

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Waterville Gas & Oil Company for)	Case No. 12-1652-GA-AIS
Approval of Long-Term Financing)	
Arrangements.)	

FINDING AND ORDER

The Commission finds:

- (1) Waterville Gas & Oil Company (Waterville or Applicant) is an Ohio Corporation and a public utility as defined in Sections 4905.02, and 4905.03, Revised Code, and is subject to the jurisdiction of this Commission.
- (2) On May 22, 2012, and amended on August 7, 2012, Applicant filed an Application and Exhibits (Application) under the provisions of Sections 4905.40 and 4905.41, Revised Code.
- (3) By Commission Order dated August 26, 2012, in Case No. 09-649-GA-AIS, Applicant was authorized to borrow up to \$656,000 or 80 percent of the fee simple market value of a new general office building, whichever is less, for a three-year term loan agreement (Prior Loan) from Huntington National Bank, Toledo, Ohio (Huntington). The Prior Loan required principal and interest payments for 35 months, with a balloon payment of the balance on the third anniversary of the loan closing, or December 29, 2012.
- (4) Applicant now requests Commission approval to extend the Prior Loan by entering into a New Loan (the New Loan) with Huntington for a term of five years, maturing on December 29, 2017, pursuant to Section 4905.40, Revised Code.
- (5) The New Loan will be for an aggregate amount equal to the loan balance of the Prior Loan as of the date of closing of the New Loan.

- (6) Applicant has obtained a commitment from Huntington for the New Loan with either a variable interest rate option, based on London Inter Bank Offered Rate plus 225 basis points, or a fixed interest rate to be determined at the date of the extension, based on Huntington's cost of funds, as described in the Application.
- (7) The proceeds of the New Loan will be used to refinance the Prior Loan, pursuant to Section 4905.40, Revised Code, as described in the Application.
- (8) The Commission finds that the proposed guidelines or parameters set forth in the Application for the New Loan are intended to facilitate the extension of the term of the Prior Loan on the best term possible and at the lowest cost. Furthermore, the Commission notes that our authorization allowing Applicant to enter into the New Loan in no way relieves Applicant of its responsibility to negotiate and obtain best terms available.
- (9) The Commission finds that the maximum amount of the New Loan, its cost to Applicant, and other terms thereof, as set forth in the Application, do not appear to be unjust or unreasonable.
- (10) The Commission finds that the effect of the issuance of the New Loan on Applicant's revenue requirements will be considered in the determination of required revenues in rate proceedings in which all factors affecting rates are taken into account according to law.
- (11) Upon review of the Application, the Commission finds that the aggregate amount of the New Loan, the terms thereof, and the probable cost to the Applicant, within the parameters set forth in the Application, do not appear to be unjust or unreasonable. Therefore, the Commission finds that the Application should be approved.

It is, therefore,

ORDERED, That the Application of Waterville is approved to extend the term of the Prior Loan by entering into a New Loan with Huntington National Bank, Toledo, Ohio, for a term of five years, maturing on December 29, 2017, as described in the Application. It is, further,

ORDERED, That the proceeds from the New Loan shall be used for the purposes set forth in this Order, pursuant to the provisions of Section 4905.40, Revised Code. It is, further,

ORDERED, That Applicant shall file a written report with this Commission with the terms and full particulars, as promptly as possible, after the New Loan authorized by this Order is executed. It is, further,

ORDERED, That the authorization granted by this Order shall not be construed as limiting the Commission's determination of the appropriateness of the securities for future ratemaking treatment. It is, further,

ORDERED, That Applicant shall account for the New Loan as prescribed in the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect. It is further,

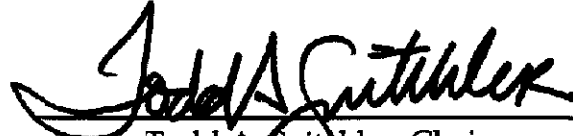
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the New Loan or the interest thereon on the part of the state of Ohio. It is, further,

ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of the Applicant. It is, further,

ORDERED, That nothing in this Order shall be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

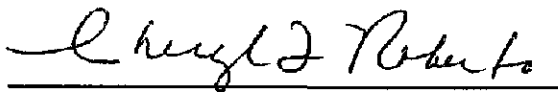
ORDERED, That a copy of this Order be served upon all parties of record.

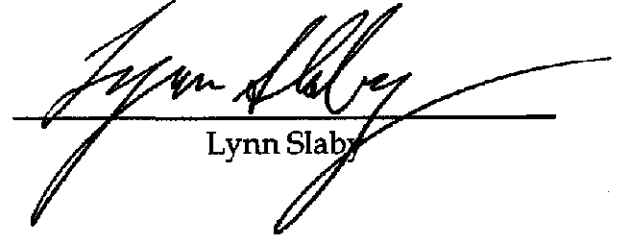
THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Snitchler, Chairman


Steven D. Lesser


Andre T. Porter

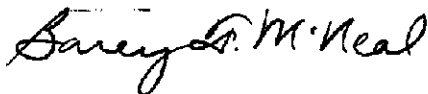

Cheryl L. Roberto


Lynn Slaby

SUM:jd

Entered in the Journal

SEP 05 2012.



Barcy F. McNeal
Secretary