

# LARGE FILING SEPARATOR SHEET

CASE NUMBER: 14-205-GA-COI

FILE DATE: 1/23/15

SECTION: 1 OF 2

NUMBER OF PAGES: 201

DESCRIPTION OF DOCUMENT:

REPORT

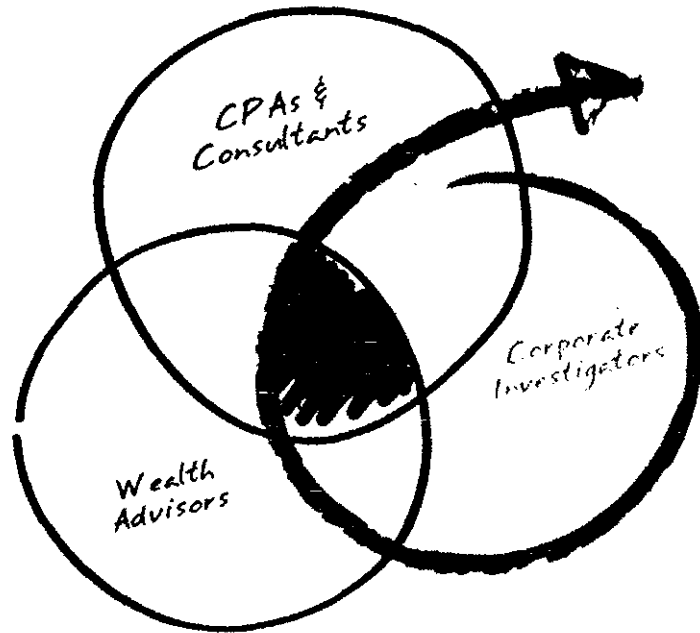
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Public Utilities Commission of Ohio

RCIS Case 436621/997020

For Publication - Confidential Pages Redacted

December 30, 2014

Confidential

General Investigation Report

Corporate Investigative Services

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## Case Information

RCIS Client Number: 436621

RCIS Case Number: 997020

Case Name: Northeast Ohio Natural Gas Corporation  
Orwell Natural Gas  
Brainard Gas Corporation

Client Company: Public Utilities Commission of Ohio

Client Address: 180 East Broad Street, 3rd Floor

Client Address 2: Columbus, OH 43215-3793

Date Initiated: 5/21/2014

## Executive Summary

On November 13, 2013, the Public Utilities Commission of Ohio (“PUCO”) issued their Opinion and Order with regards to Case Numbers 12-209-GA-GCR, 12-212-GA-GCR, 12-309-GA-UEx, and 12-312-GA-UEx. In this Opinion and Order, PUCO ordered that an investigative audit be undertaken of the Companies and all Ohio affiliates and related entities. The specifications of this investigative audit were issued by PUCO on April 2, 2014 as case number 14-205-GA-COI. On May 21, 2014, PUCO selected Rehmann Corporate Investigative Services (“Rehmann CIS”) to perform this investigative audit.

Our audit focused on several unique areas, including the calculation of the gas cost recovery rate (“GCR”), gas supply management and retention, internal controls within the companies, corporate and management structure, and related party transactions.

*In order to proceed with the audit in the most organized and effective manner, Rehmann CIS provided Utility personnel with a detailed list of documents well prior to the anticipated start date for on-site review of June 21, 2014. In order to adhere to the audit plan, specific due dates were aligned with the requested documents. From inception, due dates were missed and documents were incomplete. Despite our repeated reminders, many documents needed to complete our audit were not provided; this directly impacted our ability to audit some areas. Schedules provided by the Utilities have been marked as “confidential;” schedules prepared by Rehmann CIS or documents that were prepared by the Utilities but were publically available were not marked as “confidential.”*

During our audit, we noted numerous instances where erroneous data was included in the GCR calculations. This directly impacted the GCR rates paid by customers. These are noted in this report. We were also informed that related parties were allowed to submit multiple bids until they had submitted the lowest price bid. Based on our analysis, the shrinkage percentages for pipelines affiliated with the Utilities appear to be excessive; this directly increased the rates paid by customers of the Utilities. We noted numerous other areas of concern, particularly related to the lack of competitive bidding and lack of adequate controls over related party transactions, particularly prior to 2014.

As a result of our audit, we have developed numerous recommendations. These suggestions are delineated at the end of our report.

## List of Abbreviations

- AA - Actual Adjustment
- BA - Balance Adjustment
- *Big Oats* - Big Oats Field Supply Company
- *Brainard* - Brainard Gas Corporation
- *Cobra* - Cobra Pipeline Company
- EGC - Expected Gas Cost
- GCR Rate - Gas Cost Recovery Rate
- GNES - Gas Natural Energy Solutions

- *GNI* - Gas Natural, Inc.
- *GNR* - Gas Natural Resources, LLC
- *GNSC* - Gas Natural Service Company, LLC
- *Great Plains* - Great Plains Natural Gas Company
- *JDOG* - John D. Oil and Gas Company
- *JDOG Marketing* - John D. Oil and Gas Marketing, LLC
- *MCF* - 1,000 cubic feet of natural gas
- *NEO* - Northeast Ohio Natural Gas Corporation
- *North Coast* - North Coast Gas Transmission
- *Orwell* - Orwell Natural Gas
- *Orwell-Trumbull* - Orwell-Trumbull Pipeline
- *PUCO* - Public Utilities Commission of Ohio
- *RA* - Reconciliation Adjustment
- *TCO* - Columbia Gas Pipeline
- *Utilities* - collectively, Brainard, Orwell and NEO

## Gas Cost Recovery Calculation

### Audit Approach

Rehmann CIS was engaged to perform an analysis of GCR rates for the Utilities. The Utilities are responsible for calculating their GCR rate on a monthly basis and filing this rate with PUCO. A separate GCR rate is calculated for each of the utilities.

We received copies of the Excel spreadsheets that were used to calculate the GCR rate. We also had access to the filed GCR rates through the PUCO website and docketing system. During our analysis we obtained copies of the documentation used to originally perform these calculations, such as sales reports, invoices, and audit reports. We noted numerous instances where the data used in the spreadsheets to calculate the GCR rates did not appear to comport with the supporting documentation provided to Rehmann CIS.

### Calculating the GCR Rate

There are numerous factors considered when calculating the GCR rate each month, including historical sales volumes, historical purchase volumes, historical purchase prices, and expectations of future prices. There are three main components of the GCR rate - the expected gas cost ("EGC") rate, the supplier refund and reconciliation adjustment ("RA"), and the actual adjustment ("AA"); the GCR is the sum of those three components:  $GCR = EGC + AA + RA$ . Below is a summary of the purpose of these three components based on our understanding of the GCR, review of available documentation, and inquiries with the client.

During our audit, we analyzed the GCR filings from January 2011 through June 2014. During the course of the audit, we became aware that there was a considerable amount of change with regards to the individuals who were responsible for preparing and approving the GCR calculation on a monthly basis. Below is a summary, based on information provided by the client, of who was responsible for preparing the GCR filings.



Date	Preparer	Filer	Approver
8/2013 - Current	Jessica Gojak	Don Whiteman	Don Whiteman
5/2013 - 7/2013	Anita Noce	Larry Brainard	Richard M. Osborne, Larry Brainard, Becky Howell, Marty Whelan, Stephanie Patton
2/2012 - 4/2013	Cindy Bates	Cindy Bates	Richard M. Osborne / Tom Smith
6/2011 - 1/2012	Anita Noce	Anita Noce	Richard M. Osborne / Tom Smith
1/2011 - 5/2011	Dawn Opara	Dawn Opara	Richard M. Osborne / Tom Smith

#### Expected Gas Cost (EGC)

There are two components that are used to calculate the EGC: 1) annual historic sales volumes and 2) primary gas suppliers expected gas cost. This calculation is performed on a monthly basis. Annual historic sales volumes should exclude free gas. These sales are to be portrayed in MCFs when used in the calculations [one MCF = 1,000 cubic feet].

Primary gas suppliers expected gas cost is supposed to include several different components, including volumes of gas purchased (in MCFs), historic transportation costs (in dollars), and storage costs (in dollars) (a complete list of pertinent costs can be found in the Appendix to Ohio Admin Code 4901:1-14-05). Historic annual volumes of purchased gas in MCFs should be multiplied by current market rates; this calculation is supposed to be done separately for each supplier of natural gas and then added together (along with other historic annual costs denominated in dollars such as transportation and storage costs) in order to determine the figure to use in the EGC calculation. Below is a brief example of the calculation for the EGC:

#### *Primary Gas Suppliers EGC:*

[Actual Annual Purchases in MCFs - Supplier A	X Current Purchase Price - Supplier A ]
+ [ Actual Annual Purchases in MCFs - Supplier B	X Current Purchase Price - Supplier B ]
+ [ Actual Annual Purchases in MCFs - Supplier C	X Current Purchase Price - Supplier C ]
+ Storage Costs	
+ Transportation Costs	
+ Other Charges	

---

Primary Gas Suppliers EGC

*Annual Historic Sales:*

Actual Annual Sales in MCFs

- Actual Annual Sales in MCFs of Free Gas

---

Annual Historic Sales

EGC = Primary Gas Suppliers EGC / Annual Historic Sales

Actual Adjustment (AA)

The purpose of the Actual Adjustment is to reconcile between what the Utility actually paid for gas and what it expected to pay for gas (as calculated during the EGC process). This calculation is performed on a quarterly basis using historical figures.

Month 1	Month 2	Month 3	Total
Actual Supply Cost (\$)	Actual Supply Cost (\$)	Actual Supply Cost (\$)	
<u>/ Actual Sales (less free gas)</u> <u>(MCFs)</u>	<u>/ Actual Sales (less free gas)</u> <u>(MCFs)</u>	<u>/ Actual Sales (less free gas)</u> <u>(MCFs)</u>	
= Actual Cost per Unit Sold	= Actual Cost per Unit Sold	= Actual Cost per Unit Sold	
<u>- Filed EGC</u>	<u>- Filed EGC</u>	<u>- Filed EGC</u>	
= Difference in Rate per Unit	= Difference in Rate per Unit	= Difference in Rate per Unit	
<u>X Actual Sales (less free gas)</u> <u>(MCFs)</u>	<u>X Actual Sales (less free gas)</u> <u>(MCFs)</u>	<u>X Actual Sales (less free gas)</u> <u>(MCFs)</u>	
= Monthly Cost Difference	= Monthly Cost Difference	= Monthly Cost Difference	= Total Monthly Cost Difference
			<u>+ Balance Adjustment</u>
			= Quarterly Cost Difference
			<u>/ Annual Sales (less free gas)</u>
			= Quarterly Adjustment Rate

### Balance Adjustment (BA)

During the years under audit, the Utilities had two different types of balance adjustments ("BA") - balance adjustments for the RA and balance adjustments for the AA. Both of these balance adjustments are included as a component of the AA calculation.

The BA for the AA is calculated as follows:

#### **Amount**

Quarterly Cost Difference from 5 Quarters Back

Quarterly Adjustment Rate from 5 Quarters Back

X Annual Sales (less free gas) from 1 Quarter back

= Calculated Amount

Quarterly Cost Difference from 5 Quarters Back - Calculated Amount = BA for the AA

The BA for the RA is calculated as follows:

#### **Amount**

Dollar Amount of Supplier Refunds and

Commission Ordered RAs from 5 Quarters Back

RA rate from 5 Quarters back

X Annual Sales (less free gas) from 1 Quarter back

= Calculated Amount

Dollar Amount of Supplier Refunds and Commission Ordered RA from 5 Quarters Back - Calculated Amount

= BA for the RA

Total BA = BA for the RA + BA for the AA.

### Reconciliation Adjustment (RA)

The Supplier Refund and Reconciliation Adjustment is supposed to account for the commission ordered adjustments and supplier refunds received during the quarter.

This figure is calculated as follows:

#### Calculation

#### Comment

Supplier refunds

+ Reconciliation adjustments ordered

= Total reconciliation adjustments during the quarter

X 1.055

10% interest rate (per the Code) on a declining basis

= Refunds and Reconciliations with Interest

/ Sales in MCFs

= RA

### **Findings**

During our review of the GCR calculations, we had noted numerous errors and inconsistencies during the preparation of the GCR. Many of these inconsistencies and errors appear to be present in all three Utilities and may impact multiple filings. Other errors appear to be limited to one Utility or one filing period. To the extent feasible, we have included excerpts from the Utilities' spreadsheets and supporting documentation to support our comments. The spreadsheets provided to the audit team contained a substantial amount of highlighted cells. In order to facilitate examination of the spreadsheets, we have removed the highlighting and added red lines to accent the areas of concern, but we have made no further alterations to these documents.

- In several instances, the GCR rates, as filed and publically available on the PUCO website, do not appear to comport with the amounts contained within the spreadsheets provided to the audit team. Copies of these sheets are included as **Exhibit 1** (contains confidential information) and are summarized below.

Utility	Month	As Filed	As Provided to the Audit Team
Brainard	Oct 2011	\$6.7049	\$6.6747
Brainard	May 2013	\$2.2705	\$2.5142
Brainard	Oct 2013	(\$1.3932)	(\$1.4674)
Orwell	Sept 2011	\$6.1064	\$6.1246
Orwell	Oct 2012	\$4.1867	\$4.1896
Orwell	Sept 2013	\$5.3487	\$5.3503

We notified the personnel at the Utilities regarding these discrepancies; they advised us they were not able to locate a copy of the original Excel spreadsheet that was used to calculate the filed GCR rates.

- The sales volume reported on the Brainard August 2011 GCR filing appears to contain 13 months of data. This figure is supposed to contain only 12 months of data. **Exhibit 2** (contains confidential information) contains a copy of the filed GCR statement for this month and a copy of the documentation prepared by the Utility to calculate the sales figures.
- The sales volumes reported in Brainard's GCR calculation for June 2014 appear to contain free gas. As described above, free gas should be removed from the sales volumes when calculating the GCR rates. The figure reported in the filed GCR calculations was 41,947 MCF. Per our review of the Utility's spreadsheet, this figure is intended to represent historical sales volumes from May 2013 - April 2014. Below is a summary of the actual sales volume from this time and **Exhibit 3** (contains confidential information) contains a copy of the Daily Invoicing Reports that support these figures.

Month	Calc. Usage Amount	Free Calc. Usage Amount	Amount that should be Included in GCR
May 2013	2,745.5	88.5	
June 2013	1,262.0	8.2	
July 2013	977.9	0.4	
August 2013	888.6	0.0	
September 2013	876.6	0.2	
October 2013	987.2	3.0	
November 2013	1,740.2	41.4	
December 2013	3,982.3	108.3	
January 2014	5,770.3	0.0	
February 2014	8,679.9	0.0	
March 2014	7,457.1	250.0	
April 2014	6,579.2	0.0	
<b>Total</b>	<b>41,946.8</b>	<b>500.0</b>	<b>41,446.8</b>

- During 2011, it appears in many instances, the annual sales figures were updated quarterly, as opposed to monthly. This error appears to be present in the GCR calculations for all three Utilities. **Exhibit 4** contains a copy of these GCR filings and a summary of the monthly sales volumes for the Utilities.
- Based on our examination of the Daily Invoicing Reports, we would have expected that the annual sales volume recorded on the December 2011 GCR for NEO would have been 1,956,824 MCF. The sales volume included on the December 2011 filed GCR was actually 1,769,824 MCF; this is a difference of 187,000 MCF.

The spreadsheet used to perform the December 2011 GCR calculation contains a manual adjustment of 187,000 MCF. Based on our examination of the spreadsheet, there is no explanation provided for the cause of this adjustment. No other information was provided to us which would explain this adjustment.

The GCR filed with PUCO for December 2011 had a GCR rate of \$4.5130 for this period. If the 187,000 MCF adjustment had not been recorded, the GCR rate would have been substantially lower at \$3.9908. The difference between these two figures is \$0.5221.

Documents pertaining to this finding can be found in Exhibit 5 (contains confidential information).

- Based on our examination of the Orwell GCR filings, it appears that the sales volumes that were used for the month of January 2011 and the month of February 2012 were incorrect. Based on our inquiries with Utility employees, the following rate code should be used to determine monthly sales for Orwell: GS|LGS|SGC|SGS|GCR+.62|DEOGCR. Based on our limited analysis, it appears an incorrect query may have been used to generate the information. Due to the nature of this error, there are many GCRs that have been impacted. It also appears that there was an error when originally determining the July 2011 sales volumes; however, it appears that this error had been corrected in subsequent filings. These variances are summarized in Exhibit 6 (contains confidential information).

For example, we were provided with two separate Daily Invoicing Reports for Orwell, the first report was run with a query for the Rate Code: <\*>T\*. On this report, sales volumes for February 2012 were 136,400.9 and free gas amounts were 1,502.1 resulting in net gas sales of 134,898.8 MCF for this month. The second report was generated using the Rate Code: GS|LGS|SGC|SGS|GCR+.62|DEOGCR. On this report, sales volumes for the month of February 2012 were 129,938.3 and free gas amounts were 816.0. This resulted in net gas sales of 129,122.3 MCF for the month. The net difference in sales volumes for these two queries is 5,776.5 MCF.

In general, from May 2012 through April 2013, the sales volume reported on the GCR is incorrect; this variance is typically 5,776.5 MCF. The one exception to this rule is June 2012 and will be discussed in further detail below.

- Based on our examination of the Daily Invoicing Reports, we would have expected that the annual sales volume recorded in the June 2012 GCR for Orwell would have been 742,972.0 MCFs. The sales volume included on the June 2012 filed GCR was actually 703,749.0 MCFs. The result is a difference of 39,223.0 MCF. The sales volumes included in the June 2012 GCR include sales from April 2011 through March 2012. As a result, it was impacted by the faulty query used to generate the February 2012 sales figures.

During our review of the spreadsheet used to create this GCR calculation, we noted a manual adjustment to the sales for March 2012 of 45,000 MCF. A note included in the cell containing this adjustment indicates "Volume Adjusted to increase rate \$0.30 per Tom." During our review of the available documentation, we did not become aware of any reason to make the manual adjustment of 45,000 MCF. It also appears that this manual adjustment was removed

when performing subsequent GCR filings for Orwell. As demonstrated in Exhibit 7 (contains confidential information), this adjustment did result in an increase of the GCR rate of approximately \$0.30.

Annual Sales per GCR:	703,749.0
Annual Sales per Daily Invoicing Report:	<u>742,972.0</u>
Difference	(39,223.0)
Manual Adjustment	(45,000.0)
Faulty Query from Feb 2012	<u>5,776.5</u>
Total Adjustments	(39,223.5)

- In January 2014, it appears that there was a clerical error calculating the Balance Adjustment for the AA. Included in the January 2014 calculation was a cost difference of *positive* \$6,515 and a rate difference of *positive* 0.2528. The filing originally made in October 2012 contained a cost difference of *negative* \$6,515 and a rate difference of *negative* .02528. Based on our analysis within Exhibit 8, the GCR rate that was filed for January 2014 was 1.9417; if the error in calculating the AA had not been made then the total GCR rate would have been \$2.0472, which is a variance of (\$0.1054), as demonstrated within Exhibit 8.
- As previously stated, free gas is supposed to be deducted from gross sales volumes in order to determine the amount of gas sold for GCR purposes. Rehmann CIS selected several months of free gas for each of the Utilities and scanned the list of customer names for known related parties. Rehmann CIS then asked for information detailing the free gas that these related parties had received from January 2011 through June 2014. A summary of this information has been included in Exhibit 9 (contains confidential information) to this report. We have received copies of the contracts between the customers and the producers for some of these contracts. As of the drafting of this report, we have not received the remaining contracts. We have noted several contracts that appear to be negotiated between related parties. We have not performed any procedures to determine the validity of any lease agreements provided.
- A significant component of determining the GCR rate is based on actual costs of gas. During our review of the invoices provided, we noted that many of them had been marked as "Draft," most notably invoices from Sequent. These draft invoices had been marked as "OK" and paid. Ideally, only final invoices should be included in the GCR and paid. Several examples of these invoices can be found in Exhibit 10 (contains confidential information).
- As a result of the August 2009 audit report issued by Staff, Brainard was required to recognize a Supplier Refund and Reconciliation Adjustment ("RA"). This adjustment was originally implemented in February 2010 and should have been recorded in 12 unique GCR filings. Based on our review of the GCR filings, it appears that the RA was only recognized in 11 GCR filings. A copy of these filings is included in Exhibit 11 to this report.

- On August 8, 2012, the Order and Opinion for Case 11-206-GA-GCR required Brainard to recognize two separate reconciliation adjustments. An adjustment of negative (\$104,331.00) was required due to errors in calculating the actual adjustment. An adjustment of positive \$460.00 was required due to errors in the calculation of the balance adjustments. These two adjustments resulted in a net reconciliation adjustment of \$103,871.00; with interest, the total required adjustment was \$109,583.91 in the customer's favor. Based on our calculations and the Entry from October 31, 2012, we would have expected an RA adjustment of negative \$3.1872 to be applied to the GCR each month.

When we examined the GCRs, as filed by Brainard, we noted that the RA was not applied consistently over the monthly GCR filings. The total amount of the RAs recognized as a result of this Order and Opinion was negative (\$41.4631) over the course of 13 months; the total amount that was required to be recognized was only negative (\$38.2464) over 12 months, which is a difference of (\$3.2167). On several occasions, these amounts were netted together on the face of the GCR; in other occasions, these adjustments were presented separately. Exhibit 12 contains a summary of the RA recognized by Brainard as a result of this Order.

- As described in the first half of this memo, balance adjustments are required to be calculated for RAs after they had been fully implemented.

Balance Adjustment: The Balance Adjustment for the RA was improperly omitted from the January 2014 GCR calculations for Brainard, as demonstrated on Exhibit 13. The underlying RA was initially implemented in October 2012 (see paragraph above and related documents contained within Exhibit 12) and recognized through October 2013. As a result, we would have expected that the final balance adjustment related to this RA would be included in the GCR rate for January 2014, however, it was improperly excluded from the BA calculation.

- During our review of the invoices provided to substantiate the gas purchases during the years under audit, we noted numerous occasions where invoices were divided between several utilities. We also noted instances where the invoices that were provided for our Orwell audit were originally listed in the name of NEO. Manually written on the invoice was a note "Buyer: Orwell Natural Gas Co. (used NEO credit.)" We had requested independent information from the Utilities that would substantiate the allocation of gas between the utilities in order to ensure that each ratepayer had actually received the gas for which they were charged, however, as of the date of drafting this report, we have not yet received this information. Examples of allocated invoices can be found in Exhibit 14 (contains confidential information).
- In February 2012, NEO first recognized a reconciliation adjustment which resulted from the Order and Opinion issued in Case 10-209-GA-GCR. In June 2013, NEO first recognized a balance adjustment for this RA. The balance adjustment was also calculated and recognized in September 2013, December 2013, and March 2014. Exhibit 15 contains copies of these GCR filings for NEO.
- Near the end of 2013, the Utilities changed the way that gas purchases were recognized in the accounting records. Prior to late 2013, it appears that one month of gas purchases, transport expenses, and other related costs were recognized as one line item in the general ledger; all of these transactions were recorded into account 401280410. As a result, it was not feasible to



determine if all of the gas costs that were considered when preparing the GCR were also recognized in the general ledger. Also, it was not possible to determine if any expenses included in the general ledger were excluded from the GCR. Rehmann CIS tried to reconcile the cost of gas between the general ledger and the GCR filings on a monthly basis, however, the figures did not reconcile.

After late 2013, it became somewhat easier to identify items included in the general ledger, however, a substantial number of these items still did not reconcile to the general ledger. We are aware that a portion of these differences may be the result of timing differences. **Exhibit 16** (contains confidential information) contains general ledger detail for two months - October and November 2013 - and information from the GCR filings regarding the actual costs of gas for those months. For example, in November 2013, the total expenses recorded in purchased gas and transportation expense totaled \$571,015.70, while the gas costs recognized in the GCR were \$574,195.00. Accordingly, the gas costs recognized in the GCR are \$3,179.30 larger than the gas costs recognized in the general ledger.

In October 2013, the total expenses recorded in the general ledger as purchased gas and transportation expenses totaled \$452,842.87, while the gas costs recognized in the GCR were \$250,005.00. Accordingly, the gas costs recognized in the GCR are \$202,837.87 less than the gas costs recognized in the general ledger.

A portion of the difference may be attributed to the differences in accounting standards used for book purposes and GCR purposes; however, there appear to be many items that do not easily reconcile between the different documents. We were able to reconcile some of the individual line items on the general ledger to the amounts that were included in the GCR calculation; however, we were not able to reconcile several other items.

- The calculation of the primary gas suppliers expected gas cost should be calculated by determining the average current commodity rate, by supplier, by historic purchase volumes (in MCFs). This figure should be added to historical transportation and other charges to determine the expected gas costs to recognize on the current GCR. As described above, there is a time lag between when sales and purchases are made and when they are first recognized in the GCR; throughout the years under audit, this time lag varied between two and four months. As a result of this time lag, we would expect that the volumes of gas purchased would be well known and that the relevant invoices should have been received to substantiate these purchases.

Based on our review of the spreadsheets used to calculate the GCR rates, it appears that this formula was not followed for the majority of the audit period.

When we examined the GCR worksheets that were provided to conduct our audit, we noted that the purchase volumes for any given month would vary in different GCR filings. We have created **Exhibit 17** (contains confidential information) to document these differences. The GCR spreadsheets used prior to July 2011 did not clearly document the purchase prices or volumes, as a result, those items have been excluded from this analysis.

For example, the purchase volumes included in October 2011 were considered when calculating the EGC for January 2012 - December 2012. There are six different purchase volumes associated with Orwell for the month of October 2011:

1. 41,238.5 MCF per the January 2012 GCR calculation worksheet
  2. 40,041.4 MCF per the February 2012 GCR calculation worksheet
  3. 40,053.5 MCF per the March and April 2012 GCR calculation worksheets
  4. 40,053.6 MCF per the May 2012 GCR calculation worksheet
  5. 40,313.6 MCF per the June, July, August and September 2012 GCR worksheets
  6. 40,391.6 MCF per the October, November and December 2012 GCR worksheets.
- Information was developed indicating Mike Zappitello is responsible for preparing invoices on behalf of related parties and approving those same invoices on behalf of the Utility. Examples of these invoices can be found in **Exhibit 18** (contains confidential information).
  - We have also noted numerous gas purchase invoices that do not appear to have any sign of review or approval. All invoices should be reviewed and approved by the purchasing manager prior to submission to the accounts payable department and this approval should be documented in writing. Examples of these invoices can be found in **Exhibit 19** (contains confidential information).

## General Observations and Other Comments

Overall, the schedules that are used to gather the information and perform the GCR lack clarity. Frequently, it is difficult to determine the source of the figures used by Utility personnel to perform the GCR calculations. In some instances, formulaic errors have had a direct impact on the GCR calculation. In other instances, there appear to be errors in the underlying data entered into the spreadsheet. Furthermore, it appears that historical information used when performing calculations changes over time; the causes of these fluctuations are not readily apparent, making it difficult to determine the appropriateness of these modifications.

The spreadsheet used to calculate the GCR rate has been redesigned on several occasions, most notably during the summer of 2011 and the spring of 2014. The Utilities also modified the time lag between the effective date of the GCR and the underlying data on several occasions during the years under audit. For example, the January 2011 GCR filing for Orwell is based on sales and purchase figures from October 2009 through September 2010 (a four-month time lag). The January 2012 GCR filing is based on sales and purchase figures from November 2010 through October 2011 (a three-month time lag). The June 2014 GCR filing is based on sales and purchase figures from May 2013 through April 2014 (a two month time lag).

A significant amount of gas purchased by the Utilities is purchased through related parties. This gas is included in the GCR calculations. When we examined the underlying invoices to substantiate purchase prices and volumes, we noted numerous errors on the invoices, including mathematical errors and errors related to invoice dates. We believe that this is indicative of a lack of internal controls over

invoice approval (invoices with factual errors should be returned to the supplier) and lack of internal controls over invoice preparation at the affiliated companies. We believe this problem is exacerbated by the fact that in many instances, it appears that the same individual is responsible for preparing the invoice on behalf of the related party and approving it on behalf of the Utility. As a result, it does not appear that an adequate review has occurred.

During our review of the correspondence pertaining to gas purchases, we noted numerous emails sent to Tom Smith at the following email address: tsmith13@sprynet.com . We recommend that all business related correspondence between employees be conducted on their corporate email addresses, rather than their personal email addresses. We believe that this is of heightened importance due to the fact that Utilities are subsidiaries of a publically traded company.

Due to budgetary constraints, we were not able to determine the value of the errors in the GCR calculations for the three Utilities from January 2011 through June 2014. During our audit, we encountered numerous unanticipated difficulties, including delays in receiving the records necessary to complete our audit, both items included on our original audit request list and documents which were added as our audit progressed. Many of the documents received appeared to be incomplete or contained errors, particularly with regards to gas invoices. There appeared to be limited reconciliation between information included in the general ledger to the original documentation to the GCR calculation. The information contained within the GCR calculations appeared to be inconsistent from month to month, which also hindered our ability to perform our audit in the effective manner that was envisioned when drafting our budget. In order to determine the total value of the errors charged to ratepayers through the GCR process, we will need to obtain an addendum to our proposal to address the additional costs.

## Gas Supply Management

### Audit Approach

Rehmann CIS reviewed the Natural Gas Procurement Procedures of NEO that describe using a "Best Evaluated Cost" supply strategy for gas purchasing (see **Exhibit 20** which contains confidential information). We received copies of the Gas Supply Bid sheets from August 2010 to October 2014. The Gas Supply Bid Sheet provides information on competitive bids for the purchases of gas supplies for each month, including the following:

- The month for which gas is purchased
- The NYMEX settlement price
- The delivery point of the data
- The buyers - Brainard, Orwell, NEO
- The daily and monthly volumes required
- The awarded volumes, basis, the total price of gas, marketer

- Person responsible for nominations on to a pipeline
- Bid volume and basis received from marketers
- Total of all system requirements, less gas from storage and gas supplies delivered downstream of the city gas.

## Findings

- From April 2011 through July 2014 [see **Exhibit 21** (contains confidential information) for a detailed listing of Great Plains winning bids], the price of Great Plains gas often had the lowest basis point, typically \$.005 to \$.015 lower than the next bidder for gas delivered on North Coast Gas Transmission. We were advised that Great Plains was allowed to bid multiple times until its price was less than other bids for gas delivered to North Trumbull Pipeline. These volumes were from producers with gas on North Trumbull. Until 2014, Great Plains was allowed to provide oral bids. See **Exhibit 22** (contains confidential information) for detailed examples.
- All bids received containing the name of the supplier, volume offered, and basis price are to be recorded on the Gas Supply Bid sheet; however, we observed a number of reoccurring discrepancies: receipt point of gas not provided, the basis for gas delivered on Cobra were not provided, current month volumes were inaccurate, and numbers were transposed. In January 2011, North Coast was awarded a gas contract on DEO to Contract #11944 to NEO, but bid volumes and basis were not recorded, and the email confirmation was not available. See **Exhibit 23** (contains confidential information) for a detailed example. Also see **Exhibit 21** (contains confidential information) for a listing of other recorded errors.
- In January 2012, the Oz Group, Great Lakes Exploration, and JDOG filed for Chapter 11 reorganization. Invoices after January 2012 include purchases from these companies. This was inconsistent with GNI's "best evaluated cost" supply strategy designed to ensure, among other things, security/creditworthiness of supplier. Best practices would either suspend doing business with these companies or expect to pay a reduced price for gas to offset the credit risk.
- For February 2012, Constellation was awarded the contract; however, Sequent's total cost was lower. We were advised by Mike Zappitello that the Sequent bid may have come in late, but documentation could not be provided to support this explanation. The difference was \$.08 (\$.345 vs. \$.265). See **Exhibit 24** (contains confidential information). The lowest bidder was not awarded the contract in 23 other delivery dates and delivery points. Additional transportation incurred by the low bidder may be the reason the low bidder was not selected; however, this is not documented on the Gas Supply Bid Sheet. See **Exhibit 21** (contains confidential information) for a listing of low bids not selected.
- The effect of shrinkage is not reported on the Gas Supply Bid sheet.
- It is not clear from the information recorded on the bid sheet where the gas would be delivered by the gas supplier and thereby the reference point of the basis price. For example, BP

reference point for its basis price can be the receipt point into North Coast at the Crossroads pipeline interconnect, while North Coast reference point for its basis price can be the receipt point into Cobra. To compare the prices, they should be priced at the same reference point. In this case if Cobra is the reference point, gas transportation, shrinkage and taxes on North Coast need to be added into the price of BP.

- From August 2010 through July 2013 JDOG Marketing charged from \$.177 (August 2012) to \$1.316 (December 2011 and January 2012) above NYMEX. These amounts included a basis plus a transportation charge on Cobra. The basis portion was not subject to competitive bidding. See **Exhibit 21** (contains confidential information).
- The discrepancies noted from our review of the bid sheets make it unworkable to validate that GNI is using a “best evaluated cost” supply strategy for gas purchasing.

## General Observations and Other Comments

- Between August 2011 and October 2014, gas was purchased from 16 suppliers, including four companies affiliated with either GNI or a member of the Board: Great Plains Exploration Ltd, JDOG Marketing, OsAir, GNR. Bids were received from between three to nine suppliers, with the median being six. The top four suppliers who most frequently provided bids were Mid-America, Great Plains, BP, and Constellation.
- The total price recorded for delivery to Cobra North Trumbull, Cobra Homesville, and Cobra Churchtown is for delivery at the City Gate. Other prices recorded as the total price did not include downstream pipeline transportation, shrinkage, and taxes paid to affect a delivered to city gate gas cost.
- There are occasions where the cost of gas to the delivery point from two bidders results in the same gas price. In October 2011, this occurred between BP and Sequent. The decision to select BP was based on performance. See **Exhibit 25** (contains confidential information).
- From October 2011 to March 2012, North Coast pipeline required GNI to hold firm transportation to ship gas from Crossroads, incurring a demand charge, in addition to the commodity charge, shrinkage and taxes.
- For August 2014, NEO had a requirement of 5 MCF per day, but no bids were received. NEO took the volumes off Tennessee Gas Pipeline (“TGP”) (Meter #020091) and paid the daily balancing charge for gas as specified in TGP tariff. TGP requires daily balancing, which is not a typical practice, but this was the summer and volumes were small, and TGP allowed the practice.

## Gas Retention

### Audit Approach

Gas transmission pipeline operators are authorized to retain a portion of gas from shippers for fuel and lost and unaccounted for gas, also referred to as "shrinkage." The amount of gas retained is set forth in the pipeline operator's tariff or shipper's contract as a percentage of the gas received by the pipeline operator. The operator charges the transportation rate only for the volume received by the pipeline less the gas retention.

As part of the Rehmann CIS audit, we received and reviewed copies of the pipeline contracts and tariffs to assess that the accurate tariff charges were applied correctly on the invoices received.

### Findings

- The transmission gas retention charged by the pipeline operators varies as noted below from 0.61% by Tennessee Gas Pipeline (within Zone 4, which covers Ohio) up to 5.5% by Dominion East Ohio.

Pipeline	Retention
Cobra Pipeline Co LTD	
North Trumbull	3.5%
Holmesville	3.5%
Churchtown	3.5%
Spellman Pipeline Holding LLC	3.5%
Orwell-Trumbull Pipeline LLC	3.7%
North Coast Gas Transmission LLC	1.25%
Dominion East Ohio	5.5%
Columbia Gas Transmission	
Transportation Retainage	1.917%
Gathering Retainage	0.534%
Storage Gas Loss Retainage	0.120%
Ohio Storage Gas Lost Retainage	0.150%
Tennessee Gas Pipeline, within Zone 4 (Ohio)	0.61%

- The measurement sections of the pipeline operators' tariffs vary significantly as illustrated by these two excerpts; one from an intrastate pipeline operator and the other from an interstate pipeline operator.
  - Spellman Pipeline: If the meters test within 2% or better of accurate measurement, then the cost of the test shall be paid by Party requesting the test. If the meters are found to be inaccurate by more than 2%, the Party owning the meter shall pay for the test. No adjustment based upon meter inaccuracies shall be made for delivery charges or natural gas imbalances unless a meter tests inaccurate by more than 5%. Any such billing correction shall only be to the 2% error level for a period of time no longer than the last meter testing or six months, whichever is less.

- Columbia Gas Transmission: If, upon any test, any measuring equipment is found to be in error, such that the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered does not exceed two percent (2%), such errors may be taken into account in a practical manner in computing the volumes of gas and quantities of energy received or delivered. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in the computed volumes of gas and quantities of energy received or delivered exceeds two percent (2%), previous recordings of such equipment, and the corresponding volumes of gas and quantities of energy received or delivered, shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one half of the time elapsed since the date of the last test, not exceeding a correction period of 16 days.
- Intrastate pipeline operators may adjust the shrinkage each calendar year during the term of the contract reflecting the pipelines' operating experience. The new shrinkage percentage becomes effective January 1 of the following calendar year.
- An interstate pipeline operator's retention percentage is set in the regulatory approved tariff with changes in the retention percentage vetted during the tariff approval process.
- The Cobra, Spellman, and Orwell-Trumbull pipelines do not have gas compressor stations, except Cobra - Churchtown. Cobra does not operate the compressor station on the Cobra-Churchtown regularly for purposes of supplying gas to NEO.

## General Observations and Other Comments

Rehmann recommends that a specific percentage of shrinkage be transparently added to the Orwell-Trumbull pipeline tariff. In the matter of Orwell-Trumbull, the percentage of shrinkage (3.7%) was indicated in a pipeline safety report filed with another entity, but was a source of some discussion and negotiation between the pipeline and the utility. It would be more transparent if the percentage was evaluated to reflect operating experience and then stated in Orwell-Trumbull's tariff. In Spelman and Cobra's tariffs, there is an exhibit in the tariffs that is alleged by the companies to be an approved sample master agreement, which spells out the specific percentage of shrinkage. The percentage indicated for both companies is 3.5%. It is our position that the shrinkage percentage should always be indicated in the pipeline tariff.

- Customers of NEO, Orwell, and Brainard pay an extra 4.7¢/MCF for 1% of shrinkage on Cobra, Spellman, and Orwell-Trumbull pipelines. See **Exhibit 26** (contains confidential information).
- The inclusion of the retention/shrinkage percentage in Orwell-Trumbull's pipeline contract, and not in the tariff, hinders market transparency of gas transportation costs.
- Tariff measurement language may account for the high retention/shrinkage percentage of intrastate pipeline operators.

## Corporate Structure

### Organization

In 2009, GNI, a holding company, was formed as an Ohio corporation. GNI has two principal subsidiaries, Energy West Incorporated and GNES, and is ostensibly a natural gas utility company providing natural gas distribution, transportation, gas marketing, and sales to a diverse mix of customers. The company's primary business is the operation of regulated natural gas local distribution companies located in the West, Midwest, Northeast and Mid-Atlantic regions of the country: Montana, Wyoming, Ohio, Pennsylvania Maine, North Carolina, and Kentucky. The other non-core operations include interstate pipeline, natural gas production, gathering, natural gas marketing. Exhibit 27 (contains confidential information) is an organizational chart of these entities.

Since 2010, the company began operating in Ohio and western Pennsylvania by acquiring several utilities owned primarily by the company's then chairman and Chief Executive Officer, Richard M. Osborne. Through the acquisition, the company acquired Orwell, NEO and Brainard.

The company's subsidiary GNES operations provide natural gas service to customers in 28 counties of Ohio: Ashland, Ashtabula, Carroll, Columbiana, Coshocton, Cuyahoga, Fairfield, Franklin, Geauga, Guernsey, Harrison, Hocking, Holmes, Huron, Knox, Lake, Lorain, Mahoning, Medina, Portage, Richland, Stark, Summit, Trumbull, Tuscarawas, Vinton, Washington, and Wayne. The company's Ohio and Pennsylvania operations provide service to approximately 24,400 residential, commercial, and industrial customers through approximately 1,056 miles of transmission and distribution pipelines. Exhibit 28 contains a map of Ohio documenting which counties the Utilities operate in.

#### Brainard Gas

Brainard provides natural gas distribution services in Geauga and has an operating agreement with Orwell. The company has no employees. It distributes about 276,633 MCF of natural gas to roughly 110 customers per year.

#### Great Plains Natural Gas

Great Plains principal subsidiary is NEO, which has two sister subsidiaries: Kidron Pipeline LLC, and 8500 Station Street LLC.

#### *Northeast Ohio Gas (NEO)*

In June 2003, NEO was purchased by Great Plains based in Mentor, Ohio. Historically, the company and its predecessor operations relied upon the availability of local production to serve its customers' requirements. While still obtaining a portion of its gas supply from local production, today NEO relies upon interstate natural gas transmission pipelines to meet the needs of its growing customer base. NEO serves approximately 14,100 residential and 1,060 commercial customers in 16 counties on its non-contiguous gas distribution systems through interconnects with two interstate pipelines, two intrastate pipelines, one local distribution company and local production. NEO also provides gas transportation services to industrial customers.



#### *Kidron Pipeline LLC*

Kidron is an Ohio domestic limited liability company filed on March 22, 2010. NEO purchases gas from Kidron Pipeline LLC, an unregulated affiliate. Kidron owns a small gathering system and some production that is tied into NEO's Kidron Distribution system. The gas is sold at NYMEX plus \$0.50 per MCF delivered into NEO's distribution system.

#### *8500 Station Street LLC*

8500 Station Street LLC, a domestic limited liability company, was established on January 22, 2013, and in March 2013 purchased the Matchworks property at 8500 Station Street for \$1,500,000, the current corporate offices of GNI.

#### Lightning Pipeline Company, Inc.

Lightning Pipeline Company, Inc., through its subsidiary, Orwell, engages in the natural gas distribution business in seven counties, primarily in northeastern Ohio and western Pennsylvania. It sells natural gas to end-use residential, commercial, and industrial customers in Ashtabula, Geauga, Guernsey, Lake, Mahoning, Portage, and Trumbull. The company is based in Mentor, Ohio.

#### *Orwell Natural Gas Company*

Orwell is a small local distribution company serving customers in Ashtabula, Geauga, Lake, and Trumbull counties. Orwell was formed 1986 to serve the Village of Orwell under the provisions of a municipal ordinance. In 1987, Orwell filed an application for approval of rules and regulations governing the distribution and sale of gas, which was approved by the Commission on February 29, 1988. In March 2002, Orwell's stock was transferred to Lightning Pipeline Company, Inc., (Lightning). Lightning stock was held primarily by Richard M. Osborne Trust ("the Trust"). Mr. Richard M. Osborne is the sole trustee of this Trust. In 2005, Orwell acquired its Clarion River and Walker Gas divisions in Pennsylvania.

On February 16, 2007, Orwell filed an application to establish rates and tariffs in its unincorporated areas, along with the filing of its GCR rates with the Commission. Prior to this filing, Orwell did not file its GCR with the Commission but instead filed its rates with the municipalities that it served. On June 27, 2007, the Commission approved Orwell's application and established its initial GCR rate. Orwell serves approximately 7,230 residential and 860 commercial customers on four non-contiguous systems through interconnects with two intrastate pipelines, one local distribution company and local production. Orwell also provides transportation service to 93 customers.

#### *Spelman Pipeline Holdings LLC*

GNI announced on April 21, 2011 the acquisition of pipeline assets from Marathon Petroleum Company, LP, by its subsidiary, Spelman Pipeline Holdings, LLC. The assets include pipelines and rights-of-way located in Ohio and Kentucky. In Ohio, the assets include more than 140 miles of pipeline spanning almost a third of the state from Marion to Youngstown. Other Ohio assets are located in metropolitan and south suburban Cleveland. The Kentucky assets include over 60 miles of right-of-way in the Louisville area and points south. The pipelines were formerly used to transport refined petroleum products and crude oil.

## Findings

- In May 2011, GNSC was formed to review gas purchases against nomination/confirmations and gas purchase contracts and to assure the proper procedures and documentation were followed. GNSC has no involvement in the procurement process for NEO and Orwell in gathering or selecting bids. Beginning in January 2013, GNSC also began preparing a gas purchase price comparison analysis in an attempt to confirm the local production gas purchased from related parties is purchased at a competitive price. Since October 2011 the following related party purchases were processed and paid through GNSC. These totals are reflected within the intercompany expenditure transactions as opposed to related party transactions (since GNSC is a subsidiary of GNI) for GNSC:
  - JDOG Marketing \$3.8 million
  - Great Plains \$1.5 million
  - JDOG \$.8 million
  - OSAIR \$.45 million
  - John D Resources \$.127 million
  - Mentor Energy \$.041 million
- On August 15, 2012, GNI entered into a definitive purchase agreement to acquire substantially all the assets of JDOG Marketing. JDOG Marketing is an entity owned by the Trust.
- June 3, 2013, GNI announced that it completed the acquisition for JDOG Marketing for \$2.9 million.
- GNI changed the name of JDOG Marketing to GNR. GNR supplies gas to farm taps off of Cobra systems that are individual systems tied into Columbia Gas Pipeline (TCO). The pricing is TCO tariff delivered charges plus Cobra tariff charges plus \$0.35. There are only three small customers on these systems, and the articulated reason the gas is purchased is because GNR has large-volume customers behind the meters, and they manage all meter imbalances.
- On August 6, 2013, GNR entered into a Base Contract for Sale and Purchase of Natural Gas with Cobra (see attached **Exhibit 29**), an entity owned and controlled by Richard M. Osborne. At the time, Richard M. Osborne was the Chief Executive Officer and Chairman of the Board of Directors of GNI. Pursuant to the Gas Agreement, Cobra sells gas to GNR at the market price per unit at the time the sale of gas occurs, as determined based on the trading price of natural gas at the New York Mercantile Exchange.

## General Observations and Other Comments

- The GNSC duplicates the functions GNR is being paid a fee to perform, and as such, should be unnecessary.
- The organizational structure is not conducive to a company operating both regulated and unregulated business where affiliate transactions occur and is contrary to other multi-state utility companies that hold both regulated and unregulated business. The regulated and unregulated entities are organizationally commingled, creating the potential for intentional

and unintentional preferential treatment to affiliates; ratepayers' subsidization of unregulated utility affiliates; fostering an environment for potential self-dealing; and subversion of how an incumbent utility should conduct business with an affiliate.

Per the Ohio Administrative Code, Chapter 4901:1-37-01 "affiliates" are companies that are related to each other due to common ownership or control. The affiliate standards shall also apply to any internal merchant function of the electric utility whereby the electric utility provides a competitive service.

- When the profit from an unregulated company is obtained by more effectively managing the transportation and storage contracts of the underlying utilities, like Orwell, NEO, and Brainard, and through this method engages in the business of marketing gas to non-affiliated companies, then placing the gas procurement function in an unregulated profit center is an option, although, the outsourcing of the regulated utilities' gas requirements should be competitively bid. Otherwise, the management of the utilities' gas requirements should be placed with an affiliated service company or left with the individual utility companies. The distinction between a profit center and a service center is that a profit center creates value by marketing the unused gas, transportation, and storage assets, thereby reducing the cost of gas to customers. A service center creates value by reducing the staff used to manage the gas procurement function, thereby reducing the cost of gas to customers.

## Management Structure

### Key Personnel

- Richard M. Osborne
  - June 2014, removed from GNI Board.
  - Chairman of the Board from 2005 until May 1, 2014
  - Chief Executive Officer from 2007 until May 1, 2014
- Gregory J. Osborne
  - On May 14, 2014 became Chief Executive Officer of GNI
  - Since November 2013 was the GNI President and Chief Operating Officer
  - In February 2012 was appointed President and Chief Operating Officer of Energy West Resources, Inc., the marketing and production subsidiary
  - From 2006 until January 2012 served as President, Chief Operating Officer and a Director of JDOG
  - Has served as a Director of the company since September 2009
  - From 2003 until April 2006, he was president of Great Plains Exploration LLC
  - From 2001 until joining Great Plains, he served as Executive Vice President of Orwell
- James E. Sprague
  - Vice President and Chief Financial Officer effective May 1, 2014
  - Served as an advisor to GNI Board
  - Board member from 2006 to 2010

- Thomas J. Smith
  - From November 2007 to May 2014 served as Vice President and Chief Financial Officer and a Director since 2003
  - Served as our interim President from August 2007 to November 2007
  - President of NEO and Orwell
  - From December 2006 to September 2010, he was also a director of Corning Natural Gas Corporation
  - From 1998 to 2006, he was the President, Chief Operating Officer and a Director of JDOG, which he remains a Director
- Kevin J. Degenstein
  - Joined Gas Natural in 2006 as Senior Vice president of Operations
  - From June 2008 to November 15, 2013, he was President and COO of GNI
  - Rejoined GNI on August 1, 2014 as COO and Chief Compliance Officer
- Donald R. Whiteman
  - Currently working for Richard M. Osborne after leaving GNI
  - On July 15, 2013, appointed as the Corporate Controller.
  - In 2009, he was appointed Corporate Controller of OsAir
  - From 2004 to 2009, Mr. Whiteman served as Corporate Controller of 2020 Train Avenue, a wholly-owned subsidiary of OsAir, Inc. ("OsAir")
- Rebecca Howell
  - Currently heads up a team devoted to implementing new accounting software for the Company
  - Corporate Controller of GNI until July 15, 2013
  - Chief Financial Officer of NEO
  - Chief Financial Officer of Orwell
  - Appointed Corporate Secretary in 2007
  - Controller and Secretary, JDOG Marketing
  - President of Cobra and Orwell-Trumbull
- Tim Roshetko
  - Marketing Manager NEO in January 2007
- Mike Zappitello
  - Director of Gas Supply NEO
  - GNR
  - Manager of Gas Procurement, JDOG Marketing, from 2009 to 2013
- Jonathan Harrington
  - Former Corporate Controller, GNI in Nov 2011
- Anita Noce
  - Former Accountant for NEO

- Former Assistant Corporate Controller for GNI
  - Worked for Cobra
- Marty Whelan
  - Currently President of Orwell and NEO
  - Worked for Cobra prior to NEO being acquired by Gas Natural

## Codes of Conduct

Rehmann CIS selected 30 employees in order to determine if they had signed Codes of Conduct on file. Rehmann CIS noted two GNI employees, who allocate labor to the three Ohio Utilities, did not have a signed form on file with the three Ohio Utilities.

## Findings

- GNI has moved away from a duality leadership structure, where the Chief Executive Officer holds the position of the Chairman of the Board. Since November 2013, Gregory J. Osborne has served as the GNI's president and Chief Operating Officer. On May 14, 2014, he became Chief Executive Officer of GNI. Unlike his predecessor, he is not the Chairman of the Board.
- Individuals were hired or moved to a new position without regard to potential conflict during time in which Richard M. Osborne was the CEO and Chairman of the Board.
- Written job descriptions describing the role, responsibility, and accountability of management personnel do not exist.
- There is a general lack of documented policy, processes, and procedures on affiliate transaction, and conflict of interest, as well as other "ring fencing methods" to protect the exchange of sensitive information between the regulated and unregulated entities.
- Individuals were hired or moved to positions where their knowledge from their past position or job presented potential conflicts of interest in performing their new duties, without a thorough briefing or instruction by the Board or other personnel.
  - For example, Rebecca Howell was the Controller and Secretary, JDOG Marketing, before becoming the Corporate Controller of GNI. As Controller and Secretary for JDOG Marketing, she executed the Asset Management Agreement, Identifier: NEO2011-GTS-TCO #1.2, between GNSC and JDOG Marketing. Jonathan Harrington, Controller of GNI executed the agreement for NEO (2.24.11)
- For the three Ohio Utilities (Brainard has no employees) we examined payroll and human resources internal controls and tested a sample of employees for authorized pay. Rehmann CIS evaluated all employees' pay over a three-year period, and pay increases were explained by the Human Resources Manager. Rehmann CIS examined the policies and procedures relevant to hiring policy, salary and performance policy, and termination policy and noted the Compensation Committee does not authorize pay increases. See **Exhibit 30** (contains confidential information). Rehmann CIS requested but did not receive a payroll accounting distribution report for evaluating how employees distributed their time to accounting codes.

## General Observations and Other Comments

- While it is unknown what, if any, effect the move from a duality leadership structure may have on company performance, the separation should provide greater independence and oversight from the Board.
- Employment contracts of senior management should have a clause that restricts the employee from working for a company doing business with GNI or its subsidiaries for a specified period of time after leaving the company.
- GNI lacks adequate management structure, in the form of policies and procedures, and compliance oversight.

## IT Structure

### IT Systems in Place

GNI and its affiliates use a variety of IT systems, including the following systems:

- Email (Microsoft Exchange Server 2010)
- Email Archiving (GFI MailArchiver)
- Enterprise Resource Planning (Navision and Epicor)
- Customer Information System (Navision, Advanced Utility Software, CBSW, and Utility Billing System)
- Meter Reading Software (MV-RS by Itron)
- Productivity Suites (Microsoft Office 2007, 2010, and 2013)
- Various Hardware (Dell, Lenovo, HP, EMC, Apple, Ricoh, etc.)
- Technology Asset Management (Kaseya VSA)
- Various Security Products (Symantec, Barracuda, etc.)

### Findings

- GNR uses the corporate Email system, and has no access to the other IT systems.
- GNI is implementing SAP, which will provide a common platform for the accounting and financial information of Energy West and GNES and their subsidiaries. A gas procurement module will be part of the next phase.

- During the Rehmann CIS audit, we discussed with the Chief Information Officer and Division Controller the employee network access rights assigned to the network that holds the Ohio Utilities' key confidential documents, including consolidated spreadsheets, Gas Cost Recovery spreadsheets, and Gas Supply Bid Sheets. It was determined and agreed that too many employees have access to the network drive.

## General Observations and Other Comments

- We were engaged to determine if the IT logical access records were appropriate. In order to conduct this portion of our analysis, we requested access to those records, however, they were not provided to us. As a result, we are unable to determine if the logical access records are appropriate based on the roles and responsibilities of the employees within GNI and subsidiaries.

## Internal Control Over Financial Reporting

GNI currently outsources its internal audit function; they have contracted with FreedMaxick CPAs, P.C. for the fiscal year ending December 31, 2014 to complete the documentation and evaluation of internal controls over financial reporting and entity level controls. Testing of the internal controls was not completed by FreedMaxick as the completion of our fieldwork; as a result, we are unable to determine if any material weaknesses or significant deficiencies were noted during their evaluation of the effectiveness of internal controls. **Exhibit 31** (contains confidential information) and **Exhibit 32** (contains confidential information) include a list of controls identified by FreedMaxick.

Another professional consulting firm was hired to perform similar services for the year ended December 31, 2013. The Board minutes indicate that the change was the result of pricing concerns. For December 31, 2013 management stated in GNI's 10-K that internal controls over financial reporting were not effective.

The material weakness included in the December 31, 2013 10-K states:

*In our assessment of the effectiveness of internal control over financial reporting at December 31, 2013, we have identified a material weakness related to our procedures concerning gas procurement from related parties and gas cost recovery. In 2011, the PUCO, following a gas cost recovery audit, directed us to modify the gas procurement procedures at our Ohio utilities, NEO and Orwell, and adjust amounts billed to our Ohio customers for the audit period. In its audit in 2012, the PUCO staff argued that we failed to comply with the procedures set forth in the prior GCR audit. This led to the disallowance of gas costs in the PUCO's November 13, 2013 Order as discussed in Note 17 – Commitments and Contingencies of our accompanying consolidated financial statements. During 2013, we accrued the amount of the disallowance as well as post audit period costs that were disallowed during the audit period. This accrual remains on our balance sheet at December 31, 2013. The failure to comply with the PUCO Order leads management to conclude that we did not maintain adequate and effective internal control in the area of our gas supply procurement and the gas cost recovery through rates.*

We have implemented measures that we believe remediated the weakness in our internal control over financial reporting described above. We have accrued the amount of the disallowance in the three months ended June 30, 2013 and we performed additional analyses and implemented additional procedures designed to provide reasonable assurance that our consolidated financial statements were prepared in accordance with GAAP. As a result, we believe that the condensed consolidated financial statements included in this Form 10-K as of and for the year ended December 31, 2013 fairly presents, in all material respects, our financial condition, results of operations and cash flow for the periods presented, in conformity with GAAP.

During the third quarter, we implemented changes at Gas Natural to improve our internal control over financial reporting such as (1) hiring a new corporate controller, a new controller at our Ohio utilities and two new general accountants, (2) attending training sessions given by the PUCO for gas recovery procedures, and (3) effecting other corporate and accounting changes referenced in the PUCO Order.

During the fourth quarter, we continued to implement changes to improve our internal control over financial reporting such as (1) our utilities began purchasing local production gas directly, bypassing possible related party mark-ups and fees on this gas, (2) adopting procedures that ensure that local production gas purchased from GNR by our utilities must come from unrelated, third-party pipelines at competitive prices and without commission, (3) we started the process of designing and implementing our new RFP for gas purchasing, which was successfully completed on March 14, 2014, and (4) we continue to improve our Ohio GCR filings through an active dialogue between us and the PUCO staff.

We completed our remediation efforts to fully comply with the PUCO Order, which included design, implementation and testing, during the first quarter of 2014.

We believe that the remediation measures described above have strengthened our internal control over financial reporting related to our procedures concerning gas procurement from related parties and gas cost recovery and remediated the material weakness discussed above. We are committed to continuing to improve our internal control processes and will continue to diligently review our financial controls and procedures.

No material weaknesses were noted in the 2012 and 2011 10-Ks filed by GNI.

## Related Party and Intercompany Transactions

### Policies and Procedures

A related party transaction is a business deal or arrangement between two parties who are joined by a special relationship prior to the deal. For example, a business transaction between a major shareholder



and the corporation is a related party transaction. American public companies are required to disclose all transactions with related parties such as executives, associates and their family members, in their annual 10-K report. While related party transactions can be cost effective with competitive bidding, the special relationship inherent between the involved parties creates potential conflicts of interest which can result in actions which benefit the people involved as opposed to the shareholders.

Intercompany transactions are transactions between two associated companies who file a consolidated tax return or financial statement.

Effective May 2014, all related party accounts payable transaction invoices are weekly reviewed by outside legal counsel and then approved by the Board of Directors before payment. See **Exhibit 33** (contains confidential information). Any approved related party transactions are reported to the CFO, Corporate Controller, and the SEC Reporting Manager for disclosure by outside legal counsel that attends all Board meetings.

Prior to this, most oversight was placed on the related party reporting in the 10-K. The Board stated in the December 2013 Board minutes, "Although all of the board members agree that these transactions have been negotiated at arms-length and are beneficial to the Company, public perception has been negative in the wake of the PUCO order and the subsequent *Seeking Alpha* articles. After discussing the matter, the consensus was to reduce related party transactions going forward to address the perception issue, while acknowledging that certain related party relationships are essential to the Company and must continue." See **Exhibit 34** (contains confidential information).

Rehmann CIS examined the process and noted memos by legal counsel challenging the transactions and the level of support provided with the related party invoices. See **Exhibit 35** (contains confidential information). In addition the Board resolved in their January 2014 Board meeting that all related party transactions not governed by a written contract cease as of March 1, 2014. In addition GNI and its subsidiaries are to cease purchasing natural gas from affiliates of Richard M. Osborne unless purchases are from an existing gas supply contract and the price purchased is less than the Company can obtain from unaffiliated third parties after evidence of competitive pricing. Also, purchases of natural gas from GNR (the company subsidiary that acquired the assets of JDOG Marketing) were to cease. See **Exhibit 36** (contains confidential information).

Solicitation of services other than related party and intercompany services are governed by a Purchase Order Process Procedure that documents authorization requirements and the requirement of two to three competitive bids if over \$500. See **Exhibit 37** (contains confidential information).

Rehmann CIS interviewed staff responsible for capturing related party transactions processed and reporting the transactions quarterly in the 10-Q and annually in the 10-K. The responsible GNI SEC Reporting staff quarterly download invoice records and verify them for proper coding as related party expenditure transactions. Rehmann CIS reconciled the reported 10-K related party expenditure transactions to the vendor file, after removing GNI and its non-Ohio subsidiaries related party expenditure transactions, and noted some differences that could not be reconciled by Rehmann CIS.

Reconciling Related Party Accounts Payable and Accounts Receivable general ledger accounts to detailed subsidiary records must be completed timely and accurately for consolidation of payables and

receivables among GNI and its subsidiaries. Rehmann CIS noted that some reconciliations were not completed at year ends. See **Exhibit 38** (contains confidential information) for illustrations.

### **Related Party Purchases**

Each of the three Ohio Utilities purchase services or products from or sell services or products to related parties of GNI. These related party transactions are either with Richard M. Osborne, GNI's former chairman and chief executive officer, or companies owned or controlled by Richard M. Osborne. See **Exhibit 39** (contains confidential information). The total invoiced for purchased services by the three Ohio Utilities from January 1, 2011 through May 31, 2014 are illustrated in **Exhibit 40** (contains confidential information).

Rehmann CIS noted that most related party purchases were not made through a competitive bid. Detailed supporting documents provided to Rehmann CIS did not include competitive bids from vendors other than the related parties. Some related party natural gas purchases were price checked, such as Great Plains purchases, before each month's nominations were determined. See **Exhibit 39** (contains confidential information). Also, certain pipeline transportation is based on tariffs, such as purchases from Cobra and Orwell-Trumbull, so competitive bidding is not applicable.

There remains risk the three Ohio Utilities are not paying market rates for purchased services. While we did not break out the vendor file record of purchases illustrated in **Exhibit 40** (contains confidential information) by type, the GNI Form 10-K reported related party purchases for the three Ohio Utilities for years 2011, 2012, and 2013 were \$6.0 million of the \$15.5 million of 10-K reported natural gas purchases, \$4.2 million of the \$6.4 million 10-K reported pipeline construction purchases, and \$2.1 million of the \$2.5 million 10-K reported rent, supplies, consulting, and other purchases. In addition \$1.1 million, \$3.4 million, and \$2.2 million of natural gas were purchased in 2011, 2012, and 2013, respectively, from related parties for the three Ohio Utilities, but through GNSC. Other non-Ohio utility subsidiaries and GNI purchases make up the difference. Without true competitive bidding, these related party purchases can be inflated over market rates.

Examples of related party pipeline construction purchases from Big Oats Oil Field Supply Company that were not competitively bid include:

- April 18, 2013 purchase of digging in 6 inch pipe for \$121,350, illustrated in **Exhibit 41** (contains confidential information)
- August 6, 2012 purchase of 4 inch pipe for \$30,690, illustrated in **Exhibit 42** (contains confidential information)
- February 20, 2012 purchase of construction services for \$21,750, illustrated in **Exhibit 43** (contains confidential information)

Examples of related party natural gas purchases from JDOG Marketing that were not competitively bid include:

- March 7, 2012 purchase of agency and broker fees for \$40,648.50, illustrated in **Exhibit 44** (contains confidential information)

- April 27, 2012 purchase of agency and broker fees for \$12,187.50, illustrated in **Exhibit 45** (contains confidential information)

An example of related party purchase of supplies from Big Oats Oil Field Supply Company that was not competitively bid includes:

- February 28, 2014 purchase of meters for \$12,889.97, illustrated in **Exhibit 46** (contains confidential information)

Richard M. Osborne directed early payments of related party accounts payable invoices. **Exhibit 47** (contains confidential information) is an example. The \$13,200 invoice was due October 31, 2013 but paid October 4, 2013 on Check Number 26433.

## Intercompany Purchases

Each of the three Ohio Utilities receives invoices from either GNI or one of GNI subsidiaries. This includes the three Ohio Utilities invoicing each other. The organization chart for GNI and its subsidiaries is shown in **Exhibit 27** (contains confidential information). The invoices the three Ohio Utilities collectively paid from invoicing by GNI or its subsidiaries and from January 1, 2011 through May 31, 2014 are illustrated in **Exhibit 48** (contains confidential information).

Best practices include having an Intercompany Agreement signed by senior management of the company providing the intercompany service and by the senior management of the company receiving the intercompany service. Rehmann CIS noted that except in one intercompany arrangement billing (Orwell providing service to Brainard), there are no intercompany agreements describing what is to be billed and the pricing and payment terms of those billings.

There is risk the three Ohio Utilities may be charged more than market rates for services and, therefore, subsidize the operations of GNI or one of its subsidiaries.

Examples of intercompany charges include:

- A December 31, 2013, \$720,981.24 intercompany billing from GNI to NEO. The billing included \$506,038.94 of charges from October 1, 2011 through December 30, 2013 that were paid December 31, 2013 and were mostly labeled overhead charges. There is no means of determining whether the overhead charges are reasonable and a fair market rate is charged to NEO. **Exhibit 49** (contains confidential information) illustrates this example.
- A September 9, 2012 repair for \$2,903.76 plus OnStar fee of \$57.80 for Richard M. Osborne's Escalade that was charged to NEO. **Exhibit 50** (contains confidential information) illustrates this example.
- A December 31, 2012 charge for legal fees for \$11,596.62 and overhead fees for \$1,164.65 paid to Energy West without an intercompany agreement. **Exhibit 51** (contains confidential information) illustrates this example.

## Related Party Sales and Credit Memos

The total invoiced for sales of services by the three Ohio Utilities from January 1, 2011 through December 31, 2013 is illustrated in Exhibit 52 (contains confidential information).

Richard M. Osborne owed Orwell related party receivables for work from June 25, 2010 through August 9, 2012 and totaling \$115,492.75. He also owed for construction costs from December 1, 2010 through February 11, 2011 and totaling \$120,974.63. These receivables were then reduced by a December 2012 transaction totaling \$66,991 for a claimed 3% shrinkage on the Orwell-Trumbull Pipeline from July 2010 through November 2011. The Purchasing Director did not believe this 3% shrinkage credit was contractually justified. Instead of writing a check to Orwell, Richard M. Osborne personally approved \$419,319.23 of credits to Orwell, NEO, Brainard, Clarion Gas, and Walker Gas related party accounts payable. These credits effectively eliminated the old Orwell receivables of \$169,467.38 (after the \$66,991 credit by journal entry dated December 31, 2012).

Richard M. Osborne also owed Energy West Resources \$249,914.85 for old outstanding related party receivables. NEO wired \$249,914.85 to Energy West on March 26, 2013 for full payment of Richard M. Osborne's debt to Energy West. Numerous journal entries were written to account for the transaction. Detailed support of this transaction is in Exhibit 53 (contains confidential information). Richard M. Osborne benefited from this transaction by delaying payments through credit memos. The transactions became costly for the Utilities because the Utilities had to process the transaction, including numerous complex journal entries.

## Summary of Interviews

No express promises of confidentiality were provided to any of the individuals interviewed by Rehmann CIS. Still, publication of names and information may subject interviewees to possible adverse action or unwanted scrutiny.

Rehmann CIS, as part of the audit conducted of the operations of NEO, Orwell, and Brainard, conducted interviews of former and current employees. The purpose of these interviews was to obtain information related to priority areas surrounding the operation of the Utilities, including the GCR calculations, the issuance of the 2012 Request for Proposal (RFP), and any other areas that may have had a material influence on the day-to-day operations while under the guidance of Mr. Richard M. Osborne.

Multiple "Richard M. Osborne entity" former employees did not submit to interviews when requested. More than one was engaged in litigation against Richard M. Osborne or signed terms prohibiting them from discussing their previous employment.

Rehmann CIS was informed that many of the GCR calculations are suspect in that the final numbers, on many occasions, will not have the required documentation to support the calculations. Management would direct those employees responsible for calculating the GCR to utilize decreased gas sales figures which would result in higher GCR calculations. Rehmann CIS obtained an email whereby former CFO Tom Smith confirms that he and Richard M. Osborne were the final approvers on the GCR reports. (Exhibit 54). The Utilities would distribute free gas to customers and not always appropriately deduct from the GCR calculation the value of the free gas. This again would result in an inflated GCR

calculation. It is suspected that some of the people or entities receiving free gas did not qualify for free gas. In each free gas situation there should exist a contract between the land owner, where the gas well is located, and the Utilities. Rehmann CIS was informed that an in-depth investigation in this area would likely identify free gas that was unwarranted. Richard M. Osborne was identified as the individual responsible for those individuals or entities that were inappropriately receiving free gas.

Rehmann CIS was informed that there existed situations that were of a questionable nature with respect to business relationships between the Utilities and also companies outside of the Utilities that were owned by Richard M. Osborne. Information was provided regarding Brainard and Orwell. Allegedly, there was a time when Brainard was paying Orwell a monthly management fee of \$8,000. Justification for the fee was that Brainard had no employees and the Orwell employees were running the day-to-day operations of Brainard.

There were occasions when the Utilities would need guidance or consulting services from GNI. It is believed that on occasion GNI would charge the respective Utilities company \$150 an hour for the consulting services. An example would be for guidance on how to handle certain financial transactions. Calls that lasted only a couple minutes were charged a minimum of ten minutes. It is unknown if these alleged charges were part of the GCR calculations. Rehmann CIS was informed of a particular instance whereby Orwell-Trumbull invoiced Orwell approximately \$67,000 for gas that Orwell had allegedly purchased. Accounting conducted the necessary research in an attempt to locate supporting documentation for the purchase, but none could be found. Employee 1, the controller for the Ohio Utilities, conducted further research and also found no documentation to warrant payment. Employee 1 allegedly sent a message to Richard M. Osborne, who was demanding that Orwell-Trumbull had not received full payment for the purchase, stating that payment was not warranted. It is believed that Richard M. Osborne eventually received payment, and the accounting employee was terminated a short time later.

Rehmann CIS learned that at some point there existed a \$4 million loan payable to Richard M. Osborne on the books of the Utilities. It is believed that the loan payable was entered during 2002 and represented loans that were issued by Richard M. Osborne. Sometime thereafter, one of the now former employees conducted research to identify the logical infusion of cash on the part of Richard M. Osborne. No documentation, such as bank deposits, could be identified. Subsequent to the alleged loan being entered into the books, the employee noticed one particular instance where the loan payable was manipulated. The situation consisted of Orwell purchasing gas from British Petroleum (BP) on behalf of Great Plains (a Richard M. Osborne company). Although Great Plains allegedly benefited from the gas purchase, Orwell did not receive payment from Great Plains and instead, Richard M. Osborne allegedly directed the Utilities to debit the loan payable due to him.

Rehmann CIS received information indicating Employee 1 would frequently provide accounts payable with invoices from Richard M. Osborne companies for which the Utilities could not locate appropriate documentation. Accounts payable would threaten to not pay the invoices, and Employee 1 would threaten termination and, on occasion, handle payment of the invoices himself. Other times accounts payable would identify Richard M. Osborne-related invoices that slipped past the accounts payable personnel without their knowledge. Rehmann CIS learned that there was a frequent issue surrounding JDOG Marketing invoices representing gas purchases by the Utilities. These invoices had a history of being incomplete in that they lacked dates, number of gas units, and were often illegible.

Rehmann CIS was informed it was well known by "many employees" that the Utilities would purchase the majority of its supplies and materials from Big Oats. It was also known that Big Oats, a company owned by Richard M. Osborne, was known to markup supplies and materials prior to selling to the Utilities. It was discovered Big Oats would occasionally send duplicate invoices to the Utilities. Some were caught and some were not. The Big Oats operations officer would occasionally personally deliver invoices without appropriate documentation to the Utilities. Accounts payable would deny payment of the invoices, but almost always the invoices would eventually get paid. There were also occasions when the Big Oats operations officer was able to push duplicate invoices through the accounts payable system.

Due to the obvious conflict of interest with respect to Big Oats, there was a point whereby the Commission mandated that the Utilities obtain bids for purchases over a certain threshold. The dollar amount of the threshold should be in the Board of Directors' minutes. Before the invoices could be paid, the respective bid had to be attached to the invoice. Employee 2 sent out a company-wide email regarding the bid process, and Richard M. Osborne became very upset. To circumvent the bid process, employees were instructed to break up the purchases so that they were below the threshold and, thus, purchases could continue at Big Oats. When James Sprague became the CFO of GNI in May 2014, all purchases from Big Oats ceased.

Rehmann CIS received information that Employee 3, a former accountant at NEO, had previously voiced concerns about questionable business practices on the part of NEO. Rehmann CIS attempted to interview Employee 3, but she refused to schedule a meeting.

It was learned that Employee 3 had been at the Utilities for nearly 10 years and worked at various related companies. At some point she became responsible for the GCR calculations. It became known by some within the Utilities that her primary responsibility was to ensure that the GCR calculations filed were the numbers that Richard M. Osborne requested, even if they did not have the appropriate documentation. Rehmann CIS was told that at one point it got so bad that Employee 3 wanted to file the GCR calculation under her trainee's name rather than her own.

During the Rehmann CIS interviews, an issue involving two invoices, one from JDOG Marketing and the other from Great Plains Exploration, Inc., was raised. Both invoices were apparently submitted to GNI for the alleged purchase of gas from January 1, 2012 through September 30, 2013. Both invoices were dated November 1, 2013 and were in the amounts of \$100,745.19 and \$100,947.88, respectively. Both invoices were paid via Orwell checks dated October 29, 2013, Check Nos. 7015 and 7016. Both checks were authorized and signed by Donald Whiteman, former controller at GNI. (Exhibits 55 and 56).

Employee 2, Employee 4, and Employee 5 were familiar with the aforementioned checks issued by Orwell. Each individual was aware that the JDOG Marketing and Great Plains Exploration, Inc. invoices were allegedly for line losses of gas. It is believed that the two invoices would have been prepared by either Brian Wollet or Jessica Carruthers, at the direction of Richard M. Osborne. Both Wollet and Carruthers are employed by Richard M. Osborne at Orwell-Trumbull. According to Employee 4, the two invoices basically overstated the production and attributed the overstated production to "line loss" that did not occur. Employee 4 stated that the two invoices should not have been approved and paid by Whiteman. Employee 4 advised that it should be noted that Whiteman was Richard M. Osborne's accountant at Great Plains prior to being hired as the GNI controller. Rehmann CIS was able to obtain a

chain of emails related to this issue along with a handwritten letter authored by Employee 2. (Exhibit 57).

The topic of the 2012 RFP was discussed with current employees, and there is convincing evidence that Richard M. Osborne was the driving force behind a plan to ensure that JDOG Marketing was awarded the contract. James Sprague advised that attorney Andy Sonderman, of the law firm Kegler, Brown, Hill & Ritter, LPA (Mr. Sonderman was previously employed at Weltman, Weinberg & Reis Co., LPA), drafted and oversaw the RFP process. Sprague said he worked closely with Sonderman during the RFP process, and his role was to monitor the data room in which the RFP and its related information were housed. During this particular time, Sprague was employed at the Walthall CPA firm. Sprague was responsible for sending the RFP via email to the 15 potential bidders. He had received the potential bidder list through the data room.

Sprague advised that the initial plan was for him to open the bids at his Walthall office in the presence of a representative from the Ohio Consumer Council, the Public Utilities Commission of Ohio, and the Utilities. When only one bid was received, the formal opening ceremony was cancelled.

Employee 5 was interviewed regarding the 2012 RFP process that resulted in JDOG Marketing being the only bidder and, thus, awarded the gas contract. Employee 5 confirmed that he had conversations directly with Richard M. Osborne prior to the drafting of the GNI RFP. Employee 5 recalled Richard M. Osborne asking him to prepare a written document detailing his job description as the gas purchaser on behalf of JDOG Marketing. Upon completing the job description, Employee 5 gave the document to either Becky Howell or Tom Smith. When Employee 5 finally saw the RFP, he recalled telling Richard M. Osborne that none of the other companies would ever submit a bid because they would immediately realize from the RFP language that the RFP was written for JDOG Marketing. Employee 5 noticed that part of the RFP was almost word for word from the job description he had written and given to either Howell or Smith.

Employee 5 expressed to Richard M. Osborne that the Public Utilities Commission of Ohio would have difficulty accepting the RFP as it was written. Richard M. Osborne responded that he would bring suit against the Commission if they interfered. Employee 5 stated that he drafted the JDOG Marketing proposal with the assistance of Richard M. Osborne. Richard M. Osborne directed Employee 5 as to the bid figures that were inserted into the proposal.

Both Employee 2 and Employee 4 were familiar with the RFP process. Although Employee 4 denied any involvement in preparing the RFP, he was told by others that Andy Sonderman drafted the RFP and that Employee 5 had contributed his job description from JDOG Marketing, which was used in the RFP.

Employee 2 also confirmed that Sonderman had drafted the RFP with some assistance from her, Employee 5, Tom Smith, and possibly Jonathan Harrington. Employee 2's primary role was to pick up the RFP drafts from Sonderman and deliver them to Richard M. Osborne for his review and edification.

Rehmann CIS, during its review of emails related to the Utilities, came across an email from Richard M. Osborne's attorney, Melvin Resnick. The email was directed to Andy Sonderman and copied to Becky Howell, Loraine Cross, and Gregory J. Osborne. The text of the email read as follows:

In regard to the RFP, Rick's main goal is to have it structured so that the odds will favor JDOG being successful bidder. This is the main key and needs to be discussed in the morning. Thanks, Mel.

The email is dated March 19, 2012.

Employee 2 recalled that Sonderman would frequently copy her and Employee 5 on emails related to the drafting of the RFP. She would question Sonderman about this and its appropriateness in that Employee 5 was obviously a potential bidder on the RFP as a representative of JDOG Marketing.

Rehmann CIS learned that Richard M. Osborne has made numerous attempts to extract money from the Utilities since his removal as CEO and from the Board of Directors. Information was obtained that on September 12, 2014, Jessica Carruthers, at the direction of Richard M. Osborne, emailed two invoices to Jim Sprague. The invoices were to bill for transportation of gas through gathering lines affiliated with Richard M. Osborne's pipeline companies, Cobra and Orwell-Trumbull. The two invoices were for the period 2010 through 2014 in the amounts of \$1,470,381.23 and \$1,199,749.50. These invoices were never authorized for payment by James Sprague.

Information was obtained that Richard M. Osborne allegedly presented a map to the Board of Directors which contained a sequence of pipelines. Richard M. Osborne told the Board that he was owed \$5 million for the Utilities' use of these pipelines. It is believed that the map was drafted by Richard M. Osborne's geologist, Tim Riley, at Richard M. Osborne's request, and that the pipelines do not exist. It is believed that Gregory J. Osborne's administrative assistant, Employee 6, is aware of the fraudulent map.

Rehmann CIS learned during the interview of Employee 5 that during 2010, Richard M. Osborne was no longer satisfied with the 15¢ markup JDOG Marketing was making on gas being sold to the Utilities. Richard M. Osborne had become aware of NEO purchasing gas from a co-op in Ohio by the name of Gatherco. Gatherco was charging the Columbia Appalachia rate plus a \$1.50 markup. Richard M. Osborne told Employee 5 he wanted JDOG Marketing to increase its markup to the \$1.50. Employee 5 told Richard M. Osborne, as did Employee 4 and Employee 7, that the Commission would not allow the \$1.50 markup. Richard M. Osborne insisted, and Employee 5 was forced to change the JDOG Marketing pricing to include the \$1.50 markup. Employee 5 advised that invoices should exist that contain the \$1.50 markup.

Both Employee 5 and Employee 4 volunteered information regarding the suspicion that Richard M. Osborne sold nearly 100,000 DTHs of gas out of a storage facility back in 2009. There is confusion as to who owned the storage facility, either TCO or Orwell GTS. The primary concern of both Employee 5 and Employee 4 was whether JDOG Marketing owned the gas or if it was the property of Orwell or NEO. It is agreed by both that Richard M. Osborne sold the gas to IGS. Rehmann CIS conducted a review in order to identify journal entries documenting the purchase or storage payments for the gas in question. There was also a review of vendor detail in an attempt to identify storage fees paid on behalf of Orwell or NEO in 2009. None of the research resulted in evidence indicating that the gas was the property of Orwell or NEO.

Employee 8 noted on interview that during the 2010-11 time period, she was involved in preparing the GCR calculations. On "more than one occasion" Employee 8 claims she was told by Becky Howell



and/or Tom Smith her calculations were too low and she needed to “up them a bit.” Employee 8 advised when she was told to do this, she would so indicate on the GCR spreadsheet. Employee 8 doubted the spreadsheets containing her notations still exist.

There were documents provided by a former employee, Employee 9, which were referred to during interview. These documents are attached as **Exhibit 58** (contains confidential information). As described by this employee, **Exhibit 58** (contains confidential information) is an aged account receivable noting JDOG Marketing was paid for transporting gas which was maintained in storage. **Exhibit 59** (contains confidential information) is a copy of a credit memo in the amount of \$9,488.02. **Exhibit 60** (contains confidential information) is a copy of an invoice dated March 10, 2010. **Exhibit 61** (contains confidential information) is an invoice from NEO noting credit from JDOG Marketing in the amount of \$40,335.75.

A former employee in a position to know described the documents marked as **Exhibit 62** (contains confidential information) as pertaining to JDOG Marketing’s relationship with GNI. She explained JDOG Marketing did not have the requisite funds, so NEO paid Constellation. Thereafter, JDOG Marketing invoiced NEO and added 25¢ more for gas. A former employee in a position to know believes JDOG Marketing owed NEO an additional \$27,000 based on this transaction.

A former employee in a position to know provided documents marked **Exhibit 63** (contains confidential information). She noted Aleris charged just over \$160,000 for gas in June/July 2009. NEO “loaned” JDOG Marketing approximately \$500,000 to purchase this gas for NEO.

A former employee in a position to know provided documents **Exhibit 64** (contains confidential information) explaining in November 2009 through June 2010 Orwell was purchasing gas for Great Plains from BP, using Orwell credit in the amount of approximately \$1.9 million.

A former employee in a position to know provided additional documentation, **Exhibit 65** (contains confidential information), as evidence of other questionable Richard M. Osborne transactions.

Employee 10 provided additional information on interview, mentioned elsewhere in this report. She also advised she managed collections. *On more than one occasion Employee 10 was told by Tom Smith that Richard M. Osborne would take care of an outstanding debt, so she should just wipe it off the books. She recalled this occurring for Big Oats, Ricky Osborne, Jr., Jr. Properties, and Tin Man Storage.*

Employee 11 advised Rehmann CIS that during her time at the company, they were paying approximately 25 percent more than necessary to Big Oats because of the sole source agreement. She also noted the Orwell-Trumbull bill was exorbitant.

Employee 11 noted in early 2013 she “booked” four or five credit memos totaling nearly \$300,000, with no backup documentation. She believes Employee 1 signed and backdated these to December 31, 2012 to satisfy their auditors.

## Recommendations

Rehmann CIS noted several areas for enhancement to the existing internal control structures and other processes, including the preparation of the GCR calculations.

- Providing preferential treatment to Great Plains for volume on North Trumbull from producers directly connected to the pipeline or any gas from producers directly connected to a pipeline, distorts the market price of gas and is a discriminatory practice that should be evaluated for GCR filings.
- The effect of the lack of competitive bidding from August 2010 through July 2013 and awards to JDOG Marketing should be evaluated for GCR filings.
- Past GCR filings should be evaluated for known pricing errors and instances where contracts were awarded to higher priced bidders.
- Rehmann CIS recommends that the \$66,991 shrinkage cost charged by a related party be evaluated for contractual obligation and potentially returned to Orwell.
- GNI should develop a reorganization strategy that provides greater efficiency, accountability, and transparency. Two such strategies are (1) to create a functional organization aligned along the business lines of gas distribution, pipelines, and gas marketing, and (2) to segment along regulated and unregulated business lines with the latter, being created using either a profit center or service center model. Execution of the strategy will take a number of years because of contractual constraints.
- Rehmann CIS recommends that all intercompany expenditure and sales transactions be supported by an Intercompany Agreement signed by senior management of the company providing the intercompany service and by the senior management of the company receiving the intercompany service. These agreements should be presented to the Board of Directors for approval.

Intercompany billed overhead charges should be first approved as to pricing in an agreement and then approved in monthly invoices and paid timely.

- We strongly recommend that if purchases are made from a related party, then controls are put in place to verify that the individual who prepared the bill is different than the individual who approves the invoice on behalf of the Utility. Due to the high-risk nature of these invoices, we also believe that they should be accompanied by sufficient documentation which clearly substantiates the delivery/receipt of the gas and an analysis that indicates that the rate charged for the gas was reasonable.
- Rehmann CIS strongly recommends that the Utilities consider working with PUCO to design a new spreadsheet to assist in the calculation of the GCR on a monthly basis. We believe that the existing spreadsheet, as currently designed, is overly complex. Furthermore, we believe it is very difficult to determine the source of information and how data flows through the

spreadsheet. It is preferred the Utilities design a new spreadsheet that would simplify the presentation of the relevant data points, enhance its auditability, and eliminate unnecessary information. We believe, due to prior audit findings, it is critical that the Utilities solicit feedback from PUCO prior to implementing the new spreadsheet. Ideally, this spreadsheet would also identify the source of the information used in calculating the GCR. It appeared that in many instances the labels that were used to describe the source of information were *inaccurate or incomplete*.

- Based on the numerous corrections noted, both during the PUCO audits and during our audit, Rehmann CIS believes the Utilities lack adequate review processes over the GCR. We believe that a thorough detail review should be performed prior to filing the monthly GCR statement. Ideally, this review would include verification of figures against source documents in order to verify that the figures presented were accurate and a review of the formulas within the spreadsheet.
- Rehmann CIS recommends competitive bids be sent out for when a related party is a potential provider of the goods or services. Bid requirements should be defined in a competitive bid policy and authorized by senior management for single purchases and also for expected *continuous purchases from prospective bidders*. The Board of Directors should then approve the bid policy.
- We recommend that the Utilities maintain a binder, either electronic or paper, containing all of the supporting documentation that was used during the GCR calculation. We believe that this will enhance the accuracy of the figures and the auditability of those numbers.
- The Gas Supply Bid sheet should provide transparency, and an accurate, complete, and traceable record of competitive bids.
- The Utilities may want to consider the creation of a secure database to contain historical figures included in the GCR calculation. During our analysis, we noted numerous instances where there were subsequent modifications to historical figures. Some items to potentially maintain in this database include: monthly sales volumes, monthly free gas volumes, monthly purchase volumes, monthly purchase totals, past EGC rates, and expected gas prices, by supplier. If properly deployed, this could significantly enhance the consistency and reliability of figures used in the GCR calculation.
- The Utilities develop a protected server or other mechanism to save the final version of the Excel workbooks used to perform the GCR calculations. During our analysis, we noted numerous instances where the figures included in the Excel spreadsheet provided did not agree to the actual filing. Furthermore, these modified (and incorrect) figures were used as the basis for subsequent GCR filings, resulting in additional errors. When we asked for copies of the spreadsheets that were originally used to create the GCR filings, we were told many of them were *inadvertently overwritten and no longer comport with the filed figures*. We are aware that the Utilities have begun to develop and implement alternative controls (namely, access controls) in order to reduce the likelihood of recurrence.

- Rehmann CIS recommends the Compensation Committee of the Board approve pay increase percentages by class of employee for all Ohio Utility employees. In addition, all GNI employees and employees of GNI subsidiaries who allocate labor to the three Ohio Utilities should have their pay increases approved by the Compensation Committee of the Board and placed on file with the three Ohio Utilities. Additionally, Rehmann CIS recommends to further strengthen payroll internal controls a payroll accounting distribution report be produced and reconciled each pay period to gross pay distributed to employees.
- Rehmann CIS recommends that the related party account balances be reconciled at least quarterly and confirmed with related parties at least annually. Any disputes over balances between the Ohio Utilities and related parties should be resolved by the Board of Directors, particularly when both of the parties are subsidiaries of GNI. Furthermore, we recommend that balances of these accounts be communicated with the Board of Directors at least quarterly.
- While on site Rehmann CIS recommended that the network drive be limited to authorized financial reporting personnel on a "need to know basis." This correction was made during the investigative audit. Evidence of the corrective action was requested but not received as of this report date.
- GNI should create a Corporate Controller position in GNES that reports to the CFO and provides separation from the non-regulated entities of GNI.
- Change in retention/shrinkage percentage by intrastate operators should be submitted to the PUCO, with supporting detail, for review and approval.
- Intrastate gas system operator's tariff should show the allowed retention/shrinkage percentage.
- The pipeline transportation tariff should require the pipeline operator to correct meter measurement errors to zero and detail credit or debit corrections to imbalances on shipper invoices.
- The Utilities should reconcile their revenue between the general ledger and the Daily Invoicing Report on at least a quarterly basis. During our analysis, we noted sizable differences between these two reports; when we inquired about the source of these differences, we were told that the Daily Invoicing Reports were on the cash basis while the general ledger was maintained on the accrual basis. Based on our understanding, this type of reconciliation is not currently being performed. A similar reconciliation should be performed for gas purchases and other costs included in the GCR.
- Rehmann CIS is aware that certain members of management have access to corporate cars. We recommend GNI clearly define which corporate entities benefit from these vehicles and verify that the costs of these vehicles is appropriately borne by those entities. Costs to consider include lease payment, car payment, insurance, gas, repairs, and maintenance. We believe that this allocation should also be approved by independent members of the Board of Directors. We also believe that the Board of Directors should approve each individual who receives a corporate vehicle.

- Employees with management responsibilities should receive training on recognizing potential conflicts of interest and company policies governing affiliate transactions.
- During our review of the codes of conduct, we noted several employees who did not have signed codes of conduct on file. We recommend that the Utilities establish procedures to verify that all new employees sign a code of conduct upon employment. Ideally, employees should be requested to re-acknowledge their code of conduct annually. We also recommend that the Human Resource department conduct annual reviews of their files to ensure that all employees have a current code of conduct.
- Human Resources should develop formal job descriptions for management personnel that include minimum qualifications, duties, responsibilities, and accountability.
- Rehmann CIS recommends GNI consider establishing an in-house internal audit department. If established, this department should report to the Audit Committee. Internal audits of the three Utilities should be performed annually based on an Audit Committee approved internal audit plan.

## Exhibits

- Exhibit 1
- Exhibit 2
- Exhibit 3
- Exhibit 4
- Exhibit 5
- Exhibit 6
- Exhibit 7
- Exhibit 8
- Exhibit 9
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- Exhibit 66

Portions of this exhibit have been removed and are not available for public viewing.

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**
**GAS COST RECOVERY RATE CALCULATION**
**DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2011**

EXPECTED GAS COST (EGC)	\$5.0803 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	1.6246 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

**\$6.7049 /MCF**

GAS COST RECOVERY RATE EFFECTIVE DATES: 10/1/11-10/31/11

**EXPECTED GAS COST SUMMARY CALCULATION**
**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 174,176
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$174,176
TOTAL ANNUAL SALES	34,285 MCF
EXPECTED GAS COST (EGC) RATE	\$5.0803

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**
**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**
**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.27880) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.09170 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ 0.67960 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ 1.13210 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 1.62460 /MCF

 THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
 PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 9/29/11

 BY: Anita M. Noce  
 Anita M. Noce, Lead Accountant

## PURCHASED GAS ADJUSTMENT

## GAS COST RECOVERY RATE CALCULATION

## DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 1, 2013

EXPECTED GAS COST (EGC)	\$5.1210 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.3368 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$2.2705 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 5/1/13-5/31/13

## EXPECTED GAS COST SUMMARY CALCULATION

## PARTICULARS

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 124,672
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$124,672
TOTAL ANNUAL SALES	24,345 MCF
EXPECTED GAS COST (EGC) RATE	\$5.1210

## SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

## PARTICULARS

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

## PARTICULARS

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.33680 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 4/29/13

BY: Larry Brainard, Controller  
Larry Brainard, Controller

**BRAINARD GAS CORP.**

As Filed

PAGE 1 OF 6

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2013**

EXPECTED GAS COST (EGC)	\$3.7365 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	(1.9424) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	(\$1.3932) /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES: 10/1/13-10/30/13	

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	121,317
UTILITY PRODUCTION EXPECTED GAS COST		0
INCLUDABLE PROPANE EXPECTED GAS COST		0
TOTAL ANNUAL EXPECTED GAS COST		\$121,317
TOTAL ANNUAL SALES		32,468 MCF
EXPECTED GAS COST (EGC) RATE		\$3.7365

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.1873) /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.84080) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.91150) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.17860 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.36870) /MCF
ACTUAL ADJUSTMENT (AA)	\$	(1.94240) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 9-30-13

BY:

Donald R. Whiteman  
Donald Whiteman, Corporate Controller

**ORWELL NATURAL GAS COMPANY**  
**PURCHASED GAS ADJUSTMENT**

As Filed

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2011**

EXPECTED GAS COST (EGC)	\$5.6379 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	0.4685 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

**\$6.1064 /MCF**

GAS COST RECOVERY RATE EFFECTIVE DATES: 09/01/11-09/30/11

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$4,797,353
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$4,797,353
TOTAL ANNUAL SALES	850,904 MCF
EXPECTED GAS COST (EGC) RATE	\$5.6379

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QRTLY ACTUAL ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QRTLY ACTUAL ADJUSTMENT	\$ (0.04630) /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ 0.55710 /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ (0.45480) /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ 0.41250 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.46850 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 8/31/11

BY:

*Anita M. Noce*  
Anita M. Noce, Lead Accountant

**ORWELL NATURAL GAS COMPANY  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012**

EXPECTED GAS COST (EGC)	\$5.4838 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(1.1929) /MCF
ACTUAL ADJUSTMENT (AA)	(0.1042) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$4.1867 /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES	10/1/12-10/31/12

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$3,930,676
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$3,930,676
TOTAL ANNUAL SALES	716,784 MCF
EXPECTED GAS COST (EGC) RATE	\$5.4838

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QRTLY ACTUAL ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	(\$1.1929) /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$1.1929) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QRTLY ACTUAL ADJUSTMENT	\$ (0.35470) /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ (0.04730) /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ 0.30260 /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ (0.00480) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.10420) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 9-26-12
 BY: Cindy Bates  
Cindy Bates, Accountant

**ORWELL NATURAL GAS COMPANY  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2013

EXPECTED GAS COST (EGC)	\$5.7495 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(0.0238) /MCF
ACTUAL ADJUSTMENT (AA)	(0.3770) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$5.3487 /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES: 9/1/13-9/30/13	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$5,093,313
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$5,093,313
TOTAL ANNUAL SALES	885,878 MCF
EXPECTED GAS COST (EGC) RATE	\$5.7495

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTLY ACTUAL ADJUSTMENT	(\$0.0238) /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$0.0238) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTLY ACTUAL ADJUSTMENT	\$ (0.06320) /MCF
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ 0.02230 /MCF
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ 0.01860 /MCF
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$ (0.35470) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.37700) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

8/30/13

BY:

  
 Donald Whiteman, Corporate Controller



Portions of this exhibit have been removed and are not available for public viewing.

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF AUGUST 1, 2011**

EXPECTED GAS COST (EGC)	\$6.4464 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	1.8451 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$8.2915 /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES: 8/1/11-8/31/11	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 227,086
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$227,086
TOTAL ANNUAL SALES	35,227 MCF
EXPECTED GAS COST (EGC) RATE	\$6.4464

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.09510 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.67960 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ 1.13210 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ (0.06170) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 1.84510 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 7/28/11

BY: Anita M. Noce  
Anita M. Noce, Lead Accountant

Portions of this exhibit have been removed and are not available for public viewing.

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2014**

EXPECTED GAS COST (EGC)	\$4.5118 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(1.3487) /MCF
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$3.1649 /MCF</b>
<b>GAS COST RECOVERY RATE EFFECTIVE DATES:</b>	<b>6/1/14-6/30/14</b>

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 189,249
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$189,249
TOTAL ANNUAL SALES	41,947 MCF
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$4.5118</b>

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$0.0000 /MCF</b>

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.51340 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.10780) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.84080) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$ (1.34870) /MCF</b>

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 14-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

5/30/14

BY:

*Donald R. Whiteman*  
Donald R. Whiteman, Corporate Controller

# **Exhibit D - Sales Volume in MCFs per Filed GCR Reports**

	<b>Brainard</b>	<b>NEO</b>	<b>Orwell</b>
Jan-11	29,305	1,770,385	725,766
Feb-11	29,305	1,770,385	725,766
Mar-11	29,305	1,779,297	725,766
Apr-11	30,596	1,779,297	747,352
May-11	30,596	1,779,297	747,352
Jun-11	33,507	1,860,904	843,228
Jul-11	33,507	1,920,416	843,228

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF <u>JANUARY 1, 2011</u>	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.5741
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2657
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 5.8398

GAS COST RECOVERY RATE EFFECTIVE DATES: 1/1/11 - 1/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$163,351
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 163,351
TOTAL ANNUAL SALES	MCF	29,305
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.5741

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER RERUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 1.1321
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5936)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.2112)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2667

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 12/30/10

BY: Dawn N. Opars  
Dawn N. Opars, Accountant

FILE

## PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

 RECEIVED-BOOKING DIV  
 2011 FEB 28 PM 1:59  
 PUCO

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.9421
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2657
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.2078

GAS COST RECOVERY RATE EFFECTIVE DATES: 2/1/11 - 2/28/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$174,136
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 174,136
TOTAL ANNUAL SALES	MCF	29,305
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.9421

## SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 1.1321
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0917)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5935)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.2112)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2667

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 11-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED \_\_\_\_\_

 BY: \_\_\_\_\_  
 Dawn N. Opars, Accountant

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Technician JD Date Processed 2-28-11

Summary

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.0151
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2657
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.2808

GAS COST RECOVERY RATE EFFECTIVE DATES: 3/1/11 - 3/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$178,275
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 178,275
TOTAL ANNUAL SALES	MCF	29,305
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 6.0151

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER RERUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ 1.1321
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.8935)
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.2112)
ACTUAL ADJUSMENT (AA)	\$/MCF	\$ 0.2657

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 11-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 3/25/11

BY: Dawn N. Opera  
Dawn N. Opera, Accountant

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# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF APRIL 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.8173
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.1565
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$/MCF</b>	<b>\$ 6.9738</b>

GAS COST RECOVERY RATE EFFECTIVE DATES: 4/1/11 - 4/30/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$177,984
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
<b>TOTAL ANNUAL EXPECTED GAS COST</b>	<b>\$</b>	<b>\$ 177,984</b>
<b>TOTAL ANNUAL SALES</b>	<b>MCF</b>	<b>30,586</b>
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$/MCF</b>	<b>\$ 5.8173</b>

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$/MCF</b>	<b>\$ -</b>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.6799
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	1.1321
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5935)
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$/MCF</b>	<b>\$ 1.1565</b>

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 11-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 3/30/11

BY:

Dawn N. Opers  
Dawn N. Opers, Accountant

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.7613
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.1585
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.9198

GAS COST RECOVERY RATE EFFECTIVE DATES: 5/1/11 - 5/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$178,270
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 178,270
TOTAL ANNUAL SALES	MCF	30,596
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.7613

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER RERUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.6798
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	1.1321
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5935)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.1585

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 11-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 4/29/11

BY: Dawn N. Opars  
Dawn N. Opars, Accountant

Larry Brainard 4/29/11

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.1187
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.1585
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$/MCF</b>	<b>\$ 7.2732</b>

GAS COST RECOVERY RATE EFFECTIVE DATES: 6/1/11 - 6/30/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$204,952
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
<b>TOTAL ANNUAL EXPECTED GAS COST</b>	<b>\$</b>	<b>\$ 204,952</b>
<b>TOTAL ANNUAL SALES</b>	<b>MCF</b>	<b>33,607</b>
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$/MCF</b>	<b>\$ 6.1187</b>

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$/MCF</b>	<b>\$ -</b>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.6786
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	1.1321
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5935)
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$/MCF</b>	<b>\$ 1.1585</b>

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 11-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 5/31/11

BY: Anita M. Nocs  
Anita M. Nocs, Lead Accountant

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

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**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JULY 1, 2011**

EXPECTED GAS COST (EGC)	\$6.0883 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	1.8391 /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA** **\$7.9274 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: 7/1/11-7/31/11**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 203,998
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$203,998
TOTAL ANNUAL SALES	33,507 MCF
EXPECTED GAS COST (EGC) RATE	\$6.0883

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.08910 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.67960 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ 1.13210 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMEN	\$ (0.06170) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 1.83910 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 6/29/11

BY: Anita M. Noce  
Anita M. Noce, Lead Accountant

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

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**GAS COST RECOVERY RATE CALCULATION**

**63RD QUARTERLY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2011**

EXPECTED GAS COST (EGC)	\$6.6994 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.9512) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$5.7482 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 1, 2011**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$11,860,554
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$11,860,554
TOTAL ANNUAL SALES	1,770,385 MCF
EXPECTED GAS COST (EGC) RATE	\$6.6994

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
61st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
60th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

63rd QUARTERLY ACTUAL ADJUSTMENT	\$0.2047 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	(0.1014) /MCF
61st QUARTERLY ACTUAL ADJUSTMENT	(0.5770) /MCF
60th QUARTERLY ACTUAL ADJUSTMENT	(0.4775) /MCF
ACTUAL ADJUSTMENT (AA)	(0.9512) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 10-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: December 30, 2010

BY: Dawn N. Opara, Accountant

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 11  
11-200-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

**63RD QUARTERLY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2011**

EXPECTED GAS COST (EGC)	\$6.8375 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.9512) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$5.8863 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: FEBRUARY 1, 2011**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$12,104,944
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$12,104,944
TOTAL ANNUAL SALES	1,770,385 MCF
EXPECTED GAS COST (EGC) RATE	\$6.8375

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
61st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
60th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

63rd QUARTERLY ACTUAL ADJUSTMENT	\$0.2047 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	(0.1014) /MCF
61st QUARTERLY ACTUAL ADJUSTMENT	(0.5770) /MCF
60th QUARTERLY ACTUAL ADJUSTMENT	(0.4775) /MCF
ACTUAL ADJUSTMENT (AA)	(0.9512) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0200-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: January 28, 2011

BY: Dawn N. Opara, Accountant

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

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11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

**64th QUARTERLY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2011**

EXPECTED GAS COST (EGC)	\$7.4469 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$6.9874 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: MARCH 1, 2011**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$13,250,254
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDEABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$13,250,254
TOTAL ANNUAL SALES	1,779,297 MCF
EXPECTED GAS COST (EGC) RATE	\$7.4469

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
61st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY ACTUAL ADJUSTMENT	\$0.0142 /MCF
63rd QUARTERLY ACTUAL ADJUSTMENT	0.2047 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	(0.1014) /MCF
61st QUARTERLY ACTUAL ADJUSTMENT	(0.5770) /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: February 25, 2011

BY: Dawn N. Opara, Accountant

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 11  
11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

64th QUARTERLY

DETAILS FOR THE EGC RATE IN EFFECT AS OF APRIL 1, 2011

EXPECTED GAS COST (EGC)	\$7.2466 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$6.7871 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: APRIL 1, 2011

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$12,893,843
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$12,893,843
TOTAL ANNUAL SALES	1,779,297 MCF
EXPECTED GAS COST (EGC) RATE	\$7.2466

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
61st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY ACTUAL ADJUSTMENT	\$0.0142 /MCF
63rd QUARTERLY ACTUAL ADJUSTMENT	0.2047 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	(0.1014) /MCF
61st QUARTERLY ACTUAL ADJUSTMENT	(0.5770) /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

3/30/11

BY:

Dawn N. Opala  
Dawn N. Opala, Accountant



**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

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11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

64th QUARTERLY

DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 1, 2011

EXPECTED GAS COST (EGC)	\$6.8410 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$6.3815 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 05/1/11-05/31/11

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$12,172,132
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$12,172,132
TOTAL ANNUAL SALES	1,779,297 MCF
EXPECTED GAS COST (EGC) RATE	\$6.8410

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
61st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

64th QUARTERLY ACTUAL ADJUSTMENT	\$0.0142 /MCF
63rd QUARTERLY ACTUAL ADJUSTMENT	0.2047 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	(0.1014) /MCF
61st QUARTERLY ACTUAL ADJUSTMENT	(0.5770) /MCF
ACTUAL ADJUSTMENT (AA)	(0.4595) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 4/29/11

BY: Dawn N. Opara  
Dawn N. Opara, Accountant

Long Beach 4/29/11

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6  
11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

**65th QUARTERLY**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2011**

EXPECTED GAS COST (EGC)	\$6.9005 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.1483) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$6.7522 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: 06/01/11-06/30/2011**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$12,841,227
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$12,841,227
TOTAL ANNUAL SALES	1,860,904 MCF
EXPECTED GAS COST (EGC) RATE	\$6.9005

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

65th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
64rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

65th QUARTERLY ACTUAL ADJUSTMENT	\$ (0.28580) /MCF
64th QUARTERLY ACTUAL ADJUSTMENT	\$ 0.01420 /MCF
63rd QUARTERLY ACTUAL ADJUSTMENT	\$ 0.20470 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	\$ (0.10140) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.14830) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 5/31/11

BY: Anita M. Noce  
Anita M. Noce, Lead Accountant

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2  
11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

65th QUARTERLY

DETAILS FOR THE EGC RATE IN EFFECT AS OF JULY 1, 2011

EXPECTED GAS COST (EGC)	\$6.0002 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.1253) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$5.8749 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 7/1/11-7/31/11

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 11,522,884.21
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$11,522,884
TOTAL ANNUAL SALES	1,920,416 MCF
EXPECTED GAS COST (EGC) RATE	\$6.0002

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

65th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
64rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
62st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

65th QUARTERLY ACTUAL ADJUSTMENT	\$ (0.24280) /MCF
64th QUARTERLY ACTUAL ADJUSTMENT	\$ 0.01420 /MCF
63rd QUARTERLY ACTUAL ADJUSTMENT	\$ 0.20470 /MCF
62nd QUARTERLY ACTUAL ADJUSTMENT	\$ (0.10140) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.12530) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 6/29/11

BY: Anita M. Noce

Anita M. Noce, Lead Accountant

# PURCHASED GAS ADJUSTMENT

## ORWELL NATURAL GAS COMPANY

### GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.7438
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0024
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.7463

GAS COST RECOVERY RATE EFFECTIVE 1/1/11 - 1/31/11

### EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 4,168,672
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 4,168,672
TOTAL ANNUAL SALES	MCF	725,788
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.7438

### SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

### ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5287
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0024

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 10-212-GA-GCR

DATE FILED: 12/30/10

BY: Dawn N. Opars  
Dawn N. Opars, Accountant

# PURCHASED GAS ADJUSTMENT

ORWELL NATURAL GAS COMPANY

## GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.6879
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0024
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.6904

GAS COST RECOVERY RATE EFFECTIVE D 2/1/11 - 2/28/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 4,128,118
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 4,128,118
TOTAL ANNUAL SALES	MCF	725,768
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.6879

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5267
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0024

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 11-212-GA-GCR

DATE FILED: 11/31/11

BY: Dawn N. Opava  
Dawn N. Opava, Accountant

# PURCHASED GAS ADJUSTMENT

ORWELL NATURAL GAS COMPANY

## GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.6994
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.5729
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.2724

GAS COST RECOVERY RATE EFFECTIVE 3/1/11 - 3/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 4,138,451
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 4,138,451
TOTAL ANNUAL SALES	MCF	725,766
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.6994

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.0972
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.5729

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 11-212-GA-GCR

DATE FILED: 2/25/11

BY: Dawn N. Opara  
Dawn N. Opara, Accountant

# PURCHASED GAS ADJUSTMENT

ORWELL NATURAL GAS COMPANY

## GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.6007
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.6335

GAS COST RECOVERY RATE EFFECTIVE 04/1/11 - 4/30/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 4,185,729
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 4,185,729
TOTAL ANNUAL SALES	MCF	<span style="border: 1px solid black; padding: 0 5px;">747,352</span>
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.6007

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5571
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 11-212-GA-GCR

DATE FILED: 3/30/11

BY: Dawn N. Opara  
Dawn N. Opara, Accountant

# PURCHASED GAS ADJUSTMENT

ORWELL NATURAL GAS COMPANY

## GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.5288
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 6.5616

GAS COST RECOVERY RATE EFFECTIVE DATE 5/1/11 - 5/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 4,131,967
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 4,131,967
TOTAL ANNUAL SALES	MCF	<u>747,352</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.5288

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5571
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 11-212-GA-GCR

DATE FILED: 4/29/11

BY: Dawn N. Opars  
Dawn N. Opars, Accountant

*Larry Beaman 4/29/11*



# PURCHASED GAS ADJUSTMENT

ORWELL NATURAL GAS COMPANY

## GAS COST RECOVERY RATE CALCULATION

PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.2285
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 7.2613

GAS COST RECOVERY RATE EFFECTIVE DATES 5/1/11 - 6/30/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$ 5,252,033
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 5,252,033
TOTAL ANNUAL SALES	MCF	843,228
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 6.2285

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5571
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.4548)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.4125
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ 0.5180
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 1.0328

THIS REPORT FILED PURSUANT TO PUCO CASE NUMBER 11-212-GA-GCR

DATE FILED: 5/21/11

BY: Anita M. Noce  
Anita M. Noce, Lead Accountant

**ORWELL NATURAL GAS COMPANY**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF <b>JULY 1, 2011</b>	
EXPECTED GAS COST (EGC)	\$5.6416 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	0.4728 /MCF
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	
	<b>\$6.1144 /MCF</b>
<b>GAS COST RECOVERY RATE EFFECTIVE DATES: 07/1/11-07/31/11</b>	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$4,757,194
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$4,757,194
TOTAL ANNUAL SALES	843,228 MCF
EXPECTED GAS COST (EGC) RATE	\$5.6416

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTLTY ACTUAL ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTLTY ACTUAL ADJUSTMENT	\$ (0.04200) /MCF
PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ 0.55710 /MCF
2nd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ (0.45480) /MCF
3rd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ 0.41250 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.47280 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 6/29/11

BY: Anita M. Noce

Anita M. Noce, Lead Accountant

Portions of this exhibit have been removed and are not available for public viewing.

**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

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11-209-GA-GCR

**GAS COST RECOVERY RATE CALCULATION**

67th QUARTERLY

DETAILS FOR THE EGC RATE IN EFFECT AS OF **DECEMBER 1, 2011**

EXPECTED GAS COST (EGC)	\$5.4638 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(0.9508) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$4.5130 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 12/1/11-12/31/11

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 9,669,883.97
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDEABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$9,669,884
TOTAL ANNUAL SALES	1,769,824 MCF
EXPECTED GAS COST (EGC) RATE	\$5.4638

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

66th QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
65rd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
64nd QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
63st QUARTERLY SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

67th QUARTERLY ACTUAL ADJUSTMENT	\$ 0.14930 /MCF
66th QUARTERLY ACTUAL ADJUSTMENT	\$ (0.88110) /MCF
65rd QUARTERLY ACTUAL ADJUSTMENT	\$ (0.23320) /MCF
64nd QUARTERLY ACTUAL ADJUSTMENT	\$ 0.01420 /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.95080) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 11-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 11/30/11

BY: Anita M. Noce

Anita M. Noce, Lead Accountant

Actual Sales to Include in December 2011 Sales Volume (RCIS Calculation)

	Calc. Usage Amount	Free Gas Usage Amount
Sep-11	49,475	439
Aug-11	40,823	297
Jul-11	50,632	517
Jun-11	62,438	933
May-11	116,632	1,925
Apr-11	222,880	3,666
Mar-11	268,481	4,490
Feb-11	376,688	5,587
Jan-11	377,639	5,770
Dec-10	224,821	2,767
Nov-10	129,155	1,380
Oct-10	65,557	628
	<b>1,985,221</b>	<b>28,397</b>
		<b>1,956,824</b>

# NEO December 2011 GCR Rate

	As Filed	With Audited Sales Figures
Primary Gas Suppliers Expected Gas Cost	\$ 9,669,883.97	\$ 9,669,883.97
Total Annual Sales	1,769,824	1,956,824
Expected Gas Cost	5.4638	4.9416
Reconciliation Adjustment	-	-
Actual Adjustment	(0.9508)	(0.9508)
Total GCR Rate	\$ 4.5130	\$ 3.9908
Difference	\$	\$ 0.5221

Portions of this exhibit have been removed and are not available for public viewing.

Monthly Figures from Daily Invoicing Reports

Monthly Figures from Daily Invoicing Reports					Annual Totals			
Month	Calc. Usage Amount	Free Calc. Usage Amount	Net Usage Amount	1st Month	12th Month	Annual Sales Volume	Total per GCR Filling	Difference
Oct-09	29,662.6	248.5	29,414.1					
Nov-09	53,846.9	398.0	53,448.9					
Dec-09	100,180.6	1,195.5	98,985.1					
Jan-10	142,773.1	1,834.0	140,939.1					
Feb-10	139,593.9	1,465.6	138,128.3					
Mar-10	98,240.5	1,104.4	97,136.1					
Apr-10	63,038.6	549.5	62,489.1					
May-10	38,471.2	384.8	38,086.4					
Jun-10	21,048.0	213.5	20,834.5					
Jul-10	18,319.7	108.5	18,211.2					
Aug-10	13,301.2	171.1	13,130.1					
Sep-10	15,189.0	226.3	14,962.7					
Oct-10	27,251.2	266.7	26,984.5					
Nov-10	60,212.7	680.3	59,532.4					
Dec-10	118,360.8	1,443.2	116,917.6					
Jan-11	166,529.0	1,077.4	165,451.6	10/1/2009	9/1/2010	725,765.6	725,766.0	(0.4)
Feb-11	166,197.4	2,584.5	163,612.9	11/1/2009	10/1/2010	723,336.0	725,766.0	(2,430.0)
Mar-11	113,656.2	1,207.0	112,449.2	12/1/2009	11/1/2010	729,419.5	725,766.0	3,653.5
Apr-11	93,778.7	756.5	93,022.2	1/1/2010	12/1/2010	747,352.0	747,352.0	-
May-11	47,113.9	362.0	46,751.9	2/1/2010	1/1/2011	771,864.5	747,352.0	24,512.5
Jun-11	20,088.1	242.9	19,845.2	4/1/2010	3/1/2011	812,662.2	843,228.0	(30,565.8)
Jul-11	12,191.5	105.2	12,086.3	5/1/2010	4/1/2011	843,195.3	843,228.0	(32.7)
Aug-11	19,426.2	170.5	19,255.7	6/1/2010	5/1/2011	851,860.8	824,987.0	26,873.8
Sep-11	17,094.2	111.3	16,982.9	7/1/2010	6/1/2011	850,871.5	850,904.0	(32.5)
Oct-11	24,085.3	273.7	23,811.6	8/1/2010	7/1/2011	844,746.6	857,930.0	(13,183.4)
Nov-11	63,056.8	612.0	62,444.8	9/1/2010	8/1/2011	850,872.2	850,905.0	(32.8)
Dec-11	95,813.8	1,166.2	94,647.6	10/1/2010	9/1/2011	852,892.4	852,925.0	(32.6)
Jan-12	127,995.8	1,384.5	126,611.3	11/1/2010	10/1/2011	849,719.5	849,752.0	(32.5)
Feb-12	129,938.3	816.0	129,122.3	12/1/2010	11/1/2011	852,631.9	852,665.0	(33.1)
Mar-12	99,212.9	822.7	98,390.2	1/1/2011	12/1/2011	830,361.9	830,395.0	(33.1)
Apr-12	57,345.4	602.9	56,742.5	2/1/2011	1/1/2012	791,521.6	791,522.0	(0.4)
May-12	42,331.4	438.3	41,893.1	3/1/2011	2/1/2012	757,031.0	762,808.0	(5,777.0)
Jun-12	20,976.8	243.1	20,733.7	4/1/2011	3/1/2012	742,972.0	703,749.0	39,223.0
Jul-12	20,448.4	76.3	20,372.1	5/1/2011	4/1/2012	706,692.3	712,469.0	(5,776.7)
Aug-12	12,255.6	217.8	12,037.8	6/1/2011	5/1/2012	701,833.5	707,610.0	(5,776.5)
Sep-12	16,883.9	221.5	16,662.4	7/1/2011	6/1/2012	702,722.0	708,499.0	(5,777.0)
Oct-12	31,775.7	375.6	31,400.1	8/1/2011	7/1/2012	711,007.8	716,784.0	(5,776.2)
Nov-12	81,695.4	910.1	80,785.3	9/1/2011	8/1/2012	703,789.9	709,566.0	(5,776.1)
Dec-12	97,942.5	1,081.6	96,860.9	10/1/2011	9/1/2012	703,469.4	709,246.0	(5,776.6)
Jan-13	158,857.8	1,158.7	157,699.1	11/1/2011	10/1/2012	711,057.9	716,834.0	(5,776.1)
Feb-13	132,548.8	1,913.6	130,635.2	12/1/2011	11/1/2012	729,398.4	735,175.0	(5,776.6)



Monthly Figures from Daily Invoicing Reports

Month	Monthly Figures from Daily Invoicing Reports				Annual Totals			
	Calc. Usage Amount	Free Calc. Usage Amount	Net Usage Amount	1st Month	12th Month	Annual Sales Volume	Total per GCHilling	Difference
Mar-13	142,725.9	1,566.6	141,159.3	1/1/2012	12/1/2012	731,611.7	737,388.0	(5,776.3)
Apr-13	118,331.0	1,032.0	117,299.0	2/1/2012	1/1/2013	762,699.5	768,476.0	(5,776.5)
May-13	52,573.6	658.7	51,914.9	3/1/2012	2/1/2013	764,212.4	764,212.0	0.4
Jun-13	29,391.0	339.6	29,051.4	4/1/2012	3/1/2013	806,981.5	806,982.0	(0.5)
Jul-13	18,779.4	181.6	18,597.8	5/1/2012	4/1/2013	867,538.0	867,538.0	-
Aug-13	18,473.8	296.5	18,177.3	6/1/2012	5/1/2013	877,559.8	877,560.0	(0.2)
Sep-13	17,811.9	301.3	17,510.6	7/1/2012	6/1/2013	885,877.5	885,878.0	(0.5)
Oct-13	24,123.5	340.7	23,782.8	8/1/2012	7/1/2013	884,103.2	884,103.0	0.2
Nov-13	76,620.2	839.4	75,780.8	9/1/2012	8/1/2013	890,242.7	890,243.0	(0.3)
Dec-13	136,771.7	1,925.1	134,846.6	10/1/2012	9/1/2013	891,090.9	891,091.0	(0.1)
Jan-14	188,073.8	2,387.6	185,686.2	11/1/2012	10/1/2013	883,473.6	883,474.0	(0.4)
Feb-14	238,405.1	2,317.2	236,087.9	12/1/2012	11/1/2013	878,469.1	878,469.0	0.1
Mar-14	163,834.9	1,810.5	162,024.4	2/1/2013	1/1/2014	944,441.9	944,442.0	(0.1)
Apr-14	129,761.7	1,085.9	128,675.8	3/1/2013	2/1/2014	1,049,894.6	1,049,895.0	(0.4)
May-14	58,834.9	486.1	58,348.8	4/1/2013	3/1/2014	1,070,759.7	1,070,760.0	(0.3)
Jun-14	30,512.9	244.8	30,268.1	5/1/2013	4/1/2014	1,082,136.5	1,082,137.0	(0.5)

Portions of this exhibit have been removed and are not available for public viewing.

**ORWELL NATURAL GAS COMPANY**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2012	
EXPECTED GAS COST (EGC)	\$5.0163 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(1.1929) /MCF
ACTUAL ADJUSTMENT (AA)	0.0506 /MCF
<hr/>	
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$3.8740 /MCF
<hr/>	
GAS COST RECOVERY RATE EFFECTIVE DATES: 6/1/12-6/30/12	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$3,530,232
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$3,530,232
TOTAL ANNUAL SALES	703,749 MCF
EXPECTED GAS COST (EGC) RATE	\$5.0163

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTL ACTUAL ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	(\$1.1929) /MCF
2nd PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$1.1929) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QRTL ACTUAL ADJUSTMENT	\$ 0.30280 /MCF
PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	\$ (0.00480) /MCF
2nd PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	\$ (0.21160) /MCF
3rd PREVIOUS QRTL REPORTED ACTUAL ADJUSTMENT	\$ (0.03560) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.05060 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 5-29-12

BY: Cindy Bates  
Cindy Bates, Accountant

Actual Sales to Include in June 2012 Sales Volume (RCIS Calculation)

	Calc. Usage Amount	Free Gas Usage Amount
Apr-11	93,778.7	756.5
May-11	47,113.9	362.0
Jun-11	20,088.1	242.9
Jul-11	12,191.5	105.2
Aug-11	19,426.2	170.5
Sep-11	17,094.2	111.3
Oct-11	24,085.3	273.7
Nov-11	63,056.8	612.0
Dec-11	95,813.8	1,166.2
Jan-12	127,995.8	1,384.5
Feb-12	129,938.3	816.0
Mar-12	99,212.9	822.7
	749,795.5	6,823.5
		742,972.0

# Orwell June 2012 GCR Rate

	As Filed	With Audited Sales Figures (Based Only On Correct Daily Invoicing Report)	Figures Removing 45,000 MCF Manual Adjustment
Primary Gas Suppliers Expected Gas Cost	\$ 3,530,232.00	\$ 3,530,232.00	\$ 3,530,232.00
Total Annual Sales	703,749	742,972	748,749
Expected Gas Cost	5.0163	4.7515	4.7148
Reconciliation Adjustment	(1.1929)	(1.1929)	(1.1929)
Actual Adjustment	0.0506	0.0506	0.0506
<b>Total GCR Rate</b>	<b>\$ 3.8740</b>	<b>\$ 3.6092</b>	<b>\$ 3.5725</b>
Difference		<b>\$ 0.2648</b>	<b>\$ 0.3015</b>

**BRAINARD GAS CORP.  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014**

EXPECTED GAS COST (EGC)	\$3.6232 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(1.6815) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$1.9417 /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES: 1/1/14-1/31/14	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 118,251
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$118,251
TOTAL ANNUAL SALES	32,837 MCF
EXPECTED GAS COST (EGC) RATE	\$3.6232

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.10780) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.84080) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.68150) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 12/30/13

BY:   
Donald Whiteman, Corporate Controller

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
EXPECTED GAS COST RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED OCTOBER 31, 2013

SUPPLIER NAME	EXPECTED GAS COST AMOUNT					TOTAL
	RESERVATION	COMMODITY	TRANSPORTATION	MISC.		
PRIMARY GAS SUPPLIERS						
GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 1, 2014						
OTP	\$	-	\$ 11,938	\$ 2,552	\$ -	\$ 14,490
COBRA	\$	-	\$ 90,126	\$ 12,135	\$ 1,500	\$ 103,761
TOTAL INTERSTATE PIPELINE SUPPLIERS	\$	-	\$ 102,064	\$ 14,687	\$ 1,500	\$ 118,251
(B) SYNTHETIC (SCH I-A)	\$	-	\$ -	\$ -	\$ -	\$ -
(C) OTHER GAS COMPANIES (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -
(D) OHIO PRODUCERS (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -
(E) SELF HELP ARRANGEMENTS (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -
(F) SPECIAL PURCHASES (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -
TOTAL PRIMARY GAS SUPPLIERS	\$	-	\$ -	\$ -	\$ -	\$ -

**UTILITY PRODUCTION**

TOTAL UTILITY PRODUCTION (ATTACH DETAILS)

0

TOTAL EXPECTED GAS COST AMOUNT

\$ 118,251

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PARTICULARS	UNIT	AMOUNT
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 9/30/13	MCF	32,563
TOTAL SALES:TWELVE MONTHS ENDED 9/30/13	MCF	32,563
GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 1, 2014		100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		\$0
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		\$0
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		\$0
INTEREST FACTOR		0.0000
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		\$0
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 9/30/13	MCF	32,563
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	\$0.0000

**DETAILS OF REFUNDS / ADJUSTMENT  
RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 9/30/13**

PARTICULARS (SPECIFY)	AMOUNT (\$)
<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1 \$0
<b>TOTAL SUPPLIER REFUNDS</b>	\$0
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	
Case No. 11-209-GA-GCR	\$0



**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
ACTUAL ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PARTICULARS	UNIT	MONTH Jul-13	MONTH Aug-13	MONTH Sep-13
<b><u>SUPPLY VOLUME PER BOOKS:</u></b>				
GAS COST RECOVERY RATE EFFECTIVE DATES	MCF	758	910	441
UTILITY PRODUCTION	MCF			0
INCLUDABLE PROPANE	MCF	0		0
OTHER VOLUMES - IMBALANCE GAS	MCF			
<b>TOTAL SUPPLY VOLUMES</b>	<b>MCF</b>	<b>758</b>	<b>910</b>	<b>441</b>
<b><u>SUPPLY COST PER BOOKS:</u> All inclusive</b>				
PRIMARY GAS SUPPLIES	\$			
UTILITY PRODUCTION	\$	3,390	3,773	2,234
LIFO ADJUSTMENT	\$	0	0	0
INTEREST ON LIFO ADJUSTMENT	\$	0	0	0
OTHER VOLUMES - IMBALANCE GAS	\$			
<b>TOTAL SUPPLY COST</b>	<b>\$</b>	<b>3,390</b>	<b>3,773</b>	<b>2,234</b>
<b><u>SALES VOLUMES:</u></b>				
JURISDICTIONAL	MCF	978	889	876
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY)	MCF	0	0	0
<b>TOTAL SALES VOLUME</b>	<b>MCF</b>	<b>978</b>	<b>889</b>	<b>876</b>
<b><u>UNIT BOOK COST OF GAS:</u></b>				
(SUPPLY \$/SALES MCF)	\$/MCF	\$3.4680	\$4.2456	\$2.5494
LESS:EGC IN EFFECT FOR MONTH	\$/MCF	4.5911	3.8046	3.7904
DIFFERENCE	\$/MCF	(\$1.1231)	\$0.4410	(\$1.2410)
TIMES : JURISDICTIONAL SALES	MCF	978	889	876
<b>MONTHLY COST DIFFERENCE</b>		<b>(\$1,098)</b>	<b>\$392</b>	<b>(\$1,088)</b>
<b>BALANCE ADJUSTMENT SCHEDULE IV-A</b>				<b>(\$1,717)</b>
<b><u>COST DIFFERENCE FOR THE THREE MONTH PERIOD</u></b>				
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 9/30/13				<b>32,563</b>
<b>CURRENT QUARTER ACTUAL ADJUSTMENT</b>				<b>(\$0.1078)</b>

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
BALANCE ADJUSTMENT**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014**

**VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013**

**PARTICULARS****AMOUNT**

COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR

LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: 0.2628 /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 32,563 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.

\$8,232

**BALANCE ADJUSTMENT FOR THE AA**

(\$1,717)

DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.

LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENT 0.0000 /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 32,563 MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.

\$0

**BALANCE ADJUSTMENT FOR THE RA**

\$0

DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR.  
50TH QTR

LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF          MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.

\$0

\$0

**TOTAL BALANCE ADJUSTMENT AMOUNT**

(\$1,717)

FILE

FILE

BRAINARD GAS CORP.  
8500 Station Street Suite 100  
Mentor, OH 44060

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Public Utilities Commission of Ohio  
Docketing - 11th Floor  
180 East Broad Street  
Columbus, Ohio 43215

RE: Case No. 12-206-GA-GCR and 89-8039-GA-TRF


Attn Docketing:

Brainard Gas Corp ("Brainard") herein submits the following:

1. For filing in Case No. 89-8039-GA-TRF four (4) copies of its GCR tariff sheet in compliance with Rule 4901:1-14, O.A.C., effective for billing purposes October 1, 2012. The enclosed tariff, Seventy-Four Revised Sheet No. 2, supersedes existing tariff, Seventy-Three Revised Sheet No. 2, which is hereby withdrawn.
- ✓ 2. For filing in Case No. 12-206-GA-GCR an original and seven (7) copies of the GCR calculation rates to be effective for billing purposes on October 1, 2012.

Thank you for your attention in this matter.

Sincerely,

  
Cindy Bates  
Accountant  
Brainard Gas Corp.

\* This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician AW Date Processed OCT 03 2012

**BRAINARD GAS CORP.  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.4078 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$4.9242 /MCF
--	---------------

GAS COST RECOVERY RATE EFFECTIVE DATES: 10/01/12-10/31/12

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	113,554	
UTILITY PRODUCTION EXPECTED GAS COST		0	
INCLUDABLE PROPANE EXPECTED GAS COST		0	
TOTAL ANNUAL EXPECTED GAS COST		\$113,554	
TOTAL ANNUAL SALES		25,762	MCF
EXPECTED GAS COST (EGC) RATE		\$4.4078	

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	\$	0.51640 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

9-26-12

BY:

Cindy Bates  
Cindy Bates, Accountant

PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED JULY 30, 2012

SUPPLIER NAME		EXPECTED GAS COST AMOUNT					TOTAL
		RESERVATION	COMMODITY	TRANSPORTATION	MISC.		
PRIMARY GAS SUPPLIERS							
GAS COST RECOVERY RATE EFFECTIVE DATES: OCTOBER 1, 2012							
OTP	\$	-	\$ (91)	\$ 1,851	\$ -	\$ 1,760	
COBRA	\$	-	\$ 96,039	\$ 14,255	\$ 1,500	\$ 111,794	
TOTAL INTERSTATE PIPELINE SUPPLIERS	\$	-	\$ 95,948	\$ 16,106	\$ 1,500	\$ 113,554	
(B) SYNTHETIC (SCH I-A)	\$	-	\$ -	\$ -	\$ -	\$ -	-
(C) OTHER GAS COMPANIES (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -	-
(D) OHIO PRODUCERS (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -	-
(E) SELF HELP ARRANGEMENTS (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -	-
(F) SPECIAL PURCHASES (SCH I-B)	\$	-	\$ -	\$ -	\$ -	\$ -	-
TOTAL PRIMARY GAS SUPPLIERS	\$	-	\$ -	\$ -	\$ -	\$ -	

UTILITY PRODUCTION

TOTAL UTILITY PRODUCTION (ATTACH DETAILS)

0

TOTAL EXPECTED GAS COST AMOUNT

\$ 113,554

## BRAINARD GAS CORP.

## SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

PARTICULARS	UNIT	AMOUNT
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 06/30/12	MCF	25,774
TOTAL SALES: TWELVE MONTHS ENDED 06/30/12	MCF	25,774
GAS COST RECOVERY RATE EFFECTIVE DATES: OCTOBER 1, 2011		100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		\$0
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		\$0
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		\$0
INTEREST FACTOR		1.0550
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		\$0
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 06/30/12	MCF	25,774
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	\$0.0000

## DETAILS OF REFUNDS / ADJUSTMENT

RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 06/30/12

PARTICULARS (SPECIFY)	AMOUNT (\$)
<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1 \$0
<u>TOTAL SUPPLIER REFUNDS</u>	\$0
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	
Case No. 11-209-GA-GCR	\$0
	\$0

BRAINARD GAS CORP.

SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012

VOLUME FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

MM-YY	DESCRIPTION	AMOUNT
Apr-12		\$0.00
May-12		\$0.00
Jun-12		\$0.00

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
ACTUAL ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012

VOLUME FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

PARTICULARS	UNIT	MONTH Apr-12	MONTH May-12	MONTH Jun-12
<b><u>SUPPLY VOLUME PER BOOKS:</u></b>				
GAS COST RECOVERY RATE EFFECTIVE DATES	MCF	3,249	314	880
UTILITY PRODUCTION	MCF			0
INCLUDABLE PROPANE	MCF	0		0
OTHER VOLUMES - IMBALANCE GAS	MCF			
<b>TOTAL SUPPLY VOLUMES</b>	<b>MCF</b>	<b>3,249</b>	<b>314</b>	<b>880</b>
<b><u>SUPPLY COST PER BOOKS:</u> All Inclusive</b>				
PRIMARY GAS SUPPLIES	\$			
UTILITY PRODUCTION	\$	8,822	1,825	2,263
LIFO ADJUSTMENT	\$	0	0	0
INTEREST ON LIFO ADJUSTMENT	\$	0	0	0
OTHER VOLUMES - IMBALANCE GAS	\$			
<b>TOTAL SUPPLY COST</b>	<b>\$</b>	<b>8,822</b>	<b>1,825</b>	<b>2,263</b>
<b><u>SALES VOLUMES:</u></b>				
JURISDICTIONAL	MCF	2,495	2,181	1,110
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY)	MCF	0	0	0
<b>TOTAL SALES VOLUME</b>	<b>MCF</b>	<b>2,495</b>	<b>2,181</b>	<b>1,110</b>
<b><u>UNIT BOOK COST OF GAS:</u></b>				
(SUPPLY \$/SALES MCF)	\$/MCF	\$3.5359	\$0.8367	\$2.0386
LESS:EGC IN EFFECT FOR MONTH	\$/MCF	3.3469	3.4296	3.8621
DIFFERENCE	\$/MCF	\$0.1890	(\$2.5929)	(\$1.8235)
TIMES : JURISDICTIONAL SALES	MCF	2,495	2,181	1,110
<b>MONTHLY COST DIFFERENCE</b>		<b>\$472</b>	<b>(\$5,654)</b>	<b>(\$2,024)</b>
<b>BALANCE ADJUSTMENT SCHEDULE IV-A</b>				<b>\$691</b>
<b>COST DIFFERENCE FOR THE THREE MONTH PERIOD</b>				<b>(\$6,515)</b>
<b>JURISDICTIONAL SALES:TWELVE MONTHS ENDED 06/30/12</b>				<b>25,774</b>
<b>CURRENT QUARTER ACTUAL ADJUSTMENT</b>				<b>(\$0.2528)</b>



**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
BALANCE ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$2,987
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: 0.0891 /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 25,774 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>\$2,296</u>
<b>BALANCE ADJUSTMENT FOR THE AA</b>	<u><u>\$691</u></u>
DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR. TH QTR	\$0
LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF \$.000/MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>\$0</u>
<b>BALANCE ADJUSTMENT FOR THE RA</b>	<u><u>\$0</u></u>
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR. 50TH QTR	
LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.	<u>\$0</u>
	<u><u>\$0</u></u>
<b>TOTAL BALANCE ADJUSTMENT AMOUNT</b>	<u><u>\$691</u></u>

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the )  
Purchased Gas Adjustment Clauses )  
Contained Within the Rate Schedules of ) Case No. 12-206-GA-GCR  
Brainard Gas Corporation and Related )  
Matters. )

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MOTION OF BRAINARD GAS CORPORATION  
TO CORRECT ERROR IN GAS COST RECOVERY RATE CALCULATION

Brainard Gas Corporation (hereinafter, "Brainard") respectfully requests that it be authorized to correct the Gas Cost Recovery Rate Calculation contained in its Monthly Report filed on October 3, 2012 for the reason that on page 1 of 6 under "details for the EGC Rate in Effect as of October 1, 2012" it inadvertently failed to reflect the Reconciliation Adjustment of (\$3.2014) necessary to comply with the Commission's Entry on Rehearing entered on September 26, 2012 in Case No. 11-206-GA-GCR requiring that an overcollection be refunded over a 12 month period. Attached to this Motion is the Original and Revised Page 1 of 6 for the October 3 Report, and Revised Schedule II ("Supplier Refund and Reconciliation Adjustment). This proposed revision will result in a revised gas cost recovery rate of \$1.7228 per Mcf to initiate the refund without delay.

Respectfully submitted,



---

Andrew J. Sonderman (0008610)  
Kegler Brown Hill & Ritter LPA  
Capitol Square, Suite 1800  
65 East State Street  
Columbus, Ohio 43215  
(614) 462-5496  
(614) 464-2534  
[asonderman@keglerbrown.com](mailto:asonderman@keglerbrown.com)  
Counsel for Brainard Gas Corporation

**BRAINARD GAS CORP.  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.4078 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA  
GAS COST RECOVERY RATE EFFECTIVE DATES: 10/01/12-10/31/12

\$4.9242 /MCF

↓  
*ORIGINAL*

**EXPECTED GAS COST SUMMARY CALCULATION**

<b>PARTICULARS</b>	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 113,554
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$113,554
TOTAL ANNUAL SALES	25,762 MCF
EXPECTED GAS COST (EGC) RATE	\$4.4078

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

<b>PARTICULARS</b>	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

<b>PARTICULARS</b>	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.51640 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: \_\_\_\_\_

BY: \_\_\_\_\_  
Cindy Bates, Accountant

**BRAINARD GAS CORP.  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.4078 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.2014) /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$1.7228 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 10/01/12-10/31/12

✓  
REVISED

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 113,554
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$113,554
TOTAL ANNUAL SALES	25,762 MCF
EXPECTED GAS COST (EGC) RATE	\$4.4078

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3,2014) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3,2014) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.51640 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0206-GA-GCROF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 10-3-12

BY: Cindy Bales  
Cindy Bales, Accountant

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2012

PARTICULARS	UNIT	AMOUNT
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 06/30/11	MCF	34,382
TOTAL SALES:TWELVE MONTHS ENDED 06/30/11	MCF	34,382
GAS COST RECOVERY RATE EFFECTIVE DATES: OCTOBER 1, 2012		100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		<u>\$0</u>
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		<u>(\$104,331)</u>
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		<u>(\$104,331)</u>
INTEREST FACTOR		<u>1.0550</u>
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		<u>(\$110,069)</u>
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 06/30/11	MCF	<u>34,382</u>
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	<u>(\$3.2014)</u>

**DETAILS OF REFUNDS / ADJUSTMENT  
RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 06/30/12**

PARTICULARS (SPECIFY)	AMOUNT (\$)
<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1 <u>\$0</u>
<b>TOTAL SUPPLIER REFUNDS</b>	<u>\$0</u>
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	
Case No. 11-0206-GA-GCR	<u>(\$104,331)</u>
	<u>(\$104,331)</u>

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**10/4/2012 5:03:44 PM**

**in**

**Case No(s). 12-0206-GA-GCR**

**Summary: Motion MOTION OF BRAINARD GAS CORPORATION TO CORRECT ERROR IN  
GAS COST RECOVERY RATE CALCULATION  
electronically filed by Mr. Andrew J Sonderman on behalf of Brainard Gas Corporation**

## Brainard January 2014 GCR Rate

### Calculation of Balance Adjustment

<b>Cost Difference</b>	\$ 6,515	\$ (6,515)
<b>Historic AA Rate</b>	0.2528	(0.2528)
<b>Historic Sales Volume</b>	32,563	32,563
<b>Historic Rate * Sales Volume</b>	8,231.93	(8,231.93)
<b>Difference</b>	\$ (1,717)	\$ 1,717

### Current Quarter - Calculation

July 2013 Cost Difference	\$ (1,098)	\$ (1,098)
August 2013 Cost Difference	\$ 392	\$ 392
September 2013 Cost Difference	\$ (1,088)	\$ (1,088)
<b>Balance Adjustment</b>	<b>\$ (1,717)</b>	<b>\$ 1,717</b>
<b>Total Adjustments</b>	<b>\$ (3,511)</b>	<b>\$ (77)</b>
<b>Annual Sales</b>	<b>\$ 32,563</b>	<b>\$ 32,563</b>
<b>Rate</b>	<b>(0.1078)</b>	<b>(0.0024)</b>

### Actual Adjustment

<b>Current Qtr</b>	<b>(0.1078)</b>	<b>(0.0024)</b>
1st Prior Qtr	(0.8408)	(0.8408)
2nd Prior Qtr	(0.9115)	(0.9115)
3rd Prior Qtr	0.1786	0.1786
<b>Total</b>	<b>(1.6815)</b>	<b>(1.5761)</b>

### GCR Rate

	As Filed	With Corrected AA
Primary Gas Suppliers Expected Gas Cost	\$ 118,251.00	\$ 118,251.00
Total Annual Sales	32,637	32,637
Expected Gas Cost	3.6232	3.6232
Reconciliation Adjustment	-	-
<b>Actual Adjustment</b>	<b>(1.6815)</b>	<b>(1.5761)</b>
<b>Total GCR Rate</b>	<b>\$ 1.9417</b>	<b>\$ 2.0472</b>
<b>Difference</b>		<b>\$ (0.1054)</b>

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# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 8.0800
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.1444)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 5.9356

GAS COST RECOVERY RATE EFFECTIVE DATES: 01/1/10 - 01/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$199,595
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 199,595
TOTAL ANNUAL SALES	MCF	24,702
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 8.0800

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.7232)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.6406)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0782)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.1444)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 09-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 12/30/09

BY: Dawn N. Opere  
Dawn N. Opere, Accountant

# PURCHASED GAS ADJUSTMENT

Brainerd Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 7.4400
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.1444)
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$/MCF</b>	<b>\$ 3.2566</b>

GAS COST RECOVERY RATE EFFECTIVE DATES: 02/1/10 - 02/28/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$183,785
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
<b>TOTAL ANNUAL EXPECTED GAS COST</b>	<b>\$</b>	<b>\$ 183,785</b>
<b>TOTAL ANNUAL SALES</b>	<b>MCF</b>	<b>24,702</b>
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$/MCF</b>	<b>\$ 7.4400</b>

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$/MCF</b>	<b>\$ (2.0390)</b>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7232)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.8405)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.6782)
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$/MCF</b>	<b>\$ (2.1444)</b>

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 1/29/10

BY: Dawn N. Opars

Dawn N. Opars, Accountant

FILE

## PURCHASED GAS ADJUSTMENT

Brainerd Gas Corp

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VED-BOOKETING DIV

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$MCF	\$ 7.3620
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$MCF	\$ (2.1444)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$MCF	\$ 3.1786

GAS COST RECOVERY RATE EFFECTIVE DATES: 03/1/10 - 03/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$181,858
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 181,858
TOTAL ANNUAL SALES	MCF	24,702
EXPECTED GAS COST (EGC) RATE	\$MCF	\$ 7.3620

## SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$MCF	\$ (2.0390)
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$MCF	\$ (0.7024)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$MCF	(0.7232)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$MCF	(0.6406)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$MCF	(0.0782)
ACTUAL ADJUSTMENT (AA)	\$MCF	\$ (2.1444)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 2/26/10

BY: Dawn N. Opers

Dawn N. Opers, Accountant

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2010 APR-2 PM 3:14  
PUCO

# PURCHASED GAS ADJUSTMENT

**Brainerd Gas Corp**

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF APRIL 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 7.8858
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA		\$/MCF \$ 3.5694

GAS COST RECOVERY RATE EFFECTIVE DATES: 04/1/10 - 04/30/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$199,529
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 199,529
TOTAL ANNUAL SALES	MCF	26,063
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 7.8858

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7232)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.6408)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 3/30/10 BY: Dawn N. Opera  
Dawn N. Opera, Accountant

# PURCHASED GAS ADJUSTMENT

**Brainerd Gas Corp**

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 7.0628
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 2.7482

GAS COST RECOVERY RATE EFFECTIVE DATES: 05/1/10 - 05/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$184,074
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 184,074
TOTAL ANNUAL SALES	MCF	28,083
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 7.0628

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7232)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.6406)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 4/30/10

BY: Dawn N. Opers  
Dawn N. Opers, Accountant

FILE

## PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.8058
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 2.4892

GAS COST RECOVERY RATE EFFECTIVE DATES: 06/1/10 - 06/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$177,375
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 177,375
TOTAL ANNUAL SALES	MCF	26,063
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 6.8058

## SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.7024)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.7232)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.6406)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2774)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 5/27/10

BY: Dawn N. Opers  
Dawn N. Opers, Accountant

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JULY 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 8.9226
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0360)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2303)
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$/MCF</b>	<b>\$ 2.6633</b>

GAS COST RECOVERY RATE EFFECTIVE DATES: 07/1/10 - 07/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$206,128
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
<b>TOTAL ANNUAL EXPECTED GAS COST</b>	<b>\$</b>	<b>\$ 206,128</b>
<b>TOTAL ANNUAL SALES</b>	<b>MCF</b>	<b>29,776</b>
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$/MCF</b>	<b>\$ 8.9226</b>

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0360)
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$/MCF</b>	<b>\$ (2.0360)</b>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.5935)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.2112)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.7024)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.7232)
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$/MCF</b>	<b>\$ (2.2303)</b>

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 6/30/10

BY: Dawn N. Opers

Dawn N. Opers, Accountant



## PURCHASED GAS ADJUSTMENT

Brainerd Gas Corp

### GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF AUGUST 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 8.8855
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2303)
$GAS\ COST\ RECOVERY\ RATE\ (GCR) = EGC + RA + AA$	\$/MCF	\$ 2.4162

GAS COST RECOVERY RATE EFFECTIVE DATES: 06/1/10 - 08/31/10

### EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$100,071
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 100,071
TOTAL ANNUAL SALES	MCF	29,776
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 8.8855

### SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

### ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.8535)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7232)

## PURCHASED GAS ADJUSTMENT

RECEIVED-DOCKETING DIV

Brainard Gas Corp

2010 SEP -2 PM 12: 25

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.6625
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2303)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 2.3932

GAS COST RECOVERY RATE EFFECTIVE DATES: 09/1/10 - 09/30/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$195,408
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 195,408
TOTAL ANNUAL SALES	MCF	29,778
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 6.6625

## SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.5936)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7232)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (2.2303)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 8/31/10

BY: Dawn Opera

Dawn N. Opera, Accountant

# PURCHASED GAS ADJUSTMENT

Brainerd Gas Corp

10-206-GA-66K

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2010	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 6.3968
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (1.5688)
<b>GAS COST RECOVERY RATE (GCR) = EGC + RA + AA</b>	<b>\$/MCF</b>	<b>\$ 2.7890</b>

GAS COST RECOVERY RATE EFFECTIVE DATES: 10/1/10 - 10/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$186,620
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$ -
<b>TOTAL ANNUAL EXPECTED GAS COST</b>	<b>\$</b>	<b>\$ 186,620</b>
<b>TOTAL ANNUAL SALES</b>	<b>MCF</b>	<b>28,174</b>
<b>EXPECTED GAS COST (EGC) RATE</b>	<b>\$/MCF</b>	<b>\$ 6.3968</b>

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
<b>SUPPLIER REFUND &amp; RECONCILIATION ADJUSTMENT (RA)</b>	<b>\$/MCF</b>	<b>\$ (2.0390)</b>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.0617)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.6695)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
<b>ACTUAL ADJUSTMENT (AA)</b>	<b>\$/MCF</b>	<b>\$ (1.6688)</b>

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 9/30/10

BY: Dawn N. Opala  
Dawn N. Opala, Accountant

# PURCHASED GAS ADJUSTMENT

Brainard Gas Corp

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF <u>NOVEMBER 1, 2010</u>	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 8.0098
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (1.5688)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 2.4020

GAS COST RECOVERY RATE EFFECTIVE DATES: 11/1/10 - 11/30/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$176,330
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 176,330
TOTAL ANNUAL SALES	MCF	29,174
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 6.0496

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.0617)
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.5935)
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (1.5688)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 10/28/10

BY: Dawn N. Opata  
Dawn N. Opata, Accountant

# PURCHASED GAS ADJUSTMENT

**Brainard Gas Corp**

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2010		UNIT	AMOUNT
EXPECTED GAS COST (EGC)		\$/MCF	\$ 5.8888
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)		\$/MCF	\$ (2.0390)
ACTUAL ADJUSTMENT (AA)		\$/MCF	\$ (1.6888)
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA		\$/MCF	\$ 2.2790

GAS COST RECOVERY RATE EFFECTIVE DATES: 12/1/10 - 12/31/10

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$171,741
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$
INCLUDABLE PROPANE EXPECTED GAS COST	\$	\$
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 171,741
TOTAL ANNUAL SALES	MCF	28,174
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.8888

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ (2.0390)
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ (2.0390)

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY ACTUAL ADJUSTMENT	\$/MCF	\$ (0.0817)
PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.5935)
2nd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.2112)
3rd PREVIOUS QTRLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	\$ (0.7024)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ (1.6888)

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 11/30/10

BY: Dawn N. Opers  
Dawn N. Opers, Accountant

# PURCHASED GAS ADJUSTMENT

**Brainard Gas Corp**

## GAS COST RECOVERY RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2011	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	\$ 5.5741
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2657
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$/MCF	\$ 5.8398

GAS COST RECOVERY RATE EFFECTIVE DATES: 1/1/11 - 1/31/11

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	\$183,351
UTILITY PRODUCTION EXPECTED GAS COST	\$	\$ -
INCLUDABLE PROPANACE EXPECTED GAS COST	\$	\$ -
TOTAL ANNUAL EXPECTED GAS COST	\$	\$ 183,351
TOTAL ANNUAL SALES	MCF	29,305
EXPECTED GAS COST (EGC) RATE	\$/MCF	\$ 5.5741

## SUPPLIER REFUND & RECONCILIATION ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$/MCF	\$ -
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$/MCF	\$ -

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QRTLY ACTUAL ADJUSTMENT	\$/MCF	\$ 1.1321
PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.0617)
2nd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.5935)
3rd PREVIOUS QRTLY REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.2112)
ACTUAL ADJUSTMENT (AA)	\$/MCF	\$ 0.2657

THIS MONTHLY REPORT FILED PURSUANT TO ORDER 10-208-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DA OCTOBER 11, 1978

DATE FILED: 12/30/10

BY: Dawn N. Opava  
Dawn N. Opava, Accountant

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the )  
Purchased Gas Adjustment Clause ) Case No. 12-206-GA-GCR  
Contained Within the Rate Schedules of )  
Brainard Gas Corporation. )

ENTRY

The Commission finds:

- (1) Brainard Gas Corporation (Brainard or Company) is a public utility and a natural gas company as defined in Sections 4905.02 and 4905.03, Ohio Revised Code, and, as such, is subject to the jurisdiction of the Commission.

- (2) By Opinion and Order issued on August 8, 2012, in *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Brainard Gas Corporation*, Case No. 11-206-GA-GCR (11-206 Order), the Commission directed Brainard to refund to its customers an over-collection of \$103,871 (\$104,331- \$460), plus interest. On September 7, 2012, Brainard filed an application for rehearing of the Commission's 11-206 Order. On September 26, 2012, the Commission denied Brainard's application for rehearing.

- (3) On October 3, 2012, Brainard filed its monthly gas cost recovery (GCR) rate of \$4.9242 per thousand cubic feet (Mcf) for the effective period of October 1, 2012 through October 31, 2012.

The current quarterly refund and reconciliation adjustment (RA) rate contained in Brainard's October 3, 2012, GCR filing was \$0.000 per Mcf and was to be in effect for 12 consecutive months (October 2012 through September 2013).

- (4) On October 4, 2012, Brainard filed a motion requesting authority to correct its GCR rate, as filed on October 3, 2012, to incorporate the Commission's decision in the 11-206 Order. Specifically, Brainard requests authority to refund, through the RA, a rate of \$3.2014 per Mcf, in the customers' favor, starting with its October 2012 GCR rates. According to Brainard, the result of incorporating the RA rate of \$3.2014 per Mcf into its

October 3, 2012, filing would be a GCR rate of \$1.7228 per Mcf (\$4.9242 - \$3.2014).

- (5) Initially, upon review of Brainard's October 3 and 4, 2012 filings, the Commission notes that Brainard's current quarterly RA calculation does not include the \$460 reduction ordered by Commission in the 11-206 Order. The inclusion of the \$460 would result in a slightly lower RA amount of \$3.1872 per Mcf, in the customers' favor.
- (6) Accordingly, upon consideration of Brainard's motion to correct its current quarterly RA calculation filed on October 3, 2012, the Commission finds, with the \$460 reduction noted in Finding (5) above, an RA amount of \$3.1872 per Mcf would comply with our 11-206 Order. Therefore, the Commission concludes that Brainard's motion should be granted, as modified herein.

It is, therefore,

ORDERED, That, in accordance with Finding (6), Brainard's motion is granted, as modified herein. It is, further,

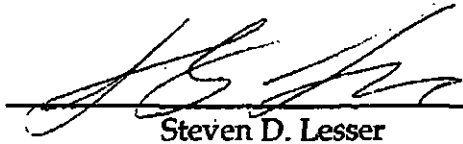
ORDERED, That the calculated current quarterly RA rate be reviewed during the bi-annual financial audit of the GCR mechanism, which covers the effective period of these rates. It is further,



ORDERED, That a copy of this Entry be served upon the Company and all other interested persons of record.

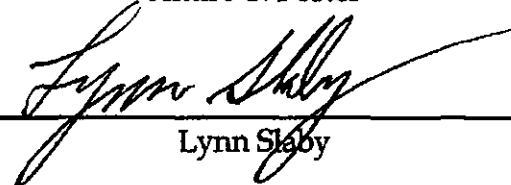
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Steven D. Lesser

  
Andre T. Porter

  
Cheryl L. Roberto

  
Lynn Slaby

RS:js

Entered in the Journal

OCT 31 2012

  
Barry F. McNeal

Barry F. McNeal  
Secretary

# Reconciliation Adjustments Recognized in Brainard GCR Filings

Month	Current Qtr	1st Prior Qtr	2nd Prior Qtr	3rd Prior Qtr	Total	Amount Required	Difference
Oct-12	(3.2014)	-	-	-	(3.2014)	(3.1872)	(0.0142)
Nov-12	(3.2014)	-	-	-	(3.2014)	(3.1872)	(0.0142)
Dec-12	0.0141	(3.2014)	-	-	(3.1873)	(3.1872)	(0.0001)
Jan-13	-	(3.1873)	-	-	(3.1873)	(3.1872)	(0.0001)
Feb-13	-	(3.1873)	-	-	(3.1873)	(3.1872)	(0.0001)
Mar-13	-	(3.1873)	-	-	(3.1873)	(3.1872)	(0.0001)
Apr-13	-	0.0141	(3.2014)	-	(3.1873)	(3.1872)	(0.0001)
May-13	-	0.0141	(3.2014)	-	(3.1873)	(3.1872)	(0.0001)
Jun-13	-	0.0141	(3.2014)	-	(3.1873)	(3.1872)	(0.0001)
Jul-13	-	-	0.0141	(3.2014)	(3.1873)	(3.1872)	(0.0001)
Aug-13	-	-	0.0141	(3.2014)	(3.1873)	(3.1872)	(0.0001)
Sep-13	-	-	0.0141	(3.2014)	(3.1873)	(3.1872)	(0.0001)
Oct-13	-	-	-	(3.1873)	(3.1873)	-	(3.1873)
Nov-13	-	-	-	-	-	-	-
					(41.4631)	(38.2464)	(3.2167)

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.4078 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.2014) /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$1.7228 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: 10/01/12-10/31/12**

✓  
**REVISED**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	113,554
UTILITY PRODUCTION EXPECTED GAS COST		0
INCLUDABLE PROPANE EXPECTED GAS COST		0
TOTAL ANNUAL EXPECTED GAS COST		\$113,554
TOTAL ANNUAL SALES		25,762 MCF
EXPECTED GAS COST (EGC) RATE		\$4.4078

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.2014) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	\$	0.51640 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0206-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 10-3-12

BY: Cindy Bales  
Cindy Bales, Accountant

**BRAINARD GAS CORP**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF NOVEMBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.4708 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.2014) /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$1.7858 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: 11/01/12-11/30/12**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 114,498
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$114,498
TOTAL ANNUAL SALES	25,610 MCF
EXPECTED GAS COST (EGC) RATE	\$4.4708

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.2014) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.51640 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 10-29-12

BY: Cindy Bates  
Cindy Bates, Accountant

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2012**

EXPECTED GAS COST (EGC)	\$4.9303 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.5164 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$2.2594 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 12/01/12-12/31/12

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 125,835
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$125,835
TOTAL ANNUAL SALES	25,523 MCF
EXPECTED GAS COST (EGC) RATE	<u>\$4.9303</u>

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	<u>(\$3.1873) /MCF</u>

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.41770 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.42820) /MCF
ACTUAL ADJUSTMENT (AA)	<u>\$ 0.51640 /MCF</u>

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 11-28-12

BY:   
Cindy Bates, Accountant

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2013

EXPECTED GAS COST (EGC)	\$4.9709 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.5759 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA \$2.3595 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 1/01/13-1/31/13

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	122,861
UTILITY PRODUCTION EXPECTED GAS COST		0
INCLUDABLE PROPANE EXPECTED GAS COST		0
TOTAL ANNUAL EXPECTED GAS COST		\$122,861
TOTAL ANNUAL SALES		24,716 MCF
EXPECTED GAS COST (EGC) RATE		\$4.9709

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.1873) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.36870) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.25280) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.77970 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.41770 /MCF
ACTUAL ADJUSTMENT (AA)	\$	0.57590 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 12-26-12

BY: Cindy Bates  
Cindy Bates, Accountant

**BRAINARD GAS CORP.**

PAGE 1 OF 2

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2013**

EXPECTED GAS COST (EGC)	\$5.4421 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.5759 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$2.8307 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 2/01/13-2/28/13

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 130,898
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$130,898
TOTAL ANNUAL SALES	24,053 MCF
EXPECTED GAS COST (EGC) RATE	\$5.4421

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.1873) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.41770 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.57590 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

1-29-13

BY:

Cindy Bates  
Cindy Bates, Accountant

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2013**

EXPECTED GAS COST (EGC)	\$5.0861 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.5759 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA \$2.4747 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 3/01/13-3/31/13

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	118,267
UTILITY PRODUCTION EXPECTED GAS COST		0
INCLUDABLE PROPANE EXPECTED GAS COST		0
TOTAL ANNUAL EXPECTED GAS COST		\$118,267
TOTAL ANNUAL SALES		23,253 MCF
EXPECTED GAS COST (EGC) RATE		\$5.0861

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.1873) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.36870) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.25280) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.77970 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.41770 /MCF
ACTUAL ADJUSTMENT (AA)	\$	0.57590 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 2-26-13

BY: Cindy Bates  
Cindy Bates, Accountant



**BRAINARD GAS CORP.**

PAGE 1 OF 6

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION**DETAILS FOR THE EGC RATE IN EFFECT AS OF **APRIL 1, 2013**

EXPECTED GAS COST (EGC)	\$5.5160 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.3368 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$2.6655 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 4/01/13-4/30/13

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 123,729
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$123,729
TOTAL ANNUAL SALES	22,431 MCF
EXPECTED GAS COST (EGC) RATE	\$5.5160

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.33680 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

3-26-13

BY:

Cindy Bates  
Cindy Bates, Accountant

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF MAY 1, 2013**

EXPECTED GAS COST (EGC)	\$5.1210 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.3368 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$2.2705 /MCF
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GAS COST RECOVERY RATE EFFECTIVE DATES: 5/1/13-5/31/13

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$	124,672
UTILITY PRODUCTION EXPECTED GAS COST		0
INCLUDABLE PROPANE EXPECTED GAS COST		0
TOTAL ANNUAL EXPECTED GAS COST		\$124,672
TOTAL ANNUAL SALES		24,345 MCF
EXPECTED GAS COST (EGC) RATE		\$5.1210

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.17860 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.36870) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	(0.25280) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$	0.77970 /MCF
ACTUAL ADJUSTMENT (AA)	\$	0.33680 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 4/29/13

BY: Larry Brannard, Controller  
Larry Brannard, Controller

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

DETAILS FOR THE EGC RATE IN EFFECT AS OF **JUNE 1, 2013**

EXPECTED GAS COST (EGC)	\$5.3668 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	0.3368 /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

**\$2.5163 /MCF**

GAS COST RECOVERY RATE EFFECTIVE DATES: 6/1/13-6/30/13

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 157,228
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$157,228
TOTAL ANNUAL SALES	29,297 MCF
EXPECTED GAS COST (EGC) RATE	\$5.3668

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.77970 /MCF
ACTUAL ADJUSTMENT (AA)	\$ 0.33680 /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

5/29/13

BY:

Larry Brainard  
Larry Brainard, Controller

**BRAINARD GAS CORP.**

PAGE 1 OF 6

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION**DETAILS FOR THE EGC RATE IN EFFECT AS OF **JULY 1, 2013**

EXPECTED GAS COST (EGC)	\$4.5911 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	(1.3544) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

\$0.0494 /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 7/1/13-7/31/13

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 145,680
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$145,680
TOTAL ANNUAL SALES	31,731 MCF
EXPECTED GAS COST (EGC) RATE	\$4.5911

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.35440) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 6/28/13BY: Larry Brainard

Larry Brainard, Controller

**BRAINARD GAS CORP.**

PAGE 1 OF 2

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF AUGUST 1, 2013**

EXPECTED GAS COST (EGC)	\$3.8046 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	(1.3544) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA** **(\$0.7371) /MCF****GAS COST RECOVERY RATE EFFECTIVE DATES: 8/1/13-8/31/13****EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 122,533
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$122,533
TOTAL ANNUAL SALES	32,207 MCF
EXPECTED GAS COST (EGC) RATE	\$3.8046

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.35440) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

8/1/13

BY:

Donald A. Whiteman  
Donald Whiteman, Corporate Controller

**BRAINARD GAS CORP.**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 2

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2013**

EXPECTED GAS COST (EGC)	\$3.7904 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	(1.3544) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

(\$0.7513) /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 9/1/13-9/30/13

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 122,623
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$122,623
TOTAL ANNUAL SALES	32,351 MCF
EXPECTED GAS COST (EGC) RATE	\$3.7904

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0141 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.2014) /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.25280) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.35440) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

8/30/13

BY:

Donald R. Whiteman  
Donald Whiteman, Corporate Controller

**BRAINARD GAS CORP.**

PAGE 1 OF 6

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF OCTOBER 1, 2013**

EXPECTED GAS COST (EGC)	\$3.7365 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	(3.1873) /MCF
ACTUAL ADJUSTMENT (AA)	(1.9424) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA

(\$1.3932) /MCF

GAS COST RECOVERY RATE EFFECTIVE DATES: 10/1/13-10/30/13

**EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 121,317
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$121,317
TOTAL ANNUAL SALES	32,468 MCF
EXPECTED GAS COST (EGC) RATE	\$3.7365

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	(\$3.1873) /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	(\$3.1873) /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.84080) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.94240) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed:

9-30-13

BY:

Donald R. Whiteman  
Donald Whiteman, Corporate Controller

**BRAINARD GAS CORP.**

PAGE 1 OF 6

**PURCHASED GAS ADJUSTMENT****GAS COST RECOVERY RATE CALCULATION****DETAILS FOR THE EGC RATE IN EFFECT AS OF NOVEMBER 1, 2013**

EXPECTED GAS COST (EGC)	\$3.7347 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(1.9424) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA****\$1.7923 /MCF****GAS COST RECOVERY RATE EFFECTIVE DATES: 11/1/13-11/30/13****EXPECTED GAS COST SUMMARY CALCULATION****PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 121,396
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$121,396
TOTAL ANNUAL SALES	32,505 MCF
EXPECTED GAS COST (EGC) RATE	\$3.7347

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION****PARTICULARS**

CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.84080) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.36870) /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.94240) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 10-31-13
 BY:   
 Donald Whiteman, Corporate Controller



FILE

7

**BRAINARD GAS CORP.**  
8500 Station Street Suite 100  
Mentor, OH 44060

RECEIVED-DOCKETING DIV

2014 JAN -2 PM 2:29

PUCO

Public Utilities Commission of Ohio  
Docketing - 11th Floor  
180 East Broad Street  
Columbus, Ohio 43215

RE: Case No. 13-206-GA-GCR and 89-8039-GA-TRF

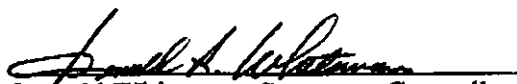
Attn Docketing:

Brainard Gas Corp ("Brainard") herein submits the following:

1. For filing in Case No. 89-8039-GA-TRF four (4) copies of its GCR tariff sheet in compliance with Rule 4901:1-14, O.A.C., effective for billing purposes January 1, 2014. The enclosed tariff, Ninety Revised Sheet No. 2, supersedes existing tariff, Eighty-Nine Revised Sheet No. 2, which is hereby withdrawn.
2. For filing in Case No. 13-206-GA-GCR an original and seven (7) copies of the GCR calculation rates to be effective for billing purposes on January 1, 2014.

Thank you for your attention in this matter.

Sincerely,

  
Donald Whiteman, Corporate Controller  
Brainard Gas Corp.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician DM Date Processed 1/2/14

**BRAINARD GAS CORP.**

P.U.C.O No. 1 Ninety  
Revised Sheet No. 2

**GAS COST RECOVERY RATE**

**APPLICABILITY**

Applicable to all sales customers subject to the Gas Cost Recovery Rate (GCR) as determined in accordance with Chapter 4901: 1-14, Ohio Administrative Code.

**GAS COST RECOVERY RATE**

A GCR rate of \$1.9417 will apply to all sales.

Filed pursuant to PUCO Finding and Order date August 19, 1999 in  
Case No. 98-825-GA-ATA

Issued: December 30, 2013 Effective: for bills rendered on or after January 1, 2014

**BRAINARD GAS CORP.  
PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014**

EXPECTED GAS COST (EGC)	\$3.6232 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.0000 /MCF
ACTUAL ADJUSTMENT (AA)	(1.6815) /MCF

GAS COST RECOVERY RATE (GCR) = EGC + RA + AA	\$1.9417 /MCF
GAS COST RECOVERY RATE EFFECTIVE DATES: 1/1/14-1/31/14	

**EXPECTED GAS COST SUMMARY CALCULATION**

PARTICULARS	
PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 118,251
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$118,251
TOTAL ANNUAL SALES	32,637 MCF
EXPECTED GAS COST (EGC) RATE	\$3.6232

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.0000 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

PARTICULARS	
CURRENT QTRLY SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.10780) /MCF
PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.84080) /MCF
2nd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ (0.91150) /MCF
3rd PREVIOUS QTRLY REPORTED SUPPLIER REFUND & RECONCILIATION ADJUSTMENT	\$ 0.17860 /MCF
ACTUAL ADJUSTMENT (AA)	\$ (1.68150) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 13-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 12/30/13

BY:   
Donald Whiteman, Corporate Controller

PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
EXPECTED GAS COST RATE CALCULATION

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED OCTOBER 31, 2013

SUPPLIER NAME	EXPECTED GAS COST AMOUNT				TOTAL
	RESERVATION	COMMODITY	TRANSPORTATION	MISC.	
PRIMARY GAS SUPPLIERS					
GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 1, 2014					
OTP	\$ -	\$ 11,938	\$ 2,552	\$ -	\$ 14,490
COBRA	\$ -	\$ 90,126	\$ 12,135	\$ 1,500	\$ 103,761
TOTAL INTERSTATE PIPELINE SUPPLIERS	\$ -	\$ 102,064	\$ 14,687	\$ 1,500	\$ 118,251
(B) SYNTHETIC (SCH I-A)	\$ -	\$ -	\$ -	\$ -	\$ -
(C) OTHER GAS COMPANIES (SCH I-B)	\$ -	\$ -	\$ -	\$ -	\$ -
(D) OHIO PRODUCERS (SCH I-B)	\$ -	\$ -	\$ -	\$ -	\$ -
(E) SELF HELP ARRANGEMENTS (SCH I-B)	\$ -	\$ -	\$ -	\$ -	\$ -
(F) SPECIAL PURCHASES (SCH I-B)	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRIMARY GAS SUPPLIERS	\$ -	\$ -	\$ -	\$ -	\$ -

**UTILITY PRODUCTION**

TOTAL UTILITY PRODUCTION (ATTACH DETAILS)

0

TOTAL EXPECTED GAS COST AMOUNT

\$ 118,251

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PARTICULARS	UNIT	AMOUNT
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 9/30/13	MCF	32,563
TOTAL SALES: TWELVE MONTHS ENDED 9/30/13	MCF	32,563
GAS COST RECOVERY RATE EFFECTIVE DATES: JANUARY 1, 2014		100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		\$0
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		\$0
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		\$0
INTEREST FACTOR		0.0000
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		\$0
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 9/30/13	MCF	32,563
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	\$0.0000

**DETAILS OF REFUNDS / ADJUSTMENT  
RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 9/30/13**

PARTICULARS (SPECIFY)	AMOUNT (\$)
<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1 \$0
<b>TOTAL SUPPLIER REFUNDS</b>	\$0
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	
Case No. 11-209-GA-GCR	\$0

**PURCHASED GAS ADJUSTMENT  
BRAINARD GAS CORP.  
ACTUAL ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PARTICULARS	UNIT	MONTH Jul-13	MONTH Aug-13	MONTH Sep-13
<b>SUPPLY VOLUME PER BOOKS:</b>				
GAS COST RECOVERY RATE EFFECTIVE DATES	MCF	758	910	441
UTILITY PRODUCTION	MCF			0
INCLUDABLE PROPANE	MCF	0		0
OTHER VOLUMES - IMBALANCE GAS	MCF			
<b>TOTAL SUPPLY VOLUMES</b>	<b>MCF</b>	<b>758</b>	<b>910</b>	<b>441</b>
<b>SUPPLY COST PER BOOKS: All inclusive</b>				
PRIMARY GAS SUPPLIES	\$			
UTILITY PRODUCTION	\$	3,390	3,773	2,234
LIFO ADJUSTMENT	\$	0	0	0
INTEREST ON LIFO ADJUSTMENT	\$	0	0	0
OTHER VOLUMES - IMBALANCE GAS	\$			
<b>TOTAL SUPPLY COST</b>	<b>\$</b>	<b>3,390</b>	<b>3,773</b>	<b>2,234</b>
<b>SALES VOLUMES:</b>				
JURISDICTIONAL	MCF	978	889	876
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY)	MCF	0	0	0
<b>TOTAL SALES VOLUME</b>	<b>MCF</b>	<b>978</b>	<b>889</b>	<b>876</b>
<b>UNIT BOOK COST OF GAS:</b>				
(SUPPLY \$/SALES MCF)	\$/MCF	\$3.4680	\$4.2456	\$2.5494
LESS:EGC IN EFFECT FOR MONTH	\$/MCF	4.5911	3.8046	3.7904
DIFFERENCE	\$/MCF	(\$1.1231)	\$0.4410	(\$1.2410)
TIMES : JURISDICTIONAL SALES	MCF	978	889	876
<b>MONTHLY COST DIFFERENCE</b>		<b>(\$1,098)</b>	<b>\$392</b>	<b>(\$1,088)</b>
<b>BALANCE ADJUSTMENT SCHEDULE IV-A</b>				<b>(\$1,717)</b>
<b>COST DIFFERENCE FOR THE THREE MONTH PERIOD</b>				
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 9/30/13				32,563
<b>CURRENT QUARTER ACTUAL ADJUSTMENT</b>				<b>(\$0.1078)</b>

**BRAINARD GAS CORP.**  
**BALANCE ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF JANUARY 1, 2014  
 VOLUME FOR THE TWELVE MONTH PERIOD ENDED SEPTEMBER 30, 2013

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	<del>\$8,232</del>
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: <del>0.2525</del> /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF <del>32,563</del> MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>\$8,232</u>
<b>BALANCE ADJUSTMENT FOR THE AA</b>	<u><b>(\$1,717)</b></u>
DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	<del>\$0</del>
LESS: DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENT: <del>0.0000</del> /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF <del>32,563</del> MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>\$0</u>
<b>BALANCE ADJUSTMENT FOR THE RA</b>	<u><b>\$0</b></u>
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR, 50TH QTR	
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.	<u>\$0</u>
	<u>\$0</u>
<b>TOTAL BALANCE ADJUSTMENT AMOUNT</b>	<u><b>(\$1,717)</b></u>

This exhibit has been removed and is not available for public viewing.



**NORTHEAST OHIO NATURAL GAS CORPORATION**  
**PURCHASED GAS ADJUSTMENT**

PAGE 1 OF 6

**GAS COST RECOVERY RATE CALCULATION**

**DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2012**

EXPECTED GAS COST (EGC)	\$4.3255 /MCF
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT (RA)	0.2651 /MCF
ACTUAL ADJUSTMENT (AA)	(0.9508) /MCF

**GAS COST RECOVERY RATE (GCR) = EGC + RA + AA**

**\$3.6398 /MCF**

**GAS COST RECOVERY RATE EFFECTIVE DATES: 2/1/12 - 2/29/12**

**EXPECTED GAS COST SUMMARY CALCULATION**

**PARTICULARS**

PRIMARY GAS SUPPLIERS EXPECTED GAS COST	\$ 8,473,255.00
UTILITY PRODUCTION EXPECTED GAS COST	0
INCLUDABLE PROPANE EXPECTED GAS COST	0
TOTAL ANNUAL EXPECTED GAS COST	\$8,473,255
TOTAL ANNUAL SALES	1,958,929 MCF
EXPECTED GAS COST (EGC) RATE	\$4.3255

**SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QRTLTY ACTUAL ADJUSTMENT	\$0.2651 /MCF
PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
2nd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
3rd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$0.0000 /MCF
SUPPLIER REFUND & RECONCILIATION ADJUSTMENT (RA)	\$0.2651 /MCF

**ACTUAL ADJUSTMENT SUMMARY CALCULATION**

**PARTICULARS**

CURRENT QRTLTY ACTUAL ADJUSTMENT	\$ 0.14930 /MCF
PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ (0.88110) /MCF
2nd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ (0.23320) /MCF
3rd PREVIOUS QRTLTY REPORTED ACTUAL ADJUSTMENT	\$ 0.01420 /MCF
ACTUAL ADJUSTMENT (AA)	\$ (0.95080) /MCF

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO 12-0209-GA-GCR OF THE  
PUBLIC UTILITIES COMMISSION OF OHIO, DATED JANUARY 16, 1980.

Date Filed: 1-31-2012

BY: Cindy Bates  
Cindy Bates, Accountant

**PURCHASED GAS ADJUSTMENT  
NORTHEAST OHIO NATURAL GAS CORPORATION  
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF FEBRUARY 1, 2012  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2011

PARTICULARS	UNIT	AMOUNT
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 8/31/11	MCF	1,952,616
TOTAL SALES: TWELVE MONTHS ENDED 8/31/11	MCF	1,952,616
GAS COST RECOVERY RATE EFFECTIVE DATES: FEBRUARY 1, 2012		100%
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD		\$0
JURISDICTIONAL SHARE OF SUPPLIER REFUNDS RECEIVED		\$0
RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER		\$490,745
TOTAL JURISDICTIONAL REFUND & RECONCILIATION ADJ.		\$490,745
INTEREST FACTOR		1.0550
REFUNDS & RECONCILIATION ADJ. INCLUDING INTEREST		\$517,736
JURISDICTIONAL SALES: TWELVE MONTHS ENDED 8/31/11	MCF	1,952,616
CURRENT SUPPLIER REFUND & RECONCILIATION ADJ.	\$/MCF	\$0.2651

**DETAILS OF REFUNDS / ADJUSTMENT  
RECEIVED / ORDERED DURING THE THREE MONTH PERIOD ENDED 8/31/11**

PARTICULARS (SPECIFY)	AMOUNT (\$)
<u>SUPPLIER REFUNDS RECEIVED DURING QUARTER</u>	SEE SCHEDULE II-1
	\$0
<b>TOTAL SUPPLIER REFUNDS</b>	\$0
<u>RECONCILIATION ADJUSTMENTS ORDERED DURING QUARTER</u>	
Case No. 12-209-GA-GCR	\$490,745
	\$490,745

#REF!

## BALANCE ADJUSTMENT

DETAILS FOR THE EGC RATE IN EFFECT AS OF JUNE 1, 2013

VOLUME FOR THE TWELVE MONTH PERIOD ENDED FEBRUARY 28, 2013

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: <del>12.0698</del> /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF <del>1351.81</del> MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<del>155,414</del>
	\$683,874
<b>BALANCE ADJUSTMENT FOR THE AA</b>	<b>\$39,580</b>

DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.

LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF ~~28.00~~ /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF ~~1351.81~~ MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.

BALANCE ADJUSTMENT FOR THE RA

\$524,032

\$182,350

DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR.  
50TH QTR

LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.

\$0

\$0

TOTAL BALANCE ADJUSTMENT AMOUNT

\$221,930

## NORTHEAST OHIO NATURAL GAS CORPORATION

## BALANCE ADJUSTMENT

DETAILS FOR THE EGC RATE IN EFFECT AS OF SEPTEMBER 1, 2013  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED MAY 31, 2013

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	(\$386,418)
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: (0.2184) /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 2,107,273 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	(\$460,228)
BALANCE ADJUSTMENT FOR THE AA	\$73,810

DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	\$706,382
LESS: DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF 0.3150 /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 2,107,273 MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	\$663,872
BALANCE ADJUSTMENT FOR THE RA	\$42,510

DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR.  
50TH QTR  
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.

\$0  
\$0

TOTAL BALANCE ADJUSTMENT AMOUNT

\$116,320

## NORTHEAST OHIO NATURAL GAS CORPORATION

## BALANCE ADJUSTMENT

DETAILS FOR THE EGC RATE IN EFFECT AS OF DECEMBER 1, 2013  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED AUGUST 31, 2013

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: <u>          </u> /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF <u>          </u> MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	<u>(\$937,907)</u>
BALANCE ADJUSTMENT FOR THE AA	<u>\$211,266</u>

DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.

LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF            /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF            MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.

BALANCE ADJUSTMENT FOR THE RA

\$693,397

\$12,985

DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR.  
50TH QTR

LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF            MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.

\$0

\$0

TOTAL BALANCE ADJUSTMENT AMOUNT

\$224,251

NORTHEAST OHIO NATURAL GAS CORPORATION

BALANCE ADJUSTMENT

Note - This is  
actually Mar 2014

DETAILS FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2013

VOLUME FOR THE TWELVE MONTH PERIOD ENDED NOVEMBER 30, 2013

PARTICULARS	AMOUNT
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.	\$291,605
LESS: THE DOLLAR AMOUNT RESULTING FROM THE AA OF: 0.1493 /MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 2,176,421 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.	\$324,940
<b>BALANCE ADJUSTMENT FOR THE AA</b>	<b>(\$33,335)</b>

DOLLAR AMOUNT OF SUPPLIER REFUNDS AND COMMISSION ORDERED RECONCILIATION ADJUSTMENTS AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR.

\$708,382

LESS : DOLLAR AMOUNT RESULTING FROM UNIT RATE FOR SUPPLIER REFUNDS AND RECONCILIATION ADJUSTMENTS OF 0.3618 /MCF AS USED TO COMPUTE THE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 2,176,421 MCF FOR THE PERIOD THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE.

\$787,429

**BALANCE ADJUSTMENT FOR THE RA****(\$81,047)**

DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE THE BA OF THE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR. 50TH QTR

LESS : DOLLAR AMOUNT RESULTING FROM THE BA OF \$ 0.00/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE.

\$0

\$0

**TOTAL BALANCE ADJUSTMENT AMOUNT****(\$114,382)**

Portions of this exhibit have been removed and are not available for public viewing.

**PURCHASED GAS ADJUSTMENT  
ORWELL NATURAL GAS COMPANY  
SUPPLIER REFUND AND RECONCILIATION ADJUSTMENT**

DETAILS FOR THE EGC RATE IN EFFECT AS OF APRIL 1, 2014  
VOLUME FOR THE TWELVE MONTH PERIOD ENDED DECEMBER 31, 2013

PARTICULARS	UNIT	MONTH Oct-13	MONTH Nov-13	MONTH Dec-13
<b>SUPPLY VOLUME PER BOOKS:</b>				
GAS COST RECOVERY RATE EFFECTIVE DATES	MCF	46,461	112,476	140,649
UTILITY PRODUCTION	MCF			0
INCLUDABLE PROPANE	MCF	0		0
OTHER VOLUMES - IMBALANCE GAS	MCF			
<b>TOTAL SUPPLY VOLUMES</b>	<b>MCF</b>	<b>46,461</b>	<b>112,476</b>	<b>140,649</b>
<b>SUPPLY COST PER BOOKS:</b> All inclusive				
PRIMARY GAS SUPPLIES	\$			
UTILITY PRODUCTION	\$	250,005	574,195	813,300
LIFO ADJUSTMENT	\$	0	0	0
INTEREST ON LIFO ADJUSTMENT	\$	0	0	0
OTHER VOLUMES - IMBALANCE GAS	\$			
<b>TOTAL SUPPLY COST</b>	<b>\$</b>	<b>250,005</b>	<b>574,195</b>	<b>813,300</b>
<b>SALES VOLUMES:</b>				
JURISDICTIONAL	MCF	23,783	75,781	134,847
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY)	MCF	0	0	0
<b>TOTAL SALES VOLUME</b>	<b>MCF</b>	<b>23,783</b>	<b>75,781</b>	<b>134,847</b>
<b>UNIT BOOK COST OF GAS:</b>				
(SUPPLY \$/SALES MCF)	\$/MCF	\$10.51	\$7.58	\$6.03
LESS:EGC IN EFFECT FOR MONTH	\$/MCF	\$5.30	\$5.62	\$5.52
DIFFERENCE	\$/MCF	\$5.2119	\$1.9570	\$0.5113
TIMES : JURISDICTIONAL SALES	MCF	23,783	75,781	134,847
<b>MONTHLY COST DIFFERENCE</b>		<b>\$123,955</b>	<b>\$148,303</b>	<b>\$68,947</b>
<b>BALANCE ADJUSTMENT SCHEDULE IV-A</b>				<b>(\$3,851)</b>
<b>COST DIFFERENCE FOR THE THREE MONTH PERIOD</b>				
JURISDICTIONAL SALES:TWELVE MONTHS ENDED 12/31/13				<b>\$337,354</b>
				<b>916,455</b>
<b>CURRENT QUARTER ACTUAL ADJUSTMENT</b>				<b>\$0.3681</b>



# Details in GCR Calculation

GCR Month	Vendor	Invoice Amount (Per GCR Calc)	Volume Purchased	DTH or MCF?	Conversion	MCF
Oct-13 BP		89,204.83	24,025.0	DTH	1.029	23,347.90
Oct-13 BP		20,316.24	5,004.0	DTH	1.029	4,863.00
Oct-13 Constellation		5,646.65	1,550.0	DTH	1.040	1,490.40
Oct-13 John D. Oil & Gas		12,640.56	3,270.0	DTH	1.029	3,177.80
Oct-13 Great Plains		28,583.55	6,975.0	DTH	1.029	6,778.40
Oct-13 Great Plains		(1,943.66)	(572.0)	DTH	1.029	(555.90)
Oct-13 Great Plains		(1,532.50)	(451.0)	DTH	1.029	(438.30)
Oct-13 Osair		5,266.90	1,550.0	DTH	1.029	1,506.30
Oct-13 JDOGM - Heck		139.32	26.4	MCF	1.000	26.40
Oct-13 JDOGM - Direct		27,251.88	6,264.8	MCF	1.000	6,264.80
Oct-13 Cobra		4,497.00				
Oct-13 DEO		4,683.96				
Oct-13 OTP		30,492.63				
Oct-13 North Coast		10,889.28				
Oct-13 Cobra Telemetering		125.00				
Oct-13 OTP Telemetering		2,000.00				
Oct-13 DEO Demand		7,435.40				
Oct-13 JDOGM Lease		1,100.00				
Oct-13 NISource		3,207.70				

\$ 250,004.74

Details in GCR Calculation

GCR Month	Vendor	Invoice Amount (Per GCR Calc)	Volume Purchased	DTH or MCF?	Conversion	MCF
Nov-13	Great Plains	(2,736.85)	(786.0)	DTH	1.029	(763.80)
Nov-13	North Coast	-				
Nov-13	NISource	-				
Nov-13	Cobra Telemetering	125.00				
Nov-13	JDOGM - Heck	360.80	71.9	MCF	1.000	71.90
Nov-13	JDOGM Lease	1,100.00				
Nov-13	OTP Telemetering	2,000.00				
Nov-13	Great Plains	2,736.85	786.0	DTH	1.029	763.80
Nov-13	DEO Demand	7,435.40				
Nov-13	Osair	7,832.25	2,250.0	DTH	1.029	2,186.60
Nov-13	Osair	7,832.25	2,250.0	DTH	1.029	2,186.60
Nov-13	BP	10,803.25	2,735.0	DTH	1.029	2,657.90
Nov-13	Cobra	12,859.50				
Nov-13	DEO	14,185.43				
Nov-13	Constellation	23,503.50	6,750.0	DTH	1.029	6,559.80
Nov-13	JDOGM - Direct	25,254.64	5,765.9	MCF	1.000	5,765.90
Nov-13	North Coast	57,000.00	12,000.0	DTH	1.029	11,661.80
Nov-13	OTP	63,954.76				
Nov-13	Constellation	88,128.00	24,000.0	DTH	1.040	23,076.90
Nov-13	North Coast	251,820.00	60,000.0	DTH	1.029	58,309.00
		<u>\$ 574,194.78</u>				

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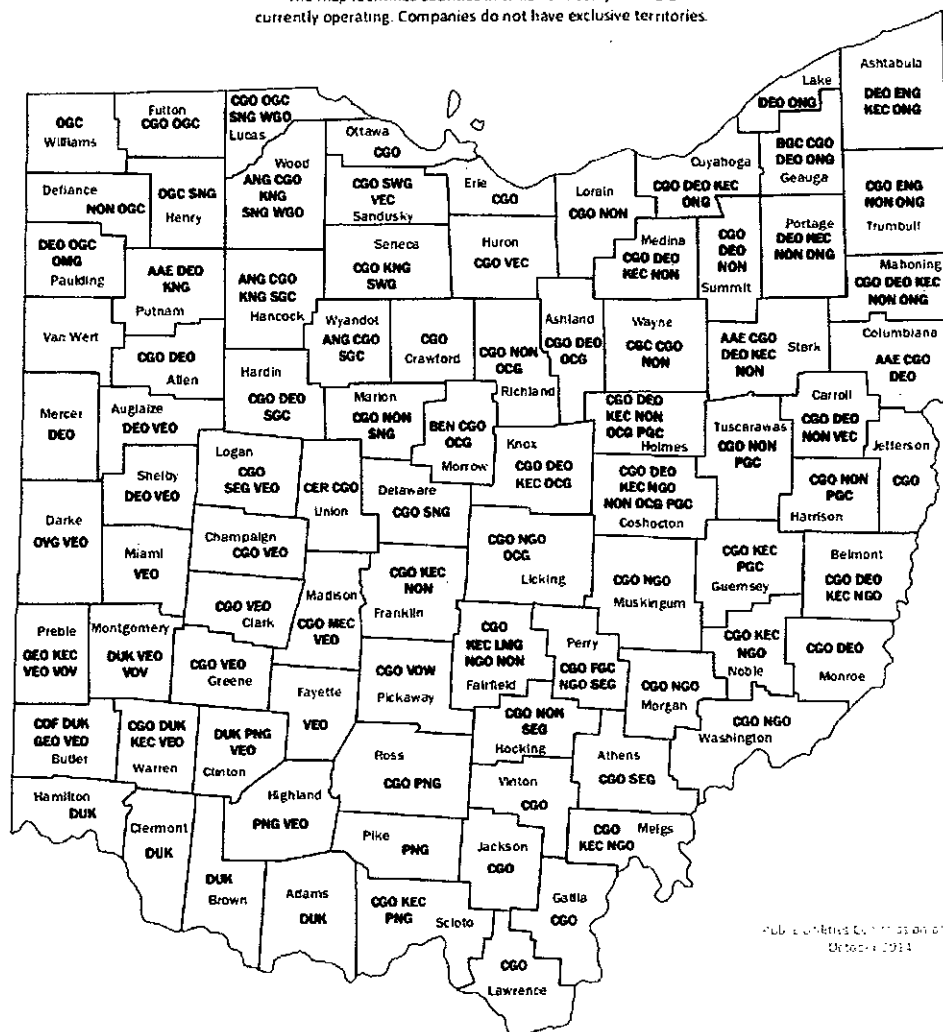
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### Including Gas Cooperatives & Municipal Gas Systems

The map identifies counties in which the companies are currently operating. Companies do not have exclusive territories.



Submitted: 12/15/2014  
 Accepted: 1/2/2015

 gas natural inc.[Print Page](#) [Close Window](#)

SEC Filings

8-K

GAS NATURAL INC. filed this Form 8-K on 10/09/2013

[Entire Document](#)

&lt;&lt; Previous Page | Next Page &gt;&gt;

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 6, 2013**

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**Gas Natural Inc.**

(Exact name of registrant as specified in its charter)

---

**Ohio**  
(State or other jurisdiction  
of incorporation)

**001-34585**  
(Commission  
File Number)

**27-3003768**  
(I.R.S. Employer  
Identification No.)

**1 First Avenue South, Great Falls, Montana**  
(Address of principal executive offices)

**59401**  
(Zip Code)

**(406) 791-7500**  
(Registrant's telephone number, including area code)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-



**Item 1.01 Entry into a Material Definitive Agreement.**

On August 6, 2013, one of our subsidiaries, Gas Natural Resources, LLC ("**GNR**"), entered into a Base Contract for Sale and Purchase of Natural Gas (the "**Gas Agreement**") with Cobra Pipeline Company, Ltd. ("**Cobra**"), an entity owned and controlled by Richard M. Osborne ("**Mr. Osborne**"), our Chief Executive Officer and Chairman of the Board of Directors. Pursuant to the Gas Agreement, Cobra will sell gas supplies to GNR at the market price per unit at the time the sale of gas occurs, as determined based on the trading price of natural gas at the New York Mercantile Exchange. The Gas Agreement will remain in effect until terminated by either party upon 30 days' written notice.

On October 7, 2013, one of our subsidiaries, 8500 Station Street LLC ("**8500 Station Street**"), entered into a Lease Agreement (the "**Lease Agreement**") with OsAir, Inc. ("**OsAir**"), an entity owned and controlled by Mr. Osborne. Pursuant to the Lease Agreement, 8500 Station Street leases to OsAir approximately 6,472 square feet of office space located at 8500 Station Street, Mentor, Ohio 44060, at a rent of \$5,500 per month for a period of three years starting from March 1, 2013. The Lease Agreement is not subject to renewal following the end of the term.

The transactions described above were approved by the independent members of our Board of Directors. The summary of the Gas Agreement and Lease Agreement contained in this report is not complete and is subject to, and qualified in its entirety by, the Gas Agreement and Lease Agreement filed with this report as Exhibits 10.1 and 10.2, respectively.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Base Contract for Sale and Purchase of Natural Gas dated August 6, 2013, between Gas Natural Resources, LLC and Cobra Pipeline Company, Ltd.
10.2	Lease Agreement dated October 7, 2013, between 8500 Station Street LLC and OsAir, Inc.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Gas Natural Inc.**

By: /s/ Thomas J. Smith

Name: Thomas J. Smith

Title:

Chief Financial Officer

Dated: October 9, 2013

**Exhibit 10.1**

**Base Contract for Sale and Purchase of Natural Gas**

This Base Contract is entered into as of the following date: August 6, 2013

The parties to this Base Contract are the following:

<b>PARTY A</b> Cobra Pipeline Company, Ltd.	<b>PARTY NAME</b>	<b>PARTY B</b> Gas Natural Resources, LLC
3511 Lost Nation Road Suite 213 Willoughby, Ohio 44094	<b>ADDRESS</b>	8500 Station Street Suite 300 Mentor, Ohio 44060
www.	<b>BUSINESS WEBSITE</b>	www.
GNR2013 – IntrastateSales – Cobra Pipeline Company #1	<b>CONTRACT NUMBER</b>	GNR2013 – IntrastateSales – Cobra Pipeline Company #1
	<b>D-U-N-S® NUMBER</b>	
<input checked="" type="checkbox"/> US FEDERAL: 41-2255945  <input type="checkbox"/> OTHER:	<b>TAX ID NUMBERS</b>	<input checked="" type="checkbox"/> US FEDERAL: 90-0972629  <input type="checkbox"/> OTHER:
	<b>JURISDICTION OF ORGANIZATION</b>	Ohio
<input type="checkbox"/> Corporation                      LLC  <input checked="" type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership  <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	<b>COMPANY TYPE</b>	<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC  <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership  <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	<b>GUARANTOR (IF APPLICABLE)</b>	
<b>CONTACT INFORMATION</b>		
Cobra Pipeline Ltd. ATTN: Jessica Carothers  TEL#: 440-255-1945      FAX#: 440-255-1985 EMAIL: jcarothers@cobrapipeline.com	<b>• COMMERCIAL</b>	Gas Natural Resources, LLC ATTN: Mike Zappitello  TEL#: 440-974-3770      FAX#: 440-205-3175 EMAIL: mzappitello@egas.com
Cobra Pipeline Ltd. ATTN: Jessica Carothers TEL#: 440-255-1945      FAX#: 440-255-1985  EMAIL: jcarothers@cobrapipeline.com	<b>• SCHEDULING</b>	Gas Natural Resources, LLC ATTN: Mike Zappitello TEL#: 440-974-3770      FAX#: 440-205-3175  EMAIL: mzappitello@egas.com
Cobra Pipeline Ltd. ATTN: Jessica Carothers		Gas Natural Resources, LLC ATTN: Mike Zappitello

<b>TEL#:</b> 440-255-1945 <b>FAX#:</b> 440-255-1985  <b>EMAIL:</b> jcarothers@cobrapipeline.com Cobra Pipeline Ltd. <b>ATTN:</b> Jessica Carothers <b>TEL#:</b> 440-255-1945 <b>FAX#:</b> 440-255-1985  <b>EMAIL:</b> jcarothers@cobrapipeline.com	<b>• CONTRACT AND LEGAL NOTICES</b>	<b>TEL#:</b> 440-974-3770 <b>FAX#:</b> 440-205-3175  <b>EMAIL:</b> mzappitello@egas.com Gas Natural Resources, LLC <b>ATTN:</b> Mike Zappitello <b>TEL#:</b> 440-974-3770 <b>FAX#:</b> 440-205-3175  <b>EMAIL:</b> mzappitello@egas.com
Cobra Pipeline Ltd. <b>ATTN:</b> Jessica Carothers <b>TEL#:</b> 440-255-1945 <b>FAX#:</b> 440-255-1985  <b>EMAIL:</b> jcarothers@cobrapipeline.com	<b>• CREDIT</b>	Gas Natural Resources, LLC <b>ATTN:</b> Mike Zappitello <b>TEL#:</b> 440-974-3770 <b>FAX#:</b> 440-205-3175  <b>EMAIL:</b> mzappitello@egas.com
Cobra Pipeline Ltd. <b>ATTN:</b> Jessica Carothers  <b>TEL#:</b> 440-255-1945 <b>FAX#:</b> 440-255-1985  <b>EMAIL:</b> jcarothers@cobrapipeline.com	<b>• TRANSACTION CONFIRMATIONS</b>	Gas Natural Resources, LLC <b>ATTN:</b> Mike Zappitello  <b>TEL#:</b> 440-974-3770 <b>FAX#:</b> 440-205-3175  <b>EMAIL:</b> mzappitello@egas.com
<b>ACCOUNTING INFORMATION</b>		
Cobra Pipeline Ltd. <b>ATTN:</b> Jessica Carothers  <b>TEL#:</b> 440-255-1945 <b>FAX#:</b> 440-255-1985  <b>EMAIL:</b> jcarothers@cobrapipeline.com	<b>• INVOICES • PAYMENTS • SETTLEMENTS</b>	Gas Natural Resources, LLC <b>ATTN:</b> Mike Zappitello  <b>TEL#:</b> 440-974-3770 <b>FAX#:</b> 440-205-3175  <b>EMAIL:</b> mzappitello@egas.com
<b>BANK:</b> _____ <b>ABA:</b> _____ <b>ACCT:</b> _____ <b>OTHER DETAILS:</b> _____	<b>WIRE TRANSFER NUMBERS (IF APPLICABLE)</b>	<b>BANK:</b> _____ <b>ABA:</b> _____ <b>ACCT:</b> _____ <b>OTHER DETAILS:</b> _____
<b>BANK:</b> _____ <b>ABA:</b> _____ <b>ACCT:</b> _____ <b>OTHER DETAILS:</b> _____	<b>ACH NUMBERS (IF APPLICABLE)</b>	<b>BANK:</b> _____ <b>ABA:</b> _____ <b>ACCT:</b> _____ <b>OTHER DETAILS:</b> _____
<b>ATTN:</b> _____ <b>ADDRESS:</b> _____	<b>CHECKS (IF APPLICABLE)</b>	<b>ATTN:</b> _____ <b>ADDRESS:</b> _____

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NAESB Standard 6.3.1  
September 5, 2006

**Base Contract for Sale and Purchase of Natural Gas**

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

<b>Section 1.2</b> Transaction Procedure <input type="checkbox"/> Oral (default) OR <input checked="" type="checkbox"/> Written	<b>Section 10.2</b> Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u> _____ _____ _____
<b>Section 2.7</b> Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> ____ Business Days after receipt	
<b>Section 2.8</b> Confirming Party <input checked="" type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer	
<b>Section 3.2</b> Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard	<b>Section 10.3.1</b> Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
<i>Note: The following Spot Price Publication applies to both of the immediately preceding.</i>	
<b>Section 2.31</b> Spot Price Publication <input type="checkbox"/> Gas Daily Midpoint (default) OR <input checked="" type="checkbox"/> <u>Gas Daily Midpoint Columbia Appalachia</u>	<b>Section 10.3.2</b> Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
<b>Section 6</b> Taxes <input type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	
<b>Section 7.2</b> Payment Date <input checked="" type="checkbox"/> 25 <sup>th</sup> Day of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	<b>Section 15.5</b> Choice Of Law <u>OHIO</u>
<b>Section 7.2</b> Method of Payment <input type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check or X Cash Account Transfer	<b>Section 15.10</b> Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
<b>Section 7.7</b> <input checked="" type="checkbox"/> Netting applies (default)	

Netting	OR	
<input type="checkbox"/>	Netting does not apply	
<input type="checkbox"/> <b>Special Provisions</b> Number of sheets attached:		
<input checked="" type="checkbox"/> <b>Addendum(s):</b> This agreement replaces JOHND2010 – Cobra Pipeline Company #1		

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

**Cobra Pipeline Company, Ltd.**

**PARTY NAME**

**Gas Natural Resources, LLC**

By: /s/ Jessica Carothers

**SIGNATURE**

By: /s/ Michael Cappitello

**Jessica Carothers**

**PRINTED NAME**

**Michael Zappitello**

**Accounting, Mgr., Cobra Pipeline Company, Ltd. TITLE**

**Manager, Gas Natural Resources, LLC**

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NAESB Standard 6.3.1

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September 5, 2006

General Terms and Conditions  
Base Contract for Sale and Purchase of Natural Gas

**SECTION 1. PURPOSE AND PROCEDURES**

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

**The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.**

**Oral Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

**Written Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

## SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

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- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its



interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

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2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

**The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.**

#### **Cover Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price

received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

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**Spot Price Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

**SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES**

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

**SECTION 5. QUALITY AND MEASUREMENT**

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

**SECTION 6. TAXES**

**The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.**

**Buyer Pays At and After Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**Seller Pays Before and At Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**SECTION 7. BILLING, PAYMENT, AND AUDIT**

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

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7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the

Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

#### SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

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9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

## SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or (ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

**The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.**

### **Early Termination Damages Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such



payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

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**Early Termination Damages Do Not Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either “Other Agreement Setoffs Apply” or “Other Agreement Setoffs Do Not Apply” as indicated on the Base Contract.

**Other Agreement Setoffs Apply:****Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

**Triangular Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

**Other Agreement Setoffs Do Not Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the “Net Settlement Amount”). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party.

The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount,

provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

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## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR

CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

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## SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

## SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any

transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

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15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated November 25, 2011. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
<b>SELLER:</b> Cobra Pipeline Company, LTD Attn: Jessica Carothers Phone: 440-255-1945 Fax: 440-255-1985 Base Contract No.: GNR2013 – IntrastateSales – Cobra Pipeline Company #1 Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> Gas Natural Resources, LLC Attn: Mike Zappitello Phone: 440-974-3770 Fax: 440-205-3175 Base Contract No.: GNR2013 – IntrastateSales – Cobra Pipeline Company #1 Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____, _____ End: _____, _____				
<b>Performance Obligation and Contract Quantity: (Select One)</b>  <table style="width: 100%;"> <tr> <td style="width: 33%; vertical-align: top;"> <b>Firm (Fixed Quantity):</b>            _____ MMBtus/day  <input type="checkbox"/> EFP         </td> <td style="width: 33%; vertical-align: top;"> <b>Firm (Variable Quantity):</b>            _____ MMBtus/day Minimum            _____ MMBtus/day Maximum            subject to Section 4.2. at election of  <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller         </td> <td style="width: 33%; vertical-align: top;"> <b>Interruptible:</b>            Up to _____ MMBtus/day         </td> </tr> </table>		<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day		
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location):				
<b>Special Conditions:</b>				
Seller: _____ _____ By: _____ _____ Title: _____ _____ Date: _____ _____	Buyer: _____ _____ By: _____ _____ Title: _____ _____ Date: _____ _____			

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**Exhibit 10.2**

**LEASE AGREEMENT**

**THIS LEASE** made this 7<sup>TH</sup> day of **OCTOBER, 2013**, Mentor, Ohio by and between **8500 Station Street LLC** Ohio Corporation, , (hereinafter called "Landlord") and **OsAir, Inc.** (hereinafter called "Tenant").

**WITNESSETH**, that Landlord hereby leases to Tenant and Tenant hereby hires and takes from Landlord certain premises,