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November 22, 2013

Betty McCauley
Public Utilities Commission of Ohio
180 East Broad Street, 11th Floor
Columbus, OH 43215

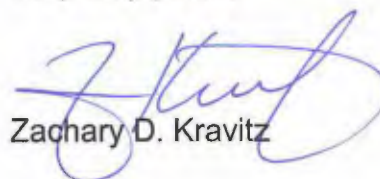
Re: In the Matter of the Joint Application of Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation, and Orwell Natural Gas Company for Approval of Long-Term Financing Arrangements.
PUCO Case Nos. 10-2330-GA-AIS; 12-1792-GA-AIS

Dear Ms. McCauley:

On March 30, 2011 the Public Utilities Commission of Ohio entered its Finding and Order in Case No. 10-2330-GA-AIS approving the Joint Application to issue a Senior Secured Note as joint and several obligors to Sun Life Assurance Company for a term loan of up to \$15,334,000. Findings 16 and 17 therein required Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation, and Orwell Natural Gas Company to file copies of quarterly and annual financial statements and quarterly reports demonstrating that their coverage ratio and total indebtedness as a percent of their capitalization complies with the coverage ratio requirements of their Note Purchase Agreement and all Subsequent Amendments with Sun Life Assurance Company.

Please find enclosed for filing the required quarterly financial reports and certification of compliance with the coverage ratio covenants for the quarter ended September 30, 2013.

Very truly yours,



Zachary D. Kravitz

ZDK/clis

Sun Life Assurance Company - Senior Secured Guaranteed Notes: Debt Covenant Calculations

ENTER DATE OF CERTIFICATE **9/30/13**

1. Financial Tests: The Company hereby certifies and warrants that the following is a true and correct computation of the following ratios and/or financial restrictions, and that no other event of default exists pursuant to the Note Purchase Agreement, dated May 3, 2011, together with its subsequent amendments, other than those noted herein.

A. Section 10.4 Coverage Ratio (Net Income to Interest Expense)

a.	Consolidated EBITDA Available for Interest Charges	\$	21,393,628
b.	Consolidated Annual Interest Charges	\$	4,526,776
Ratio	=	a ÷ b	4.73x
		Minimum Required	2.0x
a.	Obligors EBITDA Available for Interest Charges	\$	3,310,664
b.	Obligors Annual Interest Charges	\$	1,330,662
Ratio	=	a ÷ b	2.49x
		Minimum Required	2.0x

B. Section 10.4 Debt to Capitalization Ratio

a.	Consolidated Funded Debt	\$	62,288,728
b.	Consolidated Capitalization	\$	156,371,790
Ratio	=	a ÷ b	40%
		Maximum Allowable	60%
a.	Obligors Funded Debt	\$	21,577,929
b.	Obligors Capitalization	\$	59,056,148
Ratio	=	a ÷ b	37%
		Maximum Allowable	60%

C. Section 10.5 Restrictions on Dividends and Distributions

a.	Obligors Dividends/Distributions	
b.	Obligors Net Income	\$ 557,480
Ratio	=	a ÷ b
	Note: Sun Life has granted a waiver through 12/31/12 for this covenant	0.0%
	Maximum Allowable	70.0%

D. Section 9.1 Debt Service Reserve Fund

The company shall maintain a debt service reserve fund equal to the interest payable on the Notes for a 12 month period maintained in a blocked interest bearing account at PNC Bank.

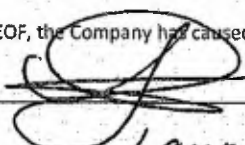
Debt Service Reserve Fund Balances at 9/30/13	\$	1,079,457
Estimated interest payable for next 12 months	\$	1,072,776
Covenant met		Yes

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed and delivered by:

By:

Name:

Title:


Laurie Stevens
Ohio Division Controller

11/21/2013 Revised

Table of Contents**Gas Natural Inc. and Subsidiaries****Condensed Consolidated Statement of Comprehensive Income****(Unaudited)**

	<u>Three Months Ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
REVENUES				
Natural gas operations	\$ 12,957,782	\$ 10,458,202	\$ 70,648,741	\$ 53,107,834
Marketing and production	2,117,165	1,809,832	8,334,626	4,757,280
Pipeline operations	99,289	95,162	302,608	305,039
Total revenues	15,174,236	12,363,196	79,285,975	58,170,153
COST OF SALES				
Natural gas purchased	5,540,332	4,164,358	39,705,842	26,848,575
Marketing and production	1,701,554	1,560,762	6,794,511	3,806,489
Total cost of sales	7,241,886	5,725,120	46,500,353	30,655,064
GROSS MARGIN	7,932,350	6,638,076	32,785,622	27,515,089
OPERATING EXPENSES				
Distribution, general, and administrative	5,972,119	4,615,649	16,732,989	14,390,134
Maintenance	322,952	296,240	958,691	865,848
Depreciation and amortization	1,579,256	1,252,402	4,483,469	3,648,671
Accretion	44,411	41,354	130,530	118,988
Taxes other than income	1,017,356	905,572	2,835,246	2,684,307
Total operating expenses	8,936,094	7,111,217	25,140,925	21,707,948
OPERATING INCOME (LOSS)	(1,003,744)	(473,141)	7,644,697	5,807,141
Loss from unconsolidated affiliate	(980)	(3,692)	(5,007)	(8,468)
Other income, net	313,612	117,186	726,676	449,838
Acquisition expense	(87,575)	(209,490)	(244,109)	(785,838)
Stock sale expense	—	(19,114)	—	(274,393)
Interest expense	(811,575)	(633,601)	(2,380,719)	(1,917,560)
Income (loss) before income taxes	(1,590,262)	(1,221,852)	5,741,538	3,270,720
Income tax benefit (expense)	698,946	736,110	(2,066,232)	(1,001,280)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(891,316)	(485,742)	3,675,306	2,269,440
Discontinued operations, net of income taxes (See Note 3)	(113,022)	(185,479)	(218,837)	(382,006)
NET INCOME (LOSS)	\$ (1,004,338)	\$ (671,221)	\$ 3,456,469	\$ 1,887,434
Basic weighted shares outstanding	10,054,558	8,186,791	8,974,584	8,165,874
Dilutive effect of stock options	—	—	903	6,549
Diluted weighted shares outstanding	10,054,558	8,186,791	8,975,487	8,172,423
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE:				
Continuing operations	\$ (0.09)	\$ (0.06)	\$ 0.41	\$ 0.28
Discontinued operations	(0.01)	(0.02)	(0.02)	(0.05)
Net income (loss) per share	\$ (0.10)	\$ (0.08)	\$ 0.39	\$ 0.23
Weighted average dividends declared per common share	\$ 0.139	\$ 0.182	\$ 0.411	\$ 0.452
COMPREHENSIVE INCOME (LOSS):				
Net income (loss)	\$ (1,004,338)	\$ (671,221)	\$ 3,456,469	\$ 1,887,434
OTHER COMPREHENSIVE INCOME (LOSS), NET OF				

TAX

Unrealized gain (loss) on available for sale securities, net
of tax of \$11,467, \$(2,529), \$15,571, and \$(6,323),
respectively

	<u>18,908</u>	<u>(4,221)</u>	<u>25,114</u>	<u>(10,552)</u>
COMPREHENSIVE INCOME (LOSS)	<u>\$ (985,430)</u>	<u>\$ (675,442)</u>	<u>\$ 3,481,583</u>	<u>\$ 1,876,882</u>

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

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Gas Natural Inc. and Subsidiaries

Condensed Consolidated Statement of Changes in Stockholders' Equity

(Unaudited)

	Common Shares	Common Stock	Capital In Excess Of Par Value	Accumulated Other Comprehensive Income	Retained Earnings	Total
BALANCE AT DECEMBER 31, 2012	8,369,752	\$1,255,463	\$44,256,493	\$ 65,789	\$30,766,379	\$76,344,124
Net income	—	—	—	—	3,456,469	3,456,469
Other comprehensive income, net	—	—	—	25,114	—	25,114
Exercise of stock options	20,000	3,000	156,500	—	—	159,500
Stock compensation expense	—	—	2,423	—	—	2,423
Purchase of JDOG Marketing	256,926	38,539	2,602,660	—	—	2,641,199
Common stock issued	1,725,000	258,750	15,684,301	—	—	15,943,051
Dividends declared	—	—	—	—	(3,688,536)	(3,688,536)
BALANCE AT SEPTEMBER 30, 2013	<u>10,371,678</u>	<u>\$1,555,752</u>	<u>\$62,702,377</u>	<u>\$ 90,903</u>	<u>\$30,534,312</u>	<u>\$94,883,344</u>

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

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Gas Natural Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Nine months ended September 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 3,456,469	\$ 1,887,434
Less loss from discontinued operations	(218,837)	(382,006)
Income from continuing operations	3,675,306	2,269,440
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	4,483,469	3,648,671
Accretion	130,530	118,988
Amortization of debt issuance costs	315,898	177,379
Stock based compensation	2,423	39,506
(Gain) loss on sale of assets	(154,658)	27,738
Loss from unconsolidated affiliate	5,007	8,468
Unrealized holding loss on contingent consideration	215,000	—
Investment tax credit	(15,797)	(15,797)
Deferred income taxes	2,235,292	753,344
Changes in assets and liabilities		
Accounts receivable, including related parties	5,675,140	3,254,017
Unbilled gas	2,751,653	2,843,903
Natural gas and propane inventory	(1,317,485)	835,714
Accounts payable, including related parties	(2,296,407)	(2,701,029)
Recoverable/refundable cost of gas purchases	(966,655)	(792,493)
Prepayments and other	843,548	(1,520,962)
Other assets	(903,862)	(34,318)
Other liabilities	(53,954)	(1,014,354)
Net cash provided by operating activities of continuing operations	14,624,448	7,898,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(15,696,892)	(15,282,740)
Proceeds from sale of fixed assets	958,448	29,302
Proceeds from related party notes receivable	5,657	7,624
Purchase of Public Gas Company, Inc.	—	(1,551,478)
Cash acquired in acquisition	—	502
Investment in unconsolidated affiliate	(35,000)	—
Restricted cash – capital expenditures fund	1,062,763	—
Customer advances for construction	38,742	152,829
Contributions in aid of construction	296,341	130,908
Net cash used in investing activities of continuing operations	(13,369,941)	(16,513,053)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from lines of credit	14,400,000	45,550,755
Repayments of lines of credit	(20,048,956)	(50,691,000)
Proceeds from notes payable	—	10,000,000
Repayments of notes payable	(506,311)	(5,846)
Payments of capital lease obligations	(167,518)	—
Debt issuance costs	(7,492)	(1,074,456)
Proceeds from issuance of common shares	15,943,051	—
Exercise of stock options	159,500	—
Restricted cash – debt service fund	749,326	(760,248)

Dividends paid	<u>(3,598,449)</u>	<u>(3,303,104)</u>
Net cash provided by (used in) financing activities of continuing operations	6,923,151	(283,899)
DISCONTINUED OPERATIONS		
Operating cash flows	73,517	(495,939)
Investing cash flows	203	(18,890)
Financing cash flows	<u>(243,584)</u>	<u>401,000</u>
Net cash used in discontinued operations	<u>(169,864)</u>	<u>(113,829)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,007,794	(9,012,566)
Cash and cash equivalents, beginning of period	<u>3,435,117</u>	<u>10,504,845</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 11,442,911</u>	<u>\$ 1,492,279</u>

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

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Gas Natural Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	<u>Nine months ended September 30,</u>	
	<u>2013</u>	<u>2012</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 1,930,773	\$ 1,416,562
Cash refunded for income taxes, net	(14,688)	(524,521)
NONCASH INVESTING AND FINANCING ACTIVITIES		
Shares issued to purchase JDOG Marketing	\$ 2,641,199	\$ —
Contingent consideration issued to purchase JDOG Marketing	2,250,000	—
Plant, property and equipment acquired from JDOG Marketing purchase	21,600	—
Customer relationships acquired from JDOG Marketing purchase	2,800,000	—
Goodwill acquired from JDOG Marketing purchase	2,101,744	—
Note receivable effectively settled in JDOG Marketing acquisition	32,145	—
Capital expenditures included in accounts payable	857,946	804,301
Shares issued to purchase Loring Pipeline	—	2,250,004
Capital assets exchanged to settle payables	82,584	—
Capital assets acquired through trade-in	23,500	—
Accrued dividends	466,726	376,588
Capitalized interest	6,003	6,218
Customer advances for construction moved to contribution in aid of construction	16,364	—

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

OHIO COMPANIES (CONSOLIDATED)

Balance Sheet

9/30/2013

	CONSOLIDATED ORWELL	BRAINARD	CONSOLIDATED NEO	RECLASS & ADJUSTMENTS	INTERCOMPANY ELIMINATIONS	CONSOLIDATED OHIO
ASSETS						
Current assets:						
Cash	86,096.65	866.18	184,518.91			273,481.74
Marketable Securities						
Accounts receivable	380,994.53	1,797.21	656,765.76			1,039,557.50
Accounts receivable - Intercompany	515,103.65	1,855.54	3,198,364.15		-3,587,403.04	531,970.30
Accounts Receiv - Interco Gas & Elect						
Accounts receivable - Intercompany taxes	39,261.19	-8,609.68	-499,932.78			-547,803.65
Accounts Receivable - Related Party	54,743.73		47,605.87			102,429.60
Accrued Gas Receivables	104,619.83	6,406.93	491,813.29			602,840.05
Note Receivable - Current Portion - Related Party						
Gas inventory			352,496.00			352,496.00
Other inventory						
Materials and Supplies	653,667.11		367,585.47			1,021,252.58
Prepayments	81,219.70		139,348.10			220,567.80
Income tax receivable						
Deferred tax assets - current	187,844.00	20,090.05	397			208,331.05
Deferred purchased gas costs	52,495.85	-47,554.42	1,077,247.00	47,554.42		1,129,742.85
Total current assets	2,483,523.86	-25,148.19	6,016,288.77	47,554.42	-3,587,403.04	4,934,815.82
Property, Plant & Equipment:						
Utility plant	30,316,345.90	803,488.89	35,713,840.54		-12,942,226.55	53,891,428.78
Less accumulated depreciation	-5,770,392.14	-106,135.65	-12,834,902.99		12,942,226.55	-5,769,204.23
Net Property, Plant and Equipment	24,545,953.76	697,353.24	22,878,937.55			48,122,224.55
Notes Receivable, intercompany	11,588.70					11,588.70
Deferred charges and other assets:						
Unamortized debt issue expense	167,669.59	1,847.71	331,632.34			501,149.64
Rate Case Costs						
Deferred Environmental Study						
Deferred charges						
Covenant not to compete						
Gas Plant Acquisition Adjustments	4,312,006.77	126,272.92	9,112,901.30			13,551,180.99
Customer Relationships	39,375.00		599,999.91			599,374.91
Note Receivable-related party						
Note Receivable-Intercompany	15,643.50					15,643.90
Regulatory asset - SFAS 109 - Property taxes						
Regulatory asset - Income taxes		42,935.85		-42,935.85		
Deferred tax assets - long-term						
Investment in Unconsolidated Affiliate	368.44	4,843.00	1,333,546.48			1,338,757.92
Restricted Cash	1,426.00		8,489.00			9,915.00
Other investments						
Total deferred charges and other assets	4,536,489.70	175,899.48	11,346,589.03	-42,935.85		16,016,022.36
Investment in subsidiary companies						
TOTAL ASSETS	31,577,556.02	848,084.53	40,241,795.35	4,618.57	-3,587,403.04	69,084,651.43
LIABILITIES AND INVESTMENT						
Current Liabilities:						
Bank Overdrafts						
Units of Credit						
Notes Payable-Current	4,376.97					4,376.97
Notes Payable-related party-current						

OHIO COMPANIES (CONSOLIDATED)

Balance Sheet

9/30/2013

	CONSOLIDATED ORWELL	BRAINARD	CONSOLIDATED NEO	RECLASS & ADJUSTMENTS	INTERCOMPANY ELIMINATIONS	CONSOLIDATED OHIO
Notes Payable - Intercompany - current						
Contingent Consideration - current						
Accounts Payable - Gas Purchases	14,216.61		66,815.00			81,031.61
Accounts Payable - Other	353,771.51	7,870.64	367,886.34			729,528.49
Accounts payable - Intercompany	2,915,440.93	329,126.52	1,479,079.46		-3,587,403.04	1,136,237.87
Accounts payable - related	51,291.95		43,801.53			95,093.48
Accrued liabilities-related	34,554.50	578	48,844.10			63,976.60
Obligation Under Capital Lease - Current						
Interest accrued						
Accrued Income Taxes	179.36					179.36
Accrued Taxes other than Income	615,289.05	25,433.71	1,196,991.03			1,837,713.79
Deferred income tax payable - current						
Payable to employee benefit plans	3,435.57		13,772.17			17,157.74
Accrued vacation payable						
Refundable cost of gas purchases	326,617.76			47,554.42		374,172.18
Other Regulatory Liabilities						
Budget plan overpayments	239,180.92	1,293.71	546,078.45			786,553.08
Customer Deposits	48,985.00	4,340.00	73,454.00			126,779.00
Property Tax Settlement - Current portion						
Accrued Closing Costs	95,638.33	4.87	77,208.27		0.06	172,851.53
Other current liabilities						
Total current liabilities	4,682,978.46	368,647.45	3,913,874.35	47,554.42	-3,587,402.98	5,425,651.70
Other:						
Customer advances for construction						
Contributions in aid of construction						
Regulatory liabilities - income taxes						
Regulatory liabilities - gas costs						
A&O Liability	831,970.57	18,703.74	168,041.82			1,018,716.13
Long-term Obligation Under Capital Lease						
Long-term notes payable						
Long-term Contingent Consideration						
Long Term Property Tax Payable						
Unamortised Investment Credit	3,313,876.68	159,939.25	2,343,068.42	-42,935.85		5,773,948.50
Deferred federal income taxes	4,145,847.25	178,642.99	2,511,110.24	-42,935.85		6,792,664.63
Total other						
ENERGY WEST Balancing						
Long Term Debt (Less Amts Due 1 Yr):	5,177,389.32	89,375.19	16,056,787.49			21,323,552.00
Long Term Debt						
Notes Payable - EWST Long-term debt						
Total Long term obligations	5,177,389.32	89,375.19	16,056,787.49			21,323,552.00
Allocated long-term obligations						
Equity:						
Common Stock	1,250.00	500	500			2,750.00
Capital in excess of par value	17,990,227.53	142,085.61	18,686,762.43		-0.06	36,819,075.51
APIC - Minority Interests						
Accumulated other comprehensive income						
Dividends Paid	-682,304.71	68,833.25	-1,996,252.33			-2,688,557.04
Retained Earnings	272,188.17		1,069,013.17			1,410,014.63
Total equity	17,571,340.99	211,418.90	17,760,023.27		-0.06	35,542,783.10
TOTAL LIABILITIES AND INVESTMENT	31,577,556.02	848,084.53	40,241,795.35	4,618.57	-3,587,403.04	69,084,651.43

OHIO COMPANIES (CONSOLIDATED)
Statement of Income
YEAR TO DATE 9/30/2013

	CONSOLIDATED ORWELL	BRAINARD	CONSOLIDATED NEO	RECLASS & ADJUSTMENTS	ELIMINATIONS	CONSOLIDATED OHIO
Gas Operating Revenue	6,700,601.80	220,693.33	13,493,032.55			20,414,327.68
Gas purchases	3,353,045.38	50,031.65	9,054,038.82			12,457,115.85
GAS GROSS MARGIN	3,347,556.42	170,661.68	4,438,993.73			7,957,211.83
Production Revenue	-	-	-			-
Production Expenses	-	-	-			-
PRODUCTION MARGIN	-	-	-			-
TOTAL GROSS MARGIN	3,347,556.42	170,661.68	4,438,993.73			7,957,211.83
Other Operating Charges:						
General and administrative	1,548,554.68	80,129.17	2,369,005.36			3,997,689.21
Maintenance	75,407.24	772.7	190,699.00			266,878.94
Depreciation	381,533.60	11,175.80	921,858.25			1,514,567.65
Amort. covenant not to compete	-	-	-			-
Amortization	1,125.00	326.07	27,150.74			28,601.81
Accretion	85,259.66	2,175.68	5,300.73			92,736.07
Taxes other than income taxes	362,298.39	16,765.46	433,531.28			812,595.13
Total Other Operating Charges	2,654,178.57	111,344.88	3,947,545.36			6,713,068.81
Operating income (loss)	693,377.85	\$9,316.80	491,448.37			1,244,143.02
Other income and expenses:						
Service sales - net	4,200.44	-	167,482.40			171,682.84
Appliance sales - net	38,483.35	-	-			38,483.35
Interest and dividend income	2,478.21	-	3,200.73			5,678.94
Equity income / loss from Subsidiary	-	-	-			-
Non Op Inc Mgmt Fees	72,000.00	-	151,737.90			223,737.90
Donations	-6,549.57	-	-			-6,549.57
Other deductions	-	-	-			-
Forfeited discounts	-	-	-			-
Corporate and Other	-	-	1,987.49			89,619.77
Other - net	87,632.28	-	-			-
Gain on bargain purchase	-	-	-			-
Other income (loss)	198,223.71	-	324,408.52			522,632.23
Earn before int. Taxes & OH	891,601.56	\$9,316.80	815,856.89			1,766,775.25
Corporate Overhead	431,981.54	17,897.33	639,717.60			1,089,596.47
Earnings before int & Taxes	459,620.02	41,419.47	1,761,392.99			677,178.78
Interest Charges	-	-	-			-
Interest on long term debt	-	-	-			-
Other interest	257,255.14	3,395.28	93,150.00			353,800.42
Total interest charges	257,255.14	3,395.28	93,150.00			353,800.42
Income (loss) before inc taxes	202,364.88	38,034.19	-835,125.78			-294,726.71
Federal income taxes	-	-	-			-
Income taxes - operations	76,319.85	14,678.03	-182,302.11			-91,304.23
Income taxes - other income	-	-	-			-
Total income taxes	76,319.85	14,678.03	-182,302.11			-91,304.23
Net income (loss)	126,045.03	23,356.16	-352,823.67			-203,422.48

Balance Sheets
9/30/2013

	<u>NEO</u>	<u>ORWELL</u>	<u>BRAINARD</u>
ASSETS			
Current assets:			
Cash	128,352.64	81,315.04	866.18
Marketable Securities	-	-	-
Accounts receivable	649,705.92	324,553.31	1,797.21
Accounts receivable - Intercompany	7,140,610.12	971,674.39	1,855.54
Accounts Recv - Interco Gas & Elect	-	-	-
Accounts receivable - Intercompany taxes	(484,501.62)	66,314.09	(8,609.68)
Accounts Receivable - Related Party	18,381.87	54,743.73	-
Accrued Gas Receivables	491,813.29	99,605.29	6,406.93
Note Receivable - Current Portion - Related Party	-	-	-
Gas Inventory	352,496.00	-	-
Other Inventory	-	-	-
Materials and Supplies	367,585.47	653,667.11	-
Prepayments	137,648.65	72,562.42	-
Income tax receivable	-	-	-
Deferred tax assets - current	(96.00)	200,224.00	20,090.05
Deferred purchased gas costs	1,077,247.00	(326,617.76)	(47,554.42)
Total current assets	9,879,243.34	2,198,041.62	(25,148.19)
Property, Plant & Equipment:			
Utility plant	33,597,806.60	24,625,582.45	803,468.89
Less accumulated depreciation	(12,667,490.01)	(5,586,115.60)	(106,135.65)
Net Property, Plant and Equipment	20,930,316.59	19,039,466.85	697,333.24
Notes Receivable, intercompany	-	11,588.70	-
Deferred charges and other assets:			
Unamortized debt issue expense	326,621.32	167,669.59	1,847.71
Rate Case Costs	-	-	-
Deferred Environmental Study	-	-	-
Deferred charges	-	-	-
Covenant not to compete	-	-	-
Gas Plant Acquisition Adjustments	2,586,766.67	592,135.64	126,272.92
Customer Relationships	559,999.91	39,375.00	-
Note Receivable-related party	-	-	-
Note Receivable-Intercompany	-	15,643.90	-
Regulatory asset - SFAS 109 - Property taxes	-	-	-
Regulatory asset - Income taxes	-	-	-
Deferred tax assets - long-term	2,161,824.85	671,696.00	42,935.85
Investment in Unconsolidated Affiliate	-	-	-
Restricted Cash	1,201,277.90	368.44	4,843.00
Other Investments	1,254.00	1,100.00	-
Total deferred charges and other assets	6,837,744.65	1,487,988.57	175,899.48
Investment in subsidiary companies	2,005,078.29	316,632.14	-
TOTAL ASSETS	39,652,382.87	23,053,717.88	848,084.53

Balance Sheets
9/30/2013

	<u>NEO</u>	<u>ORWELL</u>	<u>BRAINARD</u>
LIABILITIES AND INVESTMENT			
Current Liabilities:			
Bank Overdrafts	-	-	-
Lines of Credit	-	-	-
Notes Payable-Current	-	4,376.97	-
Notes Payable-related party-current	-	-	-
Notes Payable - Intercompany - current	-	-	-
Contingent Consideration - current	-	-	-
Accounts Payable - Gas Purchases	66,815.00	11,600.00	-
Accounts Payable - Other	365,958.65	303,263.84	7,870.64
Accounts payable - Intercompany	1,822,155.46	2,603,425.68	329,126.52
Accounts payable - related	43,801.53	51,291.95	-
Accrued liabilities-related	48,844.10	14,554.50	578.00
Obligation Under Capital Lease - Current	-	-	-
Interest accrued	-	-	-
Accrued Income Taxes	-	179.36	-
Accrued Taxes other than Income	1,159,110.19	604,403.50	25,433.71
Deferred income tax payable - current	(493.00)	12,380.00	-
Payable to employee benefit plans	13,722.17	3,219.00	-
Accrued vacation payable	-	-	-
Refundable cost of gas purchases	-	-	-
Other Regulatory Liabilities	-	-	-
Budget plan overpayments	538,426.16	224,322.10	1,293.71
Customer Deposits	73,454.00	43,385.00	4,340.00
Property Tax Settlement - Current portion	-	-	-
Accrued Closing Costs	-	-	-
Other current liabilities	54,817.45	89,498.33	4.87
Total current liabilities	4,186,611.71	3,965,900.23	368,647.45
Other:			
Customer advances for construction	-	-	-
Contributions in aid of construction	-	-	-
Regulatory Liabilities - income taxes	-	-	-
Regulatory Liabilities - gas costs	-	-	-
ARO Liability	-	831,970.57	18,703.74
Long-term Obligation Under Capital Lease	-	-	-
Long-term notes payable	-	-	-
Long-term Contingent Consideration	-	-	-
Long Term Property Tax Payable	-	-	-
Unamortized Investment Credit	-	-	-
Deferred federal income taxes	4,585,174.10	3,911,133.83	159,939.25
Total other	4,585,174.10	4,743,104.40	178,642.99
ENERGY WEST Balancing			
Long Term Debt (Less Amts Due 1 Yr):	13,718,900.65	3,091,571.55	89,375.19
Long Term Debt	-	-	-
Notes Payable - EWST Long-term debt	-	-	-
Total Long term obligations	13,718,900.65	3,091,571.55	89,375.19
Allocated long-term obligations			
Equity:			
Common Stock	591,500.00	467,667.00	500.00
Capital in excess of par value	17,980,897.91	13,621,274.58	142,085.61
APIC - Minority Interests	-	-	-
Accumulated other comprehensive income	-	-	-
Dividends Paid	(1,996,252.33)	(692,304.71)	-
Retained Earnings	585,550.83	(2,143,495.17)	68,833.29
Total equity	17,161,696.41	11,253,141.70	211,418.90
TOTAL LIABILITIES AND INVESTMENT	39,652,382.87	23,053,717.88	848,084.53

Statements of Income- YTD
9/30/2013

	<u>NEO</u>	<u>ORWELL</u>	<u>BRAINARD</u>
Gas Operating Revenue	13,465,027.16	6,373,501.73	220,693.33
Gas purchases	9,054,038.82	3,170,238.35	50,031.65
GAS GROSS MARGIN	4,410,988.34	3,203,263.38	170,661.68
Production Revenue	-	-	-
Production Expenses	-	-	-
PRODUCTION MARGIN	-	-	-
TOTAL GROSS MARGIN	4,410,988.34	3,203,263.38	170,661.68
Other Operating Charges:			
General and administrative	2,362,701.58	1,310,760.08	80,129.17
Maintenance	190,620.57	62,032.57	772.70
Depreciation	866,332.33	510,564.75	11,175.80
Amort. covenant not to compete	-	-	-
Amortization	17,980.88	1,125.00	326.07
Accretion	-	85,259.66	2,175.68
Taxes other than income taxes	433,531.28	342,015.40	16,765.46
Total Other Operating Charges	3,871,166.64	2,311,757.46	111,344.88
Operating income (loss)	539,821.70	891,505.92	59,316.80
Other income and expenses:			
Service sales - net	63,345.87	3,421.07	-
Appliance sales - net	-	38,462.35	-
Interest and dividend Income	3,003.03	2,476.15	-
Equity Income / Loss from Subsidiary	-	-	-
Non Op Inc Mgmt Fees	151,737.90	72,000.00	-
Donations	-	(6,549.57)	-
Other deductions	-	-	-
Forfeited discounts	-	-	-
Corporate and Other	-	-	-
Other - net	49,213.16	1,265.92	-
Gain on bargain purchase	-	-	-
Other income (loss)	267,299.96	111,075.92	-
Earn before Int, Taxes & OH	807,121.66	1,002,581.84	59,316.80
Corporate Overhead	639,717.60	431,981.54	17,897.33
Earnings before Int & Taxes	167,404.06	570,600.30	41,419.47
Interest Charges			
Interest on long term debt	-	-	-
Other interest	618,108.55	256,588.13	3,385.28
Total interest charges	618,108.55	256,588.13	3,385.28
Income (loss) before inc taxes	(450,704.49)	314,012.17	38,034.19
Federal income taxes			
Income taxes - operations	(154,572.44)	123,908.72	14,678.03
Income taxes - other income	-	-	-
Total income taxes	(154,572.44)	123,908.72	14,678.03
Net income (loss)	(296,132.05)	190,103.45	23,356.16

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Case No(s). 10-2330-GA-AIS, 12-1792-GA-AIS

Summary: Report Quarterly Financial Reports and Certification of Compliance for the quarter ended September 30, 2013 electronically filed by Mark Yurick on behalf of Brainard Gas Corporation and Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company