

NATIONAL FUEL GAS CO
Form U-9C-3
August 24, 2001

**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, 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 |
|--|-----------------------|----------------------|-----------------------|---|
| National Fuel Gas Company | Holding | 1902 | New Jersey | Holds all voting securities of the reporting companies except as indicated below. |
| Seneca Independence Pipeline Company | Gas | 1996 | Delaware | 100% |
| Niagara Independence Marketing Company | Holding | 1997 | Delaware | 100% |
| DirectLink Gas Marketing Company | Gas | 1997 | Delaware | 33-1/3% |

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| | | | | |
|---------------------|-----|------|----------|------|
| Upstate Energy Inc. | Gas | 1997 | New York | 100% |
|---------------------|-----|------|----------|------|

| | | | | |
|-------------------------------|-----|------|---------------------------------------|-----|
| Roystone Gas Processing Plant | Gas | 1994 | Pennsylvania (general partnership) | 50% |
|-------------------------------|-----|------|---------------------------------------|-----|

NARRATIVE DESCRIPTION:

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

During the quarter ended June 30, 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 ("Independence"), pursuant to approval by the SEC under the P 70-9117, HCAR No. 35-26840). SIP's transactions this quarter are described in its financial statements at Item 6.

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

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

Roystone Gas Processing Plant engaged in processing natural gas and selling natural gas liquid this 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 Each |
|--|------------------------------|---|---|-----------------|------------------------------------|--------------------------------|-------------------------------------|
| Seneca Independence Pipeline Company | Note | \$100,000 \$200,000 | Issue* Issue* | N/A | National Fuel Gas Company | N/A | \$1 \$2 |
| DirectLink Gas Marketing Company | no transactions this quarter | | | | | | |
| Niagara Independence Marketing Company | no transactions this quarter | | | | | | |
| Upstate Energy Inc. | Note | \$200,000 \$100,000 \$1,800,000 \$6,100,000 \$100,000 | Issue** Issue** Issue** Issue** Issue** | N/A | National Fuel Gas Company | N/A | \$2 \$1 \$1,8 \$6,1 \$1 |

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| | | |
|-----------|---------|-----|
| \$200,000 | Issue** | \$2 |
| \$100,000 | Issue** | \$1 |

Roystone Gas no transactions this quarter
Processing Plant

- * 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 \$100,000.
- ** 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 decreased by \$9,400,000.

| Company Contributing Capital | Company Receiving Capital | Amount of Capital Contribution |
|------------------------------|---------------------------|--------------------------------|
| National Fuel Gas Company | Upstate Energy Inc. | \$6,800,000 |

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 Gas Processing Plant | National Fuel Gas Supply Corporation | Natural gas processing | \$75,070* | -0- | -0- | \$75,070 |

- * Represents payments made by National Fuel Gas Supply Corporation to Roystone Gas Processing Plant ("Roystone") pursuant to an agreement predating Upstate Energy Inc.'s investment in Roystone.

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 |
|--|---|---|----------------------------|------------------------------|--------------------|---------------------|
| National Fuel Gas Supply Corporation | Seneca Independence Pipeline Company | Managerial, financial, legal, and other similar services. | -0- | -0- | -0- | -0- |
| Seneca Resources Corporation | Upstate Energy Inc. | Managerial, financial and other similar services. | -0- | -0- | -0- | -0- |
| National Fuel Resources, Inc. | Upstate Energy Inc. | Managerial services. | -0- | -0- | -0- | -0- |

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Upstate Energy Inc. also may have purchased regulated interstate natural gas transportation and storage services from its associate, National Fuel Gas Supply Corporation ("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 (17 CFR Sec. 250.81).

ITEM 4 - SUMMARY OF AGGREGATE INVESTMENT

Investment in Energy-Related Companies:

Not applicable; all the Reporting Companies are gas-related companies.

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 Seneca Independence Pipeline Company ("Seneca") | Confidential treatment |
| Income Statement for Seneca | Confidential treatment |
| Balance Sheet for Niagara Independence Marketing Company ("Niagara") | Confidential treatment |
| Income Statement of Niagara | Confidential treatment |
| Balance Sheet for DirectLink Gas Marketing Company ("DirectLink") | Confidential treatment |
| Income Statement for DirectLink | Confidential treatment |
| Balance Sheet for Upstate Energy Inc. ("Upstate") | Confidential treatment |
| Income Statement for Upstate | Confidential treatment |
| Balance Sheet for Roystone Gas Processing Plant ("Roystone") | Confidential treatment |
| Income Statement for Roystone | Confidential treatment |

B. EXHIBITS:

1. Copies of contracts required to be provided by Item 3: NOT APPLICABLE

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

SIGNATURES

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

Dated: August 24, 2001

NATIONAL FUEL GAS COMPANY

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By /s/ James R. Peterson

James R. Peterson

Assistant Secretary