

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the)
Purchased Gas Adjustment Clauses Contained)
Within the Rate Schedules of)

Brainard Gas Corporation) Case No. 09-206-GA-GCR
Eastern Natural Gas Company) Case No. 09-207-GA-GCR
Gasco Distribution Systems, Inc.) Case No. 09-208-GA-GCR
Glenwood Energy of Oxford, Inc.) Case No. 09-210-GA-GCR
Pike Natural Gas Company) Case No. 09-214-GA-GCR
Southeastern Natural Gas Company) Case No. 09-215-GA-GCR
Waterville Gas & Oil Company) Case No. 09-217-GA-GCR
and Related Matters.)

ENTRY

The Commission finds:

- (1) Brainard Gas Corporation, Eastern Natural Gas Company, Gasco Distribution Systems, Inc., Glenwood Energy of Oxford, Inc., Pike Natural Gas Company, Southeastern Natural Gas Company and Waterville Gas & Oil Company (Companies) are gas or natural gas companies as defined by Sections 4905.03(A)(5) and (6), Revised Code, and public utilities by reason of Section 4905.02, Revised Code. As such, these Companies are subject to the jurisdiction of the Public Utilities Commission in accordance with Sections 4905.04 and 4905.05, Revised Code.
- (2) Section 4905.302, Revised Code, and Rule 4901:1-14-07, Ohio Administrative Code (O.A.C.), Audits, provide that the Commission shall conduct, or cause to be conducted, periodic audits of each gas or natural gas company. Such audits shall be performed with regard to the Companies captioned above and shall review each Company's compliance with the gas cost recovery (GCR) mechanism for the GCR rates effective during the following periods:

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Company	Financial Audit Period
Brainard Gas Corporation	04/01/07 - 03/31/09
Eastern Natural Gas Company	07/01/07 - 06/30/09
Gasco Distribution Systems, Inc.	02/01/07 - 01/31/09
Oxford Natural Gas Company	04/01/07 - 03/31/09
Pike Natural Gas Company	07/01/07 - 06/30/09
Southeastern Natural Gas Company	07/01/07 - 06/30/09
Waterville Gas & Oil Company	02/01/07 - 01/31/09

The Commission Staff shall conduct the audits required under Rule 4901:1-14-07 (B), O.A.C.

- (3) In addition to the requirements outlined in Finding (2) above, the Commission Staff shall conduct its audit programs consistent with the following overall objectives:
 - (a) To determine that the costs reflected in the Company's GCR rates were properly incurred by the Company.
 - (b) To determine that the GCR rates were accurately computed by the Company.
 - (c) To determine that the GCR rates were accurately applied to customer bills.
 - (d) If the company utilized weather-normalized historic and/or forecasted volumes, verify that the Company has reasonably applied such approach throughout the audit period.
 - (e) To identify and review the purchasing policies employed by the Company in its procurement of gas supplies.
- (4) At least 60 days before each hearing date as listed in Finding (5) below, Staff shall file its audit results with the Commission, and shall serve copies upon the Companies, any interveners, and petitioners to intervene in these proceedings.
- (5) Rule 4901:1-14-08, O.A.C. , Hearings, provides that the Commission hold a public hearing at least 60 days after the filing of each audit report required under Paragraph (C) of Rule 4901:1-14-07, O.A.C. A public hearing shall be held in these matters pursuant to Section

4905.302(C), Revised Code, to allow the Commission to review the gas purchasing practices and policies of the Companies and the operations of their purchased gas adjustment clause and related matters. Each of the hearings shall be held beginning at 10:00 a.m. at the offices of the Commission, 180 East Broad Street, Columbus, Ohio. At that time, all interested persons will be given an opportunity to be heard. The first day of each Company's hearing shall be as follows:

Brainard Gas Corporation	October 14, 2009
Eastern Natural Gas Company	December 15, 2009
Gasco Distribution Systems, Inc.	July 14, 2009
Glenwood Energy of Oxford	August 25, 2009
Pike Natural Gas Company	December 15, 2009
Southeastern Natural Gas Company	December 15, 2009
Waterville Gas & Oil Company	June 2, 2009

- (6) Rule 4901:1-14-08(C), O.A.C., specifies the requirements for notice of hearing, which the Companies should cause to be published between 15 and 30 days prior to the date set for hearing. The notice may be provided by newspaper publication (in a section other than the legal notice section), bill message, bill insert, or direct mailing to the customers. The form of the notice should be in substantially the following form as applicable to the individual Company.

LEGAL NOTICE

The Public Utilities Commission of Ohio has set for public hearing Case No. [applicable number] to review the gas cost recovery rates of [applicable company] and the operation of its Purchase Gas Adjustment Clause, and related matters. This hearing is scheduled to begin at 10:00 a.m. on [applicable day of the week], [applicable date], at the offices of the Commission, 180 E. Broad Street, Columbus, Ohio. All interested persons will be given an opportunity to be heard. Further information may be obtained by contacting the Commission's Hotline at (800) 686-7826. The hearing impaired can reach the Commission via TTY-TDD (800) 686-1570 or, in Columbus, at 466-8180.

- (7) The direct testimony of any witnesses testifying on behalf of the Companies should be filed at least 16 days prior to the GCR hearing. All direct testimony to be presented by any intervenor(s) should be filed at least 7 days prior to the hearing.

It is, therefore,

ORDERED, That audits for the audit periods set forth in Finding (2) shall be filed with the Commission. It is, further,

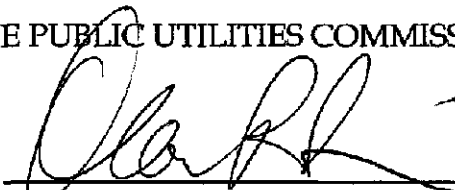
ORDERED, That a public hearing shall be conducted in each of these matters consistent with the Findings herein, on the dates specified in Finding (5). It is, further,

ORDERED, That the Companies shall publish legal notice consistent with Finding (6). It is, further,

ORDERED, That the direct testimony be filed consistent with Finding (7) of this Entry. It is, further,

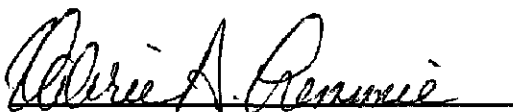
ORDERED, That a copy of this Entry shall be served upon the Companies and upon all other parties of record to this proceeding.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Paul A. Centolella


Ronda Hartman Fergus

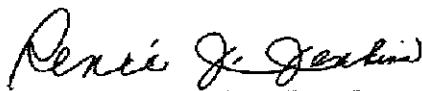

Valerie A. Lemmie


Cheryl L. Roberto

RS:sm

Entered in the Journal

JAN 21 2009



Renee J. Jenkins
Secretary