

# SECURITIES AND EXCHANGE COMMISSION

## FORM U-1/A

Application or declaration under the act 1935 [amend]

Filing Date: **1995-02-22**  
SEC Accession No. **0000950120-95-000008**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **NATIONAL FUEL GAS CO**

CIK: **70145** | IRS No.: **131086010** | State of Incorpor.: **NJ** | Fiscal Year End: **0930**  
Type: **U-1/A** | Act: **35** | File No.: **070-08541** | Film No.: **95514253**  
SIC: **4924** Natural gas distribution

Business Address  
30 ROCKEFELLER PLZ  
NEW YORK NY 10112  
2125417533

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C.

AMENDMENT NO. 3 TO

FORM U-1

APPLICATION OR DECLARATION

under

the

PUBLIC UTILITY HOLDING COMPANY ACT OF 1935  
-----

National Fuel Gas Company  
10 Lafayette Square  
Buffalo, New York 14203

National Fuel Gas  
Distribution Corporation  
10 Lafayette Square  
Buffalo, New York 14203

Seneca Resources Corporation  
10 Lafayette Square  
Buffalo, New York 14203

National Fuel Gas Supply  
Corporation  
10 Lafayette Square  
Buffalo, New York 14203

National Fuel Resources, Inc.  
10 Lafayette Square  
Buffalo, New York 14203

Utility Constructors, Inc.  
10 Lafayette Square  
Buffalo, New York 14203

(Names of companies filing this statement  
and addresses of principal executive offices)  
-----

NATIONAL FUEL GAS COMPANY

(Name of top registered holding company)  
-----

Philip C. Ackerman  
Senior Vice President  
National Fuel Gas Company  
10 Lafayette Square  
Buffalo, New York 14203

Robert J. Reger, Jr., Esq.  
Reid & Priest LLP  
40 West 57th Street  
New York, New York 10019

Item 6. Exhibits and Financial Statements.

The following exhibits are made a part of this statement:

(A) Exhibits

- D-1 Copy of Petition of Distribution to the Public Service Commission of New York.
- D-3 Copy of Securities Certificate Application of Distribution filed with the Pennsylvania Public Utility Commission.
- F-1 Opinion of Reid & Priest LLP, Counsel for National.
- F-2 Opinion of Stryker, Tams & Dill, New Jersey Counsel for National.
- F-3 Opinion of Richard M. DiValerio, Counsel for Distribution, Supply, Seneca, NFR and Utility Constructors.
- I-1 Schedule of Estimated Fees and Expenses.

SIGNATURES

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned companies have duly caused this amendment to be signed on their behalf by the undersigned thereunto duly authorized.

NATIONAL FUEL GAS COMPANY

By /s/ Gerald T. Wehrlin

-----  
Gerald T. Wehrlin  
Controller

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

By /s/ Gerald T. Wehrlin

-----  
Gerald T. Wehrlin  
Senior Vice President,  
Controller

SENECA RESOURCES CORPORATION

By /s/ Gerald T. Wehrlin

-----  
Gerald T. Wehrlin  
Secretary, Treasurer and  
Controller

NATIONAL FUEL GAS SUPPLY  
CORPORATION

By /s/ Joseph P. Pawlowski

-----  
Joseph P. Pawlowski  
Treasurer

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NATIONAL FUEL RESOURCES, INC.

By /s/ David F. Smith

-----  
David F. Smith  
President

UTILITY CONSTRUCTORS, INC.

By /s/ Joseph P. Pawlowski

-----  
Joseph P. Pawlowski

DATED: February 22, 1995

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EXHIBIT INDEX

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- I-1 Schedule of Estimated Fees and Expenses.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PETITION TO THE NEW YORK STATE PUBLIC  
SERVICE COMMISSION FOR AUTHORIZATION  
TO ISSUE \$250,000,000 OF PROMISSORY NOTES  
CALENDAR YEARS 1995-1996

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STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION  
NOTICE OF PROPOSED AGENCY ACTION

Directions: ALL ITEMS MUST BE COMPLETED

Pursuant to the provisions of the State Administrative Procedure Act,  
NOTICE is hereby given of the following proposed agency action:

1. Proposed action: Petition of National Fuel Gas Distribution Corporation ("Distribution") to issue promissory notes in the principal amount of not more than \$250,000,000, which petition the Public Service Commission may approve, reject or modify with or without public hearings.
2. Statutory authority under which action is proposed:  

Public Service Law section 69
3. Subject matter to which order relates: Issuance of promissory notes for a 24-month period beginning with the date of the order.
4. Purpose of order: To authorize the issuance of the above notes and the application of the proceeds thereof for various purposes, including repayment of existing debt, construction, and general corporate purposes.
5. Terms of proposed agency actions

CHECK APPLICABLE BOX:

- ( ) The proposed rule, amendment, suspension, or repeal contains 2,000 words or less. The original ribbon copy of the express terms of the proposed action is a part of this notice and is attached to this form. The typing for the express terms conforms to the instructions presented in section 260.2 of Title 19 of the Official Compilation of Codes, Rules and Regulations of the State of New York.
- ( ) The proposed rule, amendment, suspension or repeal contains more than 2,000 words. The original ribbon copy of a description of the substance of the proposed action is a part of this notice and is attached to this form. The typing for the description of the substance conforms to the instructions presented in section 260.2 of Title 19 of the Official Compilation of Codes, Rules and Regulations of the State of New York.
- ( ) Pursuant to section 202(6)(b) of the State Administrative Procedure Act, the agency elects to print a description of the subject, purpose and substance of the proposed agency action. The description contains less than 2,000 words. The original ribbon copy of the description is attached to this form. The typing for the description conforms to the instructions presented in section 260.2 of Title 19 of the Official Compilation of Codes, Rules and

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Name of Agency Representative      Hon. John J. Kelliher  
Governor George E. Pataki  
Office Address                      State of New York  
Empire State Plaza  
Albany, NY 12223  
Telephone Number                  (518) 474-1902

7. Regulatory impact statement (check applicable box):

- A consolidated regulatory impact statement is submitted with this notice and is being used because:
  - The proposed action is one of a series of closely related and simultaneously proposed rules.
  - The proposed action is one of a series of virtually identical rules proposed during the same year.
- A regulatory impact statement of 2,000 words or less is submitted with the notice.
- Because the text of the regulatory impact statement exceeds 2,000 words, a summary is submitted with this notice.
- A regulatory impact statement is not submitted with this notice and is not required because:
  - The proposed action is a technical amendment.
  - The action is proposed solely to comply with the plain language requirement of Executive Order No. 100.
- A regulatory impact statement is not submitted with this notice because proposed action is subject to a consolidated regulatory impact statement that was previously printed on page        of issue        , Volume        , date        of the State Register.
- A regulatory impact statement is not submitted with this notice because the proposed action is within the definition contained in section 102(2)(a)(ii) of the State Administrative Procedure Act and was initially proposed by the regulated entity to which the proposal would apply.

8. Check box and complete as applicable:

- A public hearing is required by law and will be held at        a.m./p.m. on        19        at
- A public hearing is not required by law, and a public hearing has not been scheduled.
- A public hearing is not required by law, but a public hearing will be held at        a.m./p.m. on        19        at

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9. Data, views or arguments may be submitted to:

Name of Agency Representative  
Office Address

Telephone Number

10. Additional matter required by statute:

- Check box if not applicable.

I have reviewed this form and the information submitted with it. The information contained in this notice is correct to the best of my knowledge.

I have reviewed Article 2 of the State Administrative Procedure Act and Parts 260, 261, 262 and 263 of Title 19 of the Official Compilation of Codes, Rules and Regulations of the State of New York, and I hereby certify that this notice complies with all applicable provisions.

This notice was prepared by:

Signature

Name  
Title  
Address

Dated  
Telephone

PLEASE READ BEFORE SUBMITTING THIS NOTICE.

One copy of the notice with the original signature plus two other copies of the notice must be submitted to the State Register, Department of State, 162 Washington Avenue, Albany, NY 12231.

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PETITION TO THE NEW YORK STATE PUBLIC  
SERVICE COMMISSION FOR AUTHORIZATION  
TO ISSUE \$250,000,000 OF PROMISSORY NOTES  
CALENDAR YEARS 1995-1996

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STATE OF NEW YORK PUBLIC SERVICE COMMISSION  
STATE DIVISION, DEPARTMENT OF PUBLIC SERVICE

In the Matter of the Application

-of-

AFFIDAVIT IN  
SUPPORT OF  
PETITION

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, to  
the Public Service Commission, for authorization  
to issue and sell promissory notes in the  
aggregate amount of \$250,000,000

STATE OF NEW YORK)  
                  ) ss.  
COUNTY OF ERIE   )

J. P. PAWLOWSKI, being duly sworn deposes and says:

1. That he is Treasurer and principal accounting officer of NATIONAL FUEL GAS DISTRIBUTION CORPORATION, the Petitioner named in the above-entitled Petition, and as the principal accounting officer of the said corporation is personally familiar with the accounts, records and



matters involved in this proceeding;

2. That he has read the above-entitled Petition, that to the best of his knowledge, information and belief the averments of the same are true, and that Schedules A through J annexed to said Petition are true and correct according to the accounts and records of National Fuel Gas Distribution Corporation;

3. That the accounts of National Fuel Gas Distribution Corporation are kept in accordance with order or orders of the Commission applicable thereto;

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4. That he has read the foregoing statement of proposed expenditures for construction, completion and improvement of facilities as detailed in Schedule G and that no part of the said proposed expenditures is, in whole or in part, reasonably chargeable to Operating Expenses or Income.

/s/ J. P. Pawlowski  
Treasurer

Sworn to before me this  
25th day of January, 1995

/s/ C. W. Lee  
Notary Public in and for the  
County of Erie, New York

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STATE OF NEW YORK PUBLIC SERVICE COMMISSION  
STATE DIVISION, DEPARTMENT OF PUBLIC SERVICE

In the Matter of the Application

-of-

NATIONAL FUEL GAS DISTRIBUTION CORPORATION, to  
PETITION  
the Public Service Commission, for authorization  
to issue and sell promissory notes in the aggregate amount of \$250,000,000

TO THE PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK:

The petition of NATIONAL FUEL GAS DISTRIBUTION CORPORATION respectfully alleges:

1. The name of your petitioner is National Fuel Gas Distribution Corporation, whose principal place of business is 10 Lafayette Square, Buffalo, New York 14203. (National Fuel Gas Distribution Corporation is, throughout this Petition and its exhibits, sometime referred to as either Petitioner or Distribution.) We respectfully request all communications and reports relative to this petition be addressed to Mr. G. T. Wehrlin, Senior Vice President and Controller, at said address.

2. Petitioner is a domestic corporation, incorporated on April 11, 1973, as NFG Gas Corporation. The Certificate of Amendment of its Articles of Incorporation by which its name was changed from NFG Gas Corporation to National Fuel Gas Distribution Corporation was filed with the Secretary of State of the State of New York on July 3, 1974. A copy of that Certificate of Amendment was filed in Case 26434.

3. Petitioner is the successor to the gas distribution operations of Iroquois Gas Corporation, Pennsylvania Gas Company and United Natural Gas Company pursuant to a corporate reorganization effective July 1, 1974, approved by this Commission by order issued June 21, 1974 in Case 26434.

4. A copy of Petitioner's Articles of Incorporation and Bylaws as amended on March 15, 1974 were filed in Case 26434. Bylaw amendments dated September 17 and October 15, 1974 were filed in Case 26978. Bylaw amendments dated May 28, 1976, September 15, 1978, December 21, 1978, December 15, 1980 and September 28, 1981 were filed in Case 28657. Bylaw amendments after September 28, 1981 were filed in Case 29360. Bylaw amendment effective December 16, 1994 is filed in this case. (See Schedule I.)

5. Petitioner has authorized capital stock consisting of 2,000 shares with no par value per share, of which 2,000 shares are now issued and outstanding.

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6. Petitioner proposes to issue, as part of this financing, promissory notes in the principal amount of not more than \$250,000,000 applying the proceeds from the sale of such notes to (i) fund, in part, Petitioner's construction programs for calendar years 1995 and 1996, (ii) use for general corporate purposes (iii) decrease short-term debt balances incurred to finance previous years' construction programs, (iv) repay notes held by National Fuel Gas Company ("National"), Petitioner's parent company, and issued by Petitioner to National in exchange for loans from National to Petitioner made in connection with the issue and sale by National of its 6.21% medium-term notes (MTN's) due May 1, 1995, its 9.45% MTN's due June 8, 1995, its 6.23% MTN's due June 23, 1995, its 6.24% MTN's due May 1, 1995,\* its 9.0% MTN's due December 18, 1995, its 9.03% MTN's due December 18, 1995 and its 9.03% MTN's due December 20, 1995. (Petitioner will be required to pay National \$94,000,000 in 1995 to repay National's loans to Petitioner using some of the proceeds of such MTN issues.)

Distribution has no authority to issue promissory notes beginning January 1, 1995, until such time as it receives the necessary Commission and PaPUC orders. A Securities Certificate will also be filed with the PaPUC requesting authorization to issue promissory notes in the aggregate amount of \$250,000,000, for a 24-month period beginning with the date of the order. National, pursuant to the Public Holding Company Act of 1935, as amended, has filed an application-declaration with the Securities and Exchange Commission ("SEC") for authority to issue up to \$350,000,000 of Debentures and/or Medium-Term Notes in the aggregate, prior to December 31, 1997. The existing authorization from the SEC (SEC file No. 70-8143) expired on December 31, 1994. The new request to the SEC filed on form U-1 is enclosed with this petition as Schedule J.

Once all requisite orders have been received, the issuance of debentures or notes by National and promissory notes by Distribution will occur from time-to-time based upon market conditions during the 24-month period beginning on the date of the order.

\*Maturity date for Subsidiary is 6/24/95.

7. The following schedules are appended hereto and made a part hereof:

Schedule A - Statement of the Financial Condition  
of Petitioner at September 30, 1994.

Schedule B - Balance Sheets of Petitioner at  
September 30, 1992 and September 30, 1994.

Schedule C - Statement showing the balances in Operating  
Property Accounts by Subaccounts at  
September 30, 1993 through September 30, 1994.

Schedule D - Analysis of Retirements showing book cost  
of each credit to Operating Property  
Accounts, debit to Depreciation Reserve or  
Other Accounts, Cost of Removal and Salvage  
during the twelve-month periods ended  
September 30, 1993 and 1994.

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Schedule E - Analysis of Credits to Depreciation Reserve  
for the twelve-month periods ended September 30,  
1993 and 1994.

Schedule F - Reimbursement Margin for the period September 30,  
1992 through September 30, 1994.

Schedule G - Statement of Funds Required and Source of  
Funds to meet proposed financing for the period  
January 1 through December 31, 1995 and 1996;  
Capital Expenditure Programs for the calendar  
years 1995 and 1996.

Schedule H - Agreement between Petitioner and National Fuel  
Gas Company including form of Note.

Schedule I - Bylaw Amendments.

Schedule J - U-1

8. The costs incurred by National in issuing Debentures and/or Medium-Term Notes, the proceeds of which are then lent to Petitioner, are expected to be incorporated into the interest rate. Included in this interest rate are an estimated five basis points per issue to cover debt related expenses other than interest and underwriters' or agents' commissions. (See Schedule J for further details.)

9. The book cost of Petitioner's utility property represents the original cost thereof as that term is defined in Section 31.1, subdivision (f), of the Rules of Procedure of the Commission and does not include any amount for a franchise, consent or right to operate as a public utility.

10. No franchise or any right to own, operate or enjoy any franchise or any contract for consolidation or lease is proposed to be capitalized directly or indirectly in connection with the transaction herein set forth.

11. Because the Petitioner is a subsidiary of National, which is a public utility holding company registered under the Public Utility Holding Company Act of 1935, as amended, ("1935 Act") the Petitioner is also required to secure approval from the SEC for the issuance of the \$250,000,000 of promissory notes described in this petition, as well as for National's issuance of indebtedness. Petitioner, therefore, was a party, along with National and some of National's other subsidiaries, to the joint application-declaration filed with the SEC under the 1935 Act. National thereunder proposes to issue and sell not to exceed \$350,000,000 aggregate principal amount of debt securities consisting of (i) one or more series of its debentures, and/or (ii) its medium-term notes, and/or (iii) convertible debt and/or other instruments of indebtedness, in each case

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on terms to be determined when the agreement to sell is made or at the time of delivery, and to lend not to exceed \$250,000,000 thereof to Petitioner.

WHEREFORE, Petitioner respectfully requests the Commission to issue an order (1) authorizing the issuance and sale by Petitioner from time-to-time, for a 24-month period beginning on the date of the order, at Petitioner's option, of \$250,000,000 principal amount of promissory notes in accordance with the terms of the Agreement between Petitioner and National (Schedule H); (2) authorizing Petitioner to apply not more than \$250,000,000 of the proceeds of the sale of such notes toward (a) reimbursement of its treasury for equivalent moneys expended during the above 24-month period, for

capital purposes; (b) repayment of notes held by National and issued by Petitioner to National in exchange for loans from National to Petitioner in connection with the issue and sale by National of its 6.21% medium-term notes (MTN's) due May 1, 1995, its 9.45% MTN's due June 8, 1995, its 6.23% MTN's due June 23, 1995, its 6.24% MTN's due May 1, 1995\*, its 9.0% MTN's due December 18, 1995, its 9.03% MTN's due December 18, 1995 and its 9.03% MTN's due December 20, 1995 (Petitioner will be required to pay National \$94,000,000 in 1995 to repay National's loans to Petitioner using some of the proceeds of such MTN issues); (c) payment for gross additions during calendar years 1995 and 1996 to utility plant used and useful in the public service over and above additions constructed through funds originating from credits to the depreciation reserve and net salvage; (d) use for other corporate purposes; and (e) reduction of short-term debt balances incurred to finance previous years' construction programs; with the provision that temporary withdrawals of all or a portion of said \$250,000,000 from a special fund may be made during the 24-month period beginning with the date of the order, provided such temporary withdrawals are restored to said special fund not later than 24 months after the date of the order.

\*Maturity date for subsidiary is 6/24/95.

Because of National's anticipated financing schedule, we respectfully request Commission approval of this petition by March 27, 1995.

Dated: January 25, 1995

Respectfully submitted,

NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

By /s/ W. J. Hill  
President

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STATE OF NEW YORK )  
 ) ss.  
COUNTY OF ERIE )

W. J. HILL, being duly sworn, deposes and says that he is President of the NATIONAL FUEL GAS DISTRIBUTION CORPORATION, the Petitioner named in the foregoing petition; that he has read the petition and knows the contents thereof; that the same is true to the best of his knowledge and belief.

/s/ W. J. Hill  
President

Sworn to before me this  
25th day of January, 1995

/s/ C. W. Lee  
Notary Public in and for the  
County of Erie, New York

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SCHEDULE A  
Sheet 1 of 9

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

STATEMENT OF FINANCIAL CONDITION AT SEPTEMBER 30, 1994  
PURSUANT TO SECTION 3.1 OF THE RULES OF PROCEDURE OF THE  
PUBLIC SERVICE COMMISSION

(a) Amount and classes of capital stock authorized by Certificate of Incorporation.

Common Stock No Par Value 2,000 Shares

(b) Capital Stock - authorized by the Public Service Commission.

Case Number	Date of Order
26434	June 21, 1974

(c) Class and amount of stock issued and outstanding:

- (1) 2,000 shares common stock:
  - (a) No par value
  - (b) \$59,170,600 actually paid for such stock
  - (c) Premium on capital stock \$68,500

(d) Not applicable.

(e) Not applicable.

(f) Notes authorized by the Public Service Commission.

Case Number	Date of Order	Maximum Principal Amount \$
26434	June 21, 1974	108,781,700
26715	September 24, 1974	21,000,000
26847	May 28, 1975	31,000,000
26978	April 28, 1976	26,500,000
27131	March 15, 1977	36,000,000
27329	November 28, 1978	2,318,500
27564	July 19, 1979	35,500,000
28657	December 7, 1983	50,000,000
29360	September 11, 1986	100,000,000
89G047	June 8, 1989	150,000,000
91G0750	January 9, 1992	100,000,000
91G1327	March 12, 1992	150,000,000
91G0154	May 13, 1993	250,000,000

(g) Not Applicable.

(h) Not Applicable.

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SCHEDULE A  
Sheet 2 of 9

(i) Advances from each affiliated interest.

Promissory notes payable by Distribution to National Fuel Gas Company as of September 30, 1994:

Case Number	Term of Notes	Interest Rate %	Principal Amount	
			Issued \$	Outstanding \$
89G047	20,000,000 principal amount matures on June 8, 1995	9.45	20,000,000	20,000,000
	\$13,000,000 principal amount matures on December 20, 1995	9.03	13,000,000	13,000,000
	\$8,000,000 principal amount matures on December 18, 1995	9.03	8,000,000	8,000,000
	\$9,000,000 principal amount matures on December 18, 1995	9.00	9,000,000	9,000,000
91G0750	\$100,000,000 principal amount matures on			

	February 1, 2004	7.99	100,000,000	100,000,000
91G1327	\$1,000,000 principal amount matures on June 23, 1995	6.23	1,000,000	1,000,000
	\$20,000,000 principal amount matures on June 24, 1995	6.24	20,000,000	20,000,000
	\$23,000,000 principal amount matures on May 1, 1995	6.21	23,000,000	23,000,000
	\$7,000,000 principal amount matures on November 5, 1997	6.54	7,000,000	7,000,000
	\$50,000,000 principal amount matures February 4, 2000	6.71	50,000,000	50,000,000
	\$49,000,000 principal amount matures March 30, 2023	7.46	49,000,000	49,000,000

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SCHEDULE A  
Sheet 3 of 9

(i) Continued

				\$
93G0154	\$20,000,000 principal amount matures July 15, 2024	8.55	20,000,000	20,000,000
			320,000,000	320,000,000

Payable to Associated Companies  
-Working Capital Requirements  
System Money Pool\* 70,000,000

Other Indebtedness to each affiliated interest.

National Fuel Gas Company	7,077,810
National Fuel Gas Supply Corporation	11,190,871
Seneca Resources Corporation	4,660
Data-Track Account Services, Inc.	50,368
National Fuel Resources	1,251,327
	19,575,036

		\$
(j) Other Indebtedness		
Other Long-Term Debt	496,805	
Accounts Payable	41,380,871	
Customer Deposits	4,385,656	
Taxes Accrued	7,199,707	
Tax Collections Payable	170,754	
Interest Accrued	157,707	
Dividends Declared	7,468,000	
Customers' Advances for Construction	1,360,979	
Miscellaneous Current and Accrued Liabilities	23,809,657	
	86,430,136	

(k) Interest accrued during the year ended September 30, 1994 at each of the several rates required by the terms of the outstanding indebtedness.

	Rate %	Amount \$
Notes Payable	9.54	1,425,061
Notes Payable	9.45	1,890,000
Notes Payable	9.03	1,896,300
Notes Payable	9.00	810,000
Notes Payable	7.99	7,990,000

\*Refer to description of Money Pool, Schedule A, Sheet 4 of 9.

(k) Continued

	Rate %	Amount \$
Notes Payable	6.23	62,300
Notes Payable	6.24	1,248,000
Notes Payable	6.21	1,428,300
Notes Payable	6.54	457,800
Notes Payable	6.71	3,355,000
Note Payable	7.46	3,655,400
Note Payable	8.55	365,750
System Money Pool*	*	1,390,604
Customer Deposits (Pennsylvania)	**	17,290
Customer Deposits (New York)	***	33,033
Total		26,024,838

\*The System Money Pool is an arrangement whereby National Fuel Gas Company (National) raises all of the short-term debt capital needed by each of its subsidiaries, including National Fuel Gas Distribution Corporation, National Fuel Gas Supply Corporation, Seneca Resources Corporation, Highland Land & Minerals, Inc., Utility Constructors, Inc., Leidy Hub Inc., Data-Track Account Services, Inc. and National Fuel Resources, Inc., by issuing commercial paper and/or bank notes. National then lends the proceeds therefrom to such subsidiaries, at cost. In addition, excess funds from participating subsidiaries may be lent, through the System Money Pool, to other participating subsidiaries. The subsidiaries participating in the System Money Pool from time-to-time are National Fuel Gas Distribution Corporation, National Fuel Gas Supply Corporation, Seneca Resources Corporation, Highland Land and Minerals, Inc., Utility Constructors, Inc., Leidy Hub Inc., Data-Track Account Services, Inc. and National Fuel Resources, Inc. Requests by participating subsidiaries for short-term loans are met from Money Pool sources in the following order: (1) surplus funds of any of the subsidiaries; (2) surplus funds of National; (3) proceeds from National's sale of commercial paper and bank borrowings. The interest rate applicable to all loans of surplus funds through the Money Pool is the lower of the rate for commercial paper or the prime rate. The interest rate applicable to funds borrowed by National on behalf of the participating subsidiaries (either through commercial paper or bank loans) and loaned through the Money Pool is equal to National's net cost for such external borrowings. In cases where both surplus funds from other subsidiaries and external funds are concurrently borrowed through the Money Pool, the interest rate applicable to all funds borrowed will be a composite rate equal to the weighted average of the net cost of externally borrowed funds and the cost of all surplus funds contributed by the participating subsidiaries.

**Non Residential Rate	9.0%
Residential Rate	11.0%
***October 1993 - December 1993	4.9%
January 1994 - September 1994	3.7%

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(l) Rate and amount of dividends declared upon Capital Stock and the amount of dividends paid during the twelve months ending:

National Fuel Gas Distribution Corp.	Dividends Declared		Dividends
	Rate	Amount	Paid
	\$	\$	\$
Common Stock			
September 30, 1994	14,936	29,872,000	29,654,000

(m) (1) Contingent Assets - None  
Contingent Liabilities - None

(2) Unpaid Cumulative Accrued Dividends - None

(n) Analysis of Other Paid-In Capital \$

Allocated to National Fuel Gas Distribution

Corporation (PSC Case 26434)	607,184
Cancellation of Notes Payable to National Fuel Gas Company	3,500,000
Common Stock Issuance and Sale	117,492,500
Balance September 30, 1994	121,599,684

(o) (1) Deferred Debits to be Amortized	
- Balance September 30, 1994	\$
NYPSC Assessment	944,826
Deferred Gas Costs	(6,947,570)
Savings Power	425,436
UILEEP	(647,892)
Unamortized Debt Expense	18,907,160
Take-or-Pay Charges-NY	5,037,404
Take-or-Pay Charges-PA	4,753,887
ACUMEN System	5,250
FASB109 Asset - NY	62,561,162
FASB109 Asset - PA	31,477,560

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SCHEDULE A  
Sheet 6 of 9

(o) (1) Continued	
OPEB - NY	603,190
OPEB - PA	620,898
Transition Costs - NY	7,126,297
Transition Costs - PA	2,720,989
Environment Cleanup	4,633,137
TGX Litigation Payment	2,005,668
LIRA	(1,760,849)
NY Sales/Use Tax and Assessment	1,249,076
	133,715,629

(o) (2) Deferred Credits to be Amortized	
- Balance September 30, 1994	\$
FASB109 Liability	23,389,721
Accrued Transition Costs	4,596,985
Environment Cleanup	3,798,043
	31,784,749

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SCHEDULE A  
Sheet 7 of 9

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET  
AT SEPTEMBER 30, 1994

(p)	
Assets and Other Debits	
	\$
Utility Plant	
Utility Plant (101-107,114,117,118.1,118.2,120)	1,036,145,229



Less: Accumulated Provision for Depreciation, Amortization and Depletion (108-113,115,119.1,119.2,120.5)	
248,431,038	
Total Net Utility Plant	787,714,191

Other Property and Investments	
Non-Utility Property (121)	80,137
Other Investments (124)	1,088
Other Special Funds (128)	7,402,579
Total Other Property and Investments	7,483,804

Current and Accrued Assets	
Cash (131)	2,692,278
Working Funds (135)	839,675
Accounts Receivable (142, 143)	64,856,199
Less: Accumulated Provision for Uncollectible	
Accounts (144)	4,798,159
Accounts Receivable from Associated Companies (146)	14,217,355
Materials and Supplies (150)	8,321,871
Gas Stored Underground-Current (164.1)	31,899,894
Prepayments (165)	14,412,657
Interest and Dividends Receivable (171)	2,332,793
Accrued Utility Revenues (173)	17,310,686
Total Current and Accrued Assets	152,085,249

Deferred Debits	
Preliminary Survey and Investigation Charges (183)	102,908
Clearing Accounts (184)	513,370
Miscellaneous Deferred Debits (186)	151,995,130
Investment in Research and Development (188)	(295,800)
Accumulated Deferred Income Taxes (190)	130,125
Total Deferred Debits	152,445,733
Total Assets and Other Debits	1,099,728,977

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SCHEDULE A  
Sheet 8 of 9

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET  
AT SEPTEMBER 30, 1994

Liabilities and Other Credits	\$
Proprietary Capital	
Common Stock Issued (201)	59,170,600
Premium on Capital Stock (207)	68,500
Other Paid-In Capital (208-211)	121,599,684
Retained Earnings (215,216)	206,799,499
Total Proprietary Capital	387,638,283

Long-Term Debt	
Advances from Associated Companies (223)	320,000,000
Other Long-Term Debt (224)	496,805
Total Long-Term Debt	320,496,805

Current and Accrued Liabilities	
Accounts Payable (232)	41,380,871
Notes Payable to Associated Companies (233)	70,000,000
Accounts Payable to Associated Companies (234)	19,575,036
Customer Deposits (235)	4,385,656
Taxes Accrued (236)	7,199,707
Interest Accrued (237)	157,707
Dividends Declared (238)	7,468,000
Tax Collections Payable (241)	170,754
Miscellaneous Current and Accrued	
Liabilities (242)	23,809,657
Total Current and Accrued Liabilities	174,147,388

Deferred Credits	
Customer Advances for Construction (252)	1,360,979
Other Deferred Credits (253)	41,113,148
Accumulated Deferred Investment Tax	
Credits (255)	13,611,128
Accumulated Deferred Income Taxes -	

Liberalized Depreciation (282)	73,465,475
Accumulated Deferred Income Taxes-Other (283)	82,831,388
Total Deferred Credits	212,382,118

Operating Reserves	
Pensions and Benefits Reserve (263)	5,064,383
Total Operating Reserves	5,064,383

Total Liabilities and Other Credits	1,099,728,977
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SCHEDULE A  
Sheet 9 of 9

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1994

Utility Operating Income	\$	
Operating Revenues (400)	931,672,766	
Operating Expenses		
Operation Expense (401)	695,422,724	
Maintenance Expense (402)	22,271,790	
Depreciation Expense (403)	28,215,742	
Taxes Other Than Income Taxes (408.1)	88,852,086	
Income Taxes (409.1, 410.1, 411.1, 411.4, 411.8)	28,146,207	
Total Operating Expenses	862,908,549	
Total Utility Operating Income	68,764,217	
Other Income		
Income from Merchandising, Jobbing and Contract Work (415, 416)	(78,048)	
Interest and Dividend Income (419)	390,161	
Allowance for Funds Used During Construction (419.1)	256,868	
Miscellaneous Nonoperating Income (421)	186,574	
Gain on Disposition of Property (421.1)	212,477	
Total Other Income	968,032	
Other Income Deductions		
Loss on Disposition of Property (421.2)	186,652	
Miscellaneous Income Deductions (426)	357,674	
Total Other Income Deductions	544,326	
Taxes - Other Income and Deductions		
Taxes Other Than Income Taxes (408.2)	17,550	
Income Taxes (409.2, 410.2, 411.2, 411.5, 420)	(1,661,482)	
Total Taxes-Other Income and Deductions	(1,643,932)	
Net Other Income and Deductions	2,067,638	
Interest Charges		
Amortization of Debt Discount and Expense (428)	1,453,225	
Interest on Debt to Associated Companies (430)	25,974,515	
Other Interest Expense (431)	2,093,234	
Total Interest Charges	29,520,974	
Net Income	41,310,881	

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SCHEDULE B  
Sheet 1 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET AT SEPTEMBER 30, 1992 AND SEPTEMBER 30, 1994  
(ITEM (a) OF SECTION 37.6 OF RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

	September 30, 1992	September 30, 1994
Assets and Other Debits	\$	\$
Utility Plant		
Utility Plant (101-107, 114, 117, 118.1, 118.2, 120)	929,521,154	1,036,145,229
Less: Accumulated Provision for Depreciation,		

Depletion and Amortization (108-113, 115, 119.1, 119.2, 120.5)	209,845,952	248,431,038
Total Net Utility Plant	719,675,202	787,714,191
Other Property and Investments		
Non-Utility Property (121)	80,137	80,137
Other Investments (124)	1,088	1,088
Other Special Funds (128)	3,539,610	7,402,579
Total Other Property and Investments	3,620,835	7,483,804
Current and Accrued Assets		
Cash (131)	3,035,139	2,692,278
Working Funds (135)	750,135	839,675
Notes Receivable (141)	8,772	-
Accounts Receivable (142, 143)	43,171,754	64,856,199
Less: Accumulated Provision for Uncollectible Accounts (144)	5,720,803	4,798,159
Accounts Receivable from Assoc. Companies (146)	7,448,777	14,217,355
Materials and Supplies (150)	6,350,554	8,321,871
Gas Stored Underground (164.1)	-	31,899,894
Prepayments (165)	10,316,436	14,412,657
Interest and Dividends Receivable (171)	3,314,346	2,332,793
Accrued Utility Revenues (173)	-	17,310,686
Total Current and Accrued Assets	68,675,110	152,085,249
Deferred Debits		
Preliminary Survey and Investigation Charges (183)	174,749	102,908
Clearing Accounts (184)	271,996	513,370
Miscellaneous Deferred Debits (186)	65,728,385	151,995,130
Investment in Research and Development (188)	(11,186)	(295,800)
Accumulated Deferred Income Taxes (190)	452,200	130,125
Total Deferred Debits	66,616,144	152,445,733
Total Assets and Other Debits	858,587,291	1,099,728,977

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SCHEDULE B  
Sheet 2 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET AT SEPTEMBER 30, 1992 AND SEPTEMBER 30, 1994  
(ITEM (a) OF SECTION 37.6 OF RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

Liabilities and Other Credits	September 30, 1992	September 30, 1994
	\$	\$
Proprietary Capital		
Common Stock Issued (201)	59,170,600	59,170,600
Premium on Capital Stock (207)	68,500	68,500
Other Paid-In Capital (208,211)	35,352,184	121,599,684
Retained Earnings (215,216)	176,189,825	206,799,499
Total Proprietary Capital	270,781,109	387,638,283
Long-Term Debt		
Advances from Associated Companies (223)	294,000,000	320,000,000
Other Long-Term Debt (224)	553,026	496,805
Total Long-Term Debt	294,553,026	320,496,805
Current and Accrued Liabilities		
Accounts Payable (232)	10,340,996	41,380,871
Notes Payable - Associated Companies (233)	104,200,000	70,000,000
Accounts Payable to Associated Companies (234)	31,395,055	19,575,036
Customer Deposits (235)	3,341,539	4,385,656
Taxes Accrued (236)	(2,313,554)	7,199,707
Interest Accrued (237)	29,980	157,707
Dividends Declared (238)	6,250,000	7,468,000
Tax Collections Payable (241)	1,711,460	170,754
Miscellaneous Current and Accrued Liabilities (242)	40,288,389	23,809,657
Total Current and Accrued Liabilities	195,243,865	174,147,388
Deferred Credits		
Customer Advances for Construction (252)	1,072,354	1,360,979
Other Deferred Credits (253)	2,862,263	41,113,148
Accumulated Deferred Investment Tax Credits (255)	14,948,622	13,611,128
Accumulated Deferred Income Taxes-Liberalized Depreciation (282)	60,313,548	73,465,475

Accumulated Deferred Income Taxes-		
Other (283)	15,976,321	82,831,388
Total Deferred Credits	95,173,108	212,382,118

Operating Reserves		
Pensions and Benefits Reserve (263)	2,836,183	5,064,383
Total Operating Reserves	2,836,183	5,064,383

Total Liabilities and Other Credits	858,587,291	1,099,728,977
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SCHEDULE C  
Sheet 1 of 4

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING THE BALANCES IN OPERATING PROPERTY ACCOUNTS AT SEPTEMBER 30, 1993  
THE ORIGINAL COST OF PROPERTY ADDED, CREDITS FOR PROPERTY RETIRED, AND ALL OTHER  
DEBITS AND CREDITS TO EACH SUB-ACCOUNT FOR THE PERIOD SEPTEMBER 30, 1992 TO SEPTEMBER 30, 1993 AND THE BALANCES  
IN OPERATING PROPERTY AT SEPTEMBER 30, 1993  
(ITEMS (b) to (e) RESPECTIVELY OF SECTION 37.6 OF THE RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

<S>	Sept. 30, 1992 <C>	Additions <C>	Adjustments Retirements <C>	Sept. 30, & Transfers <C>	1993 <C>
	\$	\$	\$	\$	\$
Utility Plant (101, 106)					
Intangible Plant					
301. Organization	296,223	-	-	-	296,223
302. Franchises and Consents	22,858	-	-	-	22,858
Total Intangible Plant	319,081	-	-	-	319,081
Natural Gas Production and Gathering Plant					
325.2 Producing Leaseholds	184,538	-	-	-	184,538
325.4 Rights-of-Way	401,835	15	-	-	401,850
325.5 Other Land and Land Rights	40,268	-	-	-	40,268
327. Field Compressor Station Structures	178,880	-	-	-	178,880
328. Field Measuring and Regulating Station Structures	25,220	-	-	-	25,220
329. Other Structures	3,317	-	-	-	3,317
330. Producing Gas Wells-Well Construction	343,799	-	-	-	343,799
331. Producing Gas Wells-Well Equipment	66,630	-	-	-	66,630
332. Field Lines	11,307,212	128,366	(871)	-	11,434,707
333. Field Compressor Station Equipment	1,503,208	-	(64,435)	-	1,438,773
334. Field Measuring and Regulating Station Equipment	5,105,909	628,829	(111,427)	2,657	5,625,968
336. Purification Equipment	36,826	-	-	-	36,826
337. Other Equipment	28,336	-	-	-	28,336
338. Unsuccessful Exploration and Development Costs	1,117,573	-	-	-	1,117,573
Total Natural Gas Production and Gathering Plant	20,343,551	757,210	(176,733)	2,657	20,926,685
Transmission Plant					
365.1 Land and Land Rights	239,804	(40,618)	-	-	199,186
365.2 Rights-of-Way	935,902	41,414	(1,232)	-	976,084
366.2 Structures and Improvements	322,486	-	(1,129)	-	321,357
366.3 Other Structures	4,724	-	-	-	4,724
367. Mains	33,889,323	551,875	(114,105)	-	34,327,093
369. Measuring and Regulating Station Equipment	4,523,212	426,136	(68,757)	-	4,880,591
Total Transmission Plant	39,915,451	978,807	(185,223)	-	40,709,035
Distribution Plant					
374. Land and Land Rights	7,407,669	524,001	(6,047)	-	7,925,623
375. Structures and Improvements	6,101,833	208,742	(16,387)	-	6,294,188
376. Mains	493,134,340	28,697,872	(2,298,215)	38,716	519,572,713
377. Compressor Station Equipment	1,120,777	-	-	-	1,120,777
378. Measuring and Regulating Station Equipment	12,385,903	710,373	(274,825)	31,064	12,852,515
380. Services	237,450,701	21,013,276	(2,314,075)	-	256,149,902
381. Meters	27,506,197	3,088,196	(174,235)	-	30,420,158
382. Meter Installations	7,076,862	268,674	(94,782)	-	7,250,754
383. House Regulators	789,091	-	(26,686)	-	762,405
384. House Regulator Installations	1,749,474	69,303	(14,203)	-	1,804,574
385. Industrial Measuring and Regulating Station Equipment	10,504,010	1,085,230	(128,266)	35,649	11,496,623
387. Other Equipment	1,189,992	-	(66)	-	1,189,926
Total Distribution Plant	806,416,849	55,665,667	(5,347,787)	105,429	856,840,158

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING THE BALANCES IN OPERATING PROPERTY ACCOUNTS AT SEPTEMBER 30, 1993  
THE ORIGINAL COST OF PROPERTY ADDED, CREDITS FOR PROPERTY RETIRED, AND ALL OTHER  
DEBITS AND CREDITS TO EACH SUB-ACCOUNT FOR THE PERIOD SEPTEMBER 30, 1992 TO SEPTEMBER 30, 1993 AND THE BALANCES  
IN OPERATING PROPERTY AT SEPTEMBER 30, 1993  
(ITEMS (b) to (e) RESPECTIVELY OF SECTION 37.6 OF THE RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

<S>	Sept. 30, 1992 \$	Additions \$	Adjustments Retirements \$	Sept. 30, & Transfers \$	1993 \$
<C>	<C>	<C>	<C>	<C>	<C>
General Plant					
389. Land and Land Rights	1,205,970	38,643	(546)	-	1,244,067
390. Structures and Improvements	25,798,577	2,797,338	(542,918)	-	28,052,997
391. Office Furniture and Equipment	7,674,427	215,006	(25,239)	-	7,864,194
392. Transportation Equipment	353,328	-	-	-	353,328
393. Stores Equipment	178,768	-	(445)	-	178,323
394. Tools, Shop and Garage Equipment	8,233,370	804,879	(5,103)	-	9,033,146
395. Laboratory Equipment	40,878	-	-	-	40,878
396. Power Operated Equipment	1,225,411	6,097	(9,263)	-	1,222,245
397. Communication Equipment	3,678,192	219,383	(549)	-	3,897,026
398. Miscellaneous Equipment	133,934	28,443	-	-	162,377
Total General Plant	48,522,855	4,109,789	(584,063)	-	52,048,581
Total Gas Plant	915,517,787	61,511,473	(6,293,806)	108,086	970,843,540

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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING THE BALANCES IN OPERATING PROPERTY ACCOUNTS AT SEPTEMBER 30, 1994  
THE ORIGINAL COST OF PROPERTY ADDED, CREDITS FOR PROPERTY RETIRED, AND ALL OTHER  
DEBITS AND CREDITS TO EACH SUB-ACCOUNT FOR THE PERIOD SEPTEMBER 30, 1993 TO SEPTEMBER 30, 1994 AND THE BALANCES  
IN OPERATING PROPERTY AT SEPTEMBER 30, 1994  
(ITEMS (b) to (e) RESPECTIVELY OF SECTION 37.6 OF THE RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

<S>	Sept. 30, 1993 \$	Additions \$	Adjustments Retirements \$	Sept. 30, & Transfers \$	1994 \$
<C>	<C>	<C>	<C>	<C>	<C>
Utility Plant (101, 106)					
Intangible Plant					
301. Organization	296,223	-	-	-	296,223
302. Franchises and Consents	22,858	-	-	-	22,858
Total Intangible Plant	319,081	-	-	-	319,081
Natural Gas Production and Gathering Plant					
325.2 Producing Leaseholds	184,538	-	-	-	184,538
325.4 Rights-of-Way	401,850	-	(174)	-	401,676
325.5 Other Land and Land Rights	40,268	-	-	-	40,268
327. Field Compressor Station Structures	178,880	-	-	-	178,880
328. Field Measuring and Regulating Station Structures	25,220	-	-	-	25,220
329. Other Structures	3,317	-	-	-	3,317
330. Producing Gas Wells-Well Construction	343,799	-	-	-	343,799

331. Producing Gas Wells-Well Equipment	66,630	-	-	-	66,630
332. Field Lines	11,434,707	(11,331)	(31,683)	-	11,391,693
333. Field Compressor Station Equipment	1,438,773	55,965	(2,187)	-	1,492,551
334. Field Measuring and Regulating Station Equipment	5,625,968	179,488	(167,968)	-	5,637,488
336. Purification Equipment	36,826	-	-	-	36,826
337. Other Equipment	28,336	-	-	-	28,336
338. Unsuccessful Exploration and Development Costs	1,117,573	-	-	-	1,117,573
Total Natural Gas Production and Gathering Plant	20,926,685	224,122	(202,012)	-	20,948,795
Transmission Plant					
365.1 Land and Land Rights	199,186	(99)	-	-	199,087
365.2 Rights-of-Way	976,084	44,298	(1,008)	-	1,019,374
366.2 Structures and Improvements	321,357	10,570	(1,006)	-	330,921
366.3 Other Structures	4,724	-	-	-	4,724
367. Mains	34,327,093	1,809,428	(230,018)	-	35,906,503
369. Measuring and Regulating Station Equipment	4,880,591	251,204	(42,655)	-	5,089,140
Total Transmission Plant	40,709,035	2,115,401	(274,687)	-	42,549,749
Distribution Plant					
374. Land and Land Rights	7,925,623	668,540	(16,964)	-	8,577,199
375. Structures and Improvements	6,294,188	(177,203)	(83,106)	-	6,033,879
376. Mains	519,565,928*	28,690,714	(2,263,337)	8,364	546,001,669
377. Compressor Station Equipment	1,120,777	-	-	-	1,120,777
378. Measuring and Regulating Station Equipment	12,849,661*	769,076	(240,358)	194	13,378,573
380. Services	256,151,678*	21,701,118	(2,322,038)	-	275,530,758
381. Meters	30,420,158	1,820,869	(84,901)	-	32,156,126
382. Meter Installations	7,250,754	256,350	(92,912)	-	7,414,192
383. House Regulators	762,405	16,583	(58,894)	-	720,094
384. House Regulator Installations	1,804,574	61,940	(14,539)	-	1,851,975
385. Industrial Measuring and Regulating Station Equipment	11,504,486*	1,099,289	(88,460)	-	12,515,315
387. Other Equipment	1,189,926	-	(103,491)	70	1,086,505
Total Distribution Plant	856,840,158	54,907,276	(5,369,000)	8,628	906,387,062

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\*Reflects minor reclassification between accounts.

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SCHEDULE C  
Sheet 4 of 4

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING THE BALANCES IN OPERATING PROPERTY ACCOUNTS AT SEPTEMBER 30, 1994  
THE ORIGINAL COST OF PROPERTY ADDED, CREDITS FOR PROPERTY RETIRED, AND ALL OTHER  
DEBITS AND CREDITS TO EACH SUB-ACCOUNT FOR THE PERIOD SEPTEMBER 30, 1993 TO SEPTEMBER 30, 1994 AND THE BALANCES  
IN OPERATING PROPERTY AT SEPTEMBER 30, 1994  
(ITEMS (b) to (e) RESPECTIVELY OF SECTION 37.6 OF THE RULES OF PROCEDURE  
OF THE PUBLIC SERVICE COMMISSION)

	Sept. 30, 1993 \$	Additions \$	Adjustments Retirements \$	Sept. 30, & Transfers \$	1994 \$
<S>	<C>	<C>	<C>	<C>	<C>
General Plant					
389. Land and Land Rights	1,244,067	33,468	-	-	1,277,535
390. Structures and Improvements	28,052,997	1,280,881	(483,549)	-	28,850,329
391. Office Furniture and Equipment	7,864,194	196,053	(394,158)	-	7,666,089
392. Transportation Equipment	353,328	-	-	-	353,328
393. Stores Equipment	178,323	-	(72,213)	-	106,110
394. Tools, Shop and Garage Equipment	9,033,146	546,983	(42,840)	-	9,537,289
395. Laboratory Equipment	40,878	-	-	-	40,878
396. Power Operated Equipment	1,222,245	482	-	-	1,222,727
397. Communication Equipment	3,897,026	99,224	-	-	3,996,250
398. Miscellaneous Equipment	162,377	-	(13,466)	-	148,911
Total General Plant	52,048,581	2,157,091	(1,006,226)	-	53,199,446
Total Gas Plant	970,843,540	59,403,890	(6,851,925)	8,628	1,023,404,133

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SCHEDULE D  
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 ANALYSIS OF RETIREMENTS SHOWING BOOK COST OF EACH CREDIT TO OPERATING PROPERTY ACCOUNT  
 DEBIT TO DEPRECIATION RESERVE OR OTHER ACCOUNT, COST OF REMOVAL, AND SALVAGE FOR THE PERIOD SEPTEMBER 30, 1992 TO  
 SEPTEMBER 30, 1993  
 (ITEM (f) OF SECTION 37.6 OF RULES OF PROCEDURE OF THE PUBLIC SERVICE COMMISSION)

<S>	Book Cost of Property Retired Charged to Depreciation Reserve \$	Cost of Removal \$	Salvage \$
<C>	<C>	<C>	<C>
101. Gas Plant in Service			
Natural Gas Production and Gathering Plant			
332. Field Lines		871	-
333. Field Compressor Station Equipment	64,435	3,026	-
334. Field Measuring and Regulating Station Equipment	111,427	18,780	10,864
Total Natural Gas Production and Gathering Plant	176,733	21,806	10,864
Transmission Plant			
365.2 Rights of Way	1,232	-	-
366.2 Measuring and Regulating Station Structures	1,129	729	-
367. Mains	114,105	33,998	-
369. Measuring and Regulating Station Equipment	68,757	33,026	-
Total Transmission Plant	185,223	67,753	-
Distribution Plant			
374. Land and Land Rights	6,047	52	100
375. Structures and Improvements	16,387	5,823	-
376. Mains	2,298,215	970,228	363
378. Measuring and Regulating Station Equipment -General	274,825	92,079	2,064
380. Services	2,314,075	635,693	200
381. Meters	174,235	-	3,286
382. Meter Installations	94,782	-	-
383. House Regulators	26,686	-	-
384. House Regulator Installations	14,203	-	-
385. Industrial Measuring and Regulating Station Equipment	128,266	49,433	1,745
387. Other Equipment	66	-	-
Total Distribution Plant	5,347,787	1,753,308	7,758

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SCHEDULE D  
 Page 2 of 4

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 ANALYSIS OF RETIREMENTS SHOWING BOOK COST OF EACH CREDIT TO OPERATING PROPERTY ACCOUNT  
 DEBIT TO DEPRECIATION RESERVE OR OTHER ACCOUNT, COST OF REMOVAL, AND SALVAGE FOR THE PERIOD SEPTEMBER 30, 1992 TO  
 SEPTEMBER 30, 1993  
 (ITEM (f) OF SECTION 37.6 OF RULES OF PROCEDURE OF THE PUBLIC SERVICE COMMISSION)

<S>	Book Cost of Property Retired Charged to Depreciation Reserve \$	Cost of Removal \$	Salvage \$
<C>	<C>	<C>	<C>
101. Gas Plant in Service (Cont'd.)			
General Plant			
389. Land and Land Rights	546	-	546
390. Structures and Improvements	542,918	29,972	41,308
391. Office Furniture and Equipment	25,239	-	-
392. Transportation Equipment	-	-	14,423
393. Stores Equipment	445	-	-
394. Tools, Shop and Garage Equipment	5,103	2,020	3,813
396. Power Operated Equipment	9,263	-	-
397. Communication Equipment	549	29	-
Total General Plant	584,063	32,021	60,090
Total Gas Plant in Service	6,293,806	1,874,888	78,712

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<CAPTION>

SCHEDULE D  
Page 3 of 4

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
ANALYSIS OF RETIREMENTS SHOWING BOOK COST OF EACH CREDIT TO OPERATING PROPERTY ACCOUNT  
DEBIT TO DEPRECIATION RESERVE OR OTHER ACCOUNT, COST OF REMOVAL, AND SALVAGE FOR THE PERIOD SEPTEMBER 30, 1993 TO  
SEPTEMBER 30, 1994  
(ITEM (f) OF SECTION 37.6 OF RULES OF PROCEDURE OF THE PUBLIC SERVICE COMMISSION)

<S>	Book Cost of Property Retired Charged to Depreciation Reserve \$	Cost of Removal \$	Salvage \$
<C>	<C>	<C>	<C>
101. Gas Plant in Service			
Natural Gas Production and Gathering Plant			
325.4 Rights of Way	174	-	-
332. Field Lines	31,683	23,760	-
333. Field Compressor Station Equipment	2,187	-	-
334. Field Measuring and Regulating Station Equipment	167,968	25,252	3,640
Total Natural Gas Production and Gathering Plant	202,012	49,012	3,640
Transmission Plant			
365.2 Rights of Way	1,008	-	-
366.2 Measuring and Regulating Station Structures	1,006	2,081	-
367. Mains	230,018	69,603	813
369. Measuring and Regulating Station Equipment	42,654	6,838	-
Total Transmission Plant	274,686	78,522	813
Distribution Plant			
374. Land and Land Rights	16,964	904	30,500
375. Structures and Improvements	83,106	3,892	1,600
376. Mains	2,263,337	1,159,715	-
378. Measuring and Regulating Station Equipment-General	240,358	69,743	5,411
380. Services	2,322,037	708,618	-
381. Meters	84,901	-	5,596
382. Meter Installations	92,912	-	-
383. House Regulators	58,894	-	-
384. House Regulator Installations	14,539	-	-
385. Industrial Measuring and Regulating Station Equipment	88,460	41,215	-
387. Other Equipment	103,490	-	-



NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 ANALYSIS OF RETIREMENTS SHOWING BOOK COST OF EACH CREDIT TO OPERATING PROPERTY ACCOUNT  
 DEBIT TO DEPRECIATION RESERVE OR OTHER ACCOUNT, COST OF REMOVAL, AND SALVAGE FOR THE PERIOD SEPTEMBER 30, 1993 TO  
 SEPTEMBER 30, 1994  
 (ITEM (f) OF SECTION 37.6 OF RULES OF PROCEDURE OF THE PUBLIC SERVICE COMMISSION)

	Book Cost of Property Retired Charged to Depreciation Reserve \$	Cost of Removal \$	Salvage \$
<S>	<C>	<C>	<C>
101. Gas Plant in Service (Cont'd.)			
General Plant			
390. Structures and Improvements	483,549	7,209	104,000
391. Office Furniture and Equipment	394,158	-	25
393. Stores Equipment	72,213	-	-
394. Tools, Shop and Garage Equipment	42,840	358	11,000
398. Miscellaneous Equipment	13,466	-	-
Total General Plant	1,006,226	7,567	115,025
Total Gas Plant in Service	6,851,922	2,119,188	162,585

</TABLE>  
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SCHEDULE E  
 Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 ANALYSIS OF CREDITS TO DEPRECIATION RESERVE AND  
 CONTRA CHARGES TO EXPENSE AND OTHER ACCOUNTS  
 (ITEM (g) OF SECTION 37.6 OF RULES OF PROCEDURE  
 OF THE PUBLIC SERVICE COMMISSION)

ACCRUALS CHARGED TO:

	Fiscal Year \$	Two-Year Total \$
403. Depreciation Expense		
September 30, 1992 - September 30, 1993	26,499,697	
September 30, 1993 - September 30, 1994	28,284,743	54,784,440
404. Amortization and Depletion - Producing Natural Gas Land and Land Rights		
September 30, 1992 - September 30, 1993	705,977	
September 30, 1993 - September 30, 1994	-	705,977
184. Clearing Accounts		
September 30, 1992 - September 30, 1993	3,245	
September 30, 1993 - September 30, 1994	(15,288)	(12,043)

OTHER CREDITS:

Plant Reserve Adjustments

September 30, 1992 - September 30, 1993 (108,085)

September 30, 1993 - September 30, 1994 (8,629) (116,714)

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SCHEDULE F  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
REIMBURSEMENT MARGIN  
FOR THE PERIOD SEPTEMBER 30, 1992 THROUGH SEPTEMBER 30, 1994

\$

Reimbursement Margin - Case 93G0154  
September 30, 1992 262,406,171

FUNDS EXPENDED

Additions to Utility Plant	120,915,363
Net Change in Construction Work in Progress	(1,262,276)
Payment and Discharge of Notes:	
Other Long-Term Debt	56,221
Redemption of Notes Payable	100,000,000
Premium on Redemption of Notes Payable	7,561,014
 Total Funds Expended	 227,270,322

SOURCE OF FUNDS

Depreciation Accruals	55,478,374
Salvage	241,297
Cost of Removal	(3,994,076)
Net Change in Retirement Work in Progress	65,398
Net Transfers/Adjustments	(46,101)
Normalization of Accelerated Depreciation	14,614,839
Normalization of Investment Tax Credit	(1,345,976)
Normalization of Investment Tax Credit-	
Meter Stations Transfers	8,482
Deferred Tax - Premium on Reacquired Debt	1,879,507
Deferred Tax - Uniform Capitalization Adjustment	(1,462,912)
Deferred Tax - Chicora Sale	120,096
Amortization of Premium on Reacquired Debt	2,699,080
Customer Advances for Construction	288,625
Advances from Associated Companies	126,000,000
 Total Source of Funds	 194,546,633

Reimbursement Margin September 30, 1994 295,129,860

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SCHEDULE G  
Sheet 1 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT OF FUNDS REQUIRED AND SOURCE OF FUNDS  
TO MEET PROPOSED FINANCING FOR THE PERIODS  
JANUARY 1 THROUGH DECEMBER 31, 1995 AND 1996

FUNDS REQUIRED	\$	1995 \$	1996 \$
Construction Expenditures		63,411,000	59,703,000
Other Long-Term Debt		33,000	36,000
Notes Payable-Associated Companies			
Note Maturing 5/01/95 (6.21%)	23,000,000		
Note Maturing 6/08/95 (9.45%)	20,000,000		
Note Maturing 6/23/95 (6.23%)	1,000,000		
Note Maturing 6/24/95 (6.24%)	20,000,000		
Note Maturing 12/18/95 (9.00%)	9,000,000		
Note Maturing 12/18/95 (9.03%)	8,000,000		
Note Maturing 12/20/95 (9.03%)	13,000,000	94,000,000	-
Payment and Discharge of Short-Term			

Notes Payable - Associated Companies	-	157,500,000
Total Funds Required	157,444,000	217,239,000

SOURCE OF FUNDS

Depreciation Accruals	30,366,000	32,094,000
Deferred Taxes	6,166,000	6,442,000
Salvage Less Cost of Removal	(2,064,000)	(2,147,000)
Increase in Short-Term Notes Payable - Associated Companies	7,600,000	-
Net Income and Treasury Funds	15,376,000	30,850,000
Financing 1995	100,000,000	-
Financing 1996	-	150,000,000
Total Source of Funds	157,444,000	217,239,000

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SCHEDULE G  
Sheet 2 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995  
\$000

	New York Division \$	Pennsylvania Division \$	Total \$
Natural Gas Production Plant	213	134	347
Transmission Plant	319	882	1,201
Distribution Plant	43,511	14,821	58,332
General Plant	2,378	1,153	3,531
Total	46,421	16,990	63,411

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SCHEDULE G  
Sheet 3 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

NATURAL GAS PRODUCTION PLANT

Account 325 - Land and Land Rights	
Appropriation 100-X Land and Land Rights	4
Total Account 325	4

Account 332 - Field Lines

Appropriation 120 Compressor Stations	115
Appropriation 125-X Measuring and Regulating Stations	94
TOTAL ACCOUNT 332	209

TOTAL NATURAL GAS PRODUCTION PLANT 213

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SCHEDULE G  
Sheet 4 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

TRANSMISSION PLANT

Account 365 - Land and Rights of Way

Appropriation 300X - Land, Rights of Way	1
TOTAL ACCOUNT 365	1

Account 329 - Structures and Improvements

Appropriation 305X - Structures and Improvements	1
TOTAL ACCOUNT 329	1

Account 367 - Mains

Appropriation 315-B Replacements	192
Appropriation 315-E Cathodic Protection	23
TOTAL ACCOUNT 367	215

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations	102
TOTAL ACCOUNT 36911	102

TOTAL TRANSMISSION PLANT 319

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SCHEDULE G  
Sheet 5 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights:	
Acquisition of Rights-of-Way	302
Appropriation 405-X Structures and Improvements	61
TOTAL ACCOUNT 374	363

Account 376 - Mains

Appropriation 415-A through 415-D - Distribution Mains:

Appropriation 415-A New Mains Customer Extensions	4,532
Appropriation 415-B Leakage Replacements	6,460
Appropriation 415-C System Improvement	755
Appropriation 415-D Public Improvement	4,028
Appropriation 415-H Cast Iron Replacement	1,007
Appropriation 415-L Active Corrosion	1,763
Appropriation 415-E Cathodic Protection	228
Appropriation 415-S Systematic Replacement	2,014
Appropriation 415-W Customer Interruption - Water	4,431
TOTAL ACCOUNT 376	25,218

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	453
Appropriation 425-A Obsolete Equipment - Regular Stations	252
TOTAL ACCOUNT 378	705

Account 380 - Services

Appropriation 450-X Service Renewals	11,279
Appropriation 451-X Downstream Services	50
Appropriation 452-X New Services	3,827
TOTAL ACCOUNT 380	15,156

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SCHEDULE G  
Sheet 6 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-X Services Measuring and Regulating Equipment	559
Appropriation 455-A Automated Meter Reading	755
TOTAL ACCOUNT 381	1,314

Account 385 - Industrial Measuring and Regulating Station Equipment

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	554
Appropriation 475-X Industrial Rebuilds	201
TOTAL ACCOUNT 385	755

TOTAL DISTRIBUTION PLANT 43,511

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SCHEDULE G  
Sheet 7 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements 1,523

TOTAL ACCOUNT 390 1,523

Account 515X - Compressed Natural Gas Projects

TOSC, NFSC, CLSC 249

TOTAL ACCOUNT 515X 249

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment 99

TOTAL ACCOUNT 391 99

Account 394 - Tools, Shop and Garage Equipment

Appropriation 560-X Tools, Shop and Garage Equipment 298

TOTAL ACCOUNT 394 298

Account 397 - Communication Equipment

Appropriation 570-X Communication Equipment 209

TOTAL ACCOUNT 397 209

TOTAL GENERAL PLANT 2,378

TOTAL NEW YORK DIVISION 46,421

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SCHEDULE G  
Sheet 8 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

NATURAL GAS PRODUCTION PLANT

Account 325 - Land and Land Rights

Appropriation 100-X Land and Land Rights 7

TOTAL ACCOUNT 325 7

Account 332 - Field Lines

Appropriation 115-B Replacements 53

TOTAL ACCOUNT 332 53

Account 334 - Field Measuring and Regulating  
Station Equipment

Appropriation 125-X Measuring and Regulating Stations 74

TOTAL ACCOUNT 334 74

TOTAL NATURAL GAS PRODUCTION PLANT 134

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SCHEDULE G  
Sheet 9 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

TRANSMISSION PLANT

Account 365 - Land and Land Rights

Appropriation 300-X Land and Land Rights 28

TOTAL ACCOUNT 365 28

Account 367 - Mains

Appropriation 315-B Replacements 285

Appropriation 315-C System Improvement 47

Appropriation 315-E Cathodic Protection 24

TOTAL ACCOUNT 367 356

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations 498

TOTAL ACCOUNT 369 498

TOTAL TRANSMISSION PLANT 882

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SCHEDULE G  
Sheet 10 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights: 228

TOTAL ACCOUNT 374 228

Account 375 - Structures and Improvements

Appropriation 405-X Structures and Improvements 622

TOTAL ACCOUNT 375 622

Account 376 - Mains

Appropriation 415-A New Mains Customer Extensions 1,117

Appropriation 415-B Replacements 4,923

Appropriation 415-C System Improvement 371

Appropriation 415-D Public Improvement 201

Appropriation 415-E Cathodic Protection 20

TOTAL ACCOUNT 376 6,632

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	406
TOTAL ACCOUNT 378	406

Account 380 - Services

Appropriation 450-X Services	6,078
TOTAL ACCOUNT 380	6,078

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SCHEDULE G  
Sheet 11 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-A Metscan	203
Appropriation 455-X Measuring and Regulating Equipment	271
TOTAL ACCOUNT 381	474

Account 385 - Industrial Metering and Regulating  
Stations

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	381
TOTAL ACCOUNT 385	381

TOTAL DISTRIBUTION PLANT	14,821
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SCHEDULE G  
Sheet 12 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements	636
TOTAL ACCOUNT 390	636

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment	103
TOTAL ACCOUNT 391	103

Account 394 - Tools, Shop and Garage Equipment

Appropriation 560-X Tools, Shop and Garage Equipment	310
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TOTAL ACCOUNT 394

310

Account 396 - Power Operated Equipment

Appropriation 565-X Power Operated Equipment 17

TOTAL ACCOUNT 396 17

Account 397 - Communication Equipment

Appropriation 570-X Communication Equipment 87

TOTAL ACCOUNT 397 87

TOTAL GENERAL PLANT 1,153

TOTAL PENNSYLVANIA DIVISION 16,990

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SCHEDULE G  
Sheet 13 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996  
\$000

	New York Division \$	Pennsylvania Division \$	Total \$
Natural Gas Production Plant	214	97	311
Transmission Plant	321	785	1,106
Distribution Plant	40,365	15,140	55,505
General Plant	2,291	490	2,781
Total	43,191	16,512	59,703

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SCHEDULE G  
Sheet 14 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

NATURAL GAS PRODUCTION PLANT

Account 332 - Field Lines

Appropriation 125-X Measuring and Regulating Stations	214
TOTAL ACCOUNT 332	214
TOTAL NATURAL GAS PRODUCTION PLANT	214

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SCHEDULE G  
Sheet 15 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

TRANSMISSION PLANT

Account 367 - Mains

Appropriation 315-B Replacements	160
Appropriation 315-E Cathodic Protection	54
TOTAL ACCOUNT 367	214

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations	107
TOTAL ACCOUNT 369	107

TOTAL TRANSMISSION PLANT	321
--------------------------	-----

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SCHEDULE G  
Sheet 16 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights:	
Acquisition of Rights-of-Way	266
TOTAL ACCOUNT 374	266

Account 376 - Mains

Appropriation 415-A thru 415-D - Distribution Mains:	
Appropriation 415-A New Mains Customer Extensions	5,408
Appropriation 415-B Replacements	4,640
Appropriation 415-C System Improvement	1,084
Appropriation 415-D Public Improvement	4,388
Appropriation 415-E Cathodic Protection	160
Appropriation 415-S System Improvement	907
Appropriation 415-H Cast Iron Replacement	724
Appropriation 415-L Active Corrosion	1,266
Appropriation 415-W Customer Interruption-Water	3,183
TOTAL ACCOUNT 376	21,760

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	871
Appropriation 425-A Obsolete Equipment-Regulator Stations	249
TOTAL ACCOUNT 378	1,120

Account 380 - Services

Appropriation 450-X Service Renewals	11,371
Appropriation 451-X Downstream Services	188
Appropriation 452-X New Services	3,858
TOTAL ACCOUNT 380	15,417

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SCHEDULE G  
Sheet 17 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-A Automated Meter Reading	749
Appropriation 455-X Services Measuring and Regulating Equipment	266
TOTAL ACCOUNT 381	1,015

Account 385 - Industrial Measuring and Regulating  
Station Equipment

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	587
Appropriation 475-X Industrial Rebuilds	200
TOTAL ACCOUNT 385	787

TOTAL DISTRIBUTION PLANT  
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40,365

SCHEDULE G  
Sheet 18 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements	1,439
TOTAL ACCOUNT 390	1,439

Account 515X - Compressed Natural Gas Projects

TOSC, NFSC, CLSC	246
TOTAL ACCOUNT 515X	246
Account 391 - Office Furniture and Equipment	
Appropriation 550-X Office Furniture and Equipment	211
TOTAL ACCOUNT 391	211
Account 394 - Tools, Shop and Garage Equipment	
Appropriation 560-X Tools, Shop and Garage Equipment	316
TOTAL ACCOUNT 394	316
Account 397 - Communication Equipment	
Appropriation 570-X Communication Equipment	79
TOTAL ACCOUNT 397	79
TOTAL GENERAL PLANT	2,291
TOTAL NEW YORK DIVISION	43,194

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SCHEDULE G  
Sheet 19 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

NATURAL GAS PRODUCTION PLANT	
Account 325 - Land and Land Rights	
Appropriation 100-X Land and Land Rights	5
TOTAL ACCOUNT 325	5
Account 332 - Field Lines	
Appropriation 115-B Replacements	39
TOTAL ACCOUNT 332	39
Account 334 - Field Measuring and Regulating Station Equipment	
Appropriation 125-X Measuring and Regulating Stations	53
TOTAL ACCOUNT 334	53
TOTAL NATURAL GAS PRODUCTION PLANT	97

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SCHEDULE G  
Sheet 20 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

TRANSMISSION PLANT

Account 365 - Land and Land Rights

Appropriation 300-X Land and Land Rights 25

TOTAL ACCOUNT 365 25

Account 367 - Mains

Appropriation 315-B Replacements 253

Appropriation 315-C System Improvement 42

Appropriation 315-E Cathodic Protection 21

TOTAL ACCOUNT 367 316

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations 444

TOTAL ACCOUNT 369 444

TOTAL TRANSMISSION PLANT 785

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SCHEDULE G  
Sheet 21 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights 233

TOTAL ACCOUNT 374 233

Account 375 - Structures and Improvements

Appropriation 405-X Structures and Improvements 636

TOTAL ACCOUNT 375 636

Account 376 - Mains

Appropriation 415-A New Mains Customer Extensions 1,141

Appropriation 415-B Replacements 5,029

Appropriation 415-C System Improvement 379

Appropriation 415-D Public Improvement 205

Appropriation 415-E Cathodic Protection 21

TOTAL ACCOUNT 376 6,775

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations 415

TOTAL ACCOUNT 378 415

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SCHEDULE G  
Sheet 22 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 380 - Services

Appropriation 450-X Services 6,208

TOTAL ACCOUNT 380 6,208

Account 381 - Meters

Appropriation 455-A Metscan 207

Appropriation 455-X Measuring and Regulating Equipment 277

TOTAL ACCOUNT 381 484

Account 385 - Industrial Metering and Regulating Stations

Appropriation 470-X Industrial Measuring and Regulating  
Station Equipment 389

TOTAL ACCOUNT 385 389

TOTAL DISTRIBUTION PLANT 15,140

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SCHEDULE G  
Sheet 23 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements 270

TOTAL ACCOUNT 390 270

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment 44

TOTAL ACCOUNT 391 44

Account 394 - Tools, Shop and Garage Equipment	
Appropriation 560-X Tools, Shop and Garage Equipment	132
TOTAL ACCOUNT 394	132
Account 396 - Power Operated Equipment	
Appropriation 565-X Power Operated Equipment	7
TOTAL ACCOUNT 396	7
Account 397 - Communication Equipment	
Appropriation 570-X Communication Equipment:	37
TOTAL ACCOUNT 397	37
TOTAL GENERAL PLANT	490
TOTAL PENNSYLVANIA DIVISION	16,512

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SCHEDULE H  
Sheet 1 of 3

CREDIT AGREEMENT

THIS AGREEMENT dated \_\_\_\_\_; by and between NATIONAL FUEL GAS COMPANY (hereinafter called "National"), a New Jersey corporation, and NATIONAL FUEL GAS DISTRIBUTION CORPORATION (hereinafter called "Distribution Corporation"), a New York corporation and a subsidiary of National.

W I T N E S S E T H:

1. In order to provide funds to Distribution Corporation for working capital and its construction program, National agrees to extend credit to Distribution Corporation from time-to-time, upon mutual consent and upon the further terms and conditions set forth in this Agreement.

2. Each borrowing made hereunder shall be made against delivery to National of Distribution Corporation's promissory note to evidence the amount borrowed each time. Each promissory note shall be dated as of the date of issue and shall bear interest payable at such time as provided for in, and at the effective interest rate or yield to maturity cost rate of, National's debenture or note or other debt issue that provides the proceeds from which Distribution Corporation has borrowed hereunder. Such interest rate or cost shall reflect actual underwriters' or agents' fees and commissions plus five basis points per annum additional interest, per issue to reflect expenses of National relating to debt issuance (such as legal fees and bond rating agencies' fees), the resulting effective annual interest rate shall be rounded up to the next highest 1/100th of 1%. Each promissory note shall mature at such time as National's corresponding debenture, note or other debt issue matures.

3. It is agreed that if a default occurs with respect to the punctual payment of any principal or interest due under this, or any other agreement or note of Distribution Corporation, or if Distribution Corporation makes an assignment for the benefit of creditors or files a petition in bankruptcy or is adjudicated insolvent or bankrupt, or if there is commenced against Distribution Corporation any such proceeding, then the entire amount of the principal and interest on all of the notes issued under this Agreement may be declared by National to be forthwith due and payable.

4. If the debentures, notes or other debt issued by National, or the indenture, supplemental indenture or other documents governing the terms thereof, give National the right or obligation to early redeem all or part of said debentures, notes or other debt, and National exercises that right in whole or in part, prior to their maturity, or if National tenders for or otherwise discharges such debentures, notes or other debt prior to their maturity, or modifies the terms thereof, then Distribution Corporation shall prepay to National a principal amount of the note or notes issued hereunder as shall equal the principal amount of such debentures, notes or other debt of National that are early redeemed or discharged, together with accrued interest on the prepaid principal amount of National's debentures, notes or other debt, together with the premium, if any, that is paid in connection with any such redemption or discharge, or Distribution Corporation shall agree to make payments to National in accordance with such modified terms, as the case may be.

5. This Agreement shall become effective when approvals have been obtained from the regulatory commissions having jurisdiction over this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused their authorized officers to execute this Agreement and to have their corporate seals affixed and attested the day and year first above written.

NATIONAL FUEL GAS COMPANY

ATTEST:

Chairman of the Board, President and  
Chief Executive Officer

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

ATTEST:

President

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Distribution Corporation Note No.

\$ \_\_\_\_\_ ,

For value received, the undersigned NATIONAL FUEL GAS DISTRIBUTION CORPORATION, a New York corporation (hereinafter called "Distribution Corporation"), hereby promises to pay on or before \_\_\_\_\_ to NATIONAL FUEL GAS COMPANY (hereinafter called "National"), or order, at its offices, 10 Lafayette Square, Buffalo, New York, in lawful money of the United States, the principal sum of

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and to pay interest on said principal sum or any unpaid balance thereof semiannually on the 1st day of \_\_\_\_\_ and \_\_\_\_\_ in each year at said office, in like money, from the date hereof until this note shall become due or shall be paid in full at the rate of \_\_\_\_\_ % per annum\*.

This note is one of the notes of Distribution Corporation mentioned in a Credit Agreement dated \_\_\_\_\_ by and between Distribution Corporation and National providing for the issuance of promissory notes by Distribution Corporation to National, to provide funds for Distribution Corporation as described in and subject to the terms of said Credit Agreement.

Upon the occurrence of an event described in Paragraph 3 or 4 in said Credit Agreement, the principal of this note and the interest due thereon may be declared to be forthwith due and payable, without necessity of demand, notice, presentment or protest, or the terms hereof may be modified.

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Sr. Vice President and Controller

\*Rate, maturity and interest payment  
dates are provided in Paragraph 2 of



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SCHEDULE I  
Sheet 1 of 2

The most current amendment to the by-laws of National Fuel Gas Distribution Corporation occurred on December 16, 1994. Attached is a copy of the resolution.  
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SCHEDULE I  
Sheet 2 of 2

Upon motion duly made and seconded, the following resolution was unanimously

adopted:

RESOLVED: That Article III, Section 1 of the By-laws of the Corporation, are hereby amended to increase the number of directors to eight (8) effective immediately; and it is

FURTHER RESOLVED: That pursuant to the authority vested in the Board of Directors by Article III, Section 1 of the By-laws, as amended, effective this date, Walter E. DeForest be, and hereby is, elected a director of the Corporation to serve until the next Annual Meeting, or any adjournment thereof, or until his successor shall be duly elected and shall qualify.

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SCHEDULE J  
Sheet 1 of 1

An Application-Declaration of Form U-1 filed with the Securities and Exchange Commission by National Fuel Gas Company and National Fuel Gas Distribution Corporation was included with Case No. 93-G-0154. The new Application-Declaration on Form U-1 filed with the Securities and Exchange Commission by National and Distribution, as amended to date, is a part of this schedule, and is incorporated herein by reference.

(Amendment #1 to joint Application-Declaration, File #70-8541, dated January 20, 1995 was filed as this exhibit, and herein incorporated by reference.)

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
SECURITIES CERTIFICATE TO THE PENNSYLVANIA PUBLIC  
UTILITY COMMISSION FOR AUTHORIZATION  
TO ISSUE \$250,000,000 OF PROMISSORY NOTES, AND TO  
ASSUME THE COSTS AND BENEFIT OF  
CERTAIN DERIVATIVE INSTRUMENTS

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Securities Certificate of NATIONAL  
FUEL GAS DISTRIBUTION CORPORATION : Securities  
in respect of Promissory Notes : Certificate  
in the Aggregate Principal Amount : No.  
of \$250,000,000, and Certain : 1995  
Derivative Instruments

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

National Fuel Gas Distribution Corporation ("Distribution") files this Securities Certificate and requests the Pennsylvania Public Utility Commission to register such certificate. In support thereof, Distribution represents as follows:

(1) The name and address of the public utility filing this Securities Certificate is: National Fuel Gas Distribution Corporation, 10 Lafayette Square, Buffalo, New York 14203.

(2) The name and address of the General Counsel of Distribution is: Ronald J. Tanski, 10 Lafayette Square, Buffalo, New York 14203. The name and address of Distribution's Pennsylvania Rate Counsel is: Morgan, Lewis & Bockius, Attn: Michael W. Gang, One Commerce Square, 417 Walnut Street, Harrisburg, Pennsylvania 17101-1904.

(3) Distribution is a gas corporation duly organized and existing under Section 3 of the Transportation Corporations Law of the State of New York, having its principal business office at 10 Lafayette Square, Buffalo, New York 14203. Distribution provides gas service, and activities incidental thereto, to retail customers located in the western portion of the State of New York, and in the counties of Armstrong, Butler, Cameron, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, McKean, Mercer, Venango and Warren, all situated within the Commonwealth of Pennsylvania. Service within the Commonwealth of Pennsylvania is pursuant to a certificate of public convenience, dated August 17, 1973, issued by the Pennsylvania Public Utility Commission and docketed at A-97939.

Distribution is the successor to Iroquois Gas Corporation, Pennsylvania Gas Company and United Natural Gas Company pursuant to a corporate reorganization effective as of July 1, 1974, which also was approved by the Commission's order dated August 17, 1973, at A-97939.

In compliance with requirements of the Business Corporation Law (Act of May 5, 1933, P.L. 364, as amended), Distribution secured, from the Commonwealth of Pennsylvania, authority to do business within the Commonwealth of Pennsylvania as a foreign corporation. The Application for a Certificate of Authority and the Certificate of Authority are filed among the records of the Secretary of the Commonwealth of Pennsylvania in Volume 73.57, at pages 335 et seq., and in Volume 74.30, at pages 523 et seq.

Distribution is a wholly-owned subsidiary of National Fuel Gas Company ("National"), a publicly-held corporation with its common stock traded on the New York Stock Exchange. National maintains its principal office at 10 Lafayette Square, Buffalo, New York 14203 and is a registered public utility holding company under the Public Utility Holding Company Act of 1935, as amended. National also holds all the common stock of National Fuel Gas Supply Corporation, Seneca Resources Corporation, Leidy Hub, Inc., Highland Land & Minerals, Inc., Utility Constructors, Inc., Data-Track Account Services, Inc. and National Fuel Resources, Inc. Neither National nor any of its subsidiaries has outstanding preferred stock. Distribution is subject to the regulatory jurisdiction of the Pennsylvania Public Utility Commission ("PaPUC") and the Public Service Commission of the State of New York ("PSC").

(4) Distribution is controlled by:

- (a) National;
- (b) through its ownership of all of the outstanding shares of the capital stock of Distribution;
- (c) to the extent of 100%; and
- (d) control is direct.

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(5) National is the source of capital for Distribution and National meets such capital requirements by issuing securities to the public. Distribution may issue promissory notes, as described herein, to National in order to secure debt capital for purposes explained in Paragraph No. 7, below. The interest rates and the maturity dates of Distribution's promissory notes, as explained below, would be governed by the maturity dates and interest rates of, and if applicable, sinking fund requirements for, debentures or notes that would be issued to the public by National.

It is National's current intention to redeem, at their maturity, debentures and medium-term notes ("MTN's") issued by National to the holders thereof. Many of National's MTN's, some of the proceeds of which were lent to Distribution, mature in the next 24 months. Accordingly, within the next 24 months, National will require Distribution to pay sums due on the promissory notes issued by Distribution to National in exchange for loans from National to Distribution, in connection with Distribution's 6.21% promissory notes due May 1, 1995, its 9.45% notes due June 8, 1995, its 6.23% notes due June 23, 1995, its 6.24% notes due May 1, 1995, its 9.0% notes due December 18, 1995, its 9.03% notes due December 18, 1995 and its 9.03% notes due December 20, 1995.

Distribution has had no authority to issue promissory notes since January 1, 1995, and will continue to lack such authority until it receives the necessary PaPUC, PSC and Securities and Exchange Commission ("SEC") orders. Distribution is currently seeking such authorization from the PSC, for a 24-month period beginning on the day of the PSC order. National, Distribution and certain other subsidiaries of National are seeking Securities and Exchange Commission ("SEC") authorization for Distribution to issue promissory notes to National, and other financing authorizations for National and such other subsidiaries, that would expire on December 31, 1997. An application-declaration on Form U-1 has been filed with the SEC, under the Public Utility Holding Company Act of 1935, as amended, for this purpose. Therefore, Distribution is seeking authorization as part of this Securities Certificate, consistent with such other filings, to issue promissory notes in the principal amount of not more than \$250,000,000 for a 24-month period beginning with the date of the order.

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The promissory notes that Distribution may issue would have the following characteristics:

- (a) Title of securities: Promissory Notes.
- (b) Aggregate principal amount of promissory notes will not exceed \$250,000,000.
- (c) National may issue debentures or notes to the public which may or may not have sinking fund obligations, call provisions and/or other terms, conditions and features, and the proceeds from such public issuance would be the source of cash delivered to Distribution by National in exchange for promissory notes. The actual effective annual interest rate cannot be known until National's debentures or notes have been sold to the public.

Promissory notes which Distribution may issue would bear interest pursuant to the provisions of Exhibit L. Each promissory note will be dated as of the date of issuance by Distribution and each promissory note will be sold at face value. Interest will be payable at such time as the interest payments on National's debentures or notes become due. If National issues sinking fund debentures or notes, each promissory note may have a different maturity date, with such maturity date to be governed by the sinking fund requirements for National's debentures or notes. If National's debentures or notes have no sinking fund obligations, the promissory notes will have a final maturity date which is the same as the maturity date of National's debentures or notes.

The full terms and conditions concerning Distribution's possible borrowings from National are set forth in the Credit Agreement and in the form of promissory note attached hereto as Exhibit L. The Credit Agreement between National and Distribution provides, in Paragraph No. 2, in pertinent part, as

follows:

"Each promissory note shall be dated as of the date of issue and shall bear interest payable at such time as provided for in, and at the effective interest rate or yield to maturity cost rate of, National's debenture or note or other debt issue that provides the proceeds from which Distribution Corporation has borrowed hereunder. Such interest rate or cost shall reflect actual underwriters' or agents' fees and commissions, plus five basis points per annum additional interest per issue to reflect expenses of National relating to

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debt issuance (such as legal fees and bond rating agencies' fees). The resulting effective annual interest rate shall be rounded up to the next highest 1/100th of 1%. Each promissory note shall mature at such time as National's corresponding debenture, note or other debt issue matures."

The promissory notes, if issued, would be subject to prepayment, prior to maturity, under certain circumstances. The Credit Agreement (Exhibit L) provides in paragraph No. 4 as follows:

"If the debentures, notes or other debt issued by National, or the indenture, supplemental indenture or other documents governing the terms thereof, give National the right or obligation to early redeem all or part of said debentures, notes or other debt, and National exercises that right in whole or in part, prior to their maturity, or if National tenders for or otherwise discharges such debentures, notes or other debt prior to their maturity, or modifies the terms thereof, then Distribution Corporation shall prepay to National a principal amount of the note or notes issued hereunder as shall equal the principal amount of such debentures, notes or other debt of National that are early redeemed or discharged, together with accrued interest on the prepaid principal amount of National's debentures, notes or other debt, together with the premium, if any, that is paid in connection with any such redemption or discharge, and together with unrecovered (unamortized) debt issuance discounts and costs, or Distribution Corporation shall agree to make payments to National in accordance with such modified terms, as the case may be."

The promissory notes, if issued, would not be subject to call, maintenance, depreciation, sinking fund or other fund provision, except as recited above.

Any taxes on the promissory notes would be paid by National.

There would be no trustee with regard to the promissory notes.

(Bank of New York is indenture trustee respecting National's debentures and MTN's.)

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The Credit Agreement and promissory notes would be substantially in the form as set forth in Exhibit L.

(6) Distribution would issue the promissory notes to National after Distribution and National received all required regulatory approvals with regard to issuance and acquisition of the promissory notes, and after National issued its debentures or notes to the public. Distribution is seeking regulatory approval from the PaPUC and from the PSC for such issuance of promissory notes. Distribution and National are seeking regulatory approval from the SEC for such borrowing and lending, respectively.

It is anticipated that the interest rate or cost to Distribution shall reflect actual underwriters' or agents' fees and commissions, plus five basis points per annum additional interest per issue to reflect other expenses of National relating to debt issuance (such as attorneys' fees and bond rating agencies' fees).

(7) National proposes to redeem, at their maturity, debentures and medium-term notes ("MTN's") issued by National, Distribution's parent company. Many of National's MTN's, some of the proceeds of which were lent to Distribution, mature in the next 24 months. At the same time, National will require Distribution to pay sums due on promissory notes issued by Distribution to National in exchange for loans from National to Distribution, in connection with Distribution's 6.21% promissory notes due May 1, 1995, its 9.45% notes due June 8, 1995, its 6.23% notes due June 23, 1995, its 6.24%

notes due May 1, 1995, its 9.0% notes due December 18, 1995, its 9.03% notes due December 18, 1995 and its 9.03% notes due December 20, 1995.

The amounts of the debt issuances by National, and the portions thereof that were lent by National to Distribution, with regard to the above-described debt, are as follows:

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	Amount Borrowed by Distribution \$	Related Medium-Term Note Issuance by National \$
6.21% Promissory Notes due 5/01/95	23,000,000	55,000,000
9.45% Promissory Notes due 6/08/95	20,000,000	20,000,000
6.23% Promissory Notes due 6/23/95	1,000,000	1,000,000
6.24% Promissory Notes due 5/01/95	20,000,000	20,000,000
9.0% Promissory Notes due 12/18/95	9,000,000	20,000,000
9.03% Promissory Notes due 12/18/95	8,000,000	25,500,000
9.03% Promissory Notes due 12/20/95	13,000,000	13,000,000

Distribution proposes to issue, as part of the financing discussed herein, promissory notes, in the principal amount of not more than \$250,000,000, and to apply the proceeds from the sale of such notes (i) to fund, in part, Distribution's construction program for the 24-months beginning at the date of the order, (ii) for general corporate purposes, (iii) to decrease short-term debt balances incurred to finance previous years' construction programs or other capital expenditures, (iv) to repay the following promissory notes issued by Distribution to National in exchange for loans from National to Distribution: the 6.21% promissory notes due May 1, 1995, the 9.45% notes due June 8, 1995, the 6.23% notes due June 23, 1995, the 6.24% notes MTN's due May 1, 1995, the 9.0% notes due December 18, 1995, the 9.03% notes due December 18, 1995 and the 9.03% notes due December 20, 1995.

Once all requisite orders have been received, the proposed issuance of debentures or notes by National and promissory notes by Distribution would occur from time-to-time based upon market conditions during the 24-month period beginning with the date of the order. Therefore, Distribution requests that the PaPUC register the Securities Certificate for Distribution's issuance of promissory notes within the 24-month time period beginning with the date of the order. If Distribution issues \$250,000,000 of promissory notes during such period and wishes to issue more, Distribution will request registration of a new Securities Certificate. Further, Distribution anticipates filing an additional Securities Certificate at approximately the same time as, or shortly after, this Securities Certificate expires.

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As of September 30, 1994, Distribution had \$70,000,000 in short-term debt obligations outstanding. Such amount was payable to National (Exhibit E, Sheet 2). Distribution's estimated cost of constructing plant facilities during the calendar years 1995 and 1996 amounts to \$63,411,000 and \$59,703,000, respectively. (Refer to Exhibit M.)

(8) National, pursuant to the Public Utility Holding Company Act of 1935, as amended, has filed an application-declaration with the SEC requesting authority to issue and sell up to \$350,000,000 of Debentures and/or Medium-Term Notes prior to December 31, 1997, and to lend up to \$250,000,000 of the proceeds thereof to Distribution, among other things. Refer to Exhibit H for a copy of the filing (on Form U-1) with the SEC concerning this financing.

(9) National and Distribution may also respectively enter into, and assume the costs and benefits of agreements providing for, interest rate swaps, caps, collars and floors (collectively, "derivative instruments"), during the 24-month period beginning on the date of the order. The notional amount of such derivative instruments that may be obtained by National, and the costs of which may be assumed by Distribution, shall not exceed \$350,000,000.

National may enter into an interest rate swap agreement with a counterparty, whereby National would pay a fixed interest rate and receive a floating interest rate. Conversely, National may enter into a swap agreement whereby it would pay a floating rate and receive a fixed rate. (National may also enter into agreements concerning other derivative instruments in connection with such swaps or its new or existing debt.) The purpose of such swaps would be, respectively, to "convert" floating rate interest payments to fixed rate payments, and to "convert" fixed rate interest payments to floating rate payments.

See Exhibit L for the form of agreement to be used in the event National enters into, and Distribution assumes the costs and benefits of, agreements concerning such derivative instruments. See Exhibit H for a more detailed description of the purposes for which National and Distribution may

enter into such arrangements, as well as several examples of how such transactions work.

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Note that Distribution is not, through this Securities Certificate, seeking the recovery in rates of the costs associated with such derivative instruments. Distribution is only hereby requesting authorization to assume the costs and benefits of such derivative agreements.

(10) Distribution requests a waiver of the general provision requiring that financial statements be filed relating to periods ending no more than 90 days prior to the date of filing.

(11) The following exhibits are appended hereto and are made a part hereof:

- A. Balance Sheet of National Fuel Gas Distribution Corporation at September 30, 1994.
  - B. Statement of Income and Earned Surplus of National Fuel Gas Distribution Corporation for the Twelve Months Ended September 30, 1994.
  - C. Statement of Gas Plant in Service of National Fuel Gas Distribution Corporation at September 30, 1994.
  - D. Statement of Securities of Other Corporations Owned by National Fuel Gas Distribution Corporation at September 30, 1994.
  - E. Statement Showing Status of the Funded Debt of National Fuel Gas Distribution Corporation at September 30, 1994.
  - F. Statement Showing Status of Outstanding Capital Stock of National Fuel Gas Distribution Corporation at September 30, 1994.
  - G. Copy of Registration Statement Filed by National Fuel Gas Distribution Corporation with the Securities and Exchange Commission under the Securities Act of 1933 in Respect to the Proposed Increase of Indebtedness.
  - H. Copy of Application-Declaration Filed by National and National Fuel Gas Distribution Corporation with the Securities and Exchange Commission in Respect to the Possible Increase of Indebtedness.
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- I. Copy of the Resolution of the Board of Directors of National Fuel Gas Distribution Corporation Authorizing Officers to Enter into Credit Agreement with National.
  - J. Form of Promissory Note Proposed to be Issued.
  - K. Statement Showing, in Journal Entry Form, all Charges and Credits to be made on the Books of Account of National Fuel Gas Distribution Corporation as a Result of the Possible Increase of Indebtedness.
  - L. Form of Credit and Derivative Agreements between National Fuel Gas Company and National Fuel Gas Distribution Corporation.
  - M. Statement of Funds Required by National Fuel Gas Distribution Corporation for the Twelve Month Periods January 1, 1995 through December 31, 1995 and January 1, 1996 through December 31, 1996.

WHEREFORE, Distribution respectfully requests the Pennsylvania Public Utility Commission to register this Securities Certificate, by March 31, 1995 pursuant to Article VI of the Public Utility Law, as amended.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By /s/ J. P. Pawlowski  
Joseph P. Pawlowski, Sr. Vice President

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## AFFIDAVIT

Joseph P. Pawlowski, being duly sworn according to Law, deposes and says: that he is Sr. Vice President and Treasurer of National Fuel Gas Distribution Corporation; that he is authorized to and does make this affidavit for it; and that the facts set forth above are true and correct.

/s/ J. P. Pawlowski  
Joseph P. Pawlowski

Sworn and subscribed before  
me this 8th day of February 1995

/s/ C. W. Lee  
Notary Public

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EXHIBIT A  
Sheet 1 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET  
AT SEPTEMBER 30, 1994

## Assets and Other Debits

	\$
Utility Plant	
Utility Plant (101-107,114,117,118.1,118.2,120)	1,036,145,229
Less: Accumulated Provision for Depreciation, Amortization and Depletion (108-113,115,119.1,119.2,120.5)	248,431,038
Total Net Utility Plant	787,714,191
Other Property and Investments	
Non-Utility Property (121)	80,137
Other Investments (124)	1,088
Other Special Funds (128)	7,402,579
Total Other Property and Investments	7,483,804
Current and Accrued Assets	
Cash (131)	2,692,278
Working Funds (135)	839,675
Accounts Receivable (142, 143)	64,856,199
Less: Accumulated Provision for Uncollectible Accounts (144)	4,798,159
Accounts Receivable from Associated Companies (146)	14,217,355
Materials and Supplies (150)	8,321,871
Gas Stored Underground-Current (164.1)	31,899,894
Prepayments (165)	14,412,657
Interest and Dividends Receivable (171)	2,332,793
Accrued Utility Revenues (173)	17,310,686
Total Current and Accrued Assets	152,085,249
Deferred Debits	
Preliminary Survey and Investigation Charges (183)	102,908
Clearing Accounts (184)	513,370
Miscellaneous Deferred Debits (186)	151,995,130
Investment in Research and Development (188)	(295,800)

Accumulated Deferred Income Taxes (190)	130,125
Total Deferred Debits	152,445,733
Total Assets and Other Debits	1,099,728,977

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EXHIBIT A  
Sheet 2 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
BALANCE SHEET  
AT SEPTEMBER 30, 1994

Liabilities and Other Credits	
	\$
Proprietary Capital	
Common Stock Issued (201)	59,170,600
Premium on Capital Stock (207)	68,500
Other Paid-In Capital (208-211)	121,599,684
Retained Earnings (215,216)	206,799,499
Total Proprietary Capital	387,638,283
Long-Term Debt	
Advances from Associated Companies (223)	320,000,000
Other Long-Term Debt (224)	496,805
Total Long-Term Debt	320,496,805
Current and Accrued Liabilities	
Accounts Payable (232)	41,380,871
Notes Payable to Associated Companies (233)	70,000,000
Accounts Payable to Associated Companies (234)	19,575,036
Customer Deposits (235)	4,385,656
Taxes Accrued (236)	7,199,707
Interest Accrued (237)	157,707
Dividends Declared (238)	7,468,000
Tax Collections Payable (241)	170,754
Miscellaneous Current and Accrued Liabilities (242)	23,809,657
Total Current and Accrued Liabilities	174,147,388
Deferred Credits	
Customer Advances for Construction (252)	1,360,979
Other Deferred Credits (253)	41,113,148
Accumulated Deferred Investment Tax Credits (255)	13,611,128
Accumulated Deferred Income Taxes - Liberalized Depreciation (282)	73,465,475
Accumulated Deferred Income Taxes-Other (283)	82,831,388
Total Deferred Credits	212,382,118
Operating Reserves	
Pensions and Benefits Reserve (263)	5,064,383
Total Operating Reserves	5,064,383
Total Liabilities and Other Credits	1,099,728,977

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EXHIBIT B  
Sheet 1 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1994

Utility Operating Income	\$
Operating Revenues (400)	931,672,766
Operating Expenses	
Operation Expense (401)	695,422,724
Maintenance Expense (402)	22,271,790
Depreciation Expense (403)	28,215,742
Taxes Other Than Income Taxes (408.1)	88,852,086
Income Taxes (409.1, 410.1, 411.1, 411.4, 411.8)	28,146,207
Total Operating Expenses	862,908,549



Total Utility Operating Income	68,764,217
Other Income	
Income from Merchandising, Jobbing and Contract Work (415, 416)	(78,048)
Interest and Dividend Income (419)	390,161
Allowance for Funds Used During Construction (419.1)	256,868
Miscellaneous Nonoperating Income (421)	186,574
Gain on Disposition of Property (421.1)	212,477
Total Other Income	968,032
Other Income Deductions	
Loss on Disposition of Property (421.2)	186,652
Miscellaneous Income Deductions (426)	357,674
Total Other Income Deductions	544,326
Taxes - Other Income and Deductions	
Taxes Other Than Income Taxes (408.2)	17,550
Income Taxes (409.2, 410.2, 411.2, 411.5, 420)	(1,661,482)
Total Taxes-Other Income and Deductions	(1,643,932)
Net Other Income and Deductions	2,067,638
Interest Charges	
Amortization of Debt Discount and Expense (428)	1,453,225
Interest on Debt to Associated Companies (430)	25,974,515
Other Interest Expense (431)	2,093,234
Total Interest Charges	29,520,974
Net Income (433)	41,310,881

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EXHIBIT B  
Sheet 2 of 2

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT OF EARNED SURPLUS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 1994

Unappropriated Earned Surplus at September 30, 1993 (216)	\$178,852,372
Balance Transferred From Income (433)	41,310,881
Dividends Declared - Common Stock (438)	(29,872,000)
Adjustment to Retained Earnings 3/31/94	16,508,246
Unappropriated Earned Surplus at September 30, 1994 (216)	\$206,799,499

<TABLE>  
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EXHIBIT C  
Sheet 1 of 2

<CAPTION>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
GAS PLANT IN SERVICE  
AT SEPTEMBER 30, 1994

<S> Account Number	Description	<C> New York Division \$	<C> Pennsylvania Division \$	<C> Total \$
INTANGIBLE				
301	Organization	179,766	116,457	296,223
302	Franchise and Consents	15,470	7,388	22,858
	Total Intangible	195,236	123,845	319,081
NATURAL GAS PRODUCTION				
325.2	Producing Leaseholds	115,909	68,630	184,539
325.4	Rights of Way	354,698	46,978	401,676
325.5	Other Land and Land Rights	37,428	2,841	40,269
327	Field Compressor Station Structures	178,880	-	178,880

328	Field Meas. and Reg. Station Structures	17,139	8,081	25,220
329	Other Structures	-	3,317	3,317
330	Prod. Gas Wells-Well Construction	215,940	127,859	343,799
331	Prod. Gas Wells-Well Equipment	41,850	24,780	66,630
332	Field Lines	10,828,619	563,072	11,391,691
333	Field Compressor Station (Equipment)	1,460,609	-	1,460,609
334	Field Meas. and Reg. Station Equipment	4,215,557	1,343,078	5,558,635
336	Purification Equipment	-	36,826	36,826
337	Other Equipment	17,798	10,538	28,336
338	Unsuccessful Explor. and Devel. Costs	716,189	401,384	1,117,573
	Total Natural Gas Production	18,200,616	2,637,384	20,838,000

TRANSMISSION

365.1	Land and Land Rights	144,973	54,115	199,088
365.2	Rights of Way	380,731	638,643	1,019,374
366.2	Meas. & Reg. Station Structures	194,035	136,886	330,921
366.3	Other Structures	-	4,724	4,724
367	Mains	9,805,326	25,068,931	34,874,257
369	Measuring and Regulating Station Equipment	1,815,576	3,102,930	4,918,506
	Total Transmission	12,340,641	29,006,229	41,346,870

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EXHIBIT C  
Page 2 of 2

<CAPTION>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
GAS PLANT IN SERVICE  
AT SEPTEMBER 30, 1994

<S> Account Number	Description	<C> New York Division \$	<C> Pennsylvania Division \$	<C> Total \$
<b>DISTRIBUTION</b>				
374	Land and Land Rights	5,139,948	3,144,789	8,284,737
375	Structures and Improvements	1,168,851	4,859,300	6,028,151
376	Mains	391,447,103	137,786,098	529,233,201
377	Compressor Station Equipment	1,120,777	-	1,120,777
378	Meas. and Reg. Station Equipment - Gen.	7,695,187	5,166,115	12,861,302
380	Services	202,207,456	73,242,946	275,450,402
381	Meters	18,274,147	13,881,980	32,156,127
382	Meter Installations	4,595,821	2,818,371	7,414,192
383	House Regulators	366,219	353,875	720,094
384	House Regulator Installations	1,286,633	565,338	1,851,971
	Industrial Meas. and Reg. Sta. Equipment	7,869,042	4,062,569	11,931,611
387	Other Equipment	115,801	970,705	1,086,506
	Total Distribution	641,286,985	246,852,086	888,139,071
<b>GENERAL</b>				
389	Land and Land Rights	1,105,956	171,579	1,277,535
390	Structures and Improvements	27,026,928	1,383,720	28,410,648
391	Office Furniture & Equipment	6,303,112	1,362,977	7,666,089
392	Transportation Equipment	236,819	116,509	353,328
393	Stores Equipment	91,380	14,731	106,111
394	Tools, Shop & Garage Equipment	7,454,488	1,964,466	9,418,954
395	Laboratory Equipment	40,878	-	40,878
396	Power Operated Equipment	831,714	391,013	1,222,727
397	Communication Equipment	2,927,195	1,050,002	3,977,197
398	Misc. Equipment	143,566	5,345	148,911
	Total General	46,162,036	6,460,342	52,622,378
	Total Gas Plant in Service	718,185,514	285,079,886	1,003,265,400

</TABLE>

<TABLE>

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EXHIBIT D  
Page 1 of 1

<CAPTION>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT OF SECURITIES OF OTHER CORPORATIONS OWNED  
AT SEPTEMBER 30, 1994

<S> <C> <C> <C> <C> <C> <C>

Company	Exact Title of the Security	Amount Owned	Date Acquired	Price Paid	Most Recent Book Value	Market Value
Waterford Development Corp	Common Stock	10 Shares	1960	\$1,000	\$1,000	No Market
Erie Employment Task Force, Inc.	Debenture Bonds		1965	88	88	No Market
Total				\$1,088	\$1,088	

</TABLE>  
<TABLE>  
<PAGE 20>

EXHIBIT E  
Sheet 1 of 2

<CAPTION>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING STATUS OF THE FUNDED DEBT  
AT SEPTEMBER 30, 1994

(g) Advances from Associated Companies

Name & Description of Obligation	Rate	Interest Date Payable	Date of Maturity	Amount \$	Held By
<S> Promissory Note #90-1	<C> 9.45%	<C> 1/01 - 7/01	<C> 6/08/95	<C> 20,000,000	<C> National Fuel Gas Company
" " #90-2	9.03%	1/01 - 7/01	12/20/95	13,000,000	" " " "
" " #90-3	9.03%	1/01 - 7/01	12/18/95	8,000,000	" " " "
" " #90-4	9.00%	1/01 - 7/01	12/18/95	9,000,000	" " " "
" " #92-1	7.99%	2/01 - 8/01	2/01/2004	100,000,000	" " " "
" " #92-2	6.23%	5/01 -11/01	6/23/95	1,000,000	" " " "
" " #92-3	6.24%	5/01 - 11/01	5/01/95	20,000,000	" " " "
" " #92-4	6.21%	5/01 - 11/01	5/01/95	23,000,000	" " " "
" " #92-5	6.54%	5/01 - 11/01	11/05/97	7,000,000	" " " "
" " #93-1	6.71%	5/01 - 11/01	2/04/2000	50,000,000	" " " "
" " #93-2	7.46%	5/01 - 11/01	3/30/2023	49,000,000	" " " "
" " #94-1	8.55%	8/01 - 2/01	7/15/2024	20,000,000	" " " "
				320,000,000	

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EXHIBIT E  
Sheet 2 of 2

<CAPTION>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING STATUS OF THE FUNDED DEBT  
AT SEPTEMBER 30, 1994

(h) Advances from Associated Companies

Name & Description of Obligation	Rate	Interest Date Payable	Date of Maturity	Amount	Held By
<S> Notes Payable	<C> 4.87%*	<C> Monthly	<C> N/A	<C> \$70,000,000	<C> National Fuel Gas Company

<FN>  
NOTE: At January 31, 1995, the weighted average interest rate was 6.04% and the amount was \$108,200,000.

\*Represents Weighted Average Interest Rate at September 30, 1994

</FN>  
</TABLE>  
<TABLE>  
<PAGE 22>  
<CAPTION>

EXHIBIT F  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING STATUS OF OUTSTANDING CAPITAL STOCK  
AT SEPTEMBER 30, 1994

Designation of Kind and Class (a)	No. of Shares Authorized (b)	Par Value Per Share (c)	Amount Authorized (d)	Total Par Value, or Number of Shares if Without Par Value				Stated Book Value of Outstanding Stock Having No Par Value as of Date of Balance Sheet (j)
				Number of Shares Outstanding (not held by the Public Utility) (e)	Reacquired and Held in Treasury (f)	Held by the Public Utility Pledged (g)	In Sinking or Other Funds (h)	
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Common	2,000	No Par Value	2,000	2,000	None	None	None	\$59,170,600
Preferred	None							
Totals	2,000		2,000	2,000	None	None	None	\$59,170,600

<FN>  
Note: All of the 2,000 shares outstanding are issued to National Fuel Gas Company.  
</FN>  
</TABLE>  
<PAGE 23>

EXHIBIT G  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
COPY OF REGISTRATION STATEMENT FILED WITH  
THE SECURITIES AND EXCHANGE COMMISSION UNDER THE  
SECURITIES ACT OF 1933 IN RESPECT TO THE  
PROPOSED INCREASE OF INDEBTEDNESS

The Securities Act of 1933 is not applicable to the proposed transaction.  
<PAGE 24>

EXHIBIT H  
Sheet 1 of 1

NATIONAL FUEL GAS COMPANY  
COPY OF APPLICATION OR DECLARATION FILED WITH  
THE SECURITIES AND EXCHANGE COMMISSION IN  
RESPECT TO THE PROPOSED INCREASE OF INDEBTEDNESS

An Application-Declaration of Form U-1 filed with the Securities and Exchange Commission by National Fuel Gas Company and National Fuel Gas Distribution Corporation was included with Case No. S-00930321. The new Application-Declaration on Form U-1 filed with the Securities and Exchange Commission by National and Distribution, as amended to date, is a part of this exhibit.

(Amendment #1 to joint Application-Declaration, File #70-8541, dated January 20, 1995 was filed as this exhibit, and herein incorporated by reference.)

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EXHIBIT I  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
RESOLUTION OF THE BOARD OF DIRECTORS  
AUTHORIZING OFFICERS TO ENTER INTO CREDIT AGREEMENT  
WITH NATIONAL FUEL GAS COMPANY

Resolutions concerning this financing will be adopted by the Board of Directors of National Fuel Gas Distribution Corporation prior to the financing. Copies of said resolutions will be filed with the Pennsylvania Public Utility Commission at that time to complete this certificate.

<PAGE 26>

EXHIBIT J  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

Refer to Exhibit L, Sheet 3 for a copy of the proposed promissory note.

<PAGE 27>

EXHIBIT K  
Sheet 1 of 1

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
STATEMENT SHOWING, IN JOURNAL ENTRY FORM, ALL CHARGES AND  
CREDITS TO BE MADE ON THE BOOKS OF ACCOUNT  
AS A RESULT OF THE PROPOSED INCREASE IN INDEBTEDNESS

The proposed journal entries which would be made to record the receipt of cash and the projected change in indebtedness are:

Cash	\$250,000,000	
Long-Term Notes Payable-Associated Companies		\$250,000,000

To record the sale of long-term promissory notes to National

Long-Term Notes Payable-Associated Companies		
6.21% Note Due 1995	\$23,000,000	
9.45% Note Due 1995	20,000,000	
6.23% Note Due 1995	1,000,000	
6.24% Note Due 1995	20,000,000	
9.0% Note Due 1995	9,000,000	
9.03% Note Due 1995	8,000,000	
9.03% Note Due 1995	13,000,000	

Cash	\$94,000,000
------	--------------

To record the redemption of National Fuel Gas Distribution Corporation's promissory notes at maturity.

Notes Payable-Associated Companies	\$156,000,000	
Cash		\$156,000,000

To record the disbursement of cash to redeem Distribution's short-term debt obligation to National.

Operating Expense	\$350	
Cash		\$350

To record payment of costs incurred in connection with filing Certificate.

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EXHIBIT L  
Sheet 1 of 5

CREDIT AGREEMENT

THIS AGREEMENT dated \_\_\_\_\_ ; by and between NATIONAL FUEL GAS COMPANY (hereinafter called "National"), a New Jersey corporation, and NATIONAL FUEL GAS DISTRIBUTION CORPORATION (hereinafter called "Distribution Corporation"), a New York corporation and a subsidiary of National.

W I T N E S S E T H:

1. In order to provide funds to Distribution Corporation for working capital and its construction program, National agrees to extend credit to

Distribution Corporation from time-to-time, upon mutual consent and upon the further terms and conditions set forth in this Agreement.

2. Each borrowing made hereunder shall be made against delivery to National of Distribution Corporation's promissory note to evidence the amount borrowed each time. Each promissory note shall be dated as of the date of issue and shall bear interest payable at such time as provided for in, and at the effective interest rate or yield to maturity cost rate of, National's debenture or note or other debt issue that provides the proceeds from which Distribution Corporation has borrowed hereunder. Such interest rate or cost shall reflect actual underwriters' or agents' fees and commissions, plus five basis points per annum additional interest per issue to reflect expenses of National relating to debt issuance (such as legal fees and bond rating agencies' fees). The resulting effective annual interest rate shall be rounded up to the next highest 1/100th of 1%. Each promissory note shall mature at such time as National's corresponding debenture, note or other debt issue matures.

3. It is agreed that if a default occurs with respect to the punctual payment of any principal or interest due under this, or any other agreement or note of Distribution Corporation, or if Distribution Corporation makes an assignment for the benefit of creditors or files a petition in bankruptcy or is adjudicated insolvent or bankrupt, or if there is commenced against Distribution Corporation any such proceeding, then the entire amount of the principal and interest on all of the notes issued under this Agreement may be declared by National to be forthwith due and payable.

4. If the debentures, notes or other debt issued by National, or the indenture, supplemental indenture or other documents governing the terms thereof, give National the right or obligation to early redeem all or part of said debentures, notes or other debt, and National exercises that right in whole or in part, prior to their maturity, or if National tenders for or otherwise discharges such debentures, notes or other debt prior to their maturity, or modifies the terms thereof, then Distribution Corporation shall prepay to National a principal amount of the note or notes issued hereunder as shall equal the principal amount of such debentures, notes or other debt of National that are early redeemed or discharged, together with accrued interest on the prepaid principal amount of National's debentures, notes or other debt, together with the premium, if any, that is paid in connection with any such redemption or discharge, and together with unrecovered (unamortized) debt issuance discounts and costs, or Distribution Corporation shall agree to make payments to National in accordance with such modified terms, as the case may be.

5. This Agreement shall become effective when approvals have been obtained from the regulatory commissions having jurisdiction over this Agreement.

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EXHIBIT L  
Sheet 2 of 5

6. This Agreement shall be binding upon the successors and assigns of the parties hereto. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New York. This Agreement may be executed in counterparts, each one of which, when fully executed, shall be deemed to have the same dignity, force and effect as an original.

IN WITNESS WHEREOF, the parties hereto have caused their authorized officers to execute this Agreement and to have their corporate seals affixed and attested the day and year first above written.

NATIONAL FUEL GAS COMPANY

ATTEST:

President

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

ATTEST:

President

<PAGE 30>

EXHIBIT L  
Sheet 3 of 5

FORM OF PROMISSORY NOTE

Distribution Corporation Note No.

\$ \_\_\_\_\_ ,

For value received, the undersigned NATIONAL FUEL GAS DISTRIBUTION CORPORATION, a New York corporation (hereinafter called "Distribution Corporation"), hereby promises to pay on or before \_\_\_\_\_ to NATIONAL FUEL GAS COMPANY (hereinafter called "National"), or order, at its offices, 10 Lafayette Square, Buffalo, New York, in lawful money of the United States, the principal sum of

\*\*\* \*\*\*

and to pay interest on said principal sum or any unpaid balance thereof semiannually on the 1st day of \_\_\_\_\_ and \_\_\_\_\_ in each year at said office, in like money, from the date hereof until this note shall become due or shall be paid in full at the rate of \_\_\_\_\_ % per annum\*.

This note is one of the notes of Distribution Corporation mentioned in a Credit Agreement dated \_\_\_\_\_ by and between Distribution Corporation and National providing for the issuance of promissory notes by Distribution Corporation to National, to provide funds for Distribution Corporation as described in and subject to the terms of said Credit Agreement.

Upon the occurrence of an event described in Paragraph 3 or 4 in said Credit Agreement, the principal of this note and the interest due thereon may be declared to be forthwith due and payable, without necessity of demand, notice, presentment or protest, or the terms hereof may be modified.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Sr. Vice President and Controller

\*Rate, maturity and interest payment dates are provided in Paragraph 2 of Credit Agreement dated \_\_\_\_\_

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EXHIBIT L  
Sheet 4 of 5

FORM OF DERIVATIVE AGREEMENT

THIS AGREEMENT dated as of \_\_\_\_\_ ; by and between NATIONAL FUEL GAS COMPANY (hereinafter called "National"), a New Jersey corporation, and NATIONAL FUEL GAS DISTRIBUTION CORPORATION (hereinafter called "Distribution Corporation"), a New York corporation and a subsidiary of National.

W I T N E S S E T H :

1. If National from time-to-time enters into agreements concerning interest rate swaps, caps, collars, and/or floors (hereinafter called "derivative instruments"), and Distribution Corporation desires to obtain the benefits and pay the costs thereof, this Agreement, together with any attachments as may be necessary to further describe the terms of such derivative instruments and the allocation of such costs and benefits, shall govern the terms of such arrangements.

2.(a) If National desires to enter into, and Distribution desires to assume the costs and benefits of, an interest rate swap whereby National makes fixed rate payments to, and receives floating rate payments from, a counterparty, in lieu of: (i) National's issuance of long-term debt and liquidation of short-term debt, (ii) National's lending of the proceeds from such issuance of long-term debt to Distribution, (iii) Distribution's liquidation of short-term debt, and (iv) Distribution's issuance of a promissory note to National, National shall pay to Distribution any amounts received by National from the counterparty in connection with such swap, and Distribution shall pay to National any amounts that National must pay to the



counterparty in connection with such swap.

(b) If National desires to enter into, and Distribution desires to assume the costs and benefits of, agreements that provide caps, collars or floors in connection with such swap, National shall pay to Distribution any amounts received by it from the counterparty in connection therewith, and Distribution shall pay to National any amounts that National must pay the counterparty in connection therewith.

3. If transactions as are described in Paragraph 2 occur, Distribution shall continue to pay interest on its underlying short-term debt.

4. If National desires to enter into, and Distribution desires to assume the costs and benefits of, an interest rate swap whereby National makes floating rate payments to, and receives fixed rate payments from, a counterparty, in order to effectively convert, in whole or in part, National's existing fixed rate interest payments to floating rate payments, and likewise convert Distribution's payments pursuant to its promissory note to National, National shall pay to Distribution any amounts received by National from the counterparty pursuant to such swap, and Distribution shall pay to National any amounts that National must pay to the counterparty in connection with such swap. If National enters into agreements that provide caps, collars or floors in connection with such swap, the provisions set forth in paragraph 2 (b) concerning this matter shall apply.

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EXHIBIT L  
Sheet 5 of 5

5. If National desires to enter into, and Distribution desires to assume the costs and benefits of, agreements that provide caps, collars or floors in connection with existing floating rate medium-term notes or debentures or short-term debt of National, the proceeds of which have been loaned to Distribution, the provisions set forth in paragraph 2(b) shall apply.

6. If National terminates or "unwinds" one of the above-described derivative instruments, and either makes or receives payments, or assumes other obligations or benefits in connection therewith, National shall pay to Distribution any such receipts, and Distribution shall reimburse National for any payments National makes, and Distribution shall further assume any ongoing obligations and receive any ongoing benefits.

7. National and Distribution shall net the above payments to the extent practicable.

8. If Distribution defaults on its obligations hereunder, National shall have such remedies respecting Distribution as National's counterparty would have respecting National, if National made a similar default vis-a-vis the counterparty, without necessity of demand, notice, presentment or protest. Likewise, Distribution shall have similar remedies against National, should National default.

9. This Agreement shall become effective when approvals have been obtained from the regulatory commissions having jurisdiction over this Agreement. This Agreement shall be subject to additional terms and conditions as may be set forth in the Application-Declaration on Form U-1 in SEC File 70-8541, which was filed by National, Distribution, and certain other subsidiaries of National, and in the order(s) that may be issued thereunder.

10. This Agreement shall be binding upon the successors and assigns of the parties hereto. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New York. This Agreement may be executed in counterparts, each one of which, when fully executed, shall be deemed to have the same dignity, force and effect as an original.

IN WITNESS WHEREOF, the parties hereto have caused their authorized officers to execute this Agreement and to have their corporate seals affixed and attested the day and year first above written.

NATIONAL FUEL GAS COMPANY

ATTEST:

President

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

ATTEST:

President

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EXHIBIT M

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 STATEMENT OF FUNDS REQUIRED AND SOURCE OF FUNDS  
 TO MEET PROPOSED FINANCING FOR THE PERIODS  
 JANUARY 1 THROUGH DECEMBER 31, 1995 AND 1996

FUNDS REQUIRED	1995 \$	1996 \$
Construction Expenditures	63,411,000	59,703,000
Other Long-Term Debt	33,000	36,000
Notes Payable-Associated Companies		
Note Maturing 5/01/95 (6.21%)	23,000,000	
Note Maturing 6/08/95 (9.45%)	20,000,000	
Note Maturing 6/23/95 (6.23%)	1,000,000	
Note Maturing 5/01/95 (6.24%)	20,000,000	
Note Maturing 12/18/95 (9.00%)	9,000,000	
Note Maturing 12/18/95 (9.03%)	8,000,000	
Note Maturing 12/20/95 (9.03%)	13,000,000	94,000,000
-		
Payment and Discharge of Short-Term Notes Payable - Associated Companies	-	157,500,000
Total Funds Required	157,444,000	217,239,000

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EXHIBIT M  
 Sheet 2 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 CAPITAL EXPENDITURES PROGRAM  
 CALENDAR YEAR 1995  
 \$000

	New York Division \$	Pennsylvania Division \$	Total \$
Natural Gas Production Plant	213	134	347
Transmission Plant	319	882	1,201
Distribution Plant	43,511	14,821	58,332
General Plant	2,378	1,153	3,531
Total	46,421	16,990	63,411

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EXHIBIT M  
 Sheet 3 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 NEW YORK DIVISION  
 CAPITAL EXPENDITURES PROGRAM  
 CALENDAR YEAR 1995

\$000

NATURAL GAS PRODUCTION PLANT

Account 325 - Land and Land Rights	
Appropriation 100-X Land and Land Rights	4
Total Account 325	4
Account 332 - Field Lines	
Appropriation 120 Compressor Stations	115
Appropriation 125-X Measuring and Regulating Stations	94
TOTAL ACCOUNT 332	209
TOTAL NATURAL GAS PRODUCTION PLANT	213

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EXHIBIT M  
Sheet 4 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

TRANSMISSION PLANT

Account 365 - Land and Rights of Way	
Appropriation 300X - Land, Rights of Way	1
TOTAL ACCOUNT 365	1
Account 329 - Structures and Improvements	
Appropriation 305X - Structures and Improvements	1
TOTAL ACCOUNT 329	1
Account 367 - Mains	
Appropriation 315-B Replacements	192
Appropriation 315-E Cathodic Protection	23
TOTAL ACCOUNT 367	215
Account 369 - Measuring and Regulating Station Equipment	
Appropriation 325-X Measuring and Regulating Stations	102
TOTAL ACCOUNT 36911	102
TOTAL TRANSMISSION PLANT	319

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EXHIBIT M  
Sheet 5 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights:

Acquisition of Rights-of-Way 302  
Appropriation 405-X Structures and Improvements 61

TOTAL ACCOUNT 374 363

Account 376 - Mains

Appropriation 415-A through 415-D - Distribution Mains:

Appropriation 415-A New Mains Customer Extensions 4,532  
Appropriation 415-B Leakage Replacements 6,460  
Appropriation 415-C System Improvement 755  
Appropriation 415-D Public Improvement 4,028  
Appropriation 415-H Cast Iron Replacement 1,007  
Appropriation 415-L Active Corrosion 1,763  
Appropriation 415-E Cathodic Protection 228  
Appropriation 415-S Systematic Replacement 2,014  
Appropriation 415-W Customer Interruption - Water 4,431

TOTAL ACCOUNT 376 25,218

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations 453  
Appropriation 425-A Obsolete Equipment - Regular Stations 252

TOTAL ACCOUNT 378 705

Account 380 - Services

Appropriation 450-X Service Renewals 11,279  
Appropriation 451-X Downstream Services 50  
Appropriation 452-X New Services 3,827

TOTAL ACCOUNT 380 15,156

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EXHIBIT M  
Sheet 6 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-X Services Measuring and Regulating  
Equipment 559  
Appropriation 455-A Automated Meter Reading 755

TOTAL ACCOUNT 381 1,314

Account 385 - Industrial Measuring and Regulating  
Station Equipment

Appropriation 470-X Industrial Measuring and Regulating  
Station Equipment 554  
Appropriation 475-X Industrial Rebuilds 201

TOTAL ACCOUNT 385 755

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

## GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements	1,523
---	-------

TOTAL ACCOUNT 390	1,523
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Account 515X - Compressed Natural Gas Projects

TOSC, NFSC, CLSC	249
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TOTAL ACCOUNT 515X	249
--------------------	-----

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment	99
--	----

TOTAL ACCOUNT 391	99
-------------------	----

Account 394 - Tools, Shop and Garage Equipment

Appropriation 560-X Tools, Shop and Garage Equipment	298
--	-----

TOTAL ACCOUNT 394	298
-------------------	-----

Account 397 - Communication Equipment

Appropriation 570-X Communication Equipment	209
---	-----

TOTAL ACCOUNT 397	209
-------------------	-----

TOTAL GENERAL PLANT	2,378
---------------------	-------

TOTAL NEW YORK DIVISION	46,421
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NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

## NATURAL GAS PRODUCTION PLANT

Account 325 - Land and Land Rights

Appropriation 100-X Land and Land Rights	7
--	---

TOTAL ACCOUNT 325	7
-------------------	---

Account 332 - Field Lines

Appropriation 115-B Replacements	53
TOTAL ACCOUNT 332	53
Account 334 - Field Measuring and Regulating Station Equipment	
Appropriation 125-X Measuring and Regulating Stations	74
TOTAL ACCOUNT 334	74
TOTAL NATURAL GAS PRODUCTION PLANT	134

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EXHIBIT M  
Sheet 9 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

TRANSMISSION PLANT

Account 365 - Land and Land Rights	
Appropriation 300-X Land and Land Rights	28
TOTAL ACCOUNT 365	28

Account 367 - Mains	
Appropriation 315-B Replacements	285
Appropriation 315-C System Improvement	47
Appropriation 315-E Cathodic Protection	24
TOTAL ACCOUNT 367	356

Account 369 - Measuring and Regulating Station Equipment	
Appropriation 325-X Measuring and Regulating Stations	498
TOTAL ACCOUNT 369	498
TOTAL TRANSMISSION PLANT	882

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EXHIBIT M  
Sheet 10 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights	
Appropriation 400-X Land and Land Rights:	228
TOTAL ACCOUNT 374	228

Account 375 - Structures and Improvements

Appropriation 405-X Structures and Improvements	622
TOTAL ACCOUNT 375	622

Account 376 - Mains

Appropriation 415-A New Mains Customer Extensions	1,117
Appropriation 415-B Replacements	4,923
Appropriation 415-C System Improvement	371
Appropriation 415-D Public Improvement	201
Appropriation 415-E Cathodic Protection	20
TOTAL ACCOUNT 376	6,632

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	406
TOTAL ACCOUNT 378	406

Account 380 - Services

Appropriation 450-X Services	6,078
TOTAL ACCOUNT 380	6,078

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EXHIBIT M  
Sheet 11 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-A Metscan	203
Appropriation 455-X Measuring and Regulating Equipment	271
TOTAL ACCOUNT 381	474

Account 385 - Industrial Metering and Regulating Stations

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	381
TOTAL ACCOUNT 385	381

TOTAL DISTRIBUTION PLANT 14,821

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EXHIBIT M  
Sheet 12 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1995

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements	636
TOTAL ACCOUNT 390	636

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment	103
TOTAL ACCOUNT 391	103

Account 394 - Tools, Shop and Garage Equipment

Appropriation 560-X Tools, Shop and Garage Equipment	310
TOTAL ACCOUNT 394	310

Account 396 - Power Operated Equipment

Appropriation 565-X Power Operated Equipment	17
TOTAL ACCOUNT 396	17

Account 397 - Communication Equipment

Appropriation 570-X Communication Equipment	87
TOTAL ACCOUNT 397	87

TOTAL GENERAL PLANT	1,153
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TOTAL PENNSYLVANIA DIVISION	16,990
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EXHIBIT M  
Sheet 13 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996  
\$000

	New York Division \$	Pennsylvania Division \$	Total \$
Natural Gas Production Plant	214	97	311
Transmission Plant	321	785	1,106
Distribution Plant	40,365	15,140	55,505
General Plant	2,291	490	2,781
Total	43,191	16,512	59,703

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EXHIBIT M  
Sheet 14 of 23



NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

NATURAL GAS PRODUCTION PLANT

Account 332 - Field Lines

Appropriation 125-X Measuring and Regulating Stations 214

TOTAL ACCOUNT 332 214

TOTAL NATURAL GAS PRODUCTION PLANT 214

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EXHIBIT M  
Sheet 15 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

TRANSMISSION PLANT

Account 367 - Mains

Appropriation 315-B Replacements 160

Appropriation 315-E Cathodic Protection 54

TOTAL ACCOUNT 367 214

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations 107

TOTAL ACCOUNT 369 107

TOTAL TRANSMISSION PLANT 321

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EXHIBIT M  
Sheet 16 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights:

Acquisition of Rights-of-Way	266
TOTAL ACCOUNT 374	266

Account 376 - Mains

Appropriation 415-A thru 415-D - Distribution Mains:	
Appropriation 415-A New Mains Customer Extensions	5,408
Appropriation 415-B Replacements	4,640
Appropriation 415-C System Improvement	1,084
Appropriation 415-D Public Improvement	4,388
Appropriation 415-E Cathodic Protection	160
Appropriation 415-S System Improvement	907
Appropriation 415-H Cast Iron Replacement	724
Appropriation 415-L Active Corrosion	1,266
Appropriation 415-W Customer Interruption-Water	3,183
TOTAL ACCOUNT 376	21,760

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	871
Appropriation 425-A Obsolete Equipment-Regulator Stations	249
TOTAL ACCOUNT 378	1,120

Account 380 - Services

Appropriation 450-X Service Renewals	11,371
Appropriation 451-X Downstream Services	188
Appropriation 452-X New Services	3,858
TOTAL ACCOUNT 380	15,417

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EXHIBIT M  
Sheet 17 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 381 - Meters

Appropriation 455-A Automated Meter Reading	749
Appropriation 455-X Services Measuring and Regulating Equipment	266
TOTAL ACCOUNT 381	1,015

Account 385 - Industrial Measuring and Regulating Station Equipment

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	587
Appropriation 475-X Industrial Rebuilds	200
TOTAL ACCOUNT 385	787

TOTAL DISTRIBUTION PLANT	40,365
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EXHIBIT M  
Sheet 18 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
NEW YORK DIVISION  
CAPITAL EXPENDITURES PROGRAM

\$000

GENERAL PLANT

Account 390 - Structures and Improvements

Appropriation 505-X Structures and Improvements 1,439  
 TOTAL ACCOUNT 390 1,439

Account 515X - Compressed Natural Gas Projects

TOSC, NFSC, CLSC 246  
 TOTAL ACCOUNT 515X 246

Account 391 - Office Furniture and Equipment

Appropriation 550-X Office Furniture and Equipment 211  
 TOTAL ACCOUNT 391 211

Account 394 - Tools, Shop and Garage Equipment

Appropriation 560-X Tools, Shop and Garage Equipment 316  
 TOTAL ACCOUNT 394 316

Account 397 - Communication Equipment

Appropriation 570-X Communication Equipment 79  
 TOTAL ACCOUNT 397 79

TOTAL GENERAL PLANT 2,291

TOTAL NEW YORK DIVISION 43,191

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EXHIBIT M  
 Sheet 19 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 PENNSYLVANIA DIVISION  
 CAPITAL EXPENDITURES PROGRAM  
 CALENDAR YEAR 1996

\$000

NATURAL GAS PRODUCTION PLANT

Account 325 - Land and Land Rights

Appropriation 100-X Land and Land Rights 5  
 TOTAL ACCOUNT 325 5

Account 332 - Field Lines

Appropriation 115-B Replacements 39  
 TOTAL ACCOUNT 332 39

Account 334 - Field Measuring and Regulating  
 Station Equipment

Appropriation 125-X Measuring and Regulating Stations 53

TOTAL ACCOUNT 334 53

TOTAL NATURAL GAS PRODUCTION PLANT 97

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EXHIBIT M  
Sheet 20 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

TRANSMISSION PLANT

Account 365 - Land and Land Rights

Appropriation 300-X Land and Land Rights 25

TOTAL ACCOUNT 365 25

Account 367 - Mains

Appropriation 315-B Replacements 253

Appropriation 315-C System Improvement 42

Appropriation 315-E Cathodic Protection 21

TOTAL ACCOUNT 367 316

Account 369 - Measuring and Regulating Station Equipment

Appropriation 325-X Measuring and Regulating Stations 444

TOTAL ACCOUNT 369 444

TOTAL TRANSMISSION PLANT 785

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EXHIBIT M  
Sheet 21 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT

Account 374 - Land and Land Rights

Appropriation 400-X Land and Land Rights 233

TOTAL ACCOUNT 374 233

Account 375 - Structures and Improvements

Appropriation 405-X Structures and Improvements	636
TOTAL ACCOUNT 375	636

Account 376 - Mains

Appropriation 415-A New Mains Customer Extensions	1,141
Appropriation 415-B Replacements	5,029
Appropriation 415-C System Improvement	379
Appropriation 415-D Public Improvement	205
Appropriation 415-E Cathodic Protection	21
TOTAL ACCOUNT 376	6,775

Account 378 - Measuring and Regulating Station Equipment - General

Appropriation 425-X Measuring and Regulating Stations	415
TOTAL ACCOUNT 378	415

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EXHIBIT M  
Sheet 22 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

\$000

DISTRIBUTION PLANT (CONT'D.)

Account 380 - Services

Appropriation 450-X Services	6,208
TOTAL ACCOUNT 380	6,208

Account 381 - Meters

Appropriation 455-A Metscan	207
Appropriation 455-X Measuring and Regulating Equipment	277
TOTAL ACCOUNT 381	484

Account 385 - Industrial Metering and Regulating Stations

Appropriation 470-X Industrial Measuring and Regulating Station Equipment	389
TOTAL ACCOUNT 385	389

TOTAL DISTRIBUTION PLANT	15,140
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EXHIBIT M  
Sheet 23 of 23

NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
PENNSYLVANIA DIVISION  
CAPITAL EXPENDITURES PROGRAM  
CALENDAR YEAR 1996

GENERAL PLANT

\$000

Account 390 - Structures and Improvements	
Appropriation 505-X Structures and Improvements	270
TOTAL ACCOUNT 390	270
Account 391 - Office Furniture and Equipment	
Appropriation 550-X Office Furniture and Equipment	44
TOTAL ACCOUNT 391	44
Account 394 - Tools, Shop and Garage Equipment	
Appropriation 560-X Tools, Shop and Garage Equipment	132
TOTAL ACCOUNT 394	132
Account 396 - Power Operated Equipment	
Appropriation 565-X Power Operated Equipment	7
TOTAL ACCOUNT 396	7
Account 397 - Communication Equipment	
Appropriation 570-X Communication Equipment:	37
TOTAL ACCOUNT 397	37
TOTAL GENERAL PLANT	490
TOTAL PENNSYLVANIA DIVISION	16,512

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APPLICATION FOR APPROVAL  
 OF CREDIT AND DERIVATIVE AGREEMENTS BETWEEN  
 NATIONAL FUEL GAS DISTRIBUTION CORPORATION  
 AND NATIONAL FUEL GAS COMPANY

February 8, 1995

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BEFORE THE  
 PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application For Approval of  
 Credit and Derivative Agreements  
 Between National Fuel Gas

APPLICATION FOR APPROVAL  
OF CREDIT AND DERIVATIVE AGREEMENTS BETWEEN  
AFFILIATED INTERESTS

National Fuel Gas Distribution Corporation ("Distribution") files this Application pursuant to Section 2102 of the Public Utility Code, 66 Pa.C.S.A. Section 2102, and requests the Pennsylvania Public Utility Commission ("Commission") to enter an order approving the proposed Credit Agreement and Derivative Agreement between Distribution and National Fuel Gas Company ("National") that are attached hereto as Appendix "A" and "B" respectively. In support of this Application, Distribution represents as follows:

1. Distribution is a public utility providing gas service to customers located in fourteen counties in northwestern Pennsylvania and in portions of New York. Distribution is subject to the regulatory jurisdiction of the Commission.

2. National is a corporation organized and existing under the laws of the State of New Jersey. National owns 100% of the voting securities of Distribution. Distribution and National are affiliated interests as defined by Section 2101 of the Public Utility Code, 66 Pa.C.S.A. Section 2101.

3. National also owns 100% of the voting securities of National Fuel Gas Supply Corporation, Seneca Resources Corporation, Leidy Hub, Inc., Highland Land & Minerals, Inc., Utility Constructors, Inc., Data-Track Account Services,

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Inc. and National Fuel Resources, Inc. National is a registered public utility holding company under the Public Utility Holding Act of 1935, as amended. National's stock is publicly traded on the New York Stock Exchange.

4. National is able to issue debentures and medium-term notes at lower cost, including lower interest rates, than could be obtained by Distribution. Accordingly, National provides Distribution with all of its debt capital.

5. In order to meet the capital requirements of Distribution and National's other subsidiaries, National may from time-to-time issue and sell debentures and/or medium-term notes (MTN's). National may also enter into or terminate interest rate swaps, caps, collars and floors from time-to-time, and pass through the costs and benefits thereof to Distribution, in order to limit or define interest rate risk, or change the character or terms of new and existing long-term debt. National, pursuant to the Public Holding Company Act of 1935, as amended, has filed an application-declaration on Form U-1 with the Securities and Exchange Commission ("SEC") for authority to issue up to

\$350,000,000 of debentures and/or MTN's in the aggregate, to lend up to \$250,000,000 of the proceeds thereof to Distribution in exchange for promissory notes, and to enter into agreements respecting up to \$350,000,000 notional amount of interest rate swaps, caps, collars and floors, all as described in such Form U-1. The authority so requested would expire on December 31, 1997. Therefore, pursuant to this application, National will lend to Distribution up to \$250,000,000 of funds obtained by National from the issue and sale of its debentures and/or MTN's, and will pass on to Distribution the costs and benefits of up to \$350,000,000 notional amount of such swaps and other derivative instruments.

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Refer to Exhibit H attached to the Securities Certificate for a copy of this filing (Form U-1) with the SEC concerning the financing that is the subject of this Application.

Once all requisite orders have been received, the proposed issuance of debentures and/or MTN's by National and promissory notes by Distribution, and the proposed entry into agreements concerning interest rate swaps and other derivative instruments, may occur from time-to-time based upon favorable market conditions during the 24-month period beginning with the date of the order hereby sought from the Commission.

6. The full terms of such borrowings and the form of the promissory notes that may be issued by Distribution to National are provided in the proposed "Credit Agreement", between Distribution and National, that is attached to this Application as Appendix "A". If National enters into agreements concerning interest rate swaps or other derivative instruments, and if Distribution agrees to assume the costs and benefits thereof, the terms thereof and the form of such agreement are set forth herein as Appendix "B".

7. Promissory notes, if any, will bear interest pursuant to the provisions of the Credit Agreement. Interest would be payable as set forth in the documents applicable to National's issue and sale of MTN's or debentures. Each of Distribution's promissory notes may have a different maturity date, with such maturity date to be governed by sinking fund and maturity requirements for National's debentures or MTN's, or by the maturity dates of such debentures or MTN's if there are no sinking fund obligations. The full terms and conditions concerning Distribution's possible borrowings from National are set forth in or incorporated into the Credit Agreement and in the form of promissory notes attached hereto as Appendix "A". The Credit Agreement

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(Appendix "A") between National and Distribution provides, in Paragraph No. 2,

in pertinent part as follows:

"Each promissory note shall be dated as of the date of issue and shall bear interest payable at such time as provided for in, and at the effective interest rate or yield to maturity cost rate of, National's debenture or note or other debt issue that provides the proceeds from which Distribution Corporation has borrowed hereunder. Such interest rate or cost shall reflect actual underwriters' or agents' fees and commissions, plus five basis points per annum additional interest per issue to reflect expenses of National relating to debt issuance (such as legal fees and bond rating agencies' fees). The resulting effective annual interest rate shall be rounded up to the next highest 1/100th of 1%. Each promissory note shall mature at such time as National's corresponding debenture, note or other debt issue matures."

The promissory notes, if issued, would be subject to prepayment, prior to maturity, under certain circumstances. The Credit Agreement (Appendix "A") provides in paragraph No. 4 as follows:

"If the debentures, notes or other debt issued by National, or the indenture, supplemental indenture or other documents governing the terms thereof, give National the right or obligation to early redeem all or part of said debentures, notes or other debt, and National exercises that right in whole or in part, prior to their maturity, or if National tenders for or otherwise discharges such debentures, notes or other debt prior to their maturity, or modifies the terms thereof, then Distribution Corporation shall prepay to National a principal amount of the note or notes issued hereunder as shall equal the principal amount of such debentures, notes or other debt of National that are early redeemed or discharged, together with accrued interest on the prepaid principal amount of National's debentures, notes or other debt, together with the premium, if any, that is

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paid in connection with any such redemption or discharge, and together with unrecovered (unamortized) debt issuance discounts and costs, or Distribution Corporation shall agree to make payments to National in accordance with such modified terms, as the case may be."

The promissory notes, if issued, would not be subject to call, maintenance, depreciation, sinking fund or other fund provisions, except as described herein.

WHEREFORE, Distribution requests that the Pennsylvania Public Utility Commission enter an order approving the Credit Agreement and Derivative Agreement attached hereto as Appendices "A" and "B" respectively.

Respectfully submitted,  
NATIONAL FUEL GAS  
DISTRIBUTION CORPORATION

/s/ J. P. Pawlowski  
Joseph P. Pawlowski  
Sr. Vice President and Treasurer

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Attached is the Credit Agreement and Note - Exhibit L, Sheet 1 through 3.

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EXHIBIT L  
Sheet 1 of 5

CREDIT AGREEMENT

THIS AGREEMENT dated \_\_\_\_\_ ; by and between NATIONAL FUEL GAS COMPANY (hereinafter called "National"), a New Jersey corporation, and NATIONAL FUEL GAS DISTRIBUTION CORPORATION (hereinafter called "Distribution Corporation"), a New York corporation and a subsidiary of National.

W I T N E S S E T H:

1. In order to provide funds to Distribution Corporation for working capital and its construction program, National agrees to extend credit to Distribution Corporation from time-to-time, upon mutual consent and upon the further terms and conditions set forth in this Agreement.

2. Each borrowing made hereunder shall be made against delivery to National of Distribution Corporation's promissory note to evidence the amount borrowed each time. Each promissory note shall be dated as of the date of issue and shall bear interest payable at such time as provided for in, and at the effective interest rate or yield to maturity cost rate of, National's debenture or note or other debt issue that provides the proceeds from which Distribution Corporation has borrowed hereunder. Such interest rate or cost shall reflect actual underwriters' or agents' fees and commissions, plus five basis points per annum additional interest per issue to reflect expenses of National relating to debt issuance (such as legal fees and bond rating agencies' fees). The resulting effective annual interest rate shall be rounded up to the next highest 1/100th of 1%. Each promissory note shall mature at such time as National's corresponding debenture, note or other debt issue matures.

3. It is agreed that if a default occurs with respect to the punctual payment of any principal or interest due under this, or any other agreement or note of Distribution Corporation, or if Distribution Corporation makes an assignment for the benefit of creditors or files a petition in bankruptcy or is adjudicated insolvent or bankrupt, or if there is commenced against Distribution Corporation any such proceeding, then the entire amount of the principal and interest on all of the notes issued under this Agreement may be declared by National to be forthwith due and payable.

4. If the debentures, notes or other debt issued by National, or the indenture, supplemental indenture or other documents governing the terms thereof, give National the right or obligation to early redeem all or part of said debentures, notes or other debt, and National exercises that right in whole or in part, prior to their maturity, or if National tenders for or otherwise discharges such debentures, notes or other debt prior to their maturity, or modifies the terms thereof, then Distribution Corporation shall prepay to National a principal amount of the note or notes issued hereunder as shall equal the principal amount of such debentures, notes or other debt of National that are early redeemed or discharged, together with accrued interest on the prepaid principal amount of National's debentures, notes or other debt, together with the premium, if any, that is paid in connection with any such redemption or discharge, and together with unrecovered (unamortized) debt issuance discounts and costs, or Distribution Corporation shall agree to make payments to National in accordance with such modified terms, as the case may be.

5. This Agreement shall become effective when approvals have been obtained from the regulatory commissions having jurisdiction over this Agreement.

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EXHIBIT L  
Sheet 2 of 5

6. This Agreement shall be binding upon the successors and assigns of the parties hereto. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New York. This Agreement may be executed in counterparts, each one of which, when fully executed, shall be deemed to have the same dignity, force and effect as an original.

IN WITNESS WHEREOF, the parties hereto have caused their authorized officers to execute this Agreement and to have their corporate seals affixed

and attested the day and year first above written.

NATIONAL FUEL GAS COMPANY

ATTEST:

President

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ATTEST:

President

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EXHIBIT L  
Sheet 3 of 5

FORM OF PROMISSORY NOTE

Distribution Corporation Note No.

\$ ,

For value received, the undersigned NATIONAL FUEL GAS DISTRIBUTION CORPORATION, a New York corporation (hereinafter called "Distribution Corporation"), hereby promises to pay on or before to NATIONAL FUEL GAS COMPANY (hereinafter called "National"), or order, at its offices, 10 Lafayette Square, Buffalo, New York, in lawful money of the United States, the principal sum of

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and to pay interest on said principal sum or any unpaid balance thereof semiannually on the 1st day of and in each year at said office, in like money, from the date hereof until this note shall become due or shall be paid in full at the rate of % per annum\*.

This note is one of the notes of Distribution Corporation mentioned in a Credit Agreement dated by and between Distribution Corporation and National providing for the issuance of promissory notes by Distribution Corporation to National, to provide funds for Distribution Corporation as described in and subject to the terms of said Credit Agreement.

Upon the occurrence of an event described in Paragraph 3 or 4 in said Credit Agreement, the principal of this note and the interest due thereon may be declared to be forthwith due and payable, without necessity of demand, notice, presentment or protest, or the terms hereof may be modified.

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

By President

By Sr. Vice President and Controller

\*Rate, maturity and interest payment dates are provided in Paragraph 2 of Credit Agreement dated

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Attached is the Derivative Agreement - Exhibit L, Sheets 4 and 5.

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EXHIBIT L  
Sheet 4 of 5

FORM OF DERIVATIVE AGREEMENT

THIS AGREEMENT dated as of \_\_\_\_\_ ; by and between NATIONAL FUEL GAS COMPANY (hereinafter called "National"), a New Jersey corporation, and NATIONAL FUEL GAS DISTRIBUTION CORPORATION (hereinafter called "Distribution Corporation"), a New York corporation and a subsidiary of National.

W I T N E S S E T H:

1. If National from time-to-time enters into agreements concerning interest rate swaps, caps, collars, and/or floors (hereinafter called "derivative instruments"), and Distribution Corporation desires to obtain the benefits and pay the costs thereof, this Agreement, together with any attachments as may be necessary to further describe the terms of such derivative instruments and the allocation of such costs and benefits, shall govern the terms of such arrangements.

2.(a) If National desires to enter into, and Distribution desires to assume the costs and benefits of, an interest rate swap whereby National makes fixed rate payments to, and receives floating rate payments from, a counterparty, in lieu of: (i) National's issuance of long-term debt and liquidation of short-term debt, (ii) National's lending of the proceeds from such issuance of long-term debt to Distribution, (iii) Distribution's liquidation of short-term debt, and (iv) Distribution's issuance of a promissory note to National, National shall pay to Distribution any amounts received by National from the counterparty in connection with such swap, and Distribution shall pay to National any amounts that National must pay to the counterparty in connection with such swap.

(b) If National desires to enter into, and Distribution desires to assume the costs and benefits of, agreements that provide caps, collars or floors in connection with such swap, National shall pay to Distribution any amounts received by it from the counterparty in connection therewith, and Distribution shall pay to National any amounts that National must pay the counterparty in connection therewith.

3. If transactions as are described in Paragraph 2 occur, Distribution shall continue to pay interest on its underlying short-term debt.

4. If National desires to enter into, and Distribution desires to assume the costs and benefits of, an interest rate swap whereby National makes floating rate payments to, and receives fixed rate payments from, a counterparty, in order to effectively convert, in whole or in part, National's existing fixed rate interest payments to floating rate payments, and likewise convert Distribution's payments pursuant to its promissory note to National, National shall pay to Distribution any amounts received by National from the counterparty pursuant to such swap, and Distribution shall pay to National any amounts that National must pay to the counterparty in connection with such swap. If National enters into agreements that provide caps, collars or floors in connection with such swap, the provisions set forth in paragraph 2(b) concerning this matter shall apply.

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EXHIBIT L  
Sheet 5 of 5

5. If National desires to enter into, and Distribution desires to assume the costs and benefits of, agreements that provide caps, collars or floors in connection with existing floating rate medium-term notes or debentures or short-term debt of National, the proceeds of which have been loaned to Distribution, the provisions set forth in paragraph 2(b) shall apply.

6. If National terminates or "unwinds" one of the above-described derivative instruments, and either makes or receives payments, or assumes other obligations or benefits in connection therewith, National shall pay to Distribution any such receipts, and Distribution shall reimburse National for any payments National makes, and Distribution shall further assume any

ongoing obligations and receive any ongoing benefits.

7. National and Distribution shall net the above payments to the extent practicable.

8. If Distribution defaults on its obligations hereunder, National shall have such remedies respecting Distribution as National's counterparty would have respecting National, if National made a similar default vis-a-vis the counterparty, without necessity of demand, notice, presentment or protest. Likewise, Distribution shall have similar remedies against National, should National default.

9. This Agreement shall become effective when approvals have been obtained from the regulatory commissions having jurisdiction over this Agreement. This Agreement shall be subject to additional terms and conditions as may be set forth in the Application-Declaration on Form U-1 in SEC File 70-8541, which was filed by National, Distribution, and certain other subsidiaries of National, and in the order(s) that may be issued thereunder.

10. This Agreement shall be binding upon the successors and assigns of the parties hereto. This Agreement shall be construed and enforced under and in accordance with the laws of the state of New York. This Agreement may be executed in counterparts, each one of which, when fully executed, shall be deemed to have the same dignity, force and effect as an original.

IN WITNESS WHEREOF, the parties hereto have caused their authorized officers to execute this Agreement and to have their corporate seals affixed and attested the day and year first above written.

NATIONAL FUEL GAS COMPANY

ATTEST:

President

NATIONAL FUEL GAS DISTRIBUTION  
CORPORATION

ATTEST:

President

Reid & Priest LLP  
40 West 57th Street  
New York, New York 10019

New York, New York  
February 17, 1995

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Re: Form U-1 Application-Declaration (File No. 70-8541)  
National Fuel Gas Company  
National Fuel Gas Distribution Corporation  
National Fuel Gas Supply Corporation  
National Fuel Resources, Inc.  
Seneca Resources Corporation  
Utility Constructors, Inc.  
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Ladies and Gentlemen:

This opinion relates to the joint Application-Declaration, filed on December 29, 1994, as heretofore amended (as amended, the "Application-Declaration"), by National Fuel Gas Company ("National"), National Fuel Gas Distribution Corporation ("Distribution"), National Fuel Gas Supply Corporation ("Supply"), National Fuel Resources, Inc. ("NFR"), Seneca Resources Corporation ("Seneca"), and Utility Constructors, Inc. ("Utility Constructors") under the Public Utility Holding Company Act of 1935, as amended.

This Application-Declaration seeks authorization for:

(a) The issuance and sale of not to exceed \$350,000,000 aggregate principal amount of debt securities consisting of one or more series of (i) Debentures (the "New Debentures"), and/or (ii) Medium-Term Notes (the "New MTNs");

(b) The acquisition by National of unsecured notes from Distribution ("Distribution Notes"), Supply, NFR, Seneca and Utility Constructors (collectively, the "Notes") in an aggregate

principal amount not to exceed \$350,000,000; and

Securities and Exchange Commission

-2-

February 17, 1995

(c) National to enter into one or more interest rate swap agreements and other derivative instruments (e.g., interest rate caps, interest rate floors and interest rate collars) (collectively, the "Swap Agreements"), with one or more third parties (each, a "Counterparty") in notional amounts aggregating not in excess of \$350,000,000 at any one time outstanding.

Based upon the foregoing and subject to the qualifications and assumptions hereinafter specified, we are of the opinion that:

1. National is a corporation duly organized and validly existing under the laws of the State of New Jersey.

2. If (i) the proposed transactions are consummated as contemplated by the Application-Declaration and in accordance with the terms of the order or orders of the Securities and Exchange Commission with respect thereto and, with respect to the issuance and sale of the New Debentures and/or New MTNs, the registration statement referred to therein, (ii) the Board of Directors of National, or a duly appointed and authorized committee thereof, approves and authorizes (a) substantially the final form of the proposed Supplemental Indenture or Indentures (collectively, the "Supplemental Indenture") to the Indenture, dated as of October 15, 1974, between National and The Bank of New York (formerly Irving Trust Company), as Trustee, as heretofore supplemented (as supplemented, the "Indenture"), pursuant to which the New Debentures and/or New MTNs are to be issued, (b) the issuance and sale of the New Debentures and/or New MTNs, and (c) the purchase of the Notes, (iii) the Supplemental Indenture and any and all other documents to be used in connection with the issuance and sale of the New Debentures and/or the New MTNs shall have been duly executed and delivered and shall have become effective as therein provided, (iv) the New Debentures and/or New MTNs shall have been duly executed, authenticated and delivered for the consideration contemplated, (v) the Boards of Directors of Distribution, Supply, NFR, Seneca and Utility Constructors shall have duly authorized and approved the issuance and sale of the Notes to be issued by their respective corporations, (vi) the issuance of the Distribution Notes shall have been authorized by the Public Service Commission

of the State of New York and the Pennsylvania Public Utility Commission, (vii) the Notes shall have been duly executed and delivered for the consideration contemplated, (viii) the Swap Agreements shall have been duly executed and delivered by National and shall have been duly authorized, executed and delivered by, and shall be legal, valid and binding obligations of, each Counterparty thereto, (ix) no act or event other than as described herein shall have occurred subsequent to the date hereof which would change the opinions expressed herein, and (x) the entering into of the Swap Agreements shall be conducted under our supervision and all legal matters incident thereto shall be satisfactory to us, including the receipt in satisfactory form of opinions of other counsel qualified to practice in any jurisdiction in which we are not admitted to practice and the laws of which govern the Swap Agreements or the parties to the Swap Agreements:

Securities and Exchange Commission                    -3-                    February 17, 1995

(a) All state laws applicable to the proposed transactions as described in the Application-Declaration will have been complied with;

(b) The New Debentures and/or New MTNs and Swap Agreements will be valid and binding obligations of National enforceable in accordance with their terms, subject as to enforceability to (i) bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights and remedies, and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), including, without limitation (x) the possible unavailability of specific performance, injunctive relief or any other remedy, and (y) concepts of materiality, reasonableness, good faith, fair dealing and equitable subordination; and

(c) The consummation of the proposed transactions as described in the Application-Declaration will not violate the legal rights of the holders of any securities issued by National.

We express no opinion as to (i) the subject matter jurisdiction of a federal court to consider any dispute arising out of any Swap Agreement or (ii) any provision of any Swap Agreement to the extent such provision waives any objection by any party to the laying of venue of any action or proceeding brought in any court and any claim that any such action or



proceeding has been brought in any inconvenient forum.

We also express no opinion as to the enforceability of any provision of any Swap Agreement relating to judgment currencies.

We are members of the New York Bar and do not hold ourselves out as experts on the laws of any other state. Accordingly, in giving this opinion, we have relied, as to all matters governed by the law of the State of New Jersey, upon the opinion of Stryker, Tams & Dill. A copy of such opinion will be filed as an exhibit to the Application-Declaration.

We hereby consent to the use of this opinion as an exhibit to the Application-Declaration.

Very truly yours,

/s/ Reid & Priest

REID & PRIEST LLP

Stryker, Tams & Dill  
Two Penn Plaza East  
Newark, New Jersey 07105

February 17, 1995

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Re: National Fuel Gas Company  
National Fuel Gas Distribution Corporation  
National Fuel Gas Supply Corporation  
National Fuel Resources, Inc.  
Seneca Resources Corporation  
Utility Constructors, Inc.  
Form U-1 Application-Declaration  
File No. 70-8541  
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Ladies and Gentlemen:

This opinion relates to the joint Application-Declaration, filed on December 29, 1994, as heretofore amended (as amended, the "Application-Declaration"), by National Fuel Gas Company ("National") and its subsidiary corporations, National Fuel Gas Distribution Corporation ("Distribution"), National Fuel Gas Supply Corporation ("Supply"), National Fuel Resources, Inc. ("NFR"), Seneca Resources Corporation ("Seneca") and Utility Constructors, Inc. ("Utility Constructors" and, collectively with Distribution, Supply, NFR, Seneca and Utility Constructors, the "Participating Subsidiaries"), under the Public Utility Holding Company Act of 1935, as amended.

The Application-Declaration seeks authorization for:

(i) the issuance and sale by National of not to exceed \$350,000,000 aggregate principal amount of its debt securities, consisting of one or more series of (a) Debentures (the "New Debentures"), and/or (b) Medium-Term Notes (the "New MTNs");

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February 17, 1995

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(ii) the acquisition by National of unsecured notes from Distribution ("Distribution Notes"), and the other Participating Subsidiaries (collectively with the Distribution Notes, the "Subsidiary Notes") in an aggregate principal amount not to exceed \$350,000,000; and

(iii) National to enter into one or more interest rate swap agreements and other derivative instruments (e.g., interest rate ----- caps, interest rate floors and interest rate collars) (collectively, the "Swap Agreements") with one or more third parties (each, a "Counterparty") in notional amounts aggregating not in excess of \$350,000,000 at any one time outstanding.

Based upon the foregoing and subject to the qualifications and assumptions hereinafter specified, we are of the opinion that:

1. National is a corporation duly organized and validly existing under the laws of the State of New Jersey.

2. If (i) the proposed transactions are consummated in accordance with the Application-Declaration, the order or orders of the Securities and Exchange Commission thereon and, with respect to the issuance and sale of the New Debentures and/or the New MTN, the registration statement referred to therein, as the same shall become effective, (ii) the Board of Directors of National, or a duly appointed and authorized committee thereof, approves and authorizes (a) substantially the final form of the proposed Supplemental Indenture or Indentures (collectively, the "Supplemental Indenture") to the Indenture, dated as of October 15, 1974, between National and The Bank of New York (formerly Irving Trust Company), as Trustee, as heretofore supplemented (as supplemented, the "Indenture"), pursuant to which the New Debentures and/or New MTNs are to be issued, (b) the issuance and sale of the New Debentures and/or New MTNs, and (c) the purchase of the Subsidiary Notes, (iii) the Supplemental Indenture and any

and all other documents to be used in connection with the issuance and sale of the New Debentures and/or the New MTNs shall have been duly executed and delivered and shall have become effective as therein provided, (iv) the New Debentures and/or New MTNs shall have been duly executed and authenticated and duly delivered for the consideration contemplated, (v) the Boards of Directors of each of the Participating Subsidiaries shall have duly authorized and approved the issuance and sale of the Subsidiary Notes to be issued by such Participating Subsidiary, (vi) the issuance of the Distribution Notes shall have received all required authorizations and approvals from the New York Public Service Commission and the

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Pennsylvania Public Utility Commission, (vii) the Subsidiary Notes shall have been duly executed and delivered for the consideration contemplated, and (viii) the Swap Agreement shall have been duly executed and delivered by National and shall have been duly authorized, executed and delivered by, and shall constitute legal, valid and binding obligations of, each Counterparty thereto:

(A) All laws of the State of New Jersey applicable to the proposed transactions will have been complied with;

(B) Insofar as New Jersey law is applicable, the New Debentures and/or New MTNs and the Swap Agreements will be valid and binding obligations of National enforceable in accordance with their terms, except as limited (x) by bankruptcy,

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insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar laws of general application relating to or affecting creditors' rights and remedies, and (y) general principles of equity (whether such enforceability is considered in a proceeding in equity or at law), including, without limitation, the possible unavailability of specific performance, injunctive relief or any other equitable remedy and the concepts of materiality, commercial reasonableness, good faith, fair dealing and equitable subordination;

(C) Insofar as New Jersey law is applicable, National will legally acquire the Subsidiary Notes; and

(D) The legal rights of the holders of any securities issued by National will not have been violated.

In rendering the opinions expressed in paragraphs 2(B), 2(C) and 2(D) hereof, we have assumed that the issuance and sale of the New Debentures and/or New MTNs will be in compliance with the restrictions on Funded Debt set forth in Section 6.05 of the Indenture. In so assuming, we have relied upon the representations set forth in the letter of Curtis W. Lee, Esq., dated the date hereof, a copy of which is attached hereto as Annex 1.

We express no opinion concerning the applicability of state securities or "blue sky" laws (including, without limitation, the New Jersey Uniform Securities Law, as amended) to the issuance and sale of the New Debentures and/or New MTNs by National or to the distribution thereof by underwriters and agents.

A copy of this opinion is being delivered to Reid & Priest LLP who, in rendering their opinion of even date herewith to the Securities and Exchange Commission, are hereby authorized to rely

Securities and Exchange Commission  
February 17, 1995  
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upon the opinions expressed herein to the same extent as if this opinion had also been addressed directly to them.

We consent to the use of this opinion as an exhibit to the Application-Declaration.

Very truly yours,

/s/ Stryker, Tams & Dill

STRYKER, TAMS & DILL

Attachment

cc: Reid & Priest LLP (w/attachment)

Annex I

National Fuel Gas Company  
10 Lafayette Square  
Buffalo, New York 14203

February 17, 1995

Stryker, Tams & Dill  
Two Penn Plaza East  
Newark, New Jersey 07105

Attention: Charles H. Friedrich, III, Esq.

Re: Form U-1 Application-Declaration (File No. 70-8541)  
National Fuel Gas Company  
National Fuel Gas Distribution Corporation  
National Fuel Gas Supply Corporation  
National Fuel Resources, Inc.  
Seneca Resources Corporation  
Utility Constructors, Inc.

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Dear Mr. Friedrich:

In connection with the above-referenced application or declaration on Form U-1, filed with the Securities and Exchange Commission, we confirm the following:

1) The capital stock of National Fuel Gas Company ("National") issued and outstanding on the date of this letter consists solely of common stock.

2) Stryker, Tams & Dill has participated in obtaining the authorization for the issuance of all outstanding debentures of National.

3) Stryker, Tams & Dill has participated in obtaining the authorizations for the issuance by National of all commercial paper, short-term notes, and/or long-term notes outstanding at the date of this letter.

4) National will not issue and sell not to exceed \$350,000,000 in aggregate principal amount of New Debentures and/or New MTNs except in compliance with Section 6.05 of the Indenture dated as of October 15, 1974 from National to The Bank of New York (formerly Irving Trust Company), as Trustee, as amended and supplemented to date.

Very truly yours,

/s/ Curtis W. Lee

Curtis W. Lee, Esq.  
General Manager

National Fuel Gas Company  
10 Lafayette Square  
Buffalo, New York 14203

Mr. Richard M. DiValerio  
Secretary

February 17, 1995

Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Re: Form U-1 Application-Declaration (File No. 70-8541)  
National Fuel Gas Company  
National Fuel Gas Distribution Corporation  
National Fuel Gas Supply Corporation  
National Fuel Resources, Inc.  
Seneca Resources Corporation  
Utility Constructors, Inc.

-----

Ladies and Gentlemen:

This opinion relates to the joint application-declaration (the "Application-Declaration"), filed on December 29, 1994 by National Fuel Gas Company ("National"), National Fuel Gas Distribution Corporation ("Distribution"), National Fuel Gas Supply Corporation ("Supply"), National Fuel Resources, Inc. ("NFR"), Seneca Resources Corporation ("Seneca") and Utility Constructors, Inc. ("Utility Constructors") (five of National's subsidiary corporations) under the Public Utility Holding Company Act of 1935, as amended. To the extent that the Application-Declaration seeks authorization for the issuance and sale of not to exceed (i) \$250,000,000 aggregate principal amount of unsecured notes by Distribution (the "Distribution Notes"), (ii) \$150,000,000 aggregate principal amount of unsecured notes by Supply, (iii) \$150,000,000 aggregate principal amount of unsecured notes by Seneca, (iv) \$20,000,000 aggregate principal amount of unsecured notes by NFR and (v) \$20,000,000 aggregate principal amount of unsecured notes by Utility Constructors (collectively, the "Notes"), in connection with National's issuance and sale of not to exceed \$350,000,000 aggregate principal amount of debt securities, I am of the opinion that:

1. Distribution and NFR are corporations validly organized



and duly existing under the laws of the State of New York.

2. Utility Constructors, Supply and Seneca are corporations validly organized and duly existing under the laws of the Commonwealth of Pennsylvania.

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3. If (i) the proposed transactions are consummated as contemplated by the Application-Declaration and in accordance with the terms of the order or orders of the Securities and Exchange Commission with respect thereto, (ii) the Boards of Directors of Distribution, Supply, Seneca, NFR and Utility Constructors shall have duly authorized and approved the issuance and sale of the Notes to be issued by their respective corporations, (iii) the documents to be issued in connection with the proposed transactions have been duly executed and delivered, (iv) the issuance and entering into of the Distribution Notes shall have been authorized by the Public Service Commission of the State of New York and the Pennsylvania Public Utility Commission, and (v) the Notes shall have been duly executed for the consideration contemplated:

- A. All state laws applicable to the proposed transactions will have been complied with;
- B. The Notes will be valid and binding obligations of the respective issuing corporation, enforceable in accordance with their terms, subject as to enforceability to (i) bankruptcy, insolvency, reorganization, fraudulent transfer, fraudulent conveyance, moratorium or other similar laws affecting the enforcement of creditors' rights and remedies, and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), including, without limitation (a) the possible unavailability of specific performance, injunctive relief or any other remedy, and (b) concepts of materiality, reasonableness, good faith and fair dealing and equitable subordination;
- C. National will legally acquire the Notes; and
- D. The legal rights of the holders of any securities issued by National, Distribution, Supply, Seneca, NFR and Utility Constructors will not be violated by the

proposed transactions.

I consent to the use of this opinion as an exhibit to the Application or Declaration.

Very truly yours,

/s/ Richard M. DiValerio

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Richard M. Divalerio

## Schedule of Estimated Fees and Expenses

SEC Filing Fees [(\$130,000,000 x 1/29 of 1%) + \$2,000]	\$46,828
Printing and Engraving Expenses	55,000
Accounting Fees and Expenses	60,000
Fees and Expenses of Trustee	35,000
Rating Agency Fees	200,000
Blue Sky Fees and Expenses	15,000
Counsel Fees:	
Reid & Priest LLP	250,000
Stryker, Tams & Dill (N.J. Counsel)	25,000
Winthrop, Stimson, Putnam & Roberts	175,000
Miscellaneous and incidental expenses including travel, telephone and postage	20,000
TOTAL	\$881,828 =====

In connection with the sale of each New MTN, National will pay each agent a commission, in the form of a discount, equal to a percentage of the principal amount of each New MTN sold by National as a result of a solicitation made by such agent. The commissions are expected to range from .125% to .75% of the principal amount of each New MTN depending upon its maturity. The range of commissions is broad because the agents enhance the marketability of MTNs by providing an active secondary market for MTNs, which results in liquidity for investors. Longer maturities involve more risk to an agent providing a secondary market because price volatility increases as the maturity increases.

In connection with the sale of each New Debenture, National will pay each underwriter a commission, in the form of a discount, equal to a percentage of the principal amount of each

New Debenture sold. The commissions are expected to range from .125% to 1.0% of the principal amount of each New Debenture depending upon its maturity.