

OCC EXHIBIT NO. _____

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)
Suburban Natural Gas Company for an) Case No. 18-1205-GA-AIR
Increase in Gas Distribution Rates.)

In the Matter of the Application of)
Suburban Natural Gas Company for Tariff) Case No. 18-1206-GA-ATA
Approval.)

In the Matter of the Application of)
Suburban Natural Gas Company for) Case No. 18-1207-GA-AAM
Approval of Certain Accounting Authority.)

**DIRECT TESTIMONY
OF
WM. ROSS WILLIS**

On Behalf of
The Office of the Ohio Consumers' Counsel
65 East State Street, 7th Floor
Columbus, Ohio 43215

March 8, 2019

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*Direct Testimony of Wm. Ross Willis
On Behalf of the Office of the Ohio Consumers' Counsel
PUCO Case No. 18-1205-GA-AIR et al.*

1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.***

4 ***A1.*** My name is Wm. Ross Willis. My business address is 65 East State Street,
5 Columbus, Ohio 43215.

6

7 ***Q2. BY WHOM ARE YOU EMPLOYED?***

8 ***A2.*** I am employed by the Office of the Ohio Consumers' Counsel ("OCC").

9

10 ***Q3. WHAT IS YOUR CURRENT POSITION WITH THE OCC, AND WHAT ARE***
11 ***YOUR DUTIES?***

12 ***A3.*** I am a Senior Regulatory Analyst and Electric Industry Team Leader within the
13 Department of Analytical Services. My duties include performing analysis of
14 impacts on the utility bills of residential consumers with respect to regulated
15 utility filings before the Public Utilities Commission of Ohio ("PUCO"), and
16 PUCO-initiated investigations. I examine utility financial and asset records to
17 determine operating income, rate base, and the revenue requirement, on behalf of
18 residential consumers.

19

20 ***Q4. WOULD YOU BRIEFLY STATE YOUR EDUCATIONAL BACKGROUND?***

21 ***A4.*** I earned a Bachelor of Business Administration Degree that included a major in
22 finance and a minor in management from Ohio University in December 1983. In
23 November 1986, I attended the Academy of Military Science and received a

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1 commission in the Air National Guard. I have also attended various seminars and
2 rate case training programs sponsored by the PUCO.

3

4 ***Q5. PLEASE OUTLINE YOUR WORK EXPERIENCE.***

5 ***A5.*** I joined the PUCO in February 1984 as a Utility Examiner in the Utilities
6 Department. I held several technical and managerial positions with the PUCO
7 over my 30-plus year career. I retired from the PUCO on December 1, 2014. My
8 most recent position with the PUCO was Chief, Rates Division within the Rates
9 and Analysis Department. In that position, my duties included developing,
10 organizing, and directing PUCO Staff during rate case investigations and other
11 financial audits of public utility companies subject to its jurisdiction. The
12 determination of revenue requirements in connection with rate case investigations
13 was under my purview. I joined OCC in October 2015.

14

15 My military career spans 27 honorable years of service with the Ohio National
16 Guard. I earned the rank of Lieutenant Colonel and I am a veteran of the war in
17 Afghanistan. I retired from the Air National Guard in March 2006.

18

19 ***Q6. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUCO?***

20 ***A6.*** Yes. WRW Attachment A has a list of cases in which I presented testimony
21 before the PUCO.

22

1 **II. PURPOSE OF TESTIMONY**

2

3 ***Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?***

4 **A7.** The purpose of my testimony is to support OCC objections 7 through 18 to the
5 February 6, 2019 Staff Report of Investigation (“Staff Report”). The Staff Report
6 was issued in response to Suburban Natural Gas Company’s (“Suburban” or
7 “Utility”) request to increase rates to customers by \$3,365,439.

8

9 I will address OCC objections related to operating income and rate base,
10 including the benefits that customers should receive from the Federal Tax Cuts
11 and Jobs Act of 2017 (“TCJA”). I will also support the overall revenue
12 requirement recommended by OCC, which reflects the rate of return being
13 sponsored by OCC witness Dr. Daniel J. Duann.

14

15 ***Q8. WHAT IS THE LEVEL OF REVENUE INCREASE RECOMMENDED IN***
16 ***THE STAFF REPORT?***

17 **A8.** The Staff Report recommends a revenue increase. The lower bound increase is
18 \$764,476, and the upper bound increase is \$1,087,908.

19

20 ***Q9. DO YOU RECOMMEND A REVENUE INCREASE?***

21 **A9.** No. I recommend a revenue *decrease* of \$826,810.

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1 ***Q10. WHAT SPECIFIC CHANGES TO THE STAFF REPORT'S LOWER AND***
2 ***UPPER BOUND REVENUE REQUIREMENT DO YOU RECOMMEND?***

3 ***A10.*** I recommend the following corrections to the Staff Report schedules:

- 4 • A \$13,531,197 reduction to Plant-In-Service Mains Account 376
5 related to a pipeline (the "DEL-MAR Pipeline") that Suburban
6 leases from DEL-MAR Pipeline Co. LLC ("DEL-MAR"), and
7 Suburban's extension of that pipeline. (OCC Objections 11, 12,
8 and 13).
- 9 • A \$129,330 reduction to Property Taxes associated with the plant-
10 in-service adjustments for the DEL-MAR lease. (OCC Objection
11 15)
- 12 • A \$307,527 reduction to Depreciation Expense associated with the
13 plant-in-service adjustments for the DEL-MAR lease. (OCC
14 Objection 14)
- 15 • A \$121,206 reduction to Miscellaneous Expenses. (OCC Objection
16 16)
- 17 • All flow-through adjustments to Working-Capital, Federal Income
18 Tax, and Tax Synchronization as a result of the changes above.
19 (OCC Objection 17)

20 In addition, OCC witness Dr. Daniel J. Duann recommends a 6.95% rate of
21 return, which I have incorporated on line 4 of OCC Schedule A-1, which is
22 attached to my testimony as WRW Attachment B.

III. DEL-MAR PIPELINE (OCC OBJECTIONS 11-15)

***Q11. CAN YOU PROVIDE BACKGROUND RELATED TO THE DEL-MAR
PIPELINE LEASE AGREEMENT?***

A11. Yes. The PUCO approved a long-term pipeline lease agreement between Suburban and DEL-MAR in Case No. 05-380-GA-AIS. According to the application in that case, the need for the pipeline arose when Suburban concluded that it would be unable to timely and economically obtain additional streaming capacity from Columbia Gas of Ohio.¹ The PUCO ordered Suburban to file a written report with the PUCO summarizing the terms and full particulars of the lease.² On December 1, 2005, the commencement date of the lease, Suburban filed the report as required by the PUCO, including a copy of the lease agreement.³ The pipeline lease is for 15 years beginning December 1, 2005, with Suburban making monthly lease payments to DEL-MAR for the use of the pipeline. At the end of the lease, Suburban has the option to purchase the pipeline for \$4,157,858.⁴

¹ Case No. 05-380-GA-AIS, Application at 2 (Mar. 21, 2015).

² Case No. 05-380-GA-AIS, Finding & Order at 4 (June 8, 2016).

³ A copy of this filing, including the lease agreement, is attached to my testimony as WRW Attachment C.

⁴ WRW Attachment C, Lease Agreement at 13.

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1 ***Q12. WHY DID YOU PROPOSE AN ADJUSTMENT TO REMOVE THE***
2 ***PURCHASE OF THE DEL-MAR PIPELINE?***

3 ***A12.*** Suburban does not own the DEL-MAR pipeline. According to the lease
4 agreement, Suburban does not have the option to purchase the pipeline until
5 November 30, 2020, which is nearly two years after the date certain in this case
6 (February 28, 2019). Instead, Suburban leases the pipeline from DEL-MAR, and
7 customers pay for the lease through Suburban's gas cost recovery ("GCR")
8 mechanism.⁵ Thus, Suburban cannot include the pipeline in its plant in service.

9
10 Despite this, Suburban included a projected amount at the date certain (February
11 28, 2019), of \$4,629,797 for the DEL-MAR pipeline.⁶

12
13 If the DEL-MAR option is included in rate base, then customers will be paying
14 for the DEL-MAR pipeline twice: once as a lease through the GCR, and once
15 through base rates, including a return on and of the pipeline. This is neither just
16 nor reasonable.

17
18 ***Q13. IS SUBURBAN NOW EXTENDING THE DEL-MAR PIPELINE?***

19 ***A13.*** Yes. According to the direct testimony of Mr. Sonderman, Suburban began
20 construction of a 4.9-mile pipeline extension of the 20 mile DEL-MAR Pipeline,

⁵ See Case No. 18-216-GA-GCR, Opinion & Order (Jan. 16, 2019).

⁶ Case No. 18-1205-GA-AIR, Applicant's Workpaper WPB-2.3 & Staff Data Request 74 Attachment G, attached hereto as WRW Attachment D.

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1 which operates under the PUCO-approved lease arrangement between Suburban
2 and DEL-MAR.⁷

3

4 ***Q14. PLEASE EXPLAIN YOUR ADJUSTMENT TO REMOVE THE DEL-MAR***
5 ***EXTENSION FROM RATE BASE?***

6 ***A14.*** The application in this case also included a projected value in plant-in-service
7 related to the DEL-MAR extension amounting to \$8,901,400.⁸

8

9 According to the direct testimony of Mr. Sonderman, the pipeline extension is
10 necessary to serve the “robust” growth being experienced in Delaware County.⁹ In
11 Case No. 18-54-GA-BLN before the Ohio Power Siting Board, Suburban stated
12 that the purpose of the extension project was to provide enough gas volume for
13 the planned growth in the area.¹⁰ In that case, Suburban projected serving as many
14 as 18 new subdivisions, in various stages of development, with an estimated final
15 buildout of 4,000 homes.¹¹ Suburban proposed the extension of the pipeline in
16 order to address the *future* growth needs of the area and to prevent a potential
17 system capacity shortage.¹²

18

⁷ Case No. 18-1205-GA-AIR, Direct Testimony of Andrew J. Sonderman at 3 (the “Sonderman Testimony”).

⁸ Case No. 18-1205-GA-AIR, Applicant’s Workpaper WPB-2.3 & Staff Data Request 74 Attachment A, attached hereto as WRW Attachment D.

⁹ Sonderman Testimony at 3.

¹⁰ Case No. 18-54-GA-BLN, Staff Report at 1 (Mar. 26, 2018).

¹¹ *Id.* at 2.

¹² *Id.*

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1 ***Q15. DOES SUBURBAN HAVE ROBUST GROWTH IN DELAWARE COUNTY***
2 ***AS MR. SONDERMAN TESTIFIES?***

3 ***A15.*** There is growth but not robust growth. Residential growth from August 2017 to
4 August 2018 was approximately 2% or an increase of 332 customers.¹³ At this
5 rate, it will take approximately 12 years for Suburban to experience the final
6 buildout of the 4,000 projected homes. Further, there is no guarantee that
7 Suburban will continue to experience similar growth.

8

9 ***Q16. IS IT REASONABLE FOR SUBURBAN TO EXPECT THE EXISTING***
10 ***CUSTOMER BASE TO PAY FOR THE PIPELINE EXPANSION TO SERVE***
11 ***FUTURE CUSTOMERS?***

12 ***A16.*** No. The extension is not eligible for rate base inclusion in this case because it is
13 not used and useful to current Suburban customers. Instead, it is being built to
14 provide service to future customers. If the DEL-MAR extension becomes used
15 and useful to those future customers one day, then Suburban can file a new rate
16 case and include it in rate base. If the PUCO authorized Suburban to begin
17 recovery of the pipeline extension in rate base, current customers would be paying
18 for plant to serve future customers. This is unfair to the current customers, from
19 which Suburban is requesting increased charges. Current customers should benefit
20 from a larger customer base, and future customers should pay for the expansion as
21 they are added to the customer base. If current customers are burdened with
22 footing the bill for the pipeline expansion, the addition of new customers to

¹³ Case No. 18-1205-GA-AIR, Staff Data Request 1, attached hereto as WRW Attachment E.

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1 Suburban's system in the future will represent pure profit to Suburban's
2 shareholders.

3

4 ***Q17. ARE THERE OTHER NECESSARY ADJUSTMENTS TO THE REVENUE***
5 ***REQUIREMENT RESULTING FROM THE TWO DEL-MAR***
6 ***ADJUSTMENTS DISCUSSED ABOVE?***

7 ***A17.*** Yes. Depreciation expense and property taxes would need to be reduced to reflect
8 the lower plant-in service. WRW Attachment B reflects the additional
9 adjustments necessary to calculate the correct revenue requirement.

10

11 **IV. OTHER RECOMMENDED ADJUSTMENTS (OCC OBJECTIONS 16-17)**

12

13 ***Q18. WHY DO YOU OBJECT TO THE STAFF REPORT'S ADJUSTMENT TO***
14 ***MISCELLANEOUS GENERAL EXPENSE?***

15 ***A18.*** The Staff Report failed to adequately adjust the expenses associated with the
16 adjustment. Miscellaneous General Expense is comprised of 15 different sub-
17 accounts including executive car expense, travel expense, business meals, hotel
18 expense, director fees, uniforms, communication expenses, among others.¹⁴ The
19 test year in this case is March 2018 through February 2019. The PUCO Staff
20 reviewed two months of invoices for each of the sub-accounts. Rather than
21 adjusting the entire test year based on its review of the invoices, the Staff Report

¹⁴ Case No. 18-1205-GA-AIR, Staff Date Request 29 Attachment A, B & C, attached hereto as WRW Attachment F.

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1 only partly adjusted Miscellaneous General Expenses for a small amount and
2 limited its adjustment to just the two months it reviewed. The PUCO Staff should
3 have used its analysis as a basis for adjusting the test year in total.

4

5 For example, the Staff Report excluded a \$485 booking deposit for a Christmas
6 party casino night at a country club but did nothing to adjust the remaining
7 balance included in the budget. Further, the month of December for which the
8 remaining casino night expense was budgeted is eight times larger than any other
9 month in the test year, but the Staff Report failed to make any adjustment. The
10 PUCO Staff should have adjusted the test year based on its analysis.

11

12 The Staff Report's review of the sub-account business meals revealed expenses
13 associated with golfing events, country club dues, and everyday lunches for
14 Suburban's officers of the company. Rather than excluding the entire test year
15 amount, the Staff Report only excluded the two months it reviewed.

16

17 ***Q19. WHAT ADDITIONAL ADJUSTMENTS TO MISCELLANEOUS GENERAL***
18 ***EXPENSE DO YOU BELIEVE IS NECESSARY?***

19 ***A19.*** The executive car account is for the lease of a Lincoln Navigator, a Hyundai
20 Genesis, and all fuel and associated maintenance for the vehicles of the Chairman
21 and the President of Suburban. This is unreasonable for at least two reasons. First,
22 customers should not pay for utility executives to drive luxury automobiles (the
23 starting price for a Lincoln Navigator, for example, is over \$70,000). Second,

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1 customers should not pay for utility executives' *personal* (i.e. non-business) use
2 of any automobile. The executive car expense should be the responsibility of the
3 employee because the cars are also used for personal business. It is unreasonable
4 to expect the customers to fund expenses not associated with company business.

5

6 The business meals sub-account should be excluded in its entirety for the test year
7 based on the invoices provided to the PUCO Staff for its analysis. This account
8 includes the annual Christmas party and casino night which, as I indicated above,
9 the month of December was eight times larger than any other month. The rest of
10 the invoices reviewed were for golf, beverages, country club dues, and normal
11 everyday lunches for the chairman, his immediate family, or the president. All
12 charges were for local establishments. It is unreasonable to expect free lunches
13 and golf events funded by consumers. This provides no direct or primary benefit
14 to consumers. The Staff Report excluded 90% of the business meals sub-account
15 for the two months it reviewed but did nothing with the remaining ten months.
16 Based on the PUCO Staff's analysis, I recommend excluding 90% of the total test
17 year amount of the business meals sub-account.

18

19 The director fee sub-account includes \$8,000 per month for four family members
20 to attend board meetings. This is excessive and unreasonable. It is typical for
21 board members to hold quarterly meetings but not monthly meetings. My
22 adjustment recommends \$8,000 per quarter.

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1 ***Q20. ARE THERE ANY FLOW-THROUGH ADJUSTMENTS AS A RESULT OF***
2 ***YOUR ADJUSTMENTS?***

3 ***A20.*** Yes. C-3.13 Federal Income Tax, C-3.14 Tax Synchronization, and B-5
4 Allowance for Working Capital. WRW Attachment B includes all schedules that
5 change as a result my overall recommendations.

6

7 ***V. TAX CUTS AND JOBS ACT OF 2017 (OCC OBJECTIONS 7-10)***

8

9 ***Q21. DID THE STAFF REPORT ADDRESS ALL ISSUES RELATED TO THE***
10 ***TAX CUTS AND JOBS ACT OF 2017?***

11 ***A21.*** No. The Staff Report removed the amortization of the excess accumulated
12 deferred income taxes (“EDIT”) as proposed by Suburban. The regulatory
13 liability as ordered by the PUCO in Case No. 18-47-AU-COI was also not
14 included in any of the Staff Report Schedules. The Staff Report did address the
15 lower federal income tax rate to calculate the federal income tax expense and the
16 gross revenue conversion factor.

17

18 ***Q22. WHAT WAS THE PUCO FINDING AND ORDER WITH RESPECT TO***
19 ***CASE NO. 18-47-AU-COI?***

20 ***A22.*** The PUCO found that, unless ordered otherwise, all Ohio rate-regulated utility
21 companies should be directed to file applications “not for an increase in rates”.¹⁵
22 The PUCO directed the utilities to make the necessary filings by January 1,

¹⁵ Case No. 18-47-AU-COI, Finding and Order at 18 (Oct. 24, 2018).

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1 2019.¹⁶ Failure to make a filing consistent with this Finding and Order may result
2 in the assessment of a civil forfeiture of up to \$10,000 per day of non-compliance,
3 pursuant to R.C. 4905.54.¹⁷ The PUCO exempted companies with less than
4 10,000 customers from the order.¹⁸

5

6 ***Q23. DOES SUBURBAN HAVE MORE THAN 10,000 CUSTOMERS?***

7 ***A23.*** Yes. According to the Staff Report, Suburban has 17,381 customers.¹⁹

8

9 ***Q24. DID SUBURBAN COMPLY WITH THE PUCO ORDER AND FILE AN***
10 ***APPLICATION “NOT FOR AN INCREASE IN RATES”?***

11 ***A24.*** No. On November 27, 2018, Suburban filed a letter to notify the PUCO of its
12 intent to fully address the impact of the TCJA on its rates through Suburban’s
13 pending application for an increase in rates.²⁰

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.* at 19.

¹⁹ Staff Report at 7.

²⁰ Case No. 18-47-AU-COI, Letter Filed by Suburban (Nov. 27, 2018).

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1 ***Q25. DID SUBURBAN'S APPLICATION FULLY ADDRESS ALL ISSUES***
2 ***RELATED TO THE TCJA?***

3 ***A25.*** No. Suburban did not reflect the deferred regulatory liability for the reduction in
4 federal income tax resulting from the TCJA effective January 1, 2018 as ordered
5 by the PUCO.²¹

6 ***Q26. WHAT IS THE PUCO STAFF RECOMMENDATION?***

7 ***A26.*** The Staff Report recommended all EDIT balances and tax savings from January
8 1, 2018 until rates are approved in this case be addressed in Suburban's
9 application for the tax savings mechanism.²²

10

11 ***Q27. WHAT IS YOUR RECOMMENDATION?***

12 ***A27.*** Suburban should comply with the PUCO's directives immediately and file an
13 application "not for an increase in rates" to begin flowing back consumers money.
14 The deferred regulatory liability from Jan 1, 2018 until rates go in effect should
15 be returned over one year. The normalized EDIT balances should be returned
16 according to federal normalization guidelines. Non-normalized EDIT should be
17 returned over a 10-year period. All credits to customers resulting from the TCJA
18 should be allocated based on the percentage of base distribution revenues, and the
19 credit should be reflected as a percentage of the customer's base distribution
20 charges.

²¹ Case No. 18-47-AU-COI. Entry at 2 (Jan. 10, 2018).

²² Staff Report at 25.

VI. POSITIONS TAKEN BY THE PUCO STAFF SUPPORTED BY OCC

Q28. DID THE PUCO STAFF MAKE ANY ADJUSTMENTS TO OPERATING INCOME THAT YOU WOULD HAVE ALSO RECOMMENDED?

A28. Yes, the PUCO Staff made four adjustments that I support. Notably, they are as follows:

- The PUCO Staff correctly recommended General Plant Adjustments totaling \$45,836.²³
- The PUCO Staff correctly adjusted test-year revenue to forecast a February 2020 SGS customer count.²⁴
- The PUCO Staff correctly amortized Rate Case Expense over five-years.²⁵
- The PUCO Staff appropriately adjusted payroll expenses based on hourly rates and employee levels as of November 2018.²⁶

VII. CONCLUSION

Q29. DOES THIS CONCLUDE YOUR TESTIMONY?

A29. Yes. However, I reserve the right to incorporate new information that may subsequently become available. I also reserve the right to supplement my

²³ Staff Report at 10.

²⁴ *Id.* at 12.

²⁵ *Id.* at 13.

²⁶ *Id.* at 15.

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1 testimony if the Utility, the PUCO Staff, or other parties submit new or corrected
2 information in connection with this proceeding. And I reserve the right to
3 supplement my testimony in this case should any of the Staff Report's findings,
4 conclusions or recommendations noted above (which OCC supports) no longer be
5 supported by the PUCO Staff.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Direct Testimony of Wm. Ross Willis* on behalf of the *Office of the Ohio Consumers' Counsel* has been served upon those persons listed below via electronic service this 8th day of March 2019.

/s/ Christopher Healey
Counsel of Record

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Testimony before The Public Utilities Commission of Ohio

*Ohio Edison Company, The Cleveland Electric Illuminating Company
and The Toledo Edison Company - Case No. 16-481-EL-UNC, et al.*

Aqua Ohio, Inc. – Case No. 18-037-WW-SIC

Columbia Gas of Ohio, Inc. – Case No. 17-2202-GA-ALT

Ohio Power Company – Case No. 18-1007-EL-UNC

Dayton Power & Light Company – Case No. 15-1830-EL-AIR

Commission Ordered Investigation (TCJA) – Case No. 18-47-AU-COI

Ohio Gas Company – Case No. 17-1139-GA-AIR

Aqua Ohio, Inc. – Case No. 16-907-WW-AIR

Globe Metallurgical, Inc. - Case No. 16-737-EL-AEC

Ohio Power Company - Case No. 13-2385-EL-SSO

Aqua Ohio, Inc. – Case No. 13-2124-WW-AIR

Camplands Water LLC. - Case No. 13-1690-WW-AIR

Duke Energy Ohio, Inc. - Case No. 12-1685-GA-AIR

Duke Energy Ohio, Inc. - Case No. 12-1682-EL-AIR

Ohio American Water Company - Case No. 11-4161-WS-AIR

Water and Sewer LLC. - Case No. 11-4509-ST-AIR

Aqua Ohio, Inc. - Case No. 09-1044-WW-AIR

Duke Energy Ohio, Inc. - Case No. 08-709-EL-AIR

*Ohio Edison Company, The Cleveland Electric Illuminating Company
and The Toledo Edison Company - Case No. 07-551-EL-AIR*

Northeast Ohio Natural Gas Corp. - Case No. 03-2170-GA-AIR

Water and Sewer LLC. – Case No. 03-318-WS-AIR

Southeast Natural Gas Company – Case No. 01-140-GA-AEM

Masury Water Company - Case No. 00-713-WW-AIR

Akron Thermal, Limited Partnership - Case No. 00-2260-HT-AEM

GTE North, Inc. - Case No. 87-1307-TP-AIR

The Cleveland Electric Illuminating Company - Case No. 85-675-EL-AIR

**SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
OVERALL FINANCIAL SUMMARY
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE A-1
PAGE 1 OF 1**

Line No.	Description	Supporting Schedule Reference	Applicant	OCC	
				Lower Bound	Upper Bound
1	Rate Base as of Date Certain	B-1	\$ 25,877,578	\$ 11,990,926	\$ 11,990,926
2	Current Operating Income	C-1	(649,180)	1,486,549	1,486,549
3	Earned Rate of Return: Line (2) / Line (1)	(n/a)	-2.51%	12.40%	12.40%
4	Recommended Rate of Return	D-1	7.26%	6.95%	6.95%
5	Required Operating Income: Line (1) x (4)	(n/a)	1,879,161	833,369	833,369
6	Operating Income Deficiency: Line (5) - Line (2)	(n/a)	2,528,341	(653,180)	(653,180)
7	Gross Revenue Conversion Factor	A-2	1.331086	1.265823	1.265823
8	Revenue Deficiency: Line (6) x Line (7)	(n/a)	3,365,439	(826,810)	(826,810)
9	Revenue Increase Recommended	E-4	3,365,439	(826,810)	(826,810)
10	Test Year Adjusted Operating Revenues	C-1	17,949,119	18,634,701	18,634,701
11	Revenue Requirements: Line (9) + Line (10)	(n/a)	\$ 21,314,558	\$ 17,807,891	\$ 17,807,891
12	Increase Over Current Revenue: Line (9) / Line (10)	(n/a)	18.75%	-4.44%	-4.44%

WRW Attachment B

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
JURISDICTIONAL RATE BASE SUMMARY
AS OF FEBRUARY 28, 2019

SCHEDULE B-1
PAGE 1 OF 1

Line No.	Rate Base Component	Supporting Schedule Reference	Applicant Proposed Amount	OCC Proposed Amount
1	Plant in service	B-2	\$ 39,744,253	\$ 26,167,220
2	Reserve for accumulated depreciation	B-3	(9,656,236)	(9,676,859)
3	Net plant in service (1 + 2)		30,088,017	16,490,361
4	Construction work in progress	B-4	0	0
5	Working capital allowance	B-5	356,118	479,285
6	Contributions In Aid of Construction	B-6	0	0
7	Other Rate Base Items:		0	0
8	Deferred Income - Budget Billings	B-6	(703,306)	(703,306)
9	Customer Deposits	B-6	0	(333,715)
10	Deferred Income Taxes	B-6	(3,863,251)	(3,941,700)
11	Jurisdictional rate base (3) thru (10)		\$ 25,877,578	\$ 11,990,926

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS
AS OF FEBRUARY 28, 2019

SCHEDULE B-2
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S):: Staff Schedule B-2.1

Line No.	Major Property Groupings	Total Company	Staff Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1	Intangible	\$ -	\$ -	-	100%	\$ -
2	Production	-	-	-	100%	-
3	Transmission	-	-	-	100%	-
4	Distribution	36,529,946	(12,803,970)	23,725,976	100%	23,725,976
5	General	2,487,080	(45,836)	2,441,244	100%	2,441,244
6	TOTAL	\$ 39,017,026	\$ (12,849,806)	\$ 26,167,220	\$	\$ 26,167,220

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-2.1
PAGE 4 OF 5

WORK PAPER REFERENCE NO(S): Applicant Schedule WPB-2.3 and Staff Schedule B-2.2

Line No.	Acct. No.	Account Title	Total Company	OCC Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1		DISTRIBUTION PLANT					
2	374	Land and Land Rights	\$ 94,791		\$ 94,791	100%	\$ 94,791
3	375	Structures & Improvements	-		-	100%	-
4	376	Mains	28,445,896	(12,803,970)	15,641,926	100%	15,641,926
5	378	M & R Station Equipment - General	560,569	18,625	579,194	100%	579,194
6	380	Services	4,279,774		4,279,774	100%	4,279,774
7	381	Meters	2,588,127		2,588,127	100%	2,588,127
8	382	Meter Installations	-		-	100%	-
9	383	House Regulators	560,789	(18,625)	542,164	100%	542,164
10	387	Other Equipment	-		-	100%	-
11							
12		Total Distribution Plant	\$ 36,529,946	\$ (12,803,970)	\$ 23,725,976		\$ 23,725,976

SCHEDULE B-2.1
PAGE 5 OF 5

Line No.	Acct. No.	Account Title	Total Company	OCC Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1		GENERAL PLANT					
2	389	Land and Land Rights	\$ -	\$ -	\$ -	100%	\$ -
3	390	Structures & Improvements	188,871	(4,413)	184,458	100%	184,458
4	391	Office Furniture & Equipment	218,419	(115,126)	103,293	100%	103,293
5	391.1	Electronic Data Processing Equipment	-	87,271	87,271	100%	87,271
6	392	Transportation Equipment	1,230,308		1,230,308	100%	1,230,308
7	393	Stores Equipment	-	-	-	100%	-
8	394	Tools, Shop, & Garage Equipment	294,795	(4,080)	290,715	100%	290,715
9	396	Power Operated Equipment	316,711	(36,400)	280,311	100%	280,311
10	397	Communication Equipment	30,450	13,313	43,763	100%	43,763
11	399	Other Tangible Property	207,526	13,599	221,125	100%	221,125
12							
13		Total General Plant	\$ 2,487,080	\$ (45,836)	\$ 2,441,244		\$ 2,441,244
Total Plant in Service			\$ 39,017,026	\$ (12,849,806)	\$ 26,167,220		\$ 26,167,220

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF FEBRUARY 28, 2019

TOTAL PLANT

SCHEDULE B-2.2
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): Staff's Schedule B-2.2a and Schedule B-2.2b

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains		
2	378	M & R Station Equipment - General		\$ (12,803,970)
3	383	House Regulators		18,625
4	390	Structures & Improvements		(18,625)
5	391	Office Furniture & Equipment		(4,413)
6	391.1	Electronic Data Processing Equipment		(115,126)
7	394	Tools, Shop, & Garage Equipment		87,271
8	396	Power Operated Equipment		(4,080)
9	397	Communication Equipment		(36,400)
10	399	Other Tangible Property		13,313
				13,599
Total Plant Adjustment				\$ (12,849,806)

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTMENTS TO PLANT IN SERVICE
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-2.2a
PAGE 1 OF 1

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains	Book Cost of Village of Grand Rapids Capital Lease.	\$ 241,283
2	376	Mains	Book Value of Haskins Capital Lease.	485,944
3	376	Mains	DEL_MAR Pipeline lease	(4,629,797)
4	376	Mains	Del_MAR Pipeline Extension	(8,901,400)
5	378	M & R Station Equipment - General	Reclassified into correct account.	18,625
6	383	House Regulators	Removed due to incorrect classification.	(18,625)
Total Distribution Plant Adjustment				\$ (12,803,970)

WRW Attachment B

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-3.2
PAGE 4 OF 5

Line No. (A)	Acct. No. (B)	Account Title (C)	Adjusted Jurisdiction		Current Accrual Rate (F)	Calc. Depr. Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)
			Plant Investment (D)	Reserve Balance (E)				
1		DISTRIBUTION PLANT						
2	374	Land and Land Rights	\$94,791	\$0	0.00%	\$0	0%	n/a
3	375	Structures & Improvements	-	-	3.33%	-	0%	n/a
4	376	Mains	15,641,926	4,478,989	2.27%	355,498	-25%	55
5	378	M & R Station Equipment - General	579,194	292,293	3.67%	21,237	-10%	30
6	380	Services	4,279,774	2,477,857	3.33%	142,659	-50%	45
7	381	Meters	2,588,127	480,426	2.70%	69,949	0%	37
8	382	Meter Installations	-	-	0.00%	-	0%	n/a
9	383	House Regulators	542,164	262,132	2.86%	15,490	0%	35
10	387	Other Equipment	-	-	0.00%	-	0%	n/a
11								
12		Total Distribution Plant	\$23,725,976	\$7,991,697		\$604,834		

**SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ALLOWANCE FOR WORKING CAPITAL
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-5
PAGE 1 OF 1**

WORK PAPER REFERENCE NO(S): WPB-5 & WPB-5.1

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Revenue Requirement	Workpaper Reference	Total Company	Allocation %	Jurisdictional Amount
1	Cash Element of Working Capital	1/8 of operating expense less purchased gas expense	WPB-5	\$ 601,967	100.00%	\$ 601,967
2	Operating Taxes	1/4 of operating taxes	WPB-5	(211,297)	100.00%	(211,297)
3	Materials and Supplies	13 month average of materials and supplies	WPB-5.1	316,069	100.00%	316,069
4	Deferred Bad Debt	13 month average deferred bad debt	WPB-5.1	(52,909)	100.00%	(52,909)
5	Deferred PIPP	13 month average deferred PIPP	WPB-5.1	(174,545)	100.00%	(174,545)
6	Total Working Capital Allowance			\$ 479,285		\$ 479,285

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
JURISDICTIONAL PRO FORMA INCOME STATEMENT
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-1
PAGE 1 OF 1

Line No.	Description	Adjusted Revenues & Expenses	Proposed Increase	Pro forma Revenues & Expenses
1	Operating Revenues	\$ 18,634,701	\$ 3,365,439	\$ 22,000,140
2	Operating Expenses:			
3	Operations & Maintenance	15,481,556	0	15,481,556
4	Depreciation	821,409	0	821,409
5	Taxes-Other	525,492	165,007	690,500
6	Operating Expenses Before Income Taxes	16,828,457	165,007	16,993,464
7	Income Taxes	319,695	672,091	991,786
8	Total Operating Expenses	17,148,152	837,098	17,985,250
9	Net Operating Income (Loss)	\$ 1,486,549	\$ 2,528,341	\$ 4,014,890
10	Rate Base	\$ 11,990,926		\$ 11,990,926
11	Rate of Return	12.40%		33.48%

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTED TEST YEAR OPERATING INCOME
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-2
PAGE 1 OF 1

Line No.	Description	Unadjusted Revenues & Expenses	Adjustments	Adjusted Revenues & Expenses
1	OPERATING REVENUES			
2	Base Revenues	\$ 19,910,880	\$ (1,276,179)	\$ 18,634,701
3	Total Operating Revenues	19,910,880	(1,276,179)	18,634,701
4				
5	OPERATING EXPENSES			
6	Purchased Gas	11,481,648	(815,824)	10,665,824
7	Other Operation and Maintenance	6,287,283	(1,471,551)	4,815,732
8	Total Operation and Maintenance	17,768,931	(2,287,375)	15,481,556
9				
10	Depreciation	987,201	(165,792)	821,409
11	Taxes Other Than Income Taxes	1,624,953	(\$1,099,461)	525,492
12	Income Taxes	(216,118)	535,813	319,695
13	Total Operating Expenses	20,164,967	(3,016,815)	17,148,152
14				
15	Net Operating Income (Loss)	\$ (254,087)	\$ 1,740,636	\$ 1,486,549

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING INCOME
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-3
PAGE 1 OF 1

Line No.	Description	Revenue and Gas Cost	Rider Revenue	Interest on Customer Deposits	Rate Case Expenses	Charitable Contributions	Social Club Dues	Payroll Expenses	Property Taxes	Professional Fees	Depreciation Expense	Misc. Expenses	Misc. Expense Assoc. Rev. Adjustment	Federal Income Tax	Tax Synchronization	Total Schedule C-3
		C-3.1	C-3.2	C-3.3	C-3.4	C-3.5	C-3.6	C-3.7	C-3.8	C-3.9	C-3.10	C-3.11	C-3.12	C-3.13	C-3.14	
1	Element of Operating Income															
2	Revenues	\$ 70,418	\$ (1,346,597)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,276,179)
3	Total Revenue Adjustments	70,418	(1,346,597)	0	0	0	0	0	0	0	0	0	0	0	0	(1,276,179)
4																
5	OPERATING EXPENSES															
6	Purchased Gas Cost	(815,824)	0	0	0	0	0	0	0	0	0	0	0	0	0	(815,824)
7	Other Operation and															
8	Maintenance	0	(306,503)	3,536	53,290	(23,163)	(18,710)	(578,186)	0	(376,505)	0	(254,090)	28,780	0	0	(1,471,551)
9	Total O&M Adjustments	(815,824)	(306,503)	3,536	53,290	(23,163)	(18,710)	(578,186)	0	(376,505)	0	(254,090)	28,780	0	0	(2,287,375)
10																
11	Depreciation	0	0	0	0	0	0	0	0	0	(165,792)	0	0	0	0	(165,792)
12	Taxes Other Than Income	0	(1,040,094)	0	0	0	0	8,325	(67,691)	0	0	0	0	0	0	(1,099,461)
13	Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Operating Expense															
15	Adjustments	(815,824)	(1,346,597)	3,536	53,290	(23,163)	(18,710)	(569,862)	(67,691)	(376,505)	(165,792)	(254,090)	28,780	545,295	(9,482)	(3,016,815)
16	Net Operating Income (Loss)	\$ 888,242	\$ -	\$ (3,536)	\$ (53,290)	\$ 23,163	\$ 18,710	\$ 569,862	\$ 67,691	\$ 376,505	\$ 165,792	\$ 254,090	\$ (28,780)	\$ (545,295)	\$ 9,482	\$ 1,740,636

**SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTMENT FOR PROPERTY TAX EXPENSE
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.8
PAGE 1 OF 1**

WORK PAPER REFERENCE NO(S): WPC-3.8

Line No.	Purpose and Description	Reference	Amount
1	To adjust for property taxes		
2			
3	Increase in property taxes		
			\$ (67,691)



To Schedule C-3

WRW Attachment B

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTMENT FOR PROPERTY TAX EXPENSE
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

Worksheet WPC-3.8

Line No.	Purpose and Description	Reference	Amount
Personal Property			
1	Plant in Service @ 12/31/2017	(a)	\$ 36,258,435
2	Assessed Valuation @ 12/31/2017	(b)	3,843,160
3	Estimated Valuation Percentage	Line 2 / Line 1	10.60%
4	Plant in Service @ 12/31/2017	(c)	26,167,220
5	Assessed Valuation @ 12/31/2017	Line 3 X Line 4	2,773,556
6	Average Property Tax Rate per \$1,000	(d)	9.21%
7	Jurisdictional Property Taxes Expense	Line 5 X Line 6	255,375
8	Real Property	(d)	48,531
9	Property Tax Expense	Line 7 + Line 8	303,906
10	Test Year Jurisdictional Property Taxes Expense	(e)	371,597
11	Property Taxes Adjustment	Line 9 - Line 10	\$ (67,691)

- (a) Staff Data Request 19 - 2017 Property Tax Report
- (b) Staff Data Request 19 - 2017 Property Valuation Report
- (c) Applicants B-2.1 (will change to Staff Schedule B-2.1)
- (d) Derived from Staff Data Request 57 and Staff Tax Assessment Worksheet
- (e) Applicant's C-2.1

**SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
DEPRECIATION EXPENSE ADJUSTMENT
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.10
PAGE 1 OF 1**

WORK PAPER REFERENCE NO(S): Schedule B-3.2

Line No.	Purpose and Description	Reference	Amount
1	To adjust depreciation expense to actual		
2			
3	Jurisdictional Depreciation Schedule B-3.2		\$821,409
4	Test Year Jurisdictional Depreciation		987,201
5			
6	Increase to Depreciation Expense	Line 3 - Line 4	<u>(165,792)</u>
			↓
			To Schedule C-3

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
ADJUSTMENT FOR MISCELLANEOUS EXPENSES
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-3.11
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.11

Line No.	Purpose and Description	Reference	Amount
1	To Remove Rate Case Expense from Miscellaneous Expenses		
2			
3	Decrease in Miscellaneous expenses		
4	Account 930.05 Rate Case Expense	\$	(129,542)
5	Account 875 Executive Car Expense	\$	(41,939)
6	Account 912.00 Travel Exp		(866)
7	Account 912.01 Bus Meals		(17,710)
8	Account 930.2 Director Fees		(64,000)
9	Account 935.06 Bldg. & Shop Maint.		(33)
10	Total	\$	(254,090)

→
To Schedule C-3

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
FEDERAL INCOME TAX ADJUSTMENT
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-3.13
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): See below

Line No.	Purpose and Description	Reference	Amount
1	To reflect computed federal income tax liability (benefit) on adjusted revenue at 21% tax rate		
2			
3	Total Adjustments to Operating Revenue	Schedule C-3	\$ (1,276,179)
4			
5	Total Adjustments to Operating Expenses	Schedule C-3	(3,552,628)
6			
7	Total Adjustment (Effect on Income)	Line 3 - Line 5	2,276,449
8			
9	Adjustment to Tax Expense at 21% tax rate	Line 7 * 21%	478,054
10			
11	Add back EDIT amortization	Company WPC-2.1	67,241
12			
13	Adjustment to Federal Income Tax Expense	Line 9 + Line 11	\$ 545,295

↓
To Schedule C-3

SUBURBAN NATURAL GAS COMPANY
CASE NO. 18-1205-GA-AIR
SYNCHRONIZATION OF FEDERAL INCOME TAX EXPENSE
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-3.14
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): WPC-3.14, WPC-3.14a through WPC-3.14c

Line No.	Purpose and Description	Reference	Amount
1	To reconcile taxes with Schedule C-4		
2			
3	Unadjusted Test Year Income Tax Expense	Company C-2.1	\$ (216,118)
4			
5	Adjustments to Income Tax Expense	C-3.13 Line 13	545,295
6			
7	Adjusted Income Tax Expense	Line 3 + Line 5	329,177
8			
9	C-4 Reconciled Income Tax Expense	WPC-3.14	319,695
10			
11	Adjustment to Income Tax Expense	Line 9 - Line 7	\$ (9,482)
			↓
			To Schedule C-3

26
FILE

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of
Suburban Natural Gas Company for
Authority to Enter into a Long-Term
Pipeline Lease Agreement with
DEL-MAR Pipeline Co., LLC

Case No. 05-380-GA-AIS

APPLICANT'S REPORT
PURSUANT TO FINDING AND ORDER
ENTERED JUNE 8, 2005

Pursuant to the second ordering paragraph of the Commission's June 8, 2005 Finding and Order in the above-docketed proceeding, Applicant hereby submits a copy of the final executed Lease approved by the Commission in said proceeding containing the terms and full particulars of said Lease. Also submitted is a copy of a letter from the Lessor to the Lessee documenting the date of actual transfer of possession of the pipeline governed thereby from Lessor to Lessee and designating the date of commencement of the Lease Term, i.e., December 1, 2005. The subject Lease is identical to that submitted to and approved by the Commission in this proceeding.

Respectfully submitted,

SUBURBAN NATURAL GAS COMPANY

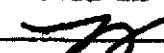
By



David L. Pemberton
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**LEASE AGREEMENT
BETWEEN
DEL-MAR PIPELINE CO., LLC
AND
SUBURBAN NATURAL GAS COMPANY**

This Lease Agreement between DEL-MAR Pipeline Co., LLC and Suburban Natural Gas Company (the "Lease") made and entered into this 1st day of December, 2005, by and between DEL-MAR Pipeline Co., LLC, an Ohio limited liability company with its principal place of business at 2626 Lewis Center Road, Lewis Center, Ohio 43035 ("Lessor"), and Suburban Natural Gas Company, an Ohio corporation, having its principal place of business at 211 East Front Street, Cygnet, Ohio 43413 ("Lessee"). The Lessor and Lessee may collectively be referred to as "Parties" or individually as "Party."

WITNESSETH:

I.

Lessor, in consideration of the rental herein reserved and other covenants and agreements herein contained, to the extent of its lawful authority so to do, does hereby lease, demise, and rent unto Lessee, for the purposes and subject to the provisions hereinafter specified, the facilities described in Exhibit A, attached hereto and incorporated by reference as if fully rewritten herein. The facilities described in Exhibit A are referred to as the "Pipeline."

II.

The "Term" of this Lease shall commence on the date that possession of the Pipeline is actually transferred to Lessee, which date shall be confirmed by letter from Lessor to Lessee documenting such date, and shall end fifteen (15) years thereafter, subject to sooner termination

by Lessor or Lessee in accordance with the provisions of this Lease. Lessee shall quit and surrender the Pipeline at the expiration or termination of this Lease, in as good a state and condition as the Pipeline was at the commencement of the Term, reasonable use, wear, improvement, and attachments thereof excepted.

III.

Lessee shall use the Pipeline for the exclusive purpose of distributing natural gas in a manner and at the pressures specified in the DEL-MAR/Suburban Pipeline Project Application, and any amendments thereto, as approved by the Ohio Power Siting Board ("Board") in Case No. 04-1542-GA-BTX ("Application"). Lessee agrees to use the Pipeline and conduct all of its operations hereunder in accordance with all applicable laws, rules, and regulations of any governmental authorities having jurisdiction thereof, including without limitation, the certificate issued by the Board.

IV.

Lessee warrants that its lease and use of the Pipeline will not render the Pipeline subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). Lessee shall not take any action to subject the Pipeline to FERC's jurisdiction.

V.

In consideration for the lease of said Pipeline, Lessee agrees to pay Lessor rental, as set forth below:

- a. Base Rental: Commencing on the date of the beginning of the Lease Term, Lessee shall pay to Lessor an annual amount in accordance with Exhibit B attached hereto and incorporated by reference as if fully rewritten herein. Said annual amount shall be payable in monthly installments on the first day of each month during the Lease Term; provided, however, that should the Lease Term begin on a date other than the first day of a month, that first month's Base Rental shall be prorated based upon the proportion which the number of days that the Lease was actually in effect the first month bears to the total number of days in the first month. The amounts determined in accordance with Exhibit B are hereinafter called the "Base Rental."
- b. Late Payment: In the event any sums required hereunder to be paid are not received on or before the fifth (5th) calendar day after the same are due, then, for each and every late payment, Lessee shall immediately pay a service charge equal to the greater of Fifty Dollars (\$50.00) or five percent (5%) of the total payment amount that is late. Notwithstanding this service charge for late payment, Lessee shall be in default under this Lease if any and all payments required to be made by Lessee are not made at or before the times set forth herein. Further, and notwithstanding the foregoing, in addition to the default and service charge, any amount not paid within five (5) days of when it is due shall also accrue interest at the then existing prime rate plus four percent (4%), which prime rate is defined as the prime rate set forth in the Wall Street Journal, or other publication agreed upon by the Parties in the event the Wall Street Journal's prime rate ceases to be available.
- c. Returned Checks: In the event that Lessee's payment by check for amounts due is returned for any reason, Lessee agrees to pay Lessor the sum of Fifty Dollars (\$50.00)

as a handling charge, in addition to the charges set forth in Paragraph (b) above, and the returned check must then be redeemed by cashier's check within two (2) business days of the Lessor's notification to the Lessee of the returned check. In the event more than one check is returned, Lessee agrees to make all subsequent payments by cashier's check.

VI.

Lessor makes no warranty, express or implied, as to the condition or suitability of the Pipeline for any purpose. Lessee shall have the right to terminate this Lease in the event that the Pipeline is not physically suitable, applying good industry practice, for the purpose of distributing natural gas at the operating pressures set forth in the Application. Notwithstanding the foregoing, this termination right shall automatically expire on the earlier of the date that:

- a. Lessee first commences service through the Pipeline; or,
- b. Ninety (90) days after the commencement of the Lease Term.

Lessee's right to purchase and Lessor's right to require Lessee to purchase the Pipeline, as set forth in Article XVII, shall not apply to any termination pursuant to this paragraph.

VII.

Lessee shall be exclusively responsible for operating the Pipeline, repairing any damages to the Pipeline, and maintaining the Pipeline in good repair and in at least as good condition as that in which it was delivered, allowing for ordinary use and wear, as specified herein. Lessee's responsibilities in this regard include, but are not limited to:

- a. Leak identification and "sniffing" the Pipeline;

- b. Supplying its own power, and other required utilities in connection with its lease and operation of the Pipeline;
- c. Becoming and remaining a member in good standing of Ohio Utilities Protection Service ("OUPS") for the entire term of this Lease, obtaining OUPS coverage for the Pipeline, and fulfilling all responsibilities as a member of OUPS, including receiving and responding to calls to mark the location of the Pipeline for its protection;
- d. Odorization, if required by law or regulation; and,
- e. Compliance with all applicable safety, operation, and maintenance laws and regulations, including, but not limited to, regulations of the U. S. Department of Transportation and the Public Utilities Commission of Ohio ("PUCO").

Lessor shall promptly notify Lessee of any inquiries concerning the location and operation of the Pipeline received by Lessor from third parties, which notification shall include furnishing Lessee with copies of any written material received.

VIII.

In the event the Pipeline is substantially destroyed without fault of Lessee, the Lessor, at its option, shall have the right to terminate this Lease, by serving written notice of such termination on Lessee within 45 days after the date of such substantial destruction. If Lessor does not exercise this option, Lessor shall promptly restore the Pipeline to its former condition. In the event Lessor terminates the Lease as aforesaid, and Lessee elects to purchase the Pipeline from Lessor pursuant to the terms of Article XVII, the purchase price for the Pipeline shall be reduced by the reasonable cost to restore the Pipeline to its former condition; provided, however, in no event shall the purchase price be reduced by an amount greater than the purchase price.

IX.

Lessee shall not improve or alter the Pipeline in any manner except as provided in this Article without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, but Lessee shall, before making any improvements or alterations, submit plans and designs therefor to Lessor for its approval as well as preparing, filing and prosecuting approval for any and all submittals or applications required by any regulatory agencies. In the event that the plans and designs are not approved, such improvements or alterations shall be made only with such changes as may be required by Lessor or any regulatory body with jurisdiction thereof.

All improvements or alterations erected or made on or to the Pipeline shall on expiration or sooner termination of this Lease belong to Lessor without compensation to Lessee; provided, however, that Lessor shall have the option, to be exercised on expiration or sooner termination of this Lease, to require Lessee to remove any or all such improvements or alterations. Notwithstanding the foregoing, Lessee shall have the authority to make taps to the Pipeline, and to attach distribution mains and lines provided that all such taps and attachments meet the criteria set forth in Exhibit C, attached hereto and made a part hereof.

Lessee shall give Lessor not less than 48 hours' advance notification of any work on the Pipeline, except in an emergency in which case Lessee shall notify Lessor as soon as reasonably possible under the circumstances. Lessee shall furnish Lessor with the following records as to all work performed on the Pipeline, within thirty (30) days after completion of any such work:

- a. As-built stationing, including identification of where work was performed;
- b. Description of work performed;
- c. Inventory of material used in work performed and left in place as permanent fixture;

- d. Simple sketch or diagram of work performed; and,
- e. Designation of welding procedure used, if any.

X.

Lessee shall pay and settle all expenses and liabilities arising out of or in any way connected with any and all construction, repairs, alterations, or maintenance of and on the Pipeline. Lessee shall keep the Pipeline free and clear from all liens of mechanics or materialmen, and all liens of a similar character, arising from or growing out of the construction, repair, alteration, or maintenance of the Pipeline.

XI.

Lessor shall have free access to the Pipeline, or any part thereof, at all reasonable times for the purpose of examining or inspecting the conditions thereof to exercise any right or power reserved to Lessor under the terms and provisions of this Lease. Lessor shall have the right, upon reasonable notice to Lessee, to audit Lessee's books and records pertaining to the Pipeline, during normal business hours, to verify deliverable volumes and Lessee's compliance with its obligations hereunder.

XII.

Lessee shall release, indemnify, and defend Lessor and hold Lessor harmless from any and all claims, demands, causes of action, losses or liability of any nature resulting from damages to property, including, but not limited to, that of the parties, injuries to or death of persons, including, but not limited to, employees, contractors and agents of the parties, or fines levied by governmental entities, where such claim, demand, cause of action, loss, liability,

damage, injury, death or fine arises, directly or indirectly, in connection with Lessee's lease of the Pipeline or the use of the Pipeline for the distribution of natural gas, whether caused by Lessee's sole negligence or the joint negligence of Lessee and Lessor, excepting only injury or damage due solely to Lessor's negligence. This indemnity shall also include Lessor's attorneys' fees, court costs, and expenses. Lessee shall assume on behalf of Lessor and conduct with due diligence and in good faith and at Lessee's expense, the defense of any suit against Lessor, whether or not Lessee be joined therein, seeking recovery for any loss, damage, injury, death or fine within the import of this paragraph even if such suit be groundless, false or fraudulent; provided, however, that without relieving Lessee of its obligations hereunder, Lessor may elect to defend or participate in the defense of any such suit, but in no event without prior written notice to Lessee.

Lessee also shall, at all times prior to termination of the Lease Term and delivery to Lessor of possession of the Pipeline, indemnify Lessor against all liens and charges of any and every nature that may at any time be established against the Pipeline or any improvements thereto or any part thereof as a consequence, whether direct or indirect, of any act or omission of Lessee or as a consequence, whether direct or indirect, of the existence of Lessee's interest under this Lease.

XIII.

Lessee shall, at Lessee's expense, secure an insurance policy or policies for each of the following coverages, with insurance companies satisfactory to Lessor:

- a. "Workers' Compensation Insurance, including Occupational Disease, to the extent required by Ohio law; and coverage for Employers' Liability in the limit of not less

than one million dollars (\$1 million) per accident;

- b. Comprehensive General Liability Insurance, including coverage for sudden and accidental discharge and contractual liability, insuring the indemnity agreement set forth in this Lease, with limits of not less than ten million dollars (\$10 million) applicable to bodily injury, sickness or death in any one occurrence and ten million dollars (\$10 million) for loss of or damage to property in any one occurrence; and,
- c. Property Insurance on the Pipeline under a standard form insurance policy in the amount of not less than 100% of the replacement value of the Pipeline.

Lessee shall furnish Certificates of Insurance to Lessor evidencing the insurance required hereunder and, upon request, Lessor may examine true copies of the actual policies. Each certificate shall provide that thirty (30) days prior written notice shall be given Lessor in the event of cancellation or material change in the policies. Lessor shall be named as an additional insured under Lessee's policies (except Workers' Compensation Insurance). All policies shall be endorsed to provide that underwriters and insurance companies of Lessee shall not have any right of subrogation against Lessor.

XIV.

Lessee understands that the Pipeline traverses land which Lessor does not own, but in which Lessor holds various easements, rights-of-way, leases, licenses, permits, and grants (hereinafter called "Interests in Land"). Lessee acknowledges the receipt of copies of the documents evidencing the Interests in Land. Furthermore, Lessor represents to Lessee, with respect to the Interests in Land, the following:

- a. Lessor is the owner of the easements and rights-of-way granted by the Interests in Land, but makes no warranty with respect thereto except to warrant that said

easements and rights-of-way are free and clear of all liens and encumbrances created by Lessor;

- b. Lessor is the owner of the rights granted in the leases, licenses, and permits described in the Interests in Land;
- c. By virtue of its ownership of the Interests in Land, Lessor has substantially continuous rights-of-way for the Pipeline; and,
- d. Lessor is the owner of all personal property described in Exhibit A and the interest of Lessor in said personal property is free from any security interest or other lien or encumbrance of any nature whatsoever. Lessor represents that the items of personal property described in Exhibit A are taken from property ledgers and have not been compiled from an on-the-spot inventory. Lessor does not represent or warrant that the listing of personal property and the location thereof as set forth in Exhibit A are absolutely and completely accurate, but represents and warrants that they are substantially accurate.

During the Lease Term, Lessor will not take any action which would cause any of the representations contained in Paragraphs a and b of this Article XIV hereof not to be true and correct in all material respects.

Lessee understands that its occupation, use, and operation of the Pipeline is subject to the terms and conditions of the Interests in Land, and any rights reserved to the grantors, their successors, and assigns of said Interests in Land. Lessee, in its occupation, use, and operation of the Pipeline, agrees to fully and timely comply with all of the terms of such Interests in Land, except: (a) that Lessor shall continue making any rental payments required thereunder; and, (b) in the event the Pipeline must be adjusted or relocated during the Lease Term, Lessor shall make

the physical adjustment to the Pipeline, and Lessee shall be responsible for taking whatever action is necessary for continuation of the gas distribution.

Lessee shall promptly notify Lessor concerning any inquiries received by Lessee from third parties, which notification shall include furnishing Lessor with copies of any written material so received, regarding the Interests in Land, including, but not limited to, requests for relocation or adjustment of the Pipeline, or for amendment of the Interests in Land, or allegations of any breach of the Interests in Land.

In the event a defect in the Interests in Land is disclosed within three (3) years from the commencement of the Lease term, which defect would preclude or substantially interfere with Lessee's use of the Pipeline as set forth herein, Lessor shall use its best efforts to remedy such defect. If Lessor is unable to remedy such defect, if any such defect is disclosed after said three-year period, or if Lessee, for any other reason through no fault of its own, is unable to quietly hold and enjoy the Pipeline as set forth herein during the term of this Lease, Lessee, as its exclusive remedy, shall have the right to terminate this Lease. Upon such termination, Lessee shall have the right to purchase the Pipeline as set forth in Article XVII. Lessee expressly waives any and all other remedies it may have in connection therewith.

XV.

If the whole or any part of the Pipeline shall be condemned or taken by any municipal, county, federal, state, or other authority for any purpose, then the Term of this Lease shall cease on the part so taken from the day the possession of that part shall be required for any purpose and the rent shall be paid up to that day. The Lease shall continue as to the remainder of the Pipeline under the terms herein provided, except that the rent shall be reduced in proportion to the amount

of the Pipeline taken for such public purpose; provided, however, in such event Lessee and Lessor shall each have the right to terminate this Lease by written notice to the other party not later than thirty (30) days after such condemnation or taking. All damage awarded for such taking for any public purpose shall belong to and be the property of Lessor, whether or not such damage shall be awarded as compensation for diminution in value to the leasehold. If Lessee should subsequently purchase the Pipeline from Lessor pursuant to the terms of Article XVII the amount of any such damage award received by Lessor shall be deducted from the purchase price.

XVI.

Lessor shall pay property and ad valorem taxes on the Pipeline. Lessee shall be responsible for all other taxes associated with its lease or use of the Pipeline, including, but not limited to, taxes on any additions or attachments to the Pipeline and taxes on any natural gas contained within the Pipeline.

XVII.

The Lessor and Lessee's rights and obligations with respect to selling and purchasing the Pipeline shall be as follows:

- a. Lessor grants to Lessee the option to purchase the Pipeline on the date the Lease

Term expires, on the conditions:

- (i) that Lessee give not less than six (6) months prior notice in writing of the exercise of this option to Lessor;
- (ii) that this Lease shall not have been lawfully terminated prior to said Lease expiration date; and,

(iii) that Lessee has observed and complied with all material terms and conditions of this Lease required of Lessee.

The Option Price shall be \$4,157,858.

- b. If Lessee fails to exercise the option in Paragraph a above, then Lessor shall have the right, at Lessor's option, to require Lessee to purchase the Pipeline at the Option Price on the Lease expiration date by serving Lessee with written notice of such exercise not less than three (3) months prior to the Lease expiration date. In either event, the parties agree to execute a sale and purchase agreement containing items and conditions customary in the industry.

XVIII.

In the event that neither Party exercises its rights described in Article XVII hereof, then the Parties shall negotiate in good faith concerning the terms and conditions of an extension or renewal of this Lease.

XIX.

Lessee shall not assign this Lease or any interest herein, or sublet the Pipeline or any part thereof or any right or privilege appurtenant thereto, without first obtaining Lessor's written consent thereto. Lessor's consent to one assignment or sublease shall not be a consent to any subsequent assignment or sublease. Any unauthorized assignment or sublease shall be void and shall terminate this Lease at Lessor's option.

XX.

All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either Party hereto to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

To Lessor:	DEL-MAR Pipeline Co., LLC
	2626 Lewis Center Road
	Lewis Center, Ohio 43035-9206
To Lessee	Suburban Natural Gas Company
	211 East Front Street
	Cygnnet, Ohio 43413

The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by such Party as above provided.

XXI.

The failure of Lessor to insist, in any one or more instances, on strict performance of any of the terms or conditions of this Lease, or to exercise any option herein contained, shall not be construed as a future waiver or a relinquishment of the provision or option, but the same shall continue and remain in full force and effect. The receipt by Lessor of rent, with knowledge of the breach of any term or condition hereof, shall not be deemed a waiver of the breach and no waiver by Lessor of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Lessor.

None of the terms or conditions of this Lease shall be altered, waived, modified, or abandoned in any manner, except by a written instrument executed by both Parties.

XXII.

In the event of Lessee's default of any of its obligations hereunder, or its breach of any material term or material condition hereof, Lessor may, at its option, in addition to any other remedies it may have, forthwith terminate this Lease, and Lessee shall, at Lessor's option, purchase the Pipeline as described in Article XVII, or surrender possession of the Pipeline to Lessor. The purchase price in such event shall be the Option Price set forth in Article XVII plus the principal balance of any debt issued in connection with the construction, extension, or improvement of the Pipeline. *Breach of a material term or material condition shall be deemed to include Lessee's breach of any of its obligations hereunder.*

XXIII.

Each Party agrees to execute and deliver to the other Party such other instruments, documents, and statements including, without limitation, instruments and documents of recordation, assignment, transfer, conveyance, and clarification, and to take all other actions necessary in the reasonable discretion of the requesting Party to carry out the purposes of this Lease. Further, unless otherwise provided, no consent or approval provided for in this Lease may be unreasonably withheld or delayed.

This Lease, including attachments and exhibits hereto, contain all of the terms and conditions of the agreement reached by the Parties hereto, and supercede all prior oral or written agreements with respect to this Lease.

This Lease may be executed in two or more counterparts, including by a facsimile transmission hereof, each of which shall be deemed an original, but all of which shall together constitute one instrument.

The Parties agree and submit that this Lease shall be governed by and interpreted in accordance with the laws of the State of Ohio without regard to its principles governing conflict of laws. The Parties further consent and agree to submit to the exclusive jurisdiction of the state and federal courts located in or having jurisdiction over Delaware County, Ohio.

Nothing in this Lease shall constitute or be construed as tending to create an agency, partnership, master-servant or employer-employee relationship between the Parties. This Lease does not confer any rights or remedies upon any person or entity not a Party to this Lease.

Any provision in this Lease that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction. The non-enforcement of any provision by either Party shall not constitute a waiver of that provision nor shall it affect the enforceability of that provision or of the remainder of this Lease.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Lease Agreement on the day
and year first above written.

Attest:

Margie E. West

DEL-MAR PIPELINE CO., LLC

By David L. Pemberton, Sr.
David L. Pemberton, Sr.,
Administrative Member

LESSOR

Witnesses:

Cathy A. Mulkey
K. Roll

Attest:

Margie E. West
Margaret E. West, Secretary

SUBURBAN NATURAL GAS COMPANY

By David L. Pemberton, Jr.
David L. Pemberton, Jr., President

LESSEE

Witnesses:

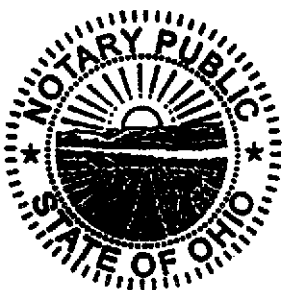
Cathy A. Mulkey
K. Roll

VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF DELAWARE)

Before me, a notary public in and for said County, personally appeared David L. Pemberton, Sr., known to me to be the person who, as Administrative Member of DEL-MAR Pipeline Co., LLC, the company which executed the foregoing instrument, signed the same, and acknowledged to me that he did so sign said instrument in the name and upon behalf of said company; that the same is his free act and deed, and the free and corporate act and deed of said company; that he was duly authorized thereunto.

In testimony whereof, I have hereunto subscribed my name, and affixed my official seal, at Lewis Center, Ohio this 1st day of December, 2005.



S. AARON ROLL
Notary Public, State of Ohio
My Commission Expires
8/20/07



Notary Public

My commission expires:

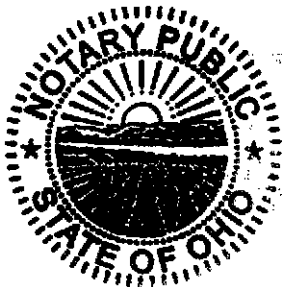
8/20/07

VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF DELAWARE)

Before me, a notary public in and for said County, personally appeared David L. Pemberton, Jr. and Margaret E. West, known to me to be the persons who, as President, and Secretary of Suburban Natural Gas Company, the corporation which executed the foregoing instrument, signed the same, and acknowledged to me that they did so sign said instrument in the name and upon behalf of said corporation as such officers, respectively; that the same is their free act and deed as such officers, respectively, and the free and corporate act and deed of said corporation; that they were duly authorized thereunto by its board of directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

In testimony whereof, I have hereunto subscribed my name, and affixed my official seal,
at Lewis Center, this 1st day of December, 2005.



S. AARON ROLL
Notary Public, State of Ohio
My Commission Expires
8/20/07



Notary Public

My commission expires
8/20/07

EXHIBIT A

DESCRIPTION OF PIPELINE

The Pipeline is approximately 106,000 feet or 20-miles long, and 12 inches in diameter. The Pipeline will include various underground fittings for changes in direction as well as shut-off valves at selected locations along the pipeline for emergency shutdown and isolation purposes.

The Pipeline will use an existing natural gas pipeline easement starting from an existing delivery station at Somerlot Hoffman Road in Pleasant Township in Marion County. The route follows, with a few exceptions to maintain acceptable distances from dwellings, within 5 to 6 feet of the existing 6-inch ACO pipeline from the south tie-in at the Norfolk Southern Railroad crossing on Glenn Road in Delaware, Delaware County to the north tie-in at the existing delivery point interconnection with Columbia Transmission Company on Somerlot-Hoffman Road, approximately 1,000 feet west of State Route 4 in Marion County.

As described in DEL-MAR's Application to the Ohio Power Siting Board in Case No. 04-1542-GA-BTX, the route is more specifically as follows:

- Starting in Delaware County, northwest along the ACO pipeline with a tie-in (Pt A) at the Norfolk Southern Railroad crossing in the City of Delaware to the east side of the Norfolk Southern Railroad tracks at Panhandle Rd 215 - crossing US 36/SR 37, SR 521, Bowtown Rd 84, the Norfolk Southern Railroad tracks, US 42 and Horseshoe Rd 220.
- Northwest along the ACO pipeline, running along the east side of the Norfolk Southern Railroad tracks to approximately 500 ft. south of Penry Rd - crossing Panhandle Rd 215, the Olentangy River and US 23. The route crosses the Norfolk Southern Railroad tracks at approximately 500 ft. south of Penry Rd 196.

- North along the ACO pipeline, running along the west side of the Norfolk Southern Railroad tracks to Norton Run, approximately 1000 feet north of the Delaware County/Marion County line – crossing Penry Rd 196, Willey Rd 211, Troutman Rd 209, Radnor Rd 198 and Norton Rd 202, into Marion County.
- Northwest along –the ACO pipeline, the route leaves the Norfolk Southern Railroad tracks and proceeds cross-country in a generally northwest direction to the existing POD with TCO on Somerlot Hoffman Rd 106 approximately 1,000 feet west of SR 4 (Pt E) – crossing Gillette Rd 128, SR 47, Waldo-Western Rd 127, Klingel Rd 130, Bethlehem Rd 119, Wolfinger Rd 134, Benzler Rd 133, Newmans-Cardington Rd 123, Smeltzer Rd 107, Owens Rd 108, Gooding Rd 126, the CSX Railroad tracks and SR 4.

The Pipeline's route is indicated as Route A in the below graphic:

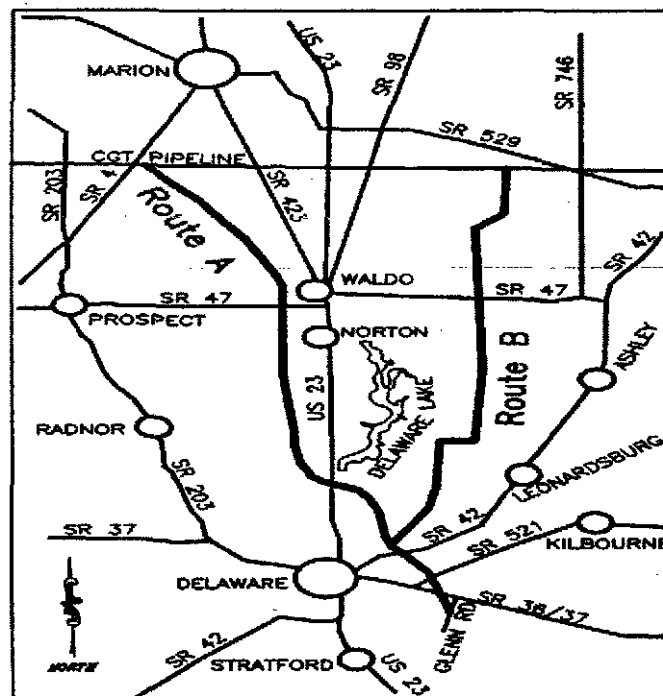


EXHIBIT B

Base Rental

The Base Rental shall be as follows:

• Lease Year 1	\$1,108,485
• Lease Year 2	\$1,129,999
• Lease Year 3	\$1,144,898
• Lease Year 4	\$1,152,260
• Lease Year 5	\$1,168,800
• Lease Year 6	\$1,186,000
• Lease Year 7	\$1,204,250
• Lease Year 8	\$1,223,500
• Lease Year 9	\$1,243,750
• Lease Year 10	\$1,265,080
• Lease Year 11	\$1,287,700
• Lease Year 12	\$1,312,000
• Lease Year 13	\$1,336,540
• Lease Year 14	\$1,362,900
• Lease Year 15	\$1,367,885

Adjustments

The following shall be applied to adjust the Base Rental:

- To adjust for the final "all in" costs when the project (the Pipeline) is put in service from the capital cost assumed in the pro forma dated December 17, 2004, exchanged between

DEL-MAR and Suburban ("Pro Forma"). Interest during construction will be charged to Suburban and paid as incurred.

- To adjust for any change in the debt rate under the Huntington National Bank ("HNB") loan from that specified in the Pro Forma (prime minus 1/4%).
- To adjust for any change in property taxes or other taxes not based upon income from that specified in the Pro Forma.
- To adjust the equity return to maintain the relationship between debt cost and equity cost in the Pro Forma at the time of any HNB debt rate adjustment (but not less than the 1.2 debt service ratio required by HNB).
- To reflect any other adjustments agreed to by DEL-MAR and Suburban.

EXHIBIT C

TAPS AND ATTACHMENT CRITERIA

A Copy of Exhibit C Will be Provided Upon Request

DEL-MAR Pipeline Co., LLC
2626 Lewis Center Road
Lewis Center, OH 43035-9206
(740) 548-2450

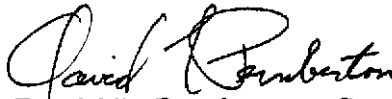
December 1, 2005

Mr. David L. Pemberton, Jr., President
Suburban Natural Gas Company
2626 Lewis Center Road
Lewis Center, OH 43035-9206

Dear David:

Pursuant to Article II of the Lease Agreement between DEL-MAR Pipeline Co., LLC and Suburban Natural Gas Company of even date herewith, this is to document that possession of the pipeline governed thereby is being transferred to Suburban this date which shall be the commencement date of said Lease Agreement.

Very truly yours,


David L. Pemberton, Sr.
Administrative Member

DLP:mew

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2007				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791		-	-	94,791
375	Structures and Improvements			-		-
376	Mains	8,193,921	956,878	(463,125)	-	8,687,674
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	398,926	14,704	-	-	413,630
380	Services	3,673,611	20,361	-	-	3,693,972
381	Meters	1,756,631	134,669	(16,741)	-	1,874,559
382	Meter Installations	-	-	-	-	-
383	House Regulators	361,706	26,654	(2,154)	-	386,206
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	38,716	22,413	-	-	61,129
391	Office Furniture and Equipment	99,482	12,668	(2,967)	-	109,183
392	Transportation Equipment	542,931	102,112	(86,512)	-	558,531
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	66,520	10,499	-	-	77,019
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	110,168	12,500	-	-	122,668
397	Communication Equipment	25,086		(336)	-	24,750
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	196,659	48,765	(4,075)	-	241,349
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	15,559,148	1,362,223	(575,910)	-	16,345,461

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2008				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	8,687,674	500,689	(41,153)	-	9,147,210
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	413,630	-	-	-	413,630
380	Services	3,693,972	27,102	-	-	3,721,074
381	Meters	1,874,559	163,820	(18,140)	-	2,020,239
382	Meter Installations	-	-	-	-	-
383	House Regulators	386,206	26,192	(1,821)	-	410,577
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	61,129	-	-	-	61,129
391	Office Furniture and Equipment	109,183	3,382	(1,469)	-	111,096
392	Transportation Equipment	558,531	172,727	(43,479)	-	687,779
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	77,019	12,694	-	-	89,713
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	122,668	2,324	(26,684)	-	98,308
397	Communication Equipment	24,750	-	-	-	24,750
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	241,349	17,857	-	-	259,206
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	16,345,461	926,787	(132,746)	-	17,139,502

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2009				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	9,147,210	476,903	(29,968)	-	9,594,145
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	413,630	41,330	-	-	454,960
380	Services	3,721,074	18,170	-	-	3,739,244
381	Meters	2,020,239	88,103	(14,618)	-	2,093,724
382	Meter Installations	-	-	-	-	-
383	House Regulators	410,577	10,858	(2,172)	-	419,263
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	61,129	-	-	-	61,129
391	Office Furniture and Equipment	111,096	3,102	-	-	114,198
392	Transportation Equipment	687,779	50,159	(44,781)	-	693,157
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	89,713	6,393	-	-	96,106
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	98,308	2,500	(1,400)	-	99,408
397	Communication Equipment	24,750	-	-	-	24,750
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	259,206	11,640	-	-	270,846
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	17,139,502	709,158	(92,939)	-	17,755,721

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	12/31/2010				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	9,594,145	465,020	(17,543)	392,895	10,434,517
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	454,960	22,030	-	-	476,990
380	Services	3,739,244	98,413	-	-	3,837,657
381	Meters	2,093,724	67,971	(9,114)	-	2,152,581
382	Meter Installations	-	-	-	-	-
383	House Regulators	419,263	13,832	(1,628)	-	431,467
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	61,129	-	-	-	61,129
391	Office Furniture and Equipment	114,198	6,488	(4,206)	-	116,480
392	Transportation Equipment	693,157	104,437	(76,656)	-	720,938
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	96,106	13,268	(2,000)	-	107,374
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	99,408	2,460	-	-	101,868
397	Communication Equipment	24,750	6,000	-	-	30,750
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	270,846	12,660	-	-	283,506
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	17,755,721	812,579	(111,147)	392,895	18,850,048

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2011				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT	-	-	-	-	-
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT	-	-	-	-	-
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT	-	-	-	-	-
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	10,434,517	226,084	(1,079,438)	-	9,581,163
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	476,990	11,599	-	-	488,589
380	Services	3,837,657	141,852	(36,315)	-	3,943,194
381	Meters	2,152,581	79,893	(310,689)	-	1,921,785
382	Meter Installations	-	-	-	-	-
383	House Regulators	431,467	11,855	(445)	-	442,877
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT	-	-	-	-	-
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	61,129	95,182	-	-	156,311
391	Office Furniture and Equipment	116,480	29,073	-	-	145,553
392	Transportation Equipment	720,938	61,025	(44,572)	-	737,391
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	107,374	15,293	-	-	122,667
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	101,868	8,775	-	-	110,643
397	Communication Equipment	30,750	15,705	-	-	46,455
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	283,506	4,615	-	-	288,121
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	18,850,048	700,951	(1,471,459)	-	18,079,540

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2012				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-			94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	9,581,163	627,966	(29,168)	235,280	10,415,241
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	488,589	-	-	-	488,589
380	Services	3,943,194	122,442	-	-	4,065,636
381	Meters	1,921,785	81,822	(6,328)	-	1,997,279
382	Meter Installations	-	-	-	-	-
383	House Regulators	442,877	2,208	(363)	-	444,722
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	156,311	28,369	-	-	184,680
391	Office Furniture and Equipment	145,553	20,713	-	-	166,266
392	Transportation Equipment	737,391	156,898	(26,273)	-	868,016
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	122,667	45,150	-	-	167,817
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	110,643	97,068	-	-	207,711
397	Communication Equipment	46,455	-	-	-	46,455
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	288,121	9,978	(17,955)	-	280,144
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	18,079,540	1,192,614	(80,087)	235,280	19,427,347

Data: 3 MO ACTUAL, 9 MO PROJ
 Type of Filing: "X"Original
 SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY
 CASE NO. 18-1205-GA-AIR
 DETAIL PLANT IN SERVICE BY ACCOUNT
 12/31/06 - 2/28/2019

Account	Description	12/31/2013				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	10,415,241	470,708	(28,143)	-	10,857,806
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	488,589	1,520	-	-	490,109
380	Services	4,065,636	25,810	-	-	4,091,446
381	Meters	1,997,279	67,634	(8,490)	-	2,056,423
382	Meter Installations	-	-	-	-	-
383	House Regulators	444,722	52,354	(1,175)	-	495,901
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	184,680	1,677	-	-	186,357
391	Office Furniture and Equipment	166,266	4,601	-	-	170,867
392	Transportation Equipment	868,016	149,403	(83,756)	-	933,663
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	167,817	6,340	-	-	174,157
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	207,711	1,128	-	-	208,839
397	Communication Equipment	46,455	258	-	-	46,713
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	280,144	23,343	-	-	303,487
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	19,427,347	804,776	(121,564)	-	20,110,559

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	12/31/2014				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT	-				
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT	-				
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT	-				
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-		-	-	-
376	Mains	10,857,806	499,429	(29,330)	-	11,327,905
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	490,109	12,420	-	-	502,529
380	Services	4,091,446	29,355	-	-	4,120,801
381	Meters	2,056,423	92,718	(4,400)	-	2,144,741
382	Meter Installations	-	-	-	-	-
383	House Regulators	495,901	2,937	(446)	-	498,392
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT	-				
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	186,357	2,514	-	-	188,871
391	Office Furniture and Equipment	170,867	6,481	-	-	177,348
392	Transportation Equipment	933,663	175,575	(97,221)	-	1,012,017
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	174,157	37,498	-	-	211,655
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	208,839	9,577	-	-	218,416
397	Communication Equipment	46,713	-	-	-	46,713
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	303,487	-	-	-	303,487
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	20,110,559	868,504	(131,397)	-	20,847,666

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

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Account	Description	12/31/2015				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	11,327,905	840,380	(37,177)	-	12,131,108
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	502,529	15,665	-	-	518,194
380	Services	4,120,801	21,590	-	-	4,142,391
381	Meters	2,144,741	83,671	(6,999)	-	2,221,413
382	Meter Installations	-	-	-	-	-
383	House Regulators	498,392	7,534	(266)	-	505,660
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	177,348	48,410	(4,845)	-	220,913
392	Transportation Equipment	1,012,017	62,242	(164,311)	-	909,948
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	211,655	13,167	-	-	224,822
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	218,416	83,526	(32,468)	-	269,474
397	Communication Equipment	46,713	-	-	-	46,713
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	303,487	7,804	(150,345)	-	160,946
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	20,847,666	1,183,989	(396,411)	-	21,635,244

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	12/31/2016				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	12,131,108	602,807	(12,604)	-	12,721,311
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	518,194	9,375	-	-	527,569
380	Services	4,142,391	26,237	-	-	4,168,628
381	Meters	2,221,413	160,183	(10,942)	-	2,370,654
382	Meter Installations	-	-	-	-	-
383	House Regulators	505,660	29,834	(329)	-	535,165
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	220,913	5,363	(15,854)	-	210,422
392	Transportation Equipment	909,948	47,738	(23,253)	-	934,433
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	224,822	17,436	-	-	242,258
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	269,474	818	-	-	270,292
397	Communication Equipment	46,713	-	-	-	46,713
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	160,946	29,265	-	-	190,211
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	21,635,244	929,056	(62,982)	-	22,501,318

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	12/31/2017				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	12,721,311	999,997	(30,284)	-	13,691,024
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	527,569	-	-	-	527,569
380	Services	4,168,628	70,138	-	-	4,238,766
381	Meters	2,370,654	134,953	(12,159)	-	2,493,448
382	Meter Installations	-	-	-	-	-
383	House Regulators	535,165	501	(1,181)	-	534,485
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	210,422	11,086	(16,006)	-	205,502
392	Transportation Equipment	934,433	77,327	(60,298)	-	951,462
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	242,258	15,847	-	-	258,105
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	270,292	60,520	(50,501)	-	280,311
397	Communication Equipment	46,713	3,487	(24,750)	-	25,450
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	190,211	8,942	-	-	199,153
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	22,501,318	1,382,798	(195,179)	-	23,688,937

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	5/31/2018				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
n/a	None	-	-	-	-	-
	PRODUCTION PLANT					
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT					
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	13,691,024	215,693	-	-	13,906,717
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	527,569	-	-	-	527,569
380	Services	4,238,766	5,116	-	-	4,243,882
381	Meters	2,493,448	45,537	-	-	2,538,985
382	Meter Installations	-	-	-	-	-
383	House Regulators	534,485	-	-	-	534,485
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	205,502	16,754	(3,837)	-	218,419
392	Transportation Equipment	951,462	94,572	(33,353)	-	1,012,681
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	258,105	33,690	-	-	291,795
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	280,311	60,520	(24,120)	-	316,711
397	Communication Equipment	25,450	-	-	-	25,450
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	199,153	8,373	-	-	207,526
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	23,688,937	480,254	(61,310)	-	24,107,881

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	6/1/18 - 12/31/18 Projected				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
303	Miscellaneous Intangible Plant	-	-	-	-	-
	PRODUCTION PLANT	-				
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT	-				
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT	-				
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	13,906,717	9,909,382	-	-	23,816,099
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	527,569	33,000	-	-	560,569
380	Services	4,243,882	38,226	(7,784)	-	4,274,324
381	Meters	2,538,985	44,405	-	-	2,583,390
382	Meter Installations	-	-	-	-	-
383	House Regulators	534,485	22,190	-	-	556,675
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT	-				
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	218,419	-	-	-	218,419
392	Transportation Equipment	1,012,681	160,000	-	-	1,172,681
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	291,795	1,500	-	-	293,295
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	316,711	-	-	-	316,711
397	Communication Equipment	25,450	5,000	-	-	30,450
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	207,526	-	-	-	207,526
399.1	Asset Retirement Costs - Gen	-				-
	TOTAL	24,107,881	10,213,703	(7,784)	-	34,313,800

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	1/1/19 - 2/28/19 Projected				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
303	Miscellaneous Intangible Plant	-	-	-	-	-
	PRODUCTION PLANT	-				
n/a	None	-	-	-	-	-
	TRANSMISSION PLANT	-				
n/a	None	-	-	-	-	-
	DISTRIBUTION PLANT	-				
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	23,816,099	4,629,797	-	-	28,445,896
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	560,569	-	-	-	560,569
380	Services	4,274,324	5,450	-	-	4,279,774
381	Meters	2,583,390	4,737	-	-	2,588,127
382	Meter Installations	-	-	-	-	-
383	House Regulators	556,675	4,114	-	-	560,789
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT	-				
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	188,871	-	-	-	188,871
391	Office Furniture and Equipment	218,419	-	-	-	218,419
392	Transportation Equipment	1,172,681	85,000	(27,373)	-	1,230,308
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	293,295	1,500	-	-	294,795
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	316,711	-	-	-	316,711
397	Communication Equipment	30,450	-	-	-	30,450
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	207,526	-	-	-	207,526
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	34,313,800	4,730,598	(27,373)	-	39,017,025

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description	Total				
		Beginning	Additions	Retirements	Transfers	Ending
	INTANGIBLE PLANT					
303	Miscellaneous Intangible Plant	-				-
	PRODUCTION PLANT					
n/a	None	-				-
	TRANSMISSION PLANT					
n/a	None	-				-
	DISTRIBUTION PLANT					
374	Land and Land Rights	94,791	-	-	-	94,791
375	Structures and Improvements	-	-	-	-	-
376	Mains	8,193,921	21,421,733	(1,797,933)	628,175	28,445,896
377	Compressor Station Equipment	-	-	-	-	-
378	Meas. And Reg. Sta. Equip-Gen	-	-	-	-	-
379	Meas. And Reg. Sta. Equip-City Gate	398,926	161,643	-	-	560,569
380	Services	3,673,611	650,262	(44,099)	-	4,279,774
381	Meters	1,756,631	1,250,116	(418,620)	-	2,588,127
382	Meter Installations	-	-	-	-	-
383	House Regulators	361,706	211,063	(11,980)	-	560,789
384	House Regulator Installation	-	-	-	-	-
385	Industrial Meas. And Reg. Sta. Equip.	-	-	-	-	-
386	Other Prop. On Customers' Premises	-	-	-	-	-
387	Other Equipment	-	-	-	-	-
388	Asset Retirement Costs - Dist	-	-	-	-	-
	GENERAL PLANT					
389	Land and Land Rights	-	-	-	-	-
390	Structures and Improvements	38,716	150,155	-	-	188,871
391	Office Furniture and Equipment	99,482	168,121	(49,184)	-	218,419
392	Transportation Equipment	542,931	1,499,215	(811,838)	-	1,230,308
393	Stores Equipment	-	-	-	-	-
394	Tools, Shop, and Garage Equipment	66,520	230,275	(2,000)	-	294,795
395	Laboratory Equipment	-	-	-	-	-
396	Power Operated Equipment	110,168	341,716	(135,173)	-	316,711
397	Communication Equipment	25,086	30,450	(25,086)	-	30,450
398	Miscellaneous Equipment	-	-	-	-	-
399	Other Tangible Property	196,659	183,242	(172,375)	-	207,526
399.1	Asset Retirement Costs - Gen	-	-	-	-	-
	TOTAL	15,559,148	26,297,990	(3,468,288)	628,175	39,017,025

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

		Check
Account	Description	Difference
	INTANGIBLE PLANT	
303	Miscellaneous Intangible Plant	-
	PRODUCTION PLANT	
n/a	None	-
	TRANSMISSION PLANT	
n/a	None	-
	DISTRIBUTION PLANT	
374	Land and Land Rights	-
375	Structures and Improvements	-
376	Mains	-
377	Compressor Station Equipment	-
378	Meas. And Reg. Sta. Equip-Gen	-
379	Meas. And Reg. Sta. Equip-City Gate	-
380	Services	-
381	Meters	-
382	Meter Installations	-
383	House Regulators	-
384	House Regulator Installation	-
385	Industrial Meas. And Reg. Sta. Equip.	-
386	Other Prop. On Customers' Premises	-
387	Other Equipment	-
388	Asset Retirement Costs - Dist	-
	GENERAL PLANT	-
389	Land and Land Rights	-
390	Structures and Improvements	-
391	Office Furniture and Equipment	-
392	Transportation Equipment	-
393	Stores Equipment	-
394	Tools, Shop, and Garage Equipment	-
395	Laboratory Equipment	-
396	Power Operated Equipment	-
397	Communication Equipment	-
398	Miscellaneous Equipment	-
399	Other Tangible Property	-
399.1	Asset Retirement Costs - Gen	-
	TOTAL	-

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description
	INTANGIBLE PLANT
303	Miscellaneous Intangible Plant
	PRODUCTION PLANT
n/a	None
	TRANSMISSION PLANT
n/a	None
	DISTRIBUTION PLANT
374	Land and Land Rights
375	Structures and Improvements
376	Mains
377	Compressor Station Equipment
378	Meas. And Reg. Sta. Equip-Gen
379	Meas. And Reg. Sta. Equip-City Gate
380	Services
381	Meters
382	Meter Installations
383	House Regulators
384	House Regulator Installation
385	Industrial Meas. And Reg. Sta. Equip.
386	Other Prop. On Customers' Premises
387	Other Equipment
388	Asset Retirement Costs - Dist
	GENERAL PLANT
389	Land and Land Rights
390	Structures and Improvements
391	Office Furniture and Equipment
392	Transportation Equipment
393	Stores Equipment
394	Tools, Shop, and Garage Equipment
395	Laboratory Equipment
396	Power Operated Equipment
397	Communication Equipment
398	Miscellaneous Equipment
399	Other Tangible Property
399.1	Asset Retirement Costs - Gen
	TOTAL

Data: 3 MO ACTUAL, 9 MO PROJ

Type of Filing: "X"Original

SCHEDULE REF NO(S): B-2.3

SUBURBAN NATURAL GAS COMPANY

CASE NO. 18-1205-GA-AIR

DETAIL PLANT IN SERVICE BY ACCOUNT

12/31/06 - 2/28/2019

Account	Description
	INTANGIBLE PLANT
303	Miscellaneous Intangible Plant
	PRODUCTION PLANT
n/a	None
	TRANSMISSION PLANT
n/a	None
	DISTRIBUTION PLANT
374	Land and Land Rights
375	Structures and Improvements
376	Mains
377	Compressor Station Equipment
378	Meas. And Reg. Sta. Equip-Gen
379	Meas. And Reg. Sta. Equip-City Gate
380	Services
381	Meters
382	Meter Installations
383	House Regulators
384	House Regulator Installation
385	Industrial Meas. And Reg. Sta. Equip.
386	Other Prop. On Customers' Premises
387	Other Equipment
388	Asset Retirement Costs - Dist
	GENERAL PLANT
389	Land and Land Rights
390	Structures and Improvements
391	Office Furniture and Equipment
392	Transportation Equipment
393	Stores Equipment
394	Tools, Shop, and Garage Equipment
395	Laboratory Equipment
396	Power Operated Equipment
397	Communication Equipment
398	Miscellaneous Equipment
399	Other Tangible Property
399.1	Asset Retirement Costs - Gen
	TOTAL

Suburban Natural Gas Company
Case Nos. 18-1205-GA-AIR, et al.
Staff Data Request No. 74

Date Received: December 4, 2018

Date Due: December 18, 2018

Person Responsible: Andrew Sonderman and Nichole Clement

STAFF-DR-74:

Please provide Staff with the following:

- Written narrative explanation regarding the projected plant in service additions listed on pages 13 and 14 of Suburban work paper WPB-2.3. Please explain the method used to determine the projected values and why it is appropriate for use in calculating future plant in service.
- Support used to calculate the projected plant in service values (spreadsheets, data, etc.).

RESPONSE:

- Projected plant in service additions for June 2018 to February 2019 were based upon anticipated increases to plant for known capital projects and expenditures that were budgeted as of the time of the rate case filing. The projected amounts were based upon the estimated costs of the capital expenditures and projects. This is appropriate for use in calculating future plant in service, as these are the anticipated amounts to be added to rate base by February 28, 2019.
- See Attachments A-G for supporting calculations for the projected plant in service values.

UTI Project: Number: 17012:01
UTI Project Name: 12" Pipeline Extension Project (5 miles)

Operator: Suburban Natural Gas

Delmar 12" Extension		Project Estimate
Task	Description	
1.	Permitting	\$98,200
	a. OPSB Application Development & Coordination	
	b. Environmental Permitting	
	c. Archaeological Permitting	
	d. Railroad Permitting	
	e. Road Permitting	
	f. County/Local Permitting	
2.	Project Surveying	\$105,800
	a. Boundary & Topographic Survey	
	b. Easement Exhibits	
3.	Easement Acquisition	\$575,900
	a. Easement Research	
	b. Easement Document Development/Coordination	
	c. Easement Negotiations	
	d. Easement Payments & Property Damages	
4.	Engineering Drawings & Project Bidding	\$49,000
	a. Detail Engineering Drawings (IFA/IFB/IFC)	
	b. Construction Specifications	
	c. Bid Package development	
	d. Contractor Bidding, Questions, & Qualification	
5.	Construction	\$7,358,200
	a. Project Management	
	b. Construction Inspection	
	c. Non-Destructive Testing	
	d. Material	
	e. Contractor	
	f. As-Built Surveying	
6.	As-Built Report	\$41,800
	a. As--Built Report Development	
Project Totals =		\$8,228,900

Assumptions:

1. Construction duration is assumed to be 85 working days.
2. Easement payments & damages are estimated at \$20/ft (total).
3. A 15% contingency has been added to contractor & material pricing.

Less:	\$4,484,500
Plus:	5,157,000
Total:	\$8,901,400

UTI Equipment Rate Schedule as of 7/1/2012		
Code	Description	Rate
2-BRCH	Branch	\$ 33.00
2-CRMP	Crane Hook	\$ 46.00
2-TRK	Truck	\$ 11.00
2-TRK	Truck	\$ 20.00
2-AUTO	Automobile	\$ 18.75
2-CRMP	Air Compressor	\$ 13.75
2-OPS	OPS	\$ 11.50
2-LOC	Line Locator	\$ 24.00
2-INTG	Integrity Evaluation Equipment	\$ 24.00
2-NUT	Inspection Equipment	\$ 10.50

UTI Total Hours:	3,371.00	\$
UTI Time Budget:	853,348.00	\$
UTI Equipment Budget:	17,650.00	\$
Project Markup/Discount:	0.00%	
UTI Profit Budget:	75,900.00	\$
UTI Per Dem Budget:	79,900.00	\$
UTI Total Budget:	951,288.00	\$
Sub-Contractor Total:	6,400,855.00	\$
Sub-Contractor Markup %:	15.00%	
Sub-Contractor Markup Total:	960,128.40	\$
Sub-Contractor Budget:	7,360,983.40	\$
Total Project Budget:	8,312,372.40	\$

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\\dc01profiles\clanka\Documents\UTL Project Management Workbook1



Project Name: Suburban - Delmar 12" Extension Project Number: 17012 Project Location: Delaware, OH
Project Description: 5 mile extension of existing SNG 12" pipeline

BID ITEMS			Western Construction		Precision Pipeline	
Description	Est. Qty	Unit	Unit Price	Total	Unit Price	Total
1. Laying of Pipeline						
A. 12" steel pipe, FBE coated, installed via open trench	22,925	FT.	\$ 105.00	\$ 2,407,125.00	\$ 100.00	\$ 2,292,500.00
B. 12" steel pipe, FBE & ARO coated, installed via directional drill (no rock)	2,600	FT.	\$ 350.00	\$ 910,000.00	\$ 275.00	\$ 715,000.00
C. 12" steel pipe, FBE & ARO coated, installed via slick bore, crosses railroads	375	FT.	\$ 450.00	\$ 168,750.00	\$ 400.00	\$ 150,000.00
D. Rock excavation	750	FT.	\$ 50.00	\$ 37,500.00	\$ 50.00	\$ 37,500.00
E. Extra depth (in excess of 48")	800	FT.	\$ 20.00	\$ 16,000.00	\$ 25.00	\$ 20,000.00
F. Construction crew						
F1. 2 man crew w/ truck	16	HR.	\$ 200.00	\$ 3,200.00	\$ 175.00	\$ 2,800.00
F2. 2 man crew w/ truck & backhoe	12	HR.	\$ 250.00	\$ 3,000.00	\$ 225.00	\$ 2,700.00
F3. 1 man crew w/ dozer	12	HR.	\$ 150.00	\$ 1,800.00	\$ 110.00	\$ 1,320.00
F4. 1 man crew w/ truck	16	HR.	\$ 100.00	\$ 1,600.00	\$ 100.00	\$ 1,600.00
F5. 1 welder w/ truck and helper	16	HR.	\$ 300.00	\$ 4,800.00	\$ 225.00	\$ 3,600.00
G. Material hauling	80	HR.	\$ 250.00	\$ 20,000.00	\$ 175.00	\$ 14,000.00
H. ROW clearing	900	FT.	\$ 30.00	\$ 27,000.00	\$ 20.00	\$ 18,000.00
I. Repair field tile	600	FT.	\$ 50.00	\$ 30,000.00	\$ 40.00	\$ 24,000.00
			Total =	\$ 3,630,775.00	Total =	\$ 3,283,020.00
2. Testing of Pipeline						
A. Hydrostatic testing of 12" steel pipeline	26,400	FT.	\$ 10.00	\$ 264,000.00	\$ 7.00	\$ 184,800.00
			Total =	\$ 264,000.00	Total =	\$ 184,800.00
3. Tie-In of Pipeline						
A. Install valve(s)	4	EA.	\$ 4,000.00	\$ 16,000.00	\$ 5,000.00	\$ 20,000.00
B. Install valve tie-in	1	EA.	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
C. Hot tap (fitting, tapping, and contractor support)	1	EA.	\$ 20,000.00	\$ 20,000.00	\$ 25,000.00	\$ 25,000.00
			Total =	\$ 46,000.00	Total =	\$ 55,000.00
4. Environmental Controls						
A. Straw/bales	150	EA.	\$ 15.00	\$ 2,250.00	\$ 12.00	\$ 1,800.00
B. Temporary Safety Fence	600	FT.	\$ 7.00	\$ 4,200.00	\$ 8.00	\$ 4,800.00
C. Crushed limestone	100	TON	\$ 65.00	\$ 6,500.00	\$ 45.00	\$ 4,500.00
D. Stone rip rap	60	TON	\$ 100.00	\$ 6,000.00	\$ 70.00	\$ 4,200.00
E. Curtex	50	SQ. YD.	\$ 20.00	\$ 1,000.00	\$ 15.00	\$ 750.00
F. Silt fence	7,000	FT.	\$ 8.00	\$ 56,000.00	\$ 7.00	\$ 49,000.00
G. Timber mats (4 ft. x 10 ft. x 10 in.)	700	EA.	\$ 550.00	\$ 385,000.00	\$ 375.00	\$ 262,500.00
H. Flume pipe (12 in.)	300	FT.	\$ 25.00	\$ 7,500.00	\$ 20.00	\$ 6,000.00
I. Silt filtration bags	30	EA.	\$ 350.00	\$ 10,500.00	\$ 350.00	\$ 10,500.00
J. Hay bales	100	EA.	\$ 15.00	\$ 1,500.00	\$ 12.00	\$ 1,200.00
			Total =	\$ 480,450.00	Total =	\$ 345,250.00
5. Performance Bond						
A. Bond	1	EA.	\$ 50,000.00	\$ 50,000.00	\$ 80,000.00	\$ 80,000.00
			Total =	\$ 50,000.00	Total =	\$ 80,000.00
			Project Total =	\$ 4,471,225.00	Project Total =	\$ 3,948,070.00
6. Price Only Items						
A. 12" steel pipe, FBE & ARO coated, installed via directional drill (w/ rock)	500	FT.	\$ 500.00	\$ 250,000.00	\$ 450.00	\$ 225,000.00
B. Sawing of concrete and pavement	200	FT.	\$ 10.00	\$ 2,000.00	\$ 7.00	\$ 1,400.00
C. Cutting and relaying of existing sod	310	SQ. FT.	\$ 7.50	\$ 2,325.00	\$ 15.00	\$ 4,650.00
D. Buying and installing sod	500	SQ. FT.	\$ 7.50	\$ 3,750.00	\$ 10.00	\$ 5,000.00
E. Open cut remove pavement	200	FT.	\$ 100.00	\$ 20,000.00	\$ 150.00	\$ 30,000.00
			Total =	\$ 278,075.00	Total =	\$ 266,050.00
			Total w/ Adders =	\$ 4,749,300.00	Total w/ Adders =	\$ 4,214,120.00

Merger of DEL-MAR Pipeline Company
into Suburban Natural Gas Company
Effective February 28, 2019

Staff DR-74
Attachment G
Prepared by Nichole Clement

Asset Valuation Calculations

Pipeline Lease Purchase Option Price at February 28, 2019 \$ 4,629,797
(Pipeline Lease approved in PUCO Case No. 05-380-GA-AIS, with the lease
commencing on December 1, 2015)

Projected Net Book Value at February 28, 2019 \$ 5,836,479
(on DEL-MAR Pipeline books)

Note: Used purchase option price in rate case filing as a conservative valuation approach.

Suburban Natural Gas Company
Case Nos. 18-1205-GA-AIR, et al.
Staff Data Request No. 1

Date Received: September 17, 2018

Date Due: October 1, 2018

Person Responsible: Nichole Clement and Bruce Campbell

STAFF-DR-01-01:

Please provide actual (i.e., not weather normalized) monthly revenue determinants (CCF sales and customer bills) for each customer class for the calendar years 2015, 2016 and 2017, along with the January and February of 2018.

RESPONSE:

As Suburban is considered a “small utility,” the Standard Filing Requirements do not require Suburban to provide this information for historical years (i.e., 2015, 2016 and 2017). Attached please find information for January 1, 2018-August 31, 2018 (Attachment A).

SUPPLEMENTAL RESPONSE (10/15/2018):

Please see Attachments D, E, and F, which provide the requested information for 2015, 2016, and 2017, respectively.

Suburban Natural Gas Company
Case Nos. 18-1205-GA-AIR, et al.
Staff Data Request No. 1

Date Received: September 17, 2018

Date Due: October 1, 2018

Person Responsible: Nichole Clement and Bruce Campbell

STAFF-DR-01-05

Provide monthly miscellaneous revenues by category (late payment fee, reconnection charges, etc.) for the same time periods referenced in Questions 1 and 2 (2015, 2016, 2017, 2018, and Jan. – Feb. 2019). How have miscellaneous revenues been accounted for in the test year?

RESPONSE:

As Suburban is considered a “small utility,” the Standard Filing Requirements do not require Suburban to provide this information for historical years (i.e., 2015, 2016 and 2017). Please see attached schedule summarizing miscellaneous revenues for January 2018-July 2018 (Attachment C). Miscellaneous revenues were considered non-operating income in the test year.

SUPPLEMENTAL RESPONSE (10/15/2018):

Please see Attachment C.1, which provides miscellaneous revenues by month from January 1, 2015-July 31, 2018. Figures for additional months will be provided as they become available.

SUBURBAN NATURAL GAS COMPANY
CASE NOS. 18-1205-GA-AIR, ET AL.
ACTUAL MONTHLY REVENUE DETERMINANTS
AUGUST 1, 2018-AUGUST 31, 2018

STAFF-DR-01-01
ATTACHMENT A
PREPARED BY: Nichole Clement

August 2018

	Count	Usage
Residential	16,428	195,718
Commercial	945	138,106
Industrial	<u>8</u>	<u>42,708</u>
	17,381	376,532

15,757,005

	Count	Usage
SGS	17,133	204,857
LGS	223	109,404
Tranportation	<u>25</u>	<u>62,271</u>
	17,381	376,532

	Count	Usage
Residential	16,428	195,718
Commercial	921	112,925
Industrial	<u>7</u>	<u>5,618</u>
	17,356	314,261

Transportation

	Count	Usage
Residential	0	0
Commercial	24	25,181
Industrial	<u>1</u>	<u>37,090</u>
	25	62,271
	17,381	376,532

Count
17,381

Rate	Route	Loc	Seq	Type	Usage			Code
1	1	2	0	C	1			3
1	1	3	3	R	2			3
1	1	6	1	R	19			3
1	1	9	1	C	0			3
1	1	12	1	C	0			3
1	1	15	1	C	3			3
1	1	18	3	C	0			3
1	1	21	3	C	0			3
1	1	24	9	R	6			3
1	1	30	21	R	25			3
1	1	33	1	R	5			3

SUBURBAN NATURAL GAS COMPANY
CASE NOS. 18-1205-GA-AIR, ET AL.
ACTUAL MONTHLY REVENUE DETERMINANTS
2017

STAFF-DR-01-01
ATTACHMENT F
PREPARED BY: Nichole Clement

August 2017

	Count	Usage		Count	Usage
Residential	16,096	188,300	SGS	16,780	202,434
Commercial	924	140,260	LGS	239	119,703
Industrial	<u>8</u>	<u>41,035</u>	Tranportation	<u>9</u>	<u>47,458</u>
	17,028	369,595		17,028	369,595

12,613,254

	Count	Usage
Residential	16,096	188,300
Commercial	916	127,882
Industrial	<u>7</u>	<u>5,955</u>
	17,019	322,137

Transportation

	Count	Usage
Residential	0	0
Commercial	8	12,378
Industrial	<u>1</u>	<u>35,080</u>
	9	47,458

17,028 369,595

Count
17,028

Rate	Route	Loc	Seq	Type	Usage		Code
1	1	2	0	C	0		3
1	1	3	3	R	3		3
1	1	6	1	R	20		3
1	1	9	1	C	0		3
1	1	12	1	C	0		3
1	1	15	1	C	3		3
1	1	18	2	C	374		3
1	1	21	3	C	0		3
1	1	24	7	R	5		3

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Case No(s). 18-1205-GA-AIR, 18-1206-GA-ATA, 18-1207-GA-AAM

Summary: Testimony Direct Testimony of Wm. Ross Willis on behalf of The Office of the Ohio Consumers' Counsel Part 1 of 2 electronically filed by Ms. Jamie Williams on behalf of Healey, Christopher Mr.