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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Glenwood Energy of Oxford, Inc. for Commission) Case No. 07-1025-GA-ATR
Approval of the Purchase of Property, Plant or)
Business of Oxford Natural Gas Company.)
)
In the Matter of the Application of)
Glenwood Energy of Oxford, Inc. for Commission) Case No. 07-1026-GA-ATA
Authorization to Operate as a Natural Gas Company)
and Approval of its Tariff)

APPLICATION

Pursuant to Section 4905.48, Revised Code, Glenwood Energy of Oxford, Inc. ("Glenwood" or "the Applicant") respectfully requests that the Commission approve this application to purchase certain assets of Oxford Natural Gas Company and to approve the application for the Applicant to operate as a natural gas company and to approve its tariff. The Applicant states as follows:

1. Oxford Natural Gas Company is a public utility/natural gas company pursuant to Section 4905.02 and 4905.03(A)(6), Revised Code.
2. Pursuant to Section 4905.63, Revised Code, Glenwood, an Ohio corporation, was formed to acquire property and transact business as a public utility/natural gas company and therefore is a public utility.
3. The Commission has jurisdiction over both Oxford Natural Gas Company and the Applicant.
4. Oxford Natural Gas Company provides natural gas service to approximately 4,200 customers in Oxford, Ohio and the vicinity.
5. Pursuant to Chapter 1309 of the Ohio Revised Code, Glenwood Financial Services LLC conducted a foreclosure sale by public auction of certain assets of Oxford Natural Gas Company. Attached as Exhibit A is the Agenda for the auction which took place at 10 A.M. on August 8, 2007.
6. The Applicant was the successful bidder. It seeks Commission approval of the purchase of property, plant or business of Oxford Natural Gas Company and also seeks Commission authorization to operate as a natural gas company and approval of its tariff.
7. The Applicant has entered into an asset purchase agreement to acquire certain assets of Oxford Natural Gas Company which is subject to approval by the

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Commission. Upon acquisition of such assets, the Applicant intends to continue to provide natural gas service to customers in Oxford and the vicinity.

8. The terms and the conditions of the sale are contained in the purchase agreement attached as Exhibit B.

9. The Applicant has the financial resources available to it to continue to operate the assets in order to provide continuous, adequate, and reliable public utility service at just and reasonable rates. See Exhibit C for a Combined Pro forma balance sheet and income statement of the Applicant and Glenwood Energy of Verona, Inc.

10. The Applicant will be operated and managed by individuals who are qualified and possess the required experience to conduct the day-to-day operations of a public utility. Attached as Exhibit D is a list of the key employees of the Applicant and the office or position each individual will hold.

11. The Applicant has prepared tariffs which codify the rules, regulations and rates applicable to service in Oxford and the vicinity. See Exhibit E. The Applicant seeks Commission approval of those tariffs which are virtually identical to those recently approved by the Commission in Case No. 06-350-GA-CMR.

12. The Applicant will honor the terms of the Stipulation and Recommendation approved by the Commission in Case No. 06-350-GA-CMR.

13. The Applicant is owned by the Keith G. Smith Trust, Dated 12-19-2003, Keith G. Smith, Trustee.

14. No hearing should be required on this application. The application and the Exhibits should satisfy the Commission that the prayer of this application should be granted because the public will be furnished adequate service for a reasonable and just rate. The Applicant has the technical, managerial, and financial resources to furnish public utility service to the public. Its proposed tariff does not appear to be unjust or unreasonable.

15. The Applicant also seeks approval of Exhibit F which is a customer notice that will be sent as a bill insert to customers informing them that the Applicant will be their new natural gas company.

16. Exhibit G is the verification signed by two officers of the Applicant.

WHEREFORE, the Applicant respectfully requests that this application be granted pursuant to Sections 4905.48 and 4905.18, Revised Code, and that the Commission approve the purchase of property, plant or business of Oxford Natural Gas Company by the Applicant, that the Commission authorize the Applicant to operate as a natural gas company in Ohio, and that the Commission approve the customer notice and the tariffs to become effective as soon as possible.

Respectfully submitted,



M. Howard Petricoff
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Attorneys for Glenwood Energy of
Oxford, Inc.

EXHIBIT A
Auction Agenda

PUBLIC AUCTION OF THE ASSETS OF
OXFORD NATURAL GAS COMPANY AND
VERONA NATURAL GAS COMPANY

Auction Date: August 8, 2007

AUCTION AGENDA

Date: August 8, 2007

Starting time: 10:00 a.m., EDT

Location: Keating Muething & Klekamp PLL, One East Fourth St., Cincinnati, Ohio
45202

1. This is a public auction conducted pursuant to the Uniform Commercial Code as in effect in the State of Ohio of the assets of Oxford Natural Gas Company ("Oxford") and Verona Natural Gas Company ("Verona" and, together with Oxford, collectively, the "Debtors") and certain real estate formerly owned by Oxford. Each of Oxford and Verona are indebted to Glenwood Financial Services, LLC pursuant to a Reimbursement Agreement dated as of September 14, 2001, a Reimbursement Note dated September 14, 2001 and certain other Loan Documentation (as defined in such Reimbursement Agreement). Each of the Debtors has acknowledged that it is in default and has received notice of the proposed auction.
2. The following persons were present at the auction:
 - Keith G. Smith – Glenwood Financial Services ("Secured Party");
 - Richard A. Perkins – Glenwood Energy of Oxford ("GEO") and Glenwood Energy of Verona ("GEV");
 - John S. Fronduti – Keating Muething & Klekamp PLL, acting as auctioneer;
 - Mark L. Opitz – Keating Muething & Klekamp PLL, recording secretary; and
 - John Stenger – Consultant to Glenwood Financial Services.
3. The auction is being conducted pursuant to Bid Procedures which have been distributed to each of the potential bidders. The Secured Party has reserved the right to cancel or postpone the auction at any time and to apply the amount of its debt to any bid made by the Secured Party. Please confirm that you have read and understand the terms and conditions of the sale as specified in Bid Procedures. The record reflects that each of the bidders has confirmed that it has received a copy of the Bid Procedures and understands the terms and conditions of the sale.
4. The Secured Party acknowledges that it has not received any conforming written bids by the deadline (August 7, 2007, 5:00 PM, EDT).
5. The Secured Party solicits opening bids from each of the bidders for the real estate, the assets of Oxford and the assets of Verona:

(a) GEO/ GEV:

GEO bids \$750,000 in respect of the real estate and \$3,300,000.00 in respect of the assets of Oxford;

GEV bids \$75,000 in respect of the assets of Verona

6. Having received the foregoing bids Secured Party hereby accepts the bid of GEO and GEV subject only to payment of the required deposit and execution of the Asset Purchase Agreements as specified in the Bid Procedures.
7. GEO and GEV are the successful bidders and are required to deposit 10% of the purchase price (\$412,500) with the Secured Party. GEO and GEV directed their bank to transfer funds to Secured Party.
8. Each of Secured Party and the successful bidder executed a the Asset Purchase Agreements in the form required by the Bid Procedures properly completed.
9. The auction was declared to be closed at 10:17 a.m., EDT.

EXHIBIT B
(Asset Purchase Agreement)

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("Agreement") is made as of August 8, 2007 between GLENWOOD FINANCIAL SERVICES LLC, an Ohio limited liability company ("Glenwood"), and Glenwood Energy of Oxford, Inc., an Ohio corporation ("Buyer").

RECITALS:

WHEREAS, on the date hereof, in accordance with Chapter 1309 of the Ohio Revised Code, Glenwood conducted a foreclosure sale by public auction of certain assets of Oxford Natural Gas Company ("Debtor") described on Schedule I hereto (the "Assets") and certain real property described on Schedule II hereto (the "Real Property"); and

WHEREAS, according to bid procedures, Buyer was the successful bidder for the purchase of the Assets.

NOW THEREFORE, in consideration of the premises, of the mutual covenants, agreements, representations and warranties contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. PURCHASE AND SALE.

1.1. Basic Transaction.

On the terms and subject to the conditions contained in this Agreement, Buyer shall purchase and acquire from Glenwood, and Glenwood shall sell, transfer, assign and convey, or cause the sale, transfer, assignment and conveyance of, the Assets and the Real Property to Buyer.

The Assets and the Real Property shall be sold, transferred, assigned and conveyed by Glenwood to Buyer by means of a Bill of Sale substantially in the form of Exhibit A (the "Bill of Sale") and a Quitclaim Deed substantially in the form of Exhibit B (the "Deed") and together with the Bill of Sale, collectively, the "Conveyance Documents"). Glenwood warrants that Buyer shall receive the Assets and the Real Property from Glenwood (or, to the extent applicable, a Glenwood affiliate) free and clear of any and all liens, security interests, pledges, encumbrances which are junior in rank to the lien and security interest of Glenwood in the Assets and Real Property.

1.2. Nonassumption of Liabilities.

This Agreement is intended as and shall be deemed to be an agreement for the sale and purchase of assets and none of the provisions hereof shall be deemed to create any obligation or liabilities of Buyer to any person that is not a party to this Agreement, whether under a third-party beneficiary theory, successor liability theory or otherwise. Except as otherwise expressly provided in this Section 1.2, Buyer shall not, as a result of the execution and consummation of this Agreement, assume, discharge or become liable for any of the liabilities of Debtor existing prior to or on the Closing or arising out of any transaction entered into, or any state of facts

existing, prior to or on the Closing, including without limitation (i) any liabilities arising out of injuries resulting from equipment used or services provided by Debtor, whether or not part of the Assets, (ii) any employee-related liabilities of Debtor, including liabilities for sick pay, vacation pay, severance pay, insurance, payroll taxes, health and welfare or employment benefits, (iii) any liabilities for taxes, or (iv) any liabilities imposed upon Buyer as transferee of the Assets (the "Closing Liabilities").

Notwithstanding the foregoing, Buyer assumes all of the obligations of Debtor, and agrees to be bound by the terms and conditions of, each Stipulation and Recommendation and the Rules and Regulations Governing the Distribution, Sale and Transportation of Natural Gas, in each case attached hereto as Exhibit C, with such changes or modifications as the City of Oxford or the Public Utilities Commission of Ohio (the "PUCO") shall reasonably request. Buyer shall take any and all actions required by such documents and upon request will execute any documents or instruments confirming its liability under such documents.

EXCEPT AS PROVIDED HEREIN, BUYER HEREBY ASSUMES NO OTHER LIABILITIES OF DEBTOR (INCLUDING, WITHOUT LIMITATION, LIABILITIES, CLAIMS OR ACTIONS ALLEGING OR RELATING TO ANY TORT, PRODUCT LIABILITY, ENVIRONMENTAL LIABILITY, TAXES ON DEBTOR OR TAXES ON THE ASSETS INCURRED OR ATTRIBUTABLE TO PERIODS OR ACTIVITIES PRIOR TO THE CLOSING, OR BREACH OF CONTRACT OR OTHERWISE SEEKING DAMAGES AND RELATING TO THE OPERATION OF THE ASSETS OR THE BUSINESS PRIOR TO THE CLOSING).

Neither this Agreement nor the Conveyance Documents shall constitute a transfer or conveyance of (i) any permit or license issued by a governmental authority to Debtor or any agreement to which Debtor is a party, in each case, to the extent that the terms of such permit, license or agreement or any requirement of law applicable thereto, prohibit the transfer of such property; (ii) any equipment owned by Debtor that is subject to a lien securing a purchase money obligation or capital lease if the contract or agreement in which such lien is created prohibits the transfer of such equipment and (iii) any property in which Glenwood does not have a perfected first priority security interest.

2. PURCHASE PRICE AND PAYMENT OF PURCHASE PRICE.

Glenwood shall sell, and Buyer shall purchase, the Assets for the purchase price of _____ Dollars (\$ _____) (the "Purchase Price"). Buyer has delivered to Glenwood with this Agreement a deposit of ten percent (10%) of the Purchase Price (the "Deposit"). Buyer shall pay Glenwood the balance of the Purchase Price, by certified or bank check or by wire transfer of immediately available funds, upon the execution and delivery of the Conveyance Documents (the "Closing"), which, subject to the conditions specified herein shall occur on or before February 3, 2008 (the "Drop-Dead Date").

3. REPRESENTATIONS AND WARRANTIES AND COVENANTS.

Buyer represents and warrants to Glenwood that (i) Buyer is duly organized, validly existing, in good standing in its state of organization and is otherwise legally eligible and

financially able to bid for and purchase the Assets; (ii) no consent or authorization is required by law other than what has been previously obtained; (iii) Buyer has had a reasonable opportunity to review, examine and analyze the Assets and other documents in Seller's possession relating thereto prior to its making its bid for the purchase of the Assets and has relied solely on that review, examination and analysis in making its bid; and (iv) Buyer's purchase of the Assets shall not violate any applicable law or regulation. Upon execution and delivery of this Agreement, Buyer will promptly and diligently pursue all governmental approvals necessary for the transfer of the Assets and the Real Property including the approval of the Public Utilities Commission of Ohio (the "PUCO"). Upon request of Glenwood, Buyer will provide documents and other evidence setting forth the status of such approvals and will provide reasonable estimates of the expected time to obtain such approvals. Upon request by Buyer, Glenwood will provide, and will seek to cause Debtor to provide, reasonable assistance in obtaining such approvals, including providing non-privileged, non-confidential documents and records.

EXCEPT AS EXPRESSLY SET FORTH IN SECTION 1.1, THE TRANSFER OF THE ASSETS TO BUYER IS ON AN "AS IS, WHERE IS" BASIS WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING ANY REPRESENTATION AS TO MERCHANTABILITY OR FITNESS FOR ANY PURPOSE OR ANY WARRANTY RELATING TO TITLE, POSSESSION, QUIET ENJOYMENT, OR THE LIKE.

4. CONDITIONS TO CLOSING.

The obligation of Glenwood to consummate the sale of the Assets and the Real Property shall be subject to the satisfaction, prior to the Closing, of the following (which may be waived by Glenwood in its sole and absolute discretion):

(a) The representations and warranties of Buyer made herein shall be true and correct at and as of the Closing with the same effect as if such representations were made at and as of such date; and

(b) The Buyer shall have received the approval of the PUCO and any other necessary governmental authorities required to transfer the Assets; and

(c) As of the Closing no suit, action or other proceeding, or injunction or final judgment relating thereto, shall be threatened or be pending by someone other than a party to this Agreement before any court or governmental or regulatory official, body or authority in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might result in any such suit, action or proceeding shall be pending or threatened.

5. CLOSING.

Upon satisfaction of the conditions set forth herein, Glenwood shall execute and deliver the Conveyance Documents and title and risk of loss or damage to the Assets and to Real Property shall pass to Buyer. Glenwood and Buyer covenant and agree after the Closing to execute and deliver all documents and instruments and perform all other acts reasonably required

in order to further effect or perfect the sale and transfer of the assets and the consummation of the transactions contemplated in this Agreement.

6. TERMINATION.

This Agreement and the obligations of the parties hereunder may be terminated:

- (a) By mutual written consent of Glenwood and Buyer; or
- (b) By Glenwood if any condition to closing set forth in Section 4 has not been fulfilled (or waived by Glenwood) on or prior to the Drop-Dead Date.

If Glenwood terminates this Agreement pursuant to Section 6(b), Glenwood shall be entitled to retain, as liquidated damages, the full amount of the Deposit. Glenwood and Buyer acknowledge and agree that the damages to Glenwood arising as a result of the failure of the transactions contemplated hereby to be consummated prior to the Drop-Dead Date cannot be estimated and that the amount of the liquidated damages specified herein is reasonable in light of all of the circumstances.

7. MISCELLANEOUS.

7.1. Expenses. Each of the parties shall pay all costs and expenses (including, but not limited to, reasonable attorney's fees) incurred by it in closing and carrying out of the transactions contemplated by this Agreement; *provided, however*, that all transfer and other taxes, if any, relating to the sale of the Assets shall be paid by the Buyer at the Closing, and shall be in addition to the Purchase Price.

7.2. Headings. The subject headings of the paragraphs and subparagraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

7.3. Modification and Waiver. Upon the closing of the transactions contemplated hereby, this Agreement and the documents referred to herein constitute the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. The waiver of any of the provisions of this Agreement shall not be deemed, or shall not constitute, a waiver of any other provisions, whether or not similar, nor shall any waiver constitute a continuing waiver in writing by the party making the waiver.

7.4. Counterparts. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.5. No Third-Party Beneficiaries. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and the respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons

to any party to this Agreement, nor shall any provisions give any third persons any right of subrogation or action against any party to this Agreement.

7.6. Assignment. This Agreement shall be binding on, and it shall inure to, the benefit of the parties to it and their respective heirs, legal representatives, successors and assigns. This Agreement may not be assigned by any party hereto without the prior written consent of the non-assigning party.

7.7. Governing Law. This Agreement shall be construed in accordance with and governed by the substantive laws of the State of Ohio applicable to agreements made and fully to be performed therein by residents thereof.

[Signature page to follow. Remaining of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date and year first written above.

GLENWOOD FINANCIAL SERVICES LLC

By: 

Name: Keith G. Smith
Title: President

GLENWOOD ENERGY OF OXFORD,
INC.

By: 

Name: Richard A. Perkins
Title: Chief Financial Officer and Treasurer

SCHEDULE I
to
ASSET PURCHASE AGREEMENT

DESCRIPTION OF ASSETS

"Assets" means all of the following property of Debtor:

- (a) All inventory, merchandise, raw materials, work in process and supplies;
- (b) All accounts, general intangibles, deposit accounts, software, payment intangibles, chattel paper, commercial tort claims, documents, investment property, instruments, letter-of-credit rights, letters of credit, money, private and governmental licenses, permits, approvals and franchise and other forms of intangible rights and receivables;
- (c) All goods, software imbedded in goods, equipment, machinery, furnishings and other personal property; and
- (d) All fixtures, including fixtures of Debtor as a transmitting utility;

provided, however that, notwithstanding the foregoing, "Assets" shall not include (i) any permit or license issued by a governmental authority to Debtor or any agreement to which Debtor is a party, in each case, to the extent that the terms of such permit, license or agreement or any requirement of law applicable thereto, prohibit the transfer by Debtor of such property; (ii) any equipment owned by Debtor that is subject to a lien securing a purchase money obligation or capital lease if the contract or agreement in which such lien is created prohibits the transfer of such equipment and (iii) any property in which Glenwood does not have a perfected first priority security interest.

Without limiting the foregoing, the Assets shall include the specific property set forth in this Schedule I.

***Schedule I is current as of August 7, 2007 and Glenwood makes no representation or warranty as to the validity or authentication of the content of such schedules as of the date hereof.**

SCHEDULE II
to
ASSET PURCHASE AGREEMENT
DESCRIPTION OF REAL PROPERTY

Situated in the County of Butler, in the State of Ohio, and the City of Oxford:

Auditor's Parcel No. H4100-019.000-045

Entire Lot No. 2659 as the same is known and designated in the City of Oxford, Butler County, Ohio.

Auditor's Parcel No. H4100-019.000-026

Being Lot No. One Thousand Two Hundred Seventy-Five (1275), as the same is known and designated in the City of Oxford, Butler County, Ohio.

EXHIBIT A

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS, that GLENWOOD FINANCIAL SERVICES LLC ("Grantor"), for and in consideration of \$10.00 and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, assign, transfer and deliver to _____ ("Grantee"), pursuant to Chapter 1309 of the Ohio Revised Code, "as is, where is" WITHOUT ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, QUALITY, CONDITION OR FITNESS FOR ANY USE OF THE CONVEYED ASSETS, all of Grantor's right, title and interest as a secured party in and to all the assets described on Exhibit A attached hereto (the "Assets"), formerly owned by Oxford Natural Gas Company ("Debtor"), to have and to hold the same unto Grantee, its successors and assigns forever. By acceptance of delivery, Grantee affirms that Grantee has inspected the Assets, and that it has not relied on Grantor's skill or judgment to select or furnish the Assets for any particular purpose.

The Assets are being sold on an "as is - where is" basis, and without any warranty or recourse to Grantor whatsoever, including, without limitation, warranties relating to title, possession, quiet enjoyment, or the like.

IN WITNESS WHEREOF, Grantor has executed this Bill of Sale as of [] __, 2007.

GLENWOOD FINANCIAL SERVICES
LLC

By: _____
Name: _____
Title: _____

The undersigned Grantee, acknowledges the above and receipt of the Assets.

By: _____
Name: _____
Its: _____

EXHIBIT B

FORM OF DEED

QUITCLAIM DEED

OXFORD NATURAL GAS COMPANY, an Ohio corporation ("Grantor"), whose address is 5181 College Corner Pike, Oxford, Ohio 45056, remises, releases and forever quitclaims and assigns to **GLENWOOD FINANCIAL SERVICES, LLC** an Ohio limited liability company ("Grantee"), whose address is 2130 Waycross Road, Cincinnati, Ohio 45240, its successors and assigns, the following described real estate (the "Property"):

**SEE EXHIBIT "A" ATTACHED
HERETO AND MADE A PART HEREOF**

The Property is conveyed subject to the Open End Mortgage, Assignment of Rents and Leases, and Security Agreement dated as of September 14, 2001 between Grantor and Grantee that is recorded in the Butler County, Ohio Official Record Book 6675, Page 1471, in addition to all legal highways, easements, conditions, restrictive covenants of record, and installments of taxes and assessments due and payable after the date hereof.

This conveyance is granted based upon the expressed intention of the Grantor and the Grantee that a merger of estates shall not occur as a result of this conveyance.

Prior Instrument Reference: Official Record Volume _____, Page _____
Butler County, Ohio Records.

Grantor has executed this Deed this ____ day of _____, 2007.

GRANTOR:

OXFORD NATURAL GAS COMPANY, an Ohio corporation

By: _____
Name: _____
Title: _____

STATE OF OHIO)
) : SS:
COUNTY OF _____)

The foregoing was acknowledged before me this ____ day of _____, 2007 by _____, as _____ of Oxford Natural Gas Company, an Ohio corporation, on behalf of the corporation.

Notary Public

THIS INSTRUMENT PREPARED BY:

Allison M. Bisig Esq.
Keating Muething & Klekamp PLL
One East Fourth Street, Suite 1400
Cincinnati, Ohio 45202
(513) 579-6400

EXHIBIT A

Situated in the County of Butler, in the State of Ohio, and the City of Oxford:

Auditor's Parcel No. H4100-019.000-045

Entire Lot No. 2659 as the same is known and designated in the City of Oxford, Butler County, Ohio.

Auditor's Parcel No. H4100-019.000-026

Being Lot No. One Thousand Two Hundred Seventy-Five (1275), as the same is known and designated in the City of Oxford, Butler County, Ohio.

EXHIBIT C

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Complaint and)	
Appeal of Oxford Natural Gas)	Case No. 06-350-GA-CMR
Company From Ordinance No. 2896)	
Passed by the Council of The City of)	
Oxford on February 7, 2006.)	

In the Matter of the Application of)	
Oxford Natural Gas Company for)	
Assignment of a GCR Case Number,)	Case No. 06-521-GA-UNC
Submission to Jurisdiction of the)	
Commission Over GCR Matters, and)	
Submission of a First GCR Filing to)	
the Commission.)	

JOINT STIPULATION AND RECOMMENDATION

I. BACKGROUND AND JURISDICTION

A. Case No. 06-350-GA-CMR. On February 7, 2006, the council of the city of Oxford, Ohio, pursuant to Article XVIII, Section 4 of the Ohio Constitution and Section 4909.34, Revised Code, passed Oxford Ordinance No. 2896 regulating the rates, charges, terms, and conditions for the natural gas service to be rendered by the Oxford Natural Gas Company ("ONG") to customers within the city for the period ending December 31, 2007. Ordinance No. 2896 repealed and superseded Oxford Ordinance No. 2433, which expired by its terms on December 31, 2005, and which previously governed ONG's service within the city.

On February 23, 2006, ONG, pursuant to Sections 4903.34, 4909.38, 4909.39, and 4909.42, Revised Code, filed a complaint and appeal from Ordinance No. 2896 with this Commission, alleging, *inter alia*, that the rates and charges established by said ordinance are insufficient to provide it reasonable compensation for the service it renders to the City and its

inhabitants. The complaint and appeal was docketed as Case No. 06-350-GA-CMR. Pursuant to Section 4909.34, Revised Code, ONG's filing of the complaint and appeal was deemed to be its consent to continue to provide service under Ordinance No. 2433 until the Commission acts upon the complaint and appeal, and ONG has continued to charge the rates and charges provided in said ordinance during the pendency of this matter.

The Commission, by entry of March 15, 2006, approved ONG's request that the test year for the analysis of accounts be the twelve months ending October 31, 2006, that the date certain for the valuation of ONG's used and useful property be January 31, 2006, and that certain of the Commission's Standard Filing Requirements ("SFRs") be waived. The city of Oxford ("City") filed a motion to intervene in the complaint and appeal on March 2, 2006, which was granted by entry dated April 13, 2007. ONG filed certain additional information required by the Standard Filing Requirements on April 14, September 15, and November 8, 2006.

By entry of October 4, 2006, the Commission accepted the complaint and appeal for filing as of September 15, 2006, and approved ONG's proposed newspaper notice for publication. Pursuant to this entry, ONG duly published notice of the complaint and appeal once a week for three consecutive weeks in late October and early November 2006. ONG filed the proof of such publication with the Commission on January 12, 2007.

Pursuant to Section 4909.19, Revised Code, the Commission's staff ("Staff") conducted an investigation of the matters contained in the complaint and appeal and issued a report of the results of its investigation ("Staff Report") on February 1, 2007. Objections to the Staff Report were timely filed by ONG and the City on March 5, 2007, along with testimony and supplemental testimony supporting their respective objections. Pre-hearing conferences were

held on March 15 and April 20, 2007 to address procedural issues and to provide an opportunity for the parties to discuss the possibility of settlement.

Pursuant to the Commission's entry of May 9, 2007, a local hearing was held as required by Section 4903.083, Revised Code, at 6:00 p.m. on June 18, 2007 at the Oxford Court House, 118 W. High Street, Oxford, Ohio, and the evidentiary hearing was convened at 10:00 a.m. on June 28, 2007, at the offices of the Commission. ONG duly published notice of both the local and evidentiary hearing as required by the Commission's May 9, 2007 entry. No members of the public testified at the local hearing. At the request of the parties, the evidentiary hearing was continued until July __, 2007, to provide an additional opportunity to discuss settlement.

B. Case No. 06-521-GA-GCR. On March 30, 2006, ONG filed an application requesting that the Commission assert jurisdiction over ONG's gas cost recovery rate ("GCR"), open a GCR docket for subsequent ONG GCR filings, and accept for filing its calculation of the GCR rate to be charged and collected for the period commencing April 1, 2006. ONG's application was docketed as Case No. 06-521-GA-GCR. The City filed a motion to intervene on April 7, 2006. In the memorandum accompanying its motion to intervene, the City indicated that it supported ONG's request that the Commission assert jurisdiction over ONG's GCR, but objected to the initial GCR rate proposed by ONG on the ground that it failed to credit customers for past GCR over-recoveries.¹ In conjunction with its motion to intervene, the City also filed a motion for immediate financial and management/performance audits pursuant to Rule 4901:1-

¹ Historically, the City regulated ONG's GCR rate as part of the applicable municipal rate ordinance. Ordinance No 2433 provided that the GCR rate should be calculated in accordance with the Commission's GCR rules, subject to certain identified exceptions. However, in Ordinance No. 2896, the City, although retaining authority over ONG's base rates, expressly ceded jurisdiction over the GCR rate to the Commission, subject to a continuation of a \$200,000 annual cap on the upstream pipeline charge imposed by the Cincinnati Gas & Electric Company (now Duke Energy Ohio) that had been included in Ordinance No. 2433.

14-07, Ohio Administrative Code ("OAC"), citing the need for an investigation into ONG's past GCR accounting and practices. By entry of April 10, 2006, the Commission granted ONG's application,² granted the City's motion to intervene, but reserved ruling on the other issues raised by City's motions. Those issues are still pending before the Commission at this time.

C. Settlement Agreement. Rule 4901:1-30 of the Ohio Administrative Code ("OAC") provides that two or more parties to a proceeding may enter into a written stipulation concerning the issues presented in the proceeding. As a result of extensive negotiations, ONG, the City, and the Staff (collectively, the "Signatory Parties") have entered into this Joint Stipulation and Recommendation ("Stipulation"), which, if accepted by the Commission, would resolve all issues in Case No. 06-350-GA-CMR and those issues raised by the City's motions in Case No. 06-521-GA-GCR. Accordingly, ONG and the City agree and stipulate, and the Staff recommends, that the Commission should find as follows with respect to the matters set forth herein.

II. RATES AND CHARGES:

A. Monthly Customer Charge. The monthly customer charge shall be \$6.50 per customer per month to all general service customers as provided in Ordinance No. 2896; provided, however, that the customer charge shall not be imposed in any month in which there is no consumption as a result of a voluntary request by the customer for the shutoff of the meter. The \$6.50 customer charge represents a reduction of approximately 19% from the \$8.00 customer charge currently charged by ONG pursuant to the terms of Ordinance No. 2433.

B. General Service Base Rate. The base rate for distribution service shall be \$2.39 per Mcf. as provided in Ordinance No. 2896. The general service base rate of \$2.39 represents a

² As noted in the City's motion to intervene, although ONG represented in connection with its complaint and appeal that it rejected Ordinance No. 2896 in its entirety, ONG, by the filing of its application in Case No. 06-521-GA-GCR, in fact, accepted the provision of Ordinance No. 2896 ceding jurisdiction over its GCR rate to the Commission.

reduction of approximately 22% from the \$3.05 general service base rate currently charged by ONG pursuant to the terms of Ordinance No. 2433.

C. Interruptible Rate. ONG shall not be required to offer a tariffed interruptible rate to general service customers. Although Ordinance No. 2433 and Ordinance No. 2896 provided for an interruptible rate, ONG has no interruptible general service customers and, thus, no general service customers will be prejudiced by the failure to include a tariffed interruptible rate. This provision does not preclude ONG from offering interruptible service in the future pursuant to Commission-approved special contracts.

D. Riders.

1. GCR Over-Recovery Refund Rider. As provided in Paragraph VI of this Stipulation, the general service base rate shall be offset by \$0.20 per Mcf to effectuate the refund to customers, without interest, of stipulated GCR over-recoveries from 2001 through April 2007 in the amount of \$408,989. ONG shall make an appropriate filing with the Commission to remove this refund rider from its tariff when the GCR over-collection balance is eliminated.

2. Gross Receipts Tax Rider. In accordance with the Staff's recommendation (Staff Report, 18), the rider to recover the gross receipts tax shall be 4.9032%, which shall be applied monthly to receipts derived from all tariffed rates and charges, including those derived from the Gross Receipts Rider itself. ONG shall account for all monies collected through the Gross Receipts Tax Rider and the amount of gross receipts tax actually paid to the state of Ohio. No less than annually, nor more than semi-annually, ONG shall true up the amount collected for the gross receipts tax with the amount of gross receipts tax actually paid to the state of Ohio and credit or debit future customer invoices by appropriate adjustments to the Gross Receipt Tax Rider.

3. Mcf Tax Rider. In accordance with the Staff's recommendation (Staff Report, 19), the rider to recover the Mcf tax shall be \$.0411 per Mcf, which shall be applied monthly to all volumes delivered, except volumes exempted from the tax or volumes delivered to flex customers.

4. PIPP Rider. As provided in Ordinance No. 2896, ONG shall continue to offer the Percentage of Income Payment Plan ("PIPP") to income-eligible customers, and shall continue to employ a PIPP rider to recover the cost of the PIPP program. The current PIPP rider rate is \$0.00. The PIPP Rider is subject to subsequent adjustment in accordance with applicable all Commission orders.

5. Uncollectible Expense Rider. ONG withdraws its proposal to establish an uncollectible expense rider in the context of this complaint and appeal; provided, however, that the withdrawal of this proposal shall not preclude ONG from seeking to establish an uncollectible expense rider as contemplated by Case No. 03-1127-GA-UNC through a separate application in the future. The parties acknowledge that the general service base rate proposed herein implicitly includes an allowance for uncollectible expense, notwithstanding that the amount of such allowance has not been specifically identified. Accordingly, if ONG

subsequently files an application to establish an uncollectible expense rider, ONG shall document its actual uncollectible expense over an historical annual period, shall calculate its initial uncollectible expense rider based on the recovery of that amount, and shall reduce the general service base rate established in this proceeding by backing out the indicated per Mcf uncollectible expense rider rate. Thereafter, the uncollectible expense rider shall be adjusted annually in accordance with Commission policy. ONG shall consult with the Staff and the City before filing any such application, and shall serve a copy of the application on the City.

E. Miscellaneous Charges.

1. Late Payment Charge. As provided in Ordinance No. 2896, and as recommended by the Staff (Staff Report, 22), if a bill payment is not received in ONG's offices or by ONG's authorized representative within 25 days from the date of the invoice, an additional amount of 1.5% of the unpaid balance will be assessed on the customer's subsequent bill and will become due and payable as part of the customer's total obligation. The late payment charge is not applicable to the unpaid account balance of any customer enrolled in PIPP or a payment plan pursuant to Rule 4901:1-18-04, OAC.

2. Returned Check Charge. As provided in Ordinance No. 2896, where the customer's financial institution returns a customer's check for insufficient funds, ONG shall assess a returned check charge of \$25.00; provided, however, that this charge shall not be assessed if the customer establishes that the cause of the returned check was bank error. The Parties agree that, if ONG's bank decreases its dishonored check charge in the future, ONG shall file an application with the Commission to reduce the tariffed returned check charge accordingly.

3. Field Collection Fee. As provided in Ordinance No. 2896, and as recommended by the Staff (Staff Report, 17), where an ONG employee is dispatched to disconnect service for non-payment, the customer may avoid disconnection by paying the full amount owed; provided, however, that ONG may assess a \$15.00 field collection charge for accepting such payment. The field collection fee may be assessed at the time the delinquent amount is collected or on a subsequent bill.

4. Reconnection Charge. As recommended by the Staff (Staff Report, 18), where a customer that has previously been disconnected requests reconnection of service, the company may charge and collect, prior to reconnecting service, a reconnection charge of \$40.00 for restoring service, regardless of the length of time the service was disconnected and regardless whether the disconnection was voluntary or involuntary. If service was disconnected as a result of unauthorized or fraudulent use by the customer, the Company may, in addition to the \$40.00 reconnection charge, also impose a charge to recover any actual expense incurred by the Company as a result of such unauthorized or fraudulent use, including an estimate of the cost of gas improperly used, prior to reconnecting service.

5. New Service Tap Charge. As proposed in Ordinance No. 2896, and as recommended by the Staff (Staff Report, 17), prospective customers applying for a new tap on the Company's system shall be assessed a new service tap charge of \$500.00 for single family

residences and \$1,000.00 for multi-family and commercial premises, or the actual cost of the installing the new tap, whichever is less.

6. Credit Check Processing Charge. As recommended by the Staff (Staff Report, 17), ONG shall impose a charge of \$10.00 for conducting a credit check of a prospective customer.

7. Meter Test Fee. As recommended by the Staff (Staff Report, 18) ONG shall impose a fee \$62.50 for testing the meter at the request of the customer; provided, however, that the fee will not be imposed if the meter was shown not to be operating within accepted accuracy tolerances. Further, the fee will not be imposed for the first meter test requested by the customer within any 36-month period.

III. REVENUE REQUIREMENT

The reasonableness of the stipulated rates and charges set forth above are supported by the following test-year revenue requirement analysis, the various elements of which are within the range bounded by the recommendations contained in the Staff Report and the prefiled testimony of the expert witnesses submitted by ONG and the City.

A. Rate Base. At the request of the Staff, ONG retained an independent consultant to conduct a physical survey of all ONG's property used and useful in providing natural gas distribution service to ONG's customers and to estimate the original cost of such property. The firm of Burgess & Niple, which has performed similar studies for other Ohio utilities in the past, performed this study and determined that the gross original cost of ONG's property devoted to the public by ONG was \$5,828,170 dollars. The Staff, after reviewing the Burgess and Niple study, proposed several adjustments (Staff Report, 4-5). The Staff adjustment to exclude several items based on the results of its field inspection (*id.*) is reasonable and should be approved, resulting in a gross original cost plant-in-service value of \$5,674,817, as supported by the supplemental testimony of ONG witness Criswell of Burgess & Niple (ONG Ex. ____). As further described in the testimony of Mr. Criswell, applying the Commission-approved depreciation

accrual rates to the respective plant account values produces a calculated depreciation reserve of \$3,417,506. Deducting this depreciation reserve from the gross original cost value of \$5,674,817 results in a net original cost of ONG's used and useful property of \$2,257,311. Adding an allowance for working capital of \$112,537 and deducting \$114,874 for rate base offset items, both of which are within the ranges bounded by the recommendations contained in the Staff report and ONG witnesses, results in a rate base of \$2,224,974, which is reasonable for purposes of this case.

B. Rate of Return. The stipulated rates and charges set forth above, when applied to the test-year sales volumes and frequencies recommended by the Staff (Staff Report, Schedules C-1.1 and C-1.1a), would generate pro forma gross operating income of \$5,796,225. Deducting an adjusted allowance for test-year operating expenses of \$5,573,639, which is within the range bounded by the recommendations of the Staff and the ONG and City expert witnesses, would yield pro forma net operating income of \$222,588. Net annual operating income of \$222,588 represents a rate of return of 10% on the stipulated rate base, which is the mid-point of the rate of return range recommended by the Staff (Staff Report, 13). Thus, the stipulated rates and charges set forth above are supported by a revenue requirement determined in accordance with the statutory ratemaking formula set forth in Sections 4909.05 and 4909.15, Revised Code.

IV. EFFECTIVE DATE AND TERM OF RATES.

The proposed tariff attached hereto at Exhibit A incorporates the stipulated rates and charges set forth above and reflects all tariff language changes recommended by the Staff in the "Rates and Tariffs" section of the Staff Report. The rates and charges shall be effective on a services-rendered basis for the first service period following ONG's filing of final copies of the tariff approved by the Commission's opinion and order in this case. ONG shall file final copies

of the new tariff no later than three business days from the date the Commission issues its opinion and order. Notwithstanding the two-year effective period specified in Section 4909.39, Revised Code, the rates and charges proposed herein shall remain in effect until at least midnight on December 31, 2010, unless the City and ONG, or its successors or assigns, mutually otherwise agree. If ONG intends to propose to increase in its rates and charges following the term expiring midnight on December 31, 2010, ONG shall so advise the City in writing, and shall provide documentation supporting any such increase sufficiently in advance of December 31, 2010 to permit the City and ONG to attempt to negotiate a mutually acceptable ordinance contract prior to ONG filing a rate increase application with the Commission or, if applicable, a complaint and appeal from a new rate ordinance enacted by the City.

V. **ADDITIONAL ONG OBLIGATIONS.**

A. Plant Account Values. Subject to the Staff adjustment to exclude several items based on the results of its field inspection noted in Paragraph III.A of this Stipulation, ONG shall utilize the net plant account values determined by Burgess & Niple as the basis for calculating the net plant values in subsequent annual reports to the Commission.

B. Continuing Property Record. Consistent with the Staff recommendation (Staff Report, 4), ONG shall establish a computerized continuing property record ("CPR") utilizing the plant account values described in Paragraph IV.A. above as soon as reasonably practicable. The Staff will conduct periodic reviews of the computerized CPR to insure that the CPR is being properly maintained.

C. Uniform System of Accounts. ONG shall maintain its books and records in accordance with sound regulatory accounting practice and the Uniform System of Accounts.

D. Information to be Furnished to the City. ONG shall serve the City with copies of any and all filings and applications it makes with the Commission no later than the date they are filed, including, without limitation, all GCR-related filings. ONG shall provide the City with a copy of any notices or orders it receives from the Commission, including, without limitation, any notices regarding GCR financial and management/performance audits. ONG shall provide quarterly and annual financial statements to the City within seven days of availability, and no later than sixty days after the close of each fiscal period.

E. Management Expertise. ONG understands and agrees that it has an affirmative duty to employ competent personnel to operate and maintain its system and to provide high quality service to the public and acknowledges that the City has a legitimate interest and concern that ONG personnel have the necessary experience and expertise to fulfill this obligation. The City acknowledges that ONG's current upper level management, and, more specifically, its current chief operating officer, Mr. John Stenger, and its current controller/office manager, Ms. Kristy Smith, have the requisite experience and expertise. In the event that Mr. Stenger and/or Ms. Smith leave their current positions, ONG shall replace them with individuals of comparable expertise and experience. ONG shall consult with the City prior to making any changes in its upper level management and shall notify the City of any such change as soon as practical.

VI. DISPOSITION OF GCR-RELATED ISSUES.

A. Past GCR Over-Recoveries. In its motions in Case No. 06-521-GA-GCR, the City alleged that ONG has over-recovered substantial amounts through its GCR mechanism since 2001, when the current owners acquired ONG's parent. Based on information currently available, the amount of this over-collection for the period 2001 through April 2007 is \$408,989, which is comprised of \$263,299 in gas cost over-recoveries not heretofore refunded through AA

adjustments, and \$145,690 in gross receipts tax and Mcf tax over-recoveries collected under the then-applicable GCR provision of Ordinance No. 2433. The parties recognize that, in view of ONG's current financial circumstances, an immediate refund of an over-recovery balance of this magnitude is not feasible, and that a civil action by the City to secure the refund of over-recoveries during the period prior to the Commission's assumption of jurisdiction over ONG's GCR is not in the interest of either ONG or the City. Thus, to assure the refund of the past GCR over-recoveries to ONG's customers, the following mechanism shall be implemented.

B. Refund Mechanism. As provided in Paragraph II.D.1 of this Stipulation, the general service base rate shall be offset by \$0.20 per Mcf to effectuate the refund to customers, without interest, of GCR over-recoveries from 2001 through April 2007 in the amount of \$408,989. This rider shall remain in effect until the billing cycle following the month in which GCR over-recovery balance has been eliminated, with no proration of any amount refunded which exceeds the balance remaining in the final month. This refund mechanism shall be in lieu of the normal operation of the AA adjustment as provided in the Commission's GCR rules, and the AA balance shall be reset at zero effective May 2007. The BA and RA adjustments will be unaffected by this provision, and AA adjustments subsequent to May 2007 shall be calculated and recovered or refunded in accordance with the GCR rules. In the event that it is subsequently determined that there were additional gas cost over-collections from 2001 through April 2007, whether through a periodic GCR financial and/or management/performance audit applicable to the first period when ONG's GCR was subject to Commission jurisdiction, or the discovery of a supplier refund not credited to customers during the period from 2001 to April 2007, such amount will be added to the over-collection balance and shall be refunded to customers through this refund rider mechanism. ONG will provide written quarterly reports and supporting

documentation to the City and the Staff detailing the status of the current over-collection balance, and shall make an appropriate filing with the Commission to remove the refund rider from its tariff when the balance is eliminated. To assure that the identified past GCR over-recoveries are ultimately refunded to customers, if, for any reason, another entity should become the provider of natural gas distribution service within the city of Oxford before the over-collection balance has been eliminated, the GCR Over-Recovery Rider provided in Paragraph II.D.1. of this Stipulation shall be made a part of the tariffed rate schedules of the new provider and shall remain in effect until the over-collection balance has been eliminated, regardless whether the underlying liability has been transferred to the new provider.

C. Cap on Recovery of Duke Energy Ohio Pipeline Fees. The natural gas delivered to the Oxford City Gate for distribution to ONG customers is transported through a pipeline owned by Duke Energy Ohio and leased to ONG subject to fees authorized by the Commission. All prior city of Oxford ordinances have specifically recognized that these fees are properly recovered through ONG's GCR rate, but have capped the recovery from general service customers at \$200,000 annually. The actual amount of these lease fees shall continue to be included in the cost of gas as an upstream pipeline expense and shall continued to be recovered through the GCR rate, subject to the same \$200,000 annual cap on recovery from general service customers.

VII. OTHER MATTERS

A. Case No. 06-350-GA-CMR. The foregoing terms, if adopted by the Commission, shall be deemed to satisfy the respective objections of ONG and the City to the Staff Report in Case No. 06-350-GA-CMR. If the Commission rejects, modifies, or supplements this Stipulation, and if, as a result, either ONG or the City exercises their right to terminate and

withdraw this Stipulation as set forth below, the objections to the Staff Report shall be reinstated. The complaint and appeal, the Burgess & Niple Original Cost Valuation (ONG Ex. __), the direct and supplemental testimony of ONG witness John Stenger (ONG Exs. __ and __), the direct testimony of ONG witnesses Darryle Perrino (ONG Ex. __) and Clifford E. Criswell (ONG Ex. __), the proofs of publication of notice of the complaint and appeal and the notice of the local and evidentiary hearing (ONG Exs. __ and __), the direct testimony of ONG witness Kenneth N. Rosselet, Jr. (City Ex. 1), and the Staff Report shall be admitted into evidence.

B. Case No. 521-GA-GCR. The foregoing terms, if adopted by the Commission, shall be deemed to satisfy all issues raised through the City's motions in Case No. 06-521-GA-GCR and to resolve all claims the City has made or could have made in any forum regarding past GCR over-recoveries. If the Commission rejects, modifies, or supplements this Stipulation, and if, as a result, either ONG or the City exercise their right to terminate and withdraw this Stipulation, the City may renew these motions.

C. Additional Terms. Although ONG, the City, and the Staff (the "Signatory Parties") recognize that this Stipulation is not binding upon the Commission, the Signatory Parties respectfully submit that this Stipulation, which is not opposed by any party to the proceeding, is supported by the record, represents a just and reasonable resolution of the issues involved, violates no important regulatory principle or precedent, and is in the public interest. The Signatory Parties represent that this Stipulation is the product of serious, arms-length negotiations among knowledgeable parties. As a result, the Stipulation is a compromise involving a balancing of competing interests and does not necessarily reflect the position that any one of the Signatory Parties would have adopted if this matter had been fully litigated. In joining in this Stipulation, the Signatory Parties recognize that it is not in the interest of the public to

further delay the reduction in rates that would result if the issues raised in these proceedings were to be fully litigated. The Stipulating Parties further agree that this Stipulation shall not be relied upon as precedent for or against any party to this proceeding or the Commission, itself, in any subsequent proceeding, except as may be necessary to enforce the terms of the Stipulation.

This Stipulation is expressly conditioned upon its adoption, in its entirety, by the Commission without material modification. If the Commission rejects or materially modifies all or any part of this Stipulation, ONG and the City shall each have the right, within 30 days of the issuance of the Commission's order, to file an application for rehearing. Upon the Commission's issuance of an entry on rehearing that does not adopt the Stipulation in its entirety without material modification, ONG and the City shall each have the right to terminate and withdraw from the Stipulation by filing a notice with the Commission within 30 days of the entry on rehearing. Prior to filing for rehearing, or terminating and withdrawing from the Stipulation pursuant to this provision, the signatory parties agree to convene immediately to work in good faith to achieve an outcome that satisfies the intent of the Commission's modification or to propose a reasonable alternative thereto to be submitted to the Commission for its consideration.

Upon the termination or withdrawal by ONG and/or the City, the Stipulation shall immediately become null and void. In such event, the hearing in Case No. 06-350-GA-CMR shall go forward and the signatory parties will be afforded the opportunity to present evidence through witnesses, to cross examine all witnesses, to present rebuttal testimony, and to brief all issues, which shall be decided based upon the record and briefs as if this Stipulation had never been executed.

D. Expedited Consideration. To avoid delay in implementing the rate reductions that will result under this Stipulation, the Signatory Parties urge the Commission to expedite its

consideration of this matter and to issue an order approving this Stipulation as promptly as possible.

WHEREFORE, the undersigned respectfully join in the requesting that the Commission issue its opinion and order approving and adopting this Stipulation in accordance with the terms set forth above.

Respectfully Submitted,

OXFORD NATURAL GAS COMPANY

By: _____
M. Howard Petricoff

THE CITY OF OXFORD

By: _____
Barth E. Royer

THE STAFF OF THE PUBLIC UTILITIES COMMISSION OF OHIO

By: _____
Thomas McNamee
Paul Colbert
Rocco D'Ascenzo

EXHIBIT C
(Pro Forma Balance Sheet and Income Statement)

2007-2008 PRO-FORMA FINANCIAL STATEMENTS

GLENWOOD ENERGY OF OXFORD and

GLENWOOD ENERGY OF VERONA

Year 0 10-31-07	Year 1 12-31-08
--------------------	--------------------

Current Assets

Cash -(plus injection of capital and line of credit)	\$ 530,000	\$ 94,704
Accounts receivable	405,000	1,703,603
Inventories	50,000	60,000
Under Recoverd Gas Costs - Customer Under Billing	-	-
Prepayments & Deposits	150,000	25,000
Total Current Assets	1,135,000	1,883,307

Property, Plant & Equipment

Property, Plant & equipment	4,125,000	4,250,000
Less: Accumulated depreciation	-	(89,250)
Total Property, Plant & Equipment	4,125,000	4,160,750

Purchased Balance Sheet Adjustments

Fixed Asset - Set Up in basis - Fixed Assets Purchased	198,100	198,100
Less: Accumulated depreciation - Set Up basis	-	(5,943)
Under-recovered gas costs	-	-
Other Assets	-	-
Total Purchased Balance Sheet Adjustments	198,100	192,157

Total Assets

Proof

\$ 5,458,100	\$ 6,236,214
\$ -	\$ 0

2007-2008 PRO-FORMA FINANCIAL STATEMENTS

GLENWOOD ENERGY OF OXFORD and

GLENWOOD ENERGY OF VERONA

	Year 0 10-31-07	Year 1 12-31-08
Current Liabilities		
Notes Payable - Bank and Equity	\$ 500,000	\$ 403,034
Accounts payable:		
Pipeline suppliers	-	588,500
Other	-	25,000
Deferred Income	75,000	75,000
Deposits	75,000	75,000
Accrued taxes & other	25,000	355,000
Accrued real estate taxes	-	25,000
Over Recovered Gas Costs - Customer Over Billing	483,000	425,000
Current Portion of Term Debt	6,236	85,631
Total Current Liabilities	1,164,236	2,057,165
Liabilities		
Long Term Portion of Term Debt	4,293,764	4,136,276
Total Liabilities	5,458,000	6,193,441
Shareholder's Equity		
Common Stock	100	100
Distributions - Sub Chapter S - Current Year	-	(28,449)
Retained earnings - End of Year	-	71,122
Total Shareholder's Equity	100	42,773
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	\$ 5,458,100	\$ 6,236,214

2008 PRO-FORMA FINANCIAL STATEMENT

GLENWOOD ENERGY OF OXFORD and

GLENWOOD ENERGY OF VENORA

	Year 1 2008
OPERATING REVENUES	
Revenues - Glenwood of Oxford ("GEO")- Residential	\$ 5,461,250
Revenues - GEO - Commercial - Hueston Woods	109,225
Revenues - GEO - Commercial - McCullough Hyde	128,500
Revenues - GEO - Commercial - Forest Ridge	3,213
Revenues - GEO - Industrial - Square D	75,000
Revenues - Miami U - High Pressure - & Co Generation	150,535
Revenues - Miami U - Low Pressure	213,947
Revenues - GEO - Tap fees	90,000
Revenues - GEO - Transportation Charges - Per MCF	1,015,750
Revenues - GEO - Service Charges - Per Meter	315,000
Revenues - GEO - Late Payment Charges	40,000
Revenues - GEO - Reconnection Fees	37,000
Revenues - Glenwood of Verona ("GOV") - Residential	288,530
Revenues - GOV - Transportation Charges - Per MCF	51,385
Revenues - GOV - Service Charges - Per Meter	22,500
Revenues - GOV - Late Payment Charges	2,000
Total Operating Revenues	\$ 8,003,835
COST OF SALES	
Cost of Gas Purchases	5,937,218
GROSS MARGIN	2,066,617
OPERATING EXPENSES	
Operations & Maintenance Expenses	1,078,865
Professional & Legal Expenses	367,750
Depreciation & Amortization Expense	95,193
Taxes & Other Expenses	5,000
Total Operating Expenses	1,546,808
OPERATING INCOME	519,809
OTHER INCOME (EXPENSES)	
Interest Expense	(443,687)
Other	(5,000)
Total Other Income/(Expenses)	(448,687)
PRO-FORMA NET INCOME	\$ 71,122

EXHIBIT D
(List of Key Officers and Employees)

Keith G. Smith – President

Richard A. Perkins – Chief Financial Officer

John Stenger – Chief Operating Officer

Kristy Smith – Chief Accountant and Office Manager

Darryle Perrino – Service Manager

Rick Creager – Compliance Manager

Pam Wyatt – Accounting Clerk and Customer Service

Nicole Lewis – Accounting Clerk and Customer Service

Jeffrey Boggs – Service Tech.

Stan Vialpando – Service Tech.

EXHIBIT E
(Proposed Tariff)

**GLENWOOD ENERGY OF OXFORD, INC.
RULES AND REGULATIONS
GOVERNING THE DISTRIBUTION,
SALE, AND TRANSPORTATION OF NATURAL GAS**

Issued: _____, 2007

Effective: _____, 2007

Filed in accordance with the _____, 2007 _____ of the Commission in
Case No. 07-__-GA-_____.

Issued by
GLENWOOD ENERGY OF OXFORD, INC.
John Stenger, Chief Operating Officer

P.U.C.O. No. 1

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Issued: _____, 2007

Effective: _____, 2007

Filed in accordance with the _____, 2007 _____ of the Commission in
Case No. 07-__-GA-__.

Issued by
GLENWOOD ENERGY OF OXFORD, INC.
John Stenger, Chief Operating Officer

P.U.C.O. No. 1

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 Issued: _____, 2007

Effective: _____, 2007

 Filed in accordance with the _____, 2007 _____ of the Commission in
 Case No. 07-____-GA-____.

Issued by
 GLENWOOD ENERGY OF OXFORD, INC.
 John Stenger, Chief Operating Officer

P.U.C.O. No. 1

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Attachment A

Appendix

Issued: _____, 2007 Effective: _____, 2007Filed in accordance with the _____, 2007 _____ of the Commission in
Case No. 07-__-GA-__.

Issued by
GLENWOOD ENERGY OF OXFORD, INC.
John Stenger, Chief Operating Officer

P.U.C.O. No. 1

SECTION I – SERVICE

1. Definitions. As used throughout these Rules and Regulations, the terms set for the below are defined as follows:

“Company” means Glenwood Energy of Oxford, Inc., its successors and assigns.

“Gas”, “Gas Cost”, and “Cost of Gas” have the same meanings as defined in Chapter 4901:1-14 of the OAC.

“GCR” means “gas cost recovery rate” as defined in Chapter 4901:1-14 of the OAC.

“Mcf” means 1,000 cubic feet.

“OAC” means the Ohio Administrative Code.

“ORC” means the Ohio Revised Code.

“PIPP” means the “percent of income payment plan”.

“PUCO” or “Commission” means The Public Utilities Commission of Ohio.

“Self-Help Arrangement” has the same meaning as defined in Chapter 4901:1-14, OAC.

“Supplier(s)” means any pipeline, transmission company, broker, or producer supplying gas.

2. Availability. Available to the extent of Company’s gas supply and Company’s gas distribution facilities in all territory where Company’s distribution facilities are located, to customers who contract for gas service under the terms and conditions stated herein, and subject to the Rules and Regulations filed by the Company from time to time with the Commission, and any subsequent revision thereof, and to the lawful orders of regulatory authorities having jurisdiction.

3. Application for Service. All applications for service shall be made through the local office of the Company or its authorized agents.

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4. Initiation and Installation of Service. Where no installation of gas pipelines is required, the Company will initiate service within five business days after the Company has been notified that the customer's service location is ready for service and all necessary tariff and regulatory requirements have been met or by the requested installation date when a customer requests an installation date more than five business days after the customer's service location is ready for service and all necessary tariff and regulatory requirements have been met.

Where a new service installation requiring installation of the service line including the setting of the meter is required but does not involve a main line extension installation, the Company will initiate service either within twenty business days after the Company has been notified that the customer's service location is ready for service and all necessary tariff and regulatory requirements have been met or by the requested installation date if such a requested installation date is more than twenty business days after the customer's service location is ready for service and all necessary tariff and regulatory requirements have been met.

Where a residential and small commercial customer requests new service that requires the installation of a main line extension, the Company shall determine if the main line should be extended. If it determines to extend the main line, it shall contact the customer within thirty days with an estimate of the cost of the main line extension and the amount, if any, of a deposit and an estimated date to complete the main line extension.

Prior to initial operation or reestablishing residential or non-residential gas service (including after an outage), the Company shall conduct pressure testing or dial testing on the gas piping downstream of the meter to determine that no leaks exist. The pressure testing shall be accomplished consistent with the requirements of Rule 4901:1-13-05(A)(3), OAC.

If the Company cannot complete the requested service installation on time, it shall promptly notify the customer of the delay, the reasons for the delay, the steps being taken to complete the work, and the probable completion date. If a reschedule completion date cannot be met, the customer shall be promptly notified and if the completion date is delayed by more than five business days, written notification shall be given to the customer providing the reasons for the delay, the steps being taken to complete the work and the new rescheduled completion date.

5. Scheduled Appointments With Customers. The Company shall provide customers with an expected Company arrival time window of four hours or less for all appointments requiring the customer to be present. When the Company will not be able to meet a scheduled appointment, it shall

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reasonably attempt to notify the customer in advance of the failure to meet the appointment and arrange a new appointment date and time.

6. Turning Gas On. The customer, after making proper application for service, shall notify the Company when he desires service to be established. In no case shall he or his agent or employee turn on the gas at the curb or meter cock.

7. Service not Transferable. No person may commence the use of gas until after making application therefore. Any successor in interest to a customer, including without limitation, heirs, executors, administrators, assignees, trustees, guardians, receivers, and conservators, shall be deemed to be a person who must make application for service, provided that successors in interest whose rights arise from death or incompetence of the customer shall have thirty days in which to make application.

8. Continuity of Service. The Company shall make reasonable provision to supply gas in sufficient quantity and at adequate or uniform pressure, but does not guarantee constant supply or adequate pressure. The Company shall not be liable in damages for failure to supply gas or for interruptions in service, and shall be relieved of its obligations to serve and may discontinue or modify service, if such failure or interruption is due to acts of God, or the public enemy, military action, wars, insurrections, riots, civil disturbances, vandalism, strikes, fires, floods, washouts, explosions, acts or orders of any civil, judicial or military authorities, failure of gas supply or gas facilities, and without limitation by the foregoing, accidents, contingencies or other causes beyond the control of the Company.

Without incurring any liability therefore, the Company may also suspend service after reasonable notice, for such period as may be reasonably necessary to make repairs to or changes in its plant, transmission or distribution systems or other property.

9. Character of Service. The Company's supply of natural gas is received principally from other gas suppliers. The heating value and specific gravity of gases received may vary between delivery points from day to day. These variations are beyond the control of the Company, which can only dispatch the gases received.

10. Service Not to be Disturbed. No customer shall attach or use any appliance which may result in the injection of air, water, or other foreign matter into the Company's lines; and, without prior approval from the Company, no customer shall attach or use any appliance which will increase or

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decrease the pressure in the Company's lines intermittently to such extent as to interfere with continuous service to other customers.

11. No Customer Shall Sell to Another. The customer shall not supply or sell gas for use in any location or by any person other than that specified in the application for service.

12. Access to Premises. The Company and its authorized employees shall have access at all reasonable times to its facilities and at all of the premises in which gas supplied by the Company is used or is to be used. The Company's employees and agents seeking access to the customer's or landlord's premises shall, upon request, identify himself/herself, provide company photo and state the reasons for visit.

13. Customer's Responsibility. The customer assumes all responsibility for property owned by the customer on customer's side of the point of delivery, which will be the outlet side of the service line connection at the Company's line, for the service supplied or taken, as well as for the installation and appliances used in connection therewith, and will save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on customer's side of the point of delivery.

14. Right-of-Way and Line. The customer, without reimbursement, will make or procure conveyance to Company of right-of-way and installed lines satisfactory to it across property between Company's lines and the customer's property at the location where service is to be furnished, including property owned or controlled by the customer for Company's distribution mains, extensions thereof, or appurtenances necessary for or incidental to the supplying of service to the customer.

15. Charges and Payment for Temporary Service. In addition to regular payments for gas used, the customer shall pay the cost for all material, labor, and other necessary expense incurred by the Company in supplying gas service to the customer at his request for any temporary purpose or use.

16. Customer Indebted to Company. Subject to the requirements of Chapter 4901:1-17, OAC, service will not be supplied to any premises if at the time of application for service the applicant is indebted to Company for any service previously supplied at the same or other premises, until payment of such indebtedness or other arrangement satisfactory to the Company shall have been made.

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17. Customer Shall Satisfactorily Secure Account. Subject to the requirements of Section 4933.17, ORC, and Chapter 4901:1-17, OAC, the Company may require a customer satisfactorily to secure a new account unless other arrangements are made. A deposit of one-twelfth of the estimated charges for the ensuing twelve months plus 30% of the monthly estimated charge shall be requested at commencement of service.

With respect to small commercial customers, the Company shall establish equitable and non-discriminatory written procedures to determine creditworthiness. Upon request, the Company shall provide small commercial customers with their credit history with the Company, a copy of Rule 4901:1-13-08, OAC, the Commission's website, and local, toll-free and TDD/TTY numbers of the Commission's consumer hotline.

The Company may require a cash deposit of a small commercial customer. If so, it shall give the reason for its decision, options available to establish credit, and may allow the customer to contest the Company's decision and show creditworthiness, raise concerns with the Commission and its staff, and shall provide the customer with the Commission's website and local toll-free and TDD/TTY number of the Commission's call center.

Upon acceptance of the deposit, the Company shall furnish a receipt showing the name of the customer, the address of the premises, the billing address, a statement as to the interest rate to be paid, the length of time the deposit will be held in order to qualify for interest, and the conditions for refunding the deposits.

18. Right to Shut Off Gas. After reasonable notice, the Company shall have the right to discontinue service and the right to disconnect and remove from the premises of any consumer the meter and any other property belonging to the Company for any of the following reasons or purposes:

- (1) Refusing access.
- (2) Non-payment of bills for gas or transportation, when due.
- (3) Failure to furnish or maintain required security;
- (4) Non-use of gas or transportation service;
- (5) Theft of service, tampering of property, or fraudulent representation or practice;
- (6) Whenever deemed necessary by the Company for safety reasons;
- (7) Violation of any of these Rules and Regulations, any Service Agreement, or the General Terms and Conditions applicable to any such agreement;
- (8) Customer request;

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- (9) Customer vacates premises;
 - (10) When a safety hazard or emergency may threaten the health and safety of others or other property;
 - (11) When the use of gas adversely affects the service of others;
 - (12) Violation of law;
 - (13) Failure to comply with a contract or tariff;

For residential customers, such rights shall be subject to the requirements of Chapter 4901:1-18, OAC. For small commercial customers, such right shall be subject to the requirements of Rule 4901:1-13-08(C), OAC.

Before disconnecting small commercial customers, the Company shall give the small commercial customer written notice, not less than 5 business days after the postmark date, before services is disconnected in accordance with the provisions of Rule 4901:1-13-08(D), OAC.

The Company shall follow the provisions of Rule 4901:1-13-09, OAC in the event of disconnection of service for tampering or unauthorized reconnection or for disconnection of service for fraudulent practice.

19. Change of Address of Customer. When the customer changes address, the customer shall give oral notice, followed within three (3) days by written notice, thereof to Company prior to the date of change. The customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days to discontinue service.

20. Information Relative to Service. Information relative to the service that will be supplied at a given location should be obtained from the Company. Information given orally or over the telephone shall be subject to confirmation by these Rules and Regulations and the written communications of the company.

21. Reconnection of Service. Unless a small commercial customer requests or agrees otherwise, the Company shall reconnect service by the close of the following regular working day after it receives full amount in arrears for which service was disconnected and receives any deposit required and any tariffed charges, and agrees with the customer on a deferred payment plan and already received a payment (if required under the plan) as well as any required deposit or tariff charges, or the customer establishes that the conditions that warranted disconnection of service have been eliminated. Before a

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small commercial customer is reconnected, the Company may not require such customer to pay any amount owed but not yet past due or require such customer to pay any amount owed or overdue on other small commercial accounts where the customer has multiple small commercial accounts.

22. Complaints and Complaint Handling Procedures. The Company will make a good faith effort to settle unresolved disputes. It will provide a status report within three business days of receipt to the consumer and to the Commission Staff. If the investigation is not completed within ten days, the Company shall provide status reports to update the customer/consumer or update the customer/consumer and Commission Staff when investigating a complaint at five business day intervals. The Company shall inform the customer/consumer and Commission Staff of the results of the investigation either orally or in writing no later than five business days after the completion of the investigation. If requested, the final report may be reduced to writing. If the customer/consumer disputes the Company's report, the Company shall inform the consumer/customer that the Commission Staff is available to mediate complaints and the Company will provide contact information.

23. Records and Accounts. The Company shall maintain and retain records consistent with Rules 4901:1-13-03 and Appendix A to Rule 4901:1-9-06, OAC. The company shall keep its books and accounts and records in accordance with the Uniform System of Accounts as required by the Public Utilities Commission of Ohio pursuant to Rule 4901:1-13-13, OAC.

SECTION II - METERING AND BILLING

24. Quantity of Gas Delivered by Meter. Gas will be measured by a volumetric or thermal meter installed by the Company, which shall be and remain the property of the Company. Subject to certain exceptions, enumerated below, consumption shall be determined on the basis of the meter registration and bills shall reflect the consumption so registered. Any mistake in reading the registration, however, shall not affect the liability for gas consumed as determined by a corrected reading of the registration. A correction billing based upon discovery of a prior error shall be honored by the customer.

25. Unit of Measurement. The unit of measurement shall be either that quantity of gas which will occupy one (1) cubic foot at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (thirty [30] inches of mercury), a temperature base of sixty (60) degrees Fahrenheit, (five hundred twenty [520] degrees absolute), and without adjustment for water vapor content. To determine the volume of gas delivered, factors such as those required for pressure,

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temperature, and specific gravity and deviation from Boyle's law, shall be applied; or one million British thermal units of heat as determined by an accurate device.

26. Non-metered Service. Without prejudice to its providing metered service, where warranted, the Company may provide gas light service on a non-metered basis, using for billing purposes the approximate average consumption of such appliance at the Company's current applicable rate.

27. Estimated Bill. When the meter is not read, the Company may estimate the quantity of gas consumed and render a bill for such quantity. All estimated bills shall at some time be followed by a billing based upon a meter reading. The Company shall obtain actual readings of its customer meters at least once every twelve months as well as at the initiation of service and the termination of service. If the Company fails to read a residential or small commercial customer's meter for any reason for any twelve month period and the Company has underestimated the customer's usage, the Company may only bill the customer for the difference between the estimated usage and actual usage under the terms of Section 4933.28, Revised Code, based upon the appropriate rates in effect at the time the natural gas was used. If the Company fails to read a residential or small commercial customer's meter for any twelve month period and the Company has overestimated the customer's usage, the Company shall credit such customer for the overestimated usage at the appropriate rate in effect at the time the natural gas was used.

A customer may request an actual meter read, without charge, if the customer's usage has been estimated for more than two of the immediately preceding billing cycles consecutively or if the customer has reasonable grounds to believe that the meter is malfunctioning. The customer also has the ability to obtain a meter read prior to transferring service to a new retail natural gas supplier or governmental aggregator.

If the Company has read the meter within the immediately preceding 70 days it shall inform the customer, when the customer contacts the Company to initiate or terminate service, of the customer's right to have an actual meter read at no charge to the customer. In a landlord/tenant relationship where neither the Company nor the customer/tenant has access to the meter, the Company shall give notice by mail to both the landlord, when the address is available, and the tenant summarizing its inability to obtain access to the meter.

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28. Correct Meter. A meter registering between 3% fast and 3% slow shall be deemed for all purposes to be registering correctly. A meter registering incorrectly shall be repaired or replaced by the Company at its expense.

29. Incorrect Meter Readings. During any period that incorrect registration can be established, the meter readings and bills based thereon shall be adjusted by the Company on the basis of all available information concerning the use of gas by the customer. If, as a result of such adjustment, overpayments or underpayments are shown to have occurred, the Company shall reimburse the customer in the amount of such overpayment; and, subject to the requirements of Section 4933.28, ORC, the customer shall pay the Company the amount of such underpayments. The Company shall continue to supply gas to the customer, and the customer shall continue to pay the amounts billed pending the adjustment.

30. Meter Test. Metering accuracy shall be the responsibility of the Company. The Company shall test the meter at the request of the customer using the method prescribed by the Commission. The meter will be removed from the customer's premise and tested by an outside vendor. If the meter is found to be operating within accepted tolerances (plus or minus 3%), the customer shall pay the meter test fee charged by the Company. The date of re-inspection shall be stamped on the meter. If the meter was not operating within accepted tolerances, there shall be no charge for the test or removal. This charge shall not be assessed for the first such test performed in any 36-month period. This section does not apply in the event there has been either tampering or an unauthorized reconnection of the meter or related equipment during the subject period of time.

31. Billing Periods. Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option, but no less often than once in three months. Non-receipt of bills by the customer does not release or diminish the obligation of the customer with respect to payment thereof. Bills are due 25 days from the date of the postmark. Bills shall contain the information required by Rule 4901:1-13-11, OAC.

Meters are ordinarily read at monthly intervals but may be read more or less frequently at Company's option.

32. Payment of Bills. Bills may be paid by the customer at any office of the Company during its regular office hours, to any one of the Company's authorized collecting agents during the regular office hours of such agent, or by first-class mail addressed to the Company address shown on the bill. Any remittance received by the Company by first-class mail bearing U.S. Postal Office

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cancellation date corresponding with or previous to the last date of the net payment period will be accepted by the Company as within the net payment period. Upon request, the Company will provide an updated list of ways to pay bills.

33. Change in Financial Status of Customer. When the customer vacates the premises or becomes bankrupt, when a receiver, trustee, guardian, or conservator is appointed for the assets of the customer, or when the customer makes assignment for the benefit of creditors, the Company shall have the following rights: at the option of the Company, and after reasonable notice, the right to shut off the gas and to remove its property from the customer's premises; and the further right, independent of or concurrent with the right to shut off, to demand immediate payment for all gas theretofore delivered to the customer and not paid for, which amount shall become due and payable immediately upon such demand. For residential customers, such rights shall be subject to the requirements of Chapter 4901:1-18, OAC.

34. Service Lines. The general term "service line" is commonly used to designate the complete line or connection between the Company's line and the customer's location, up to and including the meter connection at the customer's location. It consists of two distinct parts, (a) the service line connection, and (b) the customer service line.

(a) Service Line Connection

The service line connection consists of the connection of the customer service line at the Company's line. This connection shall be made by the Company or its representative without cost to the customer, and it shall remain the property of the Company. It may include a valve for stopping the flow of any gas into the customer service line.

(b) Customer Service Line

The customer service line consists of the pipe from the service line connection to and including the meter connection. The customer's service line shall be installed at the customer's expense, and any part of it not contained within the customer's property at the location where service is to be furnished shall be conveyed to the Company and remain the property of the Company in accordance with Rule 10. The Company shall have the right to prescribe the specifications, size, location and termination points of the customer's service line. The customer shall remain liable for maintenance of, for imperfections in or for damage, injury or loss resulting, directly or indirectly, from the escape of gas from that part of the customer service line contained within the customer's property.

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35. Pressure Regulators. Where service is provided from low pressure lines, the Company shall furnish the necessary pressure regulator or regulators, which regulator or regulators shall remain the property of the Company.

The customer shall install and maintain, at his expense, substantial housing acceptable to the Company in size and design for the regulator or regulators and the meter in order to protect them from the weather and molestation.

If it becomes necessary to construct, operate, and maintain a heater to maintain satisfactory operation of the regulator or regulators, the gas used in such heater shall be at the expense of the customer and shall be taken from the outlet side of the meter serving the customer.

36. Meter Furnished. The Company will furnish each customer with a meter of such size and type as the Company may determine will adequately serve the property of the Company, and the Company shall have the right to replace it as the Company may deem it necessary.

37. Meter Location. The Company shall determine the location of the meter, which shall ordinarily be outside of any enclosed building and shall be accessible to the Company without the necessity of customer presence or approval.

When changes in building or arrangements therein render the meter inaccessible or exposed to hazards, the Company may require the customer, at the customer's expense, to relocate the meter setting together with any portion of the customer's service line necessary to accomplish such relocation.

38. Only Company Can Connect Meter. The owner or customer shall not permit anyone who is not an authorized agent of the Company to connect or disconnect the Company's meters, regulators or gauges or in any way alter or interfere with the Company's meter, regulators or gauges.

39. Customer Piping. The customer shall install, own and maintain, at the customer's expense, the customer piping from the outlet of the meter to gas burning equipment.

40. Appliances. The customer shall install and maintain all gas burning equipment at the Customer's expense.

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41. Standards for Customer's Property. The customer's service line, customer piping, fittings, valves, connections, equipment venting and all associated equipment shall be installed with materials and workmanship which meet the reasonable requirements of the Company and shall be subject to inspection or test by the Company. The Company shall have no obligation to establish service until after such requirements of the Company with respect to the facilities in place at the time of the test.

The first inspection or test at any premises, including both service lines and customer piping, shall be without charge. In the case of leak, error, patent defect or other unsatisfactory condition resulting in the disapproval of the line or piping by the Company, the necessary correction shall be made at the customer's expense; and then the lines and piping will be inspected and tested again by the Company. Each additional inspection and test, when required after correction, shall be subject to a charge covering the cost thereof.

42. Discontinuance of Supply on Notice of Defect in Customer's Property. If the customer's service line, customer piping, pressure regulators, fittings, valves, connections, equipment, venting and any other associated equipment on a customer's premises are defective or in such condition as to constitute a hazard, the Company, upon notice to it of such defect or condition and reasonable notice to the customer, may discontinue the supply of gas to such customer until such defect or condition has been rectified by the customer in compliance with the reasonable requirements of the Company.

43. No Responsibility for Material or Workmanship. The Company is not responsible for maintenance of, or any imperfect material or defective or faulty workmanship in, the customer's service line, customer piping, pressure regulators, fittings, valves, connections, equipment, venting and any other associated equipment and is not responsible for any loss or damage arising from inadequate or improper maintenance or from imperfect material or defective or faulty workmanship.

44. Inspection of Altered Piping. It shall be the duty of the customer to notify the Company promptly of any additions, changes, alterations, remodeling or reconstruction affecting gas piping on the customer's premises.

SECTION III – GENERAL

45. Subject to PUCO Rules and Regulations. These Rules and Regulations are subject to and include as part thereof all orders, rules and regulations applicable to the Company from time to time issued or established by the Commission under its powers.

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46. Amendments. The Company reserves the right to modify, alter or amend the foregoing Rules and Regulations and to make such further and other rule and regulations as experience may suggest as the Company may deem necessary or convenient in the conduct of its business, and as the Commission may approve.

47. Consumer Safeguards. The Company shall maintain a listing including the 24-hour emergency number in each local telephone service provider's directory operating in the Company's service territory. The Company shall not commit any unfair or deceptive acts or practices in connection with the promotion or provision of service. The Company shall only disclose a customer's account number or social security number without the customer's written consent for natural gas company credit evaluation, collections, and/or credit reporting or pursuant to a court order or subpoena. Upon customer request, the Company shall timely provide twelve months of a customer's usage history and twenty-four months of a customer's payment history to the customer.

48. Written Summary Information. The Company shall provide to new customers and to existing customers who request it, a written summary information dealing with who to contact concerning different rights and responsibilities. Pursuant to Rule 4901:1-13-06, OAC, this written summary information is contained in an appendix to this tariff.

SECTION IV – GAS DISTRIBUTION SERVICE

49. Description of Service. Applicable for gas service from existing distribution lines of Company having sufficient capacity therefore, to customers at one location who will guarantee payment of the minimum monthly charge for a term of twelve consecutive months. Company shall have the right to curtail deliveries of gas hereunder whenever and to the extent necessary in its sole judgment for the protection of service to its human needs customers. Company shall not be required to furnish gas service hereunder to any customer or applicant except by written application for gas service by the customer to Company.

50. Gas Distribution Rates and Charges.

Monthly Customer Charge	-	\$6.50 per meter per month charged to each customer regardless of the amount of gas if any, consumer during the month; provided,
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however, that the customer charge shall not be imposed in any month in which there is no consumption as a result of a voluntary request by the customer for the shut-off of the meter.

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|------------------------|---|--|
| General Service Rate | - | A volumetric base rate of \$2.39 per MCF of gas delivered shall be charged to all general service customers. |
| Self-Help Arrangements | - | Nothing shall prevent the Company from entering into self-help arrangements with customers to provide for the transportation of gas owned by the customer to the customer's premises. All such special contracts must be filed and approved by the Commission. |

51. Gas Cost Recovery ("GCR") Rate. In addition to the rates and charges set forth above and below, the Company shall also be entitled to recover the cost of obtaining gas it sells to its customers through a GCR rate, which shall comply, in all respects, with the rules governing GCR rates set forth in Chapter 4901:1-14, OAC, and with the Commission's Opinion and Order in Case Nos. 06-350-GA-CMR and 06-521-GA-GCR. Chapter 4901:1-14, OAC, is attached to this tariff as Attachment A.

52. GCR Over-Recovery Credit. The general service rate set forth in Paragraph 50 of Section IV shall be offset by a credit of \$0.20 per Mcf to effectuate the refund of certain past GCR over-recoveries in accordance with the Commission's Opinion and Order in Case No. 06-350-GA-CMR and 06-521-GA-GCR. This rider amount will decrease to \$0.00 when the total refund has been completed in accordance with the terms approved in the Commission's Opinion and Order in Case Nos. 06-350-GA-CMR and 06-521-GA-GCR.

53. Mcf Excise Tax Rider. In addition to all other rates and charges, all gas consumed shall be subject to an Mcf tax rider to provide for the recovery of the Company's excise tax liability under Section 5727.811, ORC.

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A rate of \$.0411 per Mcf shall be applicable to all volumes delivered, except volumes statutorily exempted from the tax or to flex customers, to recover the tax on natural gas distribution pursuant to Section 5727.811, ORC.

Flex Customers

All bills rendered to a flex customer as defined by Section 5727.80(N), ORC, shall be adjusted to provide for recovery of the Mcf excise tax at the rate of \$.02 per Mcf on all volumes delivered.

54. Gross Receipts Tax Rider. In addition to all other rates and charges, amounts billed by the Company shall be subject to a rider at the Company's effective gross receipts tax rate to provide for the recovery of the Company's gross receipts tax liability under Section 5727.25, ORC.

The Gross Receipts Tax Rider is applicable to all charges billed by the Company, including miscellaneous charges and all applicable rider rates, except that this rider shall not be billed to those customers statutorily exempted from the payment of gross receipts taxes.

All bills rendered shall be adjusted to include the effect of the Ohio excise tax on gross receipts billings at a rate of 4.9032%.

55. PIPP Cost Recovery Rider. In addition to all other rates and charges, the Company shall be entitled to recover, through a rider, the cost associated with the PIPP program. Such rider is to be calculated and adjusted in accordance with the order of the Commission in Case No. 02-2297-GA-PIPP. Customers receiving service shall pay an additional amount per Mcf for the recovery of PIPP costs. The current PIPP charge is \$0.00 per CCf

56. Late Payment Charge. If a bill payment is not received in the Company's offices or by the Company's authorized agent within 25 days of the date of the invoice, an additional amount of 5% of the unpaid balance will become due and payable as a part of the customer's total obligation. The Company will notify customers of the amount that will be due in the event the customer fails to make timely payment by utilizing a net/gross bill format. The late payment charge shall not be applicable to the unpaid balances of any customer enrolled in PIPP or a payment plan pursuant to Rule 4901:1-18-04, OAC.

57. Returned Check Charge. Where the customer's financial institution returns a customer's check for insufficient funds, the Company shall assess a return check charge of the lesser of

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\$25.00 or the amount actually charged the Company by its bank for dishonored checks. However, this charge will not be assessed if the customer establishes that the cause of the dishonored check was bank error.

58. Field Collection Fee. Where a Company employee is dispatched to a customer's premises to disconnect service for non-payment, the customer may avoid disconnection by paying the full amount owed. However, the Company may assess a \$15.00 field collection charge for accepting such payment. This charge may be assessed either at the time the delinquent amount is collected or on a subsequent bill.

59. Reconnection Charge. Where ONG has actually disconnected service to a customer premises, ONG may assess and collect a reconnection charge of \$40.00 as a condition for reconnecting service to said premises, regardless of the length of time the service was disconnected and regardless whether the disconnection was voluntary or involuntary. If service was disconnected as a result of unauthorized or fraudulent use by the customer, the Company may, in addition to the \$40.00 reconnection charge, also impose a charge to recover any actual expense incurred by the Company as a result of such unauthorized or fraudulent use, including an estimate of the cost of gas improperly used, prior to restoring service to said customer.

60. Service Tap Charge. Applicants applying for a new tap on the Company's system shall be assessed a service tap charge of \$500.00 for single family residences and \$1,000.00 for multi-family and commercial premises, or the actual cost of installing the new tap, whichever is less.

61. Meter Test Fee. The Company shall test the meter at the request of the customer using the method prescribed by the Commission. The meter will be removed from the customer's premise and tested by an outside vendor. If the meter is found to be operating within accepted tolerances (plus or minus the 3%), the customer shall pay the meter test fee of \$62.50 for such a test. The date of re-inspection shall be stamped on the meter. However, this charge will not be assessed if the meter was not operating within plus or minus three percent nor shall it be assessed if it is the first test performed in any 36-month period.

62. Credit Check Processing Charge. The Company may impose a charge of \$10.00 when making a credit check for a customer who applies to have service initiated.

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SECTION V – TRANSPORTATION SERVICE

63. Description of Service. This service consists of delivery of customer-owned or supplied natural gas volumes injected by the customer into the Company's facilities, with no assurance of continued delivery of natural gas from general system supply in the event of interruption of the customer's supply.

64. Rate.

For all MCF transported/month - \$2.39/Mcf

This rate does not reflect any sale of gas from the Company to the customer, but are agreed transportation charges. In the event the rate of applicable taxes already included in the transportation service charge are increased or decreased, or new taxes applicable to the transportation of natural gas are imposed, the customer's rate shall be adjusted upward or downward to reflect such tax increases, tax decreases or new taxes.

The Company, at its sole discretion, may offer the transportation service specified above at rates that are downwardly flexible from the maximum rates above. Such reduced rates will be determined based on competitive services available to the customer and the Company's need to achieve load preservation or the economic recovery of costs of the Company.

65. New Facilities. Where necessary, and after the customer agrees, the Company will construct all additions, replacements or betterments of its facilities in order to accommodate the volumes of gas delivered to and by the Company on the customer's behalf; the Company will bill the customer for the cost thereof; and the customer agrees to pay such costs within 30 days after receipt of the Company's bill, or as the parties may otherwise agree. The Company shall own all or part of the customer's service line contained within the customer's property at the location where service is to be furnished.

66. Banking. The Company will not be required for any period of time to bank any gas that is delivered to the Company for the account of the customer and which is not consumed by the customer. In the event the customer uses in any billing period natural gas in excess of the customer-owned or supplied volumes, the excess volumes shall be billed to the customer at the actual cost to the Company, not to exceed the then applicable rate for gas distribution service as provided in Section IV of these Rules and Regulations.

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67. Late Payment Charge. If a bill payment is not received in the Company's offices or by the Company's authorized agent within 25 days of the date of the invoice, an additional amount of 5% of the unpaid balance will become due and payable as a part of the customer's total obligation. The Company will notify customers of the amount that will be due in the event the customer fails to make timely payment by utilizing a net/gross billing format.

68. Additional Terms and Conditions. Transportation service is available to the extent of the Company's gas distribution facilities in all territory where the Company's distribution facilities may be located, to customers who apply for gas service under the terms and conditions stated herein, and subject to the Company's utility service obligations to its distribution customers, to law, to the applicable Rules, Regulations and Rates filed by the Company from time to time with the Commission and any subsequent revision thereof, and to the lawful orders and applicable gas transportation guidelines of regulatory authorities having jurisdiction.

69. Application. The company shall not be required to furnish transportation service hereunder to any customer or applicant except by written application for transportation service between the Company and the customer setting forth the following information:

- (a) The name, address, and telephone number of the customer.
- (b) The nature and extent of any interest which each party to the arrangement holds in any other party to the arrangement, or in any public utility subject to the jurisdiction of the Commission.
- (c) The location of the intended points of delivery to the customer.
- (d) Minimum and maximum volumes and nominating procedures for transportation service.

70. Title to Gas. The customer warrants the title to the gas delivered to the Company and covenants and agrees to indemnify the Company for and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to such gas.

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APPENDIX
Written Summary Information

This summary information is intended to let customers know of the existence and how to get further information orally and in writing relating to the following topics by calling, writing, or e-mailing:

Kristy Smith
Glenwood Energy of Oxford, Inc.
5181 College Corner Pike
Oxford, OH 45056
(513) 523-2555
E-mail address: goxfordnatural@woh.rr.com

- A. Complaint Procedures available at Glenwood Energy of Oxford, Inc. or at the PUCO;
- B. Customers Rights and Responsibilities including installation of service, payment of bills, disconnection and reconnection of service, meter testing, security deposits, rights to usage history, deferred payment plans, low-income assistance, information relating to the area's "one-call" or "call-before-you-dig" protection services, and service line responsibility;
- C. Requirements of company personnel on customer premises;
- D. Availability of rate information and alternatives upon request;
- E. A statement that customers may review a copy of the minimum gas service standards on the Commission's website or obtain a copy from the Commission upon request;
- F. Privacy Rights;
- G. Actual meter readings;
- H. Gas choice programs available to Customers, including information on slamming;
- I. If your complaint is not resolved after you have called (Glenwood Energy of Oxford, Inc.) or for general utility information, residential and business customers may call the Public Utilities Commission of Ohio (PUCO), toll-free at 1-800-686-7826 or for TDD/TTY toll-free at 1-800-686-1570, from 8 A.M. to 5:30 P.M. weekdays, or visit www.puco.ohio.gov.

The Ohio Consumers' Counsel (OCC) represents residential utility customers in matters before the PUCO. The OCC can be contacted toll-free at 1-877-742-5622 from 8 A.M. to 5 P.M. weekdays, or visit www.pickocc.org.

EXHIBIT F
(Customer Notice)

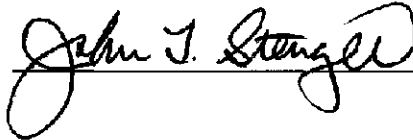
The Public Utilities Commission of Ohio has recently approved the purchase of property, plant and business of Oxford Natural Gas Company by Glenwood Energy of Oxford, Inc. Other than a new name on your bill, customers will not see any changes as a result of this transaction. Customers may call 523-2555 for any additional questions. Glenwood Energy of Oxford, Inc., looks forward to being your natural gas company.

EXHIBIT G
(Verification Sheets)

STATE OF INDIANA)
COUNTY OF DEARBORN)

VERIFICATION

I, John T. Stenger, the President _____ of Oxford
Natural Gas Company, being first duly sworn, verify that I have reviewed the foregoing
Application and Exhibits and that they are true and accurate to the best of my knowledge
and belief.

 _____

Sworn to and subscribed before me in my presence this 14th day of
September, 2007.

 _____

Deborah A. McQueen
Notary Public, Dearborn County, State of Indiana
Expires 6/17/08

STATE OF OHIO

COUNTY OF

Butler }

VERIFICATION

I, Kristy Smith, the Controller, of Oxford Natural Gas Company, being first duly sworn, verify that I have reviewed the foregoing Application and Exhibits and that they are true and accurate to the best of my knowledge and belief.

Kristy Smith

Sworn to and subscribed before me in my presence this 14 day of September, 2007.




Cindy L. Henson, Notary Public
in and for the State of Ohio
My Commission Expires July 27 2009

Cindy L. Henson
Notary Public

STATE OF OHIO)
COUNTY OF HAMILTON)

VERIFICATION

I, KEITH G SMITH, the PRESIDENT, of Glenwood Energy of Oxford, Inc., being first duly sworn, verify that I have reviewed the foregoing Application and Exhibits and that they are true and accurate to the best of my knowledge and belief.


PRESIDENT

Sworn to and subscribed before me in my presence this 17th day of September, 2007.

Patricia M. Hughes
Notary Public



PATRICIA M. HUGHES
Notary Public, State of Ohio
My Commission Expires Nov. 1, 2011

STATE OF OHIO
COUNTY OF HAMILTON)

VERIFICATION

I, RICHARD A. PERKINS, the CHIEF FINANCIAL OFFICER, of Glenwood Energy of Oxford, Inc., being first duly sworn, verify that I have reviewed the foregoing Application and Exhibits and that they are true and accurate to the best of my knowledge and belief.

Richard A. Perkins, CFO

Sworn to and subscribed before me in my presence this 17th day of September, 2007.

Patricia M. Hughes
Notary Public



PATRICIA M. HUGHES
Notary Public, State of Ohio
My Commission Expires Nov. 1, 2011