

Safekeeping of Your Stock Certificates in Book Entry Form

Shares of National Fuel stock that you buy under the Plan will be maintained in your Plan account for safekeeping in book entry form. In addition, any National Fuel shareholder may use the Plan's "safekeeping" service to deposit their National Fuel stock certificates into the Plan at no cost. Safekeeping is beneficial because you no longer bear the risk and cost associated with the loss, theft, or destruction of stock certificates. With safekeeping, you have the option of receiving cash dividends, reinvesting your dividends or taking advantage of the sale of shares feature of the Plan. Certificates will be issued only upon written request to the Plan Administrator. (See "Issuance of Certificates" on page 13.)

To use the safekeeping service, send your certificates to the Plan Administrator by registered mail, insured, with written instructions to deposit them in safekeeping. Do not endorse the certificates or complete the assignment section.

Transfer of Shares

You can transfer National Fuel shares from your account to an existing shareholder in the Plan or to a new participant in the Plan, subject to the recipient's \$120,000 per calendar year aggregate investment limitation. In the case of an existing shareholder in the Plan, the Plan Administrator must receive a written acknowledgement signed by the existing shareholder, and in the case of a new participant in the Plan, the Plan Administrator must receive an enrollment form signed by the new participant. Your signature authorizing the transfer must be guaranteed by a financial institution participating in the Securities Transfer Agents Medallion Program (STAMP), or in such other signature guarantee program as the Plan Administrator may determine in addition to, or in substitution for, STAMP. STAMP and other signature guarantee programs ensure that the individual signing the transfer authorization is in fact the registered owner as it appears on the records of the Plan Administrator.

In addition to making transfers, you may:

- Make an initial \$1,000 cash investment to establish an account for another person (provided that the Plan Administrator receives an enrollment form signed by such person); or
- Submit an optional cash investment on behalf of an existing participant in the Plan in an amount not less than \$100 (provided that the Plan Administrator receives a written acknowledgement signed by the existing participant, and provided further that the aggregate investments in the existing participant's Plan account do not exceed \$120,000 per year).

If you need additional assistance, please call the Plan Administrator at (800) 648-8166.

Issuance of Certificates

A certificate for your shares will be sent to you, free of charge, upon written request to the Plan Administrator. In addition, you can withdraw all or some of the shares from your Plan account by notifying the Plan Administrator.

Certificates will be issued for whole shares only. In the event your request involves a fractional share, the fractional share will be sold, and you will receive a check for the net proceeds of the sale (less applicable fees). You should receive your certificate within two to three weeks of mailing your request. You should not sell your shares until you have the certificate in your hands, so that you can deliver the certificate to your buyer within the legally required time (about three days).

Certificates will be issued in the name(s) in which the account is registered, unless otherwise instructed. If the certificate is issued in a name other than your Plan account registration, the signature on the instructions or stock power must be guaranteed by a financial institution participating in STAMP, as described previously.

Plan Service Fees

Enrollment Fee for New Investors	\$15.00 per account enrollment
Initial Purchase of Shares	No Charge*
Sale of Shares (partial or full)	
Transaction Fee	currently \$15.00 per sale transaction
Brokerage Commission Charge	currently \$0.12 per share
Reinvestment of Dividends	No Charge*
Optional Cash Investments via Check or Automatic Investment	No Charge*
Transfer of Shares	No Charge
Safekeeping of Stock Certificates	No Charge
Certificate Issuance	No Charge
Returned Checks (insufficient funds, etc.)	\$25.00 per check
Duplicate Statements	
Current year	No Charge
Prior year(s)	\$20.00 fee per statement request

* Where shares are purchased in the open market to effect initial investments, dividend reinvestments or optional cash investments, National Fuel will pay applicable brokerage commission charges. These brokerage commission charges must and will be reported to you and the IRS as your taxable income.

The Plan Administrator will deduct the applicable fees from either the initial investment or proceeds from a sale.

Tracking Your Investments

If you participate in dividend reinvestment, the Plan Administrator will mail you a quarterly statement showing all transactions (shares, amounts invested, purchase prices) for your account including year-to-date and other account information. Supplemental statements or notices will be sent when you make an initial or optional cash investment or a deposit, transfer or withdrawal of shares.

If you do not participate in dividend reinvestment, the Plan Administrator will mail you a statement or notice confirming any transactions you make.

Please retain your statements to establish the cost basis of shares purchased under the Plan for income tax and other purposes.

You should notify the Plan Administrator promptly of any change in address since all notices, statements and reports will be mailed to your address of record.

U.S. Federal Income Tax Information

The following summary is based upon interpretations of current federal tax law. It is important for you to consult your own tax advisers to determine particular tax consequences, including state income tax (and other taxes, such as stock transfer tax) consequences, which vary from state to state and which may result from participation in the Plan and subsequent disposition of shares acquired pursuant to the Plan. If you reside outside the United States, income tax consequences will vary depending upon the jurisdiction in which you reside.

Cash dividends received under the Plan will be taxable as having been received by you even if you reinvest them and do not actually receive them in cash. If you reinvest dividends, your quarterly statement from the Plan Administrator will indicate the amount of gross dividends paid, which is reported to the IRS as dividend income, and the amount of net dividends reinvested (after payment of any service fees and withholding of any income taxes). The statement will also reflect any brokerage commission charges paid by National Fuel on your behalf for purchases of shares.

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The amount of the gross cash dividends received by you will be taxable as a dividend to the extent of National Fuel's current or accumulated earnings and profits. To the extent the distribution is in excess of National Fuel's current or accumulated earnings and profits, the distribution will be treated first as a tax-free return of capital, reducing the tax basis in your shares, and the distribution in excess of your tax basis will be taxable as gain realized from the sale of its shares.

Shares acquired through the reinvestment of dividends under the Plan will have a tax basis equal to the amount of the net cash dividends reinvested in such shares plus the amount of any brokerage commissions paid on your behalf.

You will not realize gain or loss for U.S. Federal income tax purposes upon the transfer of shares to the Plan or the withdrawal of whole shares from the Plan. You will, however, generally realize gain or loss upon the sale of shares (including the receipt of cash for fractional shares) held in the Plan.

The amount of any such gain or loss will be the difference between the amount that you received for the shares or fractional shares and the tax basis thereof.

If you fail to provide certain federal income tax certifications in the manner required by law, dividends, proceeds from the sale of fractional shares and proceeds from the sale of shares held for your account will be subject to federal income tax withholding at the applicable rate. If withholding is required for any reason, the appropriate amount of tax will be withheld. Certain shareholders (including most corporations) are, however, exempt from the above withholding requirements.

If you are a foreign shareholder, your dividends are subject to federal income tax withholding at the treaty rate. If applicable, the appropriate amount will be withheld and the balance in shares will be credited to your account.

Description of Common Stock

The following description of National Fuel's common stock is a summary and is qualified by reference to the terms and provisions of National Fuel's Restated Certificate of Incorporation, as amended (Restated Certificate of Incorporation), its By-Laws, and the Amended and Restated Rights Agreement between National Fuel and HSBC Bank USA, as supplemented by a Certificate of Adjustment dated September 7, 2001 (Rights Agreement), which are filed as exhibits to the registration statement to which this prospectus relates and incorporated herein by reference. Reference is also made to the indenture dated as of October 15, 1974, as supplemented (1974 Indenture), between National Fuel and The Bank of New York, as trustee. (The 1974 Indenture includes a limitation on the payment of dividends, as described below under "Dividend Rights." The Company's other indenture, dated as of October 1, 1999, between National Fuel and The Bank of New York, contains no such limitation.)

No shares of preferred stock of National Fuel are currently outstanding. However, the Board of Directors of National Fuel has the ability to issue one or more series of preferred stock from time to time. The actual effect of the preferred stock upon the rights of the holders of National Fuel's common stock will not be known until National Fuel's Board of Directors determines the respective rights of the holders of one or more series of preferred stock. Such effects, however, might include: (a) restrictions on dividends on National Fuel's common stock if dividends on the preferred stock are in arrears; (b) dilution of the voting power of National Fuel's common stock; (c) restrictions on the rights of the holders of National Fuel's common stock to share in National Fuel's assets upon liquidation due to satisfaction of any liquidation preference granted to the preferred stock; and (d) dilution of rights of holders of National Fuel's common stock to share in National Fuel's assets upon liquidation if the preferred stock is participating with respect to distributions upon such liquidation.

Dividend Rights: The holders of common stock are entitled to receive dividends as declared by the Board of Directors, out of funds legally available for the purpose and subject to a limitation in the 1974 Indenture. The 1974 Indenture prohibits the payment of cash dividends on, and the purchase or redemption of, common stock if the cumulative dividends on and amounts paid for purchase or redemption of common or preferred stock since December 31, 1967 exceed or would exceed consolidated net income

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available for dividends for that same period plus \$10 million plus any additional amount authorized or approved, upon application of National Fuel, by the SEC.

The Board of Directors' ability to declare dividends on common stock may also be limited by the rights and preferences of certain series of preferred stock, which may be issued from time to time, and by the terms of instruments defining the rights of holders of outstanding indebtedness of National Fuel.

Voting Rights and Classification of the Board of Directors: The holders of common stock are entitled to one vote per share. The affirmative vote of the majority of the votes cast by the holders of the common stock is required for the merger or consolidation of National Fuel or for the sale of substantially all of its assets. The Board of Directors is divided into three classes, each with, as nearly as possible, an equal number of directors.

Liquidation Rights: Upon any dissolution, liquidation or winding up of National Fuel, the holders of common stock are entitled to receive pro rata all of National Fuel's assets and funds remaining after payment of or provision for creditors and subject to the rights and preferences of each series of preferred stock.

Preemptive Rights: Holders of common stock and any series of preferred stock that may be issued have no preemptive right to purchase or subscribe for any shares of capital stock of National Fuel.

Common Stock Purchase Rights: The holders of the common stock have one right for each of their shares. Each right, which will initially be evidenced by the common stock certificates representing the outstanding shares of common stock, entitles the holder to purchase one-half of one share of common stock at a purchase price of \$65.00 per share, being \$32.50 per half share, subject to adjustment (Purchase Price).

The rights become exercisable upon the occurrence of a distribution date. At any time following a distribution date, each holder of a right may exercise its right to receive common stock (or, under certain circumstances, other property of National Fuel) having a value equal to two times the Purchase Price of the right then in effect. However, the rights are subject to redemption or exchange by National Fuel prior to their exercise as described below.

A distribution date would occur upon the earlier of:

- ten days after the public announcement that a person or group has acquired, or obtained the right to acquire, beneficial ownership of National Fuel's common stock or other voting stock having 10% or more of the total voting power of National Fuel's common stock and other voting stock; and
- ten days after the commencement or announcement by a person or group of an intention to make a tender or exchange offer that would result in that person acquiring, or obtaining the right to acquire, beneficial ownership of National Fuel's common stock or other voting stock having 10% or more of the total voting power of National Fuel's common stock and other voting stock.

In certain situations after a person or group has acquired beneficial ownership of 10% or more of the total voting power of National Fuel's stock as described above, each holder of a right will have the right to exercise its rights to receive common stock of the acquiring company having a value equal to two times the Purchase Price of the right then in effect. These situations would arise if National Fuel is acquired in a merger or other business combination or if 50% or more of National Fuel's assets or earning power are sold or transferred.

At any time prior to the end of business on the tenth day following the announcement that a person or group has acquired, or obtained the right to acquire, beneficial ownership of 10% or more of the total voting power of National Fuel, National Fuel may redeem the rights in whole, but not in part, at a price of \$.005 per right, payable in cash, stock or other assets. A decision to redeem the rights requires the vote of 75% of National Fuel's full Board of Directors. Also, at any time following the announcement that a person or group has acquired, or obtained the right to acquire, beneficial ownership of 10% or more of the total voting power of National Fuel, 75% of National Fuel's full Board of Directors may vote to exchange

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the rights, in whole or in part, at an exchange rate of one share of common stock, or other property deemed to have the same value, per right, subject to certain adjustments.

After a distribution date, rights that are owned by an acquiring person will be null and void. Upon exercise of the rights, National Fuel may need additional regulatory approvals to satisfy the requirements of the Rights Agreement. The rights will expire on July 31, 2008, unless they are exchanged or redeemed earlier than that date.

The rights have anti-takeover effects because they will cause substantial dilution of the common stock if a person attempts to acquire National Fuel on terms not approved by the Board of Directors.

Business Combinations: National Fuel's Restated Certificate of Incorporation provides that certain conditions must be met before the consummation of any merger or other business combination by National Fuel or any of its subsidiaries with any stockholder who is directly or indirectly the beneficial owner of 5% or more of National Fuel's outstanding common stock (substantial stockholder) or with an affiliate of any substantial stockholder. The term substantial stockholder does not include National Fuel, any of its subsidiaries, or any trustee holding common stock of National Fuel for the benefit of the employees of National Fuel or any of its subsidiaries pursuant to one or more employee benefit plans or arrangements. The conditions, which are in addition to those otherwise required by law, prescribe the minimum amount per share that must be paid to holders of common stock and the form of consideration paid, and require that the holders of common stock be furnished certain information about the business combination prior to voting on it. A business combination, as defined in the Restated Certificate of Incorporation, generally means any of the following transactions:

- a merger, consolidation or share exchange;
- a sale, lease, exchange or other disposition of any assets in exchange for property having a fair market value of more than \$10 million, if determined to be a business combination by certain directors of National Fuel in accordance with provisions of the Restated Certificate of Incorporation;
- the issuance or transfer of securities in exchange for property having a fair market value of more than \$10 million, if determined to be a business combination by certain directors of National Fuel in accordance with provisions of the Restated Certificate of Incorporation;
- the adoption of a plan of liquidation or dissolution of National Fuel; or
- any reclassification of securities, recapitalization or reorganization that has the effect of increasing the proportionate share of the outstanding shares of any class of securities of National Fuel that is owned by any substantial stockholder or by any affiliate of a substantial stockholder.

The approval of at least three-fourths of the entire Board of Directors or, in the event that the Board of Directors consists of directors elected by the holders of preferred stock, the approval of a majority of the entire Board, is required to amend or repeal the classified board or business combination provisions contained in the Restated Certificate of Incorporation.

Listing: The common stock is, and will be, listed on the New York Stock Exchange.

Transfer Agent and Registrar: The transfer agent and registrar for the common stock is The Bank of New York.

Miscellaneous

Available Information/ Incorporation of Documents by Reference: National Fuel files annual, quarterly and other reports, proxy statements and other information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information National Fuel files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You can obtain additional information about the Public Reference Room by calling the SEC at 1-800-SEC-0330.

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In addition, the SEC maintains an Internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including National Fuel. National Fuel also maintains an Internet site (<http://www.nationalfuelgas.com>). Information contained on National Fuel's Internet site does not constitute part of this prospectus.

The SEC allows National Fuel to "incorporate by reference" the information that National Fuel files with the SEC, which means that National Fuel can disclose important information to you by referring you to those documents in this prospectus. The information incorporated by reference is an important part of this prospectus. National Fuel is incorporating by reference the documents listed below and any future documents that are filed by National Fuel with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) until National Fuel sells all of these securities. In addition, all documents filed by National Fuel under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of the initial registration statement to which this prospectus relates and prior to the effectiveness of such registration statement are also incorporated by reference in this prospectus. Any of National Fuel's future filings under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act will update, supersede and replace information contained herein and the information contained in any documents incorporated by reference in this prospectus at the time of the future filings.

- (a) Annual Report on Form 10-K for the year ended September 30, 2004;
- (b) Quarterly Reports on Form 10-Q for the quarters ended December 31, 2004 and March 31, 2005;
- (c) Current Report on Form 8-K filed November 12, 2004;
- (d) Current Report on Form 8-K filed December 14, 2004;
- (e) Current Report on Form 8-K filed December 22, 2004;
- (f) Current Report on Form 8-K filed March 18, 2005; and
- (g) Current Report on Form 8-K filed April 1, 2005.

Upon request National Fuel will provide, without charge, a copy of any or all of the documents incorporated by reference in this document (other than exhibits to such documents, unless the exhibits are specifically incorporated by reference in such documents). Your requests for copies should be directed to National Fuel Investor Relations, 6363 Main Street, Williamsville, New York 14221 (Telephone: (716) 857-6987).

You should rely only on the information incorporated by reference or provided in this prospectus or in any prospectus supplement. National Fuel has authorized no one to provide you with different information. National Fuel is not making an offer to sell its stock or soliciting offers to buy its stock in any state or country where the offer or solicitation is not permitted. You should not assume that the information in this prospectus or a prospectus supplement is accurate as of any date other than the date on the front of such document or that the information incorporated by reference in this prospectus is accurate as of any date other than the date of the document incorporated by reference.

Stock Splits, Stock Dividends and Other Distributions: In the event dividends are paid in National Fuel common stock, or if National Fuel common stock is distributed in connection with any stock split or similar transaction, each account will be adjusted to reflect the receipt of the common stock so paid or distributed.

Voting of Proxies: National Fuel will mail you proxy materials including a proxy card representing both the shares for which you hold certificates and the shares, full and fractional, in your Plan account. The proxy will be voted as indicated by you. If you do not return your signed proxy card or otherwise cast your vote in accordance with the instructions in the proxy package, none of your shares will be voted.

Responsibility of National Fuel Gas Company and the Plan Administrator: Neither National Fuel Gas Company nor the Plan Administrator will be liable for any act it does in good faith or for any good faith omission to act. This includes, without limitation, any claims of liability:

- For failure to terminate your account upon your death prior to receiving written notice of such death; or
- Relating to purchases or sales prices reflected in your Plan account or the dates of purchases or sales of your Plan shares; or
- For any fluctuation in the market value after purchase or sale of shares.

The payment of dividends is at the discretion of National Fuel's Board of Directors and will depend upon future earnings, the financial condition of National Fuel Gas Company and other factors. The Board may change the amount and timing of dividends at any time without notice.

Neither National Fuel Gas Company nor the Plan Administrator can assure you a profit or protect you against a loss on the shares you purchase under the Plan.

Legal Matters: Stryker, Tams & Dill LLP has given its opinion regarding the legality of the common stock covered by this prospectus and the valid issuance of the common stock purchase rights appurtenant to the common stock covered by this prospectus.

Plan Modification or Termination: National Fuel reserves the right to suspend, modify or terminate the Plan at any time. You will receive notice of any such suspension, modification or termination. National Fuel and the Plan Administrator also reserve the right to change any administrative procedures of the Plan.

Change of Eligibility; Termination: National Fuel reserves the right to deny, suspend or terminate participation by a shareholder who is using the Plan for purposes inconsistent with the intended purpose of the Plan. In such event, the Plan Administrator will notify you in writing and will continue to safekeep your shares but will no longer accept optional cash investments or reinvest your dividends. The Plan Administrator will issue a certificate to you for your shares upon written request.

Foreign Participation: If you live outside the United States, you should first determine if there are any laws or governmental regulations that would prohibit your participation in the Plan. National Fuel reserves the right to terminate participation of any shareholder and to refuse Plan participation to any person if it deems it advisable under any foreign laws or regulations.

Experts: The financial statements incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended September 30, 2004 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

National Fuel's Annual Report on Form 10-K includes information relating to oil and natural gas reserves of Seneca Resources Corporation and Seneca Energy Canada, Inc., wholly-owned subsidiaries of National Fuel. Ralph E. Davis Associates, Inc., as an expert in petroleum engineering, has issued audit reports regarding that information.

National Fuel Gas Company
6363 Main Street
Williamsville, New York 14221



national fuel

PART II
 INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. *Other Expenses of Issuance and Distribution.**

SEC Filing Fees	\$ 6,674
New York Stock Exchange Listing Fees	2,500
Printing Expenses	8,000
Accounting Fees and Expenses	5,000
Legal Fees and Expenses	20,000
Mailing Expenses	12,000
Miscellaneous Expenses	5,000
Total Expenses	\$ 59,174

* Estimated, except for SEC Filing Fees

Item 15. *Indemnification of Directors and Officers.*

Article Ninth of National Fuel's Restated Certificate of Incorporation, as amended, provides as follows:

"No director or officer of this corporation shall be personally liable to the corporation or any of its shareholders for monetary damages for breach of any duty owed to the corporation or any of its shareholders, except to the extent that such exemption from liability is not permitted under the New Jersey Business Corporation Act, as the same exists or may hereafter be amended, or under any revision thereof or successor statute thereto."

Article II, Paragraph 8 of the By-Laws of National Fuel provides as follows:

"A. The Corporation shall indemnify any person who is or was a director or officer of the Corporation, to the fullest extent permitted and in the manner provided by the laws of the State of New Jersey, including, without limitation, the indemnification permitted by N.J.S. 14A:3-5(8), against all liabilities (including amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties) and expenses (including, without limitation, attorneys' fees and disbursements) imposed upon or incurred by such person in connection with any pending, threatened or completed civil, criminal, administrative or arbitral action, suit or proceeding, and any appeal therein and any inquiry or investigation which could lead to such action, suit or proceeding ("Proceeding") in which such person may be made, or threatened to be made, a party, or in which such person may become involved by reason of such person being or having been a director or officer of the Corporation, or of serving or having served at the request of the Corporation as a director, officer, trustee, employee or agent of, or in any other capacity with, another foreign or domestic corporation, or any partnership, joint venture, sole proprietorship, employee benefit plan, trust or other enterprise, whether or not for profit.

B. During the pendency of any such Proceeding, the Corporation shall, to the fullest extent permitted by law, promptly advance expenses (including, without limitation, attorneys' fees and disbursements) that are incurred, from time to time, in connection therewith by any such current or former director or officer of the Corporation, subject to the receipt by the Corporation of an undertaking of such person as required by law.

C. Nothing in this paragraph 8 shall restrict or limit the power of the Corporation to indemnify its employees, agents and other persons, to advance expenses (including attorneys' fees) on their behalf and to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation in connection with any Proceeding.

D. The indemnification provided by this paragraph 8 shall not exclude any other rights to which a person seeking indemnification may be entitled under the Certificate of Incorporation, By-Laws, agreement, vote of shareholders or otherwise. The indemnification provided by this paragraph 8 shall continue as to a person who has ceased to be a director or officer, and shall extend to the estate or personal representative of any deceased director or officer."

Section 14A:3-5 of the New Jersey Statutes Annotated provides:

"INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES.

(1) As used in this section,

(a) "Corporate agent" means any person who is or was a director, officer, employee or agent of the indemnifying corporation or of any constituent corporation absorbed by the indemnifying corporation in a consolidation or merger and any person who is or was a director, officer, trustee, employee or agent of any other enterprise, serving as such at the request of the indemnifying corporation, or of any such constituent corporation, or the legal representative of any such director, officer, trustee, employee or agent;

(b) "Other enterprise" means any domestic or foreign corporation, other than the indemnifying corporation, and any partnership, joint venture, sole proprietorship, trust or other enterprise, whether or not for profit, served by a corporate agent;

(c) "Expenses" means reasonable costs, disbursements and counsel fees;

(d) "Liabilities" means amounts paid or incurred in satisfaction of settlements, judgments, fines and penalties;

(e) "Proceeding" means any pending, threatened or completed civil, criminal, administrative or arbitrate action, suit or proceeding, and any appeal therein and any inquiry or investigation which could lead to such action, suit or proceeding; and

(f) References to "other enterprises" include employee benefit plans; references to "fines" include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the indemnifying corporation" include any service as a corporate agent which imposes duties on, or involves services by, the corporate agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner the person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(2) Any corporation organized for any purpose under any general or special law of this State shall have the power to indemnify a corporate agent against his expenses and liabilities in connection with any proceeding involving the corporate agent by reason of his being or having been such a corporate agent, other than a proceeding by or in the right of the corporation, if

(a) such corporate agent acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; and

(b) with respect to any criminal proceeding, such corporate agent had no reasonable cause to believe his conduct was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that such corporate agent did not meet the applicable standards of conduct set forth in paragraphs 14A:3-5(2)(a) and 14A:3-5(2)(b).

(3) Any corporation organized for any purpose under any general or special law of this State shall have the power to indemnify a corporate agent against his expenses in connection with

any proceeding by or in the right of the corporation to procure a judgment in its favor which involves the corporate agent by reason of his being or having been such corporate agent, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. However, in such proceeding no indemnification shall be provided in respect of any claim, issue or matter as to which such corporate agent shall have been adjudged to be liable to the corporation, unless and only to the extent that the Superior Court or the court in which such proceeding was brought shall determine upon application that despite the adjudication of liability, but in view of all circumstances of the case, such corporate agent is fairly and reasonably entitled to indemnity for such expenses as the Superior Court or such other court shall deem proper.

(4) Any corporation organized for any purpose under any general or special law of this State shall indemnify a corporate agent against expenses to the extent that such corporate agent has been successful on the merits or otherwise in any proceeding referred to in subsections 14A:3-5(2) and 14A:3-5(3) or in defense of any claim, issue or matter therein.

(5) Any indemnification under subsection 14A:3-5(2) and, unless ordered by a court, under subsection 14A:3-5(3), may be made by the corporation only as authorized in a specific case upon a determination that indemnification is proper in the circumstances because the corporate agent met the applicable standard of conduct set forth in subsection 14A:3-5(2) or subsection 14A:3-5(3). Unless otherwise provided in the certificate of incorporation or bylaws, such determination shall be made

(a) by the board of directors or a committee thereof, acting by a majority vote of a quorum consisting of directors who were not parties to or otherwise involved in the proceeding; or

(b) if such a quorum is not obtainable, or, even if obtainable and such quorum of the board of directors or committee by a majority vote of the disinterested directors so directs, by independent legal counsel, in a written opinion, such counsel to be designated by the board of directors; or

(c) by the shareholders if the certificate of incorporation or bylaws or a resolution of the board of directors or of the shareholders so directs.

(6) Expenses incurred by a corporate agent in connection with a proceeding may be paid by the corporation in advance of the final disposition of the proceeding as authorized by the board of directors upon receipt of an undertaking by or on behalf of the corporate agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified as provided in this section.

(7) (a) If a corporation upon application of a corporate agent has failed or refused to provide indemnification as required under subsection 14A:3-5(4) or permitted under subsections 14A:3-5(2), 14A:3-5(3) and 14A:3-5(6), a corporate agent may apply to a court for an award of indemnification by the corporation, and such court

(i) may award indemnification to the extent authorized under subsections 14A:3-5(2) and 14A:3-5(3) and shall award indemnification to the extent required under subsection 14A:3-5(4), notwithstanding any contrary determination which may have been made under subsection 14A:3-5(5); and

(ii) may allow reasonable expenses to the extent authorized by, and subject to the provisions of, subsection 14A:3-5(6), if the court shall find that the corporate agent has by his pleadings or during the course of the proceeding raised genuine issues of fact or law.

(b) Application for such indemnification may be made

(i) in the civil action in which the expenses were or are to be incurred or other amounts were or are to be paid; or

(ii) to the Superior Court in a separate proceeding. If the application is for indemnification arising out of a civil action, it shall set forth reasonable cause for the failure to make application for such relief in the action or proceeding in which the expenses were or are to be incurred or other amounts were or are to be paid.

The application shall set forth the disposition of any previous application for indemnification and shall be made in such manner and form as may be required by the applicable rules of court or, in the absence thereof, by direction of the court to which it is made. Such application shall be upon notice to the corporation. The court may also direct that notice shall be given at the expense of the corporation to the shareholders and such other persons as it may designate in such manner as it may require.

(8) The indemnification and advancement of expenses provided by or granted pursuant to the other subsections of this section shall not exclude any other rights, including the right to be indemnified against liabilities and expenses incurred in proceedings by or in the right of the corporation, to which a corporate agent may be entitled under a certificate of incorporation, bylaw, agreement, vote of shareholders, or otherwise; provided that no indemnification shall be made to or on behalf of a corporate agent if a judgment or other final adjudication adverse to the corporate agent establishes that his acts or omissions (a) were in breach of his duty of loyalty to the corporation or its shareholders, as defined in subsection (3) of N.J.S. 14A:2-7, (b) were not in good faith or involved a knowing violation of law or (c) resulted in receipt by the corporate agent of an improper personal benefit.

(9) Any corporation organized for any purpose under any general or special law of this State shall have the power to purchase and maintain insurance on behalf of any corporate agent against any expenses incurred in any proceeding and any liabilities asserted against him by reason of his being or having been a corporate agent, whether or not the corporation would have the power to indemnify him against such expenses and liabilities under the provisions of this section. The corporation may purchase such insurance from, or such insurance may be reinsured in whole or in part by, an insurer owned by or otherwise affiliated with the corporation, whether or not such insurer does business with other insureds.

(10) The powers granted by this section may be exercised by the corporation, notwithstanding the absence of any provision in its certificate of incorporation or bylaws authorizing the exercise of such powers.

(11) Except as required by subsection 14A:3-5(4), no indemnification shall be made or expenses advanced by a corporation under this section, and none shall be ordered by a court, if such action would be inconsistent with a provision of the certificate of incorporation, a bylaw, a resolution of the board of directors or of the shareholders, an agreement or other proper corporate action, in effect at the time of the accrual of the alleged cause of action asserted in the proceeding, which prohibits, limits or otherwise conditions the exercise of indemnification powers by the corporation or the rights of indemnification to which a corporate agent may be entitled.

(12) This section does not limit a corporation's power to pay or reimburse expenses incurred by a corporate agent in connection with the corporate agent's appearance as a witness in a proceeding at a time when the corporate agent has not been made a party to the proceeding."

Item 16. Exhibits.

Exhibit Number	Description of Exhibits
3(i)	— Articles of Incorporation:
*	— Restated Certificate of Incorporation dated September 21, 1998 (Exhibit 3.1, Form 10-K for the fiscal year ended September 30, 1998 in File No. 1-3880).
*	— Certificate of Amendment of Restated Certificate of Incorporation (Exhibit 3(ii), Form 8-K dated March 14, 2005 in File No. 1-3880).
3(ii)	— By-Laws:
*	— By-Laws as amended through December 9, 2004 (Exhibit 3(ii), Form 8-K dated December 9, 2004 in File No. 1-3880).
4	— Instruments Defining the Rights of Security Holders, including Indentures:
*	— Indenture dated as of October 15, 1974, between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 2(b), File No.2-51796).
*	— Third Supplemental Indenture dated as of December 1, 1982, to Indenture dated as of October 15, 1974, between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(a)(4) in File No. 33-49401).
*	— Eleventh Supplemental Indenture dated as of May 1, 1992, to Indenture dated as of October 15, 1974, between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(b), Form 8-K dated February 14, 1992 in File No. 1-3880).
*	— Twelfth Supplemental Indenture dated as of June 1, 1992, to Indenture dated as of October 15, 1974, between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(c), Form 8-K dated June 18, 1992 in File No. 1-3880).
*	— Thirteenth Supplemental Indenture dated as of March 1, 1993, to Indenture dated as of October 15, 1974, between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(a)(14) in File No. 33-49401).
*	— Fourteenth Supplemental Indenture dated as of July 1, 1993 to Indenture dated as of October 15, 1974 between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4.1, Form 10-K for fiscal year ended September 30, 1993 in File No. 1-3880).
*	— Fifteenth Supplemental Indenture dated as of September 1, 1996, to Indenture dated as of October 15, 1974 between National Fuel Gas Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4.1, Form 10-K for fiscal year ended September 30, 1996 in File No. 1-3880).
*	— Indenture dated as of October 1, 1999, between National Fuel Gas Company and The Bank of New York (Exhibit 4.1, Form 10-K for fiscal year ended September 30, 1999 in File No. 1-3880).
*	— Officer's Certificate Establishing Medium-Term Notes, dated October 14, 1999 (Exhibit 4.2, Form 10-K for fiscal year ended September 30, 1999 in File No. 1-3880).
*	— Officers Certificate establishing 6.50% Notes due 2022, dated September 18, 2002 (Exhibit 4, Form 8-K dated October 3, 2002 in File No. 1-3880).
*	— Officers Certificate establishing 5.25% Notes due 2013, dated February 18, 2003 (Exhibit 4, Form 10-Q for the quarterly period ended March 31, 2003 in File No. 1-3880).
*	— Rights Agreement amended and restated as of April 30, 1999 between National Fuel Gas Company and HSBC Bank USA (Exhibit 10.2, Form 10-Q for the quarterly period ended March 31, 1999 in File No. 1-3880).
*	— Certificate of Adjustment, dated September 7, 2001, to the Amended and Restated Rights Agreement dated as of April 30, 1999, between National Fuel Gas Company and HSBC Bank USA (Exhibit 4, Form 8-K dated September 7, 2001 in File No. 1-3880).
5**	— Opinion of Stryker, Tams & Dill LLP, Counsel for National Fuel Gas Company.
23(a)	— Consent of PricewaterhouseCoopers LLP.
23(b)**	— Consent of Stryker, Tams & Dill LLP (contained in Exhibit 5).
23(c)**	— Consent of Ralph E. Davis Associates, Inc. regarding Seneca Resources Corporation.

Exhibit Number	Description of Exhibits
23(d)**	— Consent of Ralph E. Davis Associates, Inc. regarding Seneca Energy Canada, Inc.
24**	— Power of Attorney.

* Incorporated herein by reference as indicated.

** Previously filed with the original registration statement filed with the Securities and Exchange Commission on March 29, 2005.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's Annual Report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933, and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this amendment to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Amherst, State of New York, on the 16th day of May, 2005.

NATIONAL FUEL GAS COMPANY

By: */s/ P. C. Ackerman*
 P. C. Ackerman
 (Chairman of the Board, President and
 Chief Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, this amendment to the registration statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<i>/s/ P. C. Ackerman</i> P. C. Ackerman	Chairman of the Board, President, Chief Executive Officer and Director	May 16, 2005
*	Treasurer and Principal Financial Officer	May 16, 2005
R. J. Tanski		
*	Controller and Principal Accounting Officer	May 16, 2005
K. M. Camiolo		
*	Director	May 16, 2005
R. T. Brady		
*	Director	May 16, 2005
R. D. Cash		
*	Director	May 16, 2005
C. G. Matthews		
*	Director	May 16, 2005
R. E. Kidder		
*	Director	May 16, 2005
G. L. Mazanec		

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
* R. G. Reiten	Director	May 16, 2005
* J. F. Riordan	Director	May 16, 2005
*By: /s/ P. C. Ackerman P. C. Ackerman Attorney-in-Fact		

EXHIBIT INDEX

Exhibit Number	Description of Exhibits
23(a)	Consent of PricewaterhouseCoopers LLP.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 (No. 333-123654) and Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (No 333-85711) of our report dated December 9, 2004 relating to the financial statements and financial statement schedule, which appears in National Fuel Gas Company's Annual Report on Form 10-K for the year ended September 30, 2004. We also consent to the reference to us under the heading "Experts" in such Pre-Effective Amendment No. 1 to the Registration Statement on Form S-3 (No. 333-123654) and Post-Effective Amendment No. 1 to the Registration Statement on Form S-3 (No 333-85711).

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Buffalo, New York
May 16, 2005

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

5. Supply projected capital requirements and sources of Company, Parent, and System (Consolidated) for each of future three years.

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National Fuel Gas Company and Subsidiaries
(Consolidated) Projected Sources and Uses of Funds
Fiscal Years 2007-2009

Pages 2

National Fuel Gas Distribution Corporation
Projected Sources and Uses of Funds
Fiscal Years 2007-2009

Page 3

NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES
CONSOLIDATED PROJECTED SOURCES AND USES OF FUNDS
FISCAL YEARS 2007-2009
(\$000 Omitted)

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
USES OF FUNDS			
Construction	\$335,193	\$230,767	\$194,885
Allowance for Funds Used During Construction	4,931	2,346	454
Debt Retirement and Redemption	9,483	209,483	104,251
Common Dividends	93,477	97,957	103,269
Other Investing Activities	0	0	0
Total Funds Required	<u>\$443,084</u>	<u>\$540,553</u>	<u>\$402,859</u>
 SOURCES OF FUNDS			
<u>Internal Sources</u>			
Net Income	\$248,957	\$254,739	\$248,884
Depreciation	191,918	203,430	210,736
Deferred Taxes	18,743	9,277	8,646
Working Capital	9,073	5,410	16,779
Total Internal Sources	<u>468,691</u>	<u>472,856</u>	<u>485,045</u>
 <u>External Sources</u>			
Common Stock	13,116	20,257	29,206
Net Increase (Decrease) in Short Term Borrowing	(38,723)	47,440	(111,392)
Issuance of Long Term Debt	0	0	0
Sale of Assets	0	0	0
Total External Sources	<u>(25,607)</u>	<u>67,697</u>	<u>(82,186)</u>
 Total Sources of Funds	 <u>\$443,084</u>	 <u>\$540,553</u>	 <u>\$402,859</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PROJECTED SOURCES AND USES OF FUNDS
FISCAL YEARS 2007-2009
(\$000 Omitted)

USES OF FUNDS	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Construction	\$55,583	\$55,165	\$55,578
Allowance for Funds Used During Construction	180	179	180
Debt Retirement and Redemption	0	40,000	0
Common Dividends	86,401	36,400	36,400
Total Funds Required	<u>\$142,164</u>	<u>\$131,744</u>	<u>\$92,158</u>
SOURCES OF FUNDS			
<u>Internal Sources</u>			
Net Income	\$43,409	\$40,405	\$35,353
Depreciation	43,018	44,456	45,782
Deferred Taxes	(5,990)	(8,952)	(10,052)
Working Capital	23,224	20,032	19,159
Total Internal Sources	<u>103,661</u>	<u>95,941</u>	<u>90,242</u>
<u>External Sources</u>			
Net Increase (Decrease) in Short Term Borrowing	38,503	35,803	1,916
Issuance of Long Term Debt	0	0	0
Total External Sources	<u>38,503</u>	<u>35,803</u>	<u>1,916</u>
Total Sources of Funds	<u>\$142,164</u>	<u>\$131,744</u>	<u>\$92,158</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 II. BALANCE SHEET AND OPERATING STATEMENT
A. ALL UTILITIES

6. Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable):

- a. Date of issue
- b. Date of maturity
- c. Amount issued
- d. Amount outstanding
- e. Amount retired
- f. Amount reacquired
- g. Gain on reacquisition
- h. Coupon rate
- i. Discount or premium at issuance
- j. Issuance expenses
- k. Net proceeds
- l. Sinking Fund requirements
- m. Effective interest rate
- n. Dividend rate
- o. Effective cost rate
- p. Total average weighted effective cost rate

Please see attached.

National Fuel Gas Company and Subsidiaries
Calculation of the Composite Interest Rate of Total Debt
Actual at January 31, 2006

<u>Type</u>	<u>Amount Outstanding</u>	<u>Effective Cost Rate (1)</u>	<u>Annualized Cost</u>	<u>Composite Cost Rate</u>
<u>Medium-Term Notes</u>				
7.395% Series B due 2023	\$ 49,000,000	7.48%	\$ 3,665,200	
7.375% Series C due 2025	50,000,000	7.53%	3,765,000	
6.303% Series D due 2008	200,000,000	6.41%	12,820,000	
6.000% Series D due 2009	100,000,000	6.20%	6,200,000	
7.500% Series E due 2010	200,000,000	7.73%	15,460,000	
6.700% Series E due 2011	150,000,000	6.83%	10,245,000	
6.500% due 2022	97,181,000	6.80%	6,608,308	
5.250% due 2013	<u>250,000,000</u>	5.37%	<u>13,425,000</u>	
<u>Total Medium-Term Notes</u>	<u>\$1,096,181,000</u>		<u>\$ 72,188,508</u>	<u>6.59%</u>
<u>Net Premium and Issuance Expense Adjustments (2)</u>				
1993 (March)	\$ (402,612)			
1993 (July)	(2,368,704)			
2002 (September)	(2,625,797)			
2003 (February)	<u>(1,713,386)</u>			
Total Adjustments	<u>\$ (7,110,499)</u>			
<u>Annual Amortization of Premium (Net of Tax) (3)</u>				
1993 (March)			\$ 20,232	
1993 (July)			114,876	
2002 (September)			-	
2003 (February)			165,420	
<u>Reduction of Annualized Cost Resulting from Recovery of Annual Premium Amortization (4)</u>				
1993 (March)			(18,454)	
1993 (July)			(116,902)	
2002 (September)			-	
2003 (February)			<u>(20,260)</u>	
			<u>\$ 144,912</u>	
Total Long-Term Debt	<u>\$1,089,070,501</u>		<u>\$ 72,333,420</u>	<u>6.64%</u>
Short-Term Debt	\$ 42,753,000 (5)	2.947% (6)	\$ 1,259,803	
Committed Line of Credit Fee			599,803	
Total Short-Term Debt	<u>\$ 42,753,000</u>		<u>\$ 1,859,606</u>	<u>4.35%</u>
Total Debt	<u>\$1,131,823,501</u>		<u>\$ 74,193,026</u>	<u>6.56%</u>

See page 3 for notes.

National Fuel Gas Company and Subsidiaries
Calculation of the Composite Interest Rate of Total Debt
Estimated at January 31, 2007

<u>Type</u>	<u>Amount Outstanding</u>	<u>Effective Cost Rate (1)</u>	<u>Annualized Cost</u>	<u>Composite Cost Rate</u>
<u>Medium-Term Notes</u>				
7.395% Series B due 2023	\$ 49,000,000	7.48%	\$ 3,665,200	
7.375% Series C due 2025	50,000,000	7.53%	3,765,000	
6.303% Series D due 2008	200,000,000	6.41%	12,820,000	
6.000% Series D due 2009	100,000,000	6.20%	6,200,000	
7.500% Series E due 2010	200,000,000	7.73%	15,460,000	
6.700% Series E due 2011	150,000,000	6.83%	10,245,000	
6.500% due 2022	97,031,000	6.80%	6,598,108	
5.250% due 2013	250,000,000	5.37%	13,425,000	
	<u>\$ 1,096,031,000</u>		<u>\$ 72,178,308</u>	<u>6.59%</u>
<u>Net Premium and Issuance Expense Adjustments (7)</u>				
1993 (March)	(379,147)			
1993 (July)	(2,233,356)			
2002 (September)	(2,468,249)			
2003 (February)	(1,471,490)			
	<u>\$ (6,552,242)</u>			
<u>Annual Amortization of Premium (Net of Tax) (3)</u>				
1993 (March)			20,232	
1993 (July)			114,876	
2002 (September)			-	
2003 (February)			165,420	
<u>Reduction of Annualized Cost Resulting from Recovery of Annual Premium Amortization (8)</u>				
1993 (March)			(19,951)	
1993 (July)			(126,642)	
2002 (September)			-	
2003 (February)			(28,944)	
			<u>\$ 124,991</u>	
Total Long-Term Debt	<u>\$ 1,089,478,758</u>		<u>\$ 72,303,299</u>	<u>6.64%</u>
Short-Term Debt	\$ 75,840,000 (9)	5.300% (10)	\$ 4,019,520	
Committed Line of Credit Fee			554,750	
Total Short-Term Debt	<u>\$ 75,840,000</u>		<u>\$ 4,574,270</u>	<u>6.03%</u>
Total Debt	<u>\$ 1,165,318,758</u>		<u>\$ 76,877,569</u>	<u>6.60%</u>

See page 3 for notes.

National Fuel Gas Company and Subsidiaries
Calculation of the Composite Interest Rate of Total Debt

Notes:

- (1) From page 10 of this Schedule.
- (2) Unamortized balances of net after-tax premium and issuance expenses at January 31, 2006 from page 5 of this Schedule.
- (3) Annual amortization of net after-tax premiums.
- (4) Annualized interest cost adjustment to reflect the impact of the annual amortization of net after-tax premiums at January 31, 2006.
- (5) Average short-term debt balance for the thirteen months ended January 31, 2006
- (6) Average short-term debt cost rate for the thirteen months ended January 31, 2006
- (7) Projected unamortized balances of net after-tax premium and issuance expenses at January 31, 2007 from page 5 of this Schedule.
- (8) Annualized interest cost adjustment to reflect the impact of the annual amortization of net after-tax premiums at January 31, 2007.
- (9) Estimated average short-term debt balance for the thirteen months ended January 31, 2007.
- (10) Estimated average short-term debt cost rate at January 31, 2007.

National Fuel Gas Company and Subsidiaries
Amortization of Capital Structure Adjustments
for Ratemaking Purposes

	Base Year Adjustment	Months of Amort.	Monthly Amort.	Start Date	Actual At January 31, 2006			Projected At January 31, 2007		
					# of Mos.	Amount Amortized	Balance Outstanding	# of Mos.	Amount Amortized	Balance Outstanding
1) 1993 March	<u>\$703,682</u> (1)	360	<u>\$1,955</u>	Mar-93	154	\$301,070	\$402,612	166	\$324,530	\$379,147
2) 1993 July	<u>\$4,060,554</u> (2)	360	<u>\$11,279</u>	Jul-93	150	\$1,691,850	\$2,368,704	162	\$1,827,198	\$2,233,356
3) 2002 September	<u>\$3,150,957</u> (3)	240	<u>\$13,129</u>	Sep-02	40	\$525,160	\$2,625,797	52	\$682,708	\$2,468,249
4) 2003 February	<u>\$2,418,916</u> (4)	120	<u>\$20,158</u>	Feb-03	35	\$705,530	\$1,713,386	47	\$947,426	\$1,471,490
					Total		<u>\$7,110,499</u>	Total		<u>\$6,552,242</u>

- Notes: (1) From page 6 of this Schedule.
(2) From page 7 of this Schedule.
(3) From page 8 of this Schedule.
(4) From page 9 of this Schedule.

National Fuel Gas Company and Subsidiaries
1993 (March) Base Year Refinancing Activity

Premiums Resulting From Refinancing

9-1/2% due 2019 (11.380% of Total)	\$ 919,504
Less Tax Savings at 34%	<u>312,631</u>
Total After Tax Premiums	<u>\$ 606,873</u>

Expenses Resulting from Refinancing

7.395% Medium Term Note due 2023 (11/380% of Total)	
- Discount and Underwriters' Expense	\$ 85,260
- Issuance Expenses	<u>11,549</u>
Total Expenses	<u>\$ 96,809</u>

Adjustment to Capital Structure	<u>\$ 703,682</u>
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National Fuel Gas Company and Subsidiaries
1993 (July) Base Year Refinancing Activity

Premiums Resulting From Refinancing

9-1/2% due 2019	\$ 5,221,428
Less Tax Savings at 34%	<u>1,775,286</u>
Total After Tax Premiums	<u>\$ 3,446,142</u>

Expenses Resulting from Refinancing

7.25% Medium Term Note due 1999	
8.48% Medium Term Note due 2024	
- Discount and Underwriters' Expense	\$ 401,570
- Issuance Expenses	<u>212,842</u>
Total Expenses	<u>\$ 614,412</u>

Adjustment to Capital Structure	<u>\$ 4,060,554</u>
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National Fuel Gas Company and Subsidiaries
2002 (September) Base Year Refinancing Activity

Premiums Resulting From Refinancing

6.214% due 2027	\$	-
Less Tax Savings at 35%		-
Total After Tax Premiums	\$	-

Expenses Resulting from Refinancing

6.500% Medium-Term Note due 2022		
- Discount and Underwriters' Expense	\$	2,833,300
- Issuance Expenses		<u>317,657</u>
Total Expenses	\$	<u>3,150,957</u>
Adjustment to Capital Structure		<u>\$ 3,150,957</u>

National Fuel Gas Company and Subsidiaries
2003 (February) Base Year Refinancing Activity

Premiums Resulting From Refinancing

8.48% due 2024		\$ 2,545,000
Less Tax Savings at 35%		890,750
Total After Tax Premiums		<u>\$ 1,654,250</u>

Expenses Resulting from Refinancing

5.25% Medium Term Note due 2013		
- Discount and Underwriters' Expense	(1)	\$ 297,500
- Issuance Expenses	(1)	72,199
- Unamortized Issuance Expenses		394,967
Total Expenses		<u>\$ 764,666</u>

Adjustment to Capital Structure \$ 2,418,916

Notes:

- (1) Since \$50 million of the \$250 million of 5.25% medium-term notes, or 20%, was used to redeem the 8.48% Series notes, only 20% of the discount and underwriters' expenses and issuance expenses directly relate to the 5.25% notes and are applicable to the adjustment to capital structure.

	<u>Total</u>		<u>Applicable Amount</u>
Discount and Underwriters' Expense	\$ 1,487,500	20%	\$ 297,500
Issuance Expenses	360,995	20%	72,199

National Fuel Gas Company and Subsidiaries
Calculation of the Effective Interest Rate of Long-Term Debt by Series

<u>Series</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Term in Years</u>	<u>Principal Amount Issued</u>	<u>Premium or (Discount) at Issuance</u>	<u>Issuance Expenses</u>	<u>Net Proceeds</u>	<u>Net Proceeds Ratio</u>	<u>Effective Cost Rate to Maturity (1)</u>
<u>Medium-Term Notes</u>									
7.395% Series B due 2023	March 30, 1993	March 30, 2023	30	\$ 49,000,000	\$ (367,500)	\$ 113,854	\$ 48,518,646	99.02%	7.48%
7.375% Series C due 2025	June 12, 1995	June 12, 2025	30	50,000,000	(726,500)	179,236	49,094,264	98.19%	7.53%
6.303% Series D due 2008	May 26, 1998	May 27, 2008	10	200,000,000	(1,250,000)	344,041	198,405,959	99.20%	6.41%
6.000% Series D due 2009	February 26, 1999	March 26, 2009	10	100,000,000	(1,264,000)	229,409	98,506,591	98.51%	6.20%
7.500% Series E due 2010	November 21, 2000	November 22, 2010	10	200,000,000	(2,706,000)	397,403	196,896,597	98.45%	7.73%
6.700% Series E due 2011	November 20, 2001	November 21, 2011	10	150,000,000	(1,023,000)	370,952	148,606,048	99.07%	6.83%
6.500% due 2022	September 18, 2002	September 15, 2022	20	97,700,000	(2) (2,833,300)	317,657	94,549,043	96.77%	6.80%
5.250% due 2013	February 18, 2003	March 1, 2013	10	250,000,000	(1,487,500)	755,965	247,756,535	99.10%	5.37%

Notes:

- (1) The effective cost rate for each issue is the cost rate to maturity using as inputs the date of issue, date of maturity, coupon rate and net proceeds ratio.
- (2) Principal amount issued was \$97.7 million. Balance outstanding at January 31, 2006 and projected at January 31, 2007 differs due to death put options which were exercised by an estate upon the death on a bondholder.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

7. Supply financial data of Company and / or Parent for last five years:

- a. Earnings - Price Ratio (Average)
- b. Earnings - Book Value Ratio (Per Share Basis)
(Average Book Value)
- c. Dividend Yield (Average)
- d. Earnings Per Share (Dollars)
- e. Dividends Paid Per Share (Dollars)
- f. Average Book Value Per Share Yearly
- g. Average Yearly Market Price Per Share
(Monthly High - Low Basis)
- h. Pre-Tax Funded Debt Interest Coverage
- i. Post-Tax Funded Debt Interest Coverage
- j. Average Market Price - Average Book Value Ratio

National Fuel Gas Company (Consolidated)
Financial Data for Fiscal Years 2001 - 2005

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
a. Earnings - Price Ratio (Average)	3.1%	6.5%	9.8%	8.1%	7.8%
b. Earnings - Book Value Ratio (Per Share Basis) (Average Book Value)	6.3%	11.2%	16.0%	13.6%	14.1%
c. Dividend Yield (Average)	3.6%	4.5%	4.7%	4.4%	3.9%
d. Diluted Earnings Per Share (Dollars)	\$ 0.82	\$ 1.46	\$ 2.20	\$ 2.01	\$ 2.23
e. Dividends Paid Per Share (Dollars)	\$ 0.97	\$ 1.02	\$ 1.05	\$ 1.09	\$ 1.13
f. Average Book Value Per Share Yearly	\$ 13.09	\$ 13.07	\$ 13.74	\$ 14.81	\$ 15.84
g. Average Yearly Market Price Per Share (Monthly High-Low Basis)	\$ 26.86	\$ 22.54	\$ 22.34	\$ 24.96	\$ 28.74
h. Pre-Tax Funded Debt Interest Coverage	2.55	3.22	4.52	4.75	5.19
i. Post-Tax Funded Debt Interest Coverage	2.10	2.44	3.11	3.50	3.76
j. Average Market Price - Average Book Value Ratio	205.2%	172.4%	162.6%	168.5%	181.5%

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

11. Provide AFUDC charged by Company at Test Year-end and latest date, and explain method by which rate was calculated.

National Fuel Gas Distribution Corporation

	12 Months Ended <u>January 31, 2006</u>	12 Months Ended <u>March 31, 2006</u>
NFG Distribution Corp.	\$ 248,357	\$ 278,160
NFG Distribution Corp. - Pennsylvania Division	\$ 42,803	\$ 48,532

AFUDC is calculated in accordance with the formula prescribed by the Federal Energy Regulatory Commission in Order No. 561.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

PENNSYLVANIA RATE JURISDICTION

53.53 II. RATE OF RETURN

A. ALL UTILITIES

12. Set forth the provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.

.....

1. Restrictions contained in the National Fuel Gas Company Restated Certificate of Incorporation, as amended ("Charter").

The Charter provides that dividends may be declared and paid on National Fuel Gas Company stock only out of funds legally available for the payment of such dividends. Otherwise, the Charter contains no currently effective restrictions on the payment of dividends, as there currently is no outstanding preferred stock issued by National Fuel Gas Company.

However, if any shares of preferred stock are outstanding, the authority of the Board of Directors to declare and pay dividends on National Fuel Gas Company common stock is subject to the rights and preferences of each series of preferred stock outstanding, as such rights and preferences may be determined by the Board of Directors. (See Article FOURTH, Paragraph 4 on Schedule 1, Exhibit No. 409, page 3 of 3.)

The Board of Directors may determine the designation, the number, and the special and relative rights, powers, preferences and limitations of each series of preferred stock created. This power includes, among other things, the power to determine the following terms:

- the preference or relation that dividends on any series of preferred stock shall bear to the dividends payable on any other class or classes or any other series of capital stock; and

- the limitations and restrictions, if any, to be effective while any shares of any series of preferred stock are outstanding, upon the payment of dividends on the common stock or any other class or classes or any other series of capital stock of the corporation ranking junior to the shares of such series.

(See Article FOURTH, Paragraphs 1(c) and 1(h) on Schedule 1, Exhibit No. 409, pages 1 and 2 of 3.)

The Charter does not contain any coverage requirements or any currently effective restrictions on the proportions of types of capital outstanding. However, the Board of Directors has the authority to determine the conditions and restrictions, if any, to be effective while any shares of any series of preferred stock are outstanding, upon the creation of indebtedness of the corporation or upon the issuance of any additional stock ranking on a parity with or prior to the shares of such series. (See Article FOURTH, Paragraph 1(i) on Schedule 1, Exhibit No. 409, page 2 of 3.)

2. Restrictions contained in outstanding debentures' indentures and indenture supplements.

The Company's October 15, 1974 Indenture with The Bank of New York (formerly Irving Trust Company) ("1974 Indenture") and the indenture supplements thereto provide generally that National Fuel Gas Company may not increase its debt (other than short-term debt) if such increases would cause interest coverage to be less than 2 times. Likewise, generally, such debt may not be increased if doing so would cause debt to exceed 60% of total capitalization.

Dividends may not be paid if the aggregate of dividends and certain other distributions subsequent to December 31, 1967, would exceed income available for dividends since such date, plus \$10,000,000 plus such additional amounts as may be authorized or approved by the Securities and Exchange Commission. In addition, dividends may not be paid if this action would result in debt exceeding 60% of total capitalization.

Schedule 2 and Schedule 3 of Exhibit No. 409 contain excerpts from the 1974 Indenture setting forth in detail the provisions described in the above two paragraphs. Schedule 4 contains excerpts from the Third Supplemental Indenture to the 1974 Indenture, which changed the 2-1/2 times interest coverage test (see Schedule 3, page 2 of 4) to a 2 times test. The 2 times test is now the effective test, as no debentures issued prior to the date of the Third Supplemental Indenture are now outstanding. Other indenture supplements to the 1974 Indenture are not excerpted because, except as already described,

they do not differ from the 1974 Indenture respecting coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts. The Company's October 1, 1999 Indenture with The Bank of New York does not contain coverage requirements, limits on proportions of types of capital outstanding, or restrictions on dividend payouts.

ARTICLE FOURTH
Capital Stock

The total authorized capital stock of this corporation shall consist of Ten Million (10,000,000) shares of Preferred Stock having the par value of One Dollar (\$1.00) per share and Two Hundred Million (200,000,000) shares of Common Stock having the par value of One Dollar (\$1.00) per share.

The designations and relative rights, powers, preferences and limitations of the different classes of capital stock of this corporation are as follows:

I. Characteristics of Common Stock and Preferred Stock.

The Board of Directors shall have the authority to amend this Certificate of Incorporation from time to time to divide the shares of the Preferred Stock into one or more series and to determine the designation, the number, and the special and relative rights, powers, preferences and limitations of the shares of each series so created. For illustrative purposes only, the forgoing power of the Board of Directors shall include, but shall not be limited to, the determination of the following terms:

- (a) the maximum number of shares to constitute each such series, which may subsequently be increased or decreased (but not below the number of shares of such series then outstanding) by resolution of the Board of Directors, the distinctive designation thereof and the stated value thereof if different from the par value thereof;
- (b) whether the shares of each such series shall have voting rights and, if such shares are given voting rights, the terms of such voting rights, subject to the provisions of paragraph 7 hereof;
- (c) the dividend rate or rates, if any, on the shares of each such series or the manner in which such rate or rates shall be determined, the conditions and dates upon which such dividends shall be payable, the preference or relation that such dividends shall bear to the dividends payable on any other class or classes or any other series of capital stock (including whether such dividends shall be participating or non-participating with respect to any other class or classes or any other series of capital stock), whether such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which any such dividends shall be cumulative;
- (d) whether the shares of each such series shall be subject to redemption, and, if made subject to redemption, the time or times, price or prices and other terms, limitations, restrictions or conditions of such redemption, including

whether such redemption shall be made at the election of the corporation or the holders of such shares;

- (e) the relative amounts, and the relative rights or preferences, if any, of payment in respect of shares of each such series which the holders of shares of each such series shall be entitled to receive upon the voluntary or involuntary liquidation, dissolution or winding-up of the corporation, including whether such rights shall be limited or participating with respect to shares of any other class or classes or any other series of capital stock upon the voluntary or involuntary liquidation, dissolution or winding up of the corporation;
- (f) whether or not the shares of each such series shall be subject to the operation of a retirement or sinking fund and, if so, the terms and provisions relative to the operation of such retirement or sinking fund;
- (g) whether or not the shares of each such series shall be convertible into, or exchangeable for, shares of any other class or classes or any other series of capital stock, or other securities, whether or not issued by the corporation, and if so convertible or exchangeable, the price or prices or the rate or rates of conversion or exchange, the method, if any, of adjusting any such price or prices or rate or rates and whether such shares shall be convertible or exchangeable at the election of the corporation or the holders of such shares;
- (h) the limitations and restrictions, if any, to be effective while any shares of each such series are outstanding, upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the corporation of, the Common Stock or any other class or classes or any other series of capital stock of the corporation ranking junior to the shares of such series either as to dividends or upon liquidation, dissolution or winding-up of the corporation;
- (i) the conditions or restrictions, if any, to be effective while any shares of each such series are outstanding, upon the creation of indebtedness of the corporation or upon the issuance of any additional stock (including additional shares of such series or of any other class) ranking on a parity with or prior to the shares of such series as to dividends or distribution of assets upon liquidation, dissolution or winding-up of the corporation; and
- (j) any other preference, relative, participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, as shall not be inconsistent with law, this Article FOURTH or any amendment creating such series.

Each share of Common Stock shall be equal in all respects to every other share of the Common Stock. The Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof.

2. Dividends on Preferred Stock.

No holder of outstanding shares of any series of the Preferred Stock shall be entitled to receive any dividends thereon other than the dividends provided therefor pursuant to paragraph 1 hereof.

3. Redemption and Repurchase of Preferred Stock.

If, on or before the redemption date with respect to any shares of any series of Preferred Stock that are subject to redemption, as fixed or determined pursuant to paragraph 1 hereof, this corporation shall deposit with a bank, trust company or other financial institution monies necessary for the redemption of such shares, then, notwithstanding that any certificate for such shares so redeemed shall not have been surrendered for cancellation, from and after such redemption date, all rights and preferences with respect to such shares so redeemed shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive, out of the monies so deposited, the amount payable upon redemption of such shares, without interest. Any such monies so deposited by this corporation and unclaimed at the end of six (6) years from such redemption date shall be repaid to this corporation upon its request, after which repayment the holders of the shares so called for redemption shall look only to this corporation for the payment thereof.

Nothing herein contained shall limit any legal right of this corporation to purchase or otherwise acquire any shares of the Preferred Stock to the extent permitted by law. All or any shares of Preferred Stock at any time redeemed, purchased or otherwise acquired by this corporation may thereafter, in the discretion of the Board of Directors, be reissued or otherwise disposed of at any time or from time to time, to the extent and in the manner now or hereafter permitted by law.

4. Dividends on Common Stock.

Subject to the rights and preferences of each series of Preferred Stock, as determined pursuant to paragraph 1 hereof, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors may be declared and paid on the Common Stock, but only out of funds legally available for the payment of such dividends.

SECTION 1.04. The term "Consolidated Assets" of the Company and its Subsidiaries shall mean the total assets appearing on a consolidated balance sheet of the Company and its Subsidiaries, less the following:

(i) excess of carrying value over original cost of property, plant and equipment of Subsidiaries in all cases where original cost of property, plant and equipment has been determined in accordance with the requirements of any regulatory body;

(ii) unamortized debt discount and expense, and other deferred debits;

(iii) all current and accrued liabilities (other than Funded Debt) and deferred credits;

(iv) all reserves (other than reserves for retirement of items in the foregoing clause (i) specified) not already deducted from assets;

(v) minority interests in common stocks and surpluses of Subsidiaries; and

(vi) excess of the minimum amount of depletion and depreciation determined as provided in clause (b) of the definition of "Income Available for Interest and Subsidiary Preferred" over the aggregate amount of depletion and depreciation charged on the books of the Company and its Subsidiaries from January 1, 1966 to the date of the consolidated balance sheet referred to above.

SECTION 1.05. The term "Control" means the power to direct the management and policies of a Person, directly or through one or more intermediaries, whether through the ownership of voting securities, by contract or otherwise, and the terms "Controlling" and "Controlled" shall have meanings correlative to the foregoing.

SECTION 1.06. The term "Debenture" shall mean any Debenture authenticated and delivered under this Indenture.

The term "Debentureholder" or "Holder" shall mean the Person or Persons in whose name or names the particular Debenture shall be registered on the books of the Company kept for that purpose in accordance with the terms of this Indenture.

SECTION 1.07. The term "Engineer" shall mean a person engaged in engineering, whether or not such person shall be an officer, director or employee of the Company or of any Affiliate.

SECTION 1.08. The term "Funded Debt" shall mean any Indebtedness maturing by its own terms more than one year from the date of the creation thereof, including any Indebtedness renewable or extendable at the option of the obligor to a date later than one year from the date of the original creation thereof.

SECTION 1.09. The term "Income Available for Dividends" shall mean the consolidated net income of the Company and its Subsidiaries, adjusted to reflect any known debits or credits to earned surplus applicable to the period in question, determined in accordance with accepted accounting principles and practices or with the requirements of any regulatory body having jurisdiction over the accounting procedure of the Company and/or its Subsidiaries, including deductions (or additions) for the elimination of intangibles or amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts, or any accounts of a similar nature, whether such deductions (or additions) are made through periodic amortization charges or otherwise debited or credited to earnings or directly to earned surplus. If, in determining Income Available for Dividends, the aggregate amount of depletion, depreciation and amortization (including periodic amortization of intangibles or of amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts or any accounts of a similar nature) charged on the books of the Company and its Subsidiaries during the period in question shall be less than the minimum amount of depletion, depreciation and amortization determined as provided in clause (b) of the definition of "Income Available for Interest and Subsidiary Preferred," an additional deduction for depletion, depreciation and amortization shall be made, equal to the difference between the amount so charged on the books of the Company and its Subsidiaries and said minimum amount.

SECTION 1.10. The term "Income Available for Interest and Subsidiary Preferred" of the Company and its Subsidiaries shall mean income of the Company and its Subsidiaries, on a consolidated basis (with all inter-company items eliminated) ascertained in accordance with accepted accounting principles and practices or with the requirements of any regulatory body

having jurisdiction over the accounting procedure of the Company and/or its Subsidiaries, as follows:

(a) the total of the operating revenues, income from plants leased, and the net non-operating revenues, including income from securities and other investments, of the Company and all Subsidiaries shall be ascertained;

(b) from the total, determined as provided in subdivision (a), there shall be deducted:

(i) all operating expense of the Company and its Subsidiaries, including taxes (other than income and excess or other profits taxes which are based on income after the deduction of interest charges) and maintenance, depletion and depreciation expense and amortization expense (including charges (less credits) for elimination or amortization of intangibles, or of amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts, or any account of a similar nature whether through charges (or credits) to earnings or earned surplus); and

(ii) net non-operating losses, if any, of the Company and its Subsidiaries;

provided, however, that the net non-operating revenues or losses shall not exceed ten per centum (10%) of the balance remaining after deducting the amount referred to in (b) (i) from the total operating revenues and income from plants leased: and provided, further, that the aggregate amount so deducted for maintenance, depletion, depreciation and amortization expense shall not be less than the aggregate of:

(aa) the actual charges for maintenance during the period;

(bb) an amount equal to four cents per thousand cubic feet of Natural Gas Produced in the states of New York, Pennsylvania and Ohio during the period;

(cc) if during the period the Company or its Subsidiaries own producing natural gas properties located elsewhere than in said states, an amount calculated per thousand cubic feet of Natural Gas Produced from such properties during the period at the number of cents and/or fractions of a cent determined for such purpose

by an Independent Engineer who shall file with the Trustee and with the Company a certificate signed by him in which shall be stated the number of cents and/or fractions of a cent per thousand cubic feet which in his judgment fairly reflects the then current requirements (determined in accordance with accepted engineering and accounting principles and practices) of the Company and its Subsidiaries with respect to depletion of producing gas lands and gas land rights and producing gas well construction located elsewhere than in said states of New York, Pennsylvania and Ohio;

(dd) an amount for such period determined for each year in the period by multiplying depreciable property in use during the year in question, excluding producing gas well construction, by the percentage specified below for such year; 2% for each of the years 1954 through 1965; and for 1966 and each year thereafter, 2½ % or such lower percentage, not less than 2%, as the Securities and Exchange Commission, or any successor regulatory authority administering the Public Utility Holding Company Act of 1935, may from time to time approve or authorize, upon application by the Company, by order or other written determination, which may authorize the use of any such lower percentage for each year or any part of a year that has elapsed between January 1, 1966 and the date of any such order or determination;

(ee) an amount equal to the amortization expense for such period (including periodic amortization of intangibles or amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts or any account of a similar nature); and

(ff) the actual charges for depletion during such period other than the charges for depletion of producing gas lands and gas land rights and producing gas well construction;

and provided further that the respective number of cents and/or fractions of a cent per thousand cubic feet of Natural Gas Produced to be used in the calculation of item (bb) or item (cc) above as hereinbefore provided may at the option of the Company be redetermined from time to time in the manner hereinafter provided, but no such redetermination shall be made effective within three years from the effective date of

the last previous redetermination. Such redetermination shall be made by an Independent Engineer, who shall file with the Trustee and with the Company a certificate signed by him in which shall be stated the number of cents and/or fractions of a cent per thousand cubic feet of Natural Gas Produced which in his judgment fairly reflects the then current requirements (determined in accordance with accepted engineering and accounting principles and practices) of the Company and its Subsidiaries with respect to depletion of producing gas lands and gas land rights and producing gas well construction located, respectively, as aforesaid, and such rate or rates of depletion stated in such certificate shall, beginning with the first of the calendar year in which such certificate shall be filed with the Trustee, be substituted for the minimum rate or rates of calculating such respective items in effect at the time of filing such certificate and shall remain in effect until a further redetermination thereof shall become effective in accordance with the provisions of this clause (b); and

(c) the balance remaining after the deduction of the total amount computed pursuant to subdivision (b) from the total amount computed pursuant to subdivision (a), and after making appropriate deductions for any portions thereof applicable to minority holdings of common stocks of Subsidiaries, shall constitute the "Income Available for Interest and Subsidiary Preferred" of the Company and its Subsidiaries.

In making such computations there shall not be included (i) gains or losses resulting from the sale, abandonment, revaluation or other disposition of, or increase or diminution in the book costs or recorded values of, securities or other investments and (ii) deductions (or additions) for interest charges on Funded Debt and amortization of stock and debt discount and expense or premium.

In case, within or after the particular period for which the calculation of such consolidated income of the Company and its Subsidiaries is made, the Company or a Subsidiary shall acquire any property, for a consideration in excess of \$500,000, which within six months prior to the date of such acquisition has been used or operated by another Person in a business similar to that in which it has been or is to be operated by the Company or its Subsidiary, or in case any Subsidiary shall be consolidated or merged with any other corporation and the corporation resulting from such consolidation or con-

tinuing after such merger shall become a Subsidiary, or in case any other corporation shall become a Subsidiary, then in computing such consolidated income of the Company and its Subsidiaries (unless such property shall have been acquired in exchange or substitution for property of the Company or a Subsidiary the earnings of which have been included) there shall be included on a consolidated basis, to the extent the same may not have been otherwise included and shall be ascertainable, the earnings or losses of such property, or of such other corporation, as the case may be, for the whole of such period.

In case, within or after the particular period for which the calculation of consolidated income of the Company and its Subsidiaries is made, the Company or a Subsidiary shall dispose of (other than to the Company or to a Subsidiary) any property, the proceeds of which exceed \$500,000, or in case a Subsidiary shall cease to be such, then in computing such consolidated income of the Company and its Subsidiaries there shall be excluded to the extent practicable the earnings or losses of such property or of such corporation which shall have ceased to be a Subsidiary, as the case may be, for the whole of such period.

SECTION 1.11. The term "Incur" as applied to Indebtedness shall mean create, issue, assume or otherwise become obligated for, either directly or indirectly, by guaranty or otherwise.

The term "Indebtedness" shall mean, as to a particular corporation, all obligations of such corporation, whether or not represented by bonds, debentures or notes, for the repayment of money borrowed by such corporation, all deferred obligations of such corporation for the payment of the purchase price of property purchased by such corporation and all such obligations assumed or guaranteed by such corporation, but shall not include any customers' deposits or employees' deposit accounts.

The term "Indenture" shall mean this Indenture, either as originally executed or as the same may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions hereof.

The term "Independent" when applied to any Accountant, Engineer or other expert shall mean such a Person who is in fact independent, selected by the Company and satisfactory to the Trustee, but such Person may be regularly retained by the Company or by an Affiliate or by an Obligor. If such Person be an individual he shall not be a director, officer or employee of the

(b) Indebtedness or Subsidiary Preferred Stock, whether or not pledged, owned by the Company or by any Subsidiary.

SECTION 1.16. The term "Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust in which the interest or interests of the beneficiary or beneficiaries are evidenced by a Security, an unincorporated organization, or a government or political subdivision thereof.

SECTION 1.17. The term "Record Date" with respect to an interest payment date for Debentures shall mean, for an interest payment date which is the fifteenth day of a Calendar Month, the last day (whether or not a business day) of the next preceding Calendar Month and, for an interest payment date which is the first day of a month, the fifteenth day (whether or not a business day) of the next preceding Calendar Month.

The term "Resolution" shall mean a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date so certified.

The term "Responsible Officer" when used with respect to the Trustee shall mean the chairman of the board of directors, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, any trust officer, any assistant trust officer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of knowledge of and familiarity with a particular subject.

SECTION 1.18. The term "Restricted Subsidiary" shall mean any corporation all of the common shares of which (other than directors' qualifying shares) and at least 75% of the Voting Shares of which are at the time owned by the Company and by other Subsidiaries of the Company which are Restricted Subsidiaries or by any one or more of them.

SECTION 1.19. The term "Security" shall mean any bond, note, debenture, evidence of indebtedness, share of stock, certificate of interest or participation in any profit sharing agreement, voting trust certificate, certificate of deposit for a security, or, in general, any interest or instrument commonly known as a "security", but shall not include a bond of or treasury certificate

of or other obligation of the United States of America. For the purposes of paragraphs (6), (7), (8) and (9) of subsection (IV) of Section 10.09 the terms "Security" and "Securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies, or banking firms or any certificate of interest or participation in any such note or evidence of indebtedness.

SECTION 1.20. The term "Subsidiary" shall mean any corporation a majority of the Voting Shares of which are at the time owned by the Company and by other Subsidiaries or by any one or more of them.

SECTION 1.21. The term "Subsidiary Preferred Stock" shall mean capital stock of any Subsidiary of the Company, which shall be preferred over the common stock of such Subsidiary as to assets upon liquidation and shall be entitled to limited dividends in preference to the common stock of such Subsidiary. For the purpose of determining the amount of Subsidiary Preferred Stock being issued or sold or Outstanding, the Subsidiary Preferred Stock shall be taken at the greater of its par value (if any) or liquidating value upon involuntary liquidation, exclusive of accrued dividends; provided that in the case of Subsidiary Preferred Stock Outstanding at any time, the amount thereof shall include any preferred dividends then in arrears.

The term "Successor Corporation" shall mean any resulting, surviving or successor corporation, as the case may be, with or into which the Company shall have consolidated or merged or to which the Company shall have transferred all or substantially all of its assets as an entirety, as permitted by Article XIII, but any such corporation shall be deemed a Successor Corporation only for the period subsequent to such consolidation, merger or transfer.

SECTION 1.22. The term "Total Capitalization", as applied to a Subsidiary of the Company, shall mean the aggregate of its Indebtedness and capital stock (including that held by the Company and by other Subsidiaries) and its surplus, as shown by its books of account.

The term "Trustee" shall mean the Trustee under this Indenture for the time being, whether original or successor.

SECTION 1.23. The term "Voting Shares" shall mean, as to shares of a particular corporation, all shares of stock of any class of such corporation, at

In case the Company shall propose to pledge, mortgage or hypothecate any assets or property at any time owned by it to secure any indebtedness, other than as permitted by subdivisions (a) to (d), inclusive, of this Section it will prior thereto give written notice thereof to the Trustee, and will prior to or simultaneously with such pledge, mortgage or hypothecation, by supplemental indenture to which the Trustee is a party (or to the extent legally necessary, with another trustee or additional or separate trustee), in form satisfactory to the Trustee, effectively secure all the Debentures equally and ratably with such indebtedness by pledge, mortgage or hypothecation of such assets or property. Such supplemental indenture shall contain the provisions concerning the possession, control, release and substitution of mortgaged and pledged property and securities and other appropriate matters which are required by the Trust Indenture Act of 1939 as then in effect to be included in a secured indenture qualified under said Act, and may also contain such additional and amendatory provisions not inconsistent with said Act as the Company and the Trustee shall deem advisable or appropriate or as the Trustee shall deem necessary in connection with such pledge, mortgage or hypothecation.

SECTION 6.04. So long as any of the Debentures are Outstanding the Company will not

(a) itself sell or permit a Restricted Subsidiary to issue or sell, other than to the Company or another Restricted Subsidiary, common shares or Voting Shares of any Restricted Subsidiary unless either (i) all of the common shares and Voting Shares of such Restricted Subsidiary owned by the Company and its Subsidiaries shall be sold, or (ii) the Company and its other Restricted Subsidiaries collectively shall retain all of the common shares (except directors' qualifying shares) and at least 75% of the Voting Shares of such Restricted Subsidiary, or (iii) after giving effect to such issue or sale the total book value of Securities other than Securities of the Company and its Restricted Subsidiaries, owned by the Company and its Restricted Subsidiaries, shall not exceed 25% of the Consolidated Assets of the Company and its Subsidiaries; or

(b) permit any Subsidiary of the Company to issue or sell any Voting Shares of such Subsidiary unless, after such issue or sale and giving effect thereto, such Subsidiary shall remain a Subsidiary.

SECTION 6.05. So long as any of the Debentures are Outstanding, the Company will not, and will not permit any of its Subsidiaries to, Incur or sell any Funded Debt (other than Funded Debt acquired by the Company or by another Subsidiary, Funded Debt of the Company subordinate to the Debentures as to payment of principal and interest on default, and Funded Debt issued to refund Funded Debt of the Company or its Subsidiaries) and will not permit any of its Subsidiaries to issue or sell (other than to the Company or another Subsidiary) any shares of its preferred stock, unless

(a) the Income Available for Interest and Subsidiary Preferred for any twelve consecutive Calendar Months within the fifteen Calendar Months immediately preceding the date on which such additional Funded Debt is so Incurred or sold or such Subsidiary Preferred Stock is so issued or sold, shall have been not less than two and one-half (2½) times the sum of (i) the total annual interest charges upon the Consolidated Debt of the Company and its Subsidiaries and (ii) the total annual dividend requirements on Subsidiary Preferred Stock, in each case to be Outstanding immediately after the Incurring, issue or sale of such additional Funded Debt or Subsidiary Preferred Stock; and

(b) giving effect to the Incurring, issue or sale of such additional Funded Debt or Subsidiary Preferred Stock and to the application of the proceeds thereof, the sum of (i) the principal amount of Outstanding Consolidated Debt of the Company and Subsidiaries and (ii) the amount of Outstanding Subsidiary Preferred Stock shall be not more than 60% of the Consolidated Assets of the Company and its Subsidiaries, as shown by a pro forma consolidated balance sheet of the Company and its Subsidiaries; such pro forma consolidated balance sheet shall be prepared on the basis of a consolidated balance sheet of the Company and its Subsidiaries as of the last day of the 12 months' period for which income is calculated for the purposes of subdivision (a) of this Section and shall give effect to the proposed Incurring, issue or sale of the additional Funded Debt and Subsidiary Preferred Stock and to the application of the proceeds thereof and to any dividend declared or other distribution of assets made by the Company to its stockholders after the date of the balance sheet and simultaneously with or prior to the proposed transaction.

SECTION 6.06. So long as any of the Debentures are Outstanding, the Company will not permit any Subsidiary of the Company to Incur or

sell any Funded Debt, other than Indebtedness to the Company or to another Subsidiary, nor to issue or sell, other than to the Company or to another Subsidiary, any of its preferred stock unless, giving effect to the Incurring, issue or sale of such Funded Debt or preferred stock and to the application of the proceeds thereof,

(a) the principal amount of Outstanding Funded Debt and the amount of the Outstanding preferred stock of such Subsidiary shall not exceed 60% of the Total Capitalization of such Subsidiary; and

(b) the principal amount of Outstanding Funded Debt and the amount of Outstanding preferred stock of all Subsidiaries of the Company shall not exceed 15% of the Consolidated Assets of the Company and its Subsidiaries, computed in a manner similar to that provided in Section 6.05;

provided, however, that nothing contained in this Section shall prevent the Company from acquiring a new Subsidiary which shall have Outstanding at the time of acquisition, otherwise than in the hands of the Company or any Subsidiary of the Company, Funded Debt or preferred stock, if the principal amount of such Outstanding Funded Debt and the amount of such Outstanding preferred stock shall not exceed 60% of the Total Capitalization of such new Subsidiary.

So long as any of the Debentures are Outstanding, the Company will not permit any of its Subsidiaries to declare or pay any dividend if such declaration or payment would reduce its surplus below the amount required to maintain the ratio of its Outstanding Funded Debt and preferred stock to Total Capitalization specified in subdivision (a) of this Section.

SECTION 6.07. So long as any of the Debentures are Outstanding the Company will not declare or pay any dividend or make any other distribution upon any of its capital stock, nor will it itself purchase or redeem or otherwise acquire for a consideration, or permit any of its Subsidiaries to purchase or redeem or otherwise acquire for a consideration, any of its capital stock (excluding from such restriction and from the calculation in this Section dividends paid in capital stock and capital stock purchased, redeemed or otherwise acquired to the extent that it was so acquired in exchange for, or for an amount not exceeding the proceeds of the issue of, other capital stock) if the cumulative aggregate amount of all dividends and distributions declared

or paid on its capital stock and the amount paid for the purchase, redemption or acquisition of its capital stock subsequent to December 31, 1967 by the Company and its Subsidiaries exceeds the amount of Income Available for Dividends after December 31, 1967 plus \$10,000,000 plus such additional amount as shall be authorized or approved, upon application by the Company, by the Securities and Exchange Commission, or by any successor commission thereto, under the provisions of the Public Utility Holding Company Act of 1935, or any legislation enacted in substitution therefor (the Company hereby reserving the right to apply, at any time and from time to time after October 15, 1974, for such additional amount).

The foregoing covenant shall apply to any corporation during the period in which it shall be a Successor Corporation, so that, so long as any of the Debentures are Outstanding, the Successor Corporation will not declare or pay any dividend or make any other distribution upon any of its capital stock, nor will it itself purchase or redeem or otherwise acquire for a consideration, or permit any of its Subsidiaries to purchase or redeem or otherwise acquire for a consideration, any of its capital stock (excluding from such restriction and from the calculation in this Section dividends paid in capital stock and capital stock purchased, redeemed or otherwise acquired to the extent that it was so acquired in exchange for, or for an amount not exceeding the proceeds of the issue of, other capital stock) if the cumulative aggregate amount of all dividends and distributions declared or paid on its capital stock subsequent to December 31, 1967, and the amount paid for the purchase, redemption or acquisition subsequent to December 31, 1967, of its capital stock by the Company and its Subsidiaries and by any other corporation during the period in which it shall be a Successor Corporation and by the Subsidiaries of such Successor Corporation during such period exceeds the amount of Income Available for Dividends of the Company and its Subsidiaries subsequent to December 31, 1967 and of such Successor Corporation and the Subsidiaries of such Successor Corporation during the period in which it shall be a Successor Corporation, plus \$10,000,000 (the Income Available for Dividends of such Successor Corporation and Subsidiaries being computed for this purpose in accordance with the definition in Section 1.09 as if such Successor Corporation were the Company).

SECTION 6.08. The Company will not participate in any consolidation or merger with, or transfer its properties and assets as an entirety or substantially as an entirety to, another corporation unless such corporation shall

Excerpts from Third Supplemental Indenture dated as of December 1, 1982:

THIRD SUPPLEMENTAL INDENTURE dated as of December 1, 1982, made and entered into by and between **NATIONAL FUEL GAS COMPANY**, a corporation of the State of New Jersey, with its Post Office address at 30 Rockefeller Plaza, New York, New York 10112 (hereinafter sometimes called the Company), party of the first part, and **IRVING TRUST COMPANY**, a corporation of the State of New York, whose Post Office address is One Wall Street, New York, New York 10015 (hereinafter sometimes called the Trustee), party of the second part, as Trustee under the Indenture dated as of October 15, 1974, executed and delivered by the Company:

ARTICLE TWO

Miscellaneous Provisions

SECTION 7. Section 6.05(a) of the Indenture is hereby amended to change the reference to two and one-half (2-1/2) to two (2) wherever it appears in that subsection, such amendment to take effect when all Debentures of the First and Second Series are no longer Outstanding.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

14. Describe long-term debt reacquisition by Company and Parent as follows:
- a. Requisitions by issue by year.
 - b. Total gain on reacquisition by issue by year.
 - c. Accounting of gain for income tax and book purposes.

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The information on long-term debt refinancings can be found in Exhibit No. 400, Schedule 6, pages 4 through 10.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA DIVISION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

15. Set forth amount of compensating bank balances required under each of the following rate base bases:
 - a. Annualized test year operation
 - b. Operations under proposed rates

16. Provide the following information concerning compensating bank balance requirements for the actual test year.
 - a. Name of each bank
 - b. Address of each bank
 - c. Types of accounts with each bank (checking, savings, escrow, other services, etc.)
 - d. Average daily balance each account
 - e. Amount and percentage requirements for compensating bank balance at each bank.
 - f. Average daily compensating bank balance at each bank
 - g. Documents from each bank explaining compensating bank balance requirements.
 - h. Interest earned on each type of account.

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No claim is being made for compensating bank balances in this filing.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

17. Provide the following information concerning bank notes payable for actual test year.

- a. Line of Credit at each bank.
- b. Average daily balances of notes payable to each bank, by name of bank.
- c. Interest rate charged on each bank note (prime rate, formula rate, or other).
- d. Purpose of each bank note (e.g.: construction, fuel storage, working capital, debt retirement).
- e. Prospective future need for this type of financing.

- a. See page 2 – Column (a)
- b. See Page 2 – Column (b)
- c. See Page 2 – Column (c)
- d. See Pages 3 - 4
- e. See Page 4

NATIONAL FUEL GAS COMPANY
LINES OF CREDIT BY BANK

Applicable to fiscal year 2006, lines of credit are established between National Fuel Gas Company - Parent (1), and the respective banks:

Description (2)	(a) Lines of Credit (1)	(b) Average Daily Balances of Notes Payable (3)	(c) Interest Rate Charged on Each Bank Note
<u>Bank Lines</u>			
JP Morgan Chase Bank	\$ 85,000,000	\$ 7,891,179	
Banca Nazionale Del Lavoro	10,000,000	479,777	
HSBC Bank, USA	85,000,000	342,572	
Manufacturers and Traders Trust Company	50,000,000	-	
The Northern Trust Company	15,000,000	298,073	
Citizens Bank (5)	20,000,000	84,543	
Fifth Third Bank (5)	25,000,000	-	
Bank of America (5)	20,000,000	849,597	
KBC (6)	-	348,804	
JP Morgan BID Line (7)	135,000,000	-	
Total Bank Lines	<u>\$445,000,000</u>	<u>\$ 10,294,546</u>	
Commercial Paper (2)	\$200,000,000	\$ 17,588,836	
Additional Available Committed Credit Facility	100,000,000	-	
	<u>\$745,000,000</u>	<u>\$ 27,883,382</u>	<u>2.99%</u> (4)

- (1) All lines of credit are established between National Fuel Gas Company - Parent (National), and the respective banks or Commercial Paper dealers. The Company's Money Pool Agreement has to be filed with, and is subject to filing and record keeping requirements as outlined by FERC. The current Money Pool Agreement expires December 31, 2010.
- (2) If intra-system sources of funds are insufficient to meet short-term loan requests, National will issue and sell up to \$200,000,000 aggregate principal amount at any one time outstanding of its commercial paper, and/or borrow under short-term unsecured notes to the above noted banks and commercial paper dealers, and make the proceeds therefrom available to its participating subsidiaries through the money pool. The commercial paper limit is in the process of being increased to \$300,000,000. The Committed Line of Credit Facility is \$300,000,000, and expires September 30, 2010.
- (3) The amounts represent the average daily balance of notes payable and commercial paper during the thirteen months ended January 31, 2006.
- (4) The interest rate represents the daily weighted average interest rate on the loans which were outstanding under the respective lines of credit during the thirteen months ended January 31, 2006.
- (5) Agreements were not in place for the entire 13 month time period, they started as follows: BOA 12/22/05, Citizens 12/30/05 and 5th 3rd 2/14/06.
- (6) As of June 14, 2005, National no longer has an agreement with KBC Bank.
- (7) The availability of this line is dependent upon the amount, borrowed under the main \$85,000,000 line, which has been sold off to parties other than JP Morgan Chase Bank.

D. Use of Proceeds:

National Fuel Gas Distribution Corporation

It is anticipated that, from time-to-time, Distribution will need to incur short-term borrowings of up to approximately \$500,000,000 from sources external to Distribution. This capital requirement arises in connection with Distribution's construction program, the purchase of gas to be placed in storage during the summer months and withdrawn for sale in the winter months, the financing of deferred purchased gas costs and accounts receivable, and other general corporate purposes.

National Fuel Gas Supply Corporation

It is anticipated that, from time-to-time, Supply will need to incur short-term borrowings of up to approximately \$500,000,000 from sources external to Supply. This capital requirement arises from Supply's construction program, including the possible development of underground storage facilities which would be used to serve non-affiliated utilities, the financing of deferred accounts receivable, and for general corporate purposes.

Seneca Resources Corporation

It is anticipated that, from time-to-time, Seneca will need to incur short-term borrowings of up to approximately \$600,000,000 from sources external to Seneca. This capital requirement arises from Seneca's oil and gas exploration and development program, including lease acquisitions, geological programs, well construction and completion, the construction or acquisition of production and transportation facilities, and other general corporate purposes.

Highland Forest Resources, Inc.

It is anticipated that, from time-to-time, Highland will need to incur short-term borrowings of up to approximately \$500,000,000 from sources external to Highland. This capital requirement will enable Highland to have an available source of capital to replace existing equipment or acquire additional equipment and for the construction program of its pipeline subsidiary. Also, this capital could be used to increase internal inventory levels (i.e., stockpile logs or timber) and for other general corporate purposes.

Leidy Hub, Inc.

It is anticipated that, from time-to-time, Leidy Hub will need to incur short-term borrowings of up to approximately \$25,000,000 from sources external to Leidy Hub. This capital requirement will arise in connection with Leidy Hub's general corporate purposes.

Horizon Energy Development, Inc.

It is anticipated that, from time-to-time, Horizon will need to incur short-term borrowings of up to approximately \$250,000,000 from sources external to Horizon. This capital requirement will be used to finance new business development and other general corporate purposes.

Data-Track Account Services, Inc.

It is anticipated that, from time-to-time, Data-Track will need to incur short-term borrowings of up to approximately \$10,000,000 from sources external to Data-Track. This capital requirement will arise in connection with Data-Track's general corporate purposes.

National Fuel Resources, Inc.

It is anticipated that, from time-to-time, NFR will need to incur short-term borrowings of up to approximately \$250,000,000 from sources external to NFR. This capital requirement will arise in connection with NFR's projects involving the natural gas acquisition and marketing, or development of gathering, production and storage facilities related to its gas marketing efforts, and other general corporate purposes.

Horizon LFG, Inc.

It is anticipated that, from time-to-time, Horizon LFG will need to incur short-term borrowings of up to approximately \$180,000,000 from sources external to Horizon LFG. This capital requirement will arise in connection with Horizon LFG's general corporate purposes.

Horizon Power, Inc.

It is anticipated that, from time-to-time, Horizon Power will need to incur short-term borrowings of up to approximately \$50,000,000 from sources external to Horizon Power. It is also anticipated that, from time-to-time, Horizon Power will need to incur short-term borrowings of up to approximately \$35,000,000 from sources external to the money pool. These capital requirement will arise in connection with Horizon Power's general corporate purposes.

E. Prospective Future Needs:

Because of the seasonal nature of the natural gas business and its effect on cash flow during certain periods, it is necessary for National Fuel Gas to establish annual lines of credit with the respective banks and other lending institutions. Availability of these lines would provide capital for the purposes discussed under "Use of Proceeds."

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

19. Submit details on Company or Parent common stock offerings (past five years to present)
- a. Date of Prospectus
 - b. Date of offering
 - c. Record Date
 - d. Offering period-dates and number of days
 - e. Amount and number of shares of offerings
 - f. Offering ratio (if rights offering)
 - g. Per cent subscribed
 - h. Offering Price
 - i. Gross proceeds per share
 - j. Expenses pershare
 - k. Net proceeds per share (i-j)
 - l. Market price per share
 - 1. At record date
 - 2. At offering date
 - 3. One month after close of offering
 - m. Average market price during offering
 - 1. Price per share
 - 2. Rights per share-average value of rights
 - n. Latest reported earnings per share at time of offering
 - o. Latest reported dividends at time of offering

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For the five fiscal years ended September 30, 2005 plus the 4 months ended January 31, 2006, National Fuel Gas Company issued 5,849,000 shares of common stock under its stock and benefit plans. There were no major public offerings of common stock during the past five years.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
PENNSYLVANIA RATE JURISDICTION
53.53 II. RATE OF RETURN
A. ALL UTILITIES

20. Provide latest available balance sheet and income statement for Company, Parent and System (Consolidated)

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National Fuel Gas Company and Subsidiaries Income Statement for the Twelve Months Ended March 31, 2006..... Page 2

National Fuel Gas Company and Subsidiaries Balance Sheet at March 31, 2006..... Page 3

National Fuel Gas Distribution Corporation Income Statement for the Twelve Months Ended March 31, 2006..... Page 4

National Fuel Gas Distribution Corporation Balance Sheet at March 31, 2006..... Page 5

NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED MARCH 31, 2006

	<u>(in '000's)</u>
Operating Revenues	\$ 2,289,160
<u>Operating Expenses:</u>	
Purchased Gas	1,266,734
Operation and Maintenance	426,206
Property, Franchise and Other Taxes	69,425
Depreciation, Depletion and Amortization	179,751
	<u>1,942,116</u>
Operating Income	<u>347,044</u>
<u>Other Income (Expense):</u>	
Income from Unconsolidated Subsidiaries	4,107
Impairment of Investment in Partnership	(4,158)
Interest Income	7,304
Other Income	8,355
Interest Expense on Long-Term Debt	(72,917)
Other Interest Expense	(7,955)
	<u>281,780</u>
Income from Continuing Operations Before Income Taxes	<u>281,780</u>
Income Tax - Expense	101,063
	<u>180,717</u>
Income from Continuing Operations	<u>180,717</u>
<u>Discontinued Operations:</u>	
Income (Expense) from Operations, Net of Tax	(2,111)
Gain on Disposal, Net of Tax	25,774
	<u>23,663</u>
Net Income Available for Common Stock	<u>204,380</u>

NATIONAL FUEL GAS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AT MARCH 31, 2006

<u>Assets:</u>	<u>(in '000's)</u>	<u>Capitalization & Liabilities:</u>	<u>(in '000's)</u>
<u>Property, Plant & Equipment:</u>		<u>Capitalization:</u>	
Property, Plant & Equipment	4,535,882	Common Stock \$1 Par Value	\$ 83,920
Accumulated DD &A	<u>(1,639,493)</u>	Paid in Capital	540,388
Net Property, Plant & Equipment	<u>2,896,389</u>	Earnings Reinvested in Business	<u>877,599</u>
		Total Common Shareholder Equity	
		Before Items of Other Comprehensive	
		Loss	1,501,907
		Accumulated Other Comprehensive	
		Loss	<u>(119,248)</u>
		Total Common Shareholders' Equity	<u>1,382,659</u>
<u>Current Assets:</u>			
Cash & Temporary Cash Investments	98,099	Long-Term Debt Net of Current Portion	<u>1,114,371</u>
Hedging Collateral Deposits	16,890	Total Capitalization	<u>2,497,030</u>
Receivables - net	358,026		
Unbilled Utility Revenue	67,074	<u>Liabilities:</u>	
Gas Stored Underground	31,883	Notes Payable to Banks and	
Materials/Supplies - Average Cost	32,425	Commercial Paper	-
Unrecovered Purch Gas Cost	-	Current Portion of Long-Term Debt	9,505
Prepayments and Other Current Assets	41,096	Accounts Payable	145,438
Deferred Income Taxes	49,546	Amounts Payable to Customers	12,650
FMV Derivative Financial Instruments	<u>5,895</u>	Dividends Payable	24,327
Current Assets	<u>700,934</u>	Other Accruals and Current Liabilities	193,249
		FMV of Derivative Financial Instruments	<u>87,962</u>
<u>Other Assets:</u>		Total Current Liabilities	<u>473,131</u>
Recoverable Future Taxes	84,834	<u>Deferred Credits:</u>	
Unamortized Debt Expense	16,516	Deferred Income Taxes	503,147
Other Regulatory Assets	56,713	Taxes Refundable to Customers	11,070
Deferred Charges	8,086	Unamortized Investment Tax Credit	6,445
Other Investments	85,349	Cost of Removal Regulatory Liability	93,092
Investments in Unconsolidated Subsidiaries	11,491	Other Regulatory Liabilities	58,886
Goodwill	5,476	Pension and Other Post-Retirement	
Intangible Assets	40,971	Benefit Liabilities	155,582
Other Assets	<u>6,808</u>	Asset Retirement Obligation	42,216
Other Assets	<u>316,244</u>	Other Deferred Credits	<u>72,968</u>
Total Assets	<u>3,913,567</u>	Total Deferred Credits	<u>943,406</u>
		Total Capitalization & Liabilities	<u>3,913,567</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED MARCH 31, 2006

Gas Revenues	1,178,874,754
Less: Purchased Gas Sold	881,698,662
Revenue Taxes	11,586,961
Net Gas Revenues	<u>285,589,131</u>
Transportation Revenues	90,190,876
Less: Purchased Gas Sold	5,336,152
Revenue Taxes	562,292
Net Transportations Revenue	<u>84,292,433</u>
Other Operating Revenues	11,849,163
Total Net Revenues	<u>381,730,727</u>
Operating Revenue Deductions:	
Operation Expense	209,895,262
Maintenance Expense	12,651,571
Depletion, Depreciation & Amortization	40,166,909
Income Tax Federal - Current	13,022,900
Income Tax State - Current	4,905,784
Provision For Deferred Income Tax	6,771,775
Investment Tax Credit	(4,723)
Other Taxes	34,282,808
Total Operating Revenue Deductions	<u>321,692,285</u>
Operating Income/(-)Loss	<u>60,038,441</u>
Other Income:	
Interest	4,278,233
AFUDC	181,988
Miscellaneous	(36,197)
Investment Tax Credit	673,722
Total Other Income	<u>5,097,746</u>
Gross Income/(-)Loss	<u>65,136,187</u>
Other Deductions:	
Interest - Associate Companies	19,318,147
Interest - Other	6,446,248
Interest - Borrowed Funds During Const.	(105,172)
Miscellaneous	509,577
Total Other Deductions	<u>26,168,800</u>
Taxes On Other Income & Deductions:	
Federal - Current	(308,649)
State - Current	3,524
Provision For Deferred Income Taxes	-
Miscellaneous Other Taxes	-
Total Taxes On Other Income & Deductions	<u>(305,125)</u>
Net Income/(-)Loss	<u>39,272,512</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
BALANCE SHEET AS OF MARCH 31, 2006

<u>Assets</u>		<u>Liabilities & Stockholders Equity</u>	
Property Plant and Equipment		Common Capital Stock	
Gas Plant In Service	1,487,620,246	Shares Issued & Outstanding	59,170,600
Completed Construction Not Classified	-	Premium on Capital Stock	68,500
Construction Work In Progress	6,135,525	Donations Received	122,047,955
Non Utility	80,802	Total Common Capital Stock	181,287,055
Total Property Plant and Equipment	1,493,836,573	Retained Earnings	
Less: Reserve For Deprec, Depl & Amort	491,014,996	Retained Earnings Balance as of Oct 1 st	379,811,923
Net Property Plant and Equipment	1,002,821,578	Net Income or Loss (-)	50,406,740
		Less: Dividends	34,867,000
Current Assets		Total Retained Earnings	395,351,663
Cash	8,205,182	Total Stockholders Equity	576,638,717
Temporary Cash Investments	40,539		
Notes Receivable	292,012	Long Term Debt	
Notes Receivable - Associate Companies	-	Advance From Associate Companies	218,310,000
Accounts Receivable - Associate Companies	7,462,342	Other Long Term Debt	-
Accounts Receivable - Customers	244,094,364	Total Long Term Debt	218,310,000
Accounts Receivable - Others	14,780,577		
Gas Stored Underground - Current	9,559,514	Total Capitalization	794,948,717
Unbilled Revenue	67,074,367		
Materials & Supplies	7,440,177	Current & Accrued Liabilities	
Prepayments	12,928,185	Notes Payable - Associate Companies	158,100,000
Total Current Assets	371,877,257	Accounts Payable - Associate Companies	14,291,437
		Accounts Payable - Others	65,900,361
Other Assets		Customer Deposits	10,766,791
Other Investments	-	Federal Income Taxes	20,909,935
Deferred Gas Costs	(12,044,542)	Other Accrued Taxes	1,693,904
Accumulated Deferred Income Taxes	31,005	Dividends Declared	25,767,000
Recoverable of Future Taxes	79,586,737	Tax Collections Payable	3,904,503
Unamortized Debt Expense	5,113,444	Customer Advances	508,407
Other Regulatory Assets	4,499,273	Accrued Interest	196,899
Other Deferred Debits	5,265,007	Other Accruals	14,179,424
Total Other Assets	82,450,924	Supplier Refunds Payable	605,865
		Reserve For Gas Replacement	121,814,687
Total Assets	1,457,149,758	Total Current & Accrued Liabilities	438,639,212
		Operating Reserves	
		Accumulated Deferred Income Taxes	196,166,113
		Accumulated Deferred Investment Tax Credit	6,262,119
		Other Deferred Credits	16,400,324
		Reserve For Injuries & Damages	4,733,273
		Total Operating Reserves	223,561,829
		Total Liabilities	662,201,041
		Total Liabilities & Equity	1,457,149,758