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January 31, 2013

Betty McCauley, Secretary
Public Utilities Commission of Ohio
11th Floor
180 East Broad Street
Columbus, Ohio 43215

Re: Case No. 12-1792-GA-AIS *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*

Dear Secretary McCauley:

On March 30, 2011 the Public Utilities Commission of Ohio entered its Finding and Order approving the Joint Application of Brainard Gas Corporation ("Brainard"), Northeast Ohio Natural Gas Corporation ("NEONG") and Orwell Natural Gas Company ("ONG") to issue a Senior Secured Note as joint and several obligors to Sun Life Assurance Company for a term loan of up to \$15,334,000. On Sept. 25, 2012, the company received Commission approval to enter into an Omnibus Amendment to the aforementioned note agreement, and issue new Senior Secured Notes to Sun Life in an aggregate amount of \$2,989,552. Under the terms of the Omnibus Amendment, the company was ordered to file a written report, no later than Jan. 31, 2013, that details the use of the loan proceeds for their 2012 capital expenditures.

As President of these Companies, I now submit the 2012 Capital Expenditures Report in compliance with that requirement. Attached hereto are schedules reflecting that the proceeds of the authorized notes have been employed to fund capital expenditures of Orwell during the reporting period in the amount of \$1,917,870, NEONG for \$1,596,822, and Brainard \$214,194.

Very truly yours,

A handwritten signature in blue ink, appearing to read "TJ Smith", is written over the typed name.

Thomas J. Smith
President,
Brainard Gas Corporation
Northeast Ohio Natural Gas Corporation
Orwell Natural Gas Company

**Northeast Ohio Natural Gas
Fixed Asset Additions
For the 12 Months Ended 12/31/12**

Description	Account #	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total Year
Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions	Additions
Plant in Service:														
Plant Gen Transms Equip.	101039200		\$53,525								\$87,846	\$16,398		\$157,769
Plant Gen Tools	101039400	2,076		1,515	3,450						3,850	1,990	26,461	39,341
Plant Gen Power Equip.	101039600												41,000	41,000
Total Additions Directly to Plant In Svc		\$2,076	\$53,525	\$1,515	\$3,450	\$0	\$0	\$0	\$0	\$0	\$91,696	\$16,388	\$67,461	\$238,110
Construction Work in Progress:														
Construction Work in Progress	107000001	\$144,068	\$53,515	\$108,694	\$76,800	\$94,223	\$108,251	\$142,023	\$291,907	\$199,450	\$156,550	\$138,925	\$567,840	\$2,082,247
Contributions in Aid of Construction		(36,252)	(37,734)	(63,977)	(46,693)	(51,556)	(108,454)	(46,777)	(63,907)	(59,384)	(115,515)	(56,358)	(36,628)	(723,535)
Total Additions through CWIP		\$107,816	\$15,781	\$44,716	\$30,108	\$42,367	(\$203)	\$95,245	\$228,000	\$140,066	\$41,034	\$82,568	\$531,213	\$1,358,712
Total 2012 NEO Additions		\$109,891	\$69,306	\$46,231	\$33,558	\$42,367	(\$203)	\$95,245	\$228,000	\$140,066	\$132,730	\$100,956	\$598,674	\$1,596,822

**Orwell Natural Gas
Fixed Asset Additions
For the 12 Months Ended 12/31/12**

Description	Account #	Jan Additions	Feb Additions	Mar Additions	Apr Additions	May Additions	Jun Additions	Jul Additions	Aug Additions	Sept Additions	Oct Additions	Nov Additions	Dec Additions	Total Year Additions
Plant in Service:														
Plt. Dist Land/Land Rights	101037400						\$1,500	3	39,030		960			\$1,500
Plant Dist Mains	101037600			2,832		2,239								43,264
Plant Measr Reg. Station	101037800		(1,800)	4,121									1,985	8,536
Plant Dist Services	101038000			5,874			311						2,900	14,182
Plant Dist Meters	101038100				7,679						5,097			7,679
Plant Gen Office Furniture	101039100			1,781								2,436		1,781
Plant Gen Computers	101039101													2,436
Plant Dist Office Equipment	101039102	4,630												4,630
Plant Gen Transms Eqp.	101039200	29,517	1,102											30,618
Plant Gen Power Eqp	101039600		6,674										16,900	23,574
Total Additions Directly to Plant In Svc		\$34,147	\$5,975	\$14,609	\$7,679	\$2,239	\$1,811	\$3	\$39,030	\$0	\$8,487	\$2,436	\$21,785	\$138,201
Construction Work in Progress:														
Construction Work in Progress		\$179,089	\$74,578	\$273,653	\$166,438	\$164,764	\$82,800	\$133,738	\$137,154	\$70,260	\$129,833	\$103,075	\$308,616	\$1,824,008
Contributions In Aid of Construction		(9,595)	(1,351)		0	(925)			(4,250)	(7,750)	(13,425)	(4,000)	(3,043)	(44,339)
Total Additions through CWIP		\$169,504	\$73,227	\$273,653	\$166,438	\$163,839	\$82,800	\$133,738	\$132,904	\$62,510	\$116,408	\$99,075	\$305,573	\$1,779,669
Total 2012 Orwell Additions		\$203,651	\$79,203	\$288,262	\$174,117	\$166,077	\$84,610	\$133,741	\$171,934	\$62,510	\$124,895	\$101,512	\$327,358	\$1,911,870

Brainard Gas Corporation
Fixed Asset Additions
For the 12 Months Ended 12/31/12

Description	Account #	Jan Additions	Feb Additions	Mar Additions	Apr Additions	May Additions	Jun Additions	Jul Additions	Aug Additions	Sept Additions	Oct Additions	Nov Additions	Dec Additions	Total Yr Additions
Plant in Service:														
Plant Dist Mains	101037600													
Plant Dist Services	101038000													
Plant Dist Meters	101038100													
Total Additions Directly to Plant in Svc		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Work in Progress:														
CWIP	107000001	\$126	(\$903)	\$13,772	\$4,340	\$2,087	\$720	\$8,500	\$2,345	\$448	\$166,713	\$23,535	\$22,510	\$244,194
CIAC							(\$30,000)							(\$30,000)
Total Additions through CWIP		\$126	(\$903)	\$13,772	\$4,340	\$2,087	(\$29,280)	\$8,500	\$2,345	\$448	\$166,713	\$23,535	\$22,510	\$214,194
Total 2012 Brainard Additions		\$126	(\$903)	\$13,772	\$4,340	\$2,087	(\$29,280)	\$8,500	\$2,345	\$448	\$166,713	\$23,535	\$22,510	\$214,194

COMBINED BRAINARD, NORTHEAST														
OHIO GAS, AND ORWELL GAS														
		\$313,668	\$147,606	\$348,265	\$212,014	\$210,532	\$55,127	\$237,487	\$402,280	\$203,024	\$424,339	\$225,002	\$948,541	\$3,728,885

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Case No(s). 12-1792-GA-AIS

Summary: Report 2012 Capital Expenditures Report electronically filed by Mark Yurick on behalf of Brainard Gas Corporation and Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company