

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of
Suburban Natural Gas Company for
An Adjustment to the Infrastructure
Replacement Program Rider

Case No. 12-1698-GA-RDR

APPLICATION FOR APPROVAL OF AN ADJUSTMENT TO
THE INFRASTRATURE REPLACEMENT RIDER OF
SUBURBAN NATURAL GAS COMPANY

Pursuant to the Commission's September 15, 2009 *Finding and Order* in Case No. 09-573-GA-RDR, Suburban Natural Gas Company ("Suburban") respectfully requests that the Commission approve an adjustment to Suburban's infrastructure Replacement Rider ("Rider IRP") reflecting costs associated with capital investments made by Suburban during the period July 1, 2011 through June 30, 2012. In support of its Application, Suburban states:

1. Suburban, a privately-owned Ohio corporation, is a public utility and natural gas company within the definitions of Sections 4905.02 and 4905.03(A)(6), Ohio Revised Code and, as such, is subject to the jurisdiction of this Commission pursuant to R.C. 4905.04, 4905.05, and 4905.06.
2. Suburban currently provides natural gas service in Ohio to just shy of 15,000 residential, commercial, and industrial customers in Wood, Henry, Lucas, Delaware, and Marion Counties.
3. On June 1, 2009, pursuant to the *Finding and Order* in Case No. 07-689-GA-AIR, Suburban filed a plan for the timely replacement of prone-to-fail risers and a plan for the assumption of responsibilities associated with the installation, repair, replacement, and maintenance of customer service lines ("IRP").

4. On September 15, 2009, in a *Finding and Order* in Case No. 09-573-GA-UNC, the Commission approved Suburban's IRP and the recovery of the cost associated with the IRP.

5. At the time of the Commission's approval, Suburban estimated that the IRP charge to customers would be \$0.29, \$0.58, \$0.84, \$1.10, and \$0.92 per month per customer in years one through five, respectively.

6. The approved IRP also requires that Suburban annually file an application to update its Rider IRP. Accordingly, by this Application, Suburban requests that the Commission approve an increase in Suburban's Rider IRP from \$0.25 per month per customer to \$0.52 per month per customer.

7. Suburban hereby submits the following schedules and exhibits supporting its request to adjust Rider IRP:

- a. Schedules A-1, A-2, and A-3 supporting Suburban's IRP rate calculation;
- b. Schedules B-1, B-2, and B-3 representing Suburban's proposed IRP tariff sheet, the proposed changes to Suburban's IRP tariff sheet, and Suburban's current tariff sheet, respectively; and
- c. Exhibit 1: Direct Testimony of Nichole M. Clement.

Respectfully submitted,

SUBURBAN NATURAL GAS COMPANY

By: _____

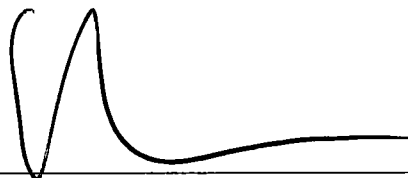
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application for Approval of an Adjustment to the Infrastructure Replacement Rider was served upon the following parties of record or as a courtesy, via U.S. Mail, postage prepaid, on the 30 day of August 2012.

Thomas G. Lindgren
Werner L. Margard
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Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Doris E. McCarter, Division Chief
Capital Recovery and Financial Analysis
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Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

A handwritten signature in black ink, appearing to be 'W. Michael', written over a horizontal line.

William J. Michael

REPLACEMENT OF SERVICE LINES AND
RISERS – COMBINED EFFECT

Suburban Natural Gas Company
Infrastructure Replacement Program and Rider
Replacement of Service Lines and Risers - Combined Effect
For the period July 2011 to June 2012 (12 mo actual)

Account	Account Description	Actual July Month 22	Actual Aug 2011 Month 23	Actual Sept 2011 Month 24	Actual Oct 2011 Month 25	Actual Nov 2011 Month 26	Actual Dec 2011 Month 27	Actual Jan 2012 Month 28	Actual Feb 2012 Month 29	Actual Mar 2012 Month 30	Actual Apr 2012 Month 31	Actual May 2012 Month 32	Actual June 2012 Month 33
38060	IRP Service Lines					\$ 800			\$ 1,000			500	
38070	IRP Risers	\$ 32,959	\$ 64,457	\$ 22,073	\$ 14,368	\$ 14,759		\$ 350		\$ 9,738	\$ 35,636	\$ 63,392	\$ 14,401
Total		\$ 32,959	\$ 64,457	\$ 22,073	\$ 14,368	\$ 15,559	\$ -	\$ 350	\$ 1,000	\$ 9,738	\$ 35,636	\$ 63,892	\$ 14,401

50% of Replacement Cost Financed (taken out of rate base)

(recovered over 4 years (cost * 50% / 4 years)

[illegible]

Total

Cost of Debt to be Recovered

50% recovered over 45 years (cost * 50% / 45 years) (not taken out of rate base)

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54	2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64	2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74	2274-75	2275-76	2276-77	2277-78	2278-79	2279-80	2280-81	2281-82	2282-83	2283-84	2284-85	2285-86	2286-87	2287-88	2288-89	2289-90	2290-91	2291-92	2292-93	2293-94	2294-95	2295-96	2296-97	2297-98	2298-99	2299-00	2300-01	2301-02	2302-03	2303-04	2304-05	2305-06	2306-07	2307-08	2308-09	2309-10	2310-11	2311-12	2312-13	2313-14	2314-15	2315-16	2316-17	2317-18	2318-19	2319-20	2320-21	2321-22	2322-23	2323-24	2324-25	2325-26	2326-27	2327-28	2328-29	2329-30	2330-31	2331-32	2332-33	2333-34	2334-35	2335-36	2336-37	2337-38	2338-39	2339-40	2340-41	2341-42	2342-43	2343-44	2344-45	2345-46	2346-47	2347-48	2348-49	2349-50	2350-51	2351-52	2352-53	2353-54	2354-55	2355-56	2356-57	2357-58	2358-59	2359-60	2360-61	2361-62	2362-63	2363-64	2364-65	2365-66	2366-67	2367-68	2368-69	2369-70	2370-71	2371-72	2372-73	2373-74	2374-75	2375-76	2376-77	2377-78	2378-79	2379-80	2380-81	2381-82	2382-83	2383-84	2384-85	2385-86	2386-87	2387-88	2388-89	2389-90	2390-91	2391-92	2392-93	2393-94	2394-95	2395-96	2396-97	2397-98	2398-99	2399-00	2400-01	2401-02	2402-03	2403-04	2404-05	2405-06	2406-07	2407-08	2408-09	2409-10	2410-11	2411-12	2412-13	2413-14	2414-15	2415-16	2416-17	2417-18	2418-19	2419-20	2420-21	2421-22	2422-23	2423-24	2424-25	2425-26	2426-27	2427-28	2428-29	2429-30	2430-31	2431-32	2432-33	2433-34	2434-35	2435-36	2436-37	2437-38	2438-39	2439-40	2440-41	2441-42	2442-43	2443-44	2444-45	2445-46	2446-47	2447-48	2448-49	2449-50	2450-51	2451-52	2452-53	2453-54	2454-55	2455-56	2456-57	2457-58	2458-59	2459-60	2460-61	2461-62	2462-63	2463-64	2464-65	2465-66	2466-67	2467-68	2468-69	2469-70	2470-71	2471-72	2472-73	2473-74	2474-75	2475-76	2476-77	2477-78	2478-79	2479-80	2480-81	2481-82	2482-83	2483-84	2484-85	2485-86	2486-87	2487-88	2488-89	2489-90	2490-91	2491-92	2492-93	2493-94	2494-95	2495-96	2496-97	2497-98	2498-99	2499-00	2500-01	2501-02	2502-03	2503-04	2504-05	2505-06	2506-07	2507-08	2508-09	2509-10	2510-11	2511-12	2512-13	2513-14	2514-15	2515-16	2516-17	2517-18	2518-19	2519-20	2520-21	2521-22	2522-23	2523-24	2524-25	2525-26	2526-27	2527-28	2528-29	2529-30	2530-31	2531-32	2532-33	2533-34	2534-35	2535-36	2536-37	2537-38	2538-39	2539-40	2540-41	2541-42	2542-43	2543-44	2544-45	2545-46	2546-47	2547-48	2548-49	2549-50	2550-51	2551-52	2552-53	2553-54	2554-55	2555-56	2556-57	2557-58	2558-59	2559-60	2560-61	2561-62	2562-63	2563-64	2564-65	2565-66	2566-67	2567-68	2568-69	2569-70	2570-71	2571-72	2572-73	2573-74	2574-75	2575-76	2576-77	2577-78	2578-79	2579-80	2580-81	2581-82	2582-83	2583-84	2584-85	2585-86	2586-87	2587-88	2588-89	2589-90	2590-91	2591-92	2592-93	2593-94	2594-95	2595-96	2596-97	2597-98	2598-99	2599-00	2600-01	2601-02	2602-03	2603-04	2604-05	2605-06	2606-07	2607-08	2608-09	2609-10	2610-11	2611-12	2612-13	2613-14	2614-15	2615-16	2616-17	2617-18	2618-19	2619-20	2620-21	2621-22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Suburban Natural Gas Company

Account	Account Description	Actual July 2011 Month 22	Actual Aug Month 23	Actual Sept 24	Actual Oct 25	Actual Nov 26	Actual Dec 27	Actual Jan 28	Actual Feb 29	Actual Mar 30	Actual Apr 31	Actual May 32	Actual June 33
Fifth Month Expenditure		\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13	\$ 2.13
Sixth Month Expenditure		\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81
Seventh Month Expenditure		\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39	\$ 33.39
Eighth Month Expenditure		\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41	\$ 27.41
Ninth Month Expenditure		\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94	\$ 32.94
Tenth Month Expenditure		\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87	\$ 7.87
Eleventh Month Expenditure		\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24	\$ 3.24
Twelfth Month Expenditure		\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68
Thirteenth Month Expenditure		\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39	\$ 15.39
Fourteenth Month Expenditure		\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90	\$ 15.90
Fifteenth Month Expenditure		\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Sixteenth Month Expenditure		\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Seventeenth Month Expenditure		\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Eighteenth Month Expenditure		\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79	\$ 0.79
Nineteenth Month Expenditure		\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90	\$ 17.90
Twentieth Month Expenditure		\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94	\$ 23.94
Twenty-First Month Expenditure		\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22	\$ 53.22
Twenty-Second Month Expenditure		\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52	\$ 30.52
Twenty-Third Month Expenditure		\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68	\$ 59.68
Twenty-Fourth Month Expenditure		\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44	\$ 20.44
Twenty-Fifth Month Expenditure		\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30	\$ 13.30
Twenty-Sixth Month Expenditure		\$ -	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41	\$ 14.41
Twenty-Seventh Month Expenditure		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Twenty-Eighth Month Expenditure		\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Twenty-Ninth Month Expenditure		\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93	\$ 0.93
Thirtieth Month Expenditure		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Thirty-First Month Expenditure		\$ 3											
Thirty-Second Month Expenditure		\$ 33.00											
Thirty-Third Month Expenditure		\$ 59.16											
Thirty-Fourth Month Expenditure		\$ 13.33											

[illegible]

Total Amount to Be Recovered through Rider	\$ 4,867.46	\$ 5,894.57	\$ 6,247.56	\$ 6,487.74	\$ 6,706.70	\$ 6,694.84	\$ 6,688.61	\$ 6,692.84	\$ 6,837.65	\$ 7,398.92	\$ 8,413.88	\$ 8,630.67
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[illegible]

Net Over/Under recovered at 6/30/11

Net Over/Under recovered at 6/30/12	\$	(1,393.21)	\$	213.83	\$	541.86	\$	771.01	\$	972.14	\$	3,006.87	\$	2,987.86	\$	2,988.34	\$	3,127.40	\$	3,679.81	\$	4,692.88	\$	4,909.67	\$	26,498.48
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Year 4 Total Amount to Be Recovered through Rider

Revised Amount to Be Recovered through Rider

Estimated Number of Customers	14,845
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Projected Revised Rate \$ 0.52

COST OF DEBT CALCULATION

Suburban Natural Gas Company
Infrastructure Replacement Program and Rider
Cost of Debt Calculation
For the period July 2011 to June 2012 (12 mo actual)

	Actual July 2011 Month 22	Actual Aug 2011 Month 23	Actual Sept 2011 Month 24	Actual Oct 2011 Month 25	Actual Nov 2011 Month 26	Actual Dec 2011 Month 27	Actual Jan 2012 Month 28	Actual Feb 2012 Month 29	Actual Mar 2012 Month 30	Actual Apr 2012 Month 31	Actual May 2012 Month 32	Actual June 2012 Month 33
Beginning Balance	\$ 114,827.53	\$ 128,451.70	\$ 157,481.50	\$ 164,647.66	\$ 167,731.36	\$ 171,261.08	\$ 166,849.11	\$ 162,612.13	\$ 158,696.51	\$ 159,139.67	\$ 172,430.11	\$ 199,477.64
Amount Borrowed	\$ 16,479.72	\$ 32,228.68	\$ 11,036.47	\$ 7,183.94	\$ 7,779.63	\$ -	\$ 175.00	\$ 500.00	\$ 4,869.20	\$ 17,817.93	\$ 31,946.22	\$ 7,200.72
Amount Repaid (collected through rider - 1 mo. lag)	\$ 2,855.55	\$ 3,198.88	\$ 3,870.31	\$ 4,100.23	\$ 4,249.90	\$ 4,411.98	\$ 4,411.98	\$ 4,415.62	\$ 4,426.04	\$ 4,527.48	\$ 4,898.69	\$ 5,564.23
Ending Balance	\$ 128,451.70	\$ 157,481.50	\$ 164,647.66	\$ 167,731.36	\$ 171,261.08	\$ 166,849.11	\$ 162,612.13	\$ 158,696.51	\$ 159,139.67	\$ 172,430.11	\$ 199,477.64	\$ 201,114.13
Cost of Debt Per LOC	2.365%	2.365%	2.428%	2.428%	2.428%	2.428%	2.428%	2.428%	2.428%	2.428%	2.428%	2.428%
Interest to be Recovered	\$ 253.16	\$ 310.37	\$ 333.07	\$ 339.31	\$ 346.45	\$ 337.52	\$ 328.95	\$ 321.03	\$ 321.93	\$ 348.81	\$ 403.53	\$ 406.84

RATE OF RETURN

Suburban Natural Gas Company
Infrastructure Replacement Program and Rider
Rate of Return
For the period July 2011 to June 2012 (12 mo actual)

	Actual July 2011 Month 22	Actual Aug 2011 Month 23	Actual Sept 2011 Month 24	Actual Oct 2011 Month 25	Actual Nov 2011 Month 26	Actual Dec 2011 Month 27	Actual Jan 2012 Month 28	Actual Feb 2012 Month 29	Actual Mar 2012 Month 30	Actual Apr 2012 Month 31	Actual May 2012 Month 32	Actual June 2012 Month 33
Beginning Balance	\$ 135,089.62	\$ 151,315.51	\$ 183,259.84	\$ 193,952.29	\$ 200,771.76	\$ 208,173.61	\$ 207,781.44	\$ 207,564.26	\$ 207,671.76	\$ 212,147.53	\$ 229,563.01	\$ 261,073.79
Amount Expended	\$ 16,479.72	\$ 32,228.68	\$ 11,036.47	\$ 7,183.94	\$ 7,779.63	\$ -	\$ 175.00	\$ 500.00	\$ 4,869.20	\$ 17,817.93	\$ 31,946.22	\$ 7,200.72
Amount Repaid (collected through rider - 1 yr. lag)	\$ 253.83	\$ 284.34	\$ 344.03	\$ 364.47	\$ 377.77	\$ 392.18	\$ 392.18	\$ 392.50	\$ 393.43	\$ 402.44	\$ 435.44	\$ 494.60
Ending Balance	\$ 151,315.51	\$ 183,259.84	\$ 193,952.29	\$ 200,771.76	\$ 208,173.61	\$ 207,781.44	\$ 207,564.26	\$ 207,671.76	\$ 212,147.53	\$ 229,563.01	\$ 261,073.79	\$ 267,779.91
Allowable Rate of Return	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%	8.970%
Return on Equity	\$ 1,131.08	\$ 1,369.87	\$ 1,449.79	\$ 1,500.77	\$ 1,556.10	\$ 1,553.17	\$ 1,551.54	\$ 1,552.35	\$ 1,585.80	\$ 1,715.98	\$ 1,951.53	\$ 2,001.65

PROPOSED TARIFF SHEET

Suburban Natural Gas Company
Cygnet, Ohio

SECTION V
Fourth Revised Sheet No. 2B
Cancels and Supersedes
Third Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APPLICABILITY:

Applicable to all customers.

DESCRIPTION:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

RATE:

\$.52 per Month

ISSUED: _____, 2012

EFFECTIVE: November 1, 2012

Filed pursuant to the Opinion and Order of the Public Utilities
Commission of Ohio in Case No. 12-1698-GA-RDR dated _____, 2012

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

CHANGES TO CURRENT TARIFF SHEET

Suburban Natural Gas Company
Cygnet, Ohio

SECTION V
~~Third~~Fourth Revised Sheet No. 2B
Cancels and Supersedes
~~Second~~Third Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APPLICABILITY:

Applicable to all customers.

DESCRIPTION:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

RATE:

\$25.52 per Month

ISSUED: November 1, 20112012
20112012

EFFECTIVE: November 1,

Filed pursuant to the Opinion and Order of the Public Utilities
Commission of Ohio in Case No. 11-32341698-GA-RDR dated October 26,
20112012

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

CURRENT TARIFF SHEET

Suburban Natural Gas Company
Cygnet, Ohio

SECTION V
Third Revised Sheet No. 2B
Cancels and Supersedes
Second Revised Sheet No. 2B

INFRASTRUCTURE REPLACEMENT PROGRAM RIDER

APPLICABILITY:

Applicable to all customers.

DESCRIPTION:

An additional charge per month per account, regardless of gas consumed, to recover costs associated with Suburban's riser inventory and identification process; customer notification and education; the replacement of customer-owned Natural Gas Risers identified in the November 24, 2006 Report by the Staff of the Public Utilities Commission of Ohio in Case No. 05-463-GA-COI as prone to failure and repair or replacement of service lines as specified in the Company's IRP Plan filed with the Public Utilities Commission of Ohio. This Rider shall be calculated annually pursuant to a Notice filed no later than May 31 of each year based on nine months of actual data and three months of estimated data for the reporting year. The filing shall be updated by no later than August 31 of the same year to reflect the use of actual reporting year data. Such adjustments to the Rider will become effective with bills rendered on November 1 of each year.

RATE:

\$.25 per Month

ISSUED: November 1, 2011

EFFECTIVE: November 1, 2011

Filed pursuant to the Opinion and Order of the Public Utilities
Commission of Ohio in Case No. 11-3234-GA-RDR dated October 26, 2011

ISSUED BY DAVID L. PEMBERTON, JR., PRESIDENT

TESTIMONY OF NICHOLE M. CLEMENT

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Suburban Natural Gas Company for an)	Case No. 12-1698-GA-RDR
Adjustment to the Infrastructure)	
Replacement Program Rider)	

DIRECT TESTIMONY OF NICHOLE M. CLEMENT
ON BEHALF OF
THE SUBURBAN NATUAL GAS COMPANY

August 30, 2012

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. Nichole M. Clement, 551 Lake Cascades Parkway, Findlay, Ohio 45840.

4 **Q. By whom are you employed and in what capacity?**

5 A. Pry Professional Group, Certified Public Accountant.

6 **Q. How long have you been associated with Pry Professional Group?**

7 A. I have been associated with Pry Professional Group for over 17 years.

8 **Q. On whose behalf are you offering testimony in this proceeding?**

9 A. I have been authorized to appear and testify on behalf of Suburban Natural Gas
10 Company, the applicant in this case.

11 **Q. Please outline your educational background and business experience.**

12 A. I graduated from Bowling Green State University in 1994 with a degree in Business
13 Administration with a specialization in accounting. I received my Certified Public
14 Accountants designation in 1998. I have worked with public utility companies at Pry
15 Professional Group for the past 17 years.

16 **Q. Do you have any experience testifying at the Commission?**

17 A. Yes. On August 17, 2007, I submitted testimony at the Commission on behalf of
18 Suburban in Case No. 07-689-GA-AIR, on September 14, 2010 in Case No. 10-763-
19 GA-RDR, and on August 30, 2011 in Case No. 11- 3234-GA-RDR. Also, I am
20 generally familiar with the rate-making process and the accounting practices of public
21 utilities.

22 **Q. What is the purpose of your testimony in this proceeding?**

23 A. The purpose of my testimony is to support Suburban's Infrastructure Replacement Plan
24 Rider ("Rider IRP"). I will describe the infrastructure replacement efforts that
25 Suburban has made. Also, I will describe how Suburban calculated the cost of such
26 efforts as set forth in Schedules A-1, A-2, and A-3.

27 **Q. Are you sponsoring any part of the Application?**

28 A. Yes, I am sponsoring Schedules A-1, A-2, and A-3.

29 **II. SUBURBAN'S INFRASTRUCTURE REPLACEMENT PLAN**

30 **Q. What are the costs Suburban is recovering through Rider IRP?**

31 A. In Case No. 09-573-GA-UNC, the Commission approved Suburban's plan for timely
32 replacement of prone-to-fail risers and a plan for the assumption of the responsibilities
33 associated with installation, repair, replacement, and maintenance of customer service
34 lines ("IRP"). In that case, the Commission also approved the recovery of costs

35 associated with the IRP. When the IRP was approved, Suburban estimated that the
36 incremental costs of the IRP would be approximately \$252,000 per year.

37 **Q. Has Suburban begun implementing the IRP?**

38 A. Yes, in October 2009, Suburban began replacing aging service lines at various locations
39 throughout its service territory and replacing prone-to-fail customer risers.

40 **Q. Are the costs of implementing the IRP in line with Suburban's original estimates?**

41 A. The costs are higher for year three in comparison with Suburban's original estimate due
42 to the fact that more replacements were completed during this timeframe than originally
43 expected as a result of year one and two having few replacements than estimated. For
44 the twelve month period beginning July 1, 2011 and ending June 30, 2012 the cost of
45 the IRP is \$274,435.

46 **Q. What is the current rate that customers are being charged under Rider IRP?**

47 A. Customers are now charged \$0.25 per customer per month for Rider IRP.

48 **Q. What is the new rate you are proposing for Rider IRP?**

49 A. \$0.52 per customer per month.

50 **Q. Why is Suburban proposing to increase the Rider IRP Charge?**

51 A. Suburban is proposing to increase Rider IRP to reflect the increase in costs Suburban
52 expects to incur as a result of implementing the IRP in year four beginning July 1, 2012
53 and ending June 30, 2013.

54 **Q. Is the \$0.52 customer charge in line with Suburban's estimates for the fourth year
55 of the IRP?**

56 A. When the Commission approved the IRP, the charge to customers was estimated to be
57 \$0.29, \$0.58, \$0.84, \$1.10, and \$0.92 per month per customer in years one through five,
58 respectively. A \$0.52 charge is less than the initial estimates for year four of the IRP.

59 **Q. How was the \$0.52 customer charge calculated for the fourth year of the IRP?**

60 A. The calculation was based on actual data for July 1, 2011 through June 30, 2012 and
61 estimated data for July 1, 2012 through June 30, 2013. The basis of the calculation is
62 that approved in Case No. 09-573-GA-UNC.

63 **Q. In your opinion is a \$0.52 customer charge reasonable?**

64 A. Yes. As you can see from Schedules A-1, A-2, and A-3 of the Application, \$0.52 is a
65 reasonable charge for year four of the IRP and thus should be approved by the
66 Commission.

67 **Q. Does this conclude your testimony?**

68 A. Yes, it does.

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Case No(s). 12-1698-GA-RDR

Summary: Application For Approval of an Adjustment to the Infrastructure Replacement Rider of Suburban Natural Gas Company electronically filed by Brandi L. Kayser on behalf of Suburban Natural Gas Company