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September 25, 2012

Barcy F. McNeal, Secretary
Docketing Division
Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, Ohio 43215

Re: **Case No. 12-1652-GA-AIS: In the Matter of the Application of
Waterville Gas & Oil Company for Approval of Long-Term Financing
Arrangement: Written Report**

Dear Ms. McNeal:

On September 5, 2012 the Public Utilities Commission issued its Finding and Order approving the long-term financing arrangement requested by Waterville Gas & Oil Company ("Waterville") for a New Loan from Huntington National Bank for an aggregate amount equal to the loan balance of the Prior Loan of the new general office building of Waterville located at 700 Farnsworth Road, Waterville, Ohio. The Commission had approved the Prior Loan by Order dated August 26, 2009.

In the Finding and Order, Waterville was required to file a written report with the Commission setting forth full particulars and terms of the loan as soon as possible after the loan was executed. This correspondence is the required written report.

Please be advised that on September 17, 2012, Waterville executed its Promissory Note for \$481,066.56, the loan balance on the Prior Loan on that date, as authorized. This is a five-year term note with a variable interest rate adjustable monthly, based on changes in the independent index which is known as the LIBO RATE, plus 2.25 percent. Currently, the LIBO Rate is 0.224% per annum, resulting in an initial interest rate of 2.474%. Waterville will pay 63 monthly principal payments of \$5,466.67 each and a final principal and interest payment of \$136,948.11, commencing September 30, 2012 and continuing on the same day of each month thereafter through final payment. The final payment will be for all principal and accrued interest not yet paid. This promissory note is secured by a mortgage on the real estate and buildings, improvements and fixtures, located at 700 Farnsworth Road, Waterville, Ohio.

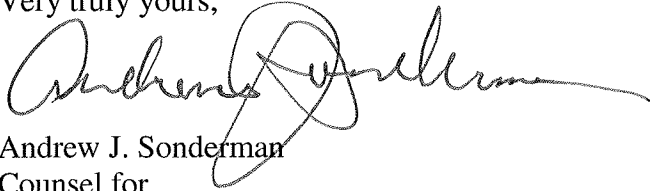
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September 25, 2012
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Waterville agrees to provide Huntington National Bank with financial statements and other information as the bank may reasonably request from time to time.

Please contact the undersigned with any questions you may have.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew J. Sonderman", with a large, stylized loop at the end.

Andrew J. Sonderman
Counsel for
Waterville Gas & Oil Company

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

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in

Case No(s). 12-1652-GA-AIS

Summary: Response In the Matter of the Application of Waterville Gas & Oil Company for Approval of Long-Term Financing Arrangement: Written Report electronically filed by Mr. Andrew J Sonderman on behalf of Waterville Gas & Oil Company