

February 13, 2017

Docketing
180 East Broad Street, 11th Floor
Columbus, Ohio 43215

Re: In the Matter of the Joint Application of Brainard Gas Corp., Northeast Ohio Gas Corp., Orwell Natural Gas Company, and Spelman Pipeline Holdings, LLC for Approval of Merger with FR Bison Holdings, Inc. and FR Bison Merger Sub, Inc., Case No. 16-2251-GA-UNC

Dear Sir or Madam:

Enclosed please find a revised version of the Joint Application in the above referenced case, Case No. 16-2251-GA-UNC. As you can see, the changes involved are minimal and do not relate to the substantive issue in the case.

In brief, First Reserve proposes to make an internal reorganization of the ownership chain of the entities that will acquire Gas Natural Inc. ("GNI"). The change was prompted by First Reserve's receipt of new information regarding the tax status of GNI. First Reserve now believes that GNI may potentially become a U.S. Real Property Holding Company ("USRPHC") for U.S. federal income tax purposes in the future.

The modification to the structure conforms to the agreement First Reserve has in place with its limited partners to own USRPHCs through an agreed-upon structure. If GNI were a USRPHC and were not held through the agreed-upon structure, any foreign investor in FREIF II could be required to directly pay U.S. federal income tax. As many of First Reserve's foreign investors prefer not to be directly responsible for U.S. federal income taxes and all the associated filings and issues, First Reserve is subject to a requirement that First Reserve must have entities between the acquiring fund and First Reserve Energy Infrastructure Fund GP II, L.P. that are created for the purpose of preparing and filing any required income tax returns and paying any required U.S. federal income tax ("Intermediate Entities"). Foreign investors view this arrangement as administratively preferable to filing their own U.S. federal income tax returns. First Reserve's ownership of GNI through FREIF II Echo AIV, L.P. would comply with the structure agreed upon with First Reserve's investors regarding the ownership of USRPHCs because FREIF II Echo AIV, L.P. is structured with Intermediate Entities.

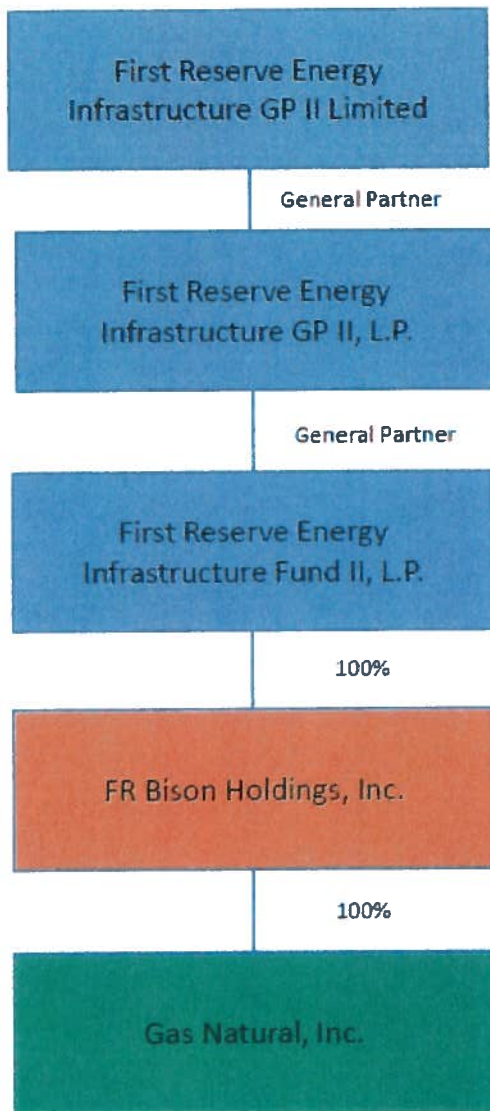
The modification described above is a change to the structure of the organizational chain of entities upstream of FR Bison Holdings. Accordingly, this modification will not change the GNI Transaction that is proposed for approval by this Commission or require an amendment to the Merger Agreement between FR Bison Holdings, FR Bison Merger Sub, Inc. and GNI.

Therefore, First Reserve proposes to transfer the ownership of FR Bison Holdings, who is acquiring the stock of GNI, from First Reserve Energy Infrastructure Fund II, L.P. ("FREIF II") to FREIF II Echo AIV, L.P. (the "AIV"), which is structured with Intermediate Entities. As can be seen from the chart, there is no change of ultimate control involved in this transfer. Both First Reserve Energy Infrastructure Fund II, L.P. and the AIV are controlled by the same general partners. The AIV is ultimately owned by the same limited partners that own FREIF II. The only difference between the two structures is the presence of Intermediate Entities above the AIV.

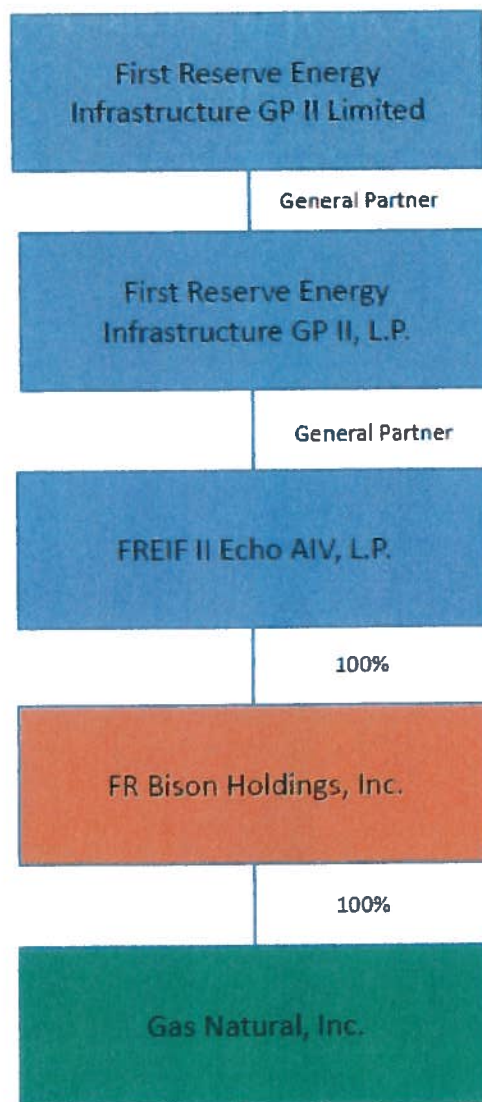
Figure 1

First Reserve Ownership Structure and Relationship to GNI (Revised)*

Original Organizational Structure



Revised Organizational Structure



***Note: Figure 1 does not reflect the presence of the Intermediate Entities discussed above.**

The other change to the originally filed application relates to the recently announced upstream acquisition whereby BlackRock, Inc. intends to acquire the energy infrastructure business of

First Reserve, including the equity interests in First Reserve Energy Infrastructure GP II Limited. This acquisition is not subject to the jurisdiction of the Commission and has no impact on any of the commitments made in this proceeding regarding the future operations of GNI.

Applicants believe that these two events are ultimately immaterial to the matters before the Commission in this proceeding but wanted to ensure that the changes in the corporate structure resulting from these matters were fully transparent to the Commission.

If you have any questions or concerns about this modification please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "N. Trevor Alexander", with a stylized flourish at the end.

N. Trevor Alexander

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

2/13/2017 3:57:45 PM

in

Case No(s). 16-2251-GA-UNC

Summary: Text Letter to Docketing