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May 23, 2013

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

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

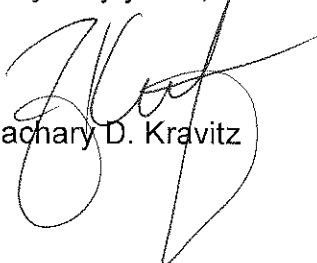
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Dear Ms. McCauley:

On March 30, 2011 the Public Utilities Commission of Ohio entered its Finding and Order in the above-referenced case approving the Joint Application 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. Findings 16 and 17 therein required Brainard, NEONG and ONG to file copies of quarterly and annual financial statements and quarterly reports demonstrating that their coverage ratio and total indebtedness as a percent of their capitalization complies with the coverage ratio requirements of their Note Purchase Agreement and all Subsequent Amendments with Sun Life Assurance Company.

Please find enclosed for filing the required quarterly financial reports and certification of compliance with the coverage ratio covenants for the quarter ended March 31, 2013.

Very truly yours,

  
Zachary D. Kravitz

ZDK/cls

**Sun Life Assurance Company - Senior Secured Guaranteed Notes: Debt Covenant Calculations**

ENTER DATE OF CERTIFICATE **Mar. 31, 2013**

1. Financial Tests: The Company hereby certifies and warrants that the following is a true and correct computation of the following ratios and/or financial restrictions, and that no other event of default exists pursuant to the Note Purchase Agreement, dated May 3, 2011, together with its subsequent amendments, other than those noted herein.

**A. Section 10.4 Coverage Ratio (Net Income to Interest Expense)**

a.	Consolidated EBITDA Available for Interest Charges	<b>\$ 16,979,523</b>
b.	Consolidated Annual Interest Charges	<b>\$ 2,868,822</b>
Ratio	= a ÷ b	<b>5.92x</b>
	Minimum Required	<b>2.0x</b>
a.	Obligors EBITDA Available for Interest Charges	<b>\$ 4,398,258</b>
b.	Obligors Annual Interest Charges	<b>\$ 1,172,297</b>
Ratio	= a ÷ b	<b>3.75x</b>
	Minimum Required	<b>2.0x</b>

**B. Section 10.4 Debt to Capitalization Ratio**

a.	Consolidated Funded Debt	<b>\$ 62,536,954</b>
b.	Consolidated Capitalization	<b>\$ 142,699,054</b>
Ratio	= a ÷ b	<b>44%</b>
	Maximum Allowable	<b>60%</b>
a.	Obligors Funded Debt	<b>\$ 21,742,199</b>
b.	Obligors Capitalization	<b>\$ 58,749,968</b>
Ratio	= a ÷ b	<b>37%</b>
	Maximum Allowable	<b>60%</b>

**C. Section 10.5 Restrictions on Dividends and Distributions**

a.	Obligors Dividends/Distributions	<b>\$ -</b>
b.	Obligors Net Income	<b>\$ 757,273</b>
Ratio	= a ÷ b	<b>0.0%</b>
	Note: Sun Life has granted a waiver through 12/31/12 for this covenant	
	Maximum Allowable	<b>70.0%</b>

**D. Section 9.1 Debt Service Reserve Fund**

The company shall maintain a debt service reserve fund equal to the interest payable on the Notes for a 12 month period maintained in a blocked interest bearing account at PNC Bank.

DSRF Balance as of 3/31/13	<b>\$ 1,078,365</b>
Estimated Interest payable for next 12 months	<b>\$ 1,072,476</b>
Covenant met	<b>Yes</b>

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed and delivered by:

By: Larry Brannard 5/13/13  
 Name: Larry Brannard  
 Title: Controller



Gas Natural Inc. and Subsidiaries  
 Condensed Consolidated Balance Sheets  
 March 31, 2013 and December 31, 2012 (Unaudited)

	March 31, 2013	December 31, 2012
<u>ASSETS</u>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,791,739	\$ 3,435,417
Marketable securities	348,525	344,346
Accounts receivable		
Trade, less allowance for doubtful accounts of \$1,428,317 and \$1,389,762 respectively	12,946,479	11,933,201
Related parties	133,383	322,557
Unbilled gas	4,458,200	4,612,258
Note receivable - related parties, current portion	12,976	12,615
Inventory		
Natural gas and propane	842,893	5,092,240
Materials and supplies	1,934,660	1,835,816
Prepaid income taxes	449,369	498,297
Prepayments and other	1,975,078	2,224,267
Recoverable cost of gas purchases	4,013,859	2,329,524
Deferred tax asset	828,730	828,730
Total current assets	<u>30,775,891</u>	<u>33,668,968</u>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Property, plant and equipment	168,844,488	165,662,163
Less accumulated depreciation, depletion and amortization	(48,414,865)	(47,034,673)
<b>PROPERTY, PLANT AND EQUIPMENT, net</b>	<u>120,429,623</u>	<u>118,627,490</u>
<b>OTHER ASSETS</b>		
Notes receivable - related parties, less current portion	119,321	122,650
Regulatory assets		
Property taxes	237,049	307,732
Income taxes	452,645	452,645
Rate case costs	172,085	176,250
Debt issuance costs, net of amortization	1,701,307	1,798,720
Goodwill	14,891,377	14,891,377
Customer relationships	610,792	616,500
Investment in unconsolidated affiliate	320,651	321,731
Restricted cash	2,826,309	3,150,847
Other assets	1,862,715	328,549
Total other assets	<u>23,194,251</u>	<u>22,167,001</u>
<b>TOTAL ASSETS</b>	<u>\$174,399,765</u>	<u>\$174,463,459</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Gas Natural Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets  
March 31, 2013 and December 31, 2012 (Unaudited)

	March 31, 2013	December 31, 2012
<u>LIABILITIES AND CAPITALIZATION</u>		
<b>CURRENT LIABILITIES</b>		
Checks in excess of amounts on deposit	\$ 845,468	\$ 720,810
Lines of credit	18,329,755	24,260,755
Accounts payable		
Trade	9,796,294	9,201,722
Related parties	127,546	51,797
Notes payable, current portion	633,646	633,498
Accrued liabilities		
Taxes other than income	2,267,622	2,548,717
Vacation	112,378	115,956
Employee benefit plans	213,092	145,959
Interest	352,848	191,263
Deferred payments received from levelized billing	1,677,691	2,822,926
Customer deposits	736,141	744,974
Related parties	550,960	595,240
Obligation under capital lease - current	167,518	167,518
Other current liabilities	1,008,415	729,550
Over-recovered gas purchases	612,943	1,185,034
Total current liabilities	<u>37,432,517</u>	<u>44,115,249</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred investment tax credits	150,051	155,317
Deferred tax liability, less current portion	8,032,328	5,144,002
Asset retirement obligation	1,892,986	1,850,379
Customer advances for construction	1,029,900	1,009,232
Regulatory liability for income taxes	83,161	83,161
Regulatory liability for gas costs	2,661	20,743
Long-term obligation under capital lease, less current portion	2,040,508	2,040,508
Total long-term liabilities	<u>13,231,595</u>	<u>10,303,344</u>
NOTES PAYABLE, less current portion	43,573,552	43,700,742
<b>COMMITMENTS AND CONTINGENCIES (see Note 11)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.15 par value, 1,500,000 shares authorized, no shares issued or outstanding		
Common stock, \$0.15 par value, 15,000,000 shares authorized, 8,389,752 and 8,369,752 shares issued and outstanding, respectively	1,258,463	1,255,463
Capital in excess of par value	44,413,800	44,256,493
Accumulated other comprehensive income	68,354	65,789
Retained earnings	34,421,484	30,766,379
Total stockholders' equity	<u>80,162,101</u>	<u>76,344,124</u>
<b>TOTAL CAPITALIZATION</b>	<u>123,735,653</u>	<u>120,044,866</u>
<b>TOTAL LIABILITIES AND CAPITALIZATION</b>	<u>\$174,399,765</u>	<u>\$174,463,459</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



Gas Natural Inc. and Subsidiaries  
 Condensed Consolidated Statements of Comprehensive Income  
 For the Three Months Ended March 31, 2013 and 2012 (Unaudited)

	March 31,	
	2013	2012
<b>REVENUES</b>		
Natural gas operations	\$39,944,662	\$29,848,085
Marketing and production	3,574,779	1,907,094
Pipeline operations	98,287	107,784
Propane operations	1,702,874	1,909,158
Total revenues	<u>45,317,302</u>	<u>33,772,121</u>
<b>COST OF SALES</b>		
Natural gas purchased	24,116,421	17,236,894
Marketing and production	2,860,035	1,395,416
Propane purchased	1,153,641	1,431,269
Total cost of sales	<u>28,130,097</u>	<u>20,063,579</u>
<b>GROSS MARGIN</b>	<u>17,187,205</u>	<u>13,708,542</u>
<b>OPERATING EXPENSES</b>		
Distribution, general, and administrative	5,674,987	5,212,920
Maintenances	368,679	296,235
Depreciation and amortization	1,495,833	1,243,344
Accretion	42,607	38,080
Taxes other than income	929,804	937,490
Total operating expenses	<u>8,511,910</u>	<u>7,728,069</u>
<b>OPERATING INCOME</b>	<u>8,675,295</u>	<u>5,980,473</u>
<b>LOSS FROM UNCONSOLIDATED AFFILIATE</b>	(1,080)	(2,744)
<b>OTHER INCOME, net</b>	7,869	46,670
<b>ACQUISITION EXPENSE</b>	(175,879)	(118,723)
<b>INTEREST EXPENSE</b>	(809,556)	(664,069)
<b>INCOME BEFORE INCOME TAXES</b>	<u>7,696,651</u>	<u>5,241,610</u>
<b>INCOME TAX EXPENSE</b>	<u>(2,908,926)</u>	<u>(1,958,763)</u>
<b>NET INCOME</b>	<u>4,787,725</u>	<u>3,282,847</u>
<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>	\$ 0.57	\$ 0.40
<b>WEIGHTED AVERAGE DIVIDENDS DECLARED PER COMMON SHARE</b>	\$ 0.135	\$ 0.135
<b>WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC</b>	8,384,863	8,154,734
<b>WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED</b>	8,385,644	8,162,957
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX OF \$1,894 and \$5,480, respectively</b>		
Unrealized gain on available for sale securities	2,565	9,146
<b>COMPREHENSIVE INCOME</b>	<u>\$ 4,790,288</u>	<u>\$ 3,291,993</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**Gas Natural Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Changes in Stockholders' Equity**  
**For the Three Months Ended March 31, 2013 and 2012 (Unaudited)**

	Common Shares	Common Stock	Capital In Excess Of Par Value	Accumulated Other Comprehensive Income	Retained Earnings	Total
<b>BALANCE AT DECEMBER 31, 2011</b>	<u>\$,154,301</u>	<u>\$1,223,145</u>	<u>\$41,978,799</u>	<u>\$ 80,405</u>	<u>\$31,489,678</u>	<u>\$74,772,027</u>
Net income	—	—	—	—	3,282,847	3,282,847
Other Comprehensive Income	—	—	—	9,146	—	9,146
Stock issued for services	1,125	169	12,473	—	—	12,642
Stock option expense	—	—	2,351	—	—	2,351
Dividends declared	—	—	—	—	(1,100,934)	(1,100,934)
<b>BALANCE AT MARCH 31, 2012</b>	<u>8,155,426</u>	<u>\$1,223,314</u>	<u>\$41,993,623</u>	<u>\$ 89,551</u>	<u>\$33,671,591</u>	<u>\$76,978,079</u>
<b>BALANCE AT DECEMBER 31, 2012</b>	<u>8,369,752</u>	<u>\$1,255,463</u>	<u>\$44,256,493</u>	<u>\$ 65,789</u>	<u>\$30,766,379</u>	<u>\$76,344,124</u>
Net income	—	—	—	—	4,787,723	4,787,723
Other Comprehensive Income	—	—	—	2,565	—	2,565
Exercise of stock options @ \$7.10 to \$8.85	20,000	3,000	156,500	—	—	159,500
Stock option expense	—	—	807	—	—	807
Dividends declared	—	—	—	—	(1,132,618)	(1,132,618)
<b>BALANCE AT MARCH 31, 2013</b>	<u>8,389,752</u>	<u>\$1,258,463</u>	<u>\$44,413,800</u>	<u>\$ 68,354</u>	<u>\$34,421,484</u>	<u>\$80,162,101</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Gas Natural Inc. and Subsidiaries  
Condensed Consolidated Statements of Cash Flows  
For the Three Months Ended March 31, 2013 and 2012 (Unaudited)

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 4,787,723	\$ 3,282,847
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	1,495,833	1,243,344
Accretion	42,607	38,080
Amortization of debt issuance costs	104,065	77,022
Stock based compensation	807	14,993
Loss on sale of fixed assets	29,121	7,747
Loss from unconsolidated affiliate	1,089	2,741
Investment tax credit	(5,265)	(5,265)
Deferred income taxes	2,886,713	211,376
Changes in assets and liabilities		
Accounts receivable, including related parties	(644,105)	817,669
Unbilled gas	154,058	1,579,685
Natural gas and propane inventory	4,249,347	5,146,734
Accounts payable, including related parties	833,005	(2,982,618)
Recoverable/refundable cost of gas purchases	(2,376,426)	(1,479,205)
Prepayments and other	249,189	135,676
Other assets	66,961	1,442,540
Other liabilities	(923,539)	(1,158,078)
Net cash provided by operating activities	<u>11,051,174</u>	<u>8,375,288</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(3,419,036)	(4,366,485)
Proceeds from sale of fixed assets	10,811	17,302
Proceeds from related party notes receivable	2,968	2,496
Purchase of 8500 Station Street	(1,650,000)	—
Restricted cash - capital expenditures fund	325,421	—
Customer advances for construction	20,668	35,498
Contributions in aid of construction	(52,410)	48,210
Net cash used in investing activities	<u>(4,656,758)</u>	<u>(4,262,979)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from lines of credit	3,907,000	2,551,000
Repayment on lines of credit	(9,838,000)	(8,060,000)
Repayments of notes payable	(127,042)	(1,905)
Debt issuance costs	(6,652)	(116,579)
Exercise of stock options	159,500	—
Restricted cash - debt service fund	(883)	(8,740)
Dividends paid	(1,131,717)	(1,100,884)
Net cash used in financing activities	<u>(7,037,794)</u>	<u>(6,737,108)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(643,378)</u>	<u>(2,624,799)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>\$ 3,435,117</u>	<u>\$10,504,845</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$ 2,791,739</u>	<u>\$ 7,880,046</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Gas Natural's Ohio Companies**  
**Consolidated Income Statement By Company**  
**For the 3 Months Ended March 31, 2013**

	Orwell Natural Gas	Clarion Gas	Walker Gas	Spelman Pipeline	Lightning Pipeline	Brainard Gas	Northeast Ohio Natural Gas	Great Plains Natural Gas	Kidron Pipeline	Consolidated Eliminations	Interco.	Final
<b>UTILITY REVENUE:</b>												
Gas Sales Residential	\$2,578,539	\$51,429	\$92,391			519,027	\$4,525,362			\$7,266,748		\$7,266,748
Gas Sales Commercial	1,086,753	21,983	1,251			63,744	2,407,821			3,581,552		3,581,552
Gas Sales Industrial	26,776		0				145,252			172,028		172,028
Transmission of Gas	215,185	271	144	24,207		57,721	234,048			531,161		531,161
Other Miscellaneous Sales	6,855					200	10,661			26,460		26,460
Service Fees	222,527	10,918	8,156			5,399	385,276			632,276		632,276
<b>Total Utility Revenue</b>	<b>\$4,136,535</b>	<b>\$84,601</b>	<b>\$101,942</b>	<b>\$24,207</b>	<b>\$0</b>	<b>\$146,091</b>	<b>\$7,708,420</b>	<b>\$0</b>	<b>\$8,329</b>	<b>\$12,210,225</b>	<b>\$0</b>	<b>\$12,210,225</b>
<i>Budget</i>	<i>\$3,974,635</i>	<i>\$85,188</i>	<i>\$96,570</i>	<i>\$37,000</i>		<i>\$120,082</i>	<i>\$7,038,025</i>		<i>\$9,850</i>	<i>\$11,360,330</i>		
<b>COST OF GAS SOLD:</b>												
Purchased Gas Cost	\$2,223,967	\$62,516	\$67,724	\$0	\$0	\$43,689	\$4,723,844	\$0	\$1,041	\$7,090,295	\$0	\$7,090,295
Deferred Gas Cost	(38,972)			\$0	\$0	\$34,500	\$4,135,177		\$1,440	\$6,508,089		\$6,508,089
Purchased Gas Expenses	4,829			\$34,207	\$0	\$102,482	\$4,864,576	\$0	\$7,258	\$5,119,250	\$0	\$5,119,250
Encroachment Gas/Other Cost	1,657			\$37,000	\$0	\$0	\$3,724	\$0	\$0	\$4,381	\$0	\$4,381
<b>Total Gas Cost</b>	<b>\$2,191,481</b>	<b>\$62,516</b>	<b>\$67,724</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,689</b>	<b>\$4,723,844</b>	<b>\$0</b>	<b>\$1,041</b>	<b>\$7,090,295</b>	<b>\$0</b>	<b>\$7,090,295</b>
<i>Budget</i>	<i>\$2,253,194</i>	<i>\$33,285</i>	<i>\$47,493</i>	<i>\$0</i>	<i>\$0</i>	<i>\$34,500</i>	<i>\$4,135,177</i>		<i>\$1,440</i>	<i>\$6,508,089</i>		
<b>GROSS MARGIN</b>	<b>\$1,945,054</b>	<b>\$22,085</b>	<b>\$34,218</b>	<b>\$34,207</b>	<b>\$0</b>	<b>\$102,402</b>	<b>\$3,084,576</b>	<b>\$0</b>	<b>\$7,288</b>	<b>\$5,119,930</b>	<b>\$0</b>	<b>\$5,119,930</b>
<i>Budget</i>	<i>\$1,827,441</i>	<i>\$33,903</i>	<i>\$37,726</i>	<i>\$34,207</i>	<i>\$0</i>	<i>\$102,482</i>	<i>\$3,074,576</i>		<i>\$7,258</i>	<i>\$4,934,534</i>		
<b>GROSS MARGIN PERCENTAGE</b>	<b>47.0%</b>	<b>26.1%</b>	<b>33.6%</b>	<b>142.1%</b>	<b>0.0%</b>	<b>70.5%</b>	<b>39.9%</b>	<b>0.0%</b>	<b>87.3%</b>	<b>68.2%</b>	<b>0.0%</b>	<b>41.5%</b>
<i>Budget</i>	<i>45.2%</i>	<i>38.7%</i>	<i>36.9%</i>	<i>142.1%</i>	<i>0.0%</i>	<i>70.5%</i>	<i>39.9%</i>	<i>0.0%</i>	<i>87.3%</i>	<i>68.2%</i>	<i>0.0%</i>	<i>41.5%</i>
<b>OPERATING EXPENSES:</b>												
Direct Labor	\$359,907			\$33,846	\$0	24,000	\$665,393			\$959,146		\$959,146
Management Fee	0									24,000	(24,000)	0
Capitalized Labor	(134,263)			0			(126,867)			(261,120)		(261,120)
Operational Expense	233,798	9,554	10,588	18,728		4,412	347,267		279	624,626		624,626
Corporate Overheads	131,918			2,314		5,785	194,300			334,317		334,317
Maintenance Expense	25,990	5,581	36	1,165		157	76,217		0	109,146		109,146
Depreciation Expense	188,900	3,058	1,016	15,491		4,070	293,233		10,492	516,270		516,270
Amortization Expense	375						6,027		1,767	11,714		11,714
Gross Receipts Tax						(778)	(45,353)			(46,131)		(46,131)
Personal Property Tax	75,000			123		2,249	87,277			164,649		164,649
General Taxes	9,769	0				271	10,758			20,798		20,798
Store Revenue	(41,836)									(41,836)		(41,836)
Store Expenses	48,853									48,853		48,853
<b>Total Operating Expenses</b>	<b>\$898,421</b>	<b>\$18,203</b>	<b>\$11,640</b>	<b>\$71,667</b>	<b>\$0</b>	<b>\$40,166</b>	<b>\$1,408,252</b>	<b>\$3,545</b>	<b>\$12,538</b>	<b>\$2,464,432</b>	<b>(\$24,000)</b>	<b>\$2,440,432</b>
<i>Budget</i>	<i>\$930,177</i>	<i>\$15,415</i>	<i>\$12,430</i>	<i>\$56,239</i>		<i>\$37,357</i>	<i>\$1,473,274</i>		<i>\$13,294</i>	<i>\$2,540,769</i>		
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>\$1,046,733</b>	<b>\$3,882</b>	<b>\$22,578</b>	<b>(\$47,461)</b>	<b>\$0</b>	<b>\$62,236</b>	<b>\$1,676,324</b>	<b>(\$3,545)</b>	<b>(\$5,250)</b>	<b>\$2,655,498</b>	<b>\$24,000</b>	<b>\$2,679,498</b>
<i>Budget</i>	<i>\$792,254</i>	<i>\$16,468</i>	<i>\$26,647</i>	<i>(\$19,339)</i>		<i>\$58,225</i>	<i>\$1,425,564</i>	<i>(\$2,583)</i>	<i>(\$5,894)</i>	<i>\$2,311,472</i>		
<b>OTHER INCOME &amp; EXPENSES:</b>												
Material Sales Revenue							\$12,463			\$12,463		\$12,463
Other Income - Anchor Hocking							16,115			16,115		16,115
Gain/Loss on Disposal of Property							(4,768)			(4,768)		(4,768)
Inventory Variance Expense	(1,558)						(1,558)			(1,558)		(1,558)
Interest Income	1,128						1,315	65		2,609		2,508
Non-Operating Income	24,000	1		3,132	0	0	56,508			83,641	(24,000)	59,641
<i>Budget</i>	<i>24,000</i>	<i>1</i>		<i>3,132</i>	<i>0</i>	<i>0</i>	<i>56,508</i>			<i>83,641</i>	<i>(24,000)</i>	<i>59,641</i>



**Gas Natural's Ohio Companies  
Consolidated Income Statement By Company  
For the 3 Months Ended March 31, 2013**

	Orwell Natural Gas	Clarion Gas	Walker Gas	Speitman Pipeline	Lightning Pipeline	Brainard Gas	Northeast Ohio Natural Gas	Great Plains Natural Gas	Kidron Pipeline	Consolidated Eliminations	Interco. Eliminations	Final
Non-Operating Expense						0	8,314			8,314		8,314
Total Other Income (Expenses)	\$23,570	\$1	\$0	\$3,132	\$0	\$0	\$89,947	\$65	\$0	\$116,715	(\$24,000)	\$92,715
Budget	\$23,875	\$0	\$0	\$3,000			\$70,675			\$103,550		
INTEREST EXPENSE:												
Interest Expense - ST Debt	\$603	283				\$1,086	\$169,751	\$31,150		\$202,883		\$202,883
Interest Expense - LT Debt	73,673						11,706			85,379		85,379
Amortization of Debt Issuance	10,983						22,121			33,104		33,104
Penalties							0			0		0
Total Interest Expense	\$85,259	\$283	\$0	\$0	\$0	\$1,086	\$203,578	\$31,150	\$0	\$21,366	\$0	\$321,366
Budget	\$75,747	\$50	\$0	\$0		\$1,029	\$168,300	\$32,250		\$277,416		
Income (Loss) Before Tax Expense	\$382,798	\$3,600	\$22,578	(\$44,329)	(\$16,781)	\$23,145	\$1,462,853	(\$34,830)	(\$5,250)	\$2,450,847	\$0	\$2,450,847
Budget	\$272,825	\$3,600	\$22,578	(\$44,329)	(\$16,781)	\$19,447	\$1,462,853	(\$34,830)	(\$5,250)	\$2,450,847	\$0	\$2,450,847
Income Tax Expense	\$602,246	\$36,398	\$36,647	(\$10,239)	\$3,481	\$37,749	\$551,715	(\$13,108)		\$927,768	\$0	\$927,768
Budget	\$465,557	\$36,398	\$36,647	(\$10,239)	\$3,481	\$37,749	\$449,839	(\$11,843)		\$726,787	\$0	\$726,787
Net Income (Loss)	\$465,557	\$36,398	\$36,647	(\$10,239)	\$3,481	\$37,749	\$910,978	(\$21,521)	(\$5,250)	\$1,523,079	\$0	\$1,523,079
Budget	\$465,557	\$36,398	\$36,647	(\$10,239)	\$3,481	\$37,749	\$879,100	(\$22,930)	(\$5,884)	\$1,410,819	\$0	\$1,410,819

**Intercompany Eliminations:**

A) Eliminate the Management Fee Income and Expense between Brainard and Orwell \$24,000



Gas Natural's Ohio Companies  
 Consolidated Balance Sheet By Entity  
 As of March 31, 2013

	Orwell		Clarion Gas		Walker Gas	Spelman	Lightning Pipeline	Brainard Gas	Northeast Ohio Natural Gas	Great Plains Natural Gas	Kidron Pipeline	Consolidated	Interco. Eliminations	Final
	Natural Gas							Gas						
Gas Accounts Payable	484,925	18,301	12,634					11,749	981,316			1,488,925		1,488,925
Budget Bal Owed to Customers	83,772	6,710	4,040					2,119	218,841			315,482		315,482
Customer Deposits	38,860						4,340	75,229				119,429		119,429
Related Party Payables	3,289,011	8,078	17,754	847,321	707,334		287,219	4,452,167	4,019,145		35,012	13,663,041	(8,976,158)	4,686,883
Accrued Taxes Payable	281,147	867	40	5,383	0		9,528	489,828	0			736,793		736,793
Accrued Gross Receipts Tax	168,392						5,708	369,013	(10,432)			573,113		573,113
Deferred Tax Liability	3,810,491				353,173		160,868	4,674,453	20,750			8,988,573		8,988,573
Accrued Liabilities	79,399	1,050	4,400	707			5	59,239			1,094	208,644		208,644
<b>Total Current Liabilities</b>	<b>\$8,462,399</b>	<b>\$35,600</b>	<b>\$38,919</b>	<b>\$854,750</b>	<b>\$1,060,507</b>		<b>\$485,257</b>	<b>\$11,809,689</b>	<b>\$4,029,463</b>		<b>\$36,352</b>	<b>\$26,812,836</b>	<b>(\$8,976,158)</b>	<b>\$17,836,678</b>
<b>LONG TERM DEBT:</b>														
Long Term Debt	\$3,091,572	\$0			\$2,085,818		\$89,375	\$13,718,901	\$2,337,887		164,508	21,323,553		\$21,323,553
Asset Retirement Obligation	774,586						17,121	0				958,215		958,215
Total Long Term Debt	\$3,866,158	\$0	\$0	\$0	\$2,085,818		\$106,496	\$13,718,901	\$2,337,887		\$164,508	\$22,279,768	\$0	\$22,279,768
<b>TOTAL LIABILITIES</b>	<b>\$12,328,557</b>	<b>\$35,600</b>	<b>\$38,919</b>	<b>\$854,750</b>	<b>\$3,146,325</b>		<b>\$591,753</b>	<b>\$25,528,590</b>	<b>\$6,367,350</b>		<b>\$200,860</b>	<b>\$49,092,604</b>	<b>(\$8,976,158)</b>	<b>\$40,116,446</b>
<b>TOTAL LIABILITIES &amp; EQUITY:</b>	<b>\$24,885,630</b>	<b>\$577,941</b>	<b>\$835,125</b>	<b>\$5,222,259</b>	<b>\$31,609,703</b>		<b>\$824,507</b>	<b>\$42,812,082</b>	<b>\$18,727,358</b>		<b>\$187,822</b>	<b>\$12,383,738</b>	<b>(\$7,242,304)</b>	<b>\$75,441,434</b>

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

Summary: Report Quarterly financial reports for the quarter ended March 31, 2013 electronically filed by Mr. Zachary D. Kravitz on behalf of Orwell Natural Gas Company and Northeast Ohio Natural Gas Corporation and Brainard Gas Corporation