transactions this quarter

Niagara no transactions this quarter

Upstate	Note	\$4,700,000	Issue**	N/A	National	N/A	\$4,700,000
		\$100,000	Issue**		Fuel Gas		\$100,000
		\$1,000,000	Issue**		Company		\$1,000,000
		\$100,000	Issue**				\$100,000
		\$1,100,000	Issue**				\$1,100,000
		\$100,000	Issue**				\$100,000
		\$200,000	Issue**				\$200,000

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 System Money Pool as compared with balance from preceding day. For the quarter, the outstanding balance increased by \$500,000.

** Represents an increase in the daily principal balance of borrowings from the National Fuel System Money Pool as compared with the balance from the preceding day. For the quarter, the outstanding balance increased by \$7,300,000.

Company Contributing Capital	Company Receiving Capital	Amount of Capital Contribution
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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	Indirect Costs Charged	Cost of Capital	Total Amount Billed
Roystone	National Fuel Gas Supply Corporation	Natural gas processing	\$30,049*	\$0	\$0	\$30,049

* 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

Reporting Co. Rendering Services	Associate Co. Receiving Services	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
Supply	SIP	Managerial,	\$3,475	\$0	\$0	\$3,475

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

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		financial, legal and other similar services.				
Seneca Resources Corporation	Upstate	Managerial, financial and other similar services.	\$0	\$0	\$0	\$0
National Fuel Resources, Inc.	Upstate	Managerial services.	\$0	\$0	\$0	\$0
Power	Seneca Energy	Accounting services.	\$2,500	\$0	\$0	\$2,500
Power	Model City	Accounting services.	\$2,500	\$0	\$0	\$2,500
Power	Model City	Sales brokerage and administrative services.	\$0	\$0	\$0	\$0

Upstate also may have purchased regulated interstate natural gas transportation and storage services from its associate, Supply, pursuant to Supply's FERC gas 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).

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 Disclosure in Other Inve
NONE			

ITEM 6 - FINANCIAL STATEMENTS AND EXHIBITS

A. FINANCIAL STATEMENTS:

Balance Sheet for SIP	Confidential treatment requested pursuant to Ru
Income Statement for SIP	Confidential treatment requested pursuant to Ru
Balance Sheet for Niagara	Confidential treatment requested pursuant to Ru
Income Statement of Niagara	Confidential treatment requested pursuant to Ru
Balance Sheet for DirectLink	Confidential treatment requested pursuant to Ru
Income Statement for DirectLink	Confidential treatment requested pursuant to Ru
Balance Sheet for Upstate	Confidential treatment requested pursuant to Ru

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Income Statement for Upstate	Confidential treatment requested pursuant to Ru
Balance Sheet for Roystone	Confidential treatment requested pursuant to Ru
Income Statement for Roystone	Confidential treatment requested pursuant to Ru
Balance Sheet for Seneca Energy	Confidential treatment requested pursuant to Ru
Income Statement for Seneca Energy	Confidential treatment requested pursuant to Ru
Balance Sheet for Model City	Confidential treatment requested pursuant to Ru
Income Statement for Model City	Confidential treatment requested pursuant to Ru

B. EXHIBITS:

1. Copies of contracts required to be provided by Item 3
 - a. Gas Processing Contract between Five Oaks, Inc. and National Fuel Gas Supply (relating to Roystone): EXHIBIT A (Confidential treatment requested pursuant to Rule 104(b))
 - b. Accounting Services Agreement between Horizon Power, Inc. and Seneca Energy EXHIBIT B (Confidential treatment requested pursuant to Rule 104(b))
 - c. Accounting Services Agreement between Horizon Power, Inc. and Model City Energy EXHIBIT C (Confidential treatment requested pursuant to Rule 104(b))
 - d. Electricity Products Brokerage and Services Agreement between Horizon Power, City Energy, LLC: EXHIBIT D (Confidential treatment requested pursuant to Rule 104(b))
2. Certificate stating that a copy of the report for the previous quarter has been filed with interested state commissions: EXHIBIT E

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: March 1, 2002

NATIONAL FUEL GAS COMPANY

By /s/ James R. Peterson

James R. Peterson
Assistant Secretary