

PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265 Harrisburg, PA 17120

Information Required for Small Gas Utilities' Request for Rate Increase
Under 52 Pa Code Section 53.52

I. NAME OF UTILITY, OFFICE MAILING ADDRESS AND AREA SERVED

- A. Utility Name: Andreassi Gas Company
- B. Street Address: 1073 Kittanning Pike
- C. City or Borough: Chicora Township: Fairview
- D. County: Butler Zip Code: 16025
- E. Area Served: Karns City Boro, Fairview TWP, Donegal TWP (Butler County)
Bradys Bend TWP, Sugarcreek TWP (Armstrong County)

II. TYPE OF ORGANIZATION AND PRINCIPAL OFFICERS

- A. Type of Ownership:
- Sole
Corporation: Partnership: _____ Proprietor _____ Other: _____
- B. If a corporation list names of the officers. If an individual or partnership list the name of each Michael J Andreassi-President Nicholas L Andreassi-Vice President
Leah D Andreassi-Sec/Treas
- C. If the controlling ownership of this utility changed during the last twelve (12) months state the date of ownership change and the name and address of the prior owner.
- D. Date the utility was formed or incorporated: February 7, 1966
- E. Is the utility controlled by another corporation? N If yes, by whom? _____

III. PERSON TO CONTACT REGARDING THE INFORMATION SUPPLIED ON THESE FORMS

- A. Name and Title: Michael J Andreassi President
- B. Address: 1073 Kittanning Pike
- C. City or Borough: Chicora PA 16025
- D. Telephone Number: Area Code: 724-445-3606
- Cell Phone Number: Area Code: 724-290-5645
- E. If not an officer, owner or employee, give name of firm employed by: _____

Name of Utility: Andreassi Gas Company

**COMPARATIVE BALANCE SHEET
FOR THE PERIOD ENDING _____**

<u>ASSETS</u>	Balance at Beginning of Period	Balance at End of Period
CURRENT ASSETS:		
Cash	\$ 1,594.00	\$ 1,285.00
Accounts Receivable	\$ 39,484.00	\$ 11,060.00
Materials and Supplies	\$ 32,485.00	\$ 30,625.00
Other Assets	\$ -	\$ -
Prepayments	\$ -	\$ -
Deferred Charges	\$ -	\$ -
TOTAL CURRENT ASSETS	\$ 73,563.00	\$ 42,970.00
PLANT, PROPERTY & EQUIPMENT		
Plant in Service	\$ 882,927.00	\$ 888,447.00
Construction Work In Progress	\$ -	\$ -
TOTAL PLANT	\$ 882,927.00	\$ 888,447.00
Less: Accumulated Depreciation/Amortization	\$ (806,127.00)	\$ (820,834.00)
NET PLANT	\$ 76,800.00	\$ 67,613.00
OTHER ASSETS		
Investments	\$ -	\$ -
Other	\$ -	\$ -
TOTAL OTHER ASSETS	\$ -	\$ -
TOTAL ASSETS	\$ 150,363.00	\$ 110,583.00
<u>LIABILITIES</u>	Balance at Beginning of Period	Balance at End of Period
Current Liabilities:		
Accounts Payable- Gas Suppliers	\$ -	\$ -
Accounts Payable- affiliated companies	\$ -	\$ -
Accounts Payable- Other	\$ 21,340.00	\$ 10,170.00
Interest Payable	\$ -	\$ -
Taxes Payable	\$ -	\$ -
Contributions in Aid of Construction	\$ -	\$ -
Customer Deposits	\$ -	\$ -
Other Liabilities	\$ 2,750.00	\$ 2,320.00
TOTAL CURRENT LIABILITIES	\$ 24,090.00	\$ 12,490.00
Long-term Liabilities		
Debt _____	\$ 47,370.00	\$ 47,370.00
Debt _____	\$ 29,095.00	\$ 25,251.00
TOTAL LONG-TERM LIABILITIES	\$ 76,465.00	\$ 72,621.00
EQUITY		
Common Stock--Shareholder	\$ 5,000.00	\$ 5,000.00
Paid-in Capital--Banks	\$ 109,745.00	\$ 109,745.00
Retained Earnings	\$ (64,937.00)	\$ (89,273.00)
Total Equity	\$ 49,808.00	\$ 25,472.00
Total Liabilities & Equity	\$ 150,363.00	\$ 110,583.00

Name of Utility: **Andreassi Gas Company****Statement of Revenues and Proposed Base Rate Increase**

Description	Number of Customers		12 Month Period Ending Actual Revenues		Annualizations (Year end Customers for entire year) ¹	Totals as Annualized Pro Forma Test Year (6=5+4)	Proposed Increase in Base Rates (7)	Total Proposed Base Rate Revenue after Increase (8=6+7)
	Beginning of period (1)	End of period (2)	Prior Year (3)	Current Year (4)				
CUSTOMER CLASS								
Residential	3510	353	\$ 307,745.00	\$ 146,219.00	\$ (6.00)	\$ 146,213	\$ 55,900	\$ 202,113
Commercial/Public	19#	19	\$ 58,392.00	\$ 22,190.00	\$ (2.00)	\$ 22,188	\$ 11,800	\$ 33,988
Industrial	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	0	0	\$ 7,803.00	\$ 6,627.00	\$ -	\$ 6,627	\$ -	\$ 6,627
Other:					\$ -		\$ -	\$ -
Late Pymt Fees			\$ 714.00	\$ 550.00	\$ -	\$ 550	\$ -	\$ 550
Other Revenue_GCR			\$ -	\$ 144,466.00	\$ -	\$ 144,466	\$ -	\$ 144,466
TOTAL REVENUE			\$ 374,654	\$ 320,052	\$ (8)	\$ 320,044	\$ 67,700	\$ 387,744

1. This is the pro forma revenue from the number of customers at the end of the year had they been receiving service for the entire year.

Name of Utility: Andreassi Gas Company

Statement of Operating Expenses and Proposed Base Rate Increase

	12 Month Period Ending Actuals		Expense Annualizations/Adjustments (3)	Totals as Annualized Pro Forma Test Year (4=2+3)	Proposed Increases (5)	Total Proposed Base Rate Revenue after Increase (6=4+5)
	Prior Year (1)	Current Year (2)				
Total Operating Revenue: ¹	\$ 374,654	\$ 320,052	\$ (8)	\$ 320,044	\$ 67,700	\$ 387,744
Operating Expenses:						
Purchased Gas	\$ 170,157	\$ 174,714	\$ -	\$ 174,714	\$ -	\$ 174,714
Operation expense	\$ 155,601	\$ 123,264	\$ -	\$ 123,264	\$ 36,238	\$ 159,502
Maintenance expense	\$ 16,759	\$ 12,111	\$ -	\$ 12,111	\$ 5,700	\$ 17,811
Depreciation expense	\$ 16,714	\$ 14,707	\$ -	\$ 14,707	\$ -	\$ 14,707
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	
Other _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Office Salaries	\$ 3,600	\$ 4,800	\$ -	\$ 4,800	\$ -	\$ 4,800
General Office Expenses	\$ 5,660	\$ 5,974	\$ -	\$ 5,974	\$ 3,292	\$ 9,266
Misc Expenses- backhoe	\$ -	\$ -	\$ -	\$ -	\$ 7,140	\$ 7,140
Taxes:						
State Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Taxes	\$ 10,380	\$ 9,275	\$ -	\$ 9,275	\$ -	\$ 9,275
Total Expenses & Taxes	\$ 378,871	\$ 344,845	\$ -	\$ 344,845	\$ 52,370	\$ 397,215
Net Operating Income	\$ (4,217)	\$ (24,793)	\$ (8)	\$ (24,801)	\$ 15,330	\$ (9,471)
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deductions:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other _____	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income	\$ (4,217)	\$ (24,793)	\$ (8)	\$ (24,801)	\$ 15,330	\$ (9,471)

¹ Carried over from Statement of Revenues

Name of Utility: Andreassi Gas Company						
Plant In Service Details						
Year Plant Installed	Plant Installed		Plant Retired		Plant Adjustments	Balance of Plant in Service
	List Major Items by Class	Total Amount	List Major Items by Class	Total Amount		
	Mains	\$ 764,413				\$764,413
	Meters	\$ 15,112				\$15,112
	Office Equip/Furn	\$ 10,680				\$10,680
	Transportation	\$ 85,590				\$85,590
	Tools	\$ 2,802				\$2,802
	Power Equipment	\$ 9,850				\$9,850
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
						\$0
TOTAL PLANT		\$888,447		\$0		\$888,447

Note: The value for Total Balance of Plant in Service (M33) should be equal to the value of Plant in Service on the Comparative Balance Sheet (I16).

Name of Utility: Andreassi Gas Company

Development of Capital Structure
For Period Ending August 31, 2016

	<u>Per Books</u>	<u>Pro Forma</u>	<u>Pro Forma Ratio</u>
Short-Term Debt	\$ -	\$ -	0.00%
Long-Term Debt	\$ 25,251.00	\$ 25,251.00	49.78%
Common Equity:			
Common Stock	\$ 5,000.00	\$ 5,000.00	
Preferred Stock	\$ -	\$ -	
Misc. Paid-in Capital	\$ 109,745.00	\$ 109,745.00	
Retained Earnings	\$ (89,273.00)	\$ (89,273.00)	
Reacquired Stock	\$ -	\$ -	
Total Equity	<u>\$ 25,472.00</u>	<u>\$ 25,472.00</u>	<u>50.22%</u>
Total Capital	<u>\$ 50,723.00</u>	<u>\$ 50,723.00</u>	<u>100.00%</u>

Embedded Cost of Debt
Pro Forma

<u>Type</u>	<u>Amount</u>	<u>Cost Rate</u>	<u>Interest Expense</u>
Short Term Debt:			
Loan A	\$ -	0.00%	\$ -
Loan B	\$ -	0.00%	\$ -
Total Short-Term Debt	<u>\$ -</u>	<u>0.00%</u>	<u>\$ -</u>
Long-Term Debt:			
Loan C	\$ 25,251.00	2.99%	\$ 755.00
Loan D	\$ -	0.00%	\$ -
New Loan	\$ -	0.00%	\$ -
Total Long-Term Debt	<u>\$ 25,251.00</u>	<u>2.99%</u>	<u>\$ 755.00</u>

Name of Utility: Andreassi Gas Company

Cost of Capital and Rate of Return
For Period Ending August 31, 2016

Type of Capital	Capital Structure (1)	Cost Rates (2)	Weighted Cost of Capital (3=1x2)
(1) Long-Term Debt	49.78%	2.99%	1.49%
(2) Short-Term Debt	0.00%	0.00%	0.00%
(3) Common Equity	<u>50.22%</u>	0.00%	<u>0.00%</u>
(4) Total	<u><u>100.00%</u></u>		<u><u>1.49%</u></u>

Andreassi Gas Company
1073 Kittanning Pike
Chicora, PA 16025
724.445.3606

September 23, 2016

Ms. Rosemary Chiavetta, Secretary
Commonwealth of Pennsylvania
Public Utility Commission
Commonwealth Keystone Building
Second Floor
400 North Street
Harrisburg, PA 17105-3265

Re: Andreassi Gas Company Base Rate Filing
Docket Number R-2016-_____

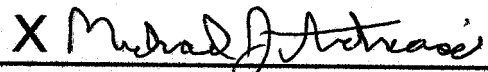
Dear Secretary Chiavetta:

On behalf of the Andreassi Gas Company, please accept the following documents and data in connection with proposed Tariff Supplement No. 85 to Tariff – Gas Pa. P.U.C. No. 2 requesting an increase in base rates for all customer classes served by Andreassi Gas Company.

As required by 52 Pa. Code § 53.51(b) *et seq* the Andreassi Gas Company submits one original copy of the following documents and information:

1. Tariff or Tariff Supplement No. 85 to Tariff – Gas Pa. P.U.C. No. 2.
2. Supporting data and calculations in support of Tariff or Tariff Supplement No. 85 to Tariff – Gas Pa. P.U.C. No. 2.
3. Notice to customers of the proposed increase and an affidavit verifying posting of the notice in the company's office and also the mailing of individual notices to all customers.
4. The news release and an affidavit of its distribution to the local news media on September 23, 2016 for publication.
5. An affidavit of the factual nature of all information presented in this filing.

Respectfully submitted,

X 

Michael J. Andreassi, President
Andreassi Gas Company

ANDREASSI GAS COMPANY

Rates and Rules Governing
The Furnishing of
Natural Gas Service
In
Borough of Karns City,
Townships of Fairview and Donegal,
Butler County
And The Township of Bradys Bend
And Sugarcreek,
Armstrong County, Pennsylvania

Issued: September 23, 2016

Effective: November 25, 2016

By: Michael J. Andreassi
President/Manager
1073 Kittanning Pike
Chicora, PA 16025

CHANGES MADE BY THIS SUPPLEMENT

This supplement in the existing Rates, Rules, and regulations as follows:

- (a) The service charge absent usage and Base Rate of Gas Increases to:

Residential

Customer Charge, absent any usage	\$18.0000
All usage per month per 1,000 cu. ft.	\$ 4.9870

Commercial and Public

Customer Charge absent any usage	\$ 18.0000
First 10,000 cu. ft. per month	\$ 4.9870
Next 90,000 cu. ft. per month	\$ 4.7495
All over 100,000 cu. ft. per month	\$ 4.5129

Gas Cost Rate will increase by \$0.6781 pending PUC approval Effective 11-01-2016 to \$5.2282 Per MCF because of E Factor prior year under collections (Docket No. M-2016-563874).

Andreassi Gas Company tariff revision Effective 08/31/2016 in accordance with PA 52 Code Chapter 53 (Docket No. L-2013-2346923) which completely separated all Gas costs from Base Rate.

Schedule of Rates, Fifty Fifth Revised Page 7 in this Tariff supplement is the Rates that will be charged pending PUC approval of GCR and PUC approval of Base Rate Increase.

TABLE OF CONTENTS

Title		1
List of Changes	Eighty Second Revised	2
Table of Contents	Eighty Second Revised	3
Rules and Regulations		
General Rules and Regulations	Original	4
Service from Low Pressure		
Distribution Systems	Original	4
Service from Lines Outside of Low		
Pressure Distribution Systems	Third Revised	5
Cash Deposits	Third Revised	5-A
Measurement of Gas	First Revised	6
Non-Liability of Company	First Revised	6
Gas Cost Rate	Forty Sixth Revised	6-A
Gas Cost Rate	Forty First Revised	6-B
Gas Cost Rate	Fifth Revised	6-C
Gas Cost Rate	Second Revised	6-D
Schedule of Rates	Fifty Fifth Revised	7
Schedule of Rates (Cont.)	First Revised	7-A
Schedule of Rates (Cont.)	Original	7-B
Schedule of Rates (Cont.)	Original	7-C
Schedule of Rates (Cont.)	Original	7-D
Schedule of Rates (Cont.)	Original	7-E
State Tax Surcharge Adjustment	Thirty-Fourth Revised	8
Volumetric Limitations and Curtailment		
Provisions	Original	9
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	10
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	11
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	12
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	13
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	14
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	15
Volumetric Limitations and Curtailment		
Provisions (Cont.)	Original	16

RULES AND REGULATIONS GOVERNING THE
DISTRIBUTION AND SALE OF GAS (Continued)

Gas Cost Rate

Provision for Gas Cost Rate

The gas cost rate of \$4.5501 shall be applied to each Mcf (1,000 cubic feet) of gas supplied under Rate Schedules of this Tariff.

Residential

Customer Charge Absent any usage	18.0000(C)
All usage per month per 1,000 cu. feet	4.9870 (C) (I)

Commercial, Industrial and Public

Customer Charge Absent any usage	18.0000(C)
First 10,000 cu. Ft. per month	4.9870 (C) (I)
Next 90,000 cu. Ft. per month	4.7495 (C) (I)
All over 100, 000 cu. Ft. per month	4.5129 (C) (I)

Computation and Application of Gas Cost Rate

The gas cost rate shall be computed to the nearest one-hundredth cent (0.01c) in accordance with the formula set forth below:

$$\text{GCR} = \frac{\text{(C-E)}}{\text{(S)}}$$

Each gas cost rate so computed shall be applied to customers' bills for a one (1) year period during the billing periods of November through October; provided, however, that such rate may be revised on an interim basis subject to approval of the Pennsylvania Public Utility Commission upon determination that the effective rate will result in material over or under collections if not revised. Such interim change shall become effective thirty (10) days from the date of filing unless otherwise denied or modified by the Commission.

- (I) Indicates Increase
(C) Indicates Change

Schedule of RatesAvailability

Available to customers served from existing facilities in the entire territory for the company, for the total gas requirements, at one location of a single customer.

Residential

Consumption Charge:

<u>Residential</u>	
Customer Charge Absent any usage	\$18.0000 (C) (I)
All usage per month per 1,000 cu. Ft.	\$10.2152 (C) (I)
<u>Commercial, Industrial, and Public</u>	
Customer Charge Absent any usage	\$18.0000 (C) (I)
First 10,000 cu. Ft. per month	\$10.2152 (C) (I)
Next 90,000 cu. Ft. per month	\$9.9777 (C) (I)
All over 100,00 cu. Ft. per month	\$9.7411 (C) (I)

Bill for general service will be rendered monthly and payment is due the date received. If payment is not made within 25 days from the date of billing, a penalty of 1 ¼ percent of monthly charge for gas service will be imposed; and if payment is not made within 30 days from billing date, service may be discontinued after compliances with PUC regulations. (C) Connection of service will be made only after payment of account in full and a \$32.50 reconnection fee.

(I) Indicates Increase

(C) Indicates change

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

Butler County

} SS:

Michael J. Andreassi, being duly sworn (affirmed) according to law, deposes and says that he is President of Andreassi Gas Company; that he is authorized to and does make this affidavit for it; and that the facts set forth are true and correct; or are true and correct to the best of his knowledge, information and belief and he expects the said Company to be able to prove the same at the hearing hereof.

X Michael J. Andreassi
Michael J. Andreassi, President
Signature of Affiant(s)

Sworn and subscribed before me this

Twenty Second day of September, 2016.

My Commission Expires Feb 25, 2018

X Karen E. Allen
Signature of Official Administering Oath

Affidavit affirming factual nature of all data submitted

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Karen E. Allen, Notary Public
Donegal Twp., Butler County
My Commission Expires Feb. 25, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

NOTICE OF PROPOSED RATE CHANGES

To Our Customer:

Andreassi Gas Company is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your natural gas rates as of November 25, 2016. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Andreassi Gas Company has requested an overall rate increase of \$67700.00 per year. If the company's entire request is approved, the total bill for a residential customer using 6 MCF's would increase from \$64.08 to \$75.22 per month or by 17.38 %.

The total bill for a commercial customer using 28 MCF's would increase from \$239.76 to \$280.76 per month or by 17.10%.

To find out your customer class or how the requested increase may affect your natural gas bill, contact Andreassi Gas Company at (724) 445-3606. The rates requested by the company may be found in Tariff Number 2. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at Andreassi Gas Company's office.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or hold hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the company and shown above.

There are three ways to challenge a company's request to change its rates:

- 1) You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in any hearings convened concerning the rate increase request. All complaints should be filed with the PUC before November 25, 2016. If no formal complaints are filed, the Commission may grant all some or none of the request without holding a hearing before a judge.
- 2) You can send the PUC a letter stating your objections to the requested rate increase. Sometimes there is information in these letters that makes us aware of problems with the company's service or management. This information could be helpful when we investigate the rate request.

Send your letter or request for a formal complaint form to Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg PA 17105-3265.

- 3) You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the company's rate request and if there is a large number of customers interested in the case. At these hearing you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given under oath becomes part of the official rate case record. These hearings are held the service area of the company.

Andreassi Gas Company

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

Butler County

} SS:

Michael J. Andreassi, being duly sworn (affirmed) according to law, deposes and says that he is President of Andreassi Gas Company; that he is authorized to and does make this affidavit for it; and that the customer notice was mailed this day of Twenty Third in the month of September in the year of 2016.

X Michael J. Andreassi

Michael J. Andreassi, President
Signature of Affiant(s)

Sworn and subscribed before me this

Twenty Third day of September, 2016.

My Commission Expires Feb 25, 2018

X Karen E. Allen
Signature of Official Adminstering Oath

Affidavit affirming factual nature of all data submitted

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Karen E. Allen, Notary Public
Donegal Twp., Butler County
My Commission Expires Feb. 25, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Press Release

DATE: September 23, 2016

Contact: Andreassi Gas Company
(724) 445-3606

**To Ensure Funding for Increasing Safety, Reliability of System, Andreassi Gas Company
Petitions PUC to Increase Base Rates**

Chicora, Pennsylvania – In order to improve safety and reliability of the natural gas distribution system, Andreassi Gas Company today asked the Pennsylvania Public Utility Commission (PUC) for a 19.9 Percent increase in base rates.

Under the proposal, Andreassi Gas Company will increase rates by 17.38% as proposed, the bill for an average residential customers using 6 MCF of natural gas a month will increase from \$64.08 to \$75.22 a month.

The proposed increases are needed to continue to provide safe and reliable service, maintain the integrity of existing capital, attract additional capital at reasonable rates and have a reasonable opportunity to earn a fair rate of return on its property used and useful in rendering gas service to the public.

Andreassi Gas Company provides natural gas service to 352 customers in Butler & Armstrong Counties.

Butler Eagle

09/20/16

P.O. Box 271
114 W. Diamond St.
Butler, PA 16003-0271

Phone: (724)282-8000
Fax: (724)2821280
Email: legals@butlereagle.com

Name:		Run dates:	09/26/16 to 09/26/16
Company:	***LEGAL CASH SALES***	Class:	1
Address:	PO BOX 271	Ad ID:	1341601
	BUTLER, PA 16003	Ad Taker:	JULIANE
Account ID:	9999	Sales Person:	88
Account #:	009999		
Telephone:	(724) 282-8000	Inserts:	2
Fax:		Words:	163
E-mail:		Lines:	51
SIC code:		Columns:	1
Publications:	Butler Eagle	Depth (Inches):	4.611

Payments:	Method	Card Type	Name on Card	Last 4 Digits	Expire Date	Check Number	Amount Paid
	CC	VISA	MICHAEL J ANDREASSI	9849	01/19		\$104.00

Gross: \$104.00

Paid Amount: - \$104.00

Amount Due: \$0.00

LEGAL NOTICE
To Ensure Funding for
Increasing Safety,
Reliability of System,
Andreassi Gas
Company Petitions
PUC to Increase
Base Rates

Chicora, Pennsylvania –
In order to improve safety
and reliability of the natural
gas distribution system,
Andreassi Gas Company
today asked the
Pennsylvania Public Utility
Commission (PUC) for a
19.9 Percent increase in
base rates.

Under the proposal,
Andreassi Gas Company
will increase rates by
17.38% as proposed, the
bill for an average residen-
tial customers using 6 MCF
of natural gas a month will
increase from \$64.08 to
\$75.22 a month.

The proposed increases
are needed to continue to
provide safe and reliable
service, maintain the
integrity of existing capital,
attract additional capital at
reasonable rates and have
a reasonable opportunity to
earn a fair rate of return on
its property used and useful
in rendering gas service to
the public.

Andreassi Gas
Company provides natural
gas service to 352 cus-
tomers in Butler &
Armstrong Counties.

Andreassi Gas
Company
724-445-3606
September 23, 2016

RECEIPT

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA

Butler County

} SS:

Michael J. Andreassi, being duly sworn (affirmed) according to law, deposes and says that he is President of Andreassi Gas Company; that he is authorized to and does make this affidavit for it; and that the facts set forth are true and correct; or are true and correct to the best of his knowledge, information and belief and he expects the said Company to be able to prove the same at the hearing hereof.

X Michael J. Andreassi
Michael J. Andreassi, President
Signature of Affiant(s)

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Notarial Seal
Karen E. Allen, Notary Public
Donegal Twp., Butler County
My Commission Expires Feb. 25, 2018
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

History of Company

McCullough Gas Company (a partnership) was purchased by John B. Andreassi, John A. Andreassi and Boyd C. Hillwig and incorporated in February 1966. It operated under the name of Andreassi & Hillwig Company. January 1, 1987, Michael J. Andreassi and Leah D. Andreassi purchased the utility and continue to operate the company. On February 3, 1991 Andreassi & Hillwig Company became Andreassi Gas Company.

Operation Expense:

Wages

- Have not been increased in five years
- 10% increase of wages
- \$9,730 yearly increase

Pension

- Pension plan has not been added to in six years
- \$5,960 owed to plan dating from 1-1-2016 thru 8-31-2016
- \$10,703 payment yearly towards pension

Rentals (Building/Land)

- Rental payments have not been made in five years
- \$6000 rental payments to be made yearly

New Truck

- Replacing 1994 Ford F-250
- \$9,805 yearly payments towards the truck
 - o 5 year payment plan

Miscellaneous Expense:

Backhoe/Mini Excavator

- Replacing 1984 Case Trencher Model 360
- \$7,140 yearly payments towards the excavator
 - o 7 year payment plant

Maintenance Expense:

Right-Of-Way

- Yearly maintenance of all existing & future right-of-ways
- Clearing & mowing contract
 - o \$3,900 yearly expense
 - Contract for 65 hours at \$60/hr

Replacement of Outdated Meters

- Replacing obsolete meters with 12 new meters a year
 - o \$1,800 yearly expense
 - 12 new meters at \$150 a piece

Office Expense:

Computer

- New computer to replace outdated computer from 2004
- \$692 for an HP Business computer

Software

- New billing computer to replace software program created in 1984.
- \$890 yearly expense for the billing program

Printer

- Replacing 7 year old printer
- HP all-in-one laser printer required for new billing program
- \$1160 expense for new printer

Toner

- \$550 yearly expense for laser toner

The company serves 371 customers in Karnes City Borough, Fairview Township and Donegal Township, Butler County, Bradys Bend Township and Sugar Creek Township, Armstrong County.

In an effort to help retired or the non-working (disabled, unemployed, etc.) Andreassi Gas Company proposes to increase the Customer Charge, absent any usage to \$18.00. Since it basically cost about the same to deliver gas to each household the people that are paying the most can afford it the least. (A simple explanation is that working people live in newer, better insulated, overall generally more energy efficient homes) By raising the Customer Charge to \$ 18.00 we were able to request a lower per Mcf Request.

Reasons for Rate Increase

1. A rate increase has not been filed since November 24, 2007 and the rate of inflation has exceeded 16.1% (The Bureau of Labor Statistics, Consumer Price Index)
2. As the Utility Plant continues to age, much needed repairs and as well as maintain current production of gas. Therefore, additional manpower and materials will be required on an annual basis.
3. Added requirements of Pipe Line Safety which require operator qualification are requiring extra time, documentation and added safety steps in the day to day operations, to Random Drug Testing of all Company personnel.

Rate of Return

The rate of return is computed as follows:

Total Utility Plant	\$888447
Less Depreciation	<u>\$820834</u>
Net Utility Plant	\$67613
Rate of Return	<u>x 9%</u>
	\$6085.17

Total anticipated net income (loss)

After increase (\$9471)

	[1] Base Rate 11/1/2014	[2] Less Gas Costs roll-in Base rates	[3]=[1-2] Base rates net roll-in of Gas Costs
Residential			
Customer charge	\$ 15.0000		\$ 15.0000
All usage	\$ 7.7386	\$ 4.4622	\$ 3.2764
Commercial			
Customer charge	\$ 15.0000		\$ 15.0000
First 10,000 cu ft.	\$ 7.7386	\$ 4.4622	\$ 3.2764
Next 90,000 cu ft.	\$ 7.5011	\$ 4.4622	\$ 3.0389
> 100,000 cu ft.	\$ 7.2645	\$ 4.4622	\$ 2.8023

	[1] Base Rate 11/1/2015	[2] Less Gas Costs roll-in Base rates	[3]=[1-2] Base rates net roll-in of Gas Costs
Residential			
Customer charge	\$ 15.0000		\$ 15.0000
All usage	\$ 7.7568	\$ 4.4804	\$ 3.2764
Commercial			
Customer charge	\$ 15.0000		\$ 15.0000
First 10,000 cu ft.	\$ 7.7568	\$ 4.4804	\$ 3.2764
Next 90,000 cu ft.	\$ 7.5193	\$ 4.4804	\$ 3.0389
> 100,000 cu ft.	\$ 7.2827	\$ 4.4804	\$ 2.8023

	[1] Base Rate 11/1/2016	[2] remove Gas Costs roll-in Base rates	[3]=[1-2] Base rates net roll-in of Gas Costs
Residential			
Customer charge	\$ 15.0000		\$ 15.0000
All usage	\$ 7.7568	\$ (4.4804)	\$ 3.2764
Commercial			
Customer charge	\$ 15.0000		\$ 15.0000
First 10,000 cu ft.	\$ 7.7568	\$ (4.4804)	\$ 3.2764
Next 90,000 cu ft.	\$ 7.5193	\$ (4.4804)	\$ 3.0389
> 100,000 cu ft.	\$ 7.2827	\$ (4.4804)	\$ 2.8023

To determine the total revenue for your test year end August 31, 2016
Each month calculate the base rate revenue and add up the twelve months for total revenue.

	[1a] Base rates net roll-in of Gas Costs	[2a] Each month	[3a]=[1a x 2a] Revenue
Residential			
Customer charge	\$ 15.0000	4232	63480
All usage	\$ 3.2764	25253	<u>82738.9292</u>
Commercial			
Customer charge	\$ 15.0000	228	3420
First 10,000 cu ft.	\$ 3.2764	317	1038.6188
Next 90,000 cu ft.	\$ 3.0389	1747	5308.9583
> 100,000 cu ft.	\$ 2.8023	4433	<u>12422.5959</u>
			22190.173

Schedule C					
Andreassi Gas Company					
Adjustments to Test Year Revenues					
Anticipated Revenues After Increase					
	Adjustment to Present Rates		Proposed Rates		
Residential - Heating					
Customer Charge \$15.00 x 4232 Bills	\$63,480.0000		\$18.00 x 4,232 Bills	\$76,176.0000	
All usage per month per 1,000 cu. ft.					
25253 MCF x \$3.2764	\$82,738.9292	\$146,218.9292	\$4.9870 x 25253 MCF	\$125,936.7100	\$202,112.7100
Gas Cost Rate \$4.5501 x 25253 MCF	\$114,903.6753		Gas Cost Rate \$4.5501 x 25253 MCF	\$114,903.6753	
Commercial Heating					
Customer Charge \$15.00 x 228 Bills	\$3,420.0000		\$18.00 x 228 Bills	\$4,104.0000	
First 10,000 cu. ft. per month					
317 MCF x \$3.2764	\$1,038.6188		\$4.9870 x 317 MCF	\$1,580.8800	
Next 90,000 cu. ft. per month					
1747 MCF x \$3.0389	\$5,308.9583		\$4.7495 x 1747 MCF	\$8,297.3800	
All over 100,000 cu. ft. per month					
4433 MCF x \$2.8023	\$12,422.5959	\$22,190.1730	\$4.5129 x 4433 MCF	\$20,005.6900	\$33,987.9500
Gas Cost Rate \$4.5501 x 6497 MCF	\$29,561.9997		Gas Cost Rate \$4.5501 x 6497 MCF	\$29,561.9997	
Transportation					
	\$6,627.0000			\$6,627.0000	
Late Payment Charge					
	\$549.9400			\$549.9400	
Other Revenue - GCR					
	\$144,465.6750			\$144,465.6750	
Total	\$320,051.7172			\$387,743.2750	
Proposed Increase in Base Rate	\$67,700.0000				

Andreassi Gas Company
 Computation of Change to Base Rates
 And Base Rate & GCR Total

	Present Base Rate	Base Increase/(Decrease)	New Base Rate Eff:11/25/16	New GCR Eff:11/01/16	Base & GCR Total
Residential					
Customer Charge	\$ 15.0000		\$ 18.0000		
All Usage/Month per 1,000 cu ft	\$ 3.2764	\$ 1.7106	\$ 4.9870	\$5.2282	\$ 10.2152
Commercial					
Customer Charge	\$ 15.0000		\$ 18.0000		
First 10,000 cu ft per month	\$ 3.2764	\$ 1.7106	\$ 4.9870	\$5.2282	\$ 10.2152
Next 90,000 cu fut per month	\$ 3.0389	\$ 1.7106	\$ 4.7495	\$5.2282	\$ 9.9777
All Over 100,000 cu ft per month	\$ 2.8023	\$ 1.7106	\$ 4.5129	\$5.2282	\$ 9.7411

	Residential sales MCF	Total Sales MCF	C & P sales MCF	Total Residential Customers	Res.sales	total sales	C & P sales
14-Sep	-591	647	56	352	\$10,461.21	\$11,235.22	
Oct	-1315	1532	217		\$16,837.50	\$18,994.69	
Nov	-3369	4298	929		\$31,617.43	\$38,869.19	
Dec	-3628	4590	962		\$33,659.55	\$41,160.10	
Jan	-5857	7341	1484		\$51,089.57	\$62,476.62	
Feb	-6577	8290	1713		\$56,739.82	\$69,814.81	
March	-4726	5850	1124		\$42,237.99	\$50,940.98	
April	-2320	2806	486		\$23,407.56	\$27,362.21	
May	-1136	1327	191		\$14,155.99	\$15,909.97	
June	-555	601	46		\$9,594.30	\$10,236.97	
July	-548	593	45		\$9,540.20	\$10,175.02	
15-Aug	<u>-399</u>	<u>434</u>	35	350	<u>\$8,403.58</u>	<u>\$8,960.60</u>	<u>\$0.00</u>
	-31021	38309	7288		\$307,744.70	\$366,136.38	

31021 / 351 = 88.38MCF average for 2014-2015

-\$307,744.70 \$366,136.38 \$58,391.68

Late Charges & Gas Transported

Total AMT. of Late Charges		Total AMT. of Late Charges	
16-Aug	\$19.12	15-Aug	\$18.07
16-Jul	\$22.35	15-Jul	\$19.92
16-Jun	\$35.43	15-Jun	\$30.73
16-May	\$57.52	15-May	\$45.83
16-Apr	\$53.68	15-Apr	\$99.75
16-Mar	\$108.73	15-Mar	\$114.36
16-Feb	\$86.12	15-Feb	\$106.38
16-Jan	\$55.41	15-Jan	\$130.56
16-Dec	\$50.62	14-Dec	\$76.19
15-Nov	\$27.54	14-Nov	\$30.33
15-Oct	\$16.48	14-Oct	\$21.34
15-Sep	\$16.94	14-Sep	\$20.23
	\$549.94		\$713.69
Gas Transported to CMC		Gas Transported to CMC	
16-Aug	\$468.25	15-Aug	\$559.50
16-Jul	\$476.40	15-Jul	\$654.60
16-Jun	\$494.55	15-Jun	\$503.55
16-May	\$433.80	15-May	\$410.70
16-Apr	\$546.15	15-Apr	\$530.40
16-Mar	\$561.45	15-Mar	\$867.45
16-Feb	\$661.20	15-Feb	\$956.25
16-Jan	\$631.05	15-Jan	\$861.60
16-Dec	\$635.25	14-Dec	\$738.90
15-Nov	\$513.60	14-Nov	\$601.80
15-Oct	\$504.00	14-Oct	\$615.30
15-Sep	\$702.15	14-Sep	\$503.40
	\$6,627.85		\$7,803.45

34	0	0	0	0	1	0	0	0	0	0	0	0	1	34
36	0	0	0	0	0	1	0	0	0	0	0	0	1	36
39	0	0	0	0	0	1	0	0	0	0	0	0	1	39
41	0	0	0	0	0	0	1	0	0	0	0	0	1	41
54	0	0	0	0	0	1	0	0	0	0	0	0	1	54
57	0	0	1	0	0	0	0	0	0	0	0	0	1	57
58	0	0	0	0	1	0	0	0	0	0	0	0	1	58
59	0	0	0	0	0	1	0	0	0	0	0	0	1	59
63	0	0	0	0	1	0	0	0	0	0	0	0	1	63
64	0	0	0	0	0	0	0	1	0	0	0	0	1	64
69	0	0	0	0	0	0	1	0	0	0	0	0	1	69
85	0	0	0	1	0	0	0	0	0	0	0	0	1	85
104	0	0	0	0	0	0	0	0	0	0	0	0	0	104
108	0	0	0	0	0	0	0	0	1	0	0	0	1	108
126	0	0	0	0	0	1	0	0	0	0	0	0	1	126
127	0	1	0	0	0	0	0	0	0	0	0	0	1	127
132	0	0	0	0	1	0	0	0	0	0	0	0	1	132
301	0	0	1	0	0	0	0	0	0	0	0	0	1	301
345	0	0	0	0	0	0	0	1	0	0	0	0	1	345
503	0	0	0	1	0	0	0	0	0	0	0	0	1	503
578	0	0	0	0	0	0	1	0	0	0	0	0	1	578
1042	0	0	0	0	0	1	0	0	0	0	0	0	1	1042
1171	0	0	0	0	1	0	0	0	0	0	0	0	1	1171
	19	19	19	18	19	19	19	19	19	19	19	19	19	6497

HEATING
RATE GENERAL METERED SERVICE CI

COMME				
1	2	3	4	5
<u>Cumulative</u>				
Total				
MCF	Number	Volume	Bills	Volume
Per Bill	of Bills	e (1X2)	Render	of Gas
			ed	
0	82	0	82	0
1	10	10	92	10
2	17	34	109	44
3	7	21	116	65
4	9	36	125	101

5	6	30	131	131
6	6	36	137	167
7	7	49	144	216
8	4	32	148	248
9	1	9	149	257
10	6	60	155	317
11	3	33	158	350
12	1	12	159	362
13	3	39	162	401
14	2	28	164	429
15	4	60	168	489
17	2	34	170	523
18	5	90	175	613
19	1	19	176	632
20	6	120	182	752
21	2	42	184	794
22	2	44	186	838
23	1	23	187	861
24	2	48	189	909
25	1	25	190	934
26	4	104	194	1038
27	2	54	196	1092
28	1	28	197	1120
29	1	29	198	1149
30	2	60	200	1209
32	2	64	202	1273
33	4	132	206	1405
34	1	34	207	1439
36	1	36	208	1475
39	1	39	209	1514
41	1	41	210	1555
54	1	54	211	1609
57	1	57	212	1666
58	1	58	213	1724
59	1	59	214	1783
63	1	63	215	1846
64	1	64	216	1910
69	1	69	217	1979
85	1	85	218	2064
104	0	0	218	2064

108	1	108	219	2172
126	1	126	220	2298
127	1	127	221	2425
132	1	132	222	2557
301	1	301	223	2858
345	1	345	224	3203
503	1	503	225	3706
578	1	578	226	4284
1042	1	1042	227	5326
1171	1	1171	228	6497

228

SCHEDULE G

Name of Utility: ANDREASSI GAS COMPANY

Residential Gas Usage Sept - 15 thru August -16

BILL FREQUENCY ANALYSIS
12 MONTHS PERIOD ENDED August 30, 2016

	1855 OVER BILLED											100	
	c.MCcollough												
	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Total
0	62	65	32	17	12	14	15	19	37	55	92	143	563
1	106	27	7	4	3	1	2	8	23	102	143	95	521
2	142	59	14	6	4	5	12	6	60	127	88	57	580
3	33	62	11	11	7	2	20	13	75	52	16	27	329
4	4	56	55	3	5	4	26	22	55	9	6	10	255
5	2	34	44	15	11	4	36	40	32	4	3	10	235
6	0	16	44	29	5	7	40	47	33	0	1	5	227
7	0	16	41	30	12	11	32	43	16	0	1	2	204
8	1	10	29	39	18	9	43	33	6	1	1	1	191
9	0	2	19	31	17	19	34	42	5	0	0	0	169
10	0	2	18	42	22	25	31	34	4	2	1	1	182
11	0	2	15	23	24	21	16	13	1	0	1	1	117
12	0	0	3	26	21	21	14	17	2	0	0	0	104
13	0	0	4	24	21	25	6	2	2	0	0	0	84
14	0	0	4	10	15	21	7	3	0	1	0	0	61
15	0	0	4	13	20	17	2	3	0	0	0	0	59
16	0	0	3	1	18	21	2	3	0	0	0	0	48
17	0	0	2	4	18	19	2	1	0	0	0	0	46
18	0	0	1	6	10	11	2	2	0	0	0	0	32
19	0	0	0	4	9	24	5	2	0	0	0	0	44
20	0	0	0	11	17	15	0	1	1	0	0	0	45
21	0	0	0	2	13	10	1	0	0	0	0	0	26
22	0	0	0	3	11	8	0	0	0	0	0	0	22
23	0	0	0	1	5	7	2	0	1	0	0	0	16
24	0	0	0	0	4	5	1	0	0	0	0	0	10
25	0	0	0	0	5	6	0	0	0	0	0	0	11
26	0	0	0	0	4	5	1	0	1	0	0	0	11
27	0	0	0	0	3	3	0	0	0	0	0	0	6
28	0	0	0	0	3	1	0	0	0	0	0	0	4

29	0	0	0	0	2	0	0	0	0	0	0	0	0	2
30	0	0	0	0	4	2	0	0	0	0	0	0	0	6
31	0	0	0	0	1	2	0	0	0	0	0	0	0	3
32	0	0	0	0	1	1	1	0	0	0	0	0	0	3
33	0	0	0	0	1	2	0	0	0	0	0	0	0	3
34	0	0	0	0	2	1	0	0	0	0	0	0	0	3
35	0	0	0	0	0	1	0	0	0	0	0	0	0	1
36	0	0	0	0	2	0	0	0	0	0	0	0	0	2
37	0	0	0	0	0	1	0	0	0	0	0	0	0	1
38	0	0	0	0	1	0	0	0	0	0	0	0	0	1
39	0	0	0	0	1	1	0	0	0	0	0	0	0	2
44	0	0	0	0	0	1	0	0	0	0	0	0	0	1
47	0	0	0	0	1	0	0	0	0	0	0	0	0	1
51	0	0	0	0	1	0	0	0	0	0	0	0	0	1
	350	351	350	355	354	353	353	354	354	353	353	352	4232	

RATE GENERAL METERED SERVICE CUSTOMER CLA
COMMERCIAL/PUBLIC HEATING

1	2	3	4	5
		<u>Cumulative</u>		
		Total		
MCF Per Bill	Number of Bills	Volume (1X2)	Bills Rendered	Volume of Gas
0	563	0	563	0
1	521	521	1084	521
2	580	1160	1664	1681
3	329	987	1993	2668
4	255	1020	2248	3688
5	235	1175	2483	4863
6	227	1362	2710	6225
7	204	1428	2914	7653
8	191	1528	3105	9181
9	169	1521	3274	10702
10	182	1820	3456	12522
11	117	1287	3573	13809
12	104	1248	3677	15057
13	84	1092	3761	16149

14	61	854	3822	17003
15	59	885	3881	17888
16	48	768	3929	18656
17	46	782	3975	19438
18	32	576	4007	20014
19	44	836	4051	20850
20	45	900	4096	21750
21	26	546	4122	22296
22	22	484	4144	22780
23	16	368	4160	23148
24	10	240	4170	23388
25	11	275	4181	23663
26	11	286	4192	23949
27	6	162	4198	24111
28	4	112	4202	24223
29	2	58	4204	24281
30	6	180	4210	24461
31	3	93	4213	24554
32	3	96	4216	24650
33	3	99	4219	24749
34	3	102	4222	24851
35	1	35	4223	24886
36	2	72	4225	24958
37	1	37	4226	24995
38	1	38	4227	25033
39	2	78	4229	25111
44	1	44	4230	25155
47	1	47	4231	25202
51	1	51	4232	25253