

# NATIONAL FUEL GAS CO

## FORM 8-K (Current report filing)

Filed 08/31/04 for the Period Ending 08/27/04

Address     6363 MAIN STREET  
              WILLIAMSVILLE, NY 14221-5887  
Telephone    716-857-7000  
              CIK    0000070145  
Symbol       NFG  
SIC Code     4924 - Natural Gas Distribution  
Industry      Natural Gas Utilities  
Sector        Utilities  
Fiscal Year   09/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 27, 2004

NATIONAL FUEL GAS COMPANY  
(Exact name of registrant as specified in its charter)

New Jersey (State or other jurisdiction incorporation)	1-3880 (Commission File Number)	13-1086010 (IRS Employer or Identification No.)
6363 Main Street, Williamsville, New York (Address of principal executive offices)		14221 (Zip Code)
Registrant's telephone number, including area code:		(716) 857-7000

Item 7.01 Regulation FD Disclosure

On July 27, 2004, National Fuel Gas Company (the "Company") issued a press release regarding a request to raise delivery service charges submitted to the New York State Public Service Commission by the New York division of National Fuel Gas Distribution Corporation, a natural gas utility and a wholly owned subsidiary of the Company. A copy of this press release is hereby incorporated by reference into this Item 7.01 and furnished as part of this Current Report as Exhibit 99.

Neither the furnishing of the press release as an exhibit to this Current Report nor the inclusion in such press release of a reference to the Company's internet address shall, under any circumstances, be deemed to incorporate the information available at such internet address into this Current Report. The information available at the Company's internet address is not part of this Current Report or any other report filed or furnished by the Company with the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit 99

Press Release issued July 27, 2004 regarding request to raise delivery service charges

Certain statements contained herein or incorporated by reference from the press release, including statements designated with an asterisk ("\*") and statements identified by the use of the words "anticipates," "expects," "intends," "plans," "predicts," "projects," and similar expressions, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. There is no assurance that the Company's projections will in fact be achieved. While the Company's expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, actual results may differ materially from those in the forward-looking statement. Furthermore, each forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update the statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. In addition to other factors, the following are important factors that could cause actual results to differ materially from those discussed in the forward-looking statements: changes in economic conditions, including economic disruptions caused by terrorist activities or acts of war; changes in demographic patterns and weather conditions, including the occurrence of severe weather; changes in the availability and/or price of natural gas, oil and coal; significant changes in competitive factors affecting the Company; governmental/regulatory actions, initiatives and proceedings, including those affecting acquisitions, financings, allowed rates of return, industry and rate structure, franchise renewal, and environmental/safety requirements; unanticipated impacts of restructuring initiatives in the natural gas and electric industries; changes in the availability and/or price of derivative financial instruments; changes in laws and regulations to which the Company is subject, including tax, environmental, safety and employment laws and regulations; or the cost and effects of legal and administrative claims against the Company. The Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NATIONAL FUEL GAS COMPANY

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

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## EXHIBIT INDEX

Exhibit Number	Description
99	Press Release issued August 27, 2004 regarding request to raise delivery service charges

# NEWS

[graphic omitted]

## National Fuel

6363 MAIN STREET/WILLIAMSVILLE, NY 14221/ TEL 800-634-5440  
[www.nationalfuelgas.com](http://www.nationalfuelgas.com)

RELEASE DATE: August 27, 2004

FOR ADDITIONAL INFORMATION PLEASE CALL  
Julie Coppola Cox (716) 857-7079

### National Fuel Gas Distribution Corporation

#### Files for Rate Increase

#### Action Marks the Company's First Rate Filing Since 1995

(August 27, 2004) Williamsville, New York: National Fuel Gas Distribution Corporation's New York division, the natural gas utility serving more than 450,000 customers in western New York, today submitted a request to the New York State Public Service Commission (PSC) to raise its delivery service charges beginning next summer. National Fuel Gas Distribution Corporation is a subsidiary of National Fuel Gas Company (NYSE: NFG). Due to its successful cost containment strategies, the Company has avoided the need to file for a rate increase in its western New York service area since 1995.

If approved in full, the net effect of the Company's requested rate change will be an increase to customer bills of 5.6%.\* The Company's filing includes an increase in base rates of \$60.9 million, which is offset by the elimination of surcharges and credits, and results in an aggregate increase of \$41.3 million or 5.6%. If approved, the monthly bill of a typical residential customer in western New York who is on the budget plan would increase by \$6.17 and the increase would be effective in July 2005.\* Typically, a request like this involves an 11-month review process that includes a series of hearings. Public statement hearings, where customers will have an opportunity to comment on the proposed rates, will be scheduled by the PSC and held in the utility's western New York service area.

Customers of the local utility experience two main cost elements in their monthly bills. **Gas Supply Charges**, which are itemized on customers' bills, reflect the market price of the natural gas the utility purchases on behalf of its customers. Those costs are set in the energy marketplace and the utility cannot control, mark up or discount the price it passes on to its customers. In recent years, commodity prices for natural gas and other energies have risen due to marketplace imbalances in the supply of and demand for these energies. National Fuel secures the best-priced gas available for its customers while ensuring reliable deliveries of energy during the coldest months of the year. The Company does not make any profit on the gas it sells to its utility customers.

The other major cost element in customers' monthly bills is the utility's **Delivery Service Charge**. This charge is regulated by the PSC and cannot change without the PSC's approval. **Delivery Service Charges** are also itemized on customers' monthly bills and reflect the company's costs to deliver energy to its customers. Historically, this portion of a customer's monthly bill amounted to about one half of their monthly charges. However, more recently, the **Delivery Service Charge** portion of a customer's monthly bill has been about 30% of a customer's total monthly charges.

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According to David F. Smith, President of National Fuel Gas Distribution Corporation, a large portion of the request relates to factors that are not totally within the company's control. "This request reflects increases in the expenses needed to operate and maintain our utility system, the costs for which amount to tens of millions of dollars each year, and increases in the cost of the services we provide to our customers. Like all businesses, the costs we pay for materials and other expenses increase from year to year. But, our deep commitment to cost containment efforts has permitted the Company to control our rates for more than eight years. Now, we find ourselves at a point when productivity savings can no longer offset upward cost pressures and find it an unfortunate necessity to request a rate increase."

"We remain committed to aggressively controlling our costs of doing business, utilizing advances in technology to gain greater efficiencies and finding additional ways to streamline our work flow so that we can continue to offer the exceptional level of service our customers rely upon in the most cost effective manner possible. We're proud of the fact that our customers consistently rate our service at the highest levels and we keenly recognize the importance of the service we provide to our community," Smith said.

National Fuel Gas Distribution Corporation is a regulated utility and is one of the subsidiaries in the National Fuel Gas Company system. The utility provides natural gas service to more than 450,000 customers in western New York. Additional information about National Fuel Gas Company (NYSE: NFG) is available at <http://www.nationalfuelgas.com> or by calling 1-800-365-3234.

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**National Fuel Gas Distribution Corporation's New York Division  
Rate Request Facts**

- o Proposed rates were filed with the New York State Public Service Commission on August 27, 2004 and would not go into effect until July 2005. The Company has not filed for a rate increase since 1995.
- o If approved in full, the rate increase, which has a net effect of 5.6% or \$41.3 million, would add about \$6.17 to the monthly bill of a typical residential customer in western New York who is on the Company's budget plan.\*

Average Costs for Residential Customers in western New York  
(costs are based on consumption during normal weather conditions and  
do not reflect budget plan billing):

Service Period	Gas Supply Charges	Delivery Service Charges	Total
January 1995	\$75.65	\$61.87	\$137.52
January 1996	\$108.11	\$65.16	\$173.27
January 1997	\$137.11	\$67.20	\$204.31
January 1998	\$91.76	\$67.84	\$159.60
January 1999	\$86.50	\$62.87	\$149.37
January 2000	\$93.89	\$62.61	\$156.50
January 2001	\$266.46	\$55.27	\$321.73
January 2002	\$95.61	\$58.50	\$154.11
January 2003	\$135.62	\$59.79	\$195.41
January 2004	\$169.20	\$59.10	\$228.30

**Major Elements of the Company's Filing:**

Operating Expenses:	\$ 41.3 million
Rate of Return:	\$ (.05) million
Construction program, Depreciation,	
Gas Inventory:	\$ 7.2 million
Throughput Reduction	\$ 4.5 million
Taxes:	\$ 8.4 million
Total Base Rate Revenue Requirement:	\$ 60.9 million

**LESS** tariff surcharge change: \$ (19.6) million  
**Net Increase to Customer:** \$ 41.3 million or 5.6%

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