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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint and Appeal)
of Oxford Natural Gas Company from)
Ordinance No. 2896 Passed by the Council)
of the City of Oxford on February 7, 2006)

Case No. 06-350-GA-CMR

**ADDITIONAL SUPPLEMENTAL TESTIMONY OF
JOHN T. STENGER ON
BEHALF OF
OXFORD NATURAL GAS COMPANY**

1 **Q1. Please state your name and business address.**

2 A1. John T. Stenger, 5181 College Corner Pike, Oxford, Ohio 45056

3 **Q2. Please describe your current position, your business and your educational**
4 **background.**

5 A2. My name is John T. Stenger and as of October 2006 I have served as the General
6 Manager of the Oxford Natural Gas Company (hereinafter "ONG" or the "Company").
7 Previously, I had been the President and part-owner of ONG from September, 2001 to
8 April 2002. I became Vice President, Operations for Lawrenceburg Gas when it was
9 purchased by INOH Gas from Cinergy on August 30, 2004. I received Bachelor of
10 Science Degrees in Civil Engineering and Land Surveying from Purdue University in
11 1984. In 2000, I received a Master of Business Administration degree from Xavier
12 University. Before being employed by Oxford Natural Gas Company, I was employed
13 by Cinergy and the Cincinnati Gas & Electric Company, holding engineering and
14 managerial positions in its Gas Operations Department. I have worked in the natural gas
15 utility industry since 1988, and I have attended numerous utility industry programs and
16 courses related to engineering and operations. I am a Registered Professional Engineer
17 in the States of Ohio and Indiana.

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1 **Q3. Are you the same John T. Stenger who filed Supplemental Testimony on October 2,**
2 **2006?**

3 A3. Yes I am.

4 **Q4. What is the purpose of your additional supplemental testimony?**

5 A4. I am filing additional supplemental testimony to support the Objections to the Staff
6 Report which ONG filed the in Case No. 06-350-GA-CMR. The focus of my testimony
7 shall be treatment in the Staff Report of working capital, contribution in aid of
8 construction, operational expenses and rate of return.

9 **Q5. Why did Oxford Natural Gas Company retain the services of Burgess & Niple**
10 **("B&N")?**

11 A5. ONG rates and tariffs have been set under Home Rule by the City of Oxford for more
12 than 20 years. Compliance with the City Ordinance did not require the same type of
13 record keeping as that mandated by the Commission who uses such data to set rates by
14 cost-of-service methodology. Further, during the span of some 20 years ONG has had
15 several owners so the record keeping itself was not consistent. When the City of Oxford
16 and ONG could not agree on an equitable set of rates and charges, ONG filed for rates in
17 the matter at bar.

18
19 Since ONG had not been subject to Commission rate making for two decades it did not
20 have continuous property records which tracked each capital item when added and
21 depreciated all capital assets in accordance with pre-prescribed depreciation rates
22 approved by the Commission. Lacking such records, ONG attempted to create
23 continuous property records by using tax return and annual report data. ONG met with

1 Staff in April of 2006 to discuss the sufficiency of establishing the rate base from annual
2 reports and tax records. The Staff expressed its view that such a method was
3 unacceptable, and recommended that ONG retain the services of a consultant to
4 undertake a total plant evaluation so that an original cost less depreciation value could be
5 established for rate making purposes. Staff indicated that such a technique had been used
6 several years ago by a water utility that had a similar problem. ONG checked the records
7 of the Commission, reviewed the report filed by the consultant in that case and observed
8 that the consultant's report was largely accepted by the Commission. ONG felt that
9 using the same consulting firm would be advantageous because of its experience and
10 familiarity with Ohio rate making procedures. That consulting company was Burgess &
11 Niple Company of Columbus, Ohio. ONG then contacted Burgess & Niple to do an
12 independent survey of all the physical assets owned and operated by ONG and to prepare
13 a gross and net rate base evaluation. A detailed report of the survey, and calculation was
14 prepared by Burgess & Niple and filed with the Commission on November 8, 2006.

15 **Q6. ONG Filed an Objection to the Staff Report as to its calculation of working capital.**
16 **Please explain the objection.**

17 A6. The Staff used the traditional lag formula approach for determining working capital.
18 Under this method, all the utilities operational and maintenance expenditures for the test
19 year are summed and one eighth is taken to determine the effect of the lag between when
20 payment for the operation and maintenance expenses are due and when customer
21 revenues are received. To this 1/8 of operational and maintenance expenses a figure
22 representing an inventory materials and supplies not used for new construction in a year
23 are added. To the sum of these two categories, 1/4 of the taxes (which are an expense) are

1 subtracted to account for the fact that payment of taxes is delayed. As explained later in
2 my testimony, and detailed in the Objections to the Staff Report, the Staff excluded a
3 majority of the test year operation and maintenance expenditures. Thus, rather than the
4 \$2,090,554 of non-gas operation and maintenance costs ONG claims, Staff lists only
5 \$656,937 for operation and maintenance. Further, the Staff in calculating the operation
6 and maintenance expenses excluded the cost of gas. Excluding the cost of gas would be
7 just and reasonable if the payment terms ONG had for natural gas with its suppliers was
8 of equal length to the time the natural gas utility collected from its retail customers. In
9 other words, if ONG had 90 days to pay its supplier, and its collections from its customers
10 averaged 90 days or less there would be no lag which would require working capital for
11 the purchase of natural gas and excluding natural gas from the lag formula would be just.
12 Unfortunately, because of ONG's financial position, during the test year ONG was
13 required to prepay its natural gas supplier at least two weeks in advance of delivery. This
14 created a gap of 49 days between when natural gas had to be paid for by ONG and when
15 timely payments were received. The 49 day gap is caused by three factors. First, on
16 average the prepayment to the supplier was due 14 days in advance of when the gas was
17 received for distribution to the customer. Second, because of ONG billing cycle, on
18 average there is a 15 day lag between when gas is delivered and when the meter is read.
19 Finally, customers are given 20 days to make their payment. Thus, the total lag between
20 when ONG must pay its suppliers and when timely payment is received is 49 days,
21 virtually the same length of time as the lag in the Commission's formula. The
22 Commission's lag is based on $1/8^{\text{th}}$ of the year or 45 days.

23 **Q7. In your opinion what should the working capital allowance be, and how much of**

1 **that is attributable to including the purchase of natural gas?**

2 A7. The Staff, after adjusting the test year for weather found the projected purchase of natural
3 gas for the test year to be \$4, 218,142 (See p. 56 of the Staff Report). By simply adding
4 that figure to the non gas cost operation and maintenance items of \$1,219,300 the sum of
5 our adjusted calculation of ONG's operational and maintenance expenses on line 1 of
6 Schedule B-5 would be \$5,437,442. Applying that number I have redone Staff's
7 Schedule B-5 on Appendix A. Including natural gas expenses and adjusting ONG's
8 operational and maintenance expenses would adjust the working capital allowance to
9 \$611,309, up from the Staff Report's \$13,746.

10 **Q8. ONG also objected to the Staff reduction of rate base by \$191,699 on the basis of**
11 **contributions in aid of construction based solely upon a reference to a 1980 annual**
12 **report. What number should the Staff have used for contributions in aid of**
13 **construction?**

14 A8. The Staff found a listing for contributions in aid of construction in ONG's 1980 annual
15 report of some \$191,699. In the 1981 annual report the listing for contributions in aid of
16 construction was zero. I have looked back at the few records that ONG has for that
17 period, but I find nothing dispositive as to what gave rise to the 1981 listing, or why it
18 was eliminated in 1982, also observing that there are no listings of contributions in aid of
19 construction in the annual report for the next 24 years. It was this very lack of continuous
20 property records that led the Staff to suggest, and ONG to agree, to bringing in an
21 independent engineering firm to evaluate all the equipment in use today, project its age
22 and apply the appropriate depreciation. It is disingenuous to establish the rate base by
23 using the original cost method and subtract the depreciation to determine the relative

1 worth of the ONG system, and then apply selective amendments based on
2 unsubstantiated accounting records.

3 **Q9. At pages 9, 12 and 62 of the Staff Report, the Staff excluded the business expense**
4 **cost which ONG took for the removal and relocation of a pipeline across the Kehr**
5 **Road and West Chestnut Street Bridge. Please explain ONG's objection.**

6 A9. ONG was required to remove and then replace a pipeline across a bridge to accommodate
7 a governmental bridge repair project. ONG expensed the cost of this project on the
8 theory that accommodating such relocations is an expected cost of doing business for any
9 utility with thousands of feet of mains lying in public rights of way – all of which are
10 subject to being temporarily moved or rerouted when the City or State needs to repair a
11 public work in the right of way. Further, not only must ONG temporarily or permanently
12 remove its mains to accommodate the City or State's needs to disturb the property on
13 which ONG's mains lie, but ONG must do so at its own expense without reimbursement.
14 During the test year ONG projected that it would have to temporarily relocate its mains in
15 order to accommodate two projects - a widening of Highway 27 and a bridge repair of the
16 Kehr Road \ West Chestnut Street Bridge ("Bridge Repair").

17
18 As the test year unfolded, the Highway 27 project was delayed and will occur in 2007.

19 The Bridge Repair was completed during the test year. To accommodate the Bridge
20 Repair, ONG had to temporarily reroute its main in the Bridge right of way and then
21 when the Bridge repair was completed could return the main to its original location.

22 ONG hired an outside contractor to both install the temporary by pass pipeline and then
23 restore the main to its original location. Good industry practice required a new piece of

1 pipe be used when the main was restored. The Staff rejected expensing the Bridge Repair
2 noting that it should have been capitalized, though the Staff did not capitalize the \$91,175
3 bridge repair, possibly on the incorrect assumption that it was contained in the Burgess &
4 Niple Report. Following the Staff's rejection of any reimbursement for the \$91,175
5 Bridge Repair, ONG reviewed the Contractor's Invoice, a copy of which is attached as
6 Appendix B. While ONG believes given the repeated nature of temporarily moving
7 pipelines to accommodate state and local road and public works projects it should be
8 allowed to expense the full cost of temporarily moving a pipeline and then restoring it,
9 ONG is willing to capitalize the 6 inch pipeline that replaced the line in the Bridge right
10 of way, but expense all the labor and materials for the temporary pipeline used during the
11 several weeks the Bridge location was not available for ONG's use. I have attached a
12 copy of the contractor's notes as a part of Appendix B. Based on this break out, I believe
13 \$36,950 of the \$91,175 should be expensed.

14 **Q10. Why does ONG object to the Staff's recommended adjustment to labor expenses?**

15 A10. The Staff reduced ONG's proposed test year labor expense to \$241,431, roughly half of
16 that filed for. This Staff reduction is based on elimination of the position of President \
17 Employee and General Manager. This leaves the company without any executive officer.
18 No utility can be operated without a manager, and that is particularly true of a small
19 utility were the job description of the General Manger is simply to make sure that
20 everything that must be done to provide safe, dependable service is done.
21 During the test year the President \ Employee was filled 50 of the 52 weeks, though there
22 was a change in the individual filling that position. Similarly, the General Manager
23 position was filled ten of the twelve months. Most important in October both the

1 President \ Employee position and the General Manger Position were filled. Annualizing
2 the cost of labor based on the last pay period of the test year, and incorporating expected
3 increased costs, the Staff should have found labor costs to be \$505,123 instead of
4 \$241,431.

5 **Q11. Is \$505,123 dollars for labor expenses what was filed in ONG's WPC 2.1 A in**
6 **September 2006?**

7 A11. No, the WPC 2.1 listed labor expenses at \$517,112. That was based however on a five
8 months actual and seven months estimated. Now that the test year has ended, I was able
9 to annualize those payments to calculate labor expenses, and allocate expenses to Verona
10 as well to capital accounts using the Staff's allocation methodologies. Attached as
11 Appendix C is an itemized list of the ONG pay roll. The labor expense ONG now seeks
12 is \$11,989 less than the amount sought in the application.

13 **Q12. How does the current and suggested labor expense for ONG compare with natural**
14 **gas utilities of similar size?**

15 A12. Using the \$505,123 figure Oxford's labor expenses is similar to the other natural gas
16 companies in Ohio of similar size. ONG has 4,049 customers and its 2005 employee
17 payroll as noted in its annual report filed with the Commission was \$480,061. Orwell
18 Natural Gas is almost identical with 4,189 customers and its annual report reveals an
19 employee payroll for 2005 of \$767,740. Finally, the Waterville Gas & Oil Company has
20 5,024 customers and its 2005 employee payroll was \$514,804. Viewed on a labor
21 expense per customer the three natural gas companies of similar size and of a similar
22 rural nature with ONG have the following costs for 2005:

Employee Compensation Comparison

<u>Company</u>	<u>Number of Customers</u>	<u>Employee Compensation</u>	<u>Employee Compensation Per Customer</u>
Orwell - 2005	4,189	\$767,740.00	\$183.28
ONG - 2005	4,049	\$480,061.00	\$118.56
Waterville - 2005	5,024	\$514,804.00	\$102.47

Moving from 2005 to 2007, the revised labor expense that ONG requests is actually less than Orwell's 2005 and within a few dollars of Waterville 2005 labor expense. It should be noted that last week Waterville filed for a significant rate increase (See Case No. 07-194-GA-AIR) and thus the ONG proposed labor expense for Waterville for 2007 may well be the smallest of the three natural gas companies in the 4,000 to 5,000 customer class range. In sharp contrast are the Staff's recommendation which for 2007 is less than half what the three companies actually spent in 2005 on a per customer basis.

<u>Company</u>	<u>Number of Customers</u>	<u>Employee Compensation</u>	<u>Employee Compensation Per Customer</u>
ONG Request	4,049	\$505,123.00	\$124.75
Staff Recommendation For ONG	4,049	\$241,431.00	\$59.62

Q13. From the Staff Report can you tell why the Staff's labor costs are so low?

A13. As noted in more detail below the Staff Report excludes compensation for any executive services. This position may occur because of a misunderstanding of when the new

1 management team came on board, for all the executive positions were filled by the last
2 month of the test period.

3 **Q14. The Staff also reduced Union Fringe Benefits expense by \$15,580 and reduced the**
4 **Savings Retirement Account expense by \$7,103. What do you recommend the**
5 **Commission should use?**

6 A14. It is my understanding that these reduction reflect the termination of Mr. Robert Sanders
7 as President \ Employee and Mr. Frank Sanders as General Manger. While the Staff is
8 correct in its assumption that both Mr. Sanders have left the ONG's employment, those
9 positions, as noted above, are still in existence, still necessary and were filled during the
10 test year. Thus, these exclusions should be amended to a reduction of 9,662 for Union
11 Fringes and restored with no reduction for the Savings Retirement Account.

12 **Q15. ONG objected to the Staff's reduction of Ohio Bureau of Workers' Compensation**
13 **("OBWC") expenses. Please explain the reductions and provide your**
14 **recommendation.**

15 A15. The Staff recommended two reductions to the OBWC. The first was by applying the
16 allocation figures between Verona and ONG, and between expense and capital. ONG
17 accepts those reductions. The Staff however also reduced OBWC expenses to reflect the
18 elimination of the President / Employee and General Manager positions. Since these
19 positions have not been eliminated the reduction should be restored. The net result of
20 this reduction should be \$738 instead of the \$4,826 recommended in the Staff Report.

21 **Q16. The Staff reduced legal expense by \$364,303 down to an adjusted jurisdictional legal**
22 **expense of \$51,921. The Staff stated that its adjustment reflects the latest three year**
23 **average expense. Do you agree?**

1 A16. No. The Staff stated that it adjusted test year legal expenses to include only those
2 expenses necessary for ONG to obtain legal advice and representation associated with
3 providing utility service to its customers. The Staff has rejected the test year numbers and
4 applied an average of the three previous years. Legal expenses in the test year were
5 \$416,224. This amount was so large because of the threat of JP Morgan Chase to call the
6 bonds held by ONG's parent and secured in part by ONG's assets. The financing
7 problems ONG experienced during the test year was an anomaly and thus in the reviewed
8 WPC 2.1 I eliminated all costs having to do with the refinancing efforts. That reduced
9 the legal costs from \$416,224 to \$135,006. I believe that the \$135,006 of the test year is
10 a more appropriate legal cost component for a company facing the perils that ONG will
11 face in the future. Thus, I recommend that the legal expense component suggested in the
12 Staff Report be increased by \$83,089. Such a level of legal costs constitutes reasonable
13 and ordinary business expenses that should be recognized as part of the cost of service.

14 **Q17. The Staff also excluded \$4,447 in fuel expenses in what it deemed to be non-utility**
15 **related uses at pages 10 and 66 of the Staff Report. This reduced the proposed test**
16 **year fuel expense from \$21,459 down to \$17,012. Do you agree with this**
17 **adjustment?**

18 A17. The Staff excluded the entire amount of fuel use by the President \ Employee. This
19 expense was documented in service station receipts and represents approximately two
20 tanks of gasoline a week. An argument can be made that the position would not require
21 more than one tank of gasoline a week. Thus, I would recommend that the amount of the
22 adjustment be reduced to \$2,223.50.

23 **Q18. At pages 10 and 67 of the Staff Report, the Staff also excluded \$163,428 in "other**

1 **expense adjustments” from the cost of service. The Staff stated that it determined**
2 **these excluded various expenses to be non-utility related and not to provide direct**
3 **benefits to the customers. Do you agree?**

4 A18. No, after reviewing the Staff’s exclusion, I believe the Staff’s adjustment should only be
5 \$102,887 instead of \$163,428 on Schedule C-3.15.

6 Q19. Would you please list the items which make up the “other expenses” category and
7 explain why you think these are proper expenditures?

8 A19. There are nine items

9 1) Elimination of Prepaid Legal – In light of the separate legal expense item, ONG
10 agrees with this exclusion of \$166.

11 2) Elimination of Consulting Fees – Reduce the exclusion to \$7,914. When the
12 application was filed it was expected that consultation for fuel procurement and
13 certain field work would be needed which were outside the scope or expertise of the
14 General Manger. I performed those tasks at the time before taking over the General
15 Manager’s position in October. Thus, I did not earn the consulting fee while also
16 receiving the General Manger’s fee. The actual consultation fees in the test year
17 however were only \$15,000. Thus, ONG recommends that the actual amount paid
18 be used and the consulting fees be reduced by \$7,914 to \$15,000.

19 3) Elimination of Insurance Medical – Reduce the exclusion to \$1,213. Since the
20 President/Employee position was believed to be eliminated and ONG has filled that
21 position within the test year, I feel Medical Insurance coverage is a reasonable
22 expectation for the President of a utility.

23 4) Elimination of Insurance Supplemental – ONG agrees with the Staff as to this

1 \$340 exclusion.

2 5) Elimination of Payroll Expense Bonus – For a number of years it has been ONG's
3 policy to pay a Christmas bonus as part of compensation. On Schedule WPC 2.1,
4 ONG listed Christmas bonus as \$59,533. The Staff rejected the bonus entirely. I
5 have reviewed the bonus and found that two corrections are due. First, \$49,533
6 contains an entry mistake of \$2,083 which was a consultant expense that had been
7 entered on the wrong labor expense line. As for the \$57,400, that represented a bonus
8 of roughly 10% of salary expense. A bonus of 2.5% or some \$12,500 would be more
9 in line with industry practice for a company of ONG's size.

10 6) Elimination of Payroll Expense Subcontractor – The Staff eliminated the payment
11 to a subcontractor for billing system expenses. I have reviewed the invoices and
12 found that one of the payments in the test year was improperly categorized and was a
13 valve maintenance expense of \$4,021. Rather than a labor expense, the April 2006
14 value replacement should have been capitalized. The remainder of the subcontractor
15 expenses appears to be standard maintenance and should be expenses. Thus, I
16 believe the reduction for this account the exclusion should be limited to just the
17 \$4,021 which was improperly included.

18 7) Elimination of Vehicle Allowance – Since the President / Employee position was
19 not and should not be eliminated, I believe it is reasonable for this position to also
20 have an allowance for a 4 wheel drive vehicle. The test year expenses were \$11,284
21 (\$940 a month) which supports a more expensive vehicle than is needed. An all
22 weather, off road vehicle can be leased or purchased for \$600 month or \$7,200.
23 Thus, I believe \$7,200 should be included as an expense and \$4,084 be reduced from

1 the Application.

2 8) Elimination of Penalty & Interest – Upon review of the records, ONG does not
3 contest the exclusion of \$18,925.

4 9) Elimination of Travel – The test year had travel of \$24,141. Many of the test year
5 expenses were for trips outside of normal utility business and led the Staff to exclude
6 it all. Normal utility business requires several Staff or executive trips for industry
7 meetings or meetings with the PUCO. Thus, rather than reduce the travel budget to
8 zero, I believe that an 80% reduction to \$5,000 is appropriate.

9 **Q20. The Staff at pages 10 and 68 reduced the test year billing expense by \$6,436. It**
10 **stated that it annualized test year billing expense to reflect a normal 12-month**
11 **period of billing cost for ONG customers. Do you agree with this adjustment?**

12 A20. No. The Staff should have included an allowance for the purchase of billing stock at
13 \$0.02 times 48,000 bills, the mailing of budget billing open enrollment inserts (2 months,
14 a total of 8,422 inserts at \$0.10 each) and an allowance for a postage deposit and other
15 safety message inserts. The billing vendor requires a postage deposit in advance of
16 billing at all times. These expenses are appropriately reflected in the test year and the
17 proposed reduction should be restored, with the exception of a reduction of \$1,637 for
18 Verona billing expenses, leaving an adjusted test year total of \$28,626.

19 **Q21. The Staff adjusted test year outside accounting service expense by \$16,673. The**
20 **Staff claimed that its adjustment was to remove cost associated with professional**
21 **services required for an audit of 2004 financial statements. Do you agree?**

22 A21. No. The Staff had eliminated an expense as being outside of the test year. Upon further
23 examination, this expense should have been booked in May 2005 as a normal audit

1 expense for the prior fiscal year. May 2005 actual expenses were used to estimate the
2 May 2006 month of the test year. Accepting the Staff's allocation of 95.79%, the test
3 year expense should be adjusted to \$44,354, which yields a reduction of only \$1,949.

4 **Q22. At pages 11 and 71 of the Staff Report, the Staff removed \$35,188 from**
5 **Miscellaneous Expenses. The Staff stated that it removed such costs from the test**
6 **year operating expenses because it found them to be non-utility related expenses.**
7 **Do you agree?**

8 A22. No. Some of these expenses are utility related expenses and should have been included
9 in the cost of service. I believe the reduction should be \$30,478, detailed as follows:

10 1) ONG allows customers to pay their bills with MasterCard and Visa. These bank
11 cards however charge 1% to 2% to ONG for processing the billings. Payment with
12 bankcards is a service desired by the customers and should not be taken away. In
13 reviewing the fee to merchant bank for use of the bankcards I noticed an expense of \$473
14 in November 2005 was excluded though it was part of the test year. In sum, the actual
15 payment to the merchant banks to permit customers to use their bankcard on ONG
16 invoices during the test year was \$ 18,544 and that should be included in operation and
17 maintenance expenses.

18 2) The Staff excluded an Ohio Gas Association seminar expense of \$64 for a
19 program. Keeping the ONG staff informed of changes in the industry is prudent
20 management and thus this expense should not have been excluded.

21 3) Vehicle Maintenance – The Staff excluded all but \$1,587 of the original \$5,979 in
22 vehicle maintenance. A review of the invoices indicated that some maintenance receipts
23 could have been for personal expenses. Eliminating those repairs and tire replacements

1 totaling \$3,058 yields an adjusted test year total of \$2,920. Some of the expenses
2 eliminated I believe are appropriate utility vehicle maintenance expenses.

3 4) Miscellaneous – ONG will accept Staff's reduction of \$10,711 for miscellaneous
4 expenses and \$118 for utilities. The latter charge appears to be a monthly charge for
5 cable services which were duplicated.

6 5) Meals – During the test year ONG listed \$2093 in meal expenses. The Staff
7 sought to reduce that to \$767. I have gone through the receipts to see which entries were
8 excessive or located outside the service area. Having done so, I accept most of the Staff
9 reductions. However, I believe a total of \$1,107 is needed to adequately address this
10 expense in a normal year. Thus, I believe that an adjusted reduction of \$985 is in order.

11 6) Computer –The Staff seeks to reduce the modest computer expenditure of \$474
12 by \$148. Not only do I think this expenditure of less than five hundred dollars was
13 reasonable, but believe that greater spending on computerization is necessary to maintain
14 staff productivity. There seems to be no sound reason for the \$148 reduction.

15 7) ONG does not contest the Staff's reductions for clothing (\$656), cell phones
16 (\$174), office supplies & equipment (\$922), postage (\$74) or other (\$238).

17 **Q23. On pages 11-12 and 74 of the Staff Report, the Staff reduced taxes other than**
18 **income by \$5,972. Do you agree?**

19 **A23.** No, the Staff's substantive change was the reduction of pay roll and other employment
20 taxes which flowed chiefly from Staff's elimination of the President / Employee and
21 General Manager positions. Here are the numbers that should be applied and how they
22 differ from the Staff Report.

23 1) Ohio Property Taxes –\$30,937 - same as the Staff Report.

2) FICA Tax – Labor expense of \$505,123 plus bonus of \$12,450 times rate of 7.65% equals \$39,594, an increase of \$21,125 from the Staff Report.

3) State unemployment SUTA and Federal unemployment FUTA – 10 times 9,000 times 3.10% plus 10 times 7,000 times 0.80% equals \$3,350, which differs from the \$2,345 recorded in the Staff Report.

4) PUCO Maintenance and OCC Assessment \$13,199 – same as the Staff Report.

5) Other Taxes and Licenses – \$1,138 same as the Staff Report.

This yields a Total Taxes Other than Income Taxes of \$88,218, an increase of some \$22,130 over the Staff Report.

Q24. At page 12 of the Staff Report, the Staff proposed two adjustments for estimated lease expenses for vehicles and construction equipment. The Staff determined these to be post-test year events and thus should be excluded. Do you agree?

A24. The subject vehicles and construction equipment consist of two vans, a crew truck and a service truck. All four vehicles have roughly 100,000 miles on them and in my professional opinion are at the end of their useful service life. The utility simply cannot be operated in a manner to provide the public with service without dependable trucks and vans. ONG surveyed what it would cost to lease such vehicles during the test year. These surveys were sent to the Staff, copies of which are attached as Appendix D. Due to its financial plight ONG was simply not in a position to sign leases for such vehicles and equipment during the test year. We ask the Commission recognize this cost as an ordinary and necessary business expense in order to provide safe, reliable service to customers. ONG recommends that the Commission adjust the cost of service by including a leasing expense of \$31,200.

1 **Q25. The Staff recommended a rate of return of between 9.5% and 10.5%. What do you**
2 **believe should be the authorized rate of return?**

3 A25. Although I am not an economist, I believe that ONG faces a high risk in trying to achieve
4 a reasonable rate of return. I believe that a rate of return of 11% would be a fair and
5 reasonable rate of return. The Staff recommended a rate of return of between 10% and
6 11% in the *Ohio Cumberland Gas Company* case, Case No. 02-1200-GA-AIR.

7 **Q26. Could you summarize your suggestions for what the proper Operational and**
8 **Maintenance costs should be for ONG for the test year?**

9 A26. Yes. Attached as Appendix E is a revised WPC 2.1 which shows the concessions ONG is
10 willing to make in light of the issues raised in the Staff Report. ONG believes that the
11 total non-gas operation and maintenance expense excluding depreciation and taxes should
12 be \$1,224,339 which compares to Staff's recommendation of \$656,937.

13 **Q27. What is ONG's recommendation as to the rate base?**

14 A27. There seems to be serious errors with the Staff Reports adjustments to the Burgess &
15 Niple calculation of rate base. As more fully described in Mr. Criswell and Mr. Perrino's
16 testimony, the Staff has improperly substituted incorrect labor costs based on a
17 theoretical ONG labor costs, and used a depreciation calculation that lowered some items
18 below zero. The Staff has made some valid points about the cost of backfill, which Mr.
19 Criswell has now taken into account in his testimony. Thus, ONG believes that Mr.
20 Criswell's revised rate base is the number that the Commission should use in determining
21 ONG's rates and charges.

22 **Q28. Do you agree with the Staff's recommendation that ONG's initial bad debt rider be**
23 **set at \$0?**

1 A28. No, in 2003 Oxford applied to the Commission for authorization to charge a bad debt
2 rider along with several other natural gas utilities. The Commission in its December 18,
3 2003 Order granted ONG the right to set up a bad debt tracker, noting that ONG was a
4 gas utility whose rates were set by ordinance. Thus, the Commission did not see the fact
5 that ONG had ordinance based rates as a barrier to also having a Commission authorized
6 bad debt tracker. Being a natural gas utility whose rates were set by ordinance though
7 does add one complicating factor. The design of the bad debt tracker approved by the
8 Commission calls for the rider to track only the incremental cost of bad debt beyond that
9 compensated for in the base rate. Since the Ordinance Rate was not the product of a rate
10 proceeding, it is impossible to tell exactly how much of the bad debt was incorporated
11 into base rates.

12 **Q29. Is there a way to fairly determine how much of Oxford's bad debt was covered in**
13 **the 2000 Ordinance Rate?**

14 A29. One way to approximate how much bad debt expense was anticipated to be in the base
15 rates would be to look at the rates just before or just after the ordinance rates went into
16 effect and see the level of bad debt. We can assume that the goal of the ordinance rate
17 was to put an amount to compensate for bad debt at the start of the ordinance pegged at
18 what anticipated bad debt would be.

19 The Ordinance was negotiated in 2001, but 2001 was the year that ONG was sold to the
20 current holding company and the records kept from the former owner do not permit an
21 analysis which would accurately track the amount which was both uncollected in normal
22 invoicing as well as subsequent collection efforts. Starting in 2002, ONG did keep
23 records that tracked both additions to a bad debt account as well as the amount collected

1 by collection agencies and other efforts. In 2002 ONG failed to collect through normal
2 invoicing some \$53,440.09. Through collection efforts it was able to retrieve some
3 \$28,756.51. That leaves a total of \$24,683.58 as true bad debt. For 2002 ONG had
4 general service sales of 489,856 Mcf or roughly 5 cents per Mcf. In sum, if we were
5 going to impute an amount per Mcf in the first year of the ordinance that would eliminate
6 the bad debt it would be 5 cents per Mcf.

7
8 While the above estimate of an amount of bad debt imbedded in the Ordinance Rate for
9 bad debt is just a projection, it is both a reasonable and conservative estimate. Using 5
10 cents an Mcf as the embedded amount of bad debt recovery in the current Ordinance
11 Rate, I have calculated starting in with Commission authorization in 2003, well after the
12 Commission authorization date, the amount of bad debt that ONG has on its books over
13 and above that attributed to a rate base collection of 5 cents per Mcf. Using the work
14 sheets available for a bad debt tracker and assuming 5 cent of the base rate was to off set
15 bad debt, the cumulative bad debt account for ONG is \$191,466.82 see Exhibit E . Since
16 it took 4 years to build the account, I have amortized the bad debt account out on a four
17 year basis. Further, I assumed excess of bad debt over the 5 cent embedded recovery
18 would continue over those four years. That would produce a bad debt tracker of 17 cents
19 per Mcf.

20 **Q30. How does your calculation of a bad debt tracker compare with the amount filed**
21 **for? And what are the differences?**

22 A30. The Application called for a bad debt tracker of 38 cents. That number is significantly
23 higher because it assumed no amount of bad debt recovery was embedded in the base

1 rates. Further, it used a much higher interest rate than the 0.75% per month I have used
2 in the calculations in Appendix F.

3 **Q31. Why is the Company objecting to the Staff recommendation that ONG perform a**
4 **cost of service study for future use?**

5 A31. Costs of service studies require a certain level of expertise that the Company does not
6 possess. It would have to go out and contract with a third-party vendor to perform such a
7 cost of service study. The Staff did not provide any allowance in expenses for the
8 conduct of such a cost of service study. If the Commission is going to order ONG to
9 perform a cost of service study for future use, it should recognize the expenses associated
10 with that in the cost of service.

11 **Q32. The Staff recommended a customer charge of \$6.00 per customer for both**
12 **residential and commercial customers. Do you agree with this recommendation?**

13 A32. Under the current rates ONG charges residential and commercial customers alike \$8 per
14 month in customer fees. The Company has proposed dropping the fee for residential
15 customers to \$7.50 a month, and increasing the commercial customer charge to \$15 per
16 month. Neither of these figures were based on the segmented cost of metering, billing
17 and maintaining an account which some but not all utilities use in determining monthly
18 customer fees. The Staff is proposing a \$6 rate for both commercial and residential
19 customers. The Staff also has not arrived at the customer charge by segmenting certain
20 meter, billing and administrative charges, but by averaging the residential customer
21 charge utilized by 11 natural gas utilities chosen at random. The 11 utilities include both
22 small utilities such as Gasco whose rates are set by ordinance to the 1.2 million
23 customers East Ohio Gas Company. The list of 11 natural gas companies the Staff used,

1 which is attached as Appendix G of my testimony, does indeed average \$6.25, but the
2 range between the high of \$7.50 of Eastern Natural Gas and the low of \$4.38 for West
3 Ohio is wide – over 43%. None of the 11 gas utilities actually charge a \$6 rate and the
4 mode is \$7, closer to ONG's proposed \$7.50.

5 More important, the Staff did not articulate why it rejected ONG's request to charge
6 more for commercial meters than residential. Of the 11 representative gas companies the
7 Staff looked at to set a rate for ONG, 9 had separate higher meter rates for non residential
8 users. This comports with the information from the American Meter Company's
9 salesman listing that ONG presented to staff showing that commercial meters are
10 significantly higher in cost than residential meters. It should also be noted that ONG's
11 requested \$15 for a non residential meter is lower than most of the non residential meter
12 customer charges used by the Staff's 11 representative utilities.

13 *The Staff presented one other factor to support its selection of a set \$6 customer fee. The*
14 *Staff noted when its dramatic decrease in rates takes place a \$6 rate would represent the*
15 *same percentage of the revenue requirement collected via the fixed customer charge, as*
16 *opposed to the weather sensitive volumetric rate. Since ONG does not agree with the*
17 *reductions proposed by Staff, using the same logic of keeping the same percent in the*
18 *customer fee would require a higher customer fee if the ONG revenue requirement were*
19 *adopted.*

20 ONG has one other unique factor that justifies using a higher customer fee and a
21 correspondingly lower base rate. Since a significant number of ONG customers are
22 students at Miami University, annually over 15% of ONG's customers leave its system in
23 May and return in August. *The City Ordinance under which ONG has operated allows*

1 this added administrative burden of summer closing and fall reopening of accounts.

2 While we may agree that the nature of the students' residence in Oxford requires this
3 practice, we believe this unique circumstance warrants a higher customer fee than what
4 may be appropriate for other utilities.

5
6 In sum, I find the Staff's recommendation to charge the same for commercial and
7 residential customer charges to be somewhat arbitrary given the fact that the very
8 companies they looked at to determine a residential customer charge had higher non
9 residential charges. As for the amount, the residential fee of \$7.50 suggested by ONG is
10 within the range which the Staff examined.

11 **Q33. The Staff recommended a volumetric rate of \$0.7623 per MCF for General Service.**

12 **How would this affect ONG?**

13 A33. On its face the \$.07623 base rate seems out of position with base rates of other utilities.
14 Since 2000, the Commission has set the rates for seven natural gas utilities, all roughly 2
15 to 3 times the proposed rate for ONG. Further, the current base rates for the two natural
16 gas utilities closest in size to ONG are more in line with ONG's current charges than the
17 Staff proposal. The Orwell Natural Gas Company's first tier for general service is \$3.33
18 per Mcf and its tail block is \$3.00. Similarly, the Waterville Natural Gas Company's
19 general service rate is \$2.80. Last week, though Waterville filed to increase its first tier
20 to \$3.07.

21 ONG's current rate is \$3.05 so to go to Staff's \$.7623 would amount to a 75% reduction.

22 When one adds in the reduction in customer fees which the Staff Report also advocates
23 ONG's non-gas revenue, using Staff's test year volumes, would plummet from

1 \$1,853,135 to \$757,031, a 59.15% reduction. No utility could withstand such a
2 reduction, and for ONG, which already has financial difficulties, it would insure its
3 bankruptcy.

4 **Q34. Do you have any other thoughts concerning the Staff Report?**

5 A34. It is the task of the Commission to set a rate that fairly represents to the customer the cost
6 of the service they enjoy and provides the utility with a reasonable return on its
7 investment. Starting this process ONG admitted that it had not kept the kind of property
8 records, nor used the uniform system of accounts necessary for cost of service rate
9 making. The Staff Report catalogues the accounting deficiencies and excludes all
10 expenses and charges that cannot be sustained by conventional utility records. The result
11 is a set of rates and charges far below anything this Commission has issued this century.
12 The Commission should accept the rate base developed by Burgess & Niple, the
13 independent engineering firm, and adopt the modified operation and expenses proposed
14 in Appendix D.

15 **Q35. Does this conclude your additional supplemental testimony?**

16 A35. Yes it does.

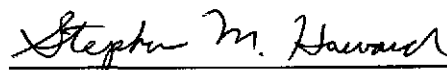
CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Additional Supplemental Testimony of John T. Stenger of Oxford Natural Gas Company was served upon the following persons by first class U.S. mail, postage prepaid this 5th day of March, 2007:

Barth Royer
Bell & Royer Co., L.P.A.
33 South Grant Avenue
Columbus, Ohio 43215-3900
BarthRoyer@aol.com

Rocco D'Ascenzo
Cincinnati Gas & Electric Co.
139 East Fourth Street, Room 2500
25th Floor, Atrium II Building
Cincinnati, Ohio 45201-0960
Rocco.D'Ascenzo@duke-energy.com

Stephen M. McHugh
Altick & Corwin Co., L.P.A.
1700 One Dayton Centre
Dayton, Ohio 45402-2026
mchughs@altickcorwin.com



Stephen M. Howard

APPENDIX A

**OXFORD NATURAL GAS COMPANY
Case No. 06-350-GA-CMR
Working Capital Allowance**

(1) Operation and Maintenance Expense including Cost of Gas	\$5,442,481
(2) Expense Lag Dollars (1) / 8	\$680,310
(3) Materials and Supplies	\$89,441
(4) ¼ of Operating Taxes	\$157,812
<hr/>	
(5) Working Capital Allowance (2) + (3) – (4)	\$611,939

APPENDIX B

Contractor's Invoice

Rile Inc.

3819 Oxford-Millville Road

Oxford, Ohio 45056

lancerile@msn.com

513-523-6144 Fax #513-523-4596

Bill To:

Darrell Perino
Oxford Natural Gas Co.
5181 College Corner Pike
Oxford, OH 45056

Proposal

Number: E103

Date: May 02, 2006

Ship To:

--

Estimated Prices Valid	Payment Terms	Amount Due	Service Rep.	Project
			Lance Rile	Kehr Rd Gas Main

Description	Hours	Rate	Amount
Relocation of existing gas main consist of			
1.) Install 2ea. 6" gas stop fittings and 2ea. 6" full port valves.		\$6,200.00	
2.) Install 2ea. bottom out gas stop fittings on 2" line.		\$5,000.00	
3.) Install 2ea. 2" service tees on 6" main.		\$3,100.00	
3.) Install 2ea. 2" service tees on 6" main.			
5.) Install temporary 2" by-pass over creek bed.		\$12,000.00	
6. Install new 6" main (Ex-Tru-Coat) under creek bed between 5" valves.		\$8,275.00	
7) Remove and cap 2" by-pass line.		\$3600.00	
8.) Includes radiographs for welded joints.		\$1000.00	
9.) All excavating, road plating and traffic control.		\$52,000.00	

THANK YOU FOR YOUR BUSINESS!

Kehr and Chestnut Bridge Replacement Project
Analysis of temporary and permanent costs

6" is permanently installed main serving that area
 2" was temporary main to enable the bridge construction,
 and is now abandoned.

Item numbers refer to Rile Inc. Proposal detailing rates

<u>Item</u>	<u>Rate</u>	<u>Capital</u>	<u>Expense</u>	<u>Comments</u>
1)	6,200.00	6,200.00		Permanent installation
2)	5,000.00		5,000.00	Part of temporary bypass
3)	3,100.00		3,100.00	Part of temporary bypass
3)	-			Two item 3's included together
5)	12,000.00		12,000.00	Part of temporary bypass
6)	8,275.00	8,275.00		Permanent installation
7)	3,600.00		3,600.00	Part of temporary bypass
8)	1,000.00	750.00	250.00	75% Capital
9)	<u>52,000.00</u>	<u>39,000.00</u>	<u>13,000.00</u>	75% Capital
	91,175.00	54,225.00	36,950.00	

APPENDIX C

List of Payroll

CHECK REGISTER

OXFORD NATURAL GAS COMPANY

REGISTER NO: PR-0207

ANK CODE: A- Main Bank Account

CHECK NUMBER	CHECK DATE	EMPLOYEE NUMBER	NAME	CHECK AMOUNT	GROSS EARNINGS	FED W/H	FICA W/H	MEDICARE W/H	STATE W/H	OTHER TAX	OTHER DED
2639	10/27/06	0000024	1 WYATT, PAMELA A.	313.48	526.50	64.26	32.64	7.63	14.15	9.21	88.13
2640	10/27/06	0000035	1 LEWIS, MEGAN	136.43	156.75	4.23	9.72	2.27	1.36	2.74	.00
2641	10/27/06	0000035	1 SMITH, KEITH G	1,548.00	2,211.53	352.90	137.11	32.07	102.75	38.70	.00
2642	10/27/06	0000036	1 LEWIS, NICOLE K.	269.10	462.00	26.03	28.64	6.70	13.75	8.09	109.69
1412	D 10/27/06	0000006	1 FERRINO, DARRYLE G.	DIRECT DEP: 613.96	1,001.19	185.15	61.85	14.46	44.33	27.44	54.10
1413	D 10/27/06	0000007	1 BOGGS, JEFFREY T.	DIRECT DEP: 380.36	755.20	106.42	46.82	10.95	22.88	20.77	167.00
1414	D 10/27/06	0000019	1 CREAGER, RICHARD L.	DIRECT DEP: 709.89	1,038.40	133.68	64.38	15.06	41.19	38.55	45.65
1415	D 10/27/06	0000020	1 SMITH, KRISTY L.	DIRECT DEP: 574.19	882.38	137.27	54.71	12.79	33.72	24.26	45.44
1416	D 10/27/06	0000029	1 VIALPANDO, STANLEY M.	DIRECT DEP: 447.10	684.00	94.16	42.41	9.92	24.95	18.81	46.65
1417	D 10/27/06	0000031	1 STENGER, JOHN T	DIRECT DEP: 1,627.07	2,403.84	432.71	149.04	34.86	118.09	42.07	.00
ANK CODE A TOTAL -		MANUAL:	0	.00	.00	.00	.00	.00	.00	.00	.00
		PRINTED:	4	2,267.01	10,121.79	1,536.81	627.32	146.71	417.07	220.64	553.66
		DIRECT DEPOSIT:	6	4,352.57							
		TOTAL:	10	6,619.58	10,121.79	1,536.81	627.32	146.71	417.07	220.64	553.66
REPORT TOTAL -		MANUAL:	0	.00	.00	.00	.00	.00	.00	.00	.00
		PRINTED:	4	2,267.01	10,121.79	1,536.81	627.32	146.71	417.07	220.64	553.66
		DIRECT DEPOSIT:	6	4,352.57							
		TOTAL:	10	6,619.58	10,121.79	1,536.81	627.32	146.71	417.07	220.64	553.66

X
52 = \$ 526,333.08

CHECK REGISTER

OXFORD NATURAL GAS COMPANY

REGISTER NO: PR-0207

ANK CODE: A- Main Bank Account

CHECK NUMBER	CHECK DATE	EMPLOYEE NUMBER	NAME	CHECK AMOUNT	GROSS EARNINGS	FED W/H	FICA W/H	MEDICARE W/H	STATE W/H	OTHER TAX	OTHER DED
2639	10/27/06	0000024	1 WYATT, PAMELA A.	313.48	526.50	64.26	32.64	7.63	14.15	9.21	85.13
2640	10/27/06	0000030	1 LEWIS, MEGAN	136.43	156.75	4.23	9.72	2.27	1.36	2.74	.00
2641	10/27/06	0000035	1 SMITH, KEITH G	1,548.00	2,211.53	352.90	137.11	32.87	102.75	38.70	.00
2642	10/27/06	0000036	1 LEWIS, NICOLE K	269.10	462.00	26.83	28.64	6.70	13.75	8.09	109.69
1412	D 10/27/06	0000066	1 FERRINO, DARRYLE G.	613.96	1,001.19	185.15	61.85	14.46	44.23	27.44	54.10
1413	D 10/27/06	0000007	1 BOGGS, JEFFREY T.	580.36	755.20	106.42	46.82	10.95	22.88	20.77	167.00
1414	D 10/27/06	0000019	1 CREAGER, RICHARD L.	709.89	1,038.40	133.68	64.38	15.06	41.19	28.35	45.65
1415	D 10/27/06	0000028	1 SMITH, KRISTY L.	574.19	882.38	137.27	54.71	12.79	33.72	24.26	45.44
1416	D 10/27/06	0000029	1 VIALPANDO, STANLEY M.	447.10	684.00	94.16	42.41	9.92	24.95	18.81	46.65
1417	D 10/27/06	0000031	1 STENGER, JOHN T	1,627.07	2,403.84	432.71	149.04	34.86	118.09	42.07	.00
ANK CODE A TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,267.01	1,536.81	627.32	146.71	417.07	553.66
				DIRECT DEPOSIT:	6	4,352.57					
				TOTAL:	10	6,619.58	10,121.79	1,536.81	627.32	146.71	417.07
										220.64	553.66
REPORT TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,267.01	1,536.81	627.32	146.71	417.07	553.66
				DIRECT DEPOSIT:	6	4,352.57					
				TOTAL:	10	6,619.58	10,121.79	1,536.81	627.32	146.71	417.07
										220.64	553.66

X
52 = \$ 526,333.08

CHECK REGISTER

REGISTER NO: PR-0208

BANK CODE: A - Main Bank Account

Q N	ER	CHECK DATE	EMPLOYEE NUMBER	#	NAME	CHECK AMOUNT	GROSS EARNINGS	FED W/H	FICA W/H	MEDICARE W/H	STATE W/H	OTHER TAX	OTHER DED
002643		11/03/06	0000024	1	WYATT, PAMELA A.	415.45	550.13	67.81	34.11	7.98	15.15	9.63	.00
002644		11/03/06	0000030	1	LEWIS, MEGAN	188.82	223.25	10.88	13.84	3.24	2.56	3.91	.00
002645		11/03/06	0000035	1	SMITH, KEITH G	1,548.00	2,211.53	352.90	137.11	32.07	102.75	38.70	.00
002646		11/03/06	0000036	1	LEWIS, NICOLE K.	233.57	369.60	12.83	22.92	5.36	10.60	6.47	77.85
D01418	D	11/03/06	0000006	1	PERRINO, DARRYLE G.	842.56	1,359.13	272.88	84.27	19.71	61.57	37.37	40.77
D01419	D	11/03/06	0000007	1	BOGGS, JEFFREY T.	460.14	925.12	147.63	57.36	13.41	30.76	25.44	190.38
D01420	D	11/03/06	0000019	1	CREAGER, RICHARD L.	737.08	1,057.28	136.43	65.55	15.33	42.10	29.07	31.72
D01421	D	11/03/06	0000020	1	SMITH, KRISTY L.	631.04	948.19	153.22	58.79	13.75	36.87	26.07	28.45
D01422	D	11/03/06	0000029	1	VIALPANDO, STANLEY M.	569.93	850.73	134.59	52.75	12.34	32.20	23.40	25.52
D01423	D	11/03/06	0000031	1	STENGER, JOHN T	1,627.07	2,403.84	432.71	149.04	34.86	118.09	42.07	.00
BANK CODE A TOTAL -						MANUAL:	0	.00	.00	.00	.00	.00	.00
						PRINTED:	4	2,385.84	10,898.80	1,721.88	675.74	158.05	452.65
						DIRECT DEPOSIT:	6	4,867.82				242.13	394.69
TOTAL:							10	7,253.66	10,898.80	1,721.88	675.74	158.05	452.65
REPORT TOTAL -						MANUAL:	0	.00	.00	.00	.00	.00	.00
						PRINTED:	4	2,385.84	10,898.80	1,721.88	675.74	158.05	452.65
						DIRECT DEPOSIT:	6	4,867.82				242.13	394.69
TOTAL:							10	7,253.66	10,898.80	1,721.88	675.74	158.05	452.65

CHECK REGISTER

REGISTER NO: PR-0209

BANK CODE: A - Main Bank Account

CHECK N°	CHECK DATE	EMPLOYEE NUMBER	# NAME	CHECK AMOUNT	GROSS EARNINGS	FED W/H	FICA W/H	MEDICARE W/H	STATE W/H	OTHER TAX	OTHER DED
002647	11/10/06	0000024	1 WYATT, PAMELA A.	408.23	540.00	66.29	33.48	7.83	14.72	9.45	.00
002648	11/10/06	0000030	1 LEWIS, MEGAN	188.82	223.25	10.88	13.84	3.24	2.56	3.91	.00
002649	11/10/06	0000035	1 SMITH, KEITH G	1,548.00	2,211.53	352.90	137.11	32.07	102.75	38.70	.00
002650	11/10/06	0000036	1 LEWIS, NICOLE K.	400.70	554.40	39.89	34.37	8.04	16.89	9.70	44.81
D01424	D 11/10/06	0000006	1 FERRINO, DARRYLE G.	699.24	1,110.13	212.50	68.83	16.10	49.63	30.53	33.30
D01425	D 11/10/06	0000007	1 BOGGS, JEFFREY T.	502.19	1,024.24	171.67	63.50	14.85	35.51	28.16	208.36
D01426	D 11/10/06	0000019	1 CREAGER, RICHARD L.	657.71	939.28	119.26	58.24	13.62	36.44	25.83	28.18
D01427	D 11/10/06	0000020	1 SMITH, KRISTY L.	664.71	1,006.69	167.41	62.41	14.60	39.67	27.69	30.20
D01428	D 11/10/06	0000029	1 VIALPANDO, STANLEY M.	525.53	773.78	115.93	47.97	11.22	28.64	21.28	23.21
D01429	D 11/10/06	0000031	1 STENGER, JOHN T	1,627.07	2,403.84	432.71	149.04	34.86	118.09	42.07	.00
BANK CODE A TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,545.75	10,787.14	1,689.44	668.79	156.43	444.90
				DIRECT DEPOSIT:	6	4,676.45				237.32	368.06
TOTAL:				10	7,222.20	10,787.14	1,689.44	668.79	156.43	444.90	237.32
REPORT TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,545.75	10,787.14	1,689.44	668.79	156.43	444.90
				DIRECT DEPOSIT:	6	4,676.45				237.32	368.06
TOTAL:				10	7,222.20	10,787.14	1,689.44	668.79	156.43	444.90	237.32

CHECK REGISTER

OXFORD NATURAL GAS COMPANY

REGISTER NO: PR-0210

ANK CODE: A - Main Bank Account

CHECK NUMBER	CHECK DATE	EMPLOYEE NUMBER	# NAME	CHECK AMOUNT	GROSS EARNINGS	FED W/H	FICA W/H	MEDICARE W/H	STATE W/H	OTHER TAX	OTHER DED
2651	11/17/06	0000024	1 WYATT, PAMELA A.	337.55	560.25	69.33	34.74	8.12	15.58	9.80	85.13
2652	11/17/06	0000030	1 LEWIS, MEGAN	228.49	275.50	17.09	17.08	3.99	4.03	4.82	.00
2653	11/17/06	0000035	1 SMITH, KEITH G.	1,548.00	2,211.53	352.90	137.11	32.07	102.75	38.70	.00
2654	11/17/06	0000036	1 LEWIS, NICOLE K.	363.79	462.00	26.03	28.64	6.70	13.75	8.09	15.00
11430	D 11/17/06	0000006	1 PERRINO, DARRYLE G.	676.69	1,110.13	211.57	68.60	16.04	49.45	30.42	57.36
11431	D 11/17/06	0000007	1 BOGGS, JEFFREY T.	592.78	1,255.52	227.75	77.84	18.21	46.60	34.53	257.81
11432	D 11/17/06	0000019	1 CREAGER, RICHARD L.	576.56	840.16	104.84	52.09	12.18	31.69	23.10	39.70
11433	D 11/17/06	0000020	1 SMITH, KRISTY L.	578.39	889.69	139.04	55.16	12.90	34.07	24.47	45.66
11434	D 11/17/06	0000029	1 VIALPANDO, STANLEY M.	447.10	684.00	94.16	42.41	9.92	24.95	18.81	46.65
11435	D 11/17/06	0000031	1 STENGER, JOHN T.	1,627.07	2,403.84	432.71	149.04	34.86	118.09	42.07	.00
ANK CODE A TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,477.83	10,692.62	1,675.42	662.71	154.99	440.96
				DIRECT DEPOSIT:	6	4,498.59				234.81	547.31
				TOTAL:	10	6,976.42	10,692.62	1,675.42	662.71	154.99	440.96
										234.81	547.31
REPORT TOTAL -				MANUAL:	0	.00	.00	.00	.00	.00	.00
				PRINTED:	4	2,477.83	10,692.62	1,675.42	662.71	154.99	440.96
				DIRECT DEPOSIT:	6	4,498.59				234.81	547.31
				TOTAL:	10	6,976.42	10,692.62	1,675.42	662.71	154.99	440.96
										234.81	547.31

Check Register

6725, OXFORD NATURAL GAS COMPANY

Pay Period From 11/12/2005 to 11/18/2006, Check Date: 11/24/2006

RICHARD L CREAGER														
ID#	19	Check #	100000160	SS#	284-68-3378	Pay	1,052.56	Tips	0.00	Reimburse	0.00	Net	704.90	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Hourly	18.88	40.00	33,040.00	FIT	135.74	5,213.08	Fed.Dues	0.00	180.00	WC 7502	22.50	969.96	FIT,Mar1, 0	
HyOT1.6	28.32	10.50	297.36	FICA Med	15.26	632.29	Ins.Alt.	14.00	325.58	OH SUTA	0.00	243.00	OH SIT,Mar1, 0	
V/S/H	18.88	0.00	0.00	FICA SS	65.26	2,703.70	Nextell	15.00	346.00	FUTA	0.00	58.00	Oxford,New T, 0	
Total:		50.50	1,052.56	43,608.08	OH SIT	41.87	1,690.33	SIMPLE	31.58	1,308.24	FICA SS	65.26	2,703.70	
				Oxford	18.42	763.14	UnionDue	0.00	812.36	FICA MED	15.26	632.29	PREBLE S,Not A, 0	
				PREBLE	10.53	438.07	Total:	60.58	2,971.18	Total:	103.02	4,604.95		
				Total:	287.08	11,438.63								
KRISTY L SMITH														
ID#	20	Check #	100000161	SS#	403-27-9434	Pay	845.81	Tips	0.00	Reimburse	0.00	Net	534.19	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Hourly	19.50	40.00	780.00	FIT	128.40	6,102.67	Fed.Dues	0.00	180.00	WC 8810	3.32	156.36	FIT,Singl, 0	
HyOT1.5	29.25	2.25	65.81	FICA Med	12.26	580.49	Ins.Alt.	37.93	785.77	OH SUTA	0.00	243.00	OH SIT,Singl, 0	
V/S/H	19.50	0.00	0.00	FICA SS	52.44	2,482.09	SIMPLE	25.37	1,201.02	FUTA	0.00	56.00	Oxford,New T, 0	
Total:		42.25	845.81	40,033.54	OH SIT	31.96	1,497.46	UnionDue	0.00	728.42	FICA SS	52.44	2,482.09	
				TALAWA	8.46	400.36	Total:	63.30	2,895.21	FICA MED	12.26	580.49	TALAWAND,Not A, 0	
				Oxford	14.80	700.58	Total:				68.02	3,517.94		
				Total:	248.32	11,763.65								
PAMELA A WYATT														
ID#	24	Check #	1281	SS#	296-60-3378	Pay	513.00	Tips	0.00	Reimburse	0.00	Net	263.71	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Hourly	13.50	38.00	513.00	FIT	62.24	2,948.28	Fed.Dues	0.00	180.00	WC 8810	2.19	106.27	FIT,Singl, 0	
HyOT1.5	20.25	0.00	0.00	FICA Med	7.44	364.28	Ins.Alt.	62.31	1,043.29	OH SUTA	0.00	243.00	OH SIT,Singl, 0	
V/S/H	13.50	0.00	0.00	FICA SS	31.81	1,557.67	Nextell	72.93	1,500.60	FUTA	0.00	56.00	Oxford,New T, 0	
Total:		38.00	513.00	25,123.52	OH SIT	13.58	731.78	UnionDue	0.00	479.94	FICA SS	31.81	1,557.67	
				Oxford	8.98	439.68	Total:	135.24	3,203.83	FICA MED	7.44	364.28		
				Total:	124.05	6,041.65					41.44	2,327.22		
STANLEY M VALPANDO														
ID#	29	Check #	100000163	SS#	522-96-6878	Pay	698.83	Tips	0.00	Reimburse	0.00	Net	428.47	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Hourly	17.10	40.00	684.00	FIT	97.27	5,737.71	Advance	0.00	1,420.00	WC 7502	15.34	873.69	FIT,Singl, 0	
HyOT1.5	25.85	0.50	12.93	FICA Med	10.10	563.67	CellPhon	0.00	64.87	OH SUTA	0.00	243.00	OH SIT,Singl, 0	
V/S/H	17.10	0.00	0.00	FICA SS	43.20	2,410.11	Fed.Dues	0.00	180.00	FUTA	0.00	56.00	Oxford,New T, 0	
Total:		40.50	698.83	38,872.63	OH SIT	25.48	1,443.22	Ins.Alt.	37.25	890.82	FICA SS	43.20	2,410.11	
				TALAWA	6.97	388.78	Nextell	15.00	345.00	FICA MED	10.10	563.67	TALAWAND,Not A, 0	
				Oxford	12.19	580.25	SIMPLE	20.90	1,186.18	Total:	69.84	4,148.47		
				Total:	195.21	11,223.73	UnionDue	0.00	720.51					
MEGAN LEWIS														
ID#	30	Check #	1282	SS#	285-92-8787	Pay	228.00	Tips	0.00	Reimburse	0.00	Net	182.51	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Hourly	9.50	24.00	228.00	FIT	11.36	203.38				WC 8810	0.97	14.60	FIT,Singl, 1	
Total:		24.00	228.00	3,429.50	FICA Med	3.31	48.73			OH SUTA	6.16	92.90	OH SIT,Singl, 1	
				FICA SS	14.14	212.63				FUTA	1.83	27.44	Oxford,New T, 0	
				OH SIT	2.69	47.83				FICA SS	14.14	212.63		
				Oxford	3.99	60.03				FICA MED	3.31	48.73		
				Total:	35.49	573.60				Total:	28.41	397.00		
JOHN T STENGER														
ID#	31	Check #	100000165	SS#	309-76-5045	Pay	2,403.84	Tips	0.00	Reimburse	0.00	Net	1,827.07	
Pay	Rate	Quantity	YTD	Taxes	Current	YTD	Deducts	Current	YTD	E-Tax	Current	YTD	Accrued	Used
Salary	2,403.84	1.00	2,403.84	FIT	432.71	2,163.55				WC 8810	10.24	51.20	FIT,Mar1, 0	
Total:		1.00	2,403.84	12,019.20	FICA Med	34.86	174.30			OH SUTA	0.00	243.00	OH SIT,Mar1, 0	
				FICA SS	149.04	745.20				FUTA	0.00	58.00	Oxford,New T, 0	
				OH SIT	118.09	590.45				FICA SS	149.04	745.20		
				Oxford	42.07	210.35				FICA MED	34.86	174.30		
				Total:	776.77	3,863.85				Total:	194.14	1,288.70		

Check Register

8725. OXFORD NATURAL GAS COMPANY

Pay Period From 11/12/2006 to 11/18/2006. Check Date: 11/24/2006

KEITH G SMITH																			
Pay	Rate	Quantity	ID#	35	Check #	1283	SS#	288-34-9863	Pay	2,211.53	Tips	0.00	Reimburse	0.00	Net	1,548.00	Accrual	Accrued	Used
Salary	2,211.53	1.00	2,211.53	11,057.66	FIT	352.90		1,764.50			WC 8810	9.42	47.10				FIT, Mari, 2		
Total:		1.00	2,211.53	11,057.66	FICA Med	180.35		685.55			FUTA	4.16	243.00				OH SIT, Mari, 2		
					FICA SS	137.11		685.55			FICA SS	137.11	685.55				Oxford, New T, 0		
					OH SIT	102.75		513.75			FICA MED	32.07	160.35						
					Oxford	36.70		193.50			Total:	182.75	1,192.00						
					Total:	683.63		3,317.65			Tips: 0.00								
					Check #:	1284		SS#	275-82-1735		Pay:	421.58		Reimburse:	0.00		Net:	317.55	
					ID#:	36													
Hourly	11.55	36.50	421.58	20,665.85	FIT	19.97		1,092.31	Advance	0.00	450.00	WC 8810	1.80	88.06			FIT, Singl, 3		
HlyOT1.5	17.33	0.00	0.00	121.28	FICA Med	6.11		301.43	Fed.Dues	0.00	180.00	OH SUTA	0.00	243.00			IN SIT, Mari, 0		
Total:	36.50	421.58	20,787.13	FICA SS	26.14			1,288.81	Garnishm	0.00	4,036.05	FUTA	0.00	56.00			OH SIT, Mari, 3		
					OH SIT	0.00		38.92	Nextell	30.00	690.00	FICA SS	26.14	1,288.81			Oxford, New T, 0		
					Oxford	7.36		363.60	Union/Due	0.00	393.11	FICA MED	6.11	301.43					
					IN SIT	14.33		564.98	Total:	30.00	5,749.16	Total:	34.05	1,977.30					
					Total:	73.93		3,649.95			Tips: 0.00								
					Check #:	100000168		SS#	521-35-0357		Pay:	1,079.04		Reimburse:	0.00		Net:	635.22	
					ID#:	8													
Hourly	20.75	40.00	830.00	36,312.50	FIT	203.11		9,105.52	Advance	0.00	400.00	WC 7502	23.33	1,111.95			FIT, Singl, 0		
HlyOT1.5	31.13	8.00	249.04	10,177.95	FICA Med	15.54		732.52	CellPhon	0.00	227.05	OH SUTA	0.00	243.00			OH SIT, Singl, 0		
V/SH	20.75	0.00	0.00	4,170.75	FICA SS	86.44		3,132.28	Fed.Dues	0.00	180.00	FUTA	0.00	56.00			Oxford, New T, 0		
Total:	46.00	1,079.04	60,861.20	OH SIT	47.78			2,146.93	Ins.Aft.	12.77	231.98	FICA SS	66.44	3,132.28			TALAWAND, Not A, 0		
					TALAWA	10.72		505.21	Ins.Pre	7.38	140.22	FICA MED	15.54	732.52					
					Oxford	16.75		884.11	Nextell	15.00	345.00	Total:	106.31	6,276.75					
					Total:	362.34		16,506.57	Pre-Legl	12.96	298.08								
									SMPL	32.37	1,519.81								
									Union/Due	0.00	915.07								
					Total:	80.48		4,257.21			Tips: 0.00								
					Check #:	100000169		SS#	316-68-5750		Pay:	811.34		Reimburse:	0.00		Net:	397.08	
					ID#:	7													
Hourly	18.88	37.00	698.56	34,607.04	FIT	120.16		7,328.64	Advance	0.00	400.00	WC 7502	19.15	996.70			FIT, Singl, 0		
HlyOT1.5	28.32	0.00	0.00	8,510.16	FICA Med	11.77		653.86	Fed.Dues	0.00	180.00	OH SUTA	0.00	243.00			OH SIT, Singl, 0		
V/SH	18.88	6.00	113.28	1,963.52	FICA SS	50.33		2,794.97	Garnishm	145.48	7,867.36	FUTA	0.00	56.00			Oxford, New T, 0		
Total:	43.00	811.84	45,080.72	OH SIT	25.33			1,636.00	Nextell	15.00	345.00	FICA SS	50.33	2,794.97			TALAWAND, Not A, 0		
					TALAWA	8.12		450.78	SMPL	24.36	1,362.46	FICA MED	11.77	653.68					
					Oxford	14.21		788.91	Union/Due	0.00	825.25	Total:	81.25	4,744.35					
					Total:	229.92		13,650.98	Total:	184.84	10,960.08								

Check Register

6725, OXFORD NATURAL GAS COMPANY
Pay Period From 11/12/2006 to 11/18/2006, Check Date: 11/24/2006

Preserved Items: 1

Report Totals: Check Date: 11/24/2006

Pay	Hours	Quantity	Total	Reimburse	Taxes	Deductions	Net Amount	Benefits	Check Count	Current	Current	Current
10,264.03		0.00	0.00	0.00	2,996.64	617.59	6,649.80	0.00	10			
Salary	80.00	2.00	4,615.37		FIT	1,563.86	Advance	0.00	FICA MED	148.72		
Hourly	295.50	295.50	4,910.34		FICA Med	148.72	CalPhon	0.00	FICA SS	635.91		
HlyOT1.5	21.25	21.25	625.04		FICA SS	635.91	Fed.Dues	0.00	FUTA	1.83		
V/SH	6.00	6.00	113.28		OH SIT	409.53	Garnishm	145.48	OH SUTA	10.31		
Total:	402.75	324.75	10,264.03		TALAWA	34.27	Ins.Afl	154.26	WC 8810	27.94		
					Oxford	179.49	Ins.Pre	7.38	WC 7502	81.32		
					PREBLE	10.63	Nextell	162.93	Total:	906.03		
					IN SIT	14.33	Pre.Legl	12.96				
					Total:	2,996.64	SIMPLE	134.58				
							UnionDua	0.00				
							Total:	617.59				

Check Register

6725, OXFORD NATURAL GAS COMPANY

Pay Period From 11/19/2006 to 11/25/2006, Check Date: 12/1/2006

RICHARD L CREAGER																
ID#:	19	Check #: 1000000171				SS#: 284-68-3318	Pay:	558.16	Tips: 0.00				Reimburse: 0.00	Net:	841.41	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Hourly	18.88	28.00	528.64	33,568.64	FIT	122.01	5,335.09	Fed Dues	0.00	180.00	WC 7502	21.90	991.56	FIT, Mari, 0		
HlyOT1.5	28.32	4.50	127.44	7,818.08	FICA Med	13.89	646.18	Ins Aft	14.00	339.58	OH SUTA	0.00	243.00	OH SIT, Mari, 0		
V/SH	18.88	16.00	302.08	3,379.52	FICA SS	59.41	2,763.11	Nextell	15.00	360.00	FUTA	0.00	56.00	Oxford, New T, 0		
Total:		48.50	958.16	44,566.24	OH SIT	37.35	1,727.70	SIMPLE	28.74	1,336.98	FICA SS	59.41	2,763.11	PREBLE S, Not A, 0		
					Oxford	16.77	779.91	UnionDue	0.00	812.38	FICA MED	13.89	646.18			
					PREBLE	9.58	445.65	Total:	57.74	3,028.92	Total:	94.90	4,699.85			
					Total:	269.01	11,697.84									
ID#:	20	Check #: 1000000172				SS#: 403-27-9434	Pay:	816.58	Tips: 0.00				Reimburse: 0.00	Net:	517.34	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Hourly	19.50	24.00	468.00	36,100.00	FIT	121.30	6,223.97	Fed Dues	0.00	180.00	WC 8810	3.32	159.68	FIT, Singl, 0		
HlyOT1.5	29.25	1.25	36.56	3,371.10	FICA Med	11.84	592.33	Ins Aft	37.93	823.70	OH SUTA	0.00	243.00	OH SIT, Singl, 0		
V/SH	19.50	16.00	312.00	2,379.00	FICA SS	50.63	2,532.72	SIMPLE	24.50	1,225.52	FUTA	0.00	56.00	Oxford, New T, 0		
Total:		41.25	816.56	40,850.10	OH SIT	30.56	1,528.02	UnionDue	0.00	728.42	FICA SS	50.63	2,532.72	TALAWAND, Not A, 0		
					TALAWA	8.17	408.53	Total:	82.43	2,957.64	FICA MED	11.84	592.33			
					Oxford	14.29	714.87					65.79	3,583.73			
					Total:	236.79	12,000.44									
ID#:	24	Check #: 1285				SS#: 296-90-3378	Pay:	540.00	Tips: 0.00				Reimburse: 0.00	Net:	282.99	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Hourly	13.50	24.00	324.00	23,645.25	FIT	66.29	3,014.55	Fed Dues	0.00	180.00	WC 8810	2.30	108.87	FIT, Singl, 0		
HlyOT1.5	20.25	0.00	0.00	182.27	FICA Med	7.83	372.11	Ins Aft	52.31	1,095.60	OH SUTA	0.00	243.00	OH SIT, Singl, 0		
V/SH	13.50	16.00	216.00	1,838.00	FICA SS	33.48	1,591.15	Nextell	72.93	1,573.53	FUTA	0.00	56.00	Oxford, New T, 0		
Total:		40.00	540.00	25,663.52	OH SIT	14.72	746.50	UnionDue	0.00	479.94	FICA SS	33.48	1,591.15			
					Oxford	9.45	449.11	Total:	125.24	3,329.07	FICA MED	7.83	372.11			
					Total:	131.77	6,173.42					43.61	2,370.83			
ID#:	29	Check #: 1000000174				SS#: 522-96-6676	Pay:	684.00	Tips: 0.00				Reimburse: 0.00	Net:	420.98	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Hourly	17.10	24.00	410.40	31,635.00	FIT	94.16	5,831.87	Advances	0.00	1,420.00	WC 7502	16.14	889.83	FIT, Singl, 0		
HlyOT1.5	25.65	0.00	0.00	5,527.63	FICA Med	9.92	573.59	CellPhone	0.00	84.87	OH SUTA	0.00	243.00	OH SIT, Singl, 0		
V/SH	17.10	16.00	273.60	2,394.00	FICA SS	42.41	2,452.52	Fed Dues	0.00	180.00	FUTA	0.00	56.00	Oxford, New T, 0		
Total:		40.00	684.00	39,556.63	OH SIT	24.95	1,468.17	Ins Aft	37.25	918.07	FICA SS	42.41	2,452.52	TALAWAND, Not A, 0		
					TALAWA	6.84	395.60	Nextell	15.00	360.00	FICA MED	9.92	573.59			
					Oxford	11.97	692.23	SIMPLE	20.52	1,188.70	Total:	68.47	4,214.94			
					Total:	190.25	11,413.98	UnionDue	0.00	720.51						
ID#:	30	Check #: 1289				SS#: 285-92-8787	Pay:	213.75	Tips: 0.00				Reimburse: 0.00	Net:	181.44	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Hourly	9.50	22.50	213.75	3,643.25	FIT	9.93	213.31		0.00	1,420.00	WC 8810	0.91	15.51	FIT, Singl, 1		
Total:		22.50	213.75	3,643.25	FICA Med	3.10	52.83		0.00	84.87	OH SUTA	5.77	98.37	OH SIT, Singl, 1		
					FICA SS	13.25	226.98		0.00	180.00	FUTA	1.71	29.15	Oxford, New T, 0		
					OH SIT	2.29	50.12		0.00	918.07	FICA SS	13.25	225.88			
					Oxford	3.74	63.77		0.00	360.00	FICA MED	3.10	52.83			
					Total:	32.31	605.91		0.00	720.51	Total:	24.74	421.74			
ID#:	31	Check #: 1000000175				SS#: 309-76-5045	Pay:	2,403.84	Tips: 0.00				Reimburse: 0.00	Net:	1,627.07	
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	Deducts	Current	YTD	Er Tax	Current	YTD	Accrual	Accrued	Used
Salary	2,403.84	1.00	2,403.84	14,423.04	FIT	432.71	2,686.26		0.00	1,420.00	WC 8810	10.24	61.44	FIT, Mari, 0		
Total:		1.00	2,403.84	14,423.04	FICA Med	34.86	209.16		0.00	84.87	OH SUTA	0.00	243.00	OH SIT, Mari, 0		
					FICA SS	149.04	894.24		0.00	180.00	FUTA	0.00	56.00	Oxford, New T, 0		
					OH SIT	118.09	708.64		0.00	918.07	FICA SS	148.04	894.24			
					Oxford	42.07	252.42		0.00	360.00	FICA MED	34.86	209.16			
					Total:	776.77	4,660.82		0.00	720.51	Total:	194.14	1,463.84			

Check Register

6725, OXFORD NATURAL GAS COMPANY

Pay Period From 11/19/2006 to 11/25/2006, Check Date: 12/1/2006

28-Nov-06
11:13 AM
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NICOLE K LEWIS											
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	SS#	275-82-1735	Check #	1287
Hourly	11.55	23.00	265.65	20,931.50	FIT	24.30	1,116.61	Advance	0.00	450.00	WC 8810
HyOT1.5	17.33	0.00	0.00	121.28	FICA Med	6.63	307.98	Fed.Dues	0.00	180.00	OH SUTA
V/S/H	11.55	18.00	184.80	184.80	FICA SS	27.93	1,316.74	Garnishm	0.00	4,038.05	FUTA
Total:		39.00	450.45	21,237.58	OH SIT	0.00	38.92	Nextell	30.00	720.00	FICA SS
					Oxford	7.88	371.68	UnionDue	0.00	393.11	FICA MED
					IN SIT	15.32	580.00	Total:	30.00	5,779.16	Total:
						81.96	3,731.91				

DARRYLE G PERRINO											
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	SS#	521-35-0357	Check #	1000000178
Hourly	20.75	8.00	166.00	36,478.50	FIT	195.56	9,301.08	Advance	0.00	400.00	WC 7502
HyOT1.5	31.13	7.00	217.91	10,395.86	FICA Med	15.09	747.61	Cellphon	0.00	227.05	OH SUTA
V/S/H	20.75	32.00	694.00	4,834.75	FICA SS	64.51	3,196.79	Fed.Dues	0.00	180.00	FUTA
Total:		47.00	1,047.91	51,709.11	OH SIT	46.28	2,193.21	Ins.Aft.	12.77	244.75	FICA SS
					TALAWA	10.41	515.62	Ins.Pra	7.38	147.60	FICA MED
					Oxford	18.21	902.32	Nextell	15.00	360.00	Total:
					Total:	350.06	16,856.63	Pre.Legl	12.96	311.04	
								SIMPLE	31.44	1,551.26	
								UnionDue	0.00	916.07	
								Total:	78.55	4,336.76	

JEFFREY T BOGGS											
Pay	Rate	Quantity	Total	YTD	Taxes	Current	YTD	SS#	316-68-5760	Check #	1000000179
Hourly	18.88	24.00	453.12	35,060.16	FIT	120.16	7,446.80	Advance	0.00	400.00	WC 7502
HyOT1.5	28.32	2.00	56.64	8,568.80	FICA Med	11.77	665.45	Fed.Dues	0.00	180.00	OH SUTA
V/S/H	18.88	16.00	302.08	2,265.80	FICA SS	50.33	2,845.30	Garnishm	145.48	8,002.86	FUTA
Total:		42.00	811.84	45,892.66	OH SIT	25.33	1,661.33	Nextell	15.00	360.00	FICA SS
					TALAWA	8.12	458.90	SIMPLE	24.36	1,376.81	FICA MED
					Oxford	14.21	803.12	UnionDue	0.00	825.25	Total:
					Total:	229.92	13,880.90	Total:	184.84	11,144.92	

Report Totals: Check Date: 12/1/2006

Pay	Hours	Reimburse	Tips	Taxes	Deductions	Net Amount	Benefits	Check Count
7,926.51	0.00	0.00	0.00	2,268.84	612.57	5,025.10	0.00	9

Preserved Items: 0

Pay	Hours	Quantity	Total	Taxes	Current	Deductions	Current	Eir Tax	Current	Benefits	Current
Salary	40.00	1.00	2,403.84	FIT	1,166.42	Advance	0.00	FICA MED	114.83		
Hourly	177.50	177.50	2,829.56	FICA Med	114.93	CellPhon	0.00	FICA SS	490.99		
HyOT1.5	14.75	14.75	438.56	FICA SS	490.99	Fed.Dues	0.00	FUTA	1.71		
V/S/H	128.00	128.00	2,254.56	OH SIT	299.57	Garnishm	145.48	OH SUTA	5.77		
Total:	360.25	321.25	7,926.51	TALAWA	33.54	Ins.Alt.	154.26	WC 8810	18.69		
				Oxford	138.59	Ins.Pre	7.38	WC 7502	79.29		
				PREBLE	9.58	Nextell	162.93	Total:	711.28		
				IN SIT	15.32	Pre.Legl	12.96				
				Total:	2,286.84	SIMPLE	129.56				
						UnionDue	0.00				
						Total:	612.57				

S & W Data Processing, Inc.

Phone (513) 868-8600

Fax (513) 868-8620

APPENDIX D

Lease Vehicles Estimate

John Stenger

From: John Stenger [jstenger@cinci.rr.com]
Sent: Sunday, December 03, 2006 11:39 PM
To: 'David.Erickson@puc.state.oh.us'
Cc: 'Ibrahim.Soliman@puc.state.oh.us'; 'goxfordnatural@woh.rr.com'; 'Rich Perkins'; 'Petricoff, M. Howard'
Subject: WPC-2.1 Adjustments

David,

Per your request, here is additional information regarding the subject adjustments. Please contact me with questions or comments. I've also attached a Word file in case the formatting is lost in the e-mail form.

Oxford Natural Gas
WPC-2.1 Adjustments

Account 540000 - Lease Astro Van

WPC-2.1 lists an adjustment of \$35,180, which translates to a \$36,000 adjusted test year total. The transportation fleet utilized by the field staff at ONG is in dire need of replacement. A minimum of four (4) new vehicles is required. 2 trucks and 2 vans are required. 1 truck is needed as both a crew truck capable of pulling a trailer with a mini-excavator and for hauling materials and equipment needed for typical construction activities. 1 truck would be equipped as a service truck. The 2 vans would be equipped to do typical work orders, meter changes, etc. Estimates are as follows:

1. Crew truck with Knapheide Service body - cost = \$55,000.
Annual cost = \$11,250
2. ¾ ton Service truck with open service body - cost = \$30,000
Annual cost = \$7,150
3. ¾ ton Van with interior shelf package - cost = \$25,000
Annual Cost = \$6,400
4. ¾ ton Van with interior shelf package - cost = \$25,000
Annual Cost = \$6,400

Annual lease expense = \$31,200. The unadjusted test year total is equal to \$820. The adjustment should be changed to \$30,380, yielding an adjusted test year total of \$31,200.

Note that I have quotes for similar vehicles, but they are not specific to Oxford Natural Gas. We believe it is necessary to have the rate case completed before we purchase these vehicles.

Account 542000 - Lease GMC Truck

This item is listed as -0- on WPC-2.1, and is covered by the previous account. Therefore, it should stay as -0-.

Account 543000 - Lease Bobcat and Account 543000 - Rental Equipment

WPC-2.1 lists adjustments of \$2,168 and \$12,000. ONG's backhoe was retired in the past year due to age and condition. These adjustments are to cover rental of equipment necessary to complete maintenance projects. We also believe some of these fees were to cover rental of equipment necessary to complete capital projects. Typical backhoe rental fees are approximately \$550 per week, or \$2,000 per month. We are recommending that these two items be combined on WPC-2.1. Using the unadjusted test year total of \$2,832 plus a new adjustment of \$5,668 gives a new adjusted test year total

12/3/2006

APPENDIX E

Revised WPC—2.1

CASE NO 06-350-GA-CMR
MONTHLY FINANCIALS FOR THE TWELVE MONTHS ENDED OCT 31, 2006

580000 Miscellaneous	(321)	4,244	83	8,644	427	7,270	(11,893)	1,137	309	3,300	1,180	355	15,067	(10,710)	4,357	Accept Staff's adjustments.
583000 Cellular Phones	826	2,847	1,052	1,803	802	1,981	838	539	(663)	1,840	883	(401)	4,122	(174)	3,948	Accept Staff's adjustments.
582000 Utilities																Accept Staff's adjustments.
585000 Meals	115	149	182	32	348	366	125	158	32	520	25	40	2,092	(985)	1,107	expected expenses, but add \$300 back for
585250 Clothing Expense	186	397		164	164	159	2,619	486	154	442	188	571	5,529	(656)	4,873	Accept Staff's adjustments.
585500 Travel		849	1,708	7,385	733	5,097	1,141	907	925	3,055	2,342	24,141	(18,141)		5,000	Accept Staff's adjustments, but should expect \$3,000 to
587500 Printing And Stationary	160	46						215				421			meetings.	
588500 Computer Expenses			266	219											421	Use test year expenses.
588000 Office Supplies & Equipment	69	216	482	1,030	474	247	350	945	213	718	822	261	475	1,500	1,975	Use test year expenses, but add \$1,500 for expected
541000 Lease Copier	160	160	160	160		240	138	138	169	169	169	180	1,557	(922)	4,914	Accept Staff's adjustments.
589500 Office Cleaning	82	40	285	53				169	78	40	40	40	832		1,520	Use test year expenses.
589000 Other	37	99	18	159	80	282	(3,395)	41	125	111	185	965	1,148	(238)	584	Accept Staff's adjustments.
589500 Postage	2,091		2,130	3,289		3,162		1,550	2,362	2,132			14,346	(74)	1,074	Accept Staff's adjustments.
590500 Payroll Expense SFA Match														808	15,154	Restore 2 positions, use 3% of salary expenses.
592000 Payroll Expense Subcontract	950	500	1,620	950		4,771	1,250	38,444	850	500	675	950	12,916	(4,021)	8,865	Restore billing support expenses. Capitalize and
593000 Payroll Expense	36,848	72,540	40,827	38,447	36,892	36,395	41,166	58,127	38,860	39,949	36,498	517,112	517,112	(11,989)	506,123	Annuitize last test year pay period.
593100 Payroll Expense Bonus		2,450	2,083	55,000									59,553	(47,083)	12,450	Allocate 2.5% budget of salaries for bonuses.
594000 Consulting Fees	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	22,914		15,000	Use test year expenses. Payment of \$15,000 was
Rate Case - Legal															33,333	made to John Stenger.
Rate Case - Consulting															15,980	5-year amortization of \$79,800
Bridge Construction															15,980	Expense the portion of the project that was for the
Highway 27															36,950	temporary movement of the gas main.
Total Other O&M Expenses	92,628	502,769	88,695	229,170	167,438	140,833	101,598	122,243	113,847	96,024	119,817	106,989	1,882,895	(658,557)	1,224,339	Work to be capitalized. To be completed in 2007.
Total Operation & Maintenance Exp.	758,987	1,786,789	945,309	849,480	573,885	437,965	273,449	252,830	276,394	276,833	339,391	492,382	7,223,807	23,501	7,247,109	
531000 Depreciation	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	144,000	-	144,000	
Taxes Other:																
610000 FUTA			591	310	87	38	1						1,027	(467)	560	Restore positions, 10 x 0.008 x 7,000.
607000 and 607000 State Unemployment			817	399	280	81	49						1,626	1,164	2,790	Restore positions, 10 x 0.031 x 9,000.
532500 Taxes BMC						54	124						178		178	Use test year expenses.
601 602 Taxes Other:			8,259	47		(6,242)	9,683	120	55	3,143	(12,826)	267	3,155	(2,017)	1,138	Accept Staff's calculation.
809700 Taxes Real Estate		916	1,075					13,427			(13,427)		14,575	16,362	30,937	Accept Staff's calculation.
534000 Assessment Maint PUCCO		13,500									2,039	257	2,286	325	2,621	For OCC Fund Assessment - use Staff's number.
535000 Assessment PUCCO								76	103		8,582		8,761	1,817	10,578	For PUCCO Maintenance - use Staff's number.
609000 FICA Employer Match	2,213	2,984	3,123	7,149	2,982	2,784	3,151	2,943	4,447	2,973	3,066	2,638	40,442	(849)	39,594	7.65% x (\$65123+12450).

All and any Customer Service Charges were included in Sales Residential

THIS SECTION WAS NOT REVIEWED

APPENDIX F

Bad Debt Tracker Calculation

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2006

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	148,421.41	147,392.28	143,928.14	141,943.51	143,893.52	145,053.43	171,728.07	192,788.51	192,250.61	194,441.50	192,102.34	192,929.92
(2) Bad Debt Written Off (a)	1,436.23	1,138.32	539.18	2,749.82	4,106.69	27,073.84	25,511.54	-	2,716.83	8.85	4,613.86	645.10
(3) Recovery - Base Rates	3,106.65	3,571.05	2,945.65	1,176.15	987.15	594.90	489.65	570.20	698.50	1,429.95	2,410.25	2,855.55
(4) Recovery - Bad Debt Rider (b)	-	-	-	-	-	-	-	-	-	-	-	-
(5) Recovery - Other (c)	463.86	2,119.79	646.17	691.55	3,039.13	989.78	5,321.28	1,406.20	1,272.12	2,362.18	2,814.51	688.75
(6) Incremental Bad Debt (2)-(3)+(4)+(5)	(2,134.28)	(4,552.52)	(3,052.84)	882.12	80.41	25,488.16	19,700.61	(1,976.40)	746.21	(3,783.28)	(610.90)	(2,899.20)
(7) Balance Subtotal (1) + (6)	146,287.13	142,839.77	140,875.50	142,825.63	143,973.93	170,542.59	191,428.68	180,812.11	192,996.82	190,658.22	191,491.44	190,030.72
(8) Carrying Charges [(1)+(7))/2] x (d)	1,105.16	1,088.37	1,068.01	1,067.88	1,079.50	1,183.49	1,361.82	1,438.50	1,444.68	1,444.12	1,438.48	1,436.10
(9) Balance - End of Month (7) + (8)	147,392.28	143,928.14	141,943.51	143,893.52	145,053.43	171,728.07	192,788.51	192,250.61	194,441.50	192,102.34	192,929.92	191,466.82

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75% Jan 0.75% Feb 0.75% Mar 0.75% Apr 0.75% May 0.75% Jun 0.75% Jul 0.75% Aug 0.75% Sep 0.75% Oct 0.75% Nov 0.75% Dec 0.75%

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2005

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	109,743.78	105,060.72	101,922.98	97,746.58	97,302.93	110,413.98	110,246.43	125,229.51	132,600.81	147,533.95	148,875.26	149,641.50
(2) Bad Debts Written Off (a)	428.34	549.46	1,581.04	2,189.39	13,560.03	-	14,621.93	11,290.04	16,596.58	4,103.22	2,954.31	1,436.23
(3) Recovery - Base Rates	3,605.00	3,701.50	3,688.95	1,514.00	769.80	926.35	513.50	592.85	543.25	1,054.45	2,364.50	3,702.40
(4) Recovery - Bad Debt Rider (b)	-	-	-	-	-	-	-	-	-	-	-	-
(5) Recovery - Other (c)	<u>2,318.87</u>	<u>748.94</u>	<u>2,812.47</u>	<u>1,849.75</u>	<u>456.21</u>	<u>65.58</u>	<u>5.08</u>	<u>4,288.14</u>	<u>2,166.77</u>	<u>2,814.84</u>	<u>938.83</u>	<u>67.48</u>
(6) Incremental Bad Debt (2)-(3)+(4)+(5)	(5,495.53)	(3,900.98)	(4,920.38)	(1,174.36)	12,335.02	(991.93)	14,103.34	6,408.05	13,886.56	233.93	(349.02)	(2,333.65)
(7) Balance Subtotal (1) + (6)	104,248.25	101,149.74	97,002.61	96,574.22	109,637.95	109,422.05	124,349.77	131,637.56	146,487.37	147,767.88	148,526.24	147,307.85
(8) Carrying Charges {(1)+(7)2} x (d)	<u>802.47</u>	<u>773.25</u>	<u>745.97</u>	<u>728.71</u>	<u>776.03</u>	<u>824.39</u>	<u>879.74</u>	<u>963.25</u>	<u>1,046.58</u>	<u>1,107.38</u>	<u>1,115.26</u>	<u>1,113.56</u>
(9) Balance - End of Month (7) + (8)	105,050.72	101,922.99	97,748.58	97,302.93	110,413.98	110,246.43	125,229.51	132,600.81	147,533.95	148,875.26	149,641.50	148,421.41

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

[illegible]

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2004

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	54,358.38	47,231.40	41,292.94	37,788.97	44,797.77	54,404.38	89,821.92	108,024.26	105,898.88	107,630.60	109,496.03	107,576.92
(2) Bad Debts Written Off (a)	857.51	505.82	1,649.10	10,150.31	10,735.67	37,078.78	23,052.58	-	6,515.30	3,437.97	1,237.91	6,615.70
(3) Recovery - Base Rates	4,995.55	4,143.35	3,005.75	1,638.45	925.85	615.65	488.75	550.40	644.45	1,076.55	2,029.35	4,195.00
(4) Recovery - Bad Debt Rider (b)	-	-	-	-	-	-	-	-	-	-	-	-
(5) Recovery - Other (c)	<u>3,668.48</u>	<u>2,631.66</u>	<u>2,442.77</u>	<u>1,811.60</u>	<u>573.83</u>	<u>1,584.41</u>	<u>5,100.65</u>	<u>2,374.19</u>	<u>4,938.87</u>	<u>1,307.18</u>	<u>1,938.65</u>	<u>1,065.75</u>
(6) Incremental Bad Debt (2)-(3)+(4)+(5)	(7,506.52)	(6,268.19)	(3,799.42)	6,700.26	9,235.99	34,878.72	17,463.18	(2,924.59)	933.98	1,054.24	(2,730.09)	1,354.95
(7) Balance Subtotal (1) + (6)	46,851.86	40,962.21	37,493.52	44,489.23	54,033.76	89,283.10	107,285.10	105,099.67	106,832.86	108,684.84	106,765.94	108,931.87
(8) Carrying Charges $\{(1)+(7)/2\} \times (d)$	<u>379.54</u>	<u>330.73</u>	<u>295.45</u>	<u>308.54</u>	<u>370.62</u>	<u>538.83</u>	<u>739.15</u>	<u>799.21</u>	<u>797.74</u>	<u>811.18</u>	<u>810.98</u>	<u>811.91</u>
(9) Balance - End of Month (7) + (8)	47,231.40	41,292.94	37,788.97	44,797.77	54,404.38	89,821.92	108,024.26	105,898.88	107,630.60	109,496.03	107,576.92	109,743.78

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate

[illegible]

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2003

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	-	(4,937.51)	(11,070.17)	(12,570.83)	(10,997.64)	(8,454.97)	1,907.24	27,233.01	55,005.56	63,130.62	58,577.24	61,856.73
(2) Bad Debts Written Off (a)	513.66	1,092.20	2,659.64	4,588.40	4,820.25	11,457.97	30,434.13	35,168.45	11,980.75	4,524.83	7,278.10	1,412.48
(3) Recovery - Base Rates	4,915.30	4,440.20	2,801.90	1,708.45	704.40	604.15	981.15	521.45	688.60	1,334.50	1,715.30	4,060.90
(4) Recovery - Bad Debt Rider (b)	-	-	-	-	-	-	-	-	-	-	-	-
(5) Recovery - Other (c)	517.42	2,724.86	1,270.28	1,198.70	1,300.51	467.15	4,226.08	7,181.69	3,608.44	8,198.41	2,733.25	5,284.11
(6) Incremental Bad Debt (2)-[(3)+(4)+(5)]	(4,919.06)	(6,072.86)	(1,412.34)	1,681.25	2,615.34	10,386.67	25,216.90	27,465.31	7,663.71	(5,006.08)	2,828.55	(7,932.53)
(7) Balance Subtotal (1) + (6)	(4,919.06)	(11,010.37)	(12,482.51)	(10,909.58)	(8,382.30)	1,931.70	27,124.14	54,686.32	62,669.27	58,122.54	61,406.79	53,924.20
(8) Carrying Charges [(1)+(7)/2] x (d)	(18.45)	(59.80)	(66.32)	(66.05)	(72.67)	(24.46)	108.87	307.24	441.36	454.70	449.94	434.18
(9) Balance - End of Month (7) + (8)	(4,937.51)	(11,070.17)	(12,570.83)	(10,997.64)	(8,454.97)	1,907.24	27,233.01	55,005.56	63,130.62	58,577.24	61,856.73	54,358.38

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2006

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	7,771.48	386.37	(10,273.88)	(18,441.40)	(19,701.24)	(21,452.73)	2,955.99	21,917.12	19,124.72	18,825.26	12,728.95	8,098.43
(2) Bad Debts Written Off (a)	1,436.23	1,138.32	539.18	2,749.82	4,106.69	27,073.84	25,511.54	-	2,716.83	8.85	4,613.86	645.10
(3) Recovery - Base Rates	3,106.65	3,571.05	2,945.65	1,176.15	987.15	594.90	489.65	570.20	698.50	1,429.95	2,410.25	2,855.55
(4) Recovery - Bad Debt Rider (b)	5,281.31	6,070.79	5,007.61	1,999.46	1,676.16	1,011.33	832.41	969.34	1,187.45	2,430.92	4,097.43	4,854.44
(5) Recovery - Other (c)	463.86	2,119.79	646.17	691.55	3,039.13	989.78	5,321.28	1,406.20	1,272.12	2,382.18	2,814.51	688.75
(6) Incremental Bad Debt (2)-(3)+(4)+(5)	(7,415.59)	(10,623.31)	(8,060.25)	(1,117.34)	(1,597.75)	24,477.83	18,868.21	(2,945.74)	(441.24)	(6,214.20)	(4,708.33)	(7,753.64)
(7) Balance Subtotal (1) + (6)	355.89	(10,236.94)	(18,334.12)	(19,558.74)	(21,298.98)	3,025.10	21,824.20	18,971.38	18,683.48	12,611.06	8,020.62	344.80
(8) Carrying Charges $\{[(1)+(7))/2\} \times (d)$	30.48	(36.94)	(107.28)	(142.50)	(153.75)	(69.10)	92.93	153.33	141.78	117.89	77.81	31.88
(9) Balance - End of Month (7) + (8)	386.37	(10,273.88)	(18,441.40)	(19,701.24)	(21,452.73)	2,955.99	21,917.12	19,124.72	18,825.26	12,728.95	8,098.43	376.46

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75%

0.085

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2009

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	18,735.29	7,208.19	(2,969.51)	(14,225.34)	(18,094.25)	(7,160.54)	(9,790.59)	3,415.98	8,862.06	21,940.17	20,540.24	16,309.24
(2) Bad Debts Written Off (a)	428.34	549.46	1,581.04	2,189.39	13,560.03	-	14,621.93	11,290.04	16,596.58	4,103.22	2,954.31	1,436.23
(3) Recovery - Base Rates	3,605.00	3,701.50	3,688.95	1,514.00	768.80	926.35	513.50	592.85	543.25	1,054.45	2,384.50	3,702.40
(4) Recovery - Bad Debt Rider (b)	6,128.50	6,292.55	6,271.22	2,573.80	1,306.96	1,574.80	872.95	1,007.85	923.53	1,792.57	4,019.65	6,294.08
(5) Recovery - Other (c)	2,318.67	748.94	2,812.47	1,849.75	456.21	65.58	5.09	4,289.14	2,166.77	2,814.84	936.83	67.48
(6) Incremental Bad Debt $(2) - [(3) + (4) + (5)]$	(11,824.03)	(10,193.53)	(11,191.80)	(3,748.16)	11,028.06	(2,586.73)	13,230.39	5,400.21	12,963.04	(1,558.64)	(4,368.67)	(8,627.73)
(7) Balance Subtotal (1) + (6)	7,111.26	(2,985.34)	(14,161.10)	(17,973.50)	(7,066.19)	(9,727.26)	3,439.80	8,816.19	21,825.09	20,381.53	16,171.57	7,681.51
(8) Carrying Charges $[(1) + (7)] \times (d)$	96.92	15.84	(64.24)	(120.75)	(94.35)	(63.33)	(23.82)	45.87	115.08	158.71	137.67	89.97
(9) Balance - End of Month (7) + (8)	7,208.19	(2,969.51)	(14,225.34)	(18,094.25)	(7,160.54)	(9,790.59)	3,415.98	8,862.06	21,940.17	20,540.24	16,309.24	7,771.48

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%

0.085

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2004

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	10,471.04	(4,997.46)	(18,397.75)	(27,478.34)	(23,754.85)	(16,242.23)	17,594.94	34,421.57	30,804.99	30,873.84	30,326.58	24,350.87
(2) Bad Debts Written Off (a)	857.51	505.82	1,649.40	10,150.31	10,735.67	37,078.78	23,052.58	-	6,515.30	3,437.97	1,237.91	6,615.70
(3) Recovery - Base Rates	4,695.55	4,143.35	3,005.75	1,638.45	925.85	615.65	488.75	550.40	644.45	1,076.55	2,029.35	4,195.00
(4) Recovery - Bad Debt Rider (b)	7,982.44	7,043.70	5,109.78	2,785.37	1,573.95	1,046.61	830.88	935.68	1,095.57	1,830.14	3,449.90	7,131.50
(5) Recovery - Other (c)	3,668.48	2,631.66	2,442.77	1,811.80	573.83	1,564.41	5,100.65	2,374.18	4,936.87	1,307.18	1,938.65	1,065.75
(6) Incremental Bad Debt (2)-(3)-(4)-(5))	(15,468.96)	(13,312.89)	(8,909.20)	3,914.90	7,862.05	33,832.12	16,632.31	(3,860.27)	(161.59)	(775.90)	(6,179.99)	(5,776.55)
(7) Balance Subtotal (1) + (6)	(5,017.91)	(18,310.35)	(27,306.95)	(23,563.44)	(16,092.80)	17,589.88	34,227.24	30,561.30	30,643.40	30,097.94	24,146.60	18,574.32
(8) Carrying Charges ((1)+(7)/2) x (d)	20.45	(87.40)	(171.39)	(191.41)	(149.43)	5.05	194.33	243.69	230.43	228.64	204.27	160.97
(9) Balance - End of Month (7) + (8)	(4,997.46)	(18,397.75)	(27,478.34)	(23,754.85)	(16,242.23)	17,594.94	34,421.57	30,804.99	30,873.84	30,326.58	24,350.87	18,735.29

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%

0.065

OXFORD NATURAL GAS

BAD DEBT / UNCOLLECTIBLE ACCOUNTS EXPENSE RIDER

Annual Balance Reconciliation - 2003

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
(1) Balance - Beginning of month	-	(13,324.85)	(27,097.07)	(33,499.02)	(34,998.04)	(33,837.35)	(24,696.42)	(1,261.45)	25,407.60	32,135.67	25,072.67	25,173.94
(2) Bad Debts Written Off (a)	513.66	1,092.20	2,659.84	4,568.40	4,620.25	11,457.97	30,434.13	35,168.45	11,980.75	4,524.83	7,278.10	1,412.48
(3) Recovery - Base Rates	4,915.30	4,440.20	2,801.90	1,708.45	704.40	604.15	991.15	521.45	688.60	1,334.50	1,715.30	4,060.90
(4) Recovery - Bad Debt Rider (b)	8,356.01	7,548.34	4,763.23	2,904.37	1,197.48	1,027.06	1,664.96	886.47	1,170.82	2,268.65	2,916.01	6,903.53
(5) Recovery - Other (c)	517.42	2,724.86	1,270.28	1,198.70	1,300.51	467.15	4,226.08	7,181.69	3,608.44	8,198.41	2,733.25	5,284.11
(6) Incremental Bad Debt (2)-(3)+(4)+(5))	(13,275.07)	(13,621.20)	(6,175.57)	(1,243.12)	1,417.86	9,359.62	23,531.85	26,578.85	6,513.09	(7,276.73)	(86.46)	(14,836.06)
(7) Balance Subtotal (1) + (6)	(13,275.07)	(26,946.05)	(33,272.64)	(34,742.14)	(33,580.18)	(24,477.74)	(1,164.47)	25,317.39	31,920.69	24,858.94	24,886.21	10,337.88
(8) Carrying Charges ((1)+(7))/2) x (d)	(49.78)	(151.02)	(226.39)	(255.90)	(257.17)	(218.68)	(96.98)	90.21	214.98	213.73	187.72	133.17
(9) Balance - End of Month (7) + (8)	(13,324.85)	(27,097.07)	(33,499.02)	(34,998.04)	(33,837.35)	(24,696.42)	(1,261.45)	25,407.60	32,135.67	25,072.67	25,173.94	10,471.04

(a) Monthly amounts of disconnected or other final account balances

(b) Calculated: actual consumption times authorized rider rate

(c) Consists of customer payments, agency assistance, supplier discounts

(d) Enter NET monthly carrying charge rate 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75% 0.75%

0.085

Appendix G
Staff List of 11 Representative Utilities

COMPANY	CUSTOMER CHARGES
Brainard Gas	\$7.00
East Ohio	
General Sales Service	5.70
Large Volume Sales Servc	40.00
West Ohio	
General Service Rate	4.38
Large Volume Gen Servc	32.24
Eastern*	
General Service Rate	7.50
Industrial Service Rate	150.00
Gasco	
Residential	5.50
Other up to 500 Mcf	30.00
All others	75.00
Northeast	
Small General Service	6.30
General Service	17.50
Large General Service	52.50
Ohio Cumberland	
General Service Rate	6.25
Ohio Gas*	
General Service Rate	5.45
Pike*	
General Service	7.00
Industrial Service Rate	150.00
Southeastern*	
General Service Rate	6.50
Industrial Service Rate	150.00
Vectren*	
Residential Sales	7.00
General Sales	10.00
General Sales B	25.00
Large General Sales	100.00

* Converted from Ccf