

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF THE APPLICATION
OF SUBURBAN NATURAL GAS
COMPANY FOR CONSENT AND
AUTHORITY TO ESTABLISH LONG-
TERM FINANCING ARRANGEMENTS.**

CASE NO. 17-2321-GA-AIS

FINDING AND ORDER

Entered in the Journal on January 10, 2018

I. SUMMARY

{¶ 1} The Commission approves Suburban Natural Gas Company's application, as amended, for authority to enter into long-term financial arrangements.

II. DISCUSSION

{¶ 2} Suburban Natural Gas Company (Suburban) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4905.40 permits a public utility to issue stocks, bonds, notes, and other evidences of indebtedness, payable at periods of more than 12 months, when authorized by the Commission. Pursuant to R.C. 4905.40(A)(1), the public utility may issue notes or other evidences of indebtedness when it is necessary for, among other things, the construction, completion, extension, renewal, or improvement of its facilities and, under R.C. 4905.40(A)(2), for reorganization or readjustment of its indebtedness and capitalization. The application process for obtaining Commission authorization is outlined in R.C. 4905.41. The application must include the amount, purpose, and terms of the financial arrangement, as well as the total assets and liabilities of the public utility.

{¶ 4} On November 8, 2017, Suburban filed an application and supporting exhibits pursuant to R.C. 4905.40 and 4905.41. Suburban filed an amendment to its application on December 11, 2017. In the application, as amended, Suburban requests authority to enter into long-term financial arrangements: a revolving line of credit of up to \$8 million maturing in three years from the closing date, which will be used for working capital requirements; a senior term note of up to \$5 million maturing in five years from the closing date, which will be used to refinance an existing term loan and amortize a portion of the existing line of credit; and a senior draw note of up to \$8.5 million maturing in five years from the closing date, which will be used to finance an extension of existing pipeline facilities necessary to maintain capacity to serve existing customers and add new customers.

{¶ 5} On December 29, 2017, Staff filed its review and recommendation. Staff finds, following its review of Suburban's amended application, that the requested authority appears reasonable for a utility company of Suburban's size and that the terms and conditions of the loans appear reasonable for the type of financing being sought. Staff recommends that the amended application be approved.

{¶ 6} Upon consideration of the amended application, and Staff's review and recommendation, the Commission finds that the amount of the loans, the terms thereof, and the probable cost to Suburban, within the parameters set forth in the amended application, do not appear to be unjust or unreasonable. In addition, based on the information contained in the amended application, the purposes to which the proceeds from the loans shall be applied appear to be reasonably required by Suburban to meet its present and prospective obligations to provide utility service. Therefore, the Commission finds that the amended application should be approved.

III. ORDER

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That Suburban's amended application be approved, pursuant to the terms and conditions as described in the amended application. It is, further,

{¶ 9} ORDERED, That Suburban shall apply the proceeds from the loans for the purposes set forth in this Finding and Order and otherwise pursuant to the provisions of R.C. 4905.40. It is, further,

{¶ 10} ORDERED, That Suburban shall file a written report with the Commission regarding the terms and full particulars of each loan within 30 days after Suburban enters into each loan. It is, further,

{¶ 11} ORDERED, That the authorization granted by this Finding and Order shall not be construed as limiting the Commission's determination of the appropriateness of the loans for future ratemaking treatment. It is, further,

{¶ 12} ORDERED, That nothing in this Finding and Order be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of Suburban. It is, further,

{¶ 13} ORDERED, That nothing in this Finding and Order be construed to imply any guaranty or obligation as to the loans on the part of the state of Ohio. It is, further,

{¶ 14} ORDERED, That nothing in this Finding and Order be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 15} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

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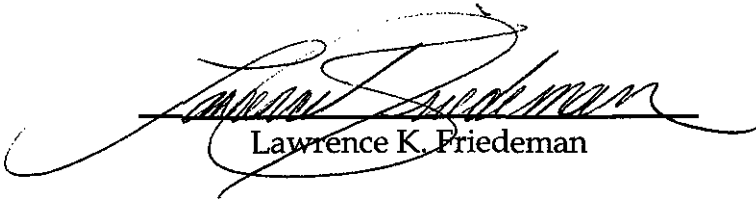
Asim Z. Haque, Chairman



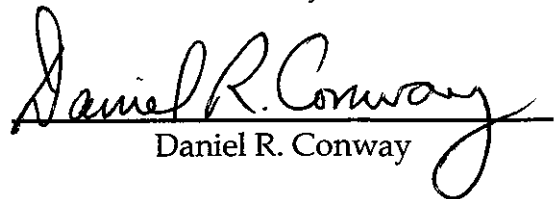
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman

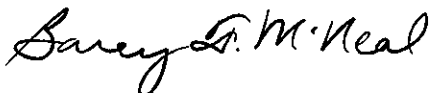


Daniel R. Conway

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JAN 10 2018



Barcy F. McNeal
Secretary