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June 9, 2014

Sent via Hand Delivery and U.S. Mail

Honorable Chairman Thomas W. Johnson
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Re: In the Matter of the Regulation of the
Purchased Gas Adjustment Clauses
Contained Within the Rate Schedules of
Northeast Ohio Natural Gas Corporation and
Orwell Natural Gas Company.

Case No. 12-209-GA-GCR
Case No. 12-212-GA-GCR

In the Matter of the Regulation of the
Purchased Gas Adjustment Clause
Contained Within the Rate Schedules of
Brainard Gas Corporation and Related
Matters.

Case No. 13-206-GA-GCR

Dear Chairman Johnson:

On November 13, 2013, the Public Utilities Commission of Ohio ("Commission") issued its Opinion and Order in the above-referenced cases involving the Gas Cost Recovery ("GCR") Audits of Northeast Ohio Natural Gas Corporation ("NEO") and Orwell Natural Gas Company ("Orwell"). On page 26 of the Opinion and Order, the Commission directed the NEO and Orwell to immediately commence a new request for proposal ("RFP") process for a gas procurement agent with assistance from Commission Staff and the Ohio Consumers' Counsel ("OCC"). On March 26, 2014, the Commission issued its Opinion and Order in Brainard Gas Corporation's ("Brainard") GCR proceeding, adopting the Stipulation and finding that Brainard will also issue an RFP in conjunction with the Commission directives in the November 13, 2013 Opinion and Order.

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As directed by the Opinion and Order, NEO, Orwell and Brainard (collectively, the "Utilities") submitted a draft of the RFP to Commission Staff and OCC on January 13, 2014. The Utilities worked with the Commission Staff and OCC to finalize the terms of the RFP, which Commission Staff had final approval over pursuant to the November 13, 2013 Opinion and Order. The November 13, 2013 Opinion and Order (pp. 26-27) also directed the Utilities to purchase all local production gas using in-house employees and "strictly limit the purchases made by [John D. Oil and Gas Marketing] to non-local production" until the completion of the RFP process. Additionally, the Commission prohibited the Utilities from purchasing gas from an affiliated company unless the affiliate provides the Utilities and Commission Staff with copies of the invoices that identify the actual cost of the gas purchased.

On March 14, 2014, the Utilities issued the RFP to thirteen potential gas procurement agents. The terms of the RFP required bidders to submit responses on or before April 4, 2014; however, the Utilities did not receive any bids on that date. Through this letter, which is also being filed in the docket and served on all parties of record, the Utilities hereby provide notice to the Commission that the Utilities will continue to purchase gas using in-house employees pursuant to the directives in the November 13, 2013 Opinion and Order until such time that the Commission issues a new directive to the Utilities. At the request of the Commission Staff, the Utilities are currently developing a detailed gas purchasing policy that complies with the November 13, 2013 Opinion and Order, which will be provided to the Commission Staff and OCC upon completion.

Please do not hesitate to contact me if you have any questions regarding the Utilities' in-house gas purchasing policies.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark S. Yurick", written in a cursive style.

Mark S. Yurick

MSY:kk