

National Fuel Gas Company



2000 Financial and Statistical Report



Exploration and Production



Seneca Resources Corporation explores for, develops and purchases natural gas and oil reserves in the Gulf Coast Region of Texas and Louisiana, the Appalachian Region, the Rocky Mountain Region, California and the western provinces of Canada. Currently, Seneca's exploration emphasis is centered around the Gulf Coast in offshore waters and new reserves in Canada, while development drilling continues to expand in California.

Pipeline and Storage



National Fuel Gas Supply Corporation provides interstate natural gas transportation and storage for affiliated and nonaffiliated companies through an integrated gas pipeline system that extends 3,034 miles from southwestern Pennsylvania to the New York-Canadian border at the Niagara River. It also owns 28 underground natural gas storage areas and is co-owner and operator of four others.

Corporate Profile

National Fuel Gas Company, incorporated in 1902, is a diversified energy company with its headquarters in Buffalo, New York. The Company's \$3.2 billion in assets is distributed among six business segments: Exploration and Production, Utility, Pipeline and Storage, Timber, International and Energy Marketing.

National Fuel's history dates to the earliest dates of the natural gas and oil industry in the United States, and the Company has been responsible for many industry firsts. Today, the Company continues to be managed in the same innovative and entrepreneurial spirit.

Timber



Highland Forest Resources, Inc. and *Seneca Resources Corporation, Northeast Division* carry out the Timber segment operations for the Company. Highland operates four sawmills in northwestern Pennsylvania. Seneca markets timber from its New York and Pennsylvania land holdings.

Utility



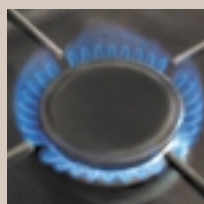
National Fuel Gas Distribution Corporation sells or transports natural gas to over 735,000 customers through a local distribution system located in western New York and northwestern Pennsylvania. The major areas served by this system include Buffalo, Niagara Falls and Jamestown in New York, and Erie and Sharon in Pennsylvania.

International



Horizon Energy Development, Inc. engages in foreign energy projects through the investments of its indirect subsidiaries as the sole or substantial owner of various business entities. In addition to assets in the Czech Republic, Horizon continues to evaluate prospects throughout eastern and central Europe.

Energy Marketing



National Fuel Resources, Inc. is engaged in the marketing and brokerage of natural gas and electricity and the performance of energy management services for industrial, commercial, public authority and residential end-users throughout the northeast United States.

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This report is not a representation or prospectus in regard to the Company's securities and is not furnished in connection with any proposed sales or offer to sell or buy any stock or securities.

Data contained herein with respect to any particular year should be considered in conjunction with the notes and comments appearing in the Company's annual report to shareholders for that year.

Consolidated Statements of Income and Earnings Reinvested in the Business

Year Ended September 30

(Thousands of Dollars, Except Per Common Share Amounts)

	2000	1999	1998	1997	1996
Income					
Operating Revenues	\$1,425,277	\$1,263,274	\$1,248,000	\$1,265,812	\$1,208,017
Operating Expenses					
Purchased Gas	503,617	405,925	441,746	528,610	477,357
Fuel Used in Heat and Electric Generation	54,893	55,788	37,837	1,489	244
Operation and Maintenance	350,383	328,800	321,411	286,537	308,962
Property, Franchise and Other Taxes	78,878	91,146	92,817	100,549	99,456
Depreciation, Depletion and Amortization	142,170	124,778	117,238	111,650	98,231
Impairment of Oil and Gas Producing Properties	—	—	128,996	—	—
Income Taxes	77,068	64,829	24,024	68,674	66,321
Total Operating Expenses	1,207,009	1,071,266	1,164,069	1,097,509	1,050,571
Operating Income	218,268	192,008	83,931	168,303	157,446
Other Income	10,408	12,343	35,870	3,196	3,869
Income Before Interest Charges and Minority Interest in Foreign Subsidiaries	228,676	204,351	119,801	171,499	161,315
Interest Charges					
Interest on Long-Term Debt	67,195	65,402	53,154	42,131	40,872
Other Interest	32,890	22,296	32,130	14,680	15,772
Total Interest Charges	100,085	87,698	85,284	56,811	56,644
Minority Interest in Foreign Subsidiaries	(1,384)	(1,616)	(2,213)	—	—
Income Before Cumulative Effect	127,207	115,037	32,304	114,688	104,671
Cumulative Effect of Change in Accounting for Depletion	—	—	(9,116)	—	—
Net Income Available for Common Stock	127,207	115,037	23,188	114,688	104,671
Earnings Reinvested in the Business					
Balance at Beginning of Year	472,517	428,112	472,595	422,874	380,123
Total Net Income and Earnings Reinvested	599,724	543,149	495,783	537,562	484,794
Dividends on Common Stock	73,877	70,632	67,671	64,967	61,920
Balance at End of Year	\$525,847	\$472,517	\$428,112	\$472,595	\$422,874
Basic Earnings Per Common Share:					
Income Before Cumulative Effect	\$3.25	\$2.98	\$0.85	\$3.01	\$2.78
Cumulative Effect of Change in Accounting for Depletion	—	—	(0.24)	—	—
Net Income Available for Common Stock	\$3.25	\$2.98	\$0.61	\$3.01	\$2.78
Diluted Earnings Per Common Share:					
Income Before Cumulative Effect	\$3.21	\$2.95	\$0.84	\$2.98	\$2.77
Cumulative Effect of Change in Accounting for Depletion	—	—	(0.24)	—	—
Net Income Available for Common Stock	\$3.21	\$2.95	\$0.60	\$2.98	\$2.77
Weighted Average Common Shares Outstanding:					
Used in Basic Calculation	39,116,921	38,663,981	38,316,397	38,083,514	37,613,305
Used in Diluted Calculation	39,583,100	39,041,728	38,703,526	38,440,018	37,825,453

Consolidated Balance Sheets

At September 30 (Thousands of Dollars)

	2000	1999	1998	1997	1996
Assets					
Property, Plant and Equipment	\$3,829,637	\$3,390,875	\$3,186,853	\$2,668,478	\$2,471,063
Less – Accumulated Depreciation, Depletion and Amortization	1,146,246	1,029,643	938,716	849,112	761,457
	2,683,391	2,361,232	2,248,137	1,819,366	1,709,606
Current Assets					
Cash and Temporary Cash Investments	32,125	29,222	30,437	14,039	19,320
Receivables – Net	122,127	97,828	82,336	107,417	96,740
Unbilled Utility Revenue	27,105	18,674	15,403	20,433	20,778
Gas Stored Underground – LIFO Method	55,795	41,099	31,661	29,856	34,727
Materials and Supplies - at average cost	25,145	23,631	24,609	19,115	21,544
Unrecovered Purchased Gas Costs	29,681	4,576	6,316	—	—
Prepayments	32,293	35,072	19,755	17,807	27,872
Total Current Assets	324,271	250,102	210,517	208,667	220,981
Other Assets					
Recoverable Future Taxes	84,199	87,724	88,303	91,011	88,832
Unamortized Debt Expense	19,841	21,717	22,295	23,394	25,193
Other Regulatory Assets	17,518	25,214	41,735	48,350	57,086
Deferred Charges	12,497	14,266	8,619	12,025	7,377
Investment in Unconsolidated Foreign Subsidiary	—	—	—	18,887	—
Other	95,171	82,331	64,853	45,631	40,697
Total Other Assets	229,226	231,252	225,805	239,298	219,185
Total Assets	\$3,236,888	\$2,842,586	\$2,684,459	\$2,267,331	\$2,149,772
Capitalization and Liabilities					
Capitalization					
Common Stock, \$1 Par Value	\$39,330	\$38,837	\$38,469	\$38,166	\$37,852
Paid In Capital	452,217	431,952	416,239	405,028	395,272
Earnings Reinvested in the Business	525,847	472,517	428,112	472,595	422,874
Accumulated Other Comprehensive Income	(29,957)	(4,013)	7,265	(2,085)	—
Total Common Stock Equity	987,437	939,293	890,085	913,704	855,998
Long-Term Debt, Net of Current Portion	953,622	822,743	693,021	581,640	574,000
Total Capitalization	1,941,059	1,762,036	1,583,106	1,495,344	1,429,998
Minority Interest in Foreign Subsidiaries	23,031	27,589	25,479	—	—
Current and Accrued Liabilities					
Notes Payable to Banks and Commercial Paper	619,502	393,495	326,300	92,400	199,700
Current Portion of Long-Term Debt	11,262	69,608	216,929	103,359	—
Accounts Payable	88,970	82,747	59,933	74,105	64,610
Amounts Payable to Customers	9,583	5,934	5,781	10,516	4,618
Other Accruals and Current Liabilities	84,961	87,310	80,480	83,793	82,520
Total Current and Accrued Liabilities	814,278	639,094	689,423	364,173	351,448
Deferred Credits					
Accumulated Deferred Income Taxes	326,994	275,008	258,222	288,555	281,207
Taxes Refundable to Customers	14,410	14,814	18,404	19,427	21,005
Unamortized Investment Tax Credit	9,951	11,007	11,372	12,041	12,711
Other Deferred Credits	107,165	113,038	98,453	87,791	53,403
Total Deferred Credits	458,520	413,867	386,451	407,814	368,326
Total Capitalization and Liabilities	\$3,236,888	\$2,842,586	\$2,684,459	\$2,267,331	\$2,149,772

Consolidated Statements of Cash Flows

Year Ended September 30 (Thousands of Dollars)

	2000	1999	1998	1997	1996
Operating Activities					
Net Income Available for Common Stock	\$127,207	\$115,037	\$23,188	\$114,688	\$104,671
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities					
Cumulative Effect of a Change in Accounting for Depletion	—	—	9,116	—	—
Impairment of Oil and Gas Producing Properties	—	—	128,996	—	—
Depreciation, Depletion and Amortization	142,170	124,778	117,238	111,650	98,231
Deferred Income Taxes	41,858	14,030	(26,237)	3,800	3,907
Minority Interest in Foreign Subsidiaries	1,384	1,616	2,213	—	—
Other	4,540	7,018	(6,378)	8,030	4,540
Change in:					
Receivables and Unbilled Utility Revenue	(26,825)	(18,161)	45,200	(10,332)	(20,747)
Gas Stored Underground and Materials and Supplies	(13,707)	(7,280)	(2,744)	7,300	(6,308)
Unrecovered Purchased Gas Costs	(25,105)	1,740	(6,316)	—	—
Prepayments	3,436	(15,322)	829	10,065	1,881
Accounts Payable	(16,372)	22,871	(24,975)	9,495	10,768
Amounts Payable to Customers	3,649	153	(4,735)	5,898	(46,383)
Other Accruals and Current Liabilities	(4,642)	10,931	(15,481)	4,113	18,200
Other Assets and Liabilities – Net	653	10,093	9,949	29,955	(291)
Net Cash Provided by Operating Activities	238,246	267,504	249,863	294,662	168,469
Investing Activities					
Capital Expenditures	(269,371)	(256,120)	(390,118)	(214,001)	(171,567)
Investment in Subsidiaries, Net of Cash Acquired	(123,809)	(5,774)	(111,966)	(21,075)	—
Investment in Partnerships	(4,442)	(3,633)	(5,453)	—	—
Other	13,283	6,687	7,583	1,429	(1,366)
Net Cash Used in Investing Activities	(384,339)	(258,840)	(499,954)	(233,647)	(172,933)
Financing Activities					
Change in Notes Payable to Banks and Commercial Paper	226,477	67,195	229,387	(107,300)	52,100
Net Proceeds from Issuance of Long-Term Debt	149,334	198,217	198,750	99,500	99,650
Reduction of Long-Term Debt	(167,426)	(213,849)	(103,867)	(1,310)	(88,500)
Proceeds from Issuance of Common Stock	14,278	10,735	7,853	7,074	8,956
Dividends Paid on Common Stock	(73,046)	(69,878)	(66,959)	(64,260)	(61,179)
Dividends Paid to Minority Interest	(152)	(246)	(253)	—	—
Net Cash Provided by (Used in) Financing Activities	149,465	(7,826)	264,911	(66,296)	11,027
Effect of Exchange Rates on Cash	(469)	(2,053)	1,578	—	—
Net Increase (Decrease) in Cash and Temporary Cash Investments	2,903	(1,215)	16,398	(5,281)	6,563
Cash and Temporary Cash Investments at Beginning of Year	29,222	30,437	14,039	19,320	12,757
Cash and Temporary Cash Investments At End of Year	\$32,125	\$29,222	\$30,437	\$14,039	\$19,320
Supplemental Disclosure of Cash Flow Information					
Cash Paid For:					
Interest	\$97,042	\$75,813	\$46,242	\$52,422	\$54,789
Income Taxes	41,928	48,995	64,537	69,236	60,777

Consolidated Statements of Comprehensive Income

Year Ended September 30 (Thousands of Dollars)	2000	1999	1998
Net Income Available for Common Stock	\$127,207	\$115,037	\$23,188
Foreign Currency Translation Adjustment	(27,463)	(11,737)	9,350
Unrealized Gain on Securities Available for Sale Arising During the Period	2,441	706	—
Reclassification Adjustment for Gains on Securities Available for Sale Realized in Net Income	(103)	—	—
Other Comprehensive Income (Loss), Before Tax:	(25,125)	(11,031)	9,350
Income Tax Expense Related to Unrealized Gain on Securities Available for Sale Arising During the Period	855	247	—
Reclassification Adjustment for Income Tax Expense on Gains on Securities Available for Sale Realized in Net Income	(36)	—	—
Income Taxes – Net	819	247	—
Other Comprehensive Income (Loss), Net of Tax	(25,944)	(11,278)	9,350
Comprehensive Income	\$101,263	\$103,759	\$32,538

Selected Financial Ratios

Year Ended September 30	2000	1999	1998 ⁽¹⁾	1997	1996
Embedded Cost of Long-Term Debt	7.0%	7.0%	6.9%	6.9%	7.0%
Coverage Ratios:					
Long-Term Debt	4.48	4.25	N/A*	5.06	5.60
Earnings to Fixed Charges – SEC Basis	2.98	3.02	1.66	4.01	3.80
Capitalization Ratios:					
Common Stock Equity	38.4%	42.2%	41.9%	54.0%	52.5%
Long-Term Debt	37.1%	37.0%	32.6%	34.4%	35.2%
Short-Term Debt	24.5%	20.8%	25.5%	11.6%	12.3%
Effective Federal Income Tax Rate	37.7%	35.6%	41.4%	37.5%	38.8%
Ratio of Internal Cash Flow to Capital Expenditures**	.91	.75	.46	.81	.88
Ratio of Internal Cash Flow to Common Stock					
Dividends Paid	4.34	3.76	3.71	3.71	3.45
Accumulated Depreciation (percent of average depreciable assets)	34.3%	33.9%	34.7%	35.1%	34.0%
Depreciation Charge (percent of average depreciable assets)	4.2%	4.1%	4.3%	4.6%	4.4%

N/A – Not applicable.

* The company was precluded from issuing further debt under its indenture due to the impairment of oil and gas producing properties recorded in 1998.

** Internal Cash Flow excludes dividends.

(1) Includes impairment of oil and gas producing properties of (\$79.1) million and cumulative effect of change in accounting for depletion of (\$9.1) million, where applicable.

Schedule of Business Segment Information

Year Ended September 30 (Thousands of Dollars)	2000	1999	1998	1997	1996
Operating Revenues					
Utility	\$846,459	\$807,355	\$871,180	\$991,366	\$954,326
Pipeline and Storage	169,659	168,783	170,983	172,694	176,553
Exploration and Production	238,070	146,994	124,272	119,260	114,462
International	104,736	107,045	76,259	1,910	286
Energy Marketing	133,929	99,088	87,187	70,098	60,258
Timber	39,172	31,117	17,805	11,536	7,830
Total Reportable Segments	1,532,025	1,360,382	1,347,686	1,366,864	1,313,715
All Other	5,345	1,765	1,535	371	556
Intersegment Eliminations ⁽¹⁾	(112,093)	(98,873)	(101,221)	(101,423)	(106,254)
Total Consolidated	\$1,425,277	\$1,263,274	\$1,248,000	\$1,265,812	\$1,208,017
Depreciation, Depletion & Amortization					
Utility	\$35,842	\$34,215	\$33,459	\$32,972	\$31,491
Pipeline and Storage	23,379	22,690	21,816	21,459	19,942
Exploration and Production ⁽³⁾	69,583	55,750	50,937	51,117	46,042
International	11,110	10,473	7,309	107	—
Energy Marketing	209	165	91	14	13
Timber	1,948	1,476	3,527	5,960	515
Total Reportable Segments	142,071	124,769	117,139	111,629	98,003
All Other	97	7	97	18	224
Corporate	2	2	2	3	4
Total Consolidated	\$142,170	\$124,778	\$117,238	\$111,650	\$98,231
Significant Noncash Item: Impairment of Oil and Gas Producing Properties					
Exploration and Production	—	—	\$128,996	—	—
Total Consolidated	—	—	\$128,996	—	—
Operating Income (Loss) Before Income Taxes					
Utility ⁽²⁾	\$126,157	\$120,283	\$124,482	\$123,856	\$115,257
Pipeline and Storage	65,155	72,104	71,510	73,523	72,914
Exploration and Production ⁽³⁾⁽⁴⁾	94,908	42,215	(93,266)	42,694	46,408
International	12,938	12,861	2,136	(2,987)	(14,281)
Energy Marketing	(12,000)	3,036	842	2,053	2,957
Timber	11,220	9,745	4,846	425	3,052
Total Reportable Segments	298,378	260,244	110,550	239,564	226,307
All Other	(425)	(857)	(341)	(234)	(309)
Corporate	(2,617)	(2,550)	(2,254)	(2,353)	(2,231)
Total Consolidated	\$295,336	\$256,837	\$107,955	\$236,977	\$223,767
Interest Expense					
Utility	\$31,655	\$29,659	\$44,639	\$32,608	\$33,326
Pipeline and Storage	13,311	13,147	15,232	16,068	17,732
Exploration and Production	42,034	34,409	21,454	11,103	9,711
International	12,353	11,451	7,188	1,230	202
Energy Marketing	774	234	31	33	17
Timber	4,750	2,208	1,580	1,410	858
Total Reportable Segments	104,877	91,108	90,124	62,452	61,846
All Other	262	100	33	18	18
Corporate & Intersegment Eliminations	(5,054)	(3,510)	(4,873)	(5,659)	(5,220)
Total Consolidated	\$100,085	\$87,698	\$85,284	\$56,811	\$56,644

Schedule of Business Segment Information *(continued)*

Year Ended September 30 (Thousands of Dollars)	2000	1999	1998	1997	1996
Income Tax Expense (Benefit)					
Utility	\$38,362	\$34,741	\$30,076	\$35,510	\$31,871
Pipeline and Storage	22,172	22,439	29,644	21,026	21,873
Exploration and Production	19,413	2,992	(39,478)	11,592	14,736
International	(1,783)	15	2,158	(954)	(5,006)
Energy Marketing	(4,372)	1,138	471	931	1,260
Timber	3,816	2,788	1,445	(193)	885
Total Reportable Segments	77,608	64,113	24,316	67,912	65,619
All Other	(205)	55	119	55	178
Corporate	(335)	661	(411)	707	524
Total Consolidated	\$77,068	\$64,829	\$24,024	\$68,674	\$66,321
Segment Profit (Loss): Net Income (Loss) (Income Before Cumulative Effect of a Change in Accounting for Depletion for 1998)					
Utility	\$57,662	\$56,875	\$51,788	\$57,220	\$51,235
Pipeline and Storage	31,614	39,765	39,852	36,760	34,403
Exploration and Production ⁽³⁾⁽⁴⁾	34,877	7,127	(64,110)	20,359	22,317
International	3,282	2,276	1,279	(3,348)	(9,428)
Energy Marketing	(7,790)	2,054	787	1,567	2,123
Timber	6,133	4,769	1,904	(609)	1,610
Total Reportable Segments	125,778	112,866	31,500	111,949	102,260
All Other	(371)	(162)	143	171	212
Corporate	1,800	2,333	661	2,568	2,199
Total Consolidated	\$127,207	\$115,037	\$32,304	\$114,688	\$104,671
Expenditures for Additions to Long-Lived Assets					
Utility	\$55,799	\$46,974	\$50,680	\$66,908	\$63,730
Pipeline and Storage ⁽⁵⁾	35,806	34,873	29,145	22,562	22,260
Exploration and Production	280,049	97,586	323,627	120,282	83,554
International	9,767	33,412	96,987	22,293	2,362
Energy Marketing	89	302	320	96	—
Timber ⁽⁶⁾	13,542	52,314	6,778	16,151	3,056
Total Reportable Segments	395,052	265,461	507,537	248,292	174,962
All Other	3,725	66	—	19	706
Corporate & Intersegment Eliminations	—	—	—	—	(1,166)
Total Consolidated	\$398,777	\$265,527	\$507,537	\$248,311	\$174,502

(1) Represents primarily Pipeline and Storage revenue from the Utility segment.

(2) For the year ended September 30, 1999 and 1998 amounts include the rate recovery of interest expense related to IRS Audits of years 1977-1994. This rate recovery is offset 100% by interest expense, included below the operating income line. Excluding this rate recovery, operating income before income taxes would be \$120,785 and \$118,529 for the year ended September 30, 1999 and 1998, respectively.

(3) In 1998 Seneca changed its method of depletion for oil and gas producing properties from the gross revenue method to the units of production method. The effect of this change was to reduce 1998 depletion expense and to reduce the operating loss before income taxes of the Exploration and Production segment by \$2.3 million and to reduce the loss before cumulative effect of a change in accounting for depletion by \$1.4 million.

(4) 1998 includes impairment of oil and gas producing properties of \$129.0 million pretax or \$79.1 million after-tax.

(5) 2000 includes \$1.2 million in a stock-for-asset swap.

(6) 1997 amount includes noncash acquisition of \$12.3 million in exchange for long-term debt obligations.

Schedule of Business Segment Information *(continued)*

<i>At September 30 (Thousands of Dollars)</i>	2000	1999	1998	1997	1996
Segment Assets					
Utility	\$1,219,496	\$1,178,185	\$1,171,645	\$1,175,885	\$1,164,305
Pipeline and Storage	552,059	542,962	526,738	522,191	526,017
Exploration and Production	1,088,066	727,557	673,706	469,795	397,210
International	202,622	255,042	242,339	24,031	3,392
Energy Marketing	47,121	18,676	16,944	17,083	14,902
Timber	107,402	98,830	45,507	42,260	28,325
Total Reportable Segments	\$3,216,766	2,821,252	2,676,879	2,251,245	2,134,151
All Other	21,930	7,351	5,216	5,207	5,790
Corporate & Intersegment Eliminations	(1,808)	13,983	2,364	10,879	9,831
Total Consolidated	\$3,236,888	\$2,842,586	\$2,684,459	\$2,267,331	\$2,149,772

<i>Year Ended September 30 (Thousands of Dollars)</i>	2000	1999	1998	1997	1996
Geographic Information					
Revenues from External Customers ⁽¹⁾ :					
United States	\$1,292,190	\$1,156,229	\$1,171,741	\$1,263,902	\$1,207,731
Czech Republic	104,736	107,045	76,259	1,910	286
Canada	28,351	—	—	—	—
Total Revenues from External Customers	\$1,425,277	\$1,263,274	\$1,248,000	\$1,265,812	\$1,208,017

<i>At September 30 (Thousands of Dollars)</i>					
Long-Lived Assets:					
United States	\$2,480,406	\$2,369,840	\$2,258,817	\$2,036,525	\$1,926,112
Czech Republic	183,274	215,457	215,125	22,139	2,679
Canada	248,937	—	—	—	—
Total Long-Lived Assets	\$2,912,617	\$2,585,297	\$2,473,942	\$2,058,664	\$1,928,791

(1) Revenue is based upon the country in which the sale originates.

Security Ratings

<i>At September 30</i>	Standard & Poors	Moody's	Fitch, Inc.
Long-Term Debt	A-	A-2	A
Commercial Paper	A-2	P-1	F-1

Common Stock Data

Year Ended September 30	2000	1999	1998 ⁽¹⁾	1997	1996
Number of Common Shareholders at Year End	21,164	22,336	23,743	20,267	21,640
Shares Outstanding at Year End	39,329,803	38,837,499	38,468,795	38,165,888	37,851,655
Return on Average Common Equity	13.2%	12.6%	2.6%	13.0%	12.6%
Book Value Per Common Share	\$25.11	\$24.19	\$23.14	\$23.94	\$22.61
Market Price Range ⁽²⁾					
High	\$58.81	\$50.00	\$49.13	\$45.44	\$38.00
Low	\$39.38	\$37.50	\$39.63	\$36.63	\$28.50
Close	\$56.06	\$47.19	\$47.00	\$44.00	\$36.75
Market/Book Value at Year End	223.3%	195.1%	203.1%	183.8%	162.5%
Cash Flow Per Common Share	\$8.11	\$6.79	\$6.48	\$6.25	\$5.62
Price/Earnings Ratio	17.2	15.9	77.0	14.6	13.2
Dividends					
Declared Per Share	\$1.89	\$1.83	\$1.77	\$1.71	\$1.65
Paid Per Share	\$1.88	\$1.82	\$1.76	\$1.70	\$1.64
Rate at Year End	\$1.92	\$1.86	\$1.80	\$1.74	\$1.68
Payout Ratio on Dividends Paid	59.0%	60.9%	287.7%	56.3%	58.8%
Yield at Year End	3.4%	3.9%	3.8%	4.0%	4.6%
Dividends/Book Value at Year End	7.5%	7.7%	7.8%	7.3%	7.4%

(1) Includes impairment of oil and gas producing properties of (\$79.1) million and cumulative effect of change in accounting for depletion of (\$9.1) million, where applicable.

(2) During Fiscal 2000, the NYSE converted the reporting structure from fraction to decimal price form. For consistency we have provided prior years in decimal form.

Listed: New York Stock Exchange Ticker Symbol – NFG

Stock Transfer Agent and Registrar: Mellon Investor Services LLC, P.O. Box 3316 South Hackensack, N.J. 07606-1916 Tel. (800) 648-8166 or Website at <http://www.chasemellon.com>

Summary of General Rate Increases

Filing Date	Effective Date	Test Period Ended	Revenue Increase (Decrease)		Rate of Return				Rate Base		
			(Millions)		Total Rate Base		Equity		(Millions)		
			Requested (\$)	Granted (\$)	Requested (%)	Granted (%)	Requested (%)	Granted (%)	Requested (\$)	Granted (\$)	
National Fuel Gas Distribution Corporation											
New York Division											
Case: 00-G-1495 ^(a)	N/A	10-1-00	N/A	—	N/A	N/A	N/A	N/A	N/A	N/A	N/A
98-G-1291 ^(b)	N/A	10-1-98	N/A	(7.2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
95-G-1009 ^(c)	9-29-97	10-1-97	9-98	7.2	7.2	N/A	N/A	N/A	N/A	N/A	N/A
95-G-1009 ^(c)	11-09-95	10-1-96	9-97	28.9	7.2	9.56	N/A	11.50	N/A	630.7	N/A
94-G-0885	10-21-94	9-20-95	7-96	56.5	14.2	10.44	9.10	12.85	10.40	628.3	574.0
Pennsylvania Division											
Case: R-953299 ^(d)	3-15-95	9-27-95	11-95	22.0	6.0	10.98	N/A	13.25	N/A	230.6	N/A
R-942991	3-08-94	12-07-94	11-94	16.0	4.8	9.90	9.39	12.25	11.00	216.9	209.8
National Fuel Gas Supply Corporation											
Supply Division											
Case: RP95—031 ^(e)	10-31-94	6-01-95	3-95	21.0	6.0	10.31	9.59 ^(f)	12.60	11.30 ^(f)	429.0	427.0

N/A — Not Applicable.

(a) The three year plan runs from October 1, 2000 through September 30, 2003. Earnings above an 11.5% return on a cumulative basis are to be shared equally between shareholders and ratepayers. The plan provides that customers will receive a bill credit of \$17.6 million in the first year, of which \$7.6 million relates to customers' share of earnings accumulated under previous statements. The credit will be reduced to \$5.0 million in the second year, and in the third and subsequent years the credit will remain at \$5.0 million unless the Company can demonstrate that it is no longer justified.

(b) A two year rate plan which runs through September 30, 2000. An allowed return on equity of 12%, above which 50% of additional earnings are shared equally between shareholders and customers, is retained from the previous settlement (see note c). The rate plan also called for a \$7.2 million generic restructuring reserve to be recorded in fiscal 1999.

(c) Settlement provided for annual base rate increase of \$7.2 million in each fiscal year beginning October 1, 1996 and 1997 with no specified rate of return on equity. Earnings above a 12% return on equity (excluding certain items determined on a cumulative basis over three years ending 9/30/98) are shared equally between shareholders and the customers.

(d) Settlement—only revenue increase specified.

(e) Reflects the merger of Penn-York Energy Corporation into Supply Corporation as approved by the FERC on January 19, 1994 at Docket No. CP 92-508.

(f) Not specified in the FERC approved settlement agreement—based upon Company calculations.

Exploration and Production

The Company's Exploration and Production operations are carried out through Seneca Resources Corporation (Seneca Resources).



Seneca Resources explores for, develops and purchases natural gas and oil reserves in the Gulf Coast Region of Texas and Louisiana, the Appalachian Region, the Rocky Mountain Region, California and the western provinces of Canada. Currently, Seneca's exploration emphasis is centered around the Gulf Coast in offshore waters and new reserves in Canada, while development drilling continues to expand in California.



Gas and Oil Reserves

Year Ended September 30	2000	1999	1998	1997	1996
Gas Reserves (MMcf)					
Beginning of Year	320,792	325,065	232,449	207,082	221,459
Extensions and Discoveries	34,641	46,423	40,293	47,951	29,161
Revisions of Previous Estimates	(8,001)	(13,091)	(18,623)	20,820	(3,442)
Production	(41,670)	(37,166)	(36,474)	(38,586)	(38,767)
Sales of Minerals In Place	(7,444)	(439)	—	(5,464)	(1,532)
Purchases of Minerals In Place and Other	3,349	—	107,420	646	203
End of Year	301,667	320,792	325,065	232,449	207,082
Reserve Replacement Ratio	.72	.90	3.54	1.80	.67
Oil Reserves (Mbbbl)					
Beginning of Year	75,819	66,591	17,981	25,749	22,865
Extensions and Discoveries	3,932	3,716	640	359	5,701
Revisions of Previous Estimates	4,000	9,808	(4,191)	(6,224)	(1,173)
Production	(5,147)	(4,016)	(2,614)	(1,902)	(1,742)
Sales of Minerals In Place	(227)	(280)	—	(1)	(27)
Purchases of Minerals In Place and Other	41,320	—	54,775	—	125
End of Year	119,697	75,819	66,591	17,981	25,749
Reserve Replacement Ratio	9.57	3.37	19.60	(3.08)	2.67
Total Gas & Oil Reserves (MMcfe)					
Beginning of Year	775,706	724,611	340,335	361,576	358,649
Extensions and Discoveries	58,233	68,719	44,359	50,105	63,367
Revisions of Previous Estimates	15,999	45,757	(43,995)	(16,524)	(10,480)
Production	(72,552)	(61,262)	(52,161)	(49,998)	(49,219)
Sales of Minerals In Place	(8,806)	(2,119)	—	(5,470)	(1,694)
Purchases of Minerals In Place and Other	251,269	—	436,073	646	953
End of Year	1,019,849	775,706	724,611	340,335	361,576
Reserve Replacement Ratio	4.49	1.87	8.37	.68	1.09

Net Undeveloped Acreage

At September 30	2000	1999	1998	1997	1996
Region					
Gulf Coast	309,239	305,067	169,244	157,315	117,798
West Coast	12,533	33,753	101,805	87,870	2,260
Appalachia	394,987	414,286	430,192	437,335	443,769
Canada	1,827,910	—	—	—	—
Total Net Undeveloped Acreage	2,544,669	753,106	701,241	682,520	563,827

Revenues

Year Ended September 30 (Thousands of Dollars)	2000	1999	1998	1997	1996
Gas (after Hedging)	\$108,832	\$83,229	\$82,910	\$84,024	\$81,787
Oil (after Hedging)	117,606	52,050	34,069	34,147	31,372
Gas Processing Plant	17,666	11,751	4,937	—	—
Other	(6,034)	(36)	2,356	1,089	1,303
Total Revenues	\$238,070	\$146,994	\$124,272	\$119,260	\$114,462

Gas Production (MMcf)

Year Ended September 30	2000	1999	1998	1997	1996
Region					
Gulf Coast	32,760	28,758	29,461	32,377	32,355
West Coast	4,374	3,977	2,146	1,135	990
Appalachia	4,344	4,431	4,867	5,074	5,422
Canada	192	—	—	—	—
Total Gas Production	41,670	37,166	36,474	38,586	38,767

Oil Production (Mbbl)

Year Ended September 30	2000	1999	1998	1997	1996
Region					
Gulf Coast	1,415	1,373	1,228	1,404	1,195
West Coast	2,824	2,633	1,376	490	533
Appalachia	9	10	10	8	14
Canada	899	—	—	—	—
Total Oil Production	5,147	4,016	2,614	1,902	1,742

Total Production (MMcfe)

Year Ended September 30	2000	1999	1998	1997	1996
Total Gas & Oil Production	72,552	61,262	52,161	49,998	49,219

Net Well Completions

Year Ended September 30	2000			1999			1998			1997			1996		
	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio	Productive	Dry	Success Ratio
Region															
Gulf Coast	14	6	.71	10	5	.67	8	5	.61	6	3	.67	12	5	.71
West Coast	80	1	.99	95	5	.95	13	1	.93	—	2	—	—	—	—
Appalachia	3	1	.75	3	—	—	4	1	.80	—	—	—	—	2	—
Canada	22	4	.85	—	—	—	—	—	—	—	—	—	—	—	—
Total Well Completions	119	12	.91	108	10	.91	25	7	.78	6	5	.55	12	7	.63

Producing Wells

At September 30	2000		1999		1998		1997		1996	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Region										
Gulf Coast	100	35	101	52	102	49	110	55	109	58
West Coast	887	815	922	878	895	877	196	181	212	177
Appalachia	1,797	1,714	1,806	1,716	1,805	1,728	1,769	1,703	2,018	1,911
Canada	479	430	—	—	—	—	—	—	—	—
Total	3,263	2,994	2,829	2,646	2,802	2,654	2,075	1,939	2,339	2,146

Gas Prices (Average Price per Mcf)

Year Ended September 30	2000	1999	1998	1997	1996
Region					
Gulf Coast	\$3.29	\$2.15	\$2.40	\$2.60	\$2.33
West Coast	3.62	2.28	2.14	1.79	1.25
Appalachia	3.16	2.44	2.88	2.79	2.65
Canada	2.52	—	—	—	—
Weighted Average	\$3.31	\$2.20	\$2.45	\$2.60	\$2.35
Weighted Average After Hedging	\$2.61	\$2.24	\$2.27	\$2.18	\$2.11

Oil Prices (Average Price per Barrel)

Year Ended September 30	2000	1999	1998	1997	1996
Region					
Gulf Coast	\$28.27	\$15.18	\$14.69	\$21.37	\$20.45
West Coast	23.87	11.62	9.85	18.49	17.41
Appalachia	25.12	14.73	16.80	21.28	18.43
Canada	29.28	—	—	—	—
Weighted Average	\$26.03	\$12.85	\$12.15	\$20.63	\$19.50
Weighted Average After Hedging	\$22.85	\$12.96	\$13.03	\$17.95	\$18.01

Exploration and Production Costs

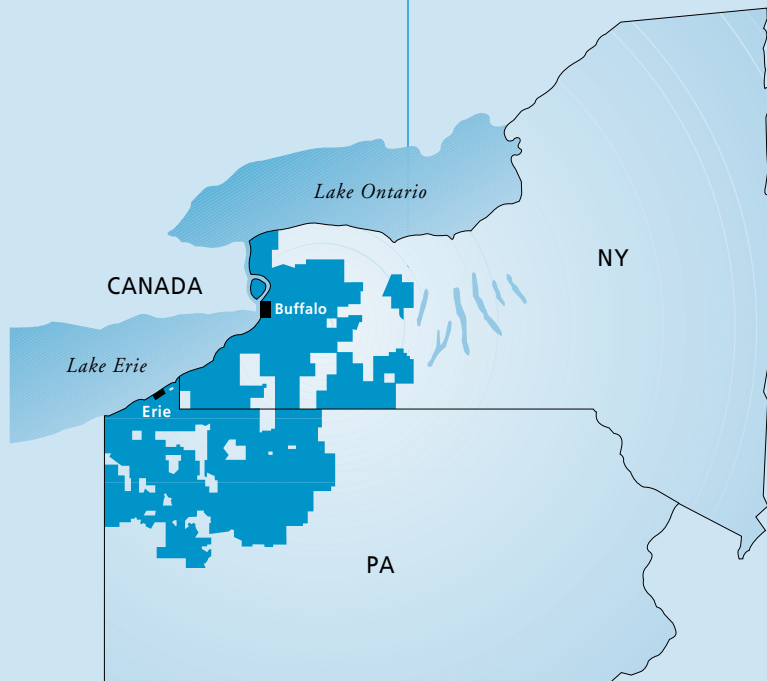
Year Ended September 30 (Dollars per Mcf equivalent)	2000	1999	1998	1997	1996
Reserve Replacement	\$1.20	\$0.80	\$0.86	\$3.50	\$1.56
Lifting	\$0.58	\$0.46	\$0.45	\$0.35	\$0.31
General and Administrative	\$0.20	\$0.15	\$0.16	\$0.15	\$0.12

Utility

The Company's Utility Operation is carried out by National Fuel Gas Distribution Corporation (Distribution Corporation).



Distribution Corporation sells or transports natural gas to over 735,000 customers through a local distribution system located in western New York and northwestern Pennsylvania. The major areas served by this system include Buffalo, Niagara Falls and Jamestown in New York, and Erie and Sharon in Pennsylvania.



■ Distribution Corporation Service Area

Regulation

The Company's Utility Operation is regulated at the state level by the State of New York Public Service Commission (PSC) and the Pennsylvania Public Utility Commission (PaPUC).

PSC Overview

There are five Commission seats. Each Commissioner is appointed by the Governor and confirmed by the State Senate for a term of six years. The Chairman is appointed by the Governor. The PSC is, by law, bipartisan. All of the current Commissioners were appointed by Governor George E. Pataki. The PSC staff consists of approximately 630 employees.

Current Commissioners

(As of September 30, 2000)

	Term Began	Term Expires	Background
Maureen O. Helmer <i>Chairman</i>	1997	2003	Previous General Counsel to the PSC and Counsel to the New York State Senate Energy Committee.
Thomas J. Dunleavy	1996	2001	Former Deputy Commissioner of Telecommunications and Cable Television for the City of New York.
James D. Bennett	1998	2003	Board Member, Long Island Power Authority, Practicing Attorney and CEO of Holiday Inn in Rockville Centre, NY.
Leonard A. Weiss	1999	2004	Former Presiding Justice, New York State Supreme Court.
Neal N. Galvin	1999	2005	Retired President and Chief Executive Officer of Callanan Industries, Inc. and Oldcastle New York State Materials Group.

PaPUC Overview

The PaPUC consists of five members, each appointed by the Governor and confirmed by the State Senate for a term of five years. The Chairman is designated by the Governor. All of the current Commissioners were appointed by Governor Thomas J. Ridge. The PaPUC is served by a staff of approximately 540 employees, divided into thirteen offices and bureaus.

Current Commissioners

(As of September 30, 2000)

	Term Began	Term Expires	Background
John M. Quain <i>Chairman</i>	1996	2001	Former partner and Managing Partner of Tucker, Arensburg Law Firm in Harrisburg, PA.
Robert K. Bloom <i>Vice Chairman</i>	1995	2000	Former PaPUC Commissioner from 1971-1979.
Nora M. Brownell	1997	2002	Former Senior Vice President of Corporate Affairs for Meridian Bankcorp, Inc. of Philadelphia.
Aaron Wilson Jr.	1998	2003	Former Mayor of the City of Chester, Pa and Administrator in the Chester-Upland School District.
Terrance J. Fitzpatrick	1999	2004	Former Counsel to State Senate Environmental Resource and Energy Committee. He helped to draft the Electricity Generation Customer Choice and Competition Act.

Revenues, Volumes and Customers

Year Ended September 30	2000	1999	1998	1997	1996
Revenues (Thousands of Dollars)					
Residential Sales	\$584,618	\$581,022	\$612,647	\$709,968	\$678,395
Commercial Sales	93,914	101,482	123,807	167,338	165,824
Industrial Sales	21,543	15,903	18,068	22,412	25,648
Off-System Sales	47,962	29,214	44,479	43,857	30,907
Total Sales	748,037	727,621	799,001	943,575	900,774
Transportation	104,534	77,600	62,844	49,285	49,180
Other	(6,112)	2,134	9,335	(1,494)	4,372
Total Revenues	\$846,459	\$807,355	\$871,180	\$991,366	\$954,326
Volumes (MMcf)					
Residential Sales	68,196	71,177	71,704	85,676	90,711
Commercial Sales	12,312	13,885	16,405	22,640	24,922
Industrial Sales	4,276	4,144	4,298	5,134	6,000
Off-System Sales	12,833	12,469	16,192	14,051	11,109
Total Sales Volumes	97,617	101,675	108,599	127,501	132,742
Transportation	71,862	64,086	60,080	57,310	57,212
Total Volumes	169,479	165,761	168,679	184,811	189,954
Pipeline Mileage					
	14,769	14,773	14,784	14,762	14,764
Average Revenue per Mcf					
Residential	\$8.57	\$8.16	\$8.54	\$8.29	\$7.48
Commercial	7.63	7.31	7.55	7.39	6.65
Industrial	5.04	3.84	4.20	4.37	4.27
Off-System	3.74	2.34	2.75	3.12	2.78
Transportation	1.45	1.21	1.05	.86	.86
Average Number of Customers					
Residential	686,407	683,595	659,354	682,487	684,070
Commercial	47,723	47,728	43,667	47,305	47,199
Industrial	1,272	1,272	1,196	1,242	1,224
Total Average Number of Customers	735,402	732,595	704,217	731,034	732,493
Average Number of Transportation Customers:					
Aggregator Programs	76,706	39,572	26,290	212	—
Other	1,904	1,943	1,934	1,801	1,733
Residential Customer Statistics					
Average Mcf per Customer	110	109	109	126	133
Average Annual Bill	\$943	\$891	\$929	\$1,040	\$992
Househeating Customers – Percent	96%	95%	95%	95%	95%

Degree Days

Year Ended September 30	2000	1999	1998	1997	1996
Buffalo, NY	6,312	6,179	5,914	6,793	7,203
Percent Colder (Warmer) than Normal	(8.9%)	(9.8%)	(11.6%)	1.5%	7.1%
Erie, PA	5,657	5,607	5,389	6,395	6,764
Percent Colder (Warmer) than Normal	(9.2%)	(9.9%)	(13.4%)	2.8%	8.1%

Volumes* by Industrial Category (MMcf)

Year Ended September 30	2000
Primary Metal	10,872
Food	4,787
Fabricated Metal Products	4,319
Power Generation	4,271
Chemical & Allied	3,696
Paper & Allied	3,047
Electronic Equipment & Components (excluding computers)	2,949
Transportation Equipment	2,043
Total Volumes 8 Largest Industrial Categories	35,984
Total Industrial Volumes	45,453
Total Utility Volumes	169,479
Percent of 8 Largest Industrial Categories to:	
Total Industrial Volumes	79.2%
Total Utility Volumes	21.2%

Volumes* by Commercial Category (MMcf)

Year Ended September 30	2000
Educational Services	5,989
Retail Trade	4,739
Health Services	4,669
Real Estate	2,728
Justice, Public Order and Safety	1,124
Personal Services	941
Sanitary Services	804
Hotels	788
Membership Organization	692
Amusement & Recreation Services	589
Total Volumes 10 Largest Commercial Categories	23,063
Total Commercial Volumes	34,732
Total Utility Volumes	169,479
Percent of 10 Largest Commercial Categories to:	
Total Commercial Volumes	66.4%
Total Utility Volumes	13.6%

*Sales and transportation volumes.

Retail Market Comparative Fuel Cost* (per million Btu)

At September 30	2000	1999	1998	1997	1996
New York					
Residential					
Natural Gas	\$11.04	\$7.93	\$7.27	\$8.82	\$6.46
No. 2 Oil	8.28	7.04	7.20	7.21	8.43
Electricity	30.25	30.78	31.25	32.62	30.09
Industrial					
Natural Gas	9.87	6.75	6.05	6.41	5.37
Broiler Fuel (150,000 Mcf and Over)					
Alternate Fuel Capability No. 6 Oil	9.01	5.44	4.65	4.95	4.31
Any Other Alternate Fuel Capability	9.26	5.80	4.92	5.51	4.57
Transportation	0.50	0.49	.44	.41	.61
No. 6 Oil	5.17	3.61	3.21	3.48	3.27
No. 2 Oil	7.56	5.20	4.84	5.25	4.76
Pennsylvania					
Residential					
Natural Gas	\$8.04	\$6.93	\$7.14	\$7.04	\$6.71
No. 2 Oil	8.42	7.00	7.50	7.64	7.21
Electricity	23.50	23.54	21.55	20.45	20.45
Industrial					
Natural Gas	6.59	5.37	5.63	5.56	5.49
Transportation	1.04	1.01	1.00	.96	.95
No. 6 Oil	5.20	3.73	3.40	3.56	3.35
No. 2 Oil	7.70	5.77	5.61	5.11	5.00

*Prices include revenue tax where applicable.

Sources of Utility Gas Supply (MMcf)

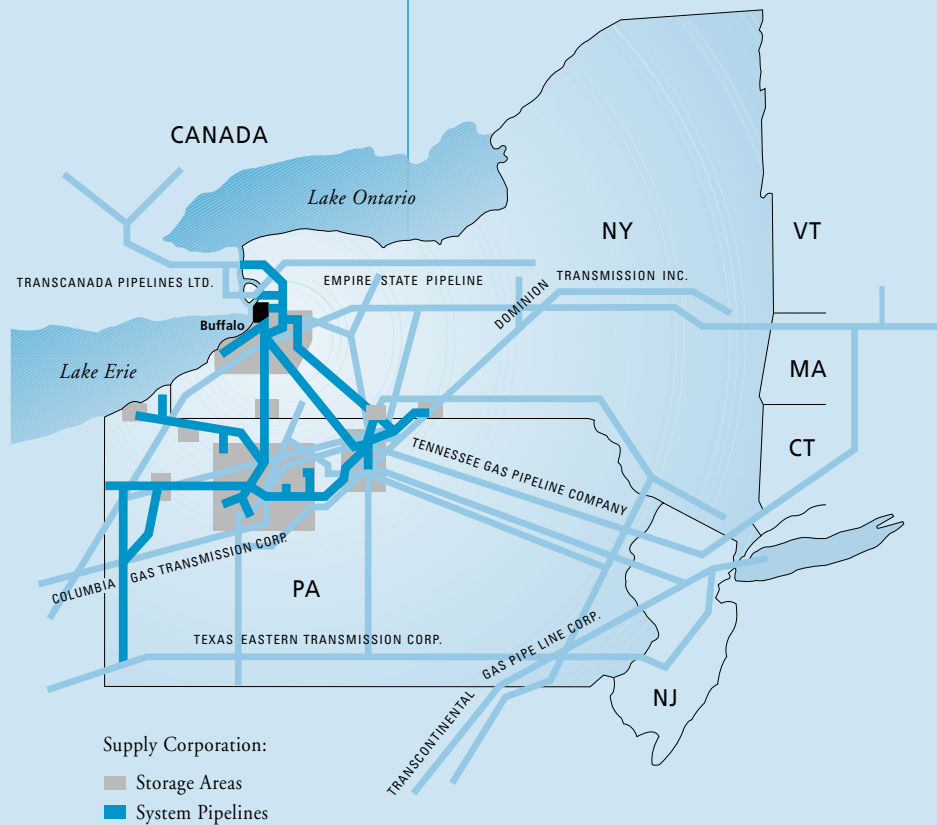
Year Ended September 30	2000	1999	1998	1997	1996
Long-Term Contract	73,400	78,347	87,209	107,021	109,629
Spot Purchases	29,463	32,415	28,561	29,498	35,396
Appalachian	1,139	1,609	1,462	2,291	4,298
Affiliated Production	—	—	—	12	183
Total Utility Gas Supply	104,002	112,371	117,232	138,822	149,506
Storage Change – Net (Into) or Out	620	(747)	279	1,431	(2,579)
Used In Operations, Shrinkage and Other	(7,005)	(9,949)	(8,912)	(12,752)	(14,185)
Total Gas Available for Utility Sales	97,617	101,675	108,599	127,501	132,742

Pipeline and Storage

The majority of the Company's Pipeline and Storage operations are conducted through National Fuel Gas Supply Corporation (Supply Corporation).



Supply Corporation provides interstate natural gas transportation and storage for affiliated and nonaffiliated companies through an integrated gas pipeline system that extends 3,034 miles from southwestern Pennsylvania to the New York-Canadian border at the Niagara River. It also owns 28 underground natural gas storage areas and is co-owner and operator of four others.



Regulation

The Company's Pipeline and Storage operations are regulated at the Federal level by the Federal Energy Regulatory Commission (FERC).

FERC Overview

The FERC is an independent regulatory agency within the Department of Energy, responsible for regulating interstate activities in the natural gas, electric, hydro and oil pipeline industries. The FERC is composed of five commissioners, including a chair, appointed by the President and confirmed by the Senate for a five-year term.

Current Commissioners

(As of September 30, 2000)*

	Term Began	Term Expires	Background
James John Hoecker <i>Chair</i>	1993	2000**	Attorney, formerly Counsel for Washington, D.C. office of Jones, Day, Reavis & Pogue and partner with Keck, Mahin, & Cate. Appointed Chair in 1997.
Linda Key Breathitt	1997	2002	Former Chairman of the Kentucky Public Service Commission and served on the Electricity Committee of NARUC.
William L. Massey	1993	2003	Attorney, formerly Counsel for and partner of Washington, D.C. office of Mayer, Brown & Platt.
Curt Hebert Jr.	1997	2004	Former Chairman of the Mississippi Public Service Commission and served on the Electricity Committee of NARUC.

* Vacancy created by resignation of Vicky A. Bailey on January 1, 2000.

** Term extended through autumn 2001; formally resigned January 18, 2001.

Revenues, Volumes and Revenue Rates

Year Ended September 30	2000	1999	1998	1997	1996
Revenues (Thousands of Dollars)					
Firm Transportation:					
Affiliated	\$54,449	\$54,752	\$56,701	\$59,165	\$59,717
Nonaffiliated	37,856	36,527	36,661	32,323	30,986
Interruptible Transportation	1,578	856	985	1,370	1,698
Total Transportation	93,883	92,135	94,347	92,858	92,401
Affiliated Storage	30,460	28,309	27,384	27,999	29,365
Nonaffiliated Storage	32,726	35,519	36,121	36,222	38,610
Total Storage	63,186	63,828	63,505	64,221	67,975
Other	12,590	12,820	13,131	15,615	16,177
Total Revenues	\$169,659	\$168,783	\$170,983	\$172,694	\$176,553
Volumes (MMcf)					
Firm Transportation:					
Affiliated	113,241	108,250	99,678	122,375	132,002
Nonaffiliated	178,577	191,992	199,060	168,789	174,079
Interruptible Transportation	21,730	8,061	14,310	9,138	18,925
Total Volumes	313,548	308,303	313,048	300,302	325,006
Average Revenues per Mcf					
Firm Transportation-Nonaffiliated	\$0.21	\$0.19	\$0.18	\$0.19	\$0.18
Interruptible Transportation	\$0.07	\$0.11	\$0.07	\$0.15	\$0.09

Transmission Statistics

As September 30	2000	1999	1998	1997	1996
Compressor Stations					
Number	14	14	16	16	16
Horsepower	43,416	43,391	38,005	38,005	40,705
Pipeline Mileage	3,034	3,065	3,136	3,171	3,241

Firm Transportation by Customer (MMcf)

Year Ended September 30

2000

National Fuel Gas Distribution Corp.	87,875
Williams Energy Services Co.	28,308
National Fuel Resources	24,665
Transcontinental Gas Pipe Line Corp.	15,502
Tennessee Gas Pipeline	15,024
Consolidated Edison Company of New York	11,359
Public Service Electric and Gas Co.	10,471
Sempra Energy Trading	8,294
TXU Energy Trading, Inc.	7,526
NUI Corporation	5,895
Texaco Energy Marketing, L.P.	5,620
Iroquois Energy Management Inc.	5,103
Poco Marketing Ltd.	4,949
Coastal Merchant Energy, L.P.	4,746
Progas U.S.A. Inc.	4,216
All Others	52,265
Total Firm Transportation	291,818
Revenues (<i>Thousands of Dollars</i>)	\$92,305

Contract Storage Service (MMcf)

At September 30

2000

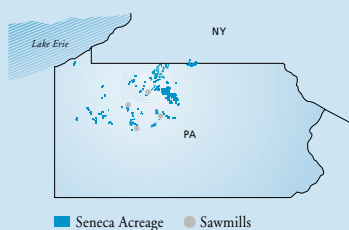
National Fuel Gas Distribution Corp.	24,812
Transcontinental Gas Pipe Line Corp.	16,000
National Fuel Resources	3,274
TXU Energy	3,710
Upstate Energy	3,004
Coastal Merchant	1,838
Aquila Energy	1,793
UGI Utilities	1,497
Connecticut Natural	1,484
All Others	6,676
Total Contracted Storage	64,088
Revenues (<i>Thousands of Dollars</i>)	\$63,186

Storage Statistics

At September 30

	2000	1999	1998	1997	1996
Storage Services-Bcf					
Firm Service - Affiliated	31.1	28.1	26.6	25.8	25.3
Firm Service – Nonaffiliated	33.0	34.2	35.6	35.1	35.6
Operational Capacity	7.0	7.0	7.0	7.0	7.0
Total Available Working Capacity – Bcf	71.0	69.4	69.2	67.9	67.9
Underground Areas	32	33	34	34	34
Compressor Stations					
Number	15	15	15	15	15
Horsepower	31,255	31,255	32,545	32,545	32,745

Timber



The Company's Timber operations are carried out by Highland Forest Resources, Inc. and Seneca Resources Corporation, Northeast Division.



Highland operates four sawmills in northwestern Pennsylvania. Seneca markets timber from its New York and Pennsylvania land holdings.

Year Ended September 30	2000	1999	1998	1997	1996
Revenues (Thousands of Dollars)	\$39,172	\$31,117	\$17,805	\$11,536	\$7,830
Production (Millions of Board Feet)	24.6	21.2	13.1	9.8	6.4
At September 30					
Acreage	152,000	140,000	119,000	118,000	120,000
Board Feet (Thousands)	471,000	423,000	364,000	364,000	279,000

International



The Company's International operations are carried out by Horizon Energy Development, Inc. (Horizon)



Horizon engages in foreign energy projects through the investments of its indirect subsidiaries as the sole or substantial owner of various business entities. In addition to assets in the Czech Republic, Horizon continues to evaluate prospects throughout eastern and central Europe.

Year Ended September 30	2000	1999	1998	1997	1996
Revenues (Thousands)					
Heating	\$69,387	\$71,974	\$49,560	\$1,887	\$272
Electricity	31,426	34,158	22,774	—	—
Other	3,923	913	3,925	23	14
Total Revenues	\$104,736	\$107,045	\$76,259	\$1,910	\$286
Sales Volumes					
Heating (Gigajoules)	10,222,024	10,047,042	7,116,776	262,615	36,652
Electricity (Megawatt hours)	1,147,303	1,138,980	763,848	—	—
At September 30					
Number of Employees	1,115	1,406	1,390	34	38

Energy Marketing



The Company's Energy Marketing operations are carried out by National Fuel Resources, Inc. (NFR).



NFR is engaged in the marketing and brokerage of natural gas and electricity and the performance of energy management services for industrial, commercial, public authority and residential end-users throughout the northeast United States.

<i>Year Ended September 30</i>	2000	1999	1998	1997	1996
Revenues (<i>Thousands of Dollars</i>)	\$133,929	\$99,088	\$87,187	\$70,098	\$60,258
Natural Gas Marketing Volumes (<i>MMcf</i>)	35,465	34,454	26,453	21,024	20,232
<i>At September 30</i>					
Number of Customers	33,115	17,480	5,476	1,307	672

Officers

Directors

<p>National Fuel Gas Company</p>	<p>Bernard J. Kennedy <i>Chairman of the Board and Chief Executive Officer</i></p> <p>Philip C. Ackerman <i>President</i></p>	<p>Joseph P. Pawlowski <i>Treasurer</i></p> <p>Gerald T. Wehrlin <i>Controller</i></p> <p>Anna Marie Cellino <i>Secretary</i></p>	<p>Bernard J. Kennedy^{ΔΔ} Chairman of the Board and Chief Executive Officer. Board member since 1978. Chairman of the Board of Associated Electric & Gas Insurance Services Limited. Director of the Gas Technology Institute, Interstate Natural Gas Association of America, HSBC Bank USA, and Merchants Mutual Insurance Company.</p> <p>Philip C. Ackerman President of National Fuel Gas Company since July 1999. President of certain subsidiaries of the Company. Board member since 1994.</p>
<i>Officers of Principal Subsidiaries</i>			
<p>National Fuel Gas Distribution Corporation</p>	<p>Bernard J. Kennedy <i>Chairman of the Board</i></p> <p>David F. Smith <i>President</i></p> <p>Walter E. DeForest <i>Senior Vice President</i></p> <p>Joseph P. Pawlowski <i>Senior Vice President and Treasurer</i></p> <p>Dennis J. Seeley <i>Senior Vice President</i></p>	<p>Gerald T. Wehrlin <i>Senior Vice President</i></p> <p>Carl M. Carlotti <i>Vice President</i></p> <p>Anna Marie Cellino <i>Vice President and Secretary</i></p> <p>James D. Ramsdell <i>Vice President</i></p> <p>Ronald J. Tanski <i>Vice President and Controller</i></p>	<p>Robert T. Brady^{Δ†} Chairman, President and Chief Executive Officer of Moog Inc., a manufacturer of motion control systems and components. Board member since 1995. Director of Acme Electric Corporation, Astronics Corporation, M&T Bank Corporation, M&T Bank and Seneca Foods Corporation.</p>
<p>National Fuel Gas Supply Corporation</p>	<p>Bernard J. Kennedy <i>Chairman of the Board</i></p> <p>Dennis J. Seeley <i>President</i></p> <p>Philip C. Ackerman <i>Executive Vice President</i></p> <p>Bruce H. Hale <i>Senior Vice President</i></p>	<p>David F. Smith <i>Senior Vice President</i></p> <p>John R. Pustulka <i>Vice President</i></p> <p>William A. Ross <i>Vice President</i></p> <p>Joseph P. Pawlowski <i>Secretary and Treasurer</i></p>	<p>James V. Glynn[*] President of Maid of the Mist Corporation, which offers scenic boat tours of the American and Canadian waterfalls, Niagara Falls, New York. Board member since 1997. Director of M&T Bank Corporation, M&T Bank, and Buffalo Niagara Partnership. Chairman of Niagara University Board of Trustees.</p> <p>William J. Hill^{Δ*} Retired President of National Fuel Gas Distribution Corporation. Board member since 1995. Director of National Fuel Gas Distribution Corporation and Reed Manufacturing Company.</p>
<p>Seneca Resources Corporation</p>	<p>Bernard J. Kennedy <i>Chairman of the Board</i></p> <p>James A. Beck <i>President</i></p> <p>Thomas L. Atkins <i>Controller</i></p> <p>Barry L. McMahan <i>Senior Vice President</i></p> <p>William M. Petmecky <i>Senior Vice President and Secretary</i></p>	<p>Don A. Brown <i>Vice President</i></p> <p>Robert T. Evans <i>Vice President</i></p> <p>Gil E. Klefstad <i>Vice President</i></p> <p>John F. McKnight <i>Vice President</i></p> <p>Emmett E. Wassell <i>Vice President</i></p> <p>Calvin H. Friedrich <i>Treasurer</i></p>	<p>Bernard S. Lee, PhD^{**} Former President of the Institute of Gas Technology, a not-for-profit research and educational institution, Des Plaines, Illinois. Board member since 1994. Director of NUI Corporation and Peerless Manufacturing Company.</p> <p>Eugene T. Mann^{Δ†} Retired Executive Vice President of Fleet Financial Group, a diversified financial services company, Providence, Rhode Island. Board member since 1993.</p>
<p>National Fuel Resources, Inc.</p>	<p>William M. Petmecky <i>Secretary and Treasurer</i></p>		<p>George L. Mazanec^{††Δ} Former Vice Chairman of PanEnergy Corporation, a diversified energy company, and advisor to the Chief Operating Officer of Duke Energy Corporation. Board member since 1996. Director of the Northern Trust Bank of Texas, NA, Westcoast Energy Inc., and Associated Electric & Gas Insurance Services Limited. Chairman of the Management Committee of Maritimes & Northeast Pipeline, L.L.C.</p>
<p>Highland Forest Resources, Inc.</p>	<p>James A. Beck <i>President</i></p> <p>William M. Petmecky <i>Secretary</i></p>	<p>Calvin H. Friedrich <i>Treasurer</i></p>	<p>John F. Riordan[*] President and Chief Executive Officer since April 2000 of the Gas Technology Institute, Des Plaines, Illinois. Board member since July 1, 2000. Director of the University at Buffalo School of Management and the Oral and Maxillofacial Surgery Foundation.</p>
<p>Horizon Energy Development, Inc.</p>	<p>Philip C. Ackerman <i>President</i></p> <p>Bruce H. Hale <i>Vice President</i></p>	<p>Gerald T. Wehrlin <i>Vice President</i></p> <p>Ronald J. Tanski <i>Secretary and Treasurer</i></p>	

* Member of Audit Committee
 ** Chairman, Audit Committee
 † Member of Compensation Committee
 †† Chairman, Compensation Committee
 Δ Member of Executive Committee
 ΔΔ Chairman, Executive Committee



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