

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of  
Ohio Gas Company to Change its  
Depreciation Accrual Rates.

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Case No. 16-2124-GA-AAM

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**APPLICATION**

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Frank P. Darr (Reg. No. 0025469)  
Trial Attorney  
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**October 26, 2016**

**Attorneys for Ohio Gas Company**

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For its Application, Ohio Gas Company states as follows:

1. The Ohio Gas Company ("Ohio Gas") is a public utility subject to the jurisdiction of the Public Utilities Commission of Ohio ("Commission").
2. Under R.C. 4905.13, the Commission has authority to establish a system of accounts to be kept by a public utility.
3. Under R.C. 4905.18, the Commission shall ascertain, determine, and prescribe proper and adequate charges for depreciation and may prescribe changes in such charges for depreciation as it finds necessary.
4. Under this authority, the Commission prescribed depreciation accrual rates by order in Case No. 03-1853-GA-AAM that became effective on January 1, 2003. The authorized depreciation rates have been in effect unchanged since January 1, 2003.
5. At the request of Ohio Gas, the Staff of the Commission has performed a depreciation study of Ohio Gas's plant depreciation accrual rates, average

service lives, and net salvage values and proposed several adjustments. The current and proposed accrual rates and a calculation of the change in the annual depreciation expense that would result from the adjustments to the depreciation accrual rates are set out in Attachment A.

6. A tabulation of the current and proposed depreciation accrual rates including average service lives and net salvage values for several plant accounts is contained in Attachment B.
7. The proposed depreciation accrual rates set out in Attachment A and B are just and reasonable and should be adopted by the Commission.
8. Ohio Gas requests that the proposed depreciation accrual rates set out in Attachment A and B be made effective as of January 1, 2016.
9. Commission approval of the changes described in this Application will not result in any increase in rate or charge at this time.

WHEREFORE, Ohio Gas requests that the Commission authorize Ohio Gas to adopt the depreciation accrual rates set out in Attachment A and B, effective as of January 1, 2016.

Respectfully submitted,

/s/ Frank P. Darr

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**Attorneys for Ohio Gas Company**

## ATTACHMENT A

Ohio Gas Company  
Depreciation Study 2016  
December 31, 2015

		Current Accrual Rates		Staff Proposed Accrual Rates		Depreciation	
		Case No. 03-1853-GA-AAM				Expense	
Acct. No.	Account Description	Plant	Accrual Rates %	Depreciation Expense	Accrual Rates %	Depreciation Expense	Difference
Manufactured Gas Production							
304	Land & Land Rights	14,214	0.00				
305	Structures & Improvements	4,276	3.33	0 Fully Depr.	3.33	0 Fully Depr.	-
Transmission							
365.1	Land and Land Rights	29,514	0.00	-			
365.2	Rights of Way	936,010	2.00	18,720.20	2.00	18,720.20	-
366	Structures & Improvements	97,025	2.50	2,425.63	2.50	2,425.63	-
367	Mains	13,862,895	2.22	307,756.27	2.00	277,257.90	(30,498.37)
369	Measuring and Reg. Sta. Equipment	1,437,765	2.63	37,813.22	2.62	37,669.44	(143.78)
370	Communication Equipment	1,071,083	7.14	76,475.33	6.67	71,441.24	(5,034.09)
371	Other Equipment	-					
Distribution							
374.1	Land	57,195	0.00	-			
374.2	Rights of Way	738,219	2.22	16,388.46	2.00	14,764.38	(1,624.08)
375	Structures & Improvements	1,080,047	2.50	27,001.18	2.22	23,977.04	(3,024.13)
376	Mains	39,525,867	2.62	1,035,577.72	2.50	988,146.68	(47,431.04)
378	Meas. And Reg. Sta. Equip.-General	1,102,219	3.67	40,451.44	3.29	36,263.01	(4,188.43)
379	Meas. And Reg. Sta. Equip.-City Gate	563,540	4.40	24,795.76	3.83	21,583.58	(3,212.18)
380	Services	16,658,056	3.88	646,332.57	4.00	666,322.24	19,989.67
381	Meters	6,088,689	2.25	136,995.50	2.50	152,217.23	15,221.72
381.1	Meters-ERT Modules	-			6.67	-	-
382	Meter Installations	2,244,691	2.50	56,117.28	2.50	56,117.28	-
383	House Regulators	1,635,501	2.00	32,710.02	2.78	45,466.93	12,756.91
385	Industrial Meas. And Reg. Sta. Equip.	869,084	3.33	28,940.50	3.33	28,940.50	-
387	Other Equipment	718,743	3.80	27,312.23	3.80	27,312.23	-
General							
389	Land and Land Rights	124,733	0.00	-			
390	Structures & Improvements	1,130,222	2.50	28,255.55	2.50	28,255.55	-
391.1	Office Furniture and Equipment	339,554	5.59	0 Fully Depr.	5.00	0 Fully Depr.	-
391.2	Computer Equipment	917,703	16.67	0 Fully Depr.	16.67	0 Fully Depr.	-
392	Transportation Equipment	1,456,502	12.00	174,780.24	10.71	155,991.36	(18,788.88)
393	Stores Equipment	24,807	3.33	826.07	3.33	826.07	-
394	Tools, Shop and Garage Equipment	202,985	4.75	0 Fully Depr.	4.00	0 Fully Depr.	-
395	Laboratory Equipment	10,072	3.33	0 Fully Depr.	3.33	0 Fully Depr.	-
396	Power Operated Equipment	243,775	6.00	14,626.50	6.00	14,626.50	-
397	Communication Equipment	4,221,465	8.33	351,648.03	6.67	281,571.72	(70,076.32)
398	Miscellaneous Equipment	28,105	5.00	1,405.25	4.75	1,334.99	(70.26)
Total		97,434,556	3.17%	3,087,355	3.03%	2,951,232	(136,123.26)

## ATTACHMENT B

Ohio Gas Company  
Depreciation Study 2016  
December 31, 2015

		Current Accrual Rates Case No. 03-1853-GA-AAM			Staff Proposed Accrual Rates		
<u>Acct. No.</u>	<u>Account Description</u>	<u>Life</u>	<u>Net Salvage %</u>	<u>Accrual Rates %</u>	<u>Life</u>	<u>Net Salvage %</u>	<u>Accrual Rates %</u>
Manufactured Gas Production							
304	Land & Land Rights			0.00			
305	Structures & Improvements	30	0	3.33	30	0	3.33
Transmission							
365.1	Land			0.00			
365.2	Rights of Way	50	0	2.00	50	0	2.00
366	Structure & Improvement	40	0	2.50	40	0	2.50
367	Mains	45	0	2.22	50	0	2.00
369	Measuring and Reg. Sta. Equipment	38	0	2.63	42	-10	2.62
370	Communication Equipment	14	0	7.14	15	0	6.67
371	Other Equipment						
Distribution							
374.1	Land			0.00			
374.2	Rights of Way	45	0	2.22	50	0	2.00
375	Structures & Improvements	40	0	2.50	45	0	2.22
376	Mains	42	-10	2.62	50	-25	2.50
378	Meas. And Reg. Sta. Equip.-General	30	-10	3.67	35	-15	3.29
379	Meas. And Reg. Sta. Equip.-City Gate	25	-10	4.40	30	-15	3.83
380	Services	40	-55	3.88	40	-60	4.00
381	Meters	40	10	2.25	40	0	2.50
381.1	Meters-ERT Modules				15	0	6.67
382	Meter Installations	40	0	2.50	40	0	2.50
383	House Regulators	36	30	2.00	36	0	2.78
385	Industrial Meas. And Reg. Sta. Equip.	30	0	3.33	30	0	3.33
387	Other Equipment	25	5	3.80	25	5	3.80
General							
389	Land and Land Rights			0.00			
390	Structures & Improvements	40	0	2.50	40	0	2.50
391.1	Office Furniture and Equipment	17	5	5.59	20	0	5.00
391.2	Computer Equipment	6	0	16.67	6	0	16.67
392	Transportation Equipment	8	4	12.00	7	25	10.71
393	Stores Equipment	30	0	3.33	30	0	3.33
394	Tools, Shop and Garage Equipment	20	5	4.75	25	0	4.00
395	Laboratory Equipment	30	0	3.33	30	0	3.33
396	Power Operated Equipment	15	10	6.00	15	10	6.00
397	Communication Equipment	12	0	8.33	15	0	6.67
398	Miscellaneous Equipment	18	10	5.00	20	5	4.75



**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 16-2124-GA-AAM**

Summary: Application of Ohio Gas Company to Change its Depreciation Accrual Rates  
electronically filed by Mr. Frank P Darr on behalf of Ohio Gas Company