

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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| In the Matter of the Joint Application of |) | |
| Brainard Gas Corporation, Northeast Ohio |) | Case No. 12-1792-GA-AIS |
| Natural Gas Corporation and Orwell Natural |) | |
| Gas Company for Approval of Long Term |) | |
| Financing Arrangements and for Expedited | 0 | |
| Consideration | | |

**AMENDED JOINT APPLICATION OF BRAINARD GAS CORPORATION,
NORTHEAST OHIO NATURAL GAS CORPORATION AND ORWELL NATURAL
GAS COMPANY FOR APPROVAL OF LONG TERM FINANCING ARRANGEMENT**

Pursuant to Sections 4905.40 and 4905.41, Ohio Revised Code, Brainard Gas Corporation, (hereinafter “BGC” or “Joint Applicant”), Northeast Ohio Natural Gas Corporation (hereinafter, “NEONG” or “Joint Applicant”), and Orwell Natural Gas Company (hereinafter, “ONG” or “Joint Applicant”) respectfully request the approval of the Public Utilities Commission of Ohio of a term loan facility as set forth below:

1. BGC, NEONG and ONG are public utilities and natural gas companies as defined in Sections 4905.02 and 4905.03, Ohio Revised Code, and are subject to the jurisdiction of the Commission, and specifically are subject to the provisions of Sections 4905.40 and 4905.41, Ohio Revised Code.
2. Joint Applicants seek approval of an “Omnibus Amendment, Supplement and Joinder to Note Purchase Agreement and Collateral Documents” (Exhibit 1) to their existing “Note Purchase Agreement dated as of November 1, 2010, as heretofore amended” which was approved by the Commission by its Finding and Order entered on March 30, 2011 in Case No. 10-02330-GA-AIS, and which Joint Applicants have arranged with Sun Life Assurance Company of Canada, 150 King Street West, 3rd Floor, Toronto, Ontario, in the

amount of up to approximately \$2,989,522, including funding of a debt reserve account and transactional fees. This additional capacity is in the form of senior secured notes (hereinafter, “the 2012 Notes”) issued by BGC, NEONG and ONG for a term of approximately five years (maturing on June 1, 2017) without amortization of principal and with interest compounded and payable monthly, calculated on a 30 day month, 360 day year basis, and a balloon payment of principal due upon maturity. Closing will occur as directed by BGC, NEONG and ONG after receipt of the Commission’s approval.

3. The interest rate per annum will be based on a spread of 350 basis points over the five year U.S. Treasury yield, on a semi-annual bond-equivalent basis.
4. The 2012 Notes will be the joint and several obligations of the Joint Applicants, secured by a first lien security interest on Joint Applicants’ undertakings and assets, including an assignment of all material leases and contracts. Joint Applicants note that by combining their debt requirements, they create larger debt issues at more attractive interest rates and lower transaction costs than would otherwise be available.
5. The 2012 Notes will be guaranteed by Gas Natural, Inc., the holding company that owns all of the stock of Brainard, and by the parent companies of NEONG and ONG (Great Plains Gas Company for NEONG and Lightning Pipeline Company, Inc. for ONG). The 2012 Notes will also be guaranteed by any existing or future subsidiary of Gas Natural Inc. excluding Spelman Pipeline Holdings, LLC¹, (subject to all required regulatory approvals). By virtue of these guarantees of the Notes issued by Joint Applicants, greater interest is created from lenders than would be the case if each Joint Applicant financed on its own.

¹ Spelman Pipeline Holdings, LLC received authority from this Commission to provide intrastate pipeline by its Finding and Order entered on October 12, 2011 in Case No. 11-4444-PL-ATA.

6. This Commission has previously authorized these affiliated public utilities under its jurisdiction to jointly and severally guarantee the long term debt of their parent company issued on their behalf. See Finding and Order, *In the Matter of the Joint Application of Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation, and Orwell Natural Gas Company for Approval of Long-Term Financing Arrangements*, Case No. 10-02330-GA-AIS. Joint Applicants submit that the same logical basis applies here, where public utilities seek approval to issue notes directly and be jointly and severally liable thereon, with parent company guarantee, as in the cited precedent where the utilities jointly and severally guaranteed holding company-issued debt obtained for the utilities' long term financing requirements.
7. ONG proposes to apply the proceeds from the Notes to finance its 2012 capital construction program up to \$1,150,679 including funding a debt service reserve and transactional expenses.
8. NEONG proposes to apply the proceeds from the Notes to finance its 2012 capital construction program up to \$1,800,906 including funding a debt service reserve and transactional expenses.
9. BGC proposes to apply the proceeds from the Notes to finance its 2012 capital construction program, up to \$37,967, including funding a debt reserve and transactional expenses.
10. Joint Applicants request approval of the Commission to execute additional Notes in an aggregate amount up to approximately \$2,989,552 inclusive of debt reserve funding and transactional costs immediately upon closing (subject to change only to reflect lower actual rather than estimated transaction fees and expenses through closing).

11. Joint Applicants will not use any of the proceeds from this issuance of senior secured notes for any purpose other than as stated in this Joint Application as approved by the Commission in this proceeding.
12. Joint Applicants shall file a written report with this Commission with the terms and full particulars, as promptly as possible but in no event later than thirty (30) days after executing the additional Notes authorized by the Commission's Finding and Order approving the Note Purchase Agreement.
13. Joint Applicants shall file a written report confirming the 2012 capital program expenditures which were funded with proceeds of the Notes for which approval is sought herein, on or before January 31, 2013.
14. Applicant's Financial Reporting. Pursuant to Ohio Rev. Code §4905.41, Joint Applicants submit the following as part of this Application:
 - a. Exhibit 1 is the Omnibus Amendment, Supplement and Joinder to Note Purchase Agreement and Collateral Documents for the additional senior secured notes for which Joint Applicants seek approval. Joint Applicants note that the terms of the additional senior secured notes to be issued match the terms of that Note Purchase Agreement approved by this Commission in Case No. 10-02330-GA-AIS by its Finding and Order entered on March 30, 2011, and will mature on the same date (June 17, 2017) as that facility. Exhibit 1 to the Joint Application will be conformed to reflect the revised loan amount reflected in Paragraph 2 of this Amended Application.
 - b. Exhibit 2 is a Balance sheet for the twelve months ended December 31, 2010 and December 31, 2011 for each Joint Applicant.
 - c. Exhibit 3 is an Income statement for the same periods for each Joint Applicant.

15. Joint Applicants request that the Commission grant its approval of this Joint Application as soon as possible in order to have the note proceeds available to support their capital construction programs for the bulk of the construction season.

WHEREFORE, Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company respectfully request that the Commission enter an Order that:

- a. Approves Joint Applicants' proposed issuance of additional senior secured notes to Sun Life Assurance Company as described in this Application and in Joint Applicants' evidence submitted herein; and
- b. Authorizes Joint Applicants to use the cash proceeds arising from the long term debt facility approved herein for the purposes set forth in this Application.

Respectfully submitted this 27th day of September, 2012.

**Brainard Gas Corporation, Northeast Ohio
Natural Gas Corporation
Orwell Natural Gas Company**

By: _____

Thomas J. Smith
President and Secretary

Of Counsel:

Andrew J. Sonderman (0008610)
Kegler Brown Hill & Ritter LPA
Capitol Square, Suite 1800
65 E. State Street
Columbus, Ohio 43215
614.462.5400 (telephone)
614.464.2634
asonderman@keglerbrown.com

VERIFICATION

STATE OF OHIO)
COUNTY OF LAKE) ss:

Personally appeared before me, and being first duly cautioned and sworn, Thomas J. Smith, the President and Secretary of Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation, and Orwell Natural Gas Company states that he did sign the foregoing Application, and that the statements contained therein are true and correct as he believes.

Sworn and subscribed before me this 27th day of September, 2012.



MEGAN RICHARDS
Notary Public
In and for the State of Ohio
My Commission Expires
July 18, 2015



Notary Public

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). 12-1792-GA-AIS

Summary: Amended Application Amended Joint Application Of Brainard Gas Corporation, Northeast Ohio Natural Gas Corporation And Orwell Natural Gas Company For Approval Of Long Term Financing Arrangement electronically filed by Mr. Andrew J Sonderman on behalf of Brainard Gas Corporation and Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company