

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Northeast)
Ohio Natural Gas Corp. for an Increase) Case No. 18-1720-GA-AIR
In Gas Distribution Rates.)
)

In the Matter of the Application of Northeast)
Ohio Natural Gas Corp. for Tariff Approval.) Case No. 18-1721-GA-ATA

In the Matter of the Application of Northeast)
Ohio Natural Gas Corp. for Approval of) Case No. 18-1722-GA-ALT
Alternative Regulation.)

Sam Randazzo, Chairman
M. Beth Trombold, Commissioner
Lawrence K. Friedeman, Commissioner
Dennis P. Deters, Commissioner
Daniel R. Conway, Commissioner

To the Honorable Commission:

In accordance with the provisions of Ohio Revised Code Section 4909.19, the Staff of the Public Utilities Commission of Ohio (Staff) has conducted its investigation in the above matter and hereby submits its findings to the Commissioners of the Public Utilities Commission of Ohio (PUCO or Commission) in this Staff Report.

The Staff Report has been jointly prepared by the Staff's Rates and Analysis Department and Service Monitoring and Enforcement Department.

Copies of the Staff Report have been filed with the Docketing Division of the PUCO and served by certified mail upon the mayors of all affected municipalities and other public officials deemed representative of the service area affected by the application. A copy of this report has also been served upon the utility or its authorized representative. Interested parties are advised that written objections to any portion of the Staff Report

must be filed within 30 days of the date of the filing of this report, after which time the Commission will promptly set this matter for public hearing. Written notice of the time, place, and date of such hearing will be served upon all parties to the proceeding.

The Staff Report is intended to present for the Commission's consideration the results of the Staff's investigation. It does not purport to reflect the views of the Commission nor should any party to the proceeding consider the Commission as bound in any manner by the representations or recommendations.

Respectfully submitted,

PUCO Rates and Analysis Department

A handwritten signature in black ink, appearing to read "Tamara S. Turkenton".

Tamara Turkenton
Director

PUCO Service Monitoring and Enforcement Department

A handwritten signature in blue ink, appearing to read "R. Fadley".

Robert Fadley
Director

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BACKGROUND

The applicant, Northeast Ohio Natural Gas Corporation (NEO, Applicant, or the Company) is a natural gas company as defined by R.C. 4905.03(E), and a public and a public utility as defined by R.C. 4905.02, and as such is subject to the jurisdiction of the Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06. The Company provides natural gas service to approximately 29, 300 customers in southeastern, central and northeastern Ohio. NEO, headquartered in Lancaster, Ohio has over 1,420 miles of natural gas distribution facilities located in Holmes, Wayne, Tuscarawas, Stark, Carroll, Harrison, Guernsey, Fairfield, Hocking, Trumbull, Franklin, Washington, Lake, Geauga, Ashtabula, Cuyahoga, Mahoning, Portage, Summit, Ashland, Columbiana, Coshocton, Crawford, Lorain, Marion, Medina, Richland, Waterford, Wood and Wyandot counties. The Company maintains and operates five regional operations and administrative centers in Whipple - Churchtown, Lancaster, Mentor, Orwell and Strasberg - with its customer service center located in Lancaster.

On September 28, 2018, in Case No. 18-1485-GA-ATA, a joint application of Brainard Gas Corp. ("Brainard"), Orwell Natural Gas Company ("Orwell"), Spelman Pipeline Holdings, LLC ("Spelman"), and NEO sought approval to merge Brainard, Orwell, and Spelman into NEO as the sole, surviving entity. On January 3, 2019, the Commission approved that application.

On December 28, 2018, in Case Nos. 18-1720-GA-AIR and 18-1721-GA-ATA, and 18-1722-GA-ALT, the Applicant filed a notice of intent for an increase in gas rates, for approval of changes to its tariff, for approval of alternative regulation and requesting a waiver of certain filing requirement. The Applicant requested that its test period begin July 1, 2018 and end June 30, 2019, and that the date certain for property valuation be September 30, 2018.

By its Entry of February 20, 2019, the Commission approved the requested test period and date certain and granted NEO's request for waiver of certain filing requirements.

The rates proposed by the Applicant, when applied to test year sales volumes, would increase gross revenues by \$3,526,053. The total requested revenue increase over test year operating revenues is 10.25 percent.

Summary of Staff's Recommendations

As shown on Schedule A-1, Staff recommends a revenue increase in the range of \$500,052 to \$877,542. This represents an increase of 1.39 percent to 2.44 percent over test year operating revenue. This determination is based on Staff's examination of the accounts and records of the Applicant for the 12 months ending June 30, 2019, as summarized in this report, including schedules which incorporate Staff's recommended rate of return, rate base, and adjusted operating income.

OPERATING INCOME AND RATE BASE

Scope of Investigation

The scope of the investigation was to determine if the Applicant's filed exhibits concerning test year operating income, rate base and other data are reasonable for ratemaking purposes, and if the financial and statistical records supporting the data can be relied upon. Staff interviewed the Applicant's key management personnel and reviewed both internal and published financial reports to assure understanding of the Applicant's operations and organization. Staff's investigation of test year operating income and date certain rate base included a review of the Applicant's budgeting and forecasting techniques, verification of the operating revenue computation, and an examination of the Applicant's continuing property records. In addition, Staff verified the existence and used and useful nature of the assets through physical inspections. Staff performed other independent analyses it considered necessary.

The Applicant proposed various adjustments to operating income and rate base, as summarized on the Applicant's Schedules. Staff reviewed and analyzed the Applicant's proposed adjustments to operating income and rate base and traced them to supporting work papers and source data. As a result of its review and analysis, Staff accepted some of the proposed adjustments, changed some of the Applicant's proposed adjustments using alternative approaches, and/or proposed new adjustments. Staff's adjustments make the test year operating income and date certain rate base consistent with sound regulatory accounting practices, more representative of normal operations and appropriate for ratemaking purposes.

The purpose of Staff's investigation was to develop financial data for ratemaking purposes; it was not intended to provide a basis for expressing an opinion on the financial statements of the Company as a whole. The following sections of this report summarize the results of the Staff's investigation, which Staff believes are relevant to the determination of test year operating income and rate base. Staff presents these sections in the general order in which the schedules are presented at the end of this document.

Revenue Requirement

Schedule A-1 presents Staff's determination of the Applicant's revenue requirements. Staff's recommended revenue increase is shown on Schedule A-1. This determination is based on the examination of the accounts and records of the Applicant for the twelve months ending June 30, 2019, the test year in this proceeding. The results of Staff's examination are summarized in this report, and the schedules that incorporate Staff's recommended rate of return, rate base, and adjusted test year operating income.

RATE BASE

The rate base represents the Applicant's net investment in plant and other assets as of the date certain, September 30, 2019, which were used and useful in providing gas utility service to its customers and upon which its investors are entitled to the opportunity to receive a fair and reasonable rate of return.

Staff's analysis of the rate base is divided into Plant In Service, Depreciation, Construction Work in Progress (CWIP), Working Capital, and Other Rate Base Items. A comparison of rate base submitted by the Applicant and Staff's recommendation is shown on Schedule B-1. Schedules B-2 through B-6, provide additional support for Staff's rate base findings.

Plant In Service

The plant in service, as presented by the Applicant, is the surviving original cost of the plant that is used and useful, or projected to be used and useful as of the date certain, in providing natural gas utility service to its customers. As a result of Staff's investigation and review of the application, Staff recommends that adjustments be made to the Applicant's projected date certain plant investment for ratemaking purposes. These adjustments are identified below, summarized on Schedule B-2.2, and reflected in the calculation of jurisdiction plant in service figures on Schedule B-2.1.

Intangible Plant Adjustments

Staff found that numerous plant in service items were improperly listed in Account 391, Office Furniture and Equipment. To correct this, Staff reclassified \$5,628,290 to Account 303, Miscellaneous Intangible Plant.

During its investigation, Staff requested support for selected items from the Applicant's plant in service. Staff found that the Applicant was unable to provide documentation for some of the items requested. Therefore, Staff made an adjustment excluding a total of \$103,568 from Account 303 to reflect the items the Applicant was unable to support.

Staff's total adjustment to Intangible Plant is \$5,524,723 and is shown on Schedule B-2.2.

Transmission Plant Adjustments

The Applicant proposed adjustments to Accounts 365.1 and 367 to remove the original cost of pipeline assets that are not used and useful or are not located in Ohio. Staff agrees with the adjustments and removed \$151,500 from Account 365.1 and \$953,775 from Account 367.

During its investigation, Staff conducted field inspections of selected items that were listed in the Applicant's plant in service. Staff found that a plot of land owned by the Applicant was not used and useful in providing service to customers. Therefore, Staff removed \$41,030 from Account 365.1, Land and Land Rights, to reflect the exclusion of the property.

Staff's Transmission Plant adjustments excluding a total of \$1,146,305 are shown on Schedule B-2.2.

Distribution Plant Adjustments

Staff found that several plant in service items totaling \$56,592 were improperly listed in Account 374, Land and Land Rights. To correct this, Staff reclassified the items to Account 375, Structures and Improvements.

The Applicant proposed an adjustment to Account 376 to remove the original cost of pipeline assets that are not used and useful or are not located in Ohio. Staff agrees with the adjustment and removed \$121,287 from Account 376.

During its investigation, Staff requested support for selected items from the Applicant's plant in service. Staff found that the Applicant was unable to provide documentation for some of the items requested. Therefore, Staff made adjustments totaling \$514,101 to Accounts 376, 378, 380, 381 and 385 to reflect the items the Applicant was unable to support.

In addition, Staff conducted field inspections of selected items that were listed in the Applicant's plant in service. Staff found that various items contained in Accounts 374, 376, 378, 380, 381, and 383 were not used and useful in providing service to customers. Therefore, Staff removed \$504,835 from the Applicant's plant in service to reflect the exclusion of the items.

Staff's total adjustment excluding \$1,140,223 from Distribution Plant is shown on Schedule B-2.2.

General Plant Adjustments

Staff found that numerous plant in service items totaling \$6,056,798 were improperly listed in Account 391, Office Furniture and Equipment. To correct this, Staff reclassified \$5,628,290 to Account 303, Miscellaneous Intangible Plant, \$338,756 to Account 391.1 Computer Equipment, and \$89,752 to Account 397, Communication Equipment.

As part of its audit, Staff requested support for selected items from the Applicant's plant in service. Staff found that the Applicant was unable to provide documentation for some of the items requested by Staff. Therefore, Staff made adjustments totaling \$221,768 to Accounts 390, 391, 391.1, 392, 394, 395, 396 and 397 to reflect the items the Applicant was unable to support.

Staff conducted field inspections of selected items that were listed in the Applicant's plant in service. Staff found that various items contained in Accounts 390, 391, 391.1, 392, 394, 395, and 396 were not used and useful in providing service to customers. Therefore, Staff removed \$228,910 from the Applicant's plant in service to reflect the exclusion of the items.

Staff's General Plant adjustments excluding a total of \$6,078,968 are shown on Schedule B-2.2.

Depreciation

Depreciation is the process which distributes the original cost of depreciation assets, adjusted for net salvage, over the normal life of the property in a systematic and rational manner. Staff's investigation of depreciation is segregated into two areas: (1) Depreciation Reserve, and (2) Depreciation Accrual Rates and Depreciation Expense. Each of these areas is discussed in detail in the following sections.

Depreciation Reserve

The Applicant maintains its depreciation reserve per account on a company basis. In order to determine if the Applicant's booked reserve for depreciation is proper and adequate, Staff compared the Applicant's book reserve with a calculated theoretical reserve, as a guide to whether past accrual rate calculations have been appropriate. Staff compared the Applicant's book reserve level with a calculated theoretical reserve, based on the accrual rates discussed below, and the Applicant's September 30, 2018 plant balances. Staff determined that the difference between Applicant's actual depreciation reserve and the calculated theoretical reserve was \$6,993,386 or 8.73% over accrued. The Staff recommends that this reserve imbalance (over accrual) should be amortized over a 10 year period. Staff reclassified the Regulatory Liability for Accrued Removal Costs back to the appropriate FERC accounts as an addition to the reserve. Staff also recommends that the Applicant properly record net salvage by account as applicable.

Staff adjusted the reserve to exclude the reserve associated with adjustments in the Plant in Service section, as discussed above. These adjustments are shown on Schedule B-3.1.

Staff recommends that the jurisdictional reserve for depreciation, as adjusted by Staff and shown on Schedule B-3, is proper and adequate and should be used for the purposes of this proceeding.

Depreciation Accrual Rates and Depreciation Expense

The Applicant's current depreciation accrual rates were prescribed by the Commission in Case Nos. 03-2170-GA-AIR (NEO), 03-1913-GA-AAM (Orwell) and 04-1719-GA-AAM (Brainard). The Applicant's current accrual rates had been in use for approximately 15 years and the Staff believes that they are no longer proper and adequate. Staff is recommending consistent merged accrual rates for the total Company.

Staff conducted an independent depreciation study for the Company's distribution and general plant gas accounts. The Staff's depreciation study utilized actuarial methods, rates prescribed for other gas utilities, and judgment to develop the accrual rates via the straight line method, broad group procedure, and whole life technique. Staff's recommended accrual rates are shown on Schedule B-3.2. Staff recommends that the Applicant be ordered to use the accrual rates shown on Schedule B-3.2 for book depreciation purposes, effective concurrently with the customer rates from this proceeding.

Staff has long maintained that depreciation accrual rates should be thoroughly reviewed every three to five years. Staff, therefore, recommends that within five years after the commission order in this proceeding, the Applicant's accrual rates be reviewed for all its gas plant accounts.

The Staff's calculation of depreciation expense is based on the adjusted jurisdictional plant in service balances at date certain and the accrual rates discussed above, is shown on Schedule B-3.2. Staff adjusted the depreciation expense to include one year of a reserve imbalance amortization.

Construction Work In Progress

The Applicant did not request an allowance for Construction Work In Progress in its filing and Staff did not recommend an allowance, as shown on Schedule B-4.

Working Capital

For ratemaking purposes, an adequate allowance for cash working capital should fairly represent investor-supplied capital required to finance the entire cost of service until it is collected from customers through revenues. Staff calculated the allowance for cash working capital based on the formula approach, which has been approved by the Commission in previous cases. Under this method, the expense lag dollars component of working capital represents one-eighth of the adjusted operation and maintenance expense due to the Applicant's monthly billing. One fourth of the adjusted taxes, including current federal income taxes less deferred taxes, are used to partially offset working capital.

Staff calculated the allowance for cash working capital based on the formula approach, which has been approved by the Commission in previous cases. Under this method, the expense lag dollars component of working capital represents one-eighth of the adjusted operation and maintenance expense due to the Applicant's monthly billing. One fourth of the adjusted operating taxes are used to partially offset working capital.

In the calculation of cash working capital, the Company did not incorporate operating taxes. Therefore, Staff adjusted the cash working capital to reduce the balance by one fourth of the adjusted operating taxes. As part of the overall balance of working capital, Staff included the 13 month average balances of Materials & Supplies and Gas in Storage. In the calculation of cash working capital, the Company did not incorporate operating taxes. Therefore, Staff adjusted the cash working capital to reduce the balance by one fourth of the adjusted operating taxes. Staff's calculations result in a working capital balance of \$1,930,145, as shown on Schedule B-5.

Other Rate Base Items

Staff verified the date certain balance of Customer Deposits, and Accumulated Deferred Income Taxes (ADIT). Additionally, Staff confirmed the balance of Excess Accumulated Deferred Income Taxes (EDIT) correctly reflected the unamortized balance as of December 31, 2017. Staff adjusted Other Rate Base items to remove the unamortized rate case costs as well as recognize the removal of accrued removal costs as discussed in the depreciation section. Staff's adjustments result in a total Other Rate Base Items balance of \$(4,978,569), as shown on Schedule B-6.

Allocations

All rate base items and operations of NEO, as of the date certain, are subject to the jurisdiction of the PUCO. As such, NEO's jurisdictional allocation in this rate proceeding is 100 percent.

OPERATING INCOME

The Applicant's test year operating income combined three months of actual data for the period of July 1, 2018 through September 30, 2018 (Actual Period), with nine months of forecasted data for the period of October 1, 2018 through June 30, 2019. As described in the subsequent section on Current Adjustments, Staff adjusted the Applicant's test year operating income as required to render it an appropriate basis for setting rates.

Staff's pro forma operating income is Staff's adjusted test year operating income modified to reflect the Applicant's proposed increase in revenues and the associated increases in uncollectible accounts expense, commercial activities taxes, state and municipal taxes, and federal income taxes. Staff's pro forma operating income also includes the Applicant's proposed increase in other revenues related to reconnection charges.

Schedules C-1 and C-2 present Staff's determination of operating income. The calculations, methodologies, and rationale used to develop Staff's adjusted pro forma operating income are detailed on Schedules A-2, C-1, C-3.1 through C-3.14, and C-4.

Pro Forma Adjustments

Schedule C-1 sets forth the Applicant's proposed increase in operating revenues and affected expenses that include uncollectible accounts expense, commercial activities taxes, state and municipal taxes, and federal income taxes. The increase in revenues is the combined result of the increase in base revenues created by the Applicant's proposed tariffs, and an increase for reconnection charges.

Current Adjustments

Gas Cost Revenue and Expense

Staff adjusted test year gas cost revenues and expenses to reflect Staff's adjustment to test year gas sales. Staff's adjustment resulted in an increase of \$1,227,802 to both gas cost revenues and expenses, as shown on Schedule C-3.1.

Test Year Revenues

Staff adjusted test year revenues to reflect actual customer counts and weather normalized sales through March 2019.¹ Additionally, Staff adjusted the April – June customer counts for certain tariff classes for which Staff reasonably expected customer counts to be different than what was included in the Company's original filing. Staff applied the average monthly growth for the following tariff classes: NEO – Small General Service, NEO – General Service, ONG – Small General Service, and Brainard – Small General Service.² Additionally, in order to incorporate observed trends, Staff adjusted the April through June customer counts to be equal to the March 2019 customer counts for the following tariff classes: NEO –

¹ See response to Staff Data Request 49

² For example, Staff adjusted the April customer count based on the average March to April growth for years 2013 – 2018. This same methodology was applied to May and June customer counts.

Large General Service, NEO – General Transportation Service, and ONG – General Service. Staff's adjustment resulted in an increase of \$459,200 to test year revenues, as shown on Schedule C-3.1.

Excise Tax Expense

Both Staff and the Applicant adjusted the test year to remove excise tax expenses from the Actual Period. Staff's adjustment resulted in a reduction of \$3,543 to expenses, as shown on Schedule C-3.2.

Meter Reading Expense

Both Staff and the Applicant adjusted test year operating expenses to reflect normalized meter reading expense in the test year. The adjustment increases test year expenses by \$12,661 and is shown on Schedule C-3.3.

Rent Expense

Both Staff and the Applicant adjusted test year operating expenses to reflect normalized rent expense for the test year. The adjustment increases test year expenses by \$8,250 and is shown on Schedule C-3.4.

Property Insurance

Both Staff and the Applicant adjusted test year operating expenses to reflect normalized property and liability insurance expenses for the test year. The adjustment increases test year expenses by \$12,046 and is shown on Schedule C-3.5.

Rate Case Amortization

Both Staff and the Applicant adjusted rate case expense to reflect a five year amortization period. Staff further adjusted rate case expense to remove unrelated professional expenses. The adjustment increases test year expenses by \$106,873 and is shown on Schedule C-3.6.

Staff recommends that the Commission review the most recent updated information regarding the Applicant's rate case before issuing its final Order. The Applicant should submit this information as a late filed exhibit.

Deferred Rent

Both Staff and the Applicant adjusted test year operating expenses to remove deferred rent expense from the test year. The adjustment decreases test year expenses by \$79,624 and is shown on Schedule C-3.7.

Outside Services

Both Staff and the Applicant adjusted test year operating expenses to reflect normalized outside services for the test year. The adjustment decreases test year expenses by \$116,438 and is shown on Schedule C-3.8.

Hearthstone Shared Services

Staff adjusted test year operating expenses to remove and reflect normalized shared service charges from Hearthstone services for the test year. The adjustment increases test year expenses by \$2,031 and is shown on Schedule C-3.9.

Depreciation Expense

Staff adjusted the depreciation expense to reflect Staff's recommended depreciable plant in service as of the date certain and Staff's recommended accrual rates. This adjustment is presented on Schedule C-3.10, with the supporting calculations shown on Schedule B-3.2. Further discussion on depreciation can be found in the Rate Base section of this report.

Property Tax

The Applicant's property tax adjustment updated the Actual Period to reflect normalized property tax expense and is based on the most recent property tax invoices. The Applicant calculated the property tax expense for each operating company by combining the first half of the calculated 2018 property tax expense with the second half of the 2017 property tax expense to determine the total test year expense shown on Schedule C-3.11. Staff calculated its property tax adjustment using the latest property tax returns, valuation and invoices available at the time of the Staff Report filing. In addition, Staff used the most recent property tax rates to calculate the average property tax rate per \$1,000 for each company, which Staff then applied to the plant in service shown on Schedule B-2. Staff's property tax adjustment can be found on Schedule C-3.11.

Payroll, Benefits, and Payroll Tax Adjustments

The Applicant adjusted operating income to decrease test year labor expense and payroll tax and increase employee benefits based on a pro forma annualized labor calculation using projected payroll as of June 2019. Staff made the following adjustments:

- Adjusted operating income, benefits and payroll tax by annualizing direct labor expense based on actual employee levels as of April 2019 and average hourly rates for the latest known 12 month period May 2018 through April 2019.
- Applied a three-year average to calculate percentage of O&M labor, overtime ratio, other pay and part-time employees.

Staff's adjustment reduces test year payroll, benefits, and payroll tax expenses by \$429,856 as shown on Schedule C-3.12.

Fees and Dues

Both Staff and the Applicant adjusted test year operating expenses to remove lobbying fees and normalize the test year. The adjustment decreases test year expenses by \$2,197 and is shown on Schedule C-3.13.

Miscellaneous Expense

Staff adjusted test year operating expenses to remove various expenses that occurred outside of the test year. The adjustment decreases test year expenses by \$16,582 and is shown on Schedule C-3.14.

Tax Expense

Staff adjusted the test year income tax expense based on Staff's adjustments to revenues expenses. Additionally, Staff adjusted the income tax expense to remove the effect of the amortization of Excess Accumulated Deferred Income Taxes from the test year. Staff and the Company adjusted Federal

income taxes to recognize various tax reconciling items such as interest charges and non-deductible expenses. These adjustments are reflected on Schedules C-3.15 and C-4.

RATE OF RETURN

Staff recommends a rate of return in the range of 7.80 percent to 8.45 percent. Staff developed the recommended rate of return using a cost of capital approach which reflects a market-derived cost of equity and NEO's actual cost of debt.

Capital Structure

NEO is a privately owned utility and currently provides natural gas service to approximately 29,000 residential, commercial, and industrial customers in Ohio. Staff adopted the capital structure requested by NEO in its filing. The capital structure is 35.53 percent debt and 64.47 percent equity. Staff does note that NEO's capital structure is more heavily weighted towards the use of equity capital to fund its operations than typical gas distribution utilities. However, it is not uncommon for smaller utilities to rely on equity capital to fund operations in an effort to reduce financial risks associated with greater leverage.

Cost of Debt

Staff used NEO's actual cost of long-term debt, which is 4.72 percent.

Cost of Equity

Staff did not believe that an adequate group of comparable companies existed that were comparable in size, had analysts growth rates and paid dividends – all of which are needed to use the Discounted Cash Flow (DCF) model. The DCF is traditionally half of the formula that Staff uses to establish a recommended cost of equity range. The other half of the traditional formula is the Capital Asset Pricing Model (CAPM). The CAPM formula is:

$$CAPM = Risk\ Free\ Rate + \beta (Market\ Risk\ Rate - Risk\ Free\ Rate)$$

The beta value is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Staff typically uses the Value Line³ beta for the Company in the CAPM calculation. However, Value Line does not publish a beta value for NEO. Therefore, Staff was unable to use the traditional method for calculating the equity component of the rate of return.

Consequently, Staff needed to use a new process for establishing the cost of equity in this case. Staff reviewed multiple methodologies looking for a simplistic technique that it believes produces a reasonable and competitive result while being transparent. Staff choose to use Value Line to determine a proxy group to be used to analyze comparable earnings. Staff selected Natural Gas Utility as the industry group within Value Line. There were a total of 16 companies returned by Value Line for the selected industry group, of which, 13 companies (Proxy Group) had financial results available for Staff to analyze. Staff then looked at the financial performance of the Proxy Group to determine its recent actual earnings, as shown in the chart below.

³ See <http://www.valueline.com/>

Quartile	Ticker	3-Year Average Earned ROE
#1	AE	1.10%
	NWN	3.11%
	NI	3.54%
	SJI	3.67%
#2	CNIG	7.67%
	SR	8.97%
	SWX	9.99%
#3	RGCO	10.39%
	ATO	11.35%
	CPK	11.65%
#4	NJR	12.89%
	SGU	12.97%
	UGI	15.55%

Staff used S&P Global Market Intelligence (S&P Global) to gather the return on average equity (ROE) for 2016, 2017, and 2018 for the Proxy Group. Staff also gathered the common equity and long-term debt (inclusive of any current portion) as of December 31, 2018, for the Proxy Group from S&P Global. Staff then divided the Proxy Group into quartiles based upon a three-year average of each company's ROE to remove the influence of some of the extreme low and high results. Staff then averaged the ROEs of the second and third quartiles to arrive at a comparable equity return of 10.0 percent. Staff believes that a 50 basis point range of reasonableness is appropriate. Therefore, Staff recommends a cost of equity range of 9.5 percent to 10.5 percent.

The resulting rate of return range that Staff recommends is 7.80 percent to 8.45 percent, as shown on Schedule D-1.

RATES AND TARIFFS

Staff has investigated the rate and tariff matters proposed by the Applicant. The results of the investigation by Staff are herein reported. It is the intent of Staff to provide analysis with regard to the acceptability and reasonableness of the revenue recovery mechanisms contained in the proposed tariffs. The proposals made by Staff may require adjustments in order to generate the revenue requirement authorized by the Commission. Typical bills are presented at the end of the Staff Report, in Schedule E-5.

Tariff Analysis

The Applicant is proposing substantial changes to its tariffs. Unless noted, Staff recommends approval of these tariff changes as proposed by the Applicant.

General Terms and Conditions Applicable to Gas Service

Sheet No. 19 Payment Avoidance by Location (PAL)

The Applicant is proposing a deposit equal to one-third of a customer's estimated annual charges when a former customer with an outstanding debt for non-payment disconnection still resides at the premise.

Staff recommends denial of this tariff provision as it violates Ohio Adm.Code 4901:1-17-05(A). That rule provides that a cash deposit should not exceed one-twelfth of the estimated charge for regulated service(s) for the twelve months that follow, plus thirty per cent of the monthly estimated charge.

Sheet No. 19 – Number 17 Meter Reading (A) Non-Metered Service

The Applicant is proposing to provide unmetered service.

Staff recommends denial of this provision. Although Ohio Adm.Code 4901:1-13-04(A) permits the provision of unmetered service, this permission is an exception that applies when metering is impractical, such as street lighting and temporary or special installations. Furthermore, the Applicant's proposed provision for unmetered service lacks specifics on when it is available or how much the service will cost. The Applicant does not have any current or recent past customers with unmetered service. In addition, the Applicant could not provide a situation in the future to warrant this provision.

Staff recommends replacing "Ohio Law" with the specific code section being referenced for the following:

Original Sheet No. 13, Section IV, No. 2, paragraph 4, 1st sentence, with O.A.C. 4901:1-17-03

Original Sheet No. 13, Section IV, No. 2, paragraph 4, 2nd sentence, with O.A.C. 4901:1-17-05 and O.R.C. 4933.17

Original Sheet No. 14, Section IV, No. 5, 1st paragraph, 1st sentence, with O.R.C. 4905.22

Original Sheet No. 15, Section IV, No. 10, 2nd sentence, with O.A.C. 4901:1-18-08

Original Sheet No. 16, Section IV, No. 12 G), 1st sentence, with O.A.C. 4901:1-18-03(E)(3)

Original Sheet No. 17, Section IV, No. 12, 2nd paragraph, with O.A.C. 4901:1-18-03

Original Sheet No. 17, Section IV, No. 13, 1st sentence, with O.A.C. 4901:1-18-07

Original Sheet No. 17, Section IV, No. 14, last sentence, with O.A.C. 4901:1-1-03 and O.R.C. 4905.30

Original Sheet No. 18, Section V, No. 15, Back-Billing, with O.A.C. 4901:1-13-04 and O.R.C. 4933.28

Original Sheet No. 19, Section V, No. 16, with O.A.C. 4901:1-13-11 and O.A.C. 4901:1-29-12

Original Sheet No. 20, Section V, No. 18, 2nd paragraph, 2nd sentence, with O.R.C. 4933.06

Original Sheet No. 20, Section V, No. 18(C), 2nd sentence, with O.A.C. 4901:1-13-04(D) and O.R.C. 4933.09

Original Sheet No. 21, Section V, No. 20, 2nd sentence, with O.A.C. 4901:1-18-04

Original Sheet No. 22, Section VI, No. 23(B), 2nd paragraph, 3rd sentence, O.A.C. 4901:1-13-05(A)(3)

Staff recommends removing the phrase, “at its sole discretion” from the following:

Original Sheet No. 26, Section VI, No. 33, 2nd paragraph, 2nd sentence,

Original Sheet No. 32, Section VIII, No. 41, 1st sentence,

Original Sheet No. 32, Section VIII, No. 41, 3rd sentence,

Original Sheet No. 46, Rate GTS, 1st paragraph, 1st sentence, and

Original Sheet No. 48, Rate LGTS, 1st paragraph, 1st sentence.

Miscellaneous Charges

Miscellaneous charges are those costs recovered from customers who cause expenses to occur which are beyond the scope of regular business activities. These charges should be recovered from customers who cause the expense(s), rather than from customers in general. Staff has historically supported cost-based miscellaneous charges, in that they are incidental costs imposed by individual customers on the Applicant and, ultimately the rest of the customers. Staff believes the provisions and resulting charges should reflect the actual cost(s) incurred by the Applicant. The collection of these charges is generally not dollar-for-dollar, but a reasonable approximation of cost.

The Applicant proposed the following miscellaneous charges:

Charge	New or Existing	Current Rate	Proposed Rate
Late Payment Charge	Existing	1.50%	1.50%
Invalid Check or ACH Return	Existing	\$ 20.00	\$ 20.00
Meter Test Charge	Existing	\$ 25.00	\$ 25.00
Reconnection Charge	Existing	\$ 25.00	\$ 25.00
Tie-In Charge	Existing	\$ 250.00	\$250.00 or actual cost, whichever is less
Theft of Service/Tampering	New	N/A	\$ 125.00
Excess Flow Valve	New	N/A	Actual Cost

Theft of Service/Tampering

The Applicant proposed a new Theft of Service Investigation charge of \$125. In response to Staff Data Requests No. 35, the Applicant has provided cost-based data, including work papers showing the fully loaded hourly labor rate and equipment rate. Therefore, Staff recommends that the proposed charge be approved as filed.

Excess Flow Valve

The Company proposed a new Excess Flow Valve Charge. Under this charge customers would pay the Company's actual cost of installing an excess flow valve on the service line, if an eligible customer requests its installation. In response to Data Request No. 35, the Company provided a supporting calculation detailing how the actual costs will be applied to the customer's bill. Therefore, Staff recommends that the proposed charge be approved as filed.

Riders

Excess Deferred Income Tax and Tax Savings Credit Mechanism

Staff recommends that the Company file an application not for an increase in rates in order to establish a credit mechanism to refund all tax savings associated with the Tax Cuts and Jobs Act of 2017 (TCJA). As part of this credit mechanism, Staff recommends that the Company refund all EDIT and tax savings deferred from January 1, 2018 until new rates are approved in this rate case. Staff recommends that the amortization of the respective normalized⁴ and non-normalized⁵ EDIT balances, the rate design of the credit mechanism, and other issues associated with the flow back of tax savings shall be addressed in the Company's application for the tax savings credit mechanism.

Infrastructure Replacement Program

In the alternative rate application, the Applicant seeks Commission approval to establish an accelerated replacement program and an Infrastructure Replacement Program (IRP) Rider. Rider IRP would provide for recovery of costs associated with various programs. Customers would pay the rider in addition to base rates, and the rider would be adjusted annually. The Company's application identifies the following programs:

1. Bare steel services, including riser-regulator assembly and meter;
2. Mechanically coupled steel main/services, including riser-regulator assembly and meter;
3. Aldyl-A main/services (pre-1984);
4. NORMAC FLEX Riders, including regulatory assembly and meter;
5. X-Tube coil stainless steel tubing (mains & services);
6. Inside regulators and meter sets;
7. Services with property line meter sets;
8. Low pressure system replacements; and
9. Advanced meters for certain locations.

⁴ Normalized EDIT is used to define EDIT balances which are required to be amortized in accordance with the Average Rate Assumption Method as required by the Internal Revenue Code.

⁵ Non-normalized EDIT is used to define EDIT balances which have no statutorily defined amortization period.

NEO's objective is to accelerate replacement before the assets require immediate attention and to recover the costs of accelerated capital investment with limited regulatory lag while avoiding frequent rate cases.⁶ The Company has determined that accelerated replacement will eliminate potential safety concerns, and believes that Rider IRP will avoid successive applications for rate increases by recovering the costs through an automatic adjustment mechanism.⁷

Under R.C. 4929.05, NEO bears the burden of proving that the alternative rate plan is just and reasonable. Staff does not believe that NEO has shown that Rider IRP, as proposed, is just and reasonable. Staff is not satisfied that Rider IRP is necessary to accomplish NEO's objective of prioritizing and methodically replacing or upgrading the infrastructure identified in the proposed programs. Therefore, Staff recommends that NEO's application for the approval of Rider IRP be denied at this time.

Staff also reviewed the proposed programs and the rider's structure. If the Commission decides to establish Rider IRP, Staff would recommend adjustments to Rider IRP and the eligible programs.⁸

Staff further clarifies that it continues to support the concept of a company's responsibility for customer service lines. However, Staff believes that the Company should take ownership and assume responsibility for the curb-to-the-meter service lines as it replaces leaking service lines.

Gross Receipts Rider

Staff recommends that the Applicant update the Gross Receipts Tax Rider rate based upon the final outcome of this proceeding, which will be reviewed by Staff as part of the Applicant's compliance filing.

Rate and Revenue Guidelines

The following general guidelines or objectives are followed in Staff's review of rate schedules and design. Schedules should provide the utility the opportunity of recovering an authorized revenue. Schedules should represent a reasonable distribution of revenue between and among the various customer groups. Schedules should be equitable and reasonable, provide for customer understanding and continuity of rates, and cause minimal customer impact.

Rate design criteria are to be viewed as a package, in that they are interrelated. Although each ratemaking principle can be separately identified and applied to rate schedule determinations, no single standard is overriding in determining proper rate design. The rate schedules which comprise a particular utility's tariffs should provide for recovery of expenses found proper in the course of a regulatory proceeding. If the rate schedule is designed on the basis of cost causation, it will reflect expense characteristics. Normally, and to the extent sufficient information is available, cost of service studies and related expense analyses are necessary to determine the appropriate level of revenue to be generated and the appropriate recovery of such revenue.

⁶ Application at 18-19.

⁷ Application at 18.

⁸ Such adjustments would include for example: limiting the scope of the program, lengthening the audit review timeframe, limiting the term and requiring re-authorization of the program, implementing caps for each year of the program, adjusting the revenue requirement formula.

From a practical rate design standpoint, absolute equality between costs and revenues may be difficult to achieve in the short term. While it may be viewed as equitable to set rates at cost, if there is a substantial divergence in the current rates, the resulting impact on individual customers may be viewed as unreasonable. While Staff supports cost-based charges, Staff also considers such items as resulting typical customer billings and resulting revenue increases which would necessarily occur. These tests help provide benchmarks with regard to reasonableness of charges in rate forms. While it is Staff's position that rates reflect costs, it is also important to consider the continuity associated with current and proposed pricing structures. This may result in movement towards more closely aligning revenue with costs rather than an absolute match at a particular time period.

In summary, gas rates should:

- Be fair, equitable and reasonable;
- Cause minimal impact (sometimes called "gradualism") when changed;
- Provide continuity in pricing structures; and
- Provide the utility the opportunity to recover an authorized revenue by providing for the recovery of costs found proper in a regulatory proceeding.

The preceding standards are important and each has value. They are, however, subjective, and it is generally impossible to fully accomplish them all. Sometimes one standard supersedes the others to a degree. For instance, rates must provide the utility with the opportunity to recover its authorized revenue requirement. Sometimes the standards are in conflict and to accomplish one, another might be set aside. For instance, the need for rates to be predicated on costs may cause changes in pricing structures resulting in greater than minimal impacts on some customers.

Cost of Service Analysis

Generally, there are three capacity allocations that are commonly used – coincident demand, non-coincident demand, and average and excess demand. The standard filing requirements allow the selection of any of these approaches, or alternatives, when, in the utility's opinion, the procedure best represents the utility's system characteristics. The Applicant utilized a coincident peak demand allocation factor using the Applicant's design day demand for allocating certain portions of the capacity related costs.

COSS results are presented on Tables 1 and 2a. Table 1 provides the Current, Applicant-proposed and Staff-proposed distribution related Rates of Return and Indexes for the customer classes. Table 2a provides the current revenue and the revenue increase allocated to Small General Service (SGS), General Service (GS), and Large General Service (LGS) classes as recommended in the COSS. Table 2b provides the Current, Applicant-proposed and Staff-proposed allocation of total distribution related revenue based on the current total distribution revenue and the Applicant's proposed increase in total distribution revenue.

Table 1 Cost of Service Results Rates of Return						
Rate Class	Current		Applicant Proposed		Staff Proposed	
	ROR	Index	ROR	Index	ROR	Index
SGS	-1.41%	-0.5	5.08%	0.59	5.08%	0.59
GS	18.47%	6.56	21.92%	2.53	21.92%	2.53
LGS	4.18%	1.49	9.82%	1.13	9.82%	1.13
Total Distribution	2.82%	1	8.66%	1	8.66%	1

Table 2a Cost of Service Results		
Rate Class	Current Revenue	Applicant Revenue
SGS	65.18%	66.7%
GS	28.63%	27.0%
LGS	6.19%	6.3%
Total	100%	100%

Table 2b Revenue Distribution Percentage			
Rate Class	Current Revenue	Applicant Proposed Revenue	Staff Proposed Revenue
SGS	63.82%	67.20%	66.92%
GS	27.39%	25.35%	25.33%
LGS	8.16%	6.95%	7.18%
Misc Revenue	0.63%	0.51%	0.57%
Total	100%	100%	100%

Revenue Analysis

The Company is proposing a total revenue increase in distribution base revenue of approximately \$3.52million. Staff analyzed the reasonableness of the Company's proposed revenue responsibility between classes as indicated on the cost of service study (COSS).

Although cost based rates are desirable from cost-causation perspectives, the Company deviated from the absolute results of the COSS to distribute the proposed revenue increase among customer classes. Through testimony and in response to Data Request No. 29, the Company outlined why rates based on the COSS would not be practical. First, rates have not been increased for many years. Second, Small

General Service customers include both residential and commercial customers. Third, LGS have options for meeting their commodity needs. Therefore, the Company argues, increases to all classes are appropriate; spreading the costs more equitably between customer classes reduces the bill impacts that would otherwise occur if cost-based rates were adopted. The Company anticipates moving closer to the cost of service in future rate cases.

Staff finds the Company's revenue allocation proposal reasonable because it moves the customer classes closer to the average rate of return, while also respecting the principles of gradualism. Staff recommends that in the next rate case, the Company's COSS separate residential and commercial customers.

Table 3							
Total Revenue and Increase Excluding Gas Costs							
Rate Class	Current	Applicant			Staff		
		Proposed	\$ Change	Percent Change	Proposed	\$ Change	Percent Change
SGS	\$ 9,606,398	\$ 12,484,244	\$ 2,877,846	30.0%	\$ 11,006,204	\$ 1,399,806	15%
GS	\$ 3,793,426	\$ 4,379,806	\$ 586,380	15.5%	\$ 3,851,430	\$ 58,004	2%
LGS	\$ 459,901	\$ 521,626	\$ 61,725	13.4%	\$ 395,711	\$ (64,190)	-14%
Total Revenue	\$ 13,859,725	\$ 17,385,676	\$ 3,525,951	25.4%	\$ 15,253,345	\$ 1,393,620	10%

*This table excludes contract customers

Table 4							
Total Revenue and Increase Including Gas Cost and Miscellaneous Revenue							
Rate Class	Current	Applicant			Staff		
		Proposed	\$ Change	Percent Change	Proposed	\$ Change	Percent Change
SGS	\$ 22,426,076	\$ 25,303,922	\$ 2,877,846	12.8%	\$ 24,461,397	\$ 2,035,321	9%
GS	\$ 9,851,674	\$ 10,438,054	\$ 586,380	6.0%	\$ 10,152,321	\$ 300,647	3%
LGS	\$ 2,128,488	\$ 2,190,213	\$ 61,725	2.9%	\$ 2,102,315	\$ (26,173)	-1%
Total Revenue	\$ 34,406,238	\$ 37,932,189	\$ 3,525,951	10.2%	\$ 36,716,033	\$ 2,309,795	7%

*This table includes contract customers

Rate Design

The Applicant proposes to increase the amount of base rate revenue recovered through fixed charges to 49% and recover the remaining 51% through a variable rate. Currently, the Company recovers about 20% of base rate revenue through a fixed charge and 80% through variable rates. The current rate design leaves the Applicant very sensitive to weather. Increasing the amount of base revenue recovered through a fixed charge would make a monthly distribution charge less weather sensitive. It also will reduce large spikes in winter bills while still giving customers the opportunity to control costs by reducing consumption.

The Applicant further proposes to consolidate four separate tariffs into one uniform tariff establishing two rate zones and three customer classes (SGS, GS, and LGS). The Applicant proposed Small General Service customers maintain a threshold of less than 500Mcf per annual usage. The proposed General Service tariff states that it is available to any non-residential customer selecting to use at least 500 Mcf per year between August 1st and July 31st. Through its investigation, Staff identified that General Service customers with usage below 200 Mcf per year would experience significant rate increases. Staff believes that this is a result of the company's proposal to increase the fixed customer charge.

Staff recommends that the Applicant's proposed rate design be accepted but General Service customers using less than 200 Mcf be reclassified as Small General Service customers. Staff further recommends that the Company work with its low use General Service customer to review the customer's rate selection.

Rate Schedule Comparison

In the following tables, Staff summarizes the current and proposed rates for all three customer classes in each of the rate zones and the resulting rate increases.

Table 5 Fixed and Mcf Charge Small General Service (Rate SGS)								
	Applicant					Staff		
	Current	Proposed	\$ Change	Percent	Proposed	\$ Change	Percent	
Fixed Charge								
NEO	\$ 6.30	\$ 20.00	\$ 13.70	217%	\$ 20.00	\$ 13.70	217%	
Brainard	\$ 7.00	\$ 20.00	\$ 13.00	186%	\$ 20.00	\$ 13.00	186%	
Orwell	\$ 9.00	\$ 20.00	\$ 11.00	122%	\$ 20.00	\$ 11.00	122%	
Mcf Charge								
NEO	\$ 2.49	\$ 2.00	\$ (0.49)	-20%	\$ 1.331	\$ (1.16)	-47%	
Brainard	\$ 2.50	\$ 2.00	\$ (0.50)	-20%	\$ 1.510	\$ (0.99)	-40%	
Orwell								
Tier 1 (1st 100 Mcf)	\$ 3.33	\$ 2.80	\$ (0.53)	-16%	\$ 1.963	\$ (1.37)	-41%	
Tier 2 (Next 300 Mcf)	\$ 3.10	\$ 2.80	\$ (0.30)	-10%	\$ 1.963	\$ (1.14)	-37%	
Tier 3 (Over 400 Mcf)	\$ 3.00	\$ 2.80	\$ (0.20)	-7%	\$ 1.963	\$ (1.04)	-35%	

Table 6 Fixed and Mcf Charge General Service (Rate GS)								
	Current	Applicant				Staff		
		Proposed	\$ Change	Percent	Proposed	\$ Change	Percent	
Fixed Charge								
NEO	\$ 17.50	\$ 100	\$ 82.50	471%	\$ 100	\$ 82.50	471%	
Brainard	\$ 7.00	\$ 100	\$ 93.00	1329%	\$ 100	\$ 93.00	1329%	
Orwell	\$ 50.00	\$ 100	\$ 50.00	100%	\$ 100	\$ 50.00	100%	
Mcf Charge								
NEO								
Tier 1 (1st 500 Mcf)	\$ 2.42	\$ 1.80	\$ (0.62)	-26%	\$ 1.3523	\$ (1.07)	-44%	
Tier 2(Over 500 Mcf)	\$ 2.00	\$ 1.80	\$ (0.20)	-10%	\$ 1.3523	\$ (0.65)	-32%	
Brainard	\$ 2.30	\$ 1.80	\$ (0.50)	-22%	\$ 1.3328	\$ (0.97)	-42%	
Orwell								
Tier 1 (1st 100 Mcf)	\$ 3.00	\$ 2.00	\$ (1.00)	-33%	\$ 1.5636	\$ (1.44)	-48%	
Tier 2 (Next 300 Mcf)	\$ 2.50	\$ 2.00	\$ (0.50)	-20%	\$ 1.5636	\$ (0.94)	-37%	

Table 7 Fixed and Mcf Charge Large General Service (Rate LGS)								
	Current	Applicant				Staff		
		Proposed	\$ Change	Percent	Proposed	\$ Change	Percent	
Fixed Charge								
NEO	\$ 52.50	\$ 300.00	\$ 247.50	471%	\$ 300.00	\$ 247.50	471%	
Brainard	N/A	N/A	N/A		N/A		N/A	
Orwell	\$ 70.00	\$ 300.00	\$ 230.00	329%	\$ 300.00	\$ 230.00	329%	
Mcf Charge								
NEO								
Tier 1 (1st 50 Mcf)	\$ 1.00	\$ 1.00	\$ -	0%	0.8396	\$ (0.16)	-16%	
Tier 2 (Next 2,450 Mcf)	\$ 0.80	\$ 0.80	\$ -	0%	0.6717	\$ (0.13)	-16%	
Tier 3 (Over 2,500 Mcf)	\$ 0.60	\$ 0.60	\$ -	0%	0.5037	\$ (0.10)	-16%	
Brainard								
Orwell								
Tier 1 (1st 50 Mcf)	\$ 2.50	\$ 2.50	\$ -	0%	1.9091	\$ (0.59)	-24%	
Tier 2 (Next 2,450 Mcf)	\$ 2.00	\$ 2.00	\$ -	0%	1.5274	\$ (0.47)	-24%	
Tier 3 (Over 7,500 Mcf)	\$ 1.00	\$ 1.00	\$ -	0%	0.7637	\$ (0.24)	-24%	
Tier 4 (Over 10,000 Mcf)	\$ 0.75	\$ 0.75	\$ -	0%	0.75	\$ -	0%	

TYPICAL BILLS

Monthly typical bills are shown in E-5 Schedules.

SERVICE MONITORING AND ENFORCEMENT

Gas Pipeline Safety Review

Any rates requested by an applicant public utility cannot be approved unless the Commission determines those rates are just and reasonable. As part of the Staff review of an application for an increase in rates, the Service Monitoring and Enforcement Department (SMED) conducts reviews of the facilities, operations, management and services provided by the applicant for the purposes of determining the adequacy, efficiency, and effectiveness of those public utility services. Pursuant to R.C. 4909.153 and 4909.154, the Commission may rely on the recommendations of SMED for the purposes of ordering improvements to the facilities or services of the Company.

Facilities & Operations Field Division

The SMED, Facilities & Operations Field Division (FOFD), is charged with inspecting gas pipeline facilities to ensure regulated utility service providers can deliver safe, reliable and quality service. Staff conducts various investigations of the applicant's pipeline system and other physical facilities, plans, procedures, and administrative records to assess compliance with the Pipeline Safety Regulations (49 U.S.C. 192), adopted by the Commission through Ohio Adm.Code 4901:1-16-03. The following reflects Staff's activities and findings relative to the Company during the test period established as July 1, 2018 to June 30, 2019.

Staff performs annual field inspections of the Northeast Ohio Natural Gas Company pipeline system. The scope of Staff's inspection included the following:

- Review of operation and maintenance records for compliance with the requirements of the Gas Pipeline Safety Regulations.
- Physical site visits to verify compliance with safety inspection standards.
- Review of operation plans, emergency plans and associated standards and procedures for compliance with emergency response, construction, operations and maintenance requirements.
- Review of the Northeast Ohio Natural Gas Company Drug and Alcohol abuse prevention programs for employees and contractors.
- Review of the Northeast Ohio Natural Gas Company Operator Qualification program.
- Review of the Northeast Ohio Natural Gas Company Public Awareness program and associated records.
- Review of the Northeast Ohio Natural Gas Company Damage Prevention program and its participation in the Ohio Utilities Protection Service.

Staff reviewed company records and conducted inspections of physical infrastructure during the test period at the Applicant's Northeast Ohio and former Spelman Pipeline operating centers located at 5640 Lancaster-Newark Road NE, Pleasantville; the former Northeast Ohio operating center located at 9081 State Route 250, Strasburg; and the former Orwell Natural Gas operating center at 8470 Station St., Mentor. Inspections review areas such as the operation and maintenance of pressure regulator stations, critical valves, corrosion control systems, leakage survey areas, pipeline patrolling, drug and alcohol test records, public awareness, operator qualification, pressure testing, odorization and emergency response.

Findings: Scheduled Annual Audit Inspections

The inspections performed by Staff during the test period determined that the Northeast Ohio Natural Gas Company was generally complying with the Pipeline Safety Regulations and no violations of the Regulations were identified.

Pipeline Safety Incidents and Outages

No incidents related to the release of natural gas or service outages were reported by the applicant during the test period. Incident and outage reporting requirements are summarized in Ohio Adm.Code 4901:1-16-05.

Miles of Mainline and Services Installed / Mainlines Removed from Service

Information regarding the physical construction of the Northeast Ohio Natural Gas Company is available from 2018 annual report filed with the U.S. Department of Transportation, Pipeline and Hazardous Material Safety Administration in accordance with the requirements of the Pipeline Safety Regulations, 49 C.F.R. 191.11. During 2018, the current Northeast Ohio Natural Gas Company was comprised of four separate companies; Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation; Orwell Natural Gas Company, and Spelman Pipeline Holdings, LLC. As of December 31, 2018 these companies collectively operated a total of 1,444 miles of Distribution main and 30,195 services broken down as follows:

Miles of Pipeline and Number of Services – Brainard Gas Corporation

	Unprotected Steel		Protected Steel		Plastic	Total
	Bare	Coated	Bare	Coated		
Miles of Main	0	0	0	6	19	25
No. of Services	0	0	0	0	260	260

Miles of Pipeline and Number of Services – Northeast Ohio Natural Gas Corporation

	Unprotected Steel		Protected Steel		Plastic	Total
	Bare	Coated	Bare	Coated		
Miles of Main	23	0	0	75	768	866
No. of Services	975	0	0	1289	16805	19886 (817 "Other")

Miles of Pipeline and Number of Services – Orwell Natural Gas Company

	Unprotected Steel		Protected Steel		Plastic	Total
	Bare	Coated	Bare	Coated		
Miles of Main	0	0	0	33	399	432
No. of Services	0	0	0	14	10027	10041

Miles of Pipeline and Number of Services – Spelman Pipeline Holdings, LLC

	Unprotected Steel		Protected Steel		Plastic	Total
	Bare	Coated	Bare	Coated		
Miles of Main	0	0	0	121	0	121
No. of Services	0	0	0	0	8	8

The terms Unprotected and Protected refer to cathodic protection meeting the requirements of the Pipeline Safety Regulations, Subpart I. The terms Bare and Coated refer to an external protective coating applied to prevent corrosion. Piping installed prior to August 1, 1971 is not required to be coated or to be protected under some conditions.

Northeast Ohio Natural Gas Company did not report any Important Additions to their gas pipeline system during the test period. An Important Addition is defined in Ohio Adm.Code 4901:1-16-06 as construction or alteration of an operator's gas pipeline facility in a single project which involves an expenditure of more than \$500,000.

Staff Recommendations

The Gas Pipeline Safety section has not identified any significant compliance issues with the Northeast Ohio Natural Gas Company and currently has no recommendations to offer to improve compliance with the Pipeline Safety Regulations.

CUSTOMER SERVICE AUDIT

Staff completed a customer service audit in March 2019 regarding the customer service performance, practices and procedures of Northeast Ohio Natural Gas Corporation, including Brainard Gas Corp and Orwell Natural Gas Company. As a result of the audit, Staff determined that the overall customer service practices and policies of the Company, as reviewed and observed by the team, comply with the applicable rules and regulations set forth by the commission.

Customer Service Assessment

Staff reviewed the customer contacts to the PUCO's call center for the period January 1, 2017 through December 31, 2018. The PUCO received 200 contacts during this timeframe. The largest number of

contacts were customers seeking account information, which accounted for forty-three contacts. Those customers were directed back to the company to give the Company the first opportunity to respond to its customers.

The next category included contacts about the availability of service with twenty-eight contacts. Customers wanted to know if Northeast, Brainard, or Orwell serviced their area. The third highest category was regarding competition issues/inquiries, with twenty-five contacts. Consumers contacted the PUCO to inquire as to why they could not locate the Company on the Apples to Apples chart. They wanted to understand why the Company was not required to offer a choice program, as well as learn more about how the program works.

Contacts about rates and tariffs made up the fourth largest category with twenty-three contacts, followed by billing with seventeen contacts. Boundaries, disconnect issues, and new service each had eight contacts throughout the review period. The remaining contacts consisted of miscellaneous inquiries, such as questions about service repairs, line extensions, and leakage or pressure issues.

**NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019**

Schedule A-1
Page 1 of 1

LINE NO (A)	DESCRIPTION (B)	SUPPORTING SCHEDULE REFERENCE (C)	COMPANY PROPOSED AMOUNT (D)	STAFF	
				LOWER BOUND (E)	UPPER BOUND (F)
1	Rate Base as of Date Certain	B-1	\$ 47,659,758	45,879,311	\$ 45,879,311
2	Adjusted Operating Income	C-1	1,341,755	3,183,545	3,183,545
3	Rate of Return Earned (2 / 1)		2.82%	6.94%	6.94%
4	Rate of Return Requested	D-1	8.66%	7.80%	8.45%
5	Required Operating Income (1 x 4)		4,127,335	3,578,586	3,876,802
6	Income Deficiency (5 - 2)		2,785,580	395,041	693,257
7	Gross Revenue Conversion Factor	A-2	1.265823	1.265823	1.265823
8	Revenue Increase Required (6 x 7)		3,526,053	500,052	877,542
9	Revenue Increase Requested	E-4	3,526,053	500,052	877,542
10	Adjusted Operating Revenue	C-1	34,406,306	35,951,448	35,951,448
11	Revenue Requirements (9 + 10)		37,932,359	36,451,500	36,828,990
12	Increase Over Current Revenue (9 / 10)		10.25%	1.39%	2.44%

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
CALCULATION OF GROSS REVENUE CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2019

Schedule A-2
Page 1 of 1

LINE NO (A)	DESCRIPTION (B)	% OF INCREMENTAL GROSS REVENUES (C)
1	Gross Revenue	100.00%
2	Uncollectibles	<u>0.00%</u>
3	Net Revenue (1 - 2)	100.00%
4	Ohio Gross Receipts Tax	<u>0.00%</u>
5	Income Before Federal Income Taxes (3 - 4)	100.00%
6	Federal Income Taxes (5 x 21%)	<u>21.00%</u>
7	Operating Income Percentage (5 - 6)	79.00%
8	Gross Revenue Conversion Factor (1 / 7)	<u><u>1.265823</u></u>

NOTE: CIAC are already netted against gross plant.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
RATE BASE SUMMARY
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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LINE NO (A)	RATE BASE COMPONENT (B)	SUPPORTING SCHEDULE REFERENCE (C)	COMPANY PROPOSED AMOUNT (D)	STAFF PROPOSED AMOUNT (E)
1	Plant in Service	B-2	\$81,400,317	79,786,106
2	Reserve for Accumulated Depreciation	B-3	<u>(30,193,042)</u>	<u>(30,858,370)</u>
3	Net Plant in Service (1 + 2)		51,207,275	48,927,736
4	Construction Work in Progress 75% Complete		-	-
5	Working Capital Allowance	B-5	2,518,358	1,930,145
6	Contributions in Aid of Construction	B-6	-	-
7	Other Rate Base Items:			
8	Customer Deposits	B-6	(83,905)	(83,905)
9	Customer Advances for Construction	B-6	-	-
10	Regulatory Liability - Accrued Removal Costs	B-6	(1,633,306)	-
11	Deferred Income Taxes	B-6	(2,581,973)	(2,581,973)
12	Excess Deferred Income Taxes	B-6	(2,312,691)	(2,312,691)
13	Unamortized Rate Case Costs	B-6	<u>546,000</u>	<u>-</u>
14	Jurisdictional Rate Base (3) Thru (13)		<u><u>\$47,659,758</u></u>	<u><u>\$ 45,879,311</u></u>
15	NOTE: CIAC are already netted against gross plant.			

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-2
Page 1 of 1

WORK PAPER REFERENCE NO(S).: Staff Schedule B-2.1

LINE NO. (A)	MAJOR PROPERTY GROUPINGS (B)	TOTAL COMPANY (C)	ADJUSTMENTS (D)	ALLOCATED TOTAL (E=C+D) (E)	ALLOCATION % (F)	ADJUSTED JURISDICTION (G=ExF) (G)
1	Intangible Plant	\$ -	\$ 5,524,723	\$ 5,524,723	100%	\$ 5,524,723
2	Production Plant	263,259	-	263,259	100%	263,259
3	Transmission Plant	3,788,609	(1,146,305)	2,642,304	100%	2,642,304
4	Distribution Plant	65,031,743	(1,140,223)	63,891,520	100%	63,891,520
5	General Plant	<u>13,543,268</u>	<u>(6,078,968)</u>	<u>7,464,300</u>	100%	<u>7,464,300</u>
6	Total Plant in Service	<u>\$ 82,626,879</u>	<u>\$ (2,840,773)</u>	<u>\$ 79,786,106</u>		<u>\$ 79,786,106</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-2.1
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WORK PAPER REFERENCE NO(S): Staff Schedule B-2.2

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY (E)	ADJUSTMENTS (F)	ADJUSTED TOTAL (G=ExF) (G)	ALLOC % (H)	ALLOCATED JURISDICTION (I)
1			<u>Intangible Plant:</u>					
2	301	1010000	Organization	\$ -	\$ -	\$ -	100.00%	\$ -
3	302	1010001	Franchises and Consents	-	-	-	100.00%	-
4	303	1010002	Miscellaneous Intangible Plant	-	5,524,723	5,524,723	100.00%	5,524,723
5			Total Intangible Plant	<u>\$ -</u>	<u>\$ 5,524,723</u>	<u>\$ 5,524,723</u>		<u>\$ 5,524,723</u>
6								
7								
8			<u>Production Plant:</u>					
9	325.2	1010003	Producing Leaseholds	\$ -	\$ -	\$ -	100.00%	\$ -
10	326	1010004	Gas Well Structures	-	-	-	100.00%	-
11	327	1010005	Field Compressor Station Structures	-	-	-	100.00%	-
12	328	1010006	Field Measuring & Regulating Station Structures	-	-	-	100.00%	-
13	330	1010007	Producing Gas Wells - Well Construction	143,894	-	143,894	100.00%	143,894
14	331	1010008	Producing Gas Wells - Well Equipment	1,087	-	1,087	100.00%	1,087
15	332	1010009	Field Lines	52,539	-	52,539	100.00%	52,539
16	333	1010010	Field Compressor Station Equipment	-	-	-	100.00%	-
17	334	1010011	Field Measuring & Regulating Station Equipment	65,739	-	65,739	100.00%	65,739
18	337	1010012	Other Equipment	-	-	-	100.00%	-
19			Total Production Plant	<u>\$ 263,259</u>	<u>\$ -</u>	<u>\$ 263,259</u>		<u>\$ 263,259</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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WORK PAPER REFERENCE NO(S): Staff Schedule B-2.2

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY (E)	ADJUSTMENTS (F)	ALLOCATED TOTAL (G=ExF) (G)	ALLOC % (H)	ADJUSTED JURISDICTION (I)
1			<u>Transmission Plant:</u>					
2	365.1	1010014	Land & Land Rights	\$ 192,530	\$ (192,530)	\$ -	100.00%	\$ -
3	365.2	1010015	Rights-of-Way	-	-	-	100.00%	-
4	366	1010016	Structures & Improvements	-	-	-	100.00%	-
5	367	1010017	Mains	3,596,079	(953,775)	2,642,304	100.00%	2,642,304
6	368	1010018	Compressor Station Equipment	-	-	-	100.00%	-
7	369	1010019	Measuring & Regulating Station Equipment	-	-	-	100.00%	-
8	370	1010020	Communication Equipment	-	-	-	100.00%	-
9	371	1010021	Other Equipment	-	-	-	100.00%	-
10			Total Transmission Plant	<u>\$ 3,788,609</u>	<u>\$ (1,146,305)</u>	<u>\$ 2,642,304</u>		<u>\$ 2,642,304</u>
11								
12			<u>Distribution Plant:</u>					
13								
14	374	1010022	Land & Land Rights	\$ 1,399,108	\$ (65,689)	\$ 1,333,419	100.00%	\$ 1,333,419
15	375	1010013	Structures & Improvements	-	56,592	56,591.93	100.00%	56,592
16	376	1010024	Mains-Distribution	40,108,087	(569,102)	39,538,985	100.00%	39,538,985
17	378	1010025	Measuring & Regulating Equipment - General	4,114,077	(156,601)	3,957,476	100.00%	3,957,476
18	379	1010054	Measuring & Regulating Station Equipment - City Gas Check Stations	205,335	-	205,335	100.00%	205,335
19	380	1010027	Services	11,206,454	(79,594)	11,126,860	100.00%	11,126,860
20	381	1010028	Meters	6,296,325	(105,098)	6,191,227	100.00%	6,191,227
21	382	1010029	Meter Installations	1,299	-	1,299	100.00%	1,299
22	383	1010030	House Regulators	351,845	(14,926)	336,919	100.00%	336,919
23	384	1010031	House Regulator Installations	-	-	-	100.00%	-
24	385	1010032	Ind Measuring Regulation	1,323,503	(205,805)	1,117,698	100.00%	1,117,698
25	387	1010033	Other Equipment	25,710	-	25,710	100.00%	25,710
26			Total Distribution Plant	<u>\$ 65,031,743</u>	<u>\$ (1,140,223)</u>	<u>\$ 63,891,520</u>		<u>\$ 63,891,520</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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WORK PAPER REFERENCE NO(S): Staff Schedule B-2.2

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY (E)	ADJUSTMENTS (F)	ALLOCATED TOTAL (G=ExF) (G)	ALLOC % (H)	ADJUSTED JURISDICTION (I)
1			<u>General Plant:</u>					
2	389	1010034	Land & Land Rights	\$ -	\$ -	\$ -	100.00%	\$ -
3	390	1010035	Structures & Improvements	2,062,927	(94,462)	1,968,465	100.00%	1,968,465
4	391	1010036	Office Furniture & Equipment	6,323,651	(6,112,691)	210,960	100.00%	210,960
5	391.1	-	Office Furniture & Equipment - Computers	-	325,289	325,289	100.00%	325,289
6	392	1010037	Transportation Equipment	2,425,075	(128,374)	2,296,701	100.00%	2,296,701
7	393	1010038	Stores Equipment	-	-	-	100.00%	-
8	394	1010039	Tools, Shop & Garage Equipment	655,227	(59,659)	595,568	100.00%	595,568
9	395	1010040	Laboratory Equipment	85,585	(24,301)	61,284	100.00%	61,284
10	396	1010050	Power Operated Equipment	1,951,046	(50,615)	1,900,431	100.00%	1,900,431
11	397	1010051	Communication Equipment	39,757	65,846	105,603	100.00%	105,603
12	398	1010052	Miscellaneous Equipment	-	-	-	100.00%	-
13	399	1010053	Other Tangible Property	-	-	-	100.00%	-
14			Total General Plant	<u>\$ 13,543,268</u>	<u>\$ (6,078,968)</u>	<u>\$ 7,464,300</u>		<u>\$ 7,464,300</u>
15								
16			Total Plant	<u>\$ 82,626,879</u>	<u>\$ (2,840,773)</u>	<u>\$ 79,786,106</u>		<u>\$ 79,786,106</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Staff's WPB-2.2

LINE NO. (A)	FERC ACCT. NO. (B)	ACCOUNT TITLE (C)	TOTAL COMPANY ADJUSTMENT (D)	DESCRIPTION AND PURPOSE OF ADJUSTMENT (E)
1		<u>Intangible Plant:</u>		
2	303	Miscellaneous Intangible Plant	\$ 5,628,290	Reclassification of assets to proper FERC accounts.
3	303	Miscellaneous Intangible Plant	(103,568)	The Applicant was unable to provide supporting documentation.
4		Intangible Total	<u>\$ 5,524,723</u>	
5				
6				
7		<u>Transmission Plant:</u>		
8	365.1	Land & Land Rights	\$ (151,500)	To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
9	365.1	Land & Land Rights	(41,030)	Field Inspection Adjustment.
10	367	Mains	(953,775)	To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
11		Transmission Total	<u>\$ (1,146,305)</u>	
12				
13				
14		<u>Distribution Plant:</u>		
15	374	Land & Land Rights	\$ (56,592)	Reclassification of assets to proper FERC accounts.
16	374	Land & Land Rights	(9,097)	Field Inspection Adjustments.
17	375	Structures & Improvements	56,592	Reclassification of assets to proper FERC accounts.
18	376	Mains-Distribution	(121,287)	To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
19	376	Mains-Distribution	(94,198)	The Applicant was unable to provide supporting documentation.
20	376	Mains-Distribution	(353,617)	Field Inspection Adjustment.
21	378	Measuring & Regulating Equipment - General	(85,684)	The Applicant was unable to provide supporting documentation.
22	378	Measuring & Regulating Equipment - General	(70,918)	Field Inspection Adjustment.
23	380	Services	(61,291)	The Applicant was unable to provide supporting documentation.
24	380	Services	(18,303)	Field Inspection Adjustment.
25	381	Meters	(67,124)	The Applicant was unable to provide supporting documentation.
26	381	Meters	(37,974)	Field Inspection Adjustment.
27	383	House Regulators	(14,926)	Field Inspection Adjustment.
28	385	Ind Measuring Regulation	(205,805)	The Applicant was unable to provide supporting documentation.
29		Distribution Total	<u>\$ (1,140,223)</u>	

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Staff's WPB-2.2

LINE NO. (A)	FERC ACCT. NO. (B)	ACCOUNT TITLE (C)	TOTAL COMPANY ADJUSTMENT (D)	DESCRIPTION AND PURPOSE OF ADJUSTMENT (E)
1		<u>General Plant:</u>		
2	390	Structures & Improvements	\$ (31,346)	The Applicant was unable to provide supporting documentation.
3	390	Structures & Improvements	(63,116)	Field Inspection Adjustment.
4	391	Office Furniture & Equipment	(6,056,798)	Reclassification of assets to proper FERC accounts.
5	391	Office Furniture & Equipment	(43,278)	The Applicant was unable to provide supporting documentation.
6	391	Office Furniture & Equipment	(12,615)	Field Inspection Adjustment.
7	391.1	Office Furniture & Equipment - Computers	338,756	Reclassification of assets to proper FERC accounts.
8	391.1	Office Furniture & Equipment - Computers	(3,240)	The Applicant was unable to provide supporting documentation.
9	391.1	Office Furniture & Equipment - Computers	(10,227)	Field Inspection Adjustment.
10	392	Transportation Equipment	(25,239)	The Applicant was unable to provide supporting documentation.
11	392	Transportation Equipment	(103,135)	Field Inspection Adjustment.
12	394	Tools, Shop & Garage Equipment	(50,287)	The Applicant was unable to provide supporting documentation.
13	394	Tools, Shop & Garage Equipment	(9,372)	Field Inspection Adjustment.
14	395	Laboratory Equipment	(16,500)	The Applicant was unable to provide supporting documentation.
15	395	Laboratory Equipment	(7,801)	Field Inspection Adjustment.
16	396	Power Operated Equipment	(27,972)	The Applicant was unable to provide supporting documentation.
17	396	Power Operated Equipment	(22,643)	Field Inspection Adjustment.
18	397	Communication Equipment	89,752	Reclassification of assets to proper FERC accounts.
19	397	Communication Equipment	(23,906)	The Applicant was unable to provide supporting documentation.
20		General Total	<u>\$ (6,078,968)</u>	
21				
22				
23		Total Plant Adjustment	<u>\$ (2,840,773)</u>	

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
RESERVE FOR ACCUMULATED DEPRECIATION
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Schedule B-3.1

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	TOTAL COMPANY RESERVE (F)	STAFF RESERVE ADJUSTMENTS (G)	RESERVE TOTAL (H)=(F)+(G)	ALLOC % (I)	ADJUSTED RESERVE JURISDICTION (J)=(H) * (I)
1			<u>Intangible Plant:</u>						
2	301	1010000	Organization	\$ -		\$ -	\$ -	100.00%	\$ -
3	302	1010001	Franchises and Consents	-		-	-	100.00%	-
4	303	1010002	Miscellaneous Intangible Plant	-		1,246,322	1,246,322	100.00%	1,246,322
5			Total Intangible Plant	<u>\$ -</u>		<u>\$ 1,246,322</u>	<u>\$ 1,246,322</u>		<u>\$ 1,246,322</u>
6									
7									
8			<u>Production Plant:</u>						
9	325.2	1010003	Producing Leaseholds	\$ -		\$ -	\$ -	100.00%	\$ -
10	326	1010004	Gas Well Structures	-		-	-	100.00%	-
11	327	1010005	Field Compressor Station Structures	-		-	-	100.00%	-
12	328	1010006	Field Measuring & Regulating Station Structures	-		-	-	100.00%	-
13	330	1010007	Producing Gas Wells - Well Construction	143,894	143,894	-	143,894	100.00%	143,894
14	331	1010008	Producing Gas Wells - Well Equipment	1,087	430	-	430	100.00%	430
15	332	1010009	Field Lines	52,539	22,110	-	22,110	100.00%	22,110
16	333	1010010	Field Compressor Station Equipment	-		-	-	100.00%	-
17	334	1010011	Field Measuring & Regulating Station Equipment	65,739	61,779	-	61,779	100.00%	61,779
18	337	1010012	Other Equipment	-		-	-	100.00%	-
			Total Production Plant	<u>\$ 263,259</u>	<u>228,213</u>	<u>\$ -</u>	<u>\$ 228,213</u>		<u>\$ 228,213</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
RESERVE FOR ACCUMULATED DEPRECIATION
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Schedule B-3.1

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	TOTAL COMPANY RESERVE (F)	STAFF RESERVE ADJUSTMENTS (G)	RESERVE TOTAL (H)=(F)+(G)	ALLOC % (I)	ADJUSTED RESERVE JURISDICTION (J)=(H) * (I)
1			<u>Transmission Plant:</u>						
2	365.1	1010014	Land & Land Rights	\$ 192,530			\$ -	100.00%	\$ -
3	365.2	1010015	Rights-of-Way	-		-	-	100.00%	-
4	366	1010016	Structures & Improvements	-		-	-	100.00%	-
5	367	1010017	Mains	3,596,079	445,616	(105,375)	340,241	100.00%	340,241
6	368	1010018	Compressor Station Equipment	-		-	-	100.00%	-
7	369	1010019	Measuring & Regulating Station Equipment	-		-	-	100.00%	-
8	370	1010020	Communication Equipment	-		-	-	100.00%	-
9	371	1010021	Other Equipment	-		-	-	100.00%	-
10			Total Transmission Plant	<u>\$ 3,788,609</u>	<u>445,616</u>	<u>\$ (105,375)</u>	<u>\$ 340,241</u>		<u>\$ 340,241</u>
11									
12									
13			<u>Distribution Plant:</u>						
14	374	1010022	Land & Land Rights	\$ 1,399,108	125,741	\$ (44,481)	\$ 81,260	100.00%	\$ 81,260
15	375	1010013	Structures & Improvements	-	-	35,728	35,728.00	100.00%	35,728
16	376	1010024	Mains-Distribution	40,108,087	12,827,960	379,434	13,207,394	100.00%	13,207,394
17	378	1010025	Measuring & Regulating Equipment - General	4,114,077	2,070,200	(12,851)	2,057,349	100.00%	2,057,349
18	379	1010054	Measuring & Regulating Station Equipment - City Gas Check Stations	205,335	15,003	205,335	220,338	100.00%	220,338
19	380	1010027	Services	11,206,454	5,279,010	841,924	6,120,934	100.00%	6,120,934
20	381	1010028	Meters	6,296,325	2,165,553	(55,552)	2,110,001	100.00%	2,110,001
21	382	1010029	Meter Installations	1,299	1,040	1,299	2,339	100.00%	2,339
22	383	1010030	House Regulators	351,845	276,958	(5,941)	271,017	100.00%	271,017
23	384	1010031	House Regulator Installations	-	-	-	-	100.00%	-
24	385	1010032	Ind Measuring Regulation	1,323,503	1,168,692	(123,591)	1,045,101	100.00%	1,045,101
25	387	1010033	Other Equipment	25,710	22,729	25,710	48,439	100.00%	48,439
26			Total Distribution Plant	<u>\$ 65,031,743</u>	<u>23,952,886</u>	<u>\$ 1,247,014</u>	<u>\$ 25,199,900</u>		<u>\$ 25,199,900</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
RESERVE FOR ACCUMULATED DEPRECIATION
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Schedule B-3.1

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	TOTAL COMPANY RESERVE (F)	STAFF RESERVE ADJUSTMENTS (G)	RESERVE TOTAL (H)=(F)+(G)	ALLOC % (I)	ADJUSTED RESERVE JURISDICTION (J)=(H) * (I)
1			<u>General Plant:</u>						
2	389	1010034	Land & Land Rights	\$ -		\$ -	\$ -	100.00%	\$ -
3	390	1010035	Structures & Improvements	2,062,927	684,130	(54,720)	629,410	100.00%	629,410
4	391	1010036	Office Furniture & Equipment	6,323,651	1,872,962	(1,717,123)	155,839	100.00%	155,839
5	391.1	-	Office Furniture & Equipment - Computers			125,919	125,919	100.00%	125,919
6	392	1010037	Transportation Equipment	2,425,075	1,739,985	(119,893)	1,620,093	100.00%	1,620,093
7	393	1010038	Stores Equipment	-	-	-	-	100.00%	-
8	394	1010039	Tools, Shop & Garage Equipment	655,227	404,082	(46,602)	357,480	100.00%	357,480
9	395	1010040	Laboratory Equipment	85,585	34,335	(8,309)	26,026	100.00%	26,026
10	396	1010050	Power Operated Equipment	1,951,046	927,960	(33,781)	894,179	100.00%	894,179
11	397	1010051	Communication Equipment	39,757	17,457	17,293	34,750	100.00%	34,750
12	398	1010052	Miscellaneous Equipment	-	-	-	-	100.00%	-
13	399	1010053	Other Tangible Property	-	-	-	-	100.00%	-
14			Total General Plant	<u>\$ 13,543,268</u>	<u>5,680,911</u>	<u>\$ (1,837,217)</u>	<u>\$ 3,843,694</u>		<u>\$ 3,843,694</u>
15									
16			Total Plant	<u>\$ 82,626,879</u>	<u>30,307,626</u>	<u>\$ 550,744</u>	<u>\$ 30,858,370</u>		<u>\$ 30,858,370</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO DEPRECIATION RESERVE
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

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Work Paper Reference No(s): Staff WPB-2.2, WPB-3.1a, WPB-3.1b, WPB-3.1c, WPB-3.1d, WPB-3.1e, WPB-3.1f, WPB-3.1g

LINE NO. (A)	FERC ACCT. NO. (B)	ACCOUNT TITLE (C)	TOTAL COMPANY ADJUSTMENT (D)	TOTAL COMPANY DEPR. RESERVE ADJ. (E)	DESCRIPTION AND PURPOSE OF ADJUSTMENT (F)
1		<u>Intangible Plant:</u>			
2	303	Miscellaneous Intangible Plant	\$ 5,628,290	1,349,889	Reclassification of assets to proper FERC accounts.
3	303	Miscellaneous Intangible Plant	(103,568)	(103,568)	The Applicant was unable to provide supporting documentation.
4		Intangible Total	<u>\$ 5,524,723</u>	<u>1,246,322</u>	
5					
6					
7		<u>Transmission Plant:</u>			
8	365.1	Land & Land Rights	\$ (151,500)		To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
9	365.1	Land & Land Rights	(41,030)		Field Inspection Adjustment.
10	367	Mains	(953,775)	(105,375)	To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
11		Transmission Total	<u>\$ (1,146,305)</u>	<u>\$ (105,375)</u>	
12					
13					
14		<u>Distribution Plant:</u>			
15	374	Land & Land Rights	\$ (56,592)	(35,728)	Reclassification of assets to proper FERC accounts.
16	374	Land & Land Rights	(9,097)	(8,753)	Field Inspection Adjustments.
17	375	Structures & Improvements	56,592	35,728	Reclassification of assets to proper FERC accounts.
18	376	Mains-Distribution	(121,287)	(9,209)	To remove the original cost of pipeline assets that are not used and useful or are not located in Ohio.
19	376	Mains-Distribution	(94,198)	(31,567)	The Applicant was unable to provide supporting documentation.
20	376	Mains-Distribution	(353,617)	(269,761)	Field Inspection Adjustment.
21	376	Mains-Distribution		689,971	Salvage/COR correction *
22	378	Measuring & Regulating Equipment - General	(85,684)	(45,777)	The Applicant was unable to provide supporting documentation.
23	378	Measuring & Regulating Equipment - General	(70,918)	(26,416)	Field Inspection Adjustment.
24	378	Measuring & Regulating Equipment - General		59,342	Salvage/COR correction *
25	380	Services	(61,291)	(23,986)	The Applicant was unable to provide supporting documentation.
26	380	Services	(18,303)	(18,024)	Field Inspection Adjustment.
27	380	Services		883,934	Salvage/COR correction *
28	381	Meters	(67,124)	(25,476)	The Applicant was unable to provide supporting documentation.
29	381	Meters	(37,974)	(30,076)	Field Inspection Adjustment.
30	383	House Regulators	(14,926)	(5,941)	Field Inspection Adjustment.
31	385	Ind Measuring Regulation	(205,805)	(123,591)	The Applicant was unable to provide supporting documentation.
32		Distribution Total	<u>\$ (1,140,223)</u>	<u>1,014,670</u>	

* Reversal from B-6 for Regulatory Liability See Company DR# 26

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO DEPRECIATION RESERVE
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-3.1
Page 2 of 2

Work Paper Reference No(s): Staff's WPB-2.2.

LINE NO. (A)	FERC ACCT. NO. (B)	ACCOUNT TITLE (C)	TOTAL COMPANY ADJUSTMENT (D)	DESCRIPTION AND PURPOSE OF ADJUSTMENT (E)
1		<u>General Plant:</u>		
2	390	Structures & Improvements	\$ (31,346)	(26,314) The Applicant was unable to provide supporting documentation.
3	390	Structures & Improvements	(63,116)	(28,406) Field Inspection Adjustment.
4	391	Office Furniture & Equipment	(6,056,798)	(1,665,165) Reclassification of assets to proper FERC accounts.
5	391	Office Furniture & Equipment	(43,278)	(41,564) The Applicant was unable to provide supporting documentation.
6	391	Office Furniture & Equipment	(12,615)	(10,394) Field Inspection Adjustment.
7	391.1	Office Furniture & Equipment - Computers	338,756	133,583 Reclassification of assets to proper FERC accounts.
8	391.1	Office Furniture & Equipment - Computers	(3,240)	(3,240) The Applicant was unable to provide supporting documentation.
9	391.1	Office Furniture & Equipment - Computers	(10,227)	(4,424) Field Inspection Adjustment.
10	392	Transportation Equipment	(25,239)	(21,453) The Applicant was unable to provide supporting documentation.
11	392	Transportation Equipment	(103,135)	(98,439) Field Inspection Adjustment.
12	394	Tools, Shop & Garage Equipment	(50,287)	(42,457) The Applicant was unable to provide supporting documentation.
13	394	Tools, Shop & Garage Equipment	(9,372)	(4,145) Field Inspection Adjustment.
14	395	Laboratory Equipment	(16,500)	(5,568) The Applicant was unable to provide supporting documentation.
15	395	Laboratory Equipment	(7,801)	(2,742) Field Inspection Adjustment.
16	396	Power Operated Equipment	(27,972)	(22,094) The Applicant was unable to provide supporting documentation.
17	396	Power Operated Equipment	(22,643)	(11,687) Field Inspection Adjustment.
18	397	Communication Equipment	89,752	35,969 Reclassification of assets to proper FERC accounts.
19	397	Communication Equipment	(23,906)	(18,676) The Applicant was unable to provide supporting documentation.
20		General Total	<u>\$ (6,078,968)</u>	<u>(1,837,217)</u>
21				
22				
23		Total Plant Adjustment	<u>\$ (2,840,773)</u>	<u>318,400</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-3.2
Page 1 of 3

Work Paper Reference No(s): WPB-3.2, WPB-3.2a

WPB-3.2a

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	ACCUMULATED RESERVE (F)	STAFF PROPOSED ACCRUAL RATE (G)=(100%-(I)/(J))	CALCULATED DEPR EXPENSE (H) = (E) * (G)
1			<u>Intangible Plant:</u>				
2	301	1010000	Organization	\$ -	\$ -		
3	302	1010001	Franchises and Consents	-	-		
4	303	1010002	Miscellaneous Intangible Plant	5,524,723	1,246,322	10.00%	552,472
5			Total Intangible Plant	<u>\$ 5,524,723</u>	<u>\$ 1,246,322</u>		<u>\$ 552,472</u>
6							
7							
8			<u>Production Plant:</u>				
9	325.2	1010003	Producing Leaseholds	\$ -	-		
10	326	1010004	Gas Well Structures	-	-		
11	327	1010005	Field Compressor Station Structures	-	-		
12	328	1010006	Field Measuring & Regulating Station Structures	-	-		
13	330	1010007	Producing Gas Wells - Well Construction	143,894	143,894	2.00%	fd
14	331	1010008	Producing Gas Wells - Well Equipment	1,087	430	2.20%	24
15	332	1010009	Field Lines	52,539	22,110	1.60%	841
16	333	1010010	Field Compressor Station Equipment	-	-		-
17	334	1010011	Field Measuring & Regulating Station Equipment	65,739	61,779	4.03%	2,649
18	337	1010012	Other Equipment	-	-		-
19			Total Production Plant	<u>\$ 263,259</u>	<u>\$ 228,213</u>		<u>\$ 3,514</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-3.2
Page 2 of 3

Work Paper Reference No(s): WPB-3.2, WPB-3.2a

WPB-3.2a

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	ACCUMULATED RESERVE (F)	STAFF PROPOSED ACCRUAL RATE (G)=(100%-(I)/(J))	CALCULATED DEPR EXPENSE (H) = (E) * (G)
1			<u>Transmission Plant:</u>				
2	365.1	1010014	Land & Land Rights	\$ -	-		
3	365.2	1010015	Rights-of-Way	-	-		
4	366	1010016	Structures & Improvements	-	-		
5	367	1010017	Mains	2,642,304	340,241	1.91%	50,468
6	368	1010018	Compressor Station Equipment	-	-		
7	369	1010019	Measuring & Regulating Station Equipment	-	-		
8	370	1010020	Communication Equipment	-	-		
9	371	1010021	Other Equipment	-	-		
10			Total Transmission Plant	<u>\$ 2,642,304</u>	<u>\$ 340,241</u>		<u>\$ 50,468</u>
11							
12							
13			<u>Distribution Plant:</u>				
14	374	1010022	Land & Land Rights	\$ 1,333,419	81,260		
15	375	1010013	Structures & Improvements	56,592	35,728	2.50%	1,415
16	376	1010024	Mains-Distribution	39,538,985	13,207,394	2.14%	846,134
17	378	1010025	Measuring & Regulating Equipment - General	3,957,476	2,057,349	3.46%	136,929
18	379	1010054	Measuring & Regulating Station Equipment - City Gas Check Stations	205,335	220,338	3.75%	7,700
19	380	1010027	Services	11,126,860	6,120,934	3.65%	406,130
20	381	1010028	Meters	6,191,227	2,110,001	2.60%	160,972
21	382	1010029	Meter Installations	1,299	2,339	2.50%	32
22	383	1010030	House Regulators	336,919	271,017	2.82%	9,501
23	384	1010031	House Regulator Installations	-	-		-
24	385	1010032	Ind Measuring Regulation	1,117,698	1,045,101	3.33%	37,219
25	387	1010033	Other Equipment	25,710	48,439	3.80%	977
26			Total Distribution Plant	<u>\$ 63,891,520</u>	<u>\$ 25,199,900</u>		<u>\$ 1,605,595</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-3.2
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Work Paper Reference No(s): WPB-3.2, WPB-3.2a

WPB-3.2a

LINE NO. (A)	FERC ACCT. NO. (B)	COMPANY ACCT. NO. (C)	DESCRIPTION (D)	TOTAL COMPANY PLANT (E)	ACCUMULATED RESERVE (F)	STAFF PROPOSED ACCRUAL RATE (G)=(100%-(I)/(J))	CALCULATED DEPR EXPENSE (H) = (E) * (G)
1			<u>General Plant:</u>				
2	389	1010034	Land & Land Rights	\$ -	\$ -		
3	390	1010035	Structures & Improvements	1,968,465	629,410	2.50%	49,212
4	391	1010036	Office Furniture & Equipment	210,960	155,839	5.00%	10,548
5	391.1		Office Furniture & Equipment-Computers	325,289	125,919	18.18%	59,138
6	392	1010037	Transportation Equipment	2,296,701	1,620,093	11.43%	262,513
7	393	1010038	Stores Equipment	-	-	3.33%	-
8	394	1010039	Tools, Shop & Garage Equipment	595,568	357,480	4.44%	26,443
9	395	1010040	Laboratory Equipment	61,284	26,026	3.33%	2,041
10	396	1010050	Power Operated Equipment	1,900,431	894,179	6.15%	116,877
11	397	1010051	Communication Equipment	105,603	34,750	6.67%	7,044
12	398	1010052	Miscellaneous Equipment	-	-		-
13	399	1010053	Other Tangible Property	-	-	10.00%	-
14			Total General Plant	<u>\$ 7,464,301</u>	<u>\$ 3,843,694</u>		<u>\$ 533,814</u>
15			Total Depreciable Plant				<u>\$ 2,745,864</u>
16			Amortization of Reserve Imbalance*				\$ (699,386)
17							
18			Total Plant	<u>\$ 79,786,107</u>	<u>\$ 30,858,370</u>		<u>\$ 2,046,478</u>

* See Staff's WPB-3.2

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
WORKING CAPITAL ALLOWANCE
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-5
Page 1 of 1

WORK PAPER REFERENCE NO(S): Schedule C-2, Schedule B-5.1, Staff WPB-5

LINE NO. (A)	WORKING CAPITAL COMPONENT (B)	DESCRIPTION OF METHODOLOGY USED TO DETERMINE JURISDICTIONAL REQUIREMENT (C)	PAGE REFERENCE NO. (D)	ADJUSTED JURISDICTIONAL (E)	ADJUSTED JURISDICTIONAL (F)
1	Cash Component				
2	Total Operating Expenses		C-2	7,974,433	
3	Total Maintenance Expenses		C-2	349,791	
4	Total			<u>8,324,224</u>	
5	CASH COMPONENT (4) / 8	1/8 of jurisdictional operating expenses less jurisdictional purchased gas expense	Line 4 ÷ 8		1,040,528
6	Tax Component	1/4 of Operating Taxes	-1 * [(WPB-5 + C-2 Line 26) ÷ 4]		(531,749)
7	Materials and Supplies	13 month average of materials and supplies	B-5.1		937,248
8	Gas In Storage	13 month average of gas in storage and pipeline imbalances	B-5.1		484,118
9	TOTAL ALLOWANCE FOR WORKING CAPITAL		Line 5 through 9		<u>\$ 1,930,145</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
MISCELLANEOUS WORKING CAPITAL ITEMS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-5.1

Page 1 of 1

Work Paper Reference No(s): Company WPB-BS FERC

LINE NO (A)	DESCRIPTION (C)	13 MONTH AVERAGE FOR TEST YEAR				
		TOTAL COMPANY (D)	ALLOCATION % (E)	ALLOCATED TOTAL (F=DxE) (F)	ADJUSTMENTS (G)	ADJUSTED JURISDICTIONAL (H)
3	Materials and Supplies	937,248	100%	937,248		937,248
4	Gas In Storage	484,118	100%	484,118		484,118

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
OTHER RATE BASE ITEMS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-6
Page 1 of 1

Work Paper Reference No(s): Company WPB-BS FERC, Schedule B-6.1

LINE NO (A)	ACCT NO. (B)	DESCRIPTION (C)	DATE CERTAIN BALANCE				
			TOTAL COMPANY (D)	ALLOCATION % (E)	ALLOCATED TOTAL (F=DxE) (F)	ADJUSTMENTS (G)	ADJUSTED JURISDICTIONAL (H) = (F) + (G)
1	235	Customer deposits	(83,905)	100%	(83,905)	-	(83,905)
2	252	Customer advances for construction	-	100%	-	-	-
3		Contributions in Aid of Construction	-	100%	-	-	-
4		Regulatory Liability - Accrued Removal Costs	(1,633,306)	100%	(1,633,306)	1,633,306	-
5	283	Accumulated deferred income taxes	(2,531,977)	100%	(2,531,977)	(49,996)	(2,581,973)
6	254	Excess deferred income taxes	(2,312,691)	100%	(2,312,691)	-	(2,312,691)
7		Unamortized rate case costs	534,363	100%	534,363	(534,363)	-

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO OTHER RATE BASE ITEMS
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule B-6.1

Page 1 of 1

Work Paper Reference No(s): Company WPC4.1a through WPC4.1d

LINE NO. (A)	FERC ACCT. NO. (B)	DESCRIPTION (C)	TOTAL COMPANY ADJUSTMENTS (D)	ALLOCATION % (E)	JURISDICTIONAL ADJUSTMENT (F)
To adjust deferred taxes for the difference in book and tax depreciation during the projected portion of the test year.					
1				<u>Date Certain</u>	
2	283	Accumulated deferred income taxes	(49,996)	100%	(49,996)

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
JURISDICTIONAL PROFORMA INCOME STATEMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-1
Page 1 of 1

Work Paper Reference No(s): Schedule C-2

LINE NO. (A)	DESCRIPTION (C)	ADJUSTED REVENUE & EXPENSES (D)	PROPOSED INCREASE (E)	PROFORMA REVENUE & EXPENSES (F)
1	<u>Operating Revenues</u>			
2	Base	\$ 15,587,089	\$ 3,485,350	\$ 19,072,439
3	Gas Costs	20,270,207	-	20,270,207
4	Gross Receipts Tax Revenue	-	-	-
5	Excise Tax Revenue	-	-	-
6	Other	94,152	-	94,152
7	Total Operating Revenues	35,951,448	3,485,350	39,436,798
8	<u>Operating Expenses</u>			
9	Operation and Maintenance	28,594,431	-	28,594,431
10	Depreciation	2,046,478	-	2,046,478
11	Taxes, Other Than Income	1,485,628	-	1,485,628
12	Amortization of EDIT	-	-	-
13	Federal Income Taxes	641,367	731,924	1,373,291
14	Total Operating Expenses	32,767,903	731,924	33,499,827
15	Net Operating Income	<u>\$ 3,183,545</u>	<u>\$ 2,753,426</u>	<u>\$ 5,936,971</u>
16	Staff Adjusted Rate Base (Schedule B-1)	<u>\$ 45,879,311</u>		<u>\$ 45,879,311</u>
17	Rate of Return (Line 15 ÷ Line 16)	<u>6.94%</u>		<u>12.94%</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTED TEST YEAR OPERATING INCOME
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-2
Page 1 of 1

Work Paper Reference No(s): Schedules C-2.1, C-3, C-4

LINE NO. (A)	DESCRIPTION (C)	C-2.1 UNADJUSTED REVENUE & EXPENSES (D)	JURISDICTIONAL UNADJUSTED REVENUE & EXPENSES (E)	C-3 ADJUSTMENTS (F)	JURISDICTIONAL ADJUSTED REVENUE & EXPENSES (G)
1	<u>Operating Revenues</u>				
2	Base	\$ 15,127,889	\$ 15,127,889	\$ 459,200	\$ 15,587,089
3	Gas Costs	19,042,405	19,042,405	1,227,802	20,270,207
4	Gross Receipts Tax Revenue	-	-	-	-
5	Excise Tax Revenue	-	-	-	-
6	Other	94,152	94,152	-	94,152
7	Total Operating Revenues	34,264,446	34,264,446	1,687,002	35,951,448
8	<u>Operating Expenses</u>				
9	Gas Supply Expenses				
10	Purchased Gas	19,042,405	19,042,405	1,227,802	20,270,207
11	Other	-	-	-	-
12	Total Other Gas Supply Expense	19,042,405	19,042,405	1,227,802	20,270,207
13	Operating Expenses - Production	298	298	-	298
14	Operating Expenses - Transmission	1,224	1,224	-	1,224
15	Operating Expenses - Distribution	2,393,749	2,393,749	(435,169)	1,958,580
16	Operating Expenses - Customer Accounts	262,500	262,500	87,500	350,000
17	Operating Expenses - Customer Service	7,247	7,247	-	7,247
18	Operating Expenses - Administrative & General	5,793,624	5,793,624	(136,541)	5,657,083
19	Total Operating Expenses	27,501,047	27,501,047	743,593	28,244,640
20	<u>Maintenance Expenses</u>				
21	Maintenance Expenses - Transmission	\$ -	\$ -	\$ -	\$ -
22	Maintenance Expenses - Distribution	349,791	349,791	-	349,791
23	Maintenance Expenses - Administrative & General	-	-	-	-
24	Total Maintenance Expenses	349,791	349,791	-	349,791
25	Depreciation & Amortization	3,226,327	3,226,327	(1,179,849)	2,046,478
26	Taxes, Other Than Income	1,591,159	1,591,159	(105,531)	1,485,628
27	Amortization of Excess Deferred Income Taxes	-	-	-	-
28	Income Taxes	(226,230)	(226,230)	867,597	641,367
29	Total Operating Expenses	32,442,094	32,442,094	325,809	32,767,903
30	Net Operating Income	\$ 1,822,352	\$ 1,822,352	\$ 1,361,193	\$ 3,183,545

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO TEST YEAR OPERATING INCOME
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3
Page 1 of 2

LINE NO. (A)	DESCRIPTION (B)	ANNUALIZED REVENUE - WEATHER NORMALIZATION (C) C-3.1	ANNUALIZED REVENUE - EXCISE TAX RIDER (D) C-3.2	METER READING EXPENSE (E) C-3.3	RENT EXPENSE (F) C-3.4	INSURANCE ADJUSTMENT (G) C-3.5	RATE CASE EXPENSES (H) C-3.6	DEFERRED RENT (I) C-3.7	OUTSIDE SERVICES (J) C-3.8
1	<u>Operating Revenues</u>								
2	Base	\$ 459,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Gas Costs	1,227,802	-	-	-	-	-	-	-
4	Gross Receipts Tax Revenue	-	-	-	-	-	-	-	-
5	Excise Tax Revenue	-	-	-	-	-	-	-	-
6	Other	-	-	-	-	-	-	-	-
7	Total Operating Revenues	1,687,002	-	-	-	-	-	-	-
8	<u>Operating Expenses</u>								
9	Gas Supply Expenses	-	-	-	-	-	-	-	-
10	Purchased Gas	1,227,802	-	-	-	-	-	-	-
11	Other	-	-	-	-	-	-	-	-
12	Total Other Gas Supply Expense	1,227,802	-	-	-	-	-	-	-
13	Operating Expenses - Production	-	-	-	-	-	-	-	-
14	Operating Expenses - Transmission	-	-	-	-	-	-	-	-
15	Operating Expenses - Distribution	-	-	(74,839)	8,250	-	-	-	-
16	Operating Expenses - Customer Accounts	-	-	87,500	-	-	-	-	-
17	Operating Expenses - Customer Service	-	-	-	-	-	-	-	-
18	Operating Expenses - Administrative & General	-	-	-	-	12,046	106,873	(79,624)	(116,438)
19	Total Operating Expenses	1,227,802	-	12,661	8,250	12,046	106,873	(79,624)	(116,438)
20	<u>Maintenance Expenses</u>								
21	Maintenance Expenses - Transmission	-	-	-	-	-	-	-	-
22	Maintenance Expenses - Distribution	-	-	-	-	-	-	-	-
23	Maintenance Expenses - Administrative & General	-	-	-	-	-	-	-	-
24	Total Maintenance Expenses	-	-	-	-	-	-	-	-
25	Depreciation & Amortization	-	-	-	-	-	-	-	-
26	Taxes, Other Than Income	-	-	-	-	-	-	-	-
27	Property	-	-	-	-	-	-	-	-
28	State and Other Taxes	-	(3,543)	-	-	-	-	-	-
29	Total Taxes Other than Income Tax	-	(3,543)	-	-	-	-	-	-
30	<u>Federal Income Taxes</u>								
31	Current Tax Expense	96,432	744	(2,659)	(1,733)	(2,530)	(22,443)	16,721	24,452
32	Provision for Deferred Income Taxes	-	-	-	-	-	-	-	-
33	Amortization of Excess Deferred Income Taxes	-	-	-	-	-	-	-	-
33	Total Federal Income Taxes	96,432	744	(2,659)	(1,733)	(2,530)	(22,443)	16,721	24,452
34	Total Operating Expenses	1,324,234	(2,799)	10,002	6,517	9,516	84,430	(62,903)	(91,986)
35	Net Operating Income	\$ 362,768	\$ 2,799	\$ (10,002)	\$ (6,517)	\$ (9,516)	\$ (84,430)	\$ 62,903	\$ 91,986

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO TEST YEAR OPERATING INCOME
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3
Page 2 of 2

LINE NO. (A)	DESCRIPTION (B)	HEARTHSTONE SHARED SERVICES (C)	ANNUALIZED DEPRECIATION EXPENSE (D)	PROPERTY TAX EXPENSE (E)	LABOR ADJUSTMENT (F)	FEES & DUES (G)	MISC. EXPENSE (H)	FEDERAL INCOME TAX (I)	TOTAL SCHEDULE C-3 (J)
		C-3.9	C-3.10	C-3.11	C-3.12	C-3.13	C-3.14	C-3.15	
1	<u>Operating Revenues</u>								
2	Base	\$0	\$0	\$0	\$0	\$0		\$0	\$ 459,200
3	Gas Costs	-	-	-	-	-		-	1,227,802
4	Gross Receipts Tax Revenue	-	-	-	-	-		-	-
5	Excise Tax Revenue	-	-	-	-	-		-	-
6	Other	-	-	-	-	-		-	-
7	Total Operating Revenues	-	-	-	-	-		-	1,687,002
8	<u>Operating Expenses</u>								-
9	Gas Supply Expenses	-	-	-	-	-		-	-
10	Purchased Gas	-	-	-	-	-		-	1,227,802
11	Other	-	-	-	-	-		-	-
12	Total Other Gas Supply Expense	-	-	-	-	-		-	1,227,802
13	Operating Expenses - Production	-	-	-	-	-		-	-
14	Operating Expenses - Transmission	-	-	-	-	-		-	-
15	Operating Expenses - Distribution	-	-	-	(363,221)	-	(5,359)	-	(435,169)
16	Operating Expenses - Customer Accounts	-	-	-	-	-		-	87,500
17	Operating Expenses - Customer Service	-	-	-	-	-		-	-
18	Operating Expenses - Administrative & General	2,031	-	-	(48,008)	(2,197)	(11,224)	-	(136,541)
19	Total Operating Expenses	2,031	-	-	(411,229)	(2,197)	(16,582)	-	743,593
20	<u>Maintenance Expenses</u>								-
21	Maintenance Expenses - Transmission	-	-	-	-	-		-	-
22	Maintenance Expenses - Distribution	-	-	-	-	-		-	-
23	Maintenance Expenses - Administrative & General	-	-	-	-	-		-	-
24	Total Maintenance Expenses	-	-	-	-	-		-	-
25	Depreciation & Amortization	-	(1,179,849)	-	-	-		-	(1,179,849)
26	Taxes, Other Than Income								
27	Property	-	-	(83,361)	-	-		-	(83,361)
28	State and Other Taxes	-	-	-	(18,627)	-		-	(22,170)
29	Total Taxes Other than Income Tax	-	-	(83,361)	(18,627)	-		-	(105,531)
30	Federal Income Taxes	-	-	-	-	-		-	-
31	Current Tax Expense	(427)	247,768	17,506	90,270	461	3,482	132,485	600,529
32	Provision for Deferred Income Taxes	-	-	-	-	-		267,068	267,068
33	Amortization of Excess Deferred Income Taxes	-	-	-	-	-		-	-
34	Total Federal Income Taxes	(427)	247,768	17,506	90,270	461	3,482	399,553	867,597
35	Total Operating Expenses	1,604	(932,081)	(65,855)	(339,586)	(1,736)	(13,100)	399,553	325,809
36	Net Operating Income	\$ (1,604)	\$ 932,081	\$ 65,855	\$ 339,586	\$ 1,736	\$ 13,100	\$ (399,553)	\$ 1,361,193

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - REVENUE NORMALIZATION
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.1

Page 1 of 1

Work Paper Reference No(s): WPC3.1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	AMOUNT (C)
1	To normalize and annualize test year revenue and gas costs for weather and known changes.	
2		
3		Total
4		Ohio
5	Base revenue included in accounts 480, 481, 488 and 489	\$ 15,127,889
6	Normalized base revenue	15,587,089
7	Adjustment to normalize base revenue	Line 6 - Line 5 \$ 459,200
8	Gas cost revenue included in accounts 480, 481, 488 and 489	\$ 19,042,405
9	Normalized gas cost revenue	20,270,207
10	Adjustment to normalize gas cost revenue & expense	Line 9 - Line 8 \$ 1,227,802

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - EXCISE TAX
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.2
Page 1 of 1

Work Paper Reference No(s): WPC-IS FERC

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To remove Mcf excise tax expense included in the three months actual period.						
2							
3		NEO	Orwell	Brainard	Spelman	Total Ohio	
4	Excise (Mcf) tax included in account 408.1	\$ -	\$ 1,566	\$ 1,977	\$ -	\$ 3,543	
5	Normalized Mcf excise tax expense	-	-	-	-	-	
6	Adjustment to include Mcf excise tax in other taxes expense.	<u>\$ -</u>	<u>\$ (1,566)</u>	<u>\$ (1,977)</u>	<u>\$ -</u>	<u>\$ (3,543)</u>	

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - METER READING EXPENSE
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.3
Page 1 of 1

Work Paper Reference No(s): WPC3.3

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To reflect normalized meter reading expense for the test year						
2							Total
3		NEO	Orwell	Brainard	Spelman		Ohio
4	Meter reading expenses included in account 875	\$ 59,419	\$ 15,420	\$ -	\$ -		\$ 74,839
5	Normalized amount in 875	-	-	-	-		-
6	Reclass expense to 902	<u>\$ (59,419)</u>	<u>\$ (15,420)</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (74,839)</u>
7	Meter reading expenses included in account 902	\$216,463	\$ 46,037	\$ -	\$ -		\$ 262,500
8	Amount reclassified from 875	59,419	15,420	-	-		74,839
9	Total amount included in account 902	275,882	61,457	-	-		337,339
10	Normalized amount in 902	288,617	61,383	-	-		350,000
11	Normalizing adjustment (Line 10 - Line 9)	<u>\$ 12,735</u>	<u>\$ (74)</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 12,661</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - RENT EXPENSE
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.4
Page 1 of 1

Work Paper Reference No(s): WPC3.4

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To reflect normalized rent expense for the test year						
2							Total
3		NEO	Orwell	Brainard	Spelman		Ohio
4	Rent expense included in account 881	\$ 44,598	\$ 2,000	\$ -	\$ -	\$	46,598
5	Normalized amount in 881	52,848	2,000	-	-		54,848
6	Normalizing adjustment (Line 5 - Line 4)	<u>\$ 8,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>	<u>8,250</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - PROPERTY INSURANCE
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.5
Page 1 of 1

Work Paper Reference No(s): WPC3.5a through WPC-3.5e

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To reflect normalized property and liability insurance expenses for the test year						
2							Total
3		NEO	Orwell	Brainard	Spelman		Ohio
4	Property insurance included in account 924 and 925	\$ 197,469	\$91,291	\$ 1,966	\$ 574	\$	291,300
5	Annualized property insurance for test year	201,015	98,529	1,973	1,829		303,346
6	Adjustment to normalize insurance expense (Line 5 - Line 4)	<u>\$ 3,546</u>	<u>\$ 7,238</u>	<u>\$ 7</u>	<u>\$ 1,255</u>	\$	<u>12,046</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - RATE CASE AMORTIZATION
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.6
Page 1 of 1

Work Paper Reference No(s): Schedule C-8

LINE NO. (A)	PURPOSE AND DESCRIPTION (C)	SCHEDULE/ WORK PAPER REFERENCE (D)	AMOUNT (E)
1	To reflect the estimated costs related to this proceeding and amortize over a		
2	five year period.		
3	Deferred Rate Case Expense (Prior Case) Balance at June 30, 2019		\$ -
4	Add: Expected Rate Case Expense for Current Case	C-8	546,000
	Reduce: Unrelated Professional Expenses		11,637
5	Total Deferred Rate Case Expense Balance at June 30, 2019		<u>534,363</u>
6	Amortization Period (Years)		<u>5</u>
7	Pro Forma Rate Case Amortization (Line 3 / Line 5)		\$ 106,873
8	Less: Test Year Rate Case Amortization Expense	C-8	-
9	Pro Forma Increase in Rate Case Amortization Expense (Line 7 - Line 8)	To Schedule C-3	<u><u>\$ 106,873</u></u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - DEFERRED RENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.7
Page 1 of 1

Work Paper Reference No(s): WPC3.7

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To remove deferred rent expense from the test year expenses.						
2							
3		NEO	Orwell	Brainard	Spelman	Total Ohio	
4	Deferred rent included in account 9310271	\$ 45,928	\$ 30,405	\$ 851	\$ 2,440	\$ 79,624	
5	Normalized amount	-	-	-	-	-	
6	Adjustment to normalize deferred rent (Line 5 - Line 4)	<u>\$ (45,928)</u>	<u>\$ (30,405)</u>	<u>\$ (851)</u>	<u>\$ (2,440)</u>	<u>\$ (79,624)</u>	

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - OUTSIDE SERVICES
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.8
Page 1 of 1

Work Paper Reference No(s): WPC3.8a through WPC-3.8d

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To reflect normalized outside services for the test year.						
2							Total
3		NEO	Orwell	Brainard	Spelman		Ohio
4	Outside services included in account 923	\$ (150,499)	\$ 575,035	\$ 3,581	\$ 77,372	\$	505,489
5	Normalized outside services for test year	(178,178)	488,259	3,053	75,917		389,051
6	Adjustment to normalize outside services (Line 5 - Line 4)	<u>\$ (27,679)</u>	<u>\$ (86,776)</u>	<u>\$ (528)</u>	<u>\$ (1,455)</u>	<u>\$</u>	<u>(116,438)</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
SHARED SERVICES ADJUSTMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.9
Page 1 of 1

Work Paper Reference No(s): Staff WPC3.9 - Summary

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)						AMOUNT (C)
1	To reflect Staff adjustments to shared services						
2							
3		NEO	Orwell	Brainard	Spelman	Total Ohio	
4	Shared services expenses included in account 930	1,266,470	780,555	23,310	56,852	2,127,187	
5	Staff Adjusted amount	1,277,442	771,335	23,195	57,246	2,129,218	
6	Staff's adjustments to shared services expense (Line 5 - Line 4)	<u>\$ 10,972</u>	<u>\$ (9,220)</u>	<u>\$ (115)</u>	<u>\$ 394</u>	<u>\$ 2,031</u>	

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - DEPRECIATION EXPENSE
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.10
Page 1 of 1

Work Paper Reference No(s): Schedule B-3.2

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	AMOUNT (C)
1	To reflect normalized depreciation expense for the test year from Schedule B-3.2.	
2		
3		Total Ohio
4	Depreciation and amortization expenses included in the test year	\$ 3,220,000
5	Amortization of customer relationships for test year	5,708
6	Amortization of COH intangible Job 2006216	619
7		<u>\$ 3,226,327</u>
8	Normalized depreciation expense for test year (From Schedule B3.2)	\$ 2,745,864
9	Amortization of Reserve Imbalance	(699,386)
10	Normalized amortization of COH Intangible Job 2006216 for test year	-
11		<u>\$ 2,046,478</u>
12	Adjustment to normalize depreciation expense (Line 10 - Line 7)	<u>\$ (1,179,849)</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DETAILED ADJUSTMENTS TO REVENUE AND EXPENSE ITEMS - PROPERTY TAX
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Work Paper Reference No(s): WPC3.11

Schedule C-3.11
Page 1 of 1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)					AMOUNT (C)
1	To reflect estimated property tax expenses for the test year					
2						
3		NEO	ONG	Brainard	Spelman	Total Ohio
4	Property tax expense included in account 408.1	\$516,295	\$530,658	\$20,916	\$ 256,129	\$ 1,323,998
5	Staff's Annualized property tax for test year	491,137	509,017	19,425	221,058	1,240,637
6	Adjustment to normalize property tax expense (Line 5 - Line 4)	<u>\$ (25,158)</u>	<u>\$ (21,641)</u>	<u>\$ (1,491)</u>	<u>\$ (35,071)</u>	<u>\$ (83,361)</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PAYROLL, EMPLOYEE BENEFITS, PAYROLL TAX ADJUSTMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.12
Page 1 of 1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	Work Paper Reference (C)	AMOUNT (D)
1	Staff Annualized O&M Distribution Labor	Schedule C-3.12a	\$ 2,226,413
2	Applicant Test Year O&M Distribution Labor	Applicant C-9	<u>\$ 2,589,634</u>
3	Staff Adjustment	Line 1 - Line 2	<u><u>\$ (363,221)</u></u>
4			
5	Staff Annualized Employee Benefits <i>Retirement and Fringe</i>	Schedule C-3.12b	\$ 729,683
6	Applicant Test Year Employee Benefits	Applicant C-9	<u>\$ 777,691</u>
7	Staff Adjustment	Line 5 - Line 6	<u><u>\$ (48,008)</u></u>
8			
9	Annualized Payroll Tax	Schedule C-3.12c	\$ 197,319
10	Applicant Test Year Payroll Tax	Applicant C-9	<u>\$ 215,946</u>
11	Staff Adjustment	Line 9 - Line 10	<u><u>\$ (18,627)</u></u>
12			
13	Total Payroll, Employee Benefits and Payroll Tax Adjustment	Line 3 + Line 7 + Line 11	<u><u>\$ (429,856)</u></u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
PAYROLL ADJUSTMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.12a
Page 1 of 1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	Work Paper Reference (C)	AMOUNT (D)
1	Total Straight Time	(a)	\$ 3,081,559
2	Overtime	(b) 3.36% \$ 103,540	\$ 3,185,099
3	Other Pay	(c) \$ 24,723	\$ 3,209,822
4	Part-Time Employees	(d) \$ 45,168	<u>\$ 3,254,990</u>
5	O&M Ratio/Total Dist Labor	(e) 68.40%	<u>\$ 2,226,413</u>
6	Applicant Test Year O&M Distribution Labor	(f)	\$ 2,589,634
7	Adjustment		<u>\$ (363,221)</u>

- (a) Derived from Staff Data Request 14 and 15, and 50 April 2019 Updates
- (b) Derived from Applicant C-9.1, 3-Year Average of Overtime Ratio
- (c) Derived from Staff Data Request 36, 3-Year Average of Other Pay
- (d) Derived from Staff Data Request 38, 3-Year Average Part-time Employees
- (e) Derived from Applicant C-9.1, 3-Year Average of O&M Ratio
- (f) Applicant C-9

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
BENEFITS ADJUSTMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.12b
Page 1 of 1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	Work Paper Reference (C)	AMOUNT (D)
1	Total Retirement Benefits	(a)	\$ 117,275
2	Applicant Test Year Retirement Benefits	(b)	<u>\$ 140,141</u>
3	Retirement Benefits Adjustment	Line 1 - Line 2	<u><u>\$ (22,866)</u></u>
4	Total Fringe Benefits	(c)	\$ 612,408
5	Applicant Test Year Fringe Benefits	(b)	<u>\$ 637,550</u>
6	Fringe Benefits Adjustment	Line 4 - Line 5	<u><u>\$ (25,142)</u></u>
7	Total Benefits Adjustment	Line 3 + Line 6	<u><u>\$ (48,008)</u></u>

- (a) Derived from Staff Data Request 32
- (b) Applicant C-9
- (c) Derived from Staff Data Request 33

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
BENEFITS ADJUSTMENT
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.12c
Page 1 of 1

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	Work Paper Reference (C)	AMOUNT (D)
1	<u>FICA Tax</u>		
2	O & M labor Expense	(a)	\$ 2,226,413
3	OSDAI Tax	6.20%	\$ 138,038
4	Health Insurance	1.45%	\$ 32,283
5	Total FICA Tax		<u>\$ 170,321</u>
6	<u>FUTA Tax</u>		
7	Number of Employees	(b)	59
8	Taxable Wages Line 4 x \$7,000		\$ 413,000
9	O & M Taxable Wages	(a) 68.40%	\$ 282,492
10	Total Federal Unemployment Tax	(c) 0.60%	<u>\$ 1,695</u>
11	<u>SUTA Tax</u>		
12	Number of Employees	(b)	59
13	Taxable Wages Line 4 x \$9,500		\$ 560,500
14	O & M Taxable Wages (c)	(a) 68.40%	\$ 383,382
15	Total State Unemployment Tax	(c) 6.60%	<u>\$ 25,303</u>
16	<u>Total Payroll Tax Summary</u>		
17	Total Payroll Tax		197,319
18	Test Year Expense	(d)	<u>215,946</u>
19	Total Payroll Tax Adjustment		<u>(18,627)</u>

- (a) Staff SCH C-3.12a
(b) Derived from Staff Data Request 14, 15, 38, and 62 (57 full time, 2 part time)
(c) Staff Data Request 51
(d) Applicant C-9

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
SOCIAL AND SERVICE CLUB DUES
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.13
Page 1 of 2

Work Paper Reference No(s): WPC3-.13

LINE NO. (A)	ACCT NO. (B)	SOCIAL ORGANIZATION / SERVICE CLUB (C)	UNADJUSTED TOTAL COMPANY (D)	UNADJUSTED JURISDICTIONAL (E)	ADJUSTMENTS (F)	ADJUSTED TOTAL (G)
TOTAL OHIO						
1	9210334	American Gas Association	\$ 13,564	\$ 13,564	\$ (1,937)	\$ 11,627
2	9210334	S&P Global	3,531	3,531	-	3,531
3	9210334	IEBT	276	276	-	276
4	9210334	Ohio Chamber of Commerce	400	400	(260)	140
5	9210334	Other	3,298	3,298	-	3,298
6			<u>\$ 21,069</u>	<u>\$ 21,069</u>	<u>\$ (2,197)</u>	<u>\$ 18,872</u>
NEO						
7	9210334	American Gas Association	\$ 8,604	\$ 8,604	\$ (1,229)	\$ 7,375
8	9210334	S&P Global	2,401	2,401	-	2,401
9	9210334	IEBT	69	69	-	69
10	9210334	Ohio Chamber of Commerce	400	400	(260)	140
11	9210334	Other	2,176	2,176	-	2,176
12			<u>\$ 13,650</u>	<u>\$ 13,650</u>	<u>\$ (1,489)</u>	<u>\$ 12,161</u>
ONG						
13	9210334	American Gas Association	\$ 4,859	\$ 4,859	\$ (694)	\$ 4,165
14	9210334	S&P Global	1,095	1,095	-	1,095
15	9210334	IEBT	69	69	-	69
16	9210334	Ohio Chamber of Commerce	-	-	-	-
17	9210334	Other	1,122	1,122	-	1,122
18			<u>\$ 7,145</u>	<u>\$ 7,145</u>	<u>\$ (694)</u>	<u>\$ 6,451</u>
BRAINARD						
19	9210334	American Gas Association	\$ 101	\$ 101	\$ (14)	\$ 87
20	9210334	S&P Global	35	35	-	35
21	9210334	IEBT	69	69	-	69
22	9210334	Ohio Chamber of Commerce	-	-	-	-
23	9210334	Other	-	-	-	-
24			<u>\$ 205</u>	<u>\$ 205</u>	<u>\$ (14)</u>	<u>\$ 191</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
SOCIAL AND SERVICE CLUB DUES
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.13
Page 2 of 2

Work Paper Reference No(s): WPC3-.13

LINE NO. (A)	ACCT NO. (B)	SOCIAL ORGANIZATION / SERVICE CLUB (C)	UNADJUSTED TOTAL COMPANY (D)	UNADJUSTED JURISDICTIONAL (E)	ADJUSTMENTS (F)	ADJUSTED TOTAL (G)
		SPELMAN				
25	9210334	American Gas Association	\$ -	\$ -	\$ -	\$ -
26	9210334	S&P Global	-	-	-	-
27	9210334	IEBT	69	69		69
28	9210334	Ohio Chamber of Commerce	-	-		-
29	9210334	Other	-	-	-	-
30			<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 69</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENTS TO VARIOUS EXPENSE ITEMS
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.14
Page 1 of 1

Work Paper Reference No(s): Staff WPC3.14

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)					AMOUNT (C)
1	To adjust various expenses by removing or annualizing the test year expense					
2						
3	<u>FERC Account</u>					Total
4	Operating Expenses - Distribution:	NEO	Orwell	Brainard	Spelman	Ohio
5	881 ROW		\$ (1,500)			\$ (1,500)
6	870 Operation Supervision & Engineering	\$ (3,859)				\$ (3,859)
7	Total Operating Expenses - Distribution	\$ (3,859)	\$ (1,500)	\$ -	\$ -	\$ (5,359)
8	Operating Expenses - Administrative & General:					
9	921 General office	\$ (4,976)	\$ (1,375)			\$ (6,351)
10	923 Outside Services Employed	\$ (4,280)	\$ (593)			\$ (4,873)
11	Total Operating Expenses - Administrative & General	\$ (9,256)	\$ (1,968)	\$ -	\$ -	\$ (11,224)
12						
13	Total Operating Expense Adjustments (Line 7 + Line 11)	<u>\$ (13,114)</u>	<u>\$ (3,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,582)</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTMENT TO FEDERAL INCOME TAX
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-3.15
Page 1 of 1

Work Paper Reference No(s): C-4

LINE NO. (A)	PURPOSE AND DESCRIPTION (B)	Reference	AMOUNT (C)
1	Adjustment to federal income tax		
2	True-Up to Previous Period Tax Returns, etc.	C-4 Line 30	\$ 324,987
3			
4	Interest Charges	21% * (C-4 Line 6)	76,284
5			
6	Other Non-deductible Expenses	21% (C-4 Line 7)	(1,718)
7			
8	Less: Total Deferred Taxes	C-4 Line 29	<u>267,068</u>
9			
10	Adjustment to Current Period Tax Expense	Lines (2 + 4 + 6 - 8)	<u>\$ 132,485</u>
11			↓
12			To Schedule C-3
13			
14			
15	Adjustment to Deferred Tax Expense	C-4 Line 29	<u>\$ 267,068</u>
			↓
			To Schedule C-3

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
ADJUSTED JURISDICTIONAL FEDERAL INCOME TAXES
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-4
Page 1 of 1

Work Paper Reference No(s): Schedule C-4.1

LINE NO. (A)	DESCRIPTION (B)	REF. (C)	AT CURRENT RATES		
			JURISDICTIONAL C-4.1 (D)	ADJUSTMENTS C-3 (E)	ADJUSTED (F)
1	Operating Income	C-2	\$ 1,822,352	\$ 1,361,193	\$ 3,183,545
2	Amortization of Excess Deferred Income Tax		-	0	-
3	Federal Income Tax	C-2	(226,230)	867,597	641,367
4	Operating Income Before FIT (1 + 2 +3)		1,596,122	2,228,790	3,824,912
5	<u>Reconciling Items:</u>				
6	Interest Charges	C-4.1	(1,134,027)	363,255	(770,772)
7	Other Non-deductible Expenses	C-4.1	8,180	(8,180)	-
8	Tax Depreciation	C-4.1	(3,624,551)	-	(3,624,551)
9	Book Depreciation	C-4.1	2,902,140	(1,179,849)	1,722,291
10	Excess Tax Over Book Depreciation (8 + 9)		(722,411)	(1,179,849)	(1,902,260)
11	<u>Other Reconciling Items:</u>				
12	Bad Debts	C-4.1	(240,084)	-	(240,084)
13	Deferred Gas Costs	C-4.1	1,647,773	-	1,647,773
14	Property Tax	C-4.1	(291,858)	-	(291,858)
15	Deferred Rent Amortization	C-4.1	91,906	(91,906)	-
16	Amortization	C-4.1	(84,536)	-	(84,536)
17	Gain on Asset Disposal	C-4.1	-	-	-
18	Accrued Royalties	C-4.1	76	-	76
19	Contributions in Aid of Construction	C-4.1	744,530	-	744,530
20	Asset Retirement Obligations	C-4.1	175,284	-	175,284
21	Rate Case Costs	C-4.1	(362,964)	-	(362,964)
22	Total Other Reconciling Items (12) Thru (21)		1,680,127	(91,906)	1,588,221
23	Total Reconciling Items (6 + 7 + 10 + 22)		(168,131)	(916,680)	(1,084,811)
24	Federal Taxable Income (4 + 23)		1,427,991	1,312,110	2,740,101
25	Federal Income Taxes - Current (24 x 21% Tax Rate)		299,878	275,543	575,421
26	<u>Deferred Income Taxes:</u>				
27	Excess Tax over Book (10 x 21% Tax Rate)		151,706	247,768	399,474
28	Other Reconciling Items (22 x 21% Tax Rate)		(352,827)	19,300	(333,527)
29	Total Deferred Taxes (27 + 28)		(201,121)	267,068	65,947
30	True-up to Previous Period Tax Returns, etc.	C-2	(324,987)	324,987	-
31	Amortization of Excess Deferred Income Tax		-	-	-
32	Total Federal Income Taxes (25 + 29 + 30 + 31)		<u>\$ (226,230)</u>	<u>\$ 867,598</u>	<u>\$ 641,368</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
DEVELOPMENT OF JURISDICTIONAL FEDERAL INCOME TAXES BEFORE ADJUSTMENTS
FOR THE 12 MONTHS ENDED JUNE 30, 2019

Schedule C-4.1
Page 1 of 1

Work Paper Reference No(s): Company WPC4.1a through WPC4.1d

LINE NO. (A)	DESCRIPTION (B)	TOTAL OHIO (C)	UNADJUSTED JURISDICTIONAL			
			WPC4.1a NEO (D)	WPC4.1b ORWELL (E)	WPC4.1c BRAINARD (F)	WPC4.1d SPELMAN (G)
1	Operating Income	\$ 1,822,352	\$ 1,218,141	\$ 777,766	\$ 33,510	\$ (207,065)
2	Amortization of Excess Deferred Income Tax	-	-	-	-	-
3	Federal Income Tax	(226,230)	147,515	(112,728)	9,692	(270,709)
4	Operating Income Before FIT (1 + 2 + 3)	1,596,122	1,365,656	665,038	43,202	(477,774)
5	<u>Reconciling Items:</u>					
6	Interest Charges	(1,134,027)	(635,178)	(443,720)	(6,038)	(49,091)
7	Other Non-deductible Expenses	8,180	6,450	1,730	-	-
8	Tax Depreciation	(3,624,551)	(2,097,137)	(1,318,629)	(41,063)	(167,722)
9	Book Depreciation	2,902,140	1,676,794	1,057,306	32,896	135,144
10	Excess Tax Over Book Depreciation (8 + 9)	(722,411)	(420,343)	(261,323)	(8,167)	(32,578)
11	<u>Other Reconciling Items:</u>					
12	Bad Debts	(240,084)	(154,512)	(85,572)	-	-
13	Deferred Gas Costs	1,647,773	690,109	951,373	6,291	-
14	Property Tax	(291,858)	(109,769)	(126,097)	552	(56,544)
15	Deferred Rent Amortization	91,906	53,012	35,095	983	2,816
16	Amortization	(84,536)	(93,280)	8,504	240	-
17	Gain on Asset Disposal	-	-	-	-	-
18	Accrued Royalties	76	76	-	-	-
19	Contributions in Aid of Construction	744,530	667,524	79,364	(2,358)	-
20	Asset Retirement Obligations	175,284	-	171,044	4,240	-
21	Rate Case Costs	(362,964)	(278,968)	(83,996)	-	-
22	Total Other Reconciling Items (12) Thru (21)	1,680,127	774,192	949,715	9,948	(53,728)
23	Total Reconciling Items (6 + 7 + 10 + 22)	(168,131)	(274,879)	246,402	(4,257)	(135,397)
24	Federal Taxable Income (4 + 23)	1,427,991	1,090,777	911,440	38,945	(613,171)
25	Federal Income Taxes - Current (24 x 21% Tax Rate)	299,877	229,063	191,402	8,178	(128,766)
26	Provision for Deferred Federal Income Taxes:					
27	Excess Tax Over Book Depreciation	151,706	88,272	54,878	1,715	6,841
28	Bad Debts	50,420	32,449	17,971	-	-
29	Deferred Gas Costs	(346,032)	(144,923)	(199,788)	(1,321)	-
30	Property Tax	61,289	23,051	26,480	(116)	11,874
31	Deferred Rent Amortization - SAP	(19,300)	(11,133)	(7,370)	(206)	(591)
32	Amortization	17,753	19,589	(1,786)	(50)	-
33	Gain on Asset Disposal	-	-	-	-	-
34	Accrued Royalties	(16)	(16)	-	-	-
35	Contributions in Aid of Construction	(156,351)	(140,180)	(16,666)	495	-
36	Asset Retirement Obligations	(36,811)	-	(35,919)	(892)	-
37	Rate Case Costs	76,222	58,583	17,639	-	-
38	Provision for Deferred Federal Income Taxes	(201,120)	(74,308)	(144,561)	(375)	18,124
39	True-up to Previous Period Tax Returns, etc.	(324,987)	(7,240)	(159,569)	1,889	(160,067)
40	Amortization of Excess Deferred Income Tax	-	-	-	-	-
41	Total Federal Income Tax Expense (25 + 38 + 39 + 40)	<u>\$ (226,230)</u>	<u>\$ 147,515</u>	<u>\$ (112,728)</u>	<u>\$ 9,692</u>	<u>\$ (270,709)</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
RATE OF RETURN SUMMARY
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule D-1
Page 1 of 1

Work Paper Reference No(s): WPD.1

LINE NO. (A)	CLASS OF CAPITAL (B)	REFERENCE (C)	(\$) AMOUNT (D)	% OF TOTAL (D)	% COST (D)	WEIGHTED COST % (F)
1	<u>NORTHEAST OHIO NATURAL GAS CORP. STAND-ALONE</u>					
2	Long-Term Debt	D-3	\$ 19,743,460	35.53%	4.72%	1.68%
3	Preferred Stock	D-4	-	-	-	-
4	Common Equity	D-1.1	35,831,416	64.47%	9.5% - 10.5%	6.13% - 6.77%
5	Total Capital		<u>\$ 55,574,876</u>	<u>100%</u>		<u>7.80% - 8.45%</u>

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
COMMON EQUITY
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule D-1.1

Page 1 of 1

Work Paper Reference No(s): WPB-BS FERC

LINE NO. (A)	CLASS OF CAPITAL (B)	REFERENCE (C)	COMMON STOCK (\$) AMOUNT (D)	PAID-IN CAPITAL (\$) AMOUNT (E)	RETAINED EARNINGS (\$) AMOUNT (F)	OTHER MISC COMMON EQUITY (\$) AMOUNT (G)	INTERCOMPANY ELIMINATIONS (\$) AMOUNT (H)	TOTAL COMMON EQUITY (\$) AMOUNT (I)
1	Northeast Ohio Natural Gas Corp.		\$ 468,667	\$ 40,782,690	\$ (5,419,941)	\$ -	\$ -	\$ 35,831,416
2	Parent-Consolidated		\$ 1,577,959	\$ 64,102,331	\$ 25,453,973	\$ -	\$ -	\$ 91,134,263

**NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
EMBEDDED COST OF SHORT TERM DEBT
AS OF DATE CERTAIN, SEPTEMBER 30, 2018**

Schedule D-2

Page 1 of 1

Work Paper Reference No(s): WPB-BS FERC

LINE NO. (A)	ISSUE (B)	WEIGHTED AVERAGE INTEREST RATE (C)	TOTAL REVOLVER OUTSTANDING (D)	ANNUAL INTEREST COST * (E)
1	<u>NORTHEAST OHIO NATURAL GAS CORP. STAND-ALONE</u>			
2	ST LOC Payable to Hearthstone Utilities Inc, Parent Company	4.47%	\$ 3,350,000	\$ 172,905
3	Embedded Cost of Short-Term Debt			<u>5.16%</u>
4	<u>PARENT-CONSOLIDATED</u>			
5	ST LOC Payable to Bank of America	4.34%	\$ 9,950,000	\$ 533,551
6	Embedded Cost of Short-Term Debt			<u>5.36%</u>
7	*Includes annualized interest at the current weighted average rate plus amortization of debt issue costs.			

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
EMBEDDED COST OF LONG TERM DEBT
AS OF DATE CERTAIN, SEPTEMBER 30, 2018

Schedule D-3

Page 1 of 1

Work Paper Reference No(s): WPB-BS FERC

LINE NO. (A)	DEBT ISSUE TYPE (B)	COUPON RATE (C)	DATE ISSUED (D)	MATURITY DATE (E)	PRINCIPAL AMOUNT (F)	FACE AMOUNT OUTSTANDING (G)	UNAMORT. DEBT EXPENSE (H)	UNAMORTIZED (LOSS) ON REACQUIRED DEBT (I)	CARRYING VALUE (J=G+H+I) (J)	ANNUAL INTEREST COST * (K)
1	<u>NORTHEAST OHIO NATURAL GAS CORP. STAND-ALONE</u>									
2	LT Note Payable to Hearthstone Utilities Inc, Parent Company	4.23%	10/19/2016	10/19/2028	\$ 20,421,000	\$ 20,421,000	\$ 186,822	\$ 490,718	\$ 19,743,460	\$ 931,560
3	Embedded Cost of Long-Term Debt (K / J)									<u>4.72%</u>
4	<u>PARENT-CONSOLIDATED</u>									
5	LT Note Payable to Bank of America	4.23%	10/19/2016	10/19/2028	\$ 50,000,000	\$ 50,000,000	\$ 530,792	\$ 806,098	\$ 48,663,110	\$ 2,256,042
6	Embedded Cost of Long-Term Debt (K / J)									<u>4.64%</u>

* Annualized interest cost plus amortization of debt issue costs plus amortization of loss on reacquired debt.

**NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
EMBEDDED COST OF PREFERRED STOCK
AS OF DATE CERTAIN, SEPTEMBER 30, 2018**

Schedule D-4

Page 1 of 1

Work Paper Reference No(s): N/A

Line No.	Type
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NONE

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
NORTHEAST OHIO AREA

Schedule E-5
Page 1 of 13

LINE NO.	RATE CODE	LEVEL OF USAGE	BILL DATA							
			CURRENT BILL	PROPOSED BILL	DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY **	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE
			(B)	(C)	(D=C-B)	(E=D/B)	(F)	(G=B+F)	(H=C+F)	(I=(H-G)/G)
		(A)	(\$)	(\$)	(\$)	(%)	\$4.76110 (\$)	(\$)	(\$)	(%)
1	SMALL GENERAL SERVICE									
2	36-SGS-NEO	0 \$	6.61 \$	21.00 \$	14.38 \$	217.53%	- \$	6.61 \$	21.00	217.53%
3	36-SGS-NEO	1 \$	9.42 \$	22.46 \$	13.04 \$	138.49%	5.00 \$	14.42 \$	27.46	90.48%
4	36-SGS-NEO	2 \$	12.22 \$	23.93 \$	11.70 \$	95.74%	10.00 \$	22.22 \$	33.92	52.67%
5	36-SGS-NEO	3 \$	15.03 \$	25.39 \$	10.36 \$	68.95%	14.99 \$	30.02 \$	40.39	34.52%
6	36-SGS-NEO	4 \$	17.84 \$	26.86 \$	9.02 \$	50.59%	19.99 \$	37.83 \$	46.85	23.86%
7	36-SGS-NEO	5 \$	20.64 \$	28.33 \$	7.68 \$	37.22%	24.99 \$	45.63 \$	53.31	16.84%
8	36-SGS-NEO	6 \$	23.45 \$	29.79 \$	6.34 \$	27.05%	29.99 \$	53.43 \$	59.78	11.87%
9	36-SGS-NEO	7 \$	26.25 \$	31.26 \$	5.00 \$	19.06%	34.98 \$	61.24 \$	66.24	8.17%
10	36-SGS-NEO	8 \$	29.06 \$	32.72 \$	3.66 \$	12.60%	39.98 \$	69.04 \$	72.70	5.31%
11	36-SGS-NEO	9 \$	31.87 \$	34.19 \$	2.32 \$	7.29%	44.98 \$	76.84 \$	79.17	3.02%
12	36-SGS-NEO	10 \$	34.67 \$	35.65 \$	0.98 \$	2.83%	49.98 \$	84.65 \$	85.63	1.16%
13	36-SGS-NEO	15 \$	48.70 \$	42.98 \$	(5.72)	-11.74%	74.96 \$	123.66 \$	117.95	-4.62%
14	36-SGS-NEO	20 \$	62.73 \$	50.31 \$	(12.42)	-19.80%	99.95 \$	162.68 \$	150.26	-7.63%
15	36-SGS-NEO	25 \$	76.76 \$	57.64 \$	(19.12)	-24.91%	124.94 \$	201.70 \$	182.58	-9.48%
16	36-SGS-NEO	30 \$	90.79 \$	64.97 \$	(25.82)	-28.44%	149.93 \$	240.72 \$	214.89	-10.73%
17	36-SGS-NEO	35 \$	104.82 \$	72.30 \$	(32.52)	-31.03%	174.91 \$	279.73 \$	247.21	-11.63%
18	36-SGS-NEO	40 \$	118.85 \$	79.63 \$	(39.23)	-33.00%	199.90 \$	318.75 \$	279.53	-12.31%
19	36-SGS-NEO	45 \$	132.88 \$	86.95 \$	(45.93)	-34.56%	224.89 \$	357.77 \$	311.84	-12.84%
20	36-SGS-NEO	50 \$	146.91 \$	94.28 \$	(52.63)	-35.82%	249.88 \$	396.78 \$	344.16	-13.26%

21 ** Expected Gas Cost Rate equals \$4.7611 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
NORTHEAST OHIO AREA

Schedule E-5
Page 2 of 13

LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY ** \$4.76110	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)			
1	GENERAL SERVICE										
2	37-GS-NEO	0	\$ 18.37	\$ 104.99	\$ 86.62	471.55%	\$ -	\$ 18.37	\$ 104.99	471.55%	
3	37-GS-NEO	25	\$ 86.68	\$ 142.19	\$ 55.51	64.04%	\$ 124.94	\$ 211.62	\$ 267.12	26.23%	
4	37-GS-NEO	50	\$ 154.99	\$ 179.39	\$ 24.39	15.74%	\$ 249.88	\$ 404.87	\$ 429.26	6.03%	
5	37-GS-NEO	75	\$ 223.30	\$ 216.59	\$ (6.72)	-3.01%	\$ 374.81	\$ 598.12	\$ 591.40	-1.12%	
6	37-GS-NEO	100	\$ 291.61	\$ 253.78	\$ (37.83)	-12.97%	\$ 499.75	\$ 791.36	\$ 753.54	-4.78%	
7	37-GS-NEO	150	\$ 424.48	\$ 328.18	\$ (96.30)	-22.69%	\$ 749.63	\$ 1,174.11	\$ 1,077.81	-8.20%	
8	37-GS-NEO	200	\$ 557.34	\$ 402.58	\$ (154.76)	-27.77%	\$ 999.50	\$ 1,556.85	\$ 1,402.08	-9.94%	
9	37-GS-NEO	250	\$ 690.21	\$ 476.98	\$ (213.23)	-30.89%	\$ 1,249.38	\$ 1,939.59	\$ 1,726.36	-10.99%	
10	37-GS-NEO	300	\$ 823.07	\$ 551.38	\$ (271.69)	-33.01%	\$ 1,499.25	\$ 2,322.33	\$ 2,050.63	-11.70%	
11	37-GS-NEO	350	\$ 955.94	\$ 625.78	\$ (330.16)	-34.54%	\$ 1,749.13	\$ 2,705.07	\$ 2,374.91	-12.21%	
12	37-GS-NEO	400	\$ 1,088.81	\$ 700.18	\$ (388.63)	-35.69%	\$ 1,999.00	\$ 3,087.81	\$ 2,699.18	-12.59%	
13	37-GS-NEO	450	\$ 1,221.67	\$ 774.58	\$ (447.09)	-36.60%	\$ 2,248.88	\$ 3,470.55	\$ 3,023.45	-12.88%	
14	37-GS-NEO	500	\$ 1,354.54	\$ 848.98	\$ (505.56)	-37.32%	\$ 2,498.75	\$ 3,853.29	\$ 3,347.73	-13.12%	
15	37-GS-NEO	600	\$ 1,576.18	\$ 997.77	\$ (578.41)	-36.70%	\$ 2,998.50	\$ 4,574.68	\$ 3,996.28	-12.64%	
16	37-GS-NEO	700	\$ 1,797.82	\$ 1,146.57	\$ (651.25)	-36.22%	\$ 3,498.25	\$ 5,296.08	\$ 4,644.82	-12.30%	
17	37-GS-NEO	800	\$ 2,019.47	\$ 1,295.37	\$ (724.10)	-35.86%	\$ 3,998.00	\$ 6,017.47	\$ 5,293.37	-12.03%	
18	37-GS-NEO	900	\$ 2,241.11	\$ 1,444.17	\$ (796.95)	-35.56%	\$ 4,497.75	\$ 6,738.87	\$ 5,941.92	-11.83%	
19	37-GS-NEO	1000	\$ 2,462.76	\$ 1,592.97	\$ (869.79)	-35.32%	\$ 4,997.50	\$ 7,460.26	\$ 6,590.47	-11.66%	
20	37-GS-NEO	2000	\$ 4,679.21	\$ 3,080.95	\$ (1,598.26)	-34.16%	\$ 9,995.01	\$ 14,674.21	\$ 13,075.95	-10.89%	
21	37-GS-NEO	3000	\$ 6,846.74	\$ 4,568.92	\$ (2,277.81)	-33.27%	\$ 14,992.51	\$ 21,839.25	\$ 19,561.43	-10.43%	
22	37-GS-NEO	4000	\$ 9,014.27	\$ 6,056.90	\$ (2,957.37)	-32.81%	\$ 19,990.01	\$ 29,004.28	\$ 26,046.92	-10.20%	
23	37-GS-NEO	5000	\$ 11,181.81	\$ 7,544.88	\$ (3,636.92)	-32.53%	\$ 24,987.51	\$ 36,169.32	\$ 32,532.40	-10.06%	

24 ** Expected Gas Cost Rate equals \$4.7611 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
NORTHEAST OHIO AREA

Schedule E-5
Page 3 of 13

LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA					
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY **	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE
					(D=C-B)	(E=D/B)	\$4.76110 (F)	(G=B+F)	(H=C+F)	(I=(H-G)/G)
		(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)
1	LARGE GENERAL SERVICE									
2	38-LGS-NEO	0 \$	55.11 \$	314.96 \$	259.85 \$	471.55%	- \$	55.11 \$	314.96 \$	471.55%
3	38-LGS-NEO	25 \$	86.16 \$	338.70 \$	252.55 \$	293.13%	124.94 \$	211.09 \$	463.64 \$	119.64%
4	38-LGS-NEO	50 \$	117.20 \$	362.45 \$	245.24 \$	209.24%	249.88 \$	367.08 \$	612.32 \$	66.81%
5	38-LGS-NEO	100 \$	168.81 \$	401.12 \$	232.31 \$	137.62%	499.75 \$	668.56 \$	900.87 \$	34.75%
6	38-LGS-NEO	200 \$	264.49 \$	478.46 \$	213.97 \$	80.90%	999.50 \$	1,263.99 \$	1,477.96 \$	16.93%
7	38-LGS-NEO	300 \$	360.18 \$	555.80 \$	195.62 \$	54.31%	1,499.25 \$	1,859.43 \$	2,055.05 \$	10.52%
8	38-LGS-NEO	400 \$	455.86 \$	633.14 \$	177.27 \$	38.89%	1,999.00 \$	2,454.87 \$	2,632.14 \$	7.22%
9	38-LGS-NEO	500 \$	551.55 \$	710.48 \$	158.92 \$	28.81%	2,498.75 \$	3,050.30 \$	3,209.23 \$	5.21%
10	38-LGS-NEO	600 \$	647.24 \$	787.81 \$	140.58 \$	21.72%	2,998.50 \$	3,645.74 \$	3,786.32 \$	3.86%
11	38-LGS-NEO	700 \$	742.92 \$	865.15 \$	122.23 \$	16.45%	3,498.25 \$	4,241.18 \$	4,363.41 \$	2.88%
12	38-LGS-NEO	800 \$	838.61 \$	942.49 \$	103.88 \$	12.39%	3,998.00 \$	4,836.61 \$	4,940.50 \$	2.15%
13	38-LGS-NEO	900 \$	934.30 \$	1,019.83 \$	85.54 \$	9.16%	4,497.75 \$	5,432.05 \$	5,517.59 \$	1.57%
14	38-LGS-NEO	1000 \$	1,029.98 \$	1,097.17 \$	67.19 \$	6.52%	4,997.50 \$	6,027.49 \$	6,094.68 \$	1.11%
15	38-LGS-NEO	2000 \$	1,986.85 \$	1,870.57 \$	(116.28) \$	-5.85%	9,995.01 \$	11,981.85 \$	11,865.57 \$	-0.97%
16	38-LGS-NEO	2500 \$	3,983.81 \$	3,553.00 \$	(430.82) \$	-10.81%	12,493.76 \$	16,477.57 \$	16,046.75 \$	-2.61%
17	38-LGS-NEO	5000 \$	7,303.34 \$	6,367.95 \$	(935.39) \$	-12.81%	24,987.51 \$	32,290.85 \$	31,355.46 \$	-2.90%
18	38-LGS-NEO	7500 \$	10,622.87 \$	9,182.90 \$	(1,439.97) \$	-13.56%	37,481.27 \$	48,104.14 \$	46,664.17 \$	-2.99%

19 ** Expected Gas Cost Rate equals \$4.7611 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
NORTHEAST OHIO AREA

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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$0.00000	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
								(G=B+F)	(H=C+F)		
		(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)		(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)
1	GENERAL TRANSPORTATION SERVICE										
2	63-GTS-NEO	0	\$ 18.37	\$ 104.99	\$ 86.62	471.55%	\$ -	\$ 18.37	\$ 104.99	471.55%	
3	63-GTS-NEO	25	\$ 86.05	\$ 140.92	\$ 54.87	63.76%	\$ -	\$ 86.05	\$ 140.92	63.76%	
4	63-GTS-NEO	50	\$ 153.74	\$ 176.86	\$ 23.12	15.04%	\$ -	\$ 153.74	\$ 176.86	15.04%	
5	63-GTS-NEO	75	\$ 221.42	\$ 212.79	\$ (8.63)	-3.90%	\$ -	\$ 221.42	\$ 212.79	-3.90%	
6	63-GTS-NEO	100	\$ 289.11	\$ 248.73	\$ (40.38)	-13.97%	\$ -	\$ 289.11	\$ 248.73	-13.97%	
7	63-GTS-NEO	150	\$ 420.72	\$ 320.60	\$ (100.12)	-23.80%	\$ -	\$ 420.72	\$ 320.60	-23.80%	
8	63-GTS-NEO	200	\$ 552.33	\$ 392.47	\$ (159.85)	-28.94%	\$ -	\$ 552.33	\$ 392.47	-28.94%	
9	63-GTS-NEO	250	\$ 683.94	\$ 464.34	\$ (219.59)	-32.11%	\$ -	\$ 683.94	\$ 464.34	-32.11%	
10	63-GTS-NEO	300	\$ 815.55	\$ 536.22	\$ (279.33)	-34.25%	\$ -	\$ 815.55	\$ 536.22	-34.25%	
11	63-GTS-NEO	350	\$ 947.16	\$ 608.09	\$ (339.07)	-35.80%	\$ -	\$ 947.16	\$ 608.09	-35.80%	
12	63-GTS-NEO	400	\$ 1,078.77	\$ 679.96	\$ (398.81)	-36.97%	\$ -	\$ 1,078.77	\$ 679.96	-36.97%	
13	63-GTS-NEO	450	\$ 1,210.38	\$ 751.83	\$ (458.55)	-37.88%	\$ -	\$ 1,210.38	\$ 751.83	-37.88%	
14	63-GTS-NEO	500	\$ 1,341.99	\$ 823.70	\$ (518.29)	-38.62%	\$ -	\$ 1,341.99	\$ 823.70	-38.62%	
15	63-GTS-NEO	600	\$ 1,561.13	\$ 967.44	\$ (593.68)	-38.03%	\$ -	\$ 1,561.13	\$ 967.44	-38.03%	
16	63-GTS-NEO	700	\$ 1,780.26	\$ 1,111.19	\$ (669.08)	-37.58%	\$ -	\$ 1,780.26	\$ 1,111.19	-37.58%	
17	63-GTS-NEO	800	\$ 1,999.40	\$ 1,254.93	\$ (744.47)	-37.23%	\$ -	\$ 1,999.40	\$ 1,254.93	-37.23%	
18	63-GTS-NEO	900	\$ 2,218.54	\$ 1,398.67	\$ (819.86)	-36.96%	\$ -	\$ 2,218.54	\$ 1,398.67	-36.96%	
19	63-GTS-NEO	1000	\$ 2,437.67	\$ 1,542.42	\$ (895.26)	-36.73%	\$ -	\$ 2,437.67	\$ 1,542.42	-36.73%	

NORTHEAST OHIO NATURAL GAS CORP.
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TYPICAL BILL COMPARISON
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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA					
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE
					(D=C-B)	(E=D/B)	\$0.00000	(G=B+F)	(H=C+F)	(I=(H-G)/G)
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		(MCF)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)
1	LARGE GENERAL TRANSPORTATION SERVICE									
2	64-LGTS-NEO	-	\$ 55.11	\$ 314.96	\$ 259.85	471.55%	\$ -	\$ 55.11	\$ 314.96	471.55%
3	64-LGTS-NEO	25	\$ 85.53	\$ 332.42	\$ 246.89	288.66%	\$ -	\$ 85.53	\$ 332.42	288.66%
4	64-LGTS-NEO	50	\$ 115.95	\$ 349.87	\$ 233.92	201.74%	\$ -	\$ 115.95	\$ 349.87	201.74%
5	64-LGTS-NEO	100	\$ 166.30	\$ 378.23	\$ 211.93	127.44%	\$ -	\$ 166.30	\$ 378.23	127.44%
6	64-LGTS-NEO	500	\$ 539.01	\$ 605.12	\$ 66.11	12.27%	\$ -	\$ 539.01	\$ 605.12	12.27%
7	64-LGTS-NEO	750	\$ 771.95	\$ 746.92	\$ (25.03)	-3.24%	\$ -	\$ 771.95	\$ 746.92	-3.24%
8	64-LGTS-NEO	1,000	\$ 1,004.90	\$ 888.73	\$ (116.17)	-11.56%	\$ -	\$ 1,004.90	\$ 888.73	-11.56%
9	64-LGTS-NEO	1,250	\$ 1,237.84	\$ 1,030.53	\$ (207.31)	-16.75%	\$ -	\$ 1,237.84	\$ 1,030.53	-16.75%
10	64-LGTS-NEO	1,500	\$ 1,470.78	\$ 1,172.33	\$ (298.45)	-20.29%	\$ -	\$ 1,470.78	\$ 1,172.33	-20.29%
11	64-LGTS-NEO	2,000	\$ 1,936.67	\$ 1,455.94	\$ (480.73)	-24.82%	\$ -	\$ 1,936.67	\$ 1,455.94	-24.82%
12	64-LGTS-NEO	2,500	\$ 2,378.10	\$ 1,739.55	\$ (638.55)	-26.85%	\$ -	\$ 2,378.10	\$ 1,739.55	-26.85%
13	64-LGTS-NEO	3,000	\$ 2,714.57	\$ 1,957.65	\$ (756.92)	-27.88%	\$ -	\$ 2,714.57	\$ 1,957.65	-27.88%
14	64-LGTS-NEO	4,000	\$ 3,387.50	\$ 2,393.85	\$ (993.65)	-29.33%	\$ -	\$ 3,387.50	\$ 2,393.85	-29.33%
15	64-LGTS-NEO	5,000	\$ 4,060.44	\$ 2,830.05	\$ (1,230.38)	-30.30%	\$ -	\$ 4,060.44	\$ 2,830.05	-30.30%
16	64-LGTS-NEO	7,500	\$ 5,742.77	\$ 3,920.56	\$ (1,822.21)	-31.73%	\$ -	\$ 5,742.77	\$ 3,920.56	-31.73%
17	64-LGTS-NEO	10,000	\$ 7,422.49	\$ 4,996.10	\$ (2,426.39)	-32.69%	\$ -	\$ 7,422.49	\$ 4,996.10	-32.69%

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA							
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY ** \$5.20230	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE		
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)				
1	SMALL GENERAL SERVICE											
2	36-SGS-ORW	0	\$ 9.45	\$ 21.00	\$ 11.55	122.22%	\$ -	\$ 9.45	\$ 21.00	122.22%		
3	36-SGS-ORW	1	\$ 13.14	\$ 23.26	\$ 10.11	76.96%	\$ 5.46	\$ 18.60	\$ 28.72	54.36%		
4	36-SGS-ORW	2	\$ 16.83	\$ 25.51	\$ 8.68	51.55%	\$ 10.92	\$ 27.76	\$ 36.44	31.27%		
5	36-SGS-ORW	3	\$ 20.53	\$ 27.77	\$ 7.24	35.29%	\$ 16.39	\$ 36.91	\$ 44.16	19.62%		
6	36-SGS-ORW	4	\$ 24.22	\$ 30.03	\$ 5.81	23.98%	\$ 21.85	\$ 46.07	\$ 51.88	12.61%		
7	36-SGS-ORW	5	\$ 27.91	\$ 32.29	\$ 4.37	15.67%	\$ 27.31	\$ 55.22	\$ 59.60	7.92%		
8	36-SGS-ORW	6	\$ 31.61	\$ 34.55	\$ 2.94	9.30%	\$ 32.77	\$ 64.38	\$ 67.32	4.57%		
9	36-SGS-ORW	7	\$ 35.30	\$ 36.80	\$ 1.50	4.26%	\$ 38.23	\$ 73.53	\$ 75.04	2.05%		
10	36-SGS-ORW	8	\$ 38.99	\$ 39.06	\$ 0.07	0.18%	\$ 43.69	\$ 82.69	\$ 82.76	0.08%		
11	36-SGS-ORW	9	\$ 42.69	\$ 41.32	\$ (1.36)	-3.20%	\$ 49.16	\$ 91.84	\$ 90.48	-1.49%		
12	36-SGS-ORW	10	\$ 46.38	\$ 43.58	\$ (2.80)	-6.04%	\$ 54.62	\$ 101.00	\$ 98.20	-2.77%		
13	36-SGS-ORW	15	\$ 64.84	\$ 54.87	\$ (9.97)	-15.38%	\$ 81.93	\$ 146.77	\$ 136.80	-6.80%		
14	36-SGS-ORW	20	\$ 83.31	\$ 66.16	\$ (17.15)	-20.58%	\$ 109.23	\$ 192.54	\$ 175.40	-8.91%		
15	36-SGS-ORW	25	\$ 101.77	\$ 77.45	\$ (24.32)	-23.90%	\$ 136.54	\$ 238.32	\$ 214.00	-10.21%		
16	36-SGS-ORW	30	\$ 120.24	\$ 88.74	\$ (31.50)	-26.19%	\$ 163.85	\$ 284.09	\$ 252.60	-11.09%		
17	36-SGS-ORW	35	\$ 138.70	\$ 100.03	\$ (38.67)	-27.88%	\$ 191.16	\$ 329.87	\$ 291.20	-11.72%		
18	36-SGS-ORW	40	\$ 157.17	\$ 111.33	\$ (45.84)	-29.17%	\$ 218.47	\$ 375.64	\$ 329.80	-12.20%		
19	36-SGS-ORW	45	\$ 175.64	\$ 122.62	\$ (53.02)	-30.19%	\$ 245.78	\$ 421.41	\$ 368.39	-12.58%		
20	36-SGS-ORW	50	\$ 194.10	\$ 133.91	\$ (60.19)	-31.01%	\$ 273.09	\$ 467.19	\$ 406.99	-12.88%		

21 ** Expected Gas Cost Rate equals \$5.2023 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY ** \$5.20230	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
											(A) (MCF)
1	GENERAL SERVICE										
2	37-GS-ORW	0	\$ 52.49	\$ 104.99	\$ 52.49	100.00%	\$ -	\$ 52.49	\$ 104.99	100.00%	
3	37-GS-ORW	25	\$ 136.16	\$ 150.95	\$ 14.79	10.86%	\$ 136.54	\$ 272.70	\$ 287.49	5.42%	
4	37-GS-ORW	50	\$ 219.82	\$ 196.91	\$ (22.91)	-10.42%	\$ 273.09	\$ 492.91	\$ 470.00	-4.65%	
5	37-GS-ORW	75	\$ 303.49	\$ 242.87	\$ (60.61)	-19.97%	\$ 409.63	\$ 713.12	\$ 652.50	-8.50%	
6	37-GS-ORW	100	\$ 387.15	\$ 288.84	\$ (98.31)	-25.39%	\$ 546.17	\$ 933.32	\$ 835.01	-10.53%	
7	37-GS-ORW	150	\$ 554.48	\$ 380.76	\$ (173.72)	-31.33%	\$ 819.26	\$ 1,373.74	\$ 1,200.02	-12.65%	
8	37-GS-ORW	200	\$ 721.81	\$ 472.69	\$ (249.12)	-34.51%	\$ 1,092.35	\$ 1,814.16	\$ 1,565.03	-13.73%	
9	37-GS-ORW	250	\$ 889.14	\$ 564.61	\$ (324.53)	-36.50%	\$ 1,365.43	\$ 2,254.57	\$ 1,930.04	-14.39%	
10	37-GS-ORW	300	\$ 1,056.47	\$ 656.54	\$ (399.93)	-37.86%	\$ 1,638.52	\$ 2,694.99	\$ 2,295.06	-14.84%	
11	37-GS-ORW	350	\$ 1,223.79	\$ 748.46	\$ (475.33)	-38.84%	\$ 1,911.61	\$ 3,135.40	\$ 2,660.07	-15.16%	
12	37-GS-ORW	400	\$ 1,391.12	\$ 840.39	\$ (550.74)	-39.59%	\$ 2,184.69	\$ 3,575.82	\$ 3,025.08	-15.40%	
13	37-GS-ORW	450	\$ 1,558.45	\$ 932.31	\$ (626.14)	-40.18%	\$ 2,457.78	\$ 4,016.23	\$ 3,390.09	-15.59%	
14	37-GS-ORW	500	\$ 1,725.78	\$ 1,024.24	\$ (701.55)	-40.65%	\$ 2,730.87	\$ 4,456.65	\$ 3,755.10	-15.74%	
15	37-GS-ORW	600	\$ 2,007.94	\$ 1,208.09	\$ (799.86)	-39.83%	\$ 3,277.04	\$ 5,284.98	\$ 4,485.13	-15.13%	
16	37-GS-ORW	700	\$ 2,290.11	\$ 1,391.93	\$ (898.17)	-39.22%	\$ 3,823.21	\$ 6,113.32	\$ 5,215.15	-14.69%	
17	37-GS-ORW	800	\$ 2,572.27	\$ 1,575.78	\$ (996.49)	-38.74%	\$ 4,369.39	\$ 6,941.66	\$ 5,945.17	-14.36%	
18	37-GS-ORW	900	\$ 2,854.44	\$ 1,759.63	\$ (1,094.80)	-38.35%	\$ 4,915.56	\$ 7,770.00	\$ 6,675.19	-14.09%	
19	37-GS-ORW	1000	\$ 3,136.60	\$ 1,943.48	\$ (1,193.12)	-38.04%	\$ 5,461.73	\$ 8,598.33	\$ 7,405.22	-13.88%	
20	37-GS-ORW	2000	\$ 5,958.24	\$ 3,781.98	\$ (2,176.26)	-36.53%	\$ 10,923.47	\$ 16,881.70	\$ 14,705.45	-12.89%	
21	37-GS-ORW	3000	\$ 8,779.87	\$ 5,620.48	\$ (3,159.40)	-35.98%	\$ 16,385.20	\$ 25,165.07	\$ 22,005.68	-12.55%	
22	37-GS-ORW	4000	\$ 11,601.51	\$ 7,458.98	\$ (4,142.54)	-35.71%	\$ 21,846.93	\$ 33,448.45	\$ 29,305.91	-12.38%	
23	37-GS-ORW	5000	\$ 14,423.15	\$ 9,297.47	\$ (5,125.68)	-35.54%	\$ 27,308.67	\$ 41,731.82	\$ 36,606.14	-12.28%	

24 ** Expected Gas Cost Rate equals \$5.2023 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
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TYPICAL BILL COMPARISON
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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA							
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$5.20230	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE		
								(A) (MCF)	(B) (\$)		(C) (\$)	(D=C-B) (\$)
1	LARGE GENERAL SERVICE											
2	38-LGS-ORW	-	\$ 104.99	\$ 314.96	\$ 209.97	200.00%	\$ -	\$ 104.99	\$ 314.96	200.00%		
3	38-LGS-ORW	25	\$ 175.53	\$ 369.99	\$ 194.46	110.79%	\$ 136.54	\$ 312.07	\$ 506.54	62.31%		
4	38-LGS-ORW	50	\$ 246.07	\$ 425.03	\$ 178.96	72.73%	\$ 273.09	\$ 519.16	\$ 698.11	34.47%		
5	38-LGS-ORW	100	\$ 387.15	\$ 535.09	\$ 147.94	38.21%	\$ 546.17	\$ 933.32	\$ 1,081.26	15.85%		
6	38-LGS-ORW	500	\$ 1,305.83	\$ 1,255.31	\$ (50.52)	-3.87%	\$ 2,730.87	\$ 4,036.70	\$ 3,986.18	-1.25%		
7	38-LGS-ORW	750	\$ 1,880.01	\$ 1,705.45	\$ (174.56)	-9.29%	\$ 4,096.30	\$ 5,976.31	\$ 5,801.75	-2.92%		
8	38-LGS-ORW	1,000	\$ 2,454.18	\$ 2,155.58	\$ (298.60)	-12.17%	\$ 5,461.73	\$ 7,915.92	\$ 7,617.32	-3.77%		
9	38-LGS-ORW	1,250	\$ 3,028.36	\$ 2,605.72	\$ (422.64)	-13.96%	\$ 6,827.17	\$ 9,855.52	\$ 9,432.89	-4.29%		
10	38-LGS-ORW	1,500	\$ 3,602.53	\$ 3,055.86	\$ (546.68)	-15.17%	\$ 8,192.60	\$ 11,795.13	\$ 11,248.46	-4.63%		
11	38-LGS-ORW	2,000	\$ 4,750.88	\$ 3,956.13	\$ (794.75)	-16.73%	\$ 10,923.47	\$ 15,674.35	\$ 14,879.60	-5.07%		
12	38-LGS-ORW	2,500	\$ 5,899.23	\$ 4,856.40	\$ (1,042.83)	-17.68%	\$ 13,654.33	\$ 19,553.57	\$ 18,510.74	-5.33%		
13	38-LGS-ORW	3,000	\$ 6,522.65	\$ 5,355.75	\$ (1,166.89)	-17.89%	\$ 16,385.20	\$ 22,907.85	\$ 21,740.95	-5.09%		
14	38-LGS-ORW	4,000	\$ 7,769.48	\$ 6,354.45	\$ (1,415.03)	-18.21%	\$ 21,846.93	\$ 29,616.41	\$ 28,201.39	-4.78%		
15	38-LGS-ORW	5,000	\$ 9,016.31	\$ 7,353.15	\$ (1,663.16)	-18.45%	\$ 27,308.67	\$ 36,324.97	\$ 34,661.82	-4.58%		
16	38-LGS-ORW	7,500	\$ 12,133.38	\$ 9,849.89	\$ (2,283.48)	-18.82%	\$ 40,963.00	\$ 53,096.38	\$ 50,812.89	-4.30%		
17	38-LGS-ORW	10,000	\$ 15,172.40	\$ 12,258.62	\$ (2,913.78)	-19.20%	\$ 54,617.33	\$ 69,789.73	\$ 66,875.95	-4.18%		

18 ** Expected Gas Cost Rate equals \$5.2023 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA							
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$0.00000	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE		
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)				
1	GENERAL TRANSPORTATION SERVICE											
2	63-GTS-ORW	0	\$ 73.49	\$ 104.99	\$ 31.50	42.86%	\$ -	\$ 73.49	\$ 104.99	42.86%		
3	63-GTS-ORW	25	\$ 152.76	\$ 107.36	\$ (45.40)	-29.72%	\$ -	\$ 152.76	\$ 107.36	-29.72%		
4	63-GTS-ORW	50	\$ 232.02	\$ 109.73	\$ (122.30)	-52.71%	\$ -	\$ 232.02	\$ 109.73	-52.71%		
5	63-GTS-ORW	75	\$ 311.29	\$ 112.09	\$ (199.19)	-63.99%	\$ -	\$ 311.29	\$ 112.09	-63.99%		
6	63-GTS-ORW	100	\$ 390.55	\$ 114.46	\$ (276.09)	-70.69%	\$ -	\$ 390.55	\$ 114.46	-70.69%		
7	63-GTS-ORW	150	\$ 550.19	\$ 119.20	\$ (430.99)	-78.33%	\$ -	\$ 550.19	\$ 119.20	-78.33%		
8	63-GTS-ORW	200	\$ 709.83	\$ 123.94	\$ (585.89)	-82.54%	\$ -	\$ 709.83	\$ 123.94	-82.54%		
9	63-GTS-ORW	250	\$ 869.47	\$ 128.68	\$ (740.79)	-85.20%	\$ -	\$ 869.47	\$ 128.68	-85.20%		
10	63-GTS-ORW	300	\$ 1,029.11	\$ 133.42	\$ (895.69)	-87.04%	\$ -	\$ 1,029.11	\$ 133.42	-87.04%		
11	63-GTS-ORW	350	\$ 1,188.74	\$ 138.16	\$ (1,050.59)	-88.38%	\$ -	\$ 1,188.74	\$ 138.16	-88.38%		
12	63-GTS-ORW	400	\$ 1,348.38	\$ 142.89	\$ (1,205.49)	-89.40%	\$ -	\$ 1,348.38	\$ 142.89	-89.40%		
13	63-GTS-ORW	450	\$ 1,508.02	\$ 147.63	\$ (1,360.39)	-90.21%	\$ -	\$ 1,508.02	\$ 147.63	-90.21%		
14	63-GTS-ORW	500	\$ 1,667.66	\$ 152.37	\$ (1,515.29)	-90.86%	\$ -	\$ 1,667.66	\$ 152.37	-90.86%		
15	63-GTS-ORW	600	\$ 1,934.44	\$ 161.85	\$ (1,772.59)	-91.63%	\$ -	\$ 1,934.44	\$ 161.85	-91.63%		
16	63-GTS-ORW	700	\$ 2,201.23	\$ 171.32	\$ (2,029.90)	-92.22%	\$ -	\$ 2,201.23	\$ 171.32	-92.22%		
17	63-GTS-ORW	800	\$ 2,468.01	\$ 180.80	\$ (2,287.21)	-92.67%	\$ -	\$ 2,468.01	\$ 180.80	-92.67%		
18	63-GTS-ORW	900	\$ 2,734.79	\$ 190.28	\$ (2,544.51)	-93.04%	\$ -	\$ 2,734.79	\$ 190.28	-93.04%		
19	63-GTS-ORW	1000	\$ 3,001.57	\$ 199.76	\$ (2,801.82)	-93.34%	\$ -	\$ 3,001.57	\$ 199.76	-93.34%		
20	63-GTS-ORW	2000	\$ 5,669.41	\$ 294.52	\$ (5,374.88)	-94.81%	\$ -	\$ 5,669.41	\$ 294.52	-94.81%		
21	63-GTS-ORW	3000	\$ 8,337.24	\$ 389.29	\$ (7,947.94)	-95.33%	\$ -	\$ 8,337.24	\$ 389.29	-95.33%		
22	63-GTS-ORW	4000	\$ 11,005.07	\$ 484.06	\$ (10,521.01)	-95.60%	\$ -	\$ 11,005.07	\$ 484.06	-95.60%		
23	63-GTS-ORW	5000	\$ 13,672.90	\$ 578.83	\$ (13,094.07)	-95.77%	\$ -	\$ 13,672.90	\$ 578.83	-95.77%		

NORTHEAST OHIO NATURAL GAS CORP.
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TYPICAL BILL COMPARISON
ORWELL AREA

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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$0.00000	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)			
1	LARGE GENERAL TRANSPORTATION SERVICE										
2	64-LGTS-ORW	-	\$ 104.99	\$ 314.96	\$ 209.97	200.00%	\$ -	\$ 104.99	\$ 314.96	200.00%	
3	64-LGTS-ORW	25	\$ 171.68	\$ 381.66	\$ 209.97	122.30%	\$ -	\$ 171.68	\$ 381.66	122.30%	
4	64-LGTS-ORW	50	\$ 238.38	\$ 448.35	\$ 209.97	88.08%	\$ -	\$ 238.38	\$ 448.35	88.08%	
5	64-LGTS-ORW	100	\$ 371.77	\$ 581.74	\$ 209.97	56.48%	\$ -	\$ 371.77	\$ 581.74	56.48%	
6	64-LGTS-ORW	500	\$ 1,228.93	\$ 1,438.90	\$ 209.97	17.09%	\$ -	\$ 1,228.93	\$ 1,438.90	17.09%	
7	64-LGTS-ORW	750	\$ 1,764.65	\$ 1,974.62	\$ 209.97	11.90%	\$ -	\$ 1,764.65	\$ 1,974.62	11.90%	
8	64-LGTS-ORW	1,000	\$ 2,300.38	\$ 2,510.34	\$ 209.97	9.13%	\$ -	\$ 2,300.38	\$ 2,510.34	9.13%	
9	64-LGTS-ORW	1,250	\$ 2,836.10	\$ 3,046.06	\$ 209.96	7.40%	\$ -	\$ 2,836.10	\$ 3,046.06	7.40%	
10	64-LGTS-ORW	1,500	\$ 3,371.82	\$ 3,581.79	\$ 209.96	6.23%	\$ -	\$ 3,371.82	\$ 3,581.79	6.23%	
11	64-LGTS-ORW	2,000	\$ 4,443.27	\$ 4,653.23	\$ 209.96	4.73%	\$ -	\$ 4,443.27	\$ 4,653.23	4.73%	
12	64-LGTS-ORW	2,500	\$ 5,514.72	\$ 5,724.67	\$ 209.96	3.81%	\$ -	\$ 5,514.72	\$ 5,724.67	3.81%	
13	64-LGTS-ORW	3,000	\$ 6,061.23	\$ 6,271.18	\$ 209.95	3.46%	\$ -	\$ 6,061.23	\$ 6,271.18	3.46%	
14	64-LGTS-ORW	4,000	\$ 7,154.25	\$ 7,364.20	\$ 209.95	2.93%	\$ -	\$ 7,154.25	\$ 7,364.20	2.93%	
15	64-LGTS-ORW	5,000	\$ 8,247.27	\$ 8,457.22	\$ 209.95	2.55%	\$ -	\$ 8,247.27	\$ 8,457.22	2.55%	
16	64-LGTS-ORW	7,500	\$ 10,979.83	\$ 11,189.77	\$ 209.94	1.91%	\$ -	\$ 10,979.83	\$ 11,189.77	1.91%	
17	64-LGTS-ORW	10,000	\$ 13,707.40	\$ 13,907.35	\$ 199.95	1.46%	\$ -	\$ 13,707.40	\$ 13,907.35	1.46%	

18 Staff did not modify the Company's proposed rates as no customers are currently utilizing this tariff.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
BRAINARD AREA

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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY ** \$4.63712	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)			
1	SMALL GENERAL SERVICE										
2	36-SGS-BRN	0	\$ 7.34	\$ 21.00	\$ 13.66	185.98%	\$ -	\$ 7.34	\$ 21.00	185.98%	
3	36-SGS-BRN	1	\$ 10.01	\$ 22.63	\$ 12.62	126.09%	\$ 4.87	\$ 14.88	\$ 27.49	84.82%	
4	36-SGS-BRN	2	\$ 12.67	\$ 24.26	\$ 11.58	91.39%	\$ 9.74	\$ 22.41	\$ 33.99	51.68%	
5	36-SGS-BRN	3	\$ 15.34	\$ 25.88	\$ 10.55	68.75%	\$ 14.61	\$ 29.94	\$ 40.49	35.22%	
6	36-SGS-BRN	4	\$ 18.00	\$ 27.51	\$ 9.51	52.82%	\$ 19.47	\$ 37.48	\$ 46.99	25.37%	
7	36-SGS-BRN	5	\$ 20.67	\$ 29.14	\$ 8.47	40.99%	\$ 24.34	\$ 45.01	\$ 53.48	18.82%	
8	36-SGS-BRN	6	\$ 23.33	\$ 30.77	\$ 7.44	31.87%	\$ 29.21	\$ 52.54	\$ 59.98	14.15%	
9	36-SGS-BRN	7	\$ 26.00	\$ 32.40	\$ 6.40	24.61%	\$ 34.08	\$ 60.08	\$ 66.48	10.65%	
10	36-SGS-BRN	8	\$ 28.67	\$ 34.03	\$ 5.36	18.71%	\$ 38.95	\$ 67.61	\$ 72.98	7.93%	
11	36-SGS-BRN	9	\$ 31.33	\$ 35.66	\$ 4.33	13.81%	\$ 43.82	\$ 75.15	\$ 79.47	5.76%	
12	36-SGS-BRN	10	\$ 34.00	\$ 37.29	\$ 3.29	9.68%	\$ 48.68	\$ 82.68	\$ 85.97	3.98%	
13	36-SGS-BRN	15	\$ 47.32	\$ 45.43	\$ (1.89)	-4.00%	\$ 73.03	\$ 120.35	\$ 118.46	-1.57%	
14	36-SGS-BRN	20	\$ 60.65	\$ 53.57	\$ (7.07)	-11.67%	\$ 97.37	\$ 158.02	\$ 150.94	-4.48%	
15	36-SGS-BRN	25	\$ 73.98	\$ 61.72	\$ (12.26)	-16.57%	\$ 121.71	\$ 195.69	\$ 183.43	-6.26%	
16	36-SGS-BRN	30	\$ 87.30	\$ 69.86	\$ (17.44)	-19.98%	\$ 146.05	\$ 233.35	\$ 215.91	-7.47%	
17	36-SGS-BRN	35	\$ 100.63	\$ 78.01	\$ (22.62)	-22.48%	\$ 170.39	\$ 271.02	\$ 248.40	-8.35%	
18	36-SGS-BRN	40	\$ 113.96	\$ 86.15	\$ (27.80)	-24.40%	\$ 194.73	\$ 308.69	\$ 280.89	-9.01%	
19	36-SGS-BRN	45	\$ 127.28	\$ 94.30	\$ (32.99)	-25.92%	\$ 219.08	\$ 346.36	\$ 313.37	-9.52%	
20	36-SGS-BRN	50	\$ 140.61	\$ 102.44	\$ (38.17)	-27.15%	\$ 243.42	\$ 384.03	\$ 345.86	-9.94%	

21 ** Expected Gas Cost Rate equals \$4.63712 per MCF, with applicable Gross Receipts Taxes added.

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
BRAINARD AREA

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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA							
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$0.00000	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE		
(A)	(B)	(C)	(D=C-B)	(E=D/B)	(F)	(G=B+F)	(H=C+F)	(I=(H-G)/G)				
(MCF)	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(\$)	(%)				
1	FIRM TRANSPORTATION SERVICE											
2	63-GTS-BRN	0	\$ 7.34	\$ 104.99	\$ 97.64	1329.89%	\$ -	\$ 7.34	\$ 104.99	1329.89%		
3	63-GTS-BRN	10	\$ 31.90	\$ 119.41	\$ 87.51	274.35%	\$ -	\$ 31.90	\$ 119.41	274.35%		
4	63-GTS-BRN	20	\$ 56.45	\$ 133.84	\$ 77.38	137.07%	\$ -	\$ 56.45	\$ 133.84	137.07%		
5	63-GTS-BRN	30	\$ 81.01	\$ 148.26	\$ 67.25	83.01%	\$ -	\$ 81.01	\$ 148.26	83.01%		
6	63-GTS-BRN	40	\$ 105.57	\$ 162.68	\$ 57.12	54.11%	\$ -	\$ 105.57	\$ 162.68	54.11%		
7	63-GTS-BRN	50	\$ 130.12	\$ 177.11	\$ 46.99	36.11%	\$ -	\$ 130.12	\$ 177.11	36.11%		
8	63-GTS-BRN	60	\$ 154.68	\$ 191.53	\$ 36.85	23.83%	\$ -	\$ 154.68	\$ 191.53	23.83%		
9	63-GTS-BRN	70	\$ 179.23	\$ 205.96	\$ 26.72	14.91%	\$ -	\$ 179.23	\$ 205.96	14.91%		
10	63-GTS-BRN	80	\$ 203.79	\$ 220.38	\$ 16.59	8.14%	\$ -	\$ 203.79	\$ 220.38	8.14%		
11	63-GTS-BRN	90	\$ 228.34	\$ 234.80	\$ 6.46	2.83%	\$ -	\$ 228.34	\$ 234.80	2.83%		
12	63-GTS-BRN	100	\$ 252.90	\$ 249.23	\$ (3.67)	-1.45%	\$ -	\$ 252.90	\$ 249.23	-1.45%		
13	63-GTS-BRN	125	\$ 314.29	\$ 285.29	\$ (29.00)	-9.23%	\$ -	\$ 314.29	\$ 285.29	-9.23%		
14	63-GTS-BRN	150	\$ 375.68	\$ 321.35	\$ (54.33)	-14.46%	\$ -	\$ 375.68	\$ 321.35	-14.46%		
15	63-GTS-BRN	175	\$ 437.07	\$ 357.41	\$ (79.66)	-18.23%	\$ -	\$ 437.07	\$ 357.41	-18.23%		
16	63-GTS-BRN	200	\$ 498.46	\$ 393.47	\$ (104.99)	-21.06%	\$ -	\$ 498.46	\$ 393.47	-21.06%		
17	63-GTS-BRN	225	\$ 559.85	\$ 429.53	\$ (130.32)	-23.28%	\$ -	\$ 559.85	\$ 429.53	-23.28%		
18	63-GTS-BRN	250	\$ 621.24	\$ 465.59	\$ (155.65)	-25.05%	\$ -	\$ 621.24	\$ 465.59	-25.05%		
19	63-GTS-BRN	275	\$ 682.63	\$ 501.65	\$ (180.98)	-26.51%	\$ -	\$ 682.63	\$ 501.65	-26.51%		
20	63-GTS-BRN	300	\$ 744.02	\$ 537.71	\$ (206.31)	-27.73%	\$ -	\$ 744.02	\$ 537.71	-27.73%		
21	63-GTS-BRN	350	\$ 866.80	\$ 609.83	\$ (256.96)	-29.65%	\$ -	\$ 866.80	\$ 609.83	-29.65%		
22	63-GTS-BRN	400	\$ 989.57	\$ 681.95	\$ (307.62)	-31.09%	\$ -	\$ 989.57	\$ 681.95	-31.09%		
23	63-GTS-BRN	450	\$ 1,112.35	\$ 754.07	\$ (358.28)	-32.21%	\$ -	\$ 1,112.35	\$ 754.07	-32.21%		
24	63-GTS-BRN	500	\$ 1,235.13	\$ 826.19	\$ (408.94)	-33.11%	\$ -	\$ 1,235.13	\$ 826.19	-33.11%		

NORTHEAST OHIO NATURAL GAS CORP.
CASE NO. 18-1720-GA-AIR
TYPICAL BILL COMPARISON
BRAINARD AREA

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LINE NO.	RATE CODE	LEVEL OF USAGE	CURRENT BILL	PROPOSED BILL	BILL DATA						
					DOLLAR INCREASE	PERCENT INCREASE	GAS COST RECOVERY \$0.00000	TOTAL CURRENT BILL	TOTAL PROPOSED BILL	PERCENT INCREASE	
(A) (MCF)	(B) (\$)	(C) (\$)	(D=C-B) (\$)	(E=D/B) (%)	(F) (\$)	(G=B+F) (\$)	(H=C+F) (\$)	(I=(H-G)/G) (%)			
1	INTERRUPTIBLE TRANSPORTATION SERVICE										
2	64-LGTS-BRN	0	\$ 7.34	\$ 104.99	\$ 97.64	1329.89%	\$ -	\$ 7.34	\$ 104.99	1329.89%	
3	64-LGTS-BRN	10	\$ 29.80	\$ 124.32	\$ 94.52	317.16%	\$ -	\$ 29.80	\$ 124.32	317.16%	
4	64-LGTS-BRN	20	\$ 52.26	\$ 143.65	\$ 91.39	174.88%	\$ -	\$ 52.26	\$ 143.65	174.88%	
5	64-LGTS-BRN	30	\$ 74.72	\$ 162.97	\$ 88.26	118.12%	\$ -	\$ 74.72	\$ 162.97	118.12%	
6	64-LGTS-BRN	40	\$ 97.17	\$ 182.30	\$ 85.13	87.60%	\$ -	\$ 97.17	\$ 182.30	87.60%	
7	64-LGTS-BRN	50	\$ 119.63	\$ 201.63	\$ 82.00	68.54%	\$ -	\$ 119.63	\$ 201.63	68.54%	
8	64-LGTS-BRN	60	\$ 142.09	\$ 220.96	\$ 78.87	55.51%	\$ -	\$ 142.09	\$ 220.96	55.51%	
9	64-LGTS-BRN	70	\$ 164.55	\$ 240.29	\$ 75.74	46.03%	\$ -	\$ 164.55	\$ 240.29	46.03%	
10	64-LGTS-BRN	80	\$ 187.01	\$ 259.62	\$ 72.61	38.83%	\$ -	\$ 187.01	\$ 259.62	38.83%	
11	64-LGTS-BRN	90	\$ 209.46	\$ 278.95	\$ 69.48	33.17%	\$ -	\$ 209.46	\$ 278.95	33.17%	
12	64-LGTS-BRN	100	\$ 231.92	\$ 298.28	\$ 66.36	28.61%	\$ -	\$ 231.92	\$ 298.28	28.61%	
13	64-LGTS-BRN	125	\$ 288.07	\$ 346.60	\$ 58.53	20.32%	\$ -	\$ 288.07	\$ 346.60	20.32%	
14	64-LGTS-BRN	150	\$ 344.21	\$ 394.92	\$ 50.71	14.73%	\$ -	\$ 344.21	\$ 394.92	14.73%	
15	64-LGTS-BRN	175	\$ 400.36	\$ 443.25	\$ 42.89	10.71%	\$ -	\$ 400.36	\$ 443.25	10.71%	
16	64-LGTS-BRN	200	\$ 456.50	\$ 491.57	\$ 35.07	7.68%	\$ -	\$ 456.50	\$ 491.57	7.68%	
17	64-LGTS-BRN	225	\$ 512.65	\$ 539.89	\$ 27.25	5.31%	\$ -	\$ 512.65	\$ 539.89	5.31%	
18	64-LGTS-BRN	250	\$ 568.79	\$ 588.22	\$ 19.42	3.41%	\$ -	\$ 568.79	\$ 588.22	3.41%	
19	64-LGTS-BRN	275	\$ 624.94	\$ 636.54	\$ 11.60	1.86%	\$ -	\$ 624.94	\$ 636.54	1.86%	
20	64-LGTS-BRN	300	\$ 681.08	\$ 684.86	\$ 3.78	0.55%	\$ -	\$ 681.08	\$ 684.86	0.55%	
21	64-LGTS-BRN	350	\$ 793.37	\$ 781.51	\$ (11.87)	-1.50%	\$ -	\$ 793.37	\$ 781.51	-1.50%	
22	64-LGTS-BRN	400	\$ 905.66	\$ 878.15	\$ (27.51)	-3.04%	\$ -	\$ 905.66	\$ 878.15	-3.04%	
23	64-LGTS-BRN	450	\$ 1,017.95	\$ 974.80	\$ (43.15)	-4.24%	\$ -	\$ 1,017.95	\$ 974.80	-4.24%	
24	64-LGTS-BRN	500	\$ 1,130.24	\$ 1,071.44	\$ (58.80)	-5.20%	\$ -	\$ 1,130.24	\$ 1,071.44	-5.20%	

25 Staff did not modify the Company's proposed rates as no customers are currently utilizing this tariff.

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in

Case No(s). 18-1720-GA-AIR, 18-1721-GA-ATA, 18-1722-GA-ALT

Summary: Staff Report Filed electronically filed by Mr. Jonathan J Borer on behalf of Staff