

# NATIONAL FUEL GAS CO

## FORM U5S/A

(Amended Annual Report for Public Utility Company)

Filed 01/28/05 for the Period Ending 09/30/03

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

# NATIONAL FUEL GAS CO

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

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## **Amendment No. 1**

### **FORM U5S/A**

### **ANNUAL REPORT**

For the Fiscal Year Ended September 30, 2003

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Filed Pursuant to the

Public Utility Holding Company Act of 1935

by

**National Fuel Gas Company**

6363 Main Street, Williamsville, NY 14221

#### EXHIBITS

- A.      \*(1)      Annual Report on Form 10-K for fiscal year ended September 30, 2003 filed Dece
- (2)      National Fuel Gas Company 2003 Annual Report to Shareholders (paper copy submi
- \*(3)      National Fuel Gas Company Proxy Statement, dated and filed January 20, 2004 (F
- B.      Articles of Incorporation, By-Laws and Partnership Agreements.
- (1)      National Fuel Gas Company
- \*i      Restated Certificate of Incorporation of National Fuel Gas Company, da
- Form 10-K for fiscal year ended September 30, 1998 in File No. 1-3880)
- \*ii      National Fuel Gas Company By-Laws as amended on December 12, 2002, (Ex
- ex99-1 for EDGAR purposes, Form 10-Q for quarterly period ended Decemb
- (2)      National Fuel Gas Distribution Corporation
- \*i      By-Laws, as amended March 11, 1998. (Exhibit (2)i, designated as Exhi
- for fiscal year ended September 30, 1999.)
- \*ii      Restated Certificate of Incorporation of National Fuel Gas Distributio
- (Exhibit B-1 in File No. 70-7478).
- (3)      National Fuel Gas Supply Corporation
- \*i      By-Laws, as amended (Exhibit (3)i, Form U5S for fiscal year ended Sept

- \*ii Articles of Incorporation of United Natural Gas Company, dated February fiscal year ended September 30, 1984).
- \*iii Certificate of Merger and Consolidation dated January 2, 1951 (Exhibit September 30, 1984).
- \*iv Joint Agreement and Plan of Merger, dated June 18, 1974 (Exhibit (3)iv September 30, 1987).
- \*v Certificate of Merger and Plan of Merger of Penn-York Energy Corporation dated April 1, 1994 (Exhibit (3)v, designated as Exhibit e fiscal year ended September 30, 1994).

\* Incorporated herein by reference as indicated.

#### EXHIBITS (Continued)

##### (4) Leidy Hub, Inc. (formerly Enerop Corporation)

- \*i By-Laws (Exhibit A-15, File No. 70-7478).
- \*ii Restated Certificate of Incorporation of Enerop Corporation dated October 1999 designated as Exhibit ex99-2 for EDGAR purposes, Form U5S for fiscal year ended September 30, 1999.
- \*iii Action by Board of Directors to amend the By-Laws dated October 10, 1999 Exhibit ex-3 for EDGAR purposes, Form U5S for fiscal year ended September 30, 1999.

##### (5) Seneca Resources Corporation

- \*i By-Laws, as amended (Exhibit (5)i, Form U5S for fiscal year ended September 30, 1999).
- \*ii Articles of Incorporation of Mars Natural Gas Company dated March 29, 1984 fiscal year ended September 30, 1984).
- \*iii Secretary's Certificate dated January 4, 1918 (Exhibit (5)iii, Form U5 1984).
- \*iv Articles of Amendment, dated March 30, 1955 (Exhibit (5)iv, Form U5S for 1984).
- \*v Certificate of Amendment changing name of the Mars Company to Seneca Resources Corporation (Exhibit (5)v, Form U5S for fiscal year ended September 30, 1984).
- \*vi Certificate of Merger and Plan of Merger of Seneca Resources Corporation dated April 29, 1994 (Exhibit (5)vi, designated as Exhibit EX-99-2 for EDGAR purposes ended September 30, 1994).
- \*vii Articles of Merger and Plan of Merger of HarCor Energy, Inc. with and into Seneca Resources Corporation dated December 31, 1999. (Exhibit (5)vii, designated as Exhibit ex99-3 for EDGAR purposes September 30, 1999.)
- \*viii Certificate of Ownership and Merger merging HarCor Energy, Inc. into Seneca Resources Corporation dated December 31, 1999. (Exhibit (5)viii, designated as Exhibit ex99-4 for EDGAR purposes September 30, 1999.)
- ix Amended and Restated Articles of Incorporation of Seneca Resources Corporation Designated as ex99-49 for EDGAR purposes.

\* Incorporated herein by reference as indicated.

#### EXHIBITS (Continued)

(6) Empire Exploration Company

- \*i Certificate of Limited Partnership, dated November 28, 1983. (Designa purposes, Form U5S for fiscal year ended September 30, 2001).
- \*ii Limited Partnership Agreement, dated November 28, 1983, between Empire Resources Corporation) as general partner and Herman P. Loonsk as limi fiscal year ended September 30, 1984).

(7) Empire 1983 Drilling Program

- \*i Certificate of Limited Partnership, dated November 28, 1983. (Designa purposes, Form U5S for fiscal year ended September 30, 2001).
- \*ii Amendment of Certificate of Limited Partnership, dated December 21, 1983, for purposes, Form U5S for fiscal year ended September 30, 2001).
- \*iii Limited Partnership Agreement, dated November 28, 1983, among Empire E Corporation) as general partner and those parties collectively called for fiscal year ended September 30, 1984).

(8) Empire 1983 Joint Venture

- \*i Business Certificate for Partners, dated December 6, 1983. (Designate Form U5S for fiscal year ended September 30, 2001).
- \*ii Joint Venture Agreement, dated December 6, 1983, between Empire Explor Corporation) and Empire 1983 Drilling Program (Exhibit (10), Form U5S 1984).

(9) Highland Forest Resources, Inc. (formerly Highland Land & Minerals, Inc.)

- \*i Certificate of Incorporation, dated August 19, 1982 (Exhibit (11)i, Fo 30, 1985).
- \*ii By-Laws (Exhibit (11) ii, Form U5S for fiscal year ended September 30, 1985).
- \*iii Articles of Merger and Plan of Merger of Utility Constructors, Inc. in 1, 1999. (Exhibit (9)iii, designated as Exhibit ex99-5 for EDGAR purp September 30, 1999.)

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

- \*iv Articles of Amendment of the Articles of the Corporation, dated June 8 1999, for EDGAR purposes, Form U5S for fiscal year ended September 30 1999.
- v Certificate of Incorporation of Highland Pipeline & Resources Corp., d Exhibit ex99-4 for EDGAR purposes.
- vi Certificate of Merger of Highland Forest Resources, Inc. with and into dated February 3, 2003, designated as Exhibit ex99-5 for EDGAR purpose
- vii By-Laws of Highland Forest Resources, Inc. (f/k/a Highland Pipeline & ex99-6 for EDGAR purposes.

(10) Data-Track Account Services, Inc.

- \*i Restated Articles of Incorporation, dated March 2, 1984 (Exhibit A-1,
- \*ii By-Laws (Exhibit A-2, File No. 70-7512).

- iii By-Laws as amended March 28, 2003. Designated as Exhibit ex99-7 for E
- (11) National Fuel Resources, Inc.
  - \*i Articles of Incorporation, dated January 9, 1991 (Exhibit (14)i, design purposes, Form U5S for fiscal year ended September 30, 1992).
  - \*ii By-Laws (Exhibit (14)ii, designated as Exhibit EX-3(b) for EDGAR purpose September 30, 1992).

- iii By-Laws as amended March 28, 2003. Designated as Exhibit ex99-8 for E
- (12) Horizon Power, Inc. (formerly NFR Power, Inc.)
  - \*i Certificate of Incorporation, dated December 13, 1995. (Exhibit (13)i purposes, Form U5S for fiscal year ended September 30, 1999.)
  - \*ii By-Laws. (Exhibit (13)ii, designated as Exhibit EX-3-2 for EDGAR purpose 30, 1999.)
  - \*iii Certificate of Amendment of the Certificate of Incorporation of NFR Po (Designated as Exhibit ex99-5 for EDGAR purposes, Form U5S for fiscal

\* Incorporated herein by reference as indicated.

#### EXHIBITS (Continued)

- iv By-Laws as amended March 28, 2003. Designated as Exhibit ex99-9 for E
- (13) Seneca Energy II, LLC
  - \*i Articles of Organization, dated February 23, 2000. (Designated as Exh fiscal year ended September 30, 2001).
  - \*ii Amended and Restated Operating Agreement, dated March 1, 2000 (Confide
- (14) Model City Energy, LLC
  - \*i Articles of Organization, dated February 11, 2000. (Designated as Exh U5S for fiscal year ended September 30, 2001).
  - \*ii Operating Agreement, dated March 1, 2000 (Confidential Treatment Reque
- (15) Energy Systems North East, LLC
  - \*i Certificate of Formation, dated September 26, 2000. (Designated as Ex fiscal year ended September 30, 2001).
  - \*ii Limited Liability Company Agreement, dated September 26, 2000 (Confide
- (16) Horizon Energy Development, Inc.
  - \*i Certificate of Incorporation (Exhibit (13)i, designated as Exhibit EX-fiscal year ended September 30, 1995).
  - \*ii By-Laws (Exhibit (13)ii, designated as Exhibit EX-3(b) for EDGAR purpose September 30, 1995).
- (17) Horizon Energy Holdings, Inc.
  - \*i Certificate of Incorporation, dated April 1, 1998. (Exhibit (14)i des purposes, Form U5S for fiscal year ended September 30, 1998).

- \*ii By-Laws. (Exhibit (14)ii, designated as Exhibit EX99-2 for EDGAR purp  
September 30, 1998).

(18) Horizon Energy Development B.V. (formerly Beheeren-Beleggingmaatschappij Bruwabel B

- \*i Articles of Incorporation (Exhibit (14), designated as Exhibit ex99-2  
year ended September 30, 1996).

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

- \*ii Notarial Record, dated December 4, 2001 (Exhibit (18)ii, designated  
Form U5S for fiscal year ended September 30, 2001).

(19) Horizon Energy Development, s.r.o. (formerly Power International, s.r.o.)

- \*i Founding Notarial Deed, dated May 8, 1991 (Exhibit (15)i, designated a  
Form U5S/A for fiscal year ended September 30, 1996).
- \*ii Notarial Deed, dated December 2, 1993 (Exhibit (15)ii, designated as E  
U5S/A for fiscal year ended September 30, 1996).
- \*iii Notarial Deed, dated June 28, 1996 (Exhibit (15)iii, designated as Exh  
U5S/A for fiscal year ended September 30, 1996).
- \*iv Notarial Deed, dated November 27, 1996 (Exhibit (15)iv, designated as Exhibit  
for fiscal year ended September 30, 1996).

- \*v Notarial Deed, dated April 24, 2002 that adopted new Founder's Deed, d  
designated as Exhibit ex99-2 for EDGAR purposes, Form U5S for fiscal y

(20) Teplarna Liberec, a.s.

- \*i Founding Contract, dated November 11, 1994 (Exhibit (21)i, designated  
Form U5S/A for fiscal year ended September 30, 1997).
- \*ii Notarial Record, dated November 11, 1994 (Exhibit (21)ii, designated a  
Form U5S/A for fiscal year ended September 30, 1997).
- \*iii Articles of Association, dated June 21, 2001 (Exhibit (22)iii, designa  
purposes, Form U5S for fiscal year ended September 30, 2001).

(21) Teplo Branany, s.r.o.

- \*i Partnership Agreement, dated November 18, 1997. (Exhibit (28)i, desig  
purposes, Form U5S for fiscal year ended September 30, 1998).

(22) Lounske tepelne hospodarstvi, s.r.o.

- \*i Notarial Records, dated November 12, 1998, January 6, 1999 and Decembe  
ex99-6 for EDGAR purposes, Form U5S for fiscal year ended September 30

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

- \*ii Founders Deed, dated November 15, 1994, as amended on December 13, 200  
ex99-3 for EDGAR purposes, Form U5S for the fiscal year ended Septembe

(23) ENOP, s.r.o.

- \*i Founders Deed, dated December 19, 1995, as amended on December 13, 200 Exhibit ex99-4 for EDGAR purposes, Form U5S for fiscal year ended Sept

(24) United Energy, a.s.

- \*i Notarial Record from Prvni severozapadni teplarenska, a.s., dated Sept designated as Exhibit ex99-3 for EDGAR purposes, Form U5S for fiscal y
- \*ii Notarial Record from Severoceske Teplarny, a.s. dated September 28, 19 Exhibit ex99-4 for EDGAR purposes, Form U5S for fiscal year ended Sept
- \*iii Court Resolution, dated December 9, 1999. (Exhibit (28) iii, designat purposes, Form U5S for fiscal year ended September 30, 2000.)
- \*iv Court Resolution, dated July 13, 2000. (Exhibit (28) iv, designated a Form U5S for fiscal year ended September 30, 2000.)
- \*v Articles of Association, dated April 28, 1992, as amended on June 28, (Exhibit 24 (v), designated as Exhibit ex99-5 for EDGAR purposes, Form 30, 2002).

(25) Upstate Energy Inc. (formerly Niagara Energy Trading Inc.)

- \*i Restated Certificate of Incorporation of Niagara Energy Trading Inc., designated as Exhibit ex99-9 for EDGAR purposes, Form U5S for fiscal y
- \*ii By-Laws as amended August 24, 1999. (Exhibit (32)ii, designated as Ex U5S for fiscal year ended September 30, 1999.)
- iii By-Laws as amended March 28, 2003. Designated as Exhibit ex99-10 for

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

(26) Roystone Gas Processing Plant Partnership

- \*i Facility Construction, Ownership and Operating Agreement, dated Novemb Exhibit ex99-8 for EDGAR purposes, Form U5S for fiscal year ended Sept
- \*ii Ratification and Joinder Agreement, dated September 1, 2002, (Exhibit for EDGAR purposes, Form U5S for fiscal year ended September 30, 2002)

(27) Niagara Independence Marketing Company

- \*i Certificate of Incorporation, dated September 17, 1997 (Exhibit (27)i, purposes, Form U5S for fiscal year ended September 30, 1997).
- \*ii By-Laws as amended January 2, 2002. (Exhibit 27 (ii), designated as Ex U5S for fiscal year ended September 30, 2002).
- \*iii Marketing Partnership Agreement among Coastal Gas Marketing DirectLink Independence Marketing Company and Williams Independence Marketing Com Exhibit ex99-5 for EDGAR purposes, Form U5S for fiscal year ended Sept

(28) Seneca Independence Pipeline Company

- \*i Certificate of Incorporation of Empire Oklahoma, Inc., dated April 16, Exhibit ex99-6 for EDGAR purposes, Form U5S for fiscal year ended Sept
- \*ii Certificate of Amendment of Certificate of Incorporation of Empire Okl (Exhibit (28)ii, designated as Exhibit ex99-7 for EDGAR purposes, Form 30, 1997).



- \*iii By-Laws amended September 20, 1999. (Exhibit (35)iii, designated as E U5S for fiscal year ended September 30, 1999.)

(29) Seneca Energy Canada Inc.

- i Certificate of Amendment and Articles of Amendment changing name of co Seneca Energy Canada Inc., dated September 1, 2002. Designated as Exh
- \*ii Certificate of Amendment and Registration of Restated Articles dated 8 Exhibit ex99-14 for EDGAR purposes, Form U5S for fiscal year ended Sep

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

- \*iii Articles of Amendment dated 8/2/02. (Exhibit 30 (ii), designated as Ex U5S for fiscal year ended September 30, 2002).
- \*iv Certificate of Amendment and Registration of Restated Articles dated 7 as Exhibit ex99-16 for EDGAR purposes, Form U5S for fiscal year ended
- \*v Articles of Amendment dated 7/29/02. (Exhibit 30 (iv), designated as Form U5S for fiscal year ended September 30, 2002).
- \*vi Certificate of Amalgamation and Articles of Amalgamation, dated Septem as Exhibit ex99-13 for EDGAR purposes, Form U5S for fiscal year ended
- \*vii By-Laws No. 1, dated January 28, 1998 (Exhibit 33 (ii), designated as Form U5S for fiscal year ended September 30, 2001).

(30) Seneca Player Corp.

- \*i Certificate of Incorporation of JN Acquisition Corp. dated October 26, Exhibit ex99-18 for EDGAR purposes, Form U5S for fiscal year ended Sep
- \*ii Certificate of Amendment of Certificate of Incorporation of Seneca Pla (Exhibit 31 (ii), designated as Exhibit ex99-19 for EDGAR purposes, Fo 30, 2002).

(31) 3062782 Nova Scotia Company

- \*i Certificate of Incorporation dated December 27, 2001. (Exhibit 32 (i), EDGAR purposes, Form U5S for fiscal year ended September 30, 2002).
- \*ii Memorandum and Articles of Association of 306782 Nova Scotia Company d (ii) designated as Exhibit ex99-21 for EDGAR purposes, Form U5S for fi

(32) 3062783 Nova Scotia Company

- \*i Certificate of Incorporation dated December 27, 2001. (Exhibit 33 (i), EDGAR purposes, Form U5S for fiscal year ended September 30, 2002).
- \*ii Memorandum and Articles of Association of 3062783 Nova Scotia Company (ii), designated as Exhibit ex99-23 for EDGAR purposes, Form U5S for f

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

(33) Horizon Energy Bulgaria Ltd.

- \*i Articles of Association of One-Man Limited Liability Company dated Aug

- (34) Sofia Energy EAD
  - i Articles of Association of Sofia Energy EAD, Joint-Stock Company dated ex99-12 for EDGAR purposes.
- (35) Montenero Energia S.r.l.
  - i Incorporation of a Limited Liability Company dated November 6, 2002. purposes.
- (36) Kane Gas Processing Plant
  - i Facility Construction, Ownership and Operating Agreement between Elkhos Oaks, Inc. and East Resources, Inc. and Seneca Resources Corporation. for confidential treatment under Rule 104 (b).
- (37) Toro Partner LLC
  - i Certificate of Formation of Toro Partner LLC dated April 30, 2003. De purposes.
  - ii Limited Liability Company Agreement of Toro Partner LLC dated May 27, for EDGAR purposes.
- (38) Toro Partners, LP
  - i Amended and Restated Certificate of Limited Partnership of Toro Partners as Exhibit ex99-16 for EDGAR purposes.
  - ii Amended and Restated Agreement of Limited Partnership of Toro Partners ex99-17 for EDGAR purposes.
- (39) Toro Energy of Michigan, LLC
  - i Certificate of Formation of Toro Energy of Michigan, LLC dated September ex99-18 for EDGAR purposes.
  - ii Certificate of Amendment of Toro Energy of Michigan, LLC dated July 24 for EDGAR purposes.

\* Incorporated herein by reference as indicated.

EXHIBITS (Continued)

- iii Amended and Restated Limited Liability Company Agreement of Toro Energy Designated as Exhibit ex99-20 for EDGAR purposes.
- (40) Toro Energy of Ohio-Statewide, LLC
  - i Certificate of Formation of Toro Energy of Ohio-Statewide, LLC dated September Exhibit ex99-21\_ for EDGAR purposes.
  - ii Certificate of Amendment of Toro Energy of Ohio-Statewide, LLC dated July ex99-22 for EDGAR purposes.
  - iii Amended and Restated Limited Liability Company Agreement of Toro Energy 2003. Designated as Exhibit ex99-23 for EDGAR purposes.
- (41) Toro Energy of Ohio, LLC
  - i Certificate of Formation of Toro Energy of Ohio, LLC dated September 1

for EDGAR purposes.

- ii Certificate of Amendment of Toro Energy of Ohio, LLC dated July 24, 2003. Designated as Exhibit ex99-25 for EDGAR purposes.
- iii Amended and Restated Limited Liability Company Agreement of Toro Energy of Ohio, LLC dated July 24, 2003. Designated as Exhibit ex99-26 for EDGAR purposes.

(42) Toro Energy of Kentucky, LLC

- i Certificate of Formation of Toro Energy of Kentucky, LLC dated September 10, 2003. Designated as Exhibit ex99-27 for EDGAR purposes.
- ii Certificate of Amendment of Toro Energy of Kentucky, LLC dated July 24, 2003. Designated as Exhibit ex99-28 for EDGAR purposes.
- iii Amended and Restated Limited Liability Company Agreement of Toro Energy of Kentucky, LLC dated July 24, 2003. Designated as Exhibit ex99-29 for EDGAR purposes.

(43) Toro Energy of Missouri, LLC

- i Articles of Organization of Toro Energy of Missouri, LLC dated July 21, 2003. Designated as Exhibit ex99-30 for EDGAR purposes.
- ii Change of Registered Agent/Registered Office, filed July 30, 2003. Designated as Exhibit ex99-31 for EDGAR purposes.
- iii Amended and Restated Regulations of Toro Energy of Missouri, LLC dated July 21, 2003. Designated as Exhibit ex99-32 for EDGAR purposes.

EXHIBITS (Continued)

(44) Toro Energy of Maryland, LLC

- i Articles of Organization of Toro Energy of Maryland, LLC dated August 1, 2003. Designated as Exhibit ex99-33 for EDGAR purposes.
- ii Change of Registered Agent/Registered Office, filed July 30, 2003. Designated as Exhibit ex99-34 for EDGAR purposes.
- iii Amended and Restated Regulations of Toro Energy of Maryland, LLC dated August 1, 2003. Designated as Exhibit ex99-35 for EDGAR purposes.

(45) Toro Energy of Indiana, LLC

- i Articles of Organization of Toro Energy of Indiana, LLC dated November 1, 2003. Designated as Exhibit ex99-36 for EDGAR purposes.
- ii Articles of Amendment to the Articles of Organization of Toro Energy of Indiana, LLC dated November 1, 2003. Designated as Exhibit ex99-37 for EDGAR purposes.
- iii Change of Registered Agent/Registered Office, filed July 30, 2003. Designated as Exhibit ex99-38 for EDGAR purposes.
- iv Amended and Restated Regulations of Toro Energy of Indiana, LLC dated November 1, 2003. Designated as Exhibit ex99-39 for EDGAR purposes.

(46) Toro Energy of Ohio-American, LLC

- i Articles of Organization of Toro Energy of Ohio-American, LLC dated February 1, 2004. Designated as Exhibit ex99-40 for EDGAR purposes.
- ii Change of Registered Agent/Registered Office, filed July 30, 2003. Designated as Exhibit ex99-41 for EDGAR purposes.

- iii Amended and Restated Regulations of Toro Energy of Ohio-American, LLC Exhibit ex99-42 for EDGAR purposes.

(47) ESPC, LLC

- i Articles of Organization of ESPC, LLC dated January 22, 2003. Designa purposes.
- ii Certificate of Amendment of the Articles of Organization of ESPC, LLC Exhibit ex99-44 for EDGAR purposes.
- iii Operating Agreement of ESPC, LLC dated February 6, 2003. Designated a

(48) SCPC, LLC

- i Articles of Organization of SCPC, LLC dated February 3, 2003. Designa purposes.

EXHIBITS (Continued)

- ii Operating Agreement of SCPC, LLC dated February 6, 2003. Designated a

(49) Empire State Pipeline

- i Second Amended and Restated Operating Agreement between St. Clair Pipe Pipeline Company, Inc. dated September 27, 1996. Designated as Exhibi

C. Indentures

- \* Indenture dated as of October 15, 1974, between the Company and The Bank of New Yor (Exhibit 2(b) in File No. 2-51796).
- \* Third Supplemental Indenture dated as of December 1, 1982, to Indenture dated as of and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(a)(4) in File N
- \* Tenth Supplemental Indenture dated as of February 1, 1992, to Indenture dated as of and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(a), Form 8-K da 1-3880).
- \* Eleventh Supplemental Indenture dated as of May 1, 1992, to Indenture dated as of O The Bank of New York (formerly Irving Trust Company) (Exhibit 4(b), Form 8-K dated
- \* Twelfth Supplemental Indenture dated as of June 1, 1992, to Indenture dated as of O The Bank of New York (formerly Irving Trust Company) (Exhibit 4(c), Form 8-K dated
- \* Thirteenth Supplemental Indenture dated as of March 1, 1993, to Indenture dated as and The Bank of New York (formerly Irving Trust Company) (Exhibit 4(a)(14) in File
- \* Fourteenth Supplemental Indenture dated as of July 1, 1993, to Indenture dated as o and The Bank of New York (formerly Irving Trust Company) (Exhibit 4.1, Form 10-K fo in File No. 1-3880).
- \* Fifteenth Supplemental Indenture dated as of September 1, 1996 to Indenture dated a Company and The Bank of New York (formerly Irving Trust Company) (Exhibit 4.1, Form 30, 1996 in File No. 1-3880).
- \* Indenture dated as of October 1, 1999 between the Company and the Bank of New York year ended September 30, 1999 in File No. 1-3880).
- \* Officers Certificate Establishing Medium-Term Notes dated October 14, 1999 (Exhibit ended September 30, 1999 in File No. 1-3880).

EXHIBITS (Continued)

- \* Amended and Restated Rights Agreement dated as of April 30, 1999 between National Fuel (Exhibit 10.2, Form 10-Q for the quarterly period ended March 31, 1999 in File No.
- \* Certificate of Adjustment, dated September 7, 2001, to the Amended and Restated Rights Agreement between the Company and HSBC Bank USA (Exhibit 4, Form 8-K dated September 7, 2001
- \* Officers Certificate establishing 6.50% notes due 2022, dated September 18, 2002 (Exhibit 10.1 in File No. 1-3880).
- \* Officers Certificate establishing 5.25% notes due 2013, dated February 18, 2003 (Exhibit 10.2, Form 10-Q for the quarterly period ended March 31, 2003 in File No. 1-3880).
- D. \* Tax Allocation Agreement pursuant to Rule 45(c) (Exhibit D, designated as Exhibit D, filed for fiscal year ended September 30, 2002.
- E. \*(1) Employee Relocation Manual filed pursuant to Rule 48(b) (Exhibit E(1), designated as Exhibit E(1), Form U5S for fiscal year ended September 30, 1997).
- \*(2) National Fuel Employee Computer Purchase Program filed pursuant to Rule 48(b). (Exhibit ex99-15 for EDGAR purposes, Form U5S for fiscal year ended September 30, 1998).
- (3) Independence Pipeline Company Unaudited Financial Statements for the quarter and year ended September 30, 2002 and for the quarter and year-to-date period ended September 30, 2003 filed pursuant to Rule 104(b) are subject to a request for confidential treatment under Rule 104(b).
- F. (1) Seneca Resources Corporation - Canadian Operations consolidating Balance Sheet and Statement of Income for the quarter and year ended September 30, 2003. Designated as Exhibit ex99-3 for EDGAR purposes.
- G. \*(1) Organization chart showing relationship to United Energy, a.s., a foreign utility company, designated as Exhibit ex99-17 for EDGAR purposes, Form U5S for fiscal year ended September 30, 2003.
- \*(2) Organization chart showing relationship to Horizon Power, Inc., an exempt wholesale generator, designated as Exhibit ex99-18 for EDGAR purposes, Form U5S for fiscal year ended September 30, 2003.
- H. (1) United Energy, a.s. Audited Financial Statements for the Calendar Year Ended December 31, 2002.
- \* Incorporated herein by reference as indicated.

#### EXHIBITS (Concluded)

- (2) Teplarna Liberec, a.s. Audited Financial Statements for the Calendar Year Ended December 31, 2002. Designated as Exhibit ex99-2 for EDGAR purposes.
- (3) Horizon Power, Inc. Audited Financial Statements for the Fiscal Year Ended September 30, 2003. Designated as Exhibit ex99-50 for EDGAR purposes.
- (4) Energy Systems North East, LLC Unaudited Financial Statements for the Fiscal Year Ended December 31, 2002. Designated as Exhibit ex99-51 for EDGAR purposes.

### SIGNATURE

The undersigned System company has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

NATIONAL FUEL GAS COMPANY

By: /s/ R. J. Tanski

R. J. Tanski, Treasurer and  
Principal Financial Officer

By: /s/ K. M. Camiolo  
K. M. Camiolo, Controller and  
Principal Accounting Officer

Date: January 28, 2005

## EXHIBIT INDEX

EX-99-50 Horizon Power, Inc. Audited Financial Statements for the Fiscal Year Ended September 30, 2003.

EX-99-51 Energy Systems North East, LLC Unaudited Financial Statements for the Fiscal Year Ended September 30, 2003.

## **HORIZON POWER, INC.**

### **FINANCIAL STATEMENTS**

### **SEPTEMBER 30, 2003 and 2002**

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## **HORIZON POWER, INC.**

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Horizon Power, Inc. Balance Sheet at  
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Horizon Power, Inc. Statement of Operations  
for the Years Ended September 30, 2003 and 2002

Horizon Power, Inc. Statement of Stockholder's  
Equity at September 30, 2003 and 2002

Horizon Power, Inc. Statement of Cash  
Flows for the Years Ended  
September 30, 2003 and 2002

Notes to Financial Statements

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## Report of Independent Accountants

To the Board of Directors and Stockholder  
of Horizon Power, Inc.:

In our opinion, the accompanying balance sheets and the related statements of operations, stockholder's equity, and cash flows present fairly, in all material respects, the financial position of Horizon Power Inc. (the "Company") at September 30, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Company is a wholly owned subsidiary of National Fuel Gas Company. As discussed in Note 7, the Company has a line of credit with National Fuel Gas Company. The Company's plans in regard to this arrangement are also described in Note 7.

Buffalo, New York  
January 25, 2005

1

Horizon Power, Inc.

### Balance Sheet

	September 30, 2003	September 30, 2002
	-----	-----
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 57,138	\$ 447,821
Accounts Receivable	63,581	77,433
Accounts Receivable - Intercompany	11,846	-
Interest Receivable from Energy Systems North East, LLC	497,934	575,878
Taxes Receivable from the Parent	1,220,065	311,838
Prepayments	10,104	835
Other Current Assets	-	53,731
	-----	-----
	1,860,668	1,467,536
	-----	-----
<b>Property, Plant and Equipment</b>		
Building	100,000	100,000
Industrial and Office Equipment	147,990	144,100
Gas Turbine	6,763,510	6,553,500
	-----	-----
Less: Accumulated Depreciation	7,011,500	6,797,600
	(107,402)	(86,240)
	-----	-----
	6,904,098	6,711,360
	-----	-----
<b>Other Assets:</b>		
Investment in Energy Systems North East, LLC	10,614,924	11,946,166

Investment in Seneca Energy II, LLC	3,417,262	2,624,982
Investment in Model City Energy, LLC	812,992	605,898
Notes Receivable	1,000,000	1,000,000
	-----	-----
	15,845,178	16,177,046
	-----	-----
<b>Total Assets</b>	<b>\$ 24,609,944</b>	<b>\$ 24,355,942</b>
	=====	=====
<b>Liabilities and Stockholder's Equity</b>		
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Notes Payable - Intercompany	\$ 18,800,000	\$ 18,500,000
Accounts Payable - Intercompany	103,756	109,267
Accounts Payable	223,816	209,918
Other Accruals and Current Liabilities	21,444	-
	-----	-----
	19,149,016	18,819,185
	-----	-----
<b>Other Liabilities:</b>		
Deferred Revenue	-	425,000
Other Deferred Credits	1,661	64,685
Accumulated Deferred Income Taxes	497,686	(9,721)
	-----	-----
	499,347	479,964
	-----	-----
<b>Stockholder's Equity:</b>		
Common Stock, \$1 par value;		
authorized 20,000 shares; 500 shares		
issued and outstanding	500	500
Paid in Capital	5,019,500	5,019,500
Accumulated (Deficit) Earnings	(58,419)	36,793
	-----	-----
	4,961,581	5,056,793
	-----	-----
<b>Total Capitalization and Liabilities</b>	<b>\$ 24,609,944</b>	<b>\$ 24,355,942</b>
	=====	=====

The accompanying notes are an integral part of these financial statements.

Horizon Power, Inc.

# Statement of Operations

	For the Year Ended September 30, 2003	For th Sep 2
	-----	-----
<b>Operating Revenues</b>	\$ 656,799	\$
	-----	-----
<b>Operating Expenses:</b>		
Utilities	318,279	
Property, Franchise and Other Taxes	17,502	
Contractors	323,468	
Repairs and Maintenance	38,098	
Depreciation	21,162	
Parts	13,796	
Labor and Benefits	344,696	



Other	110,715	
	-----	-----
	1,187,716	1
	-----	-----
<b>Operating Loss</b>	(530,917)	
	-----	-----
Other Income	306,788	
Equity Method Loss from Energy Systems North East, LLC	(1,331,242)	
Equity Method Income from Seneca Energy II, LLC	792,280	
Equity Method Income from Model City Energy, LLC	407,094	
	-----	-----
	174,920	
	-----	-----
<b>Interest Income/Interest Expense:</b>		
Interest Income from Energy Systems North East, LLC	497,935	
Other Interest Income	89,305	
Intercompany Interest Expense	(292,000)	
	-----	-----
	295,240	
	-----	-----
Net Loss Before Income Taxes	(60,757)	
	-----	-----
<b>Income Taxes:</b>		
Current	(472,952)	
Deferred	507,407	
	-----	-----
	34,455	
	-----	-----
<b>Net Loss</b>	\$ (95,212)	\$
	=====	=====

The accompanying notes are an integral part of these financial statements.

**Horizon Power, Inc.**

**Statement of Stockholder's Equity**

	<b>Common Stock</b>	<b>Paid-in Capital</b>	<b>Accumulated Earnings (Deficit)</b>	
	-----	-----	-----	
Balance at September 30, 2001	\$ 500	\$ 5,019,500	\$ 665,835	
Net Loss	-	-	(629,042)	
	-----	-----	-----	---
Balance at September 30, 2002	\$ 500	\$ 5,019,500	\$ 36,793	
Net Loss	-	-	\$ (95,212)	
	-----	-----	-----	---
Balance at September 30, 2003	\$ 500	\$ 5,019,500	\$ (58,419)	
	=====	=====	=====	===

The accompanying notes are an integral part of these financial statements

## Horizon Power, Inc.

## Statement of Cash Flows

	For the Year Ended September 30, 2003
<b>Operating Activities</b>	
Net Loss	\$ (95,212)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:	
Equity Method Loss from Investments in Partnerships, Net	131,868
Dividends Received from Seneca Energy II, LLC	375,000
Dividends Received from Model City, LLC	200,000
Depreciation	21,162
Deferred Income Taxes	507,407
Change in:	
Accounts Receivable	13,852
Accounts Receivable - Intercompany	(11,846)
Interest Receivable from Energy Systems North East, LLC	77,944
Taxes Receivable from the Parent	(908,227)
Prepayments	(9,269)
Other Current Assets	53,731
Accounts Payable - Intercompany	(5,511)
Accounts Payable	13,898
Other Accruals and Current Liabilities	21,444
Deferred Revenue	(425,000)
Other Deferred Credits	(63,024)
Net Cash Used in Operating Activities	\$ (101,783)
<b>Investing Activities</b>	
Investment in Seneca Energy II, LLC	(375,000)
Capital Expenditures	(213,900)
Net Cash Used in Investing Activities	(588,900)
<b>Financing Activities</b>	
Change in Notes Payable - Intercompany	300,000
Net Cash Provided by Financing Activities	300,000
Net Decrease in Cash	(390,683)
Cash at Beginning of Year	447,821
Cash at End of Year	\$ 57,138
Supplemental Disclosure of Cash Flow Information	
Cash Paid For:	
Interest	\$ 295,729

Horizon Power, Inc.  
Notes to Financial Statements

**Note 1: Description of Business**

Horizon Power, Inc. (Power), a New York corporation, is a wholly owned subsidiary of National Fuel Gas Company (NFG). Power is designated as an “exempt wholesale generator” under the Public Utility Holding Company Act of 1935. Power has a 50% partnership interest in Seneca Energy II, LLC (Seneca Energy) and a 50% partnership interest in Model City Energy, LLC (Model City). Seneca Energy and Model City are in the business of generating and selling wholesale electricity. The electricity is generated from methane gas obtained from landfills owned by outside parties. The landfills are located in Seneca Falls, New York and Model City, New York. Power also has a 50% partnership interest in an 80-megawatt, combined cycle, natural gas-fired power plant in North East, Pennsylvania, known as Energy Systems North East, LLC (ESNE). Power also owns a shell co-generation plant which was purchased on June 29, 1999 and is currently in the process of installing new generation equipment which will produce 40 to 50 megawatts of electricity upon completion.

**Note 2: Summary of Significant Accounting Policies**

Equity Method of Accounting for Investments

Power uses the equity method to account for its 50% partnership interest in Seneca Energy, Model City & ESNE.

Property, Plant and Equipment

Property, plant and equipment consists primarily of a building, a gas turbine and miscellaneous equipment. The building is a former co-generation plant which is in the process of being redesigned for electric generation. The gas turbine is currently considered as construction work in progress and is not being depreciated. Depreciation of the gas turbine will begin when the co-generation plant is put in service. All property, plant and equipment is stated at cost. Maintenance and repairs are expensed currently. Depreciation is computed using either the Modified Accelerated Cost Recovery System or on a straight-line basis over the following estimated useful lives:

Years

Building	39
Office and Industrial Equipment	5 - 15

Horizon Power, Inc.  
Notes to Financial Statements (Continued)

**Operating Revenues and Utility Expenses**

The former co-generation plant has boilers which have generated steam for a manufacturer adjacent to the plant. Through February 2002, the manufacturer owned the boilers while Power operated the boilers for the manufacturer. The manufacturer reimbursed Power for its utility costs associated with operating the boilers plus a 10% service charge. The utility costs included a portion of the electricity and sewer costs, as well as all incurred gas costs. Power recorded the 10% service charge and the reimbursement of utility costs as operating revenues. This arrangement ended in

February 2002 for everything except the gas costs since the manufacturer no longer needed the boilers. Power and the manufacturer are currently negotiating an agreement on future ownership of the boilers.

## Income Taxes

NFG and its domestic subsidiaries, which includes Power, file a consolidated federal income tax return. The Company determines its federal income tax liability in accordance with the intercompany tax allocation agreement between NFG and its subsidiaries. Pursuant to this agreement, tax benefits relating to net operating losses are recognized as amounts receivable from NFG upon utilization of such losses in the consolidated federal income tax return.

## Statement of Cash Flows

For purposes of the Statement of Cash Flows, Power considers all highly liquid debt instruments purchased with a maturity of generally three months or less to be cash equivalents.

## Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Horizon Power, Inc. Notes to Financial Statements (Continued)

### Note 3: Equity Method Investment in ESNE

In April 2001, Power purchased a 50% partnership interest in ESNE for \$0.5 million. Power also advanced \$11.5 million to ESNE in the form of a note which matures May 1, 2016. Power records the \$11.5 million advance and its share of the Partners' Equity as Investment in Energy Systems North East, LLC on the balance sheet.

The table below contains the summarized financial information of ESNE:

	September 30, 2003 -----	September -----
Current Assets	\$ 4,305,225	\$ 6,19
Property, Plant and Equipment	18,923,281	20,01
Other Assets	153,854	19
	-----	-----
Total Assets	\$ 23,382,360	\$26,40
	=====	=====
Current Liabilities	\$ 2,152,513	\$ 2,51
Notes Payable to Partners	23,000,000	23,00
Partners' (Deficit) Equity	(1,770,153)	89
	-----	-----
Total Liabilities and Partners' Equity	\$ 23,382,360	\$26,40
	=====	=====
	Year Ended September 30, 2003 -----	Year Septembe -----
Operating Revenues	\$ 6,402,553	\$ 6,95
Operating Expenses	8,392,697	7,66

Operating Income (Loss)	(1,990,144)	(70)
Other Income	323,528	54
Interest Expense	995,868	1,15
	-----	-----
Loss Attributable To Partners	\$ (2,662,484)	\$(1,31
	=====	=====
Power's 50% Share of Loss Attributable to Partners	\$ (1,331,242)	\$(65
	=====	=====

Horizon Power, Inc.  
Notes to Financial Statements (Continued)

ESNE's notes payable to partners represent two individual notes payable to Power and its partner, respectively (each in the amount of \$11.5 million). Interest is payable annually on these notes at the average prime rate in effect over the prior year. The notes mature on May 1, 2016, but ESNE may prepay the notes in accordance with the loan agreement.

ESNE's property, plant and equipment largely consists of the building and generation equipment that form an 80-megawatt, combined cycle, natural gas-fired power plant. The majority of this property, plant and equipment is being depreciated over 20 years.

For the period of June 1, 2001 to October 31, 2001, ESNE sold its electricity to the New York Independent System Operator (NYISO) through a tolling agreement. Under this tolling agreement, an agent determined when to bid and sell electricity to the NYISO. The agent paid a fee to ESNE for the availability of the generation equipment each month. It also reimbursed ESNE for fuel costs and operation and maintenance expense. ESNE was not at risk for any derivatives trading that the agent may have entered into.

For the period of November 1, 2001 to April 30, 2002, ESNE entered into another tolling agreement. Under this agreement, the agent determined when to bid and sell electricity into the NYISO. ESNE received a percentage of the income from running the generation equipment as well as a percentage of the derivatives gains that resulted from the agent entering into hedging transactions during the term of the agreement. ESNE did not share in any derivatives losses.

For the period of May 1, 2002 to April 30, 2003, ESNE entered into another tolling agreement. Similar to the previous agreement, the agent determined when to bid and sell electricity into the NYISO. ESNE received a percentage of the income from running the equipment. Subsequent to April 30, 2003, Power and its partner have been determining when to bid and sell electricity into the NYISO. The partner handled the bidding responsibilities for the period of May 1, 2003 through October 31, 2003. Power has handled the bidding responsibilities subsequent to October 31, 2003.

Horizon Power, Inc.  
Notes to Financial Statements (Continued)

**Note 4: Equity Method Investment in Seneca Energy**

In March 2000, Power purchased a 50% partnership interest in Seneca Energy for \$2.7 million.

The table below contains the summarized financial information of Seneca Energy:

September 30, 2003	September 30, 2
-----	-----

Current Assets	\$ 1,336,817	\$1,150,978
Property, Plant and Equipment	8,079,394	5,453,811
Other Assets	416,476	719,430
	-----	-----
Total Assets	\$ 9,832,687	\$7,324,219
	=====	=====
Current Liabilities	\$ 1,942,494	\$1,512,843
Long-Term Liabilities	4,980,795	4,725,632
Partners' Equity	2,909,398	1,085,744
	-----	-----
Total Liabilities and Partners' Equity	\$ 9,832,687	\$7,324,219
	=====	=====

	Year Ended September 30, 2003	Year Ended September 30, 2
	-----	-----
Operating Revenues	\$ 4,956,163	\$2,821,368
Operating Expenses	2,686,814	1,979,588
	-----	-----
Operating Income	2,269,349	841,780
Other Income	50,261	40,758
Interest Expense	495,956	496,221
	-----	-----
Income Available for Distribution To Partners	\$ 1,823,654	\$ 386,317
	=====	=====
Power's 50% Share of Income Available for Distribution	\$ 911,827	\$ 193,159
Intangible Asset Amortization	119,547	119,312
	-----	-----
Power's Equity Method Income From Seneca Energy	\$ 792,280	\$ 73,847
	=====	=====

Horizon Power, Inc.  
Notes to Financial Statements (Continued)

Power's investment in Seneca Energy includes an intangible asset associated with the gas purchase contract that Seneca Energy has with the landfill. This intangible asset is being amortized over a 20-year period. The intangible asset balance was \$2.0 million and \$2.1 million at September 30, 2003 and 2002, respectively.

Seneca Energy's property, plant and equipment is being leased under five ten-year capital leases, the longest of which extends out to July 2008. These leases are the major component of the long-term liabilities shown above in Seneca Energy's balance sheet. Power is a guarantor of 50% of Seneca Energy's lease obligations. The property, plant and equipment is being depreciated over the term of the leases.

Seneca Energy sells its electricity at wholesale rates to the NYISO. Seneca Energy does not sell its electricity to any other customers. The price received for this electricity is the wholesale market price based on the "day ahead" market. The operating revenues for Seneca Energy shown in the summarized financial information above represent revenue from the generation of electricity or the capacity to generate electricity.

In May 2003, Seneca began construction of an additional 3.2MW of electric generation at a nearby land fill in Ontario County, NY. This facility began commercial operation in October 2003. The electricity from this location is also sold at "day-ahead" wholesale prices to the NYISO.

To finance the construction of the Ontario county project, Horizon Power invested \$375,000 in additional equity in May 2003. Horizon Power's partner also contributed equity in the form of equipment and materials. This equipment and materials was valued at \$375,000 net of its associated remaining lease and debt obligations. Additional permanent financing was put in place on November 1, 2003 when Seneca Energy entered into a capital lease in the amount of \$1.75 million. Horizon Power is a guarantor of \$1,321,500 of this capital lease.

#### Note 5: Equity Method Investment in Model City

In March 2001, Power purchased a 50% partnership interest in Model City for \$0.4 million.

The table below contains the summarized financial information of Model City:

	September 30, 2003	September 30
	-----	-----
Current Assets	\$ 953,055	\$ 500
Property, Plant and Equipment	4,713,126	4,980

#### Horizon Power, Inc. Notes to Financial Statements (Continued)

Other Assets	18,085	22
	-----	-----
Total Assets	\$5,684,266	\$5,503
	=====	=====
Current Liabilities	\$ 552,236	\$ 412
Long-Term Liabilities	3,506,047	3,879
Partners' Equity	1,625,983	1,211
	-----	-----
Total Liabilities and Partners' Equity	\$5,684,266	\$5,503
	=====	=====

	Year Ended September 30, 2003	Year September
	-----	-----
Operating Revenues	\$2,126,701	\$1,409,
Operating Expenses	978,877	734
	-----	-----
Operating Income	1,147,824	675
Interest Expense	333,636	360
	-----	-----
Income Available for Distribution To Partners	\$ 814,188	\$ 314
	=====	=====
Power's 50% Share of Income Available for Distribution	\$ 407,094	\$ 157
	=====	=====

Model City's property, plant and equipment is being leased under a ten-year capital lease, which extends out to

June 2011. This lease is the sole component of the long-term liabilities shown above in Model City’s balance sheet. Power is a guarantor of 50% of Model City’s lease obligation. The property, plant and equipment is being depreciated over 20 years, which is the economic useful life of the property.

Model City sells its electricity to the NYISO . Model City does not sell its electricity to any other customers. The price received for this electricity is the market price based on the “day ahead” market.

**Note 6: Notes Receivable**

In March 2000, Power advanced \$1.0 million to its 50% partner in Seneca Energy in exchange for the issuance of a \$1.0 million note bearing an interest rate of 8.75%. This note is secured by the partner’s ownership interest in Seneca Energy. For the period of April 2000 through March 2010, the note calls for monthly interest payments only. Beginning in April 2010, interest and principal payments are called for with the principal

Horizon Power, Inc.  
Notes to Financial Statements (Continued)

payments amounting to \$200,000 per year. The first principal payment is due in April 2010. This note may be prepaid at any time.

In April 2001, Power advanced \$11.5 million to ESNE in the form of a note. Interest is payable annually on this note at the average prime rate in effect over the prior year. The notes mature on May 1, 2016, but ESNE may prepay the note in accordance with the loan agreement.

**Note 7: Notes Payable – Intercompany**

Notes Payable – Intercompany consisted of the following:

	September 30, 2003	September 30 2002
	-----	-----
Line of Credit with NFG	\$18,800,000	\$18,500,00
	=====	=====

Power has a line of credit with NFG for up to \$35.0 million. At September 30, 2003, the interest rate on this line of credit was approximately 1.23%. NFG utilizes the commercial paper markets or bank lines of credit to lend money to Power under the line of credit agreement. The line of credit agreement specifies that Power will pay to NFG the entire outstanding principal amount of each loan, plus interest, at the maturity thereof, or earlier upon demand by NFG, within fifteen days after such demand. Power or NFG may cancel this line of credit agreement at any time, which cancellation shall have no effect upon either parties’ obligations respecting outstanding loans. Power does not intend to terminate this line of credit agreement and does not believe that NFG will terminate the agreement unless an alternate form of financing is arranged.

**Note 8: Accumulated Deferred Income Taxes**

The components of Power’s accumulated deferred income tax liability are as follows:

	September 30, 2003	September 2002
	-----	-----
Equity Method Income from Investments in Partnerships	\$ 519,381	\$ 196,305



Deferred Revenue	-	(184,326)
Property, Plant and Equipment	(21,695)	(21,700)
	-----	-----
	\$ 497,686	\$ (9,721)
	=====	=====

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Horizon Power, Inc.  
Notes to Financial Statements (Continued)

The effective tax rate differs from the statutory tax rate of 35% due to state taxes and prior period adjustments.

**Note 9: Deferred Revenue**

At September 30, 2002, Deferred Revenue consisted of \$425,000 that Power had received as payment from a third party in October 2001 for various spare parts that Power had stored at the co-generation plant. The sales agreement provided Power the opportunity to buy back certain spare parts and receive certain discounts on manufactured equivalent spare parts. The sales agreement also provided that Power would have the opportunity to buy certain new parts carrying full manufacturer's warranties through December 31, 2002. Because of the various provisions in the sales agreement that allowed Power to buy back the spare parts or purchase new parts, the revenue resulting from the initial sale was deferred pending termination of these provisions. In December 2002 all provisions of the sales agreement expired and Power recognized revenue of \$425,000.

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**Energy Systems North East, LLC**  
**Income Statement**  
**For the Years Ended September 30, 2003 and 2002**  
**(Unaudited)**

	Year Ended September 30, 2003
	-----
Revenue - Merchant Operation	\$ 1,927,511
Expenses - Merchant Operation	1,572,387
	-----
Margin - Merchant Operation	355,124
	-----
Revenue - Tolling Operation	-
Expenses - Tolling Operation	-
	-----
Margin - Tolling Operation	-
	-----
Revenue - Steam Generation	3,340,775
Expenses - Steam Generation	3,098,668
	-----
Margin - Steam Generation	242,107
	-----
Capacity Revenue	1,134,267
Other Operating Revenue	-
	-----
	1,134,267
	-----
<b>Total Margin</b>	<b>1,731,498</b>
	-----
<b>Operation Expenses:</b>	
Depreciation and Amortization	1,096,117

General and Administrative	1,301,755
Utilities	447,503
Operations and Maintenance	412,506
Operating Fee	216,505
Other	247,256
	-----
	3,721,642
	-----
<b>Operating Loss</b>	(1,990,144)
Interest Income	33,278
Interest Expense	995,868
Other Income	290,250
	-----
Net Loss	\$ (2,662,484)
	=====

**Energy Systems North East, LLC**  
**Balance Sheet**  
**September 30, 2003 and 2002**  
**(Unaudited)**

	September 30, 2003
<b>Assets</b>	-----
Current Assets	
Cash and Cash Equivalents	\$ 3,591,615
Accounts Receivable	480,187
Prepaid Expenses	233,423
	-----
	4,305,225
	-----
Property, Plant & Equipment	21,550,983
Less: Accumulated Depreciation	(2,627,702)
	-----
	18,923,281
	-----
Other Assets	153,854
	-----
	-----
<b>Total Assets</b>	\$ 23,382,360
	=====

**Liabilities & Equity**

Current Liabilities	
Accounts Payables	\$ 1,156,645
Accrued Interest	995,868
	-----
	2,152,513
	-----
Long-Term Liabilities	
Long-Term Notes Payable	23,000,000
Equity	
Beginning Equity	1,000,000

Retained Earnings	(2,770,153)
	-----
	(1,770,153)
	-----
	-----
<b>Total Liabilities &amp; Equity</b>	<b>\$ 23,382,360</b>
	=====

**Energy Systems North East, LLC**  
**Statement of Cash Flows**  
**For the Years Ended September 30, 2003 and 2002**  
**(Unaudited)**

	Year Ended September 30, 2003
	-----
Cash Flows from Operating Activities:	
Net Loss	\$ (2,662,484)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:	
Depreciation and Amortization	1,096,117
Change in:	
Accounts Receivable	813,374
Prepaid Expenses	41,729
Other Assets	34,981
Accounts Payable	(203,991)
Accrued Interest	(155,889)
	-----
Total adjustments	1,626,321
	-----
	-----
Net cash used in operating activities	(1,036,163)
	-----
Cash Flows from Investing Activities	-
	-----
Cash Flows from Financing Activities	-
	-----
Net Decrease in Cash and Cash Equivalents	(1,036,163)
Cash, Beginning of year	4,627,778
	-----
Cash, End of year	\$ 3,591,615
	=====

**End of Filing**

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