

Andreassi Gas Company
1073 Kittanning Pike
Chicora, PA 16025
724-445-3606


Docket No. R-2016-2567893
Utility Code: 120400

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: Andreassi Gas Company, Rate Filing, Docketed at R-2016-2567893

Dear Ms. Rosemary Chiavetta:


Andreassi Gas Company has completed the data requested by the PUC.

 Recoverable Signature

X *Michael J. Andreassi*

Michael J. Andreassi
President, Andreassi Company
Signed by: b.scorecardresearch.com

I, Michael J. Andreassi, President, Andreassi Gas Company, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

 Recoverable Signature

X *Michael J. Andreassi*

Michael J. Andreassi
President, Andreassi Gas Company
Signed by: b.scorecardresearch.com

Andreassi Gas Company
 1073 Kittanning Pike
 Chicora, PA 16025 (724) 445-3606
 R-2016-2567893
 Data Request

Note: Restate the data request question prior to providing a response.

1. Reference the Company's filing, Schedules B, C, and D. None of the columns for time periods contain dates. Please provide dates for all the columns, i.e. Balance at Beginning of Period, Balance at End of Period, 12 Month Period Ending Actual Revenues Prior Year and Current Year, etc.
 - a. Comparative Balance Sheet Schedule B:
 - i. Balance at Beginning of Period: December 31, 2016
 - ii. Balance at End of Period: August 31, 2016
 - b. Statement of Revenues Schedule C:
 - i. Prior Year: September 1, 2014 – August 31, 2015
 - ii. Current Year: September 1, 2015 – August 31, 2016
 - c. Statement of Operating Expenses Schedule D:
 - i. Prior Year: December 31, 2015
 - ii. Current Year: August 31, 2016
 - (New Copies of Schedules with Dates Attached at the Bottom)

2. Reference Schedule B, Comparative Balance Sheet. Please explain the increase in Plant in Service of \$5,520 from the balance at the beginning of the period to the end of the period.
 - Capitalization of a portion of salaries for plant expansion. This is a practice that has been consistent with what has been followed for several years.

3. Reference Schedule D, Statement of Operating Expenses and Proposed Base Rate Increase. Please provide a detailed breakdown indicating what is contained in each of the following accounts by items and amounts for the current, as well as the previous year, for the following line items:

Expenses	31 Dec 2015 <u>Prior</u>	31 Aug 2016 <u>Current</u>
a. Operation Expense:		
i. Operating Supplies	\$20,376.00	\$8,695.00
ii. Insurance	\$20,024.00	\$19,220.00
iii. Salaries & Wages	\$102,930.00	\$86,480.00
iv. Utilities	\$7,962.00	\$8,555.00
v. Equipment Expense	\$4,309.00	\$314.00
b. Maintenance Expense:		
i. Contracted Services for	\$16,714.00	\$14,707.00

Repair & Maintenance

- | | | | |
|---------------------------------------|-------------------|--|-----------------|
| c. Depreciation Expense: | | | |
| i. Detail schedules provided | \$16,714.00 | | \$14,707.00 |
| d. General Office Salaries: | | | |
| i. Admin. Portion of Officer's Salary | \$3,600.00 | | \$4,800.00 |
| e. General Office Expenses: | | | |
| i. Office Supplies | \$2,805.00 | | \$3,760.00 |
| ii. Professional Fees | \$1,215.00 | | \$1,275.00 |
| iii. Advertising | <u>\$1,640.00</u> | | <u>\$939.00</u> |
| | \$5,560.00 | | \$5,974.00 |
| f. All Other Taxes: | | | |
| i. Employer Payroll Taxes | \$10,380.00 | | \$9,275.00 |
4. Applicant neglected to provide a breakdown of current employees with their corresponding duties and responsibilities. Please provide a breakdown of employees of Andreassi Gas Company and explain which employee job titles and salaries are included in Operating Expenses or General Office Salaries for the following:
- a. Employee name;
 - i. Michael J. Andreassi
 - ii. Nicholas L. Andreassi
 - iii. Leah D. Andreassi
 - iv. Andreassi Gas Company utilizes a contractor for meter reading as well as additional help when needed for maintenance labor.
 - b. Job title;
 - i. Michael J. Andreassi – President
 - ii. Nicholas L. Andreassi – Vice President
 - iii. Leah D. Andreassi – Vice President
 - c. Annual salary/hourly rate for each of the following years: 2016, 2015, 2014;
 - i. 2014
 1. Michael J. Andreassi - \$43,800.00 (\$21.00/hr)
 2. Nicholas L. Andreassi - \$52,000.00 (\$25.00/hr)
 3. Leah D. Andreassi - \$13,300.00 (\$16.00/hr)
 - ii. 2015
 1. Michael J. Andreassi - \$43,800.00 (\$21.00/hr)
 2. Nicholas L. Andreassi - \$54,000.00 (\$26.00/hr)
 3. Leah D. Andreassi - \$15,300.00 (\$17.00/hr)
 - iii. 2016 (January 1 – October 31)
 1. Michael J. Andreassi - \$17,120.00 (\$18.00/hr)
 2. Nicholas L. Andreassi - \$43,500.00 (\$26.00/hr)
 3. Leah D. Andreassi - \$12,000.00 (\$17.00/hr)

- d. Duties and responsibilities of each employee;
 - i. Michael J. Andreassi is the President & General Manager of Andreassi Gas Company. His duties include overseeing day to day operations, planning, and execution of all work performed by company personnel. He is also on call 24 hours a day for emergency.
 - ii. Nicholas L. Andreassi's duties include maintaining and improving company assets, equipment operator, meter and regulator tests, and all general maintenance. He is also on call 24 hours a day for emergency.
 - iii. Leah D. Andreassi is Secretary-Treasurer of Andreassi Gas Company. Her duties include clerical, bookkeeping, office administration, work orders, billing, accounts receivable, and payroll.

- e. Number of hours worked per week;
 - i. Michael J. Andreassi – 40 hours per week
 - ii. Nicholas L. Andreassi – 40 hours per week
 - iii. Leah D. Andreassi - 16 hours per week

- f. Date and amounts of any proposed salary/hourly increase;
 - i. Michael J. Andreassi – January 2017 - (approximately \$3,500.00/year - \$1.68/hr)
 - ii. Nicholas L. Andreassi – January 2017 – (approximately \$4,500.00/year - \$2.16/hr)
 - iii. Leah D. Andreassi – January 2017 – (approximately \$1,730.00/year - \$2.16/hr)

- g. Breakdown and details of the \$10,703 yearly pension expense for each employee.
 - i. SEP IRA – Typically contribute 10%-15% based on average of 3 years wages the company should contribute \$10,703.00 in total for all 3 employees.
 - 1. Michael J. Andreassi - \$4,380.00 per year
 - 2. Nicholas L Andreassi - \$5,200.00 per year
 - 3. Leah D. Andreassi - \$1,123.00 per year

5. Reference Rental Expense (building/land) of \$6,000 that is included in Operating Expenses. Please provide a breakdown of the rental expense by the following:

- a. Who the rent is paid to for each rental item;
 - i. Michael J. Andreassi is paid rental for all rental items

- b. Rental agreement(s);
 - i. N/A

- c. Land, location and acres;

- i. Land – storage yard used for pipe storage and equipment – 60,000 sq./ft located in close proximity to office.
 - d. Buildings, including its purpose, location and square footage;
 - i. Warehouse – 2,400 sq./ft. which is used for storage of all gas company equipment, meters, meter testing equipment, safety equipment, & parts/material.
 - ii. Office – 200 sq./ft which includes gas company records, computer, printer, fax machine, restroom.
 - e. Explanation for no rent being paid the last five years.
 - i. The gas company did not have available to pay the rental fee.
- 6. Reference Truck Expense of \$9,805 that is included in Operating Expenses. Please provide the following:
 - a. Year and make of new truck;
 - i. The vehicle has not been purchased.
 - b. Sale or trade in value of old truck;
 - i. The truck cannot be inspected because of mechanical integrity issues & the vehicle is not able to be inspected.
 - c. List of employees using new truck;
 - i. Michael J. Andreassi
 - ii. Nicholas L. Andreassi
 - iii. Leah D. Andreassi
 - d. Purpose and use of the new truck. Please explain if the truck is solely used for business of the Andreassi Gas utility;
 - i. The company does not currently have a utility for heavy hauling purposes. The company currently uses personal vehicles owned by Michael J. Andreassi & Nicholas L. Andreassi.
 - e. New truck purchase date or time frame to be purchased.
 - i. 3-6 months from current date.
- 7. Reference Miscellaneous Expense, Backhoe. Please provide the following:
 - a. Year and make of backhoe/mini excavator;
 - i. Not purchased yet
 - b. New backhoe/mini excavator purchase date or time frame to be purchased;

- i. 3-6 months from current date the company intends to purchase a used (2012 circa Kubota Mini Excavator).
 - c. Sale or trade in value of 1984 Case Trencher Model 360;
 - i. Current scrap value due to mechanical failure & non repairable issues in the engine.
 - d. Please explain if the backhoe/mini excavator is used solely for business for Andreassi Gas utility.
 - i. Yes
- 8. Reference Schedule D, Statement of Operating Expenses and Proposed Base Rate Increase. Please explain how the depreciation expense amounts set forth on this schedule were determined. Show all calculations and provide any depreciation studies.
 - a. See the Following Pages:

Form 4562

Depreciation and Amortization Report

2015

ANDREASSI GAS COMPANY
Form 1120 - Line 20

Tax Year 2015
► Keep for your records

25-1153220

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
GAS PLANT-WAGES		07/01/15	6,570		100.00			6,570	15.00	150DB/HY		329
SUBTOTAL CURRENT YEAR			6,570	0		0	0	6,570			0	329
BUILDINGS		01/01/58	2,623		100.00			2,623	50.00	SL/NA	2,079	0
GAS PLANT		07/01/70	134,477		100.00			134,477	33.00	SL/NA	134,301	0
FURNITURE & FIXTURES		01/01/78	130		100.00			130	3.00	SL/NA	130	0
MACHINERY & EQUIPMENT		01/01/78	225		100.00			225	3.00	SL/NA	225	0
PUBLIC UTILITY PROPERTY		01/01/81	17,628		100.00			17,628	15.00	PRE/NA	17,628	0
PUBLIC UTILITY PROPERTY		01/01/82	8,773		100.00			8,773	15.00	PRE/NA	8,773	0
SMALL TOOLS		01/01/82	82		100.00			82	5.00	ALT/NA		0
CALCULATOR		01/01/82	278		100.00			278	5.00	ALT/NA	278	0
FILE CABINET		01/01/82	247		100.00			247	5.00	ALT/NA	247	0
METERS & REGULATORS		01/01/83	937		100.00			937	5.00	PRE/NA	891	0
GAS PLANT		01/01/83	6,782		100.00			6,782	15.00	ALT/NA	6,443	0
ADDREASSOGRAPH		04/01/83	100		100.00			100	5.00	PRE/NA	95	0
BRUSH CUTTER		05/01/83	303		100.00			303	5.00	PRE/NA	288	0
TYPEWRITER		05/01/83	270		100.00			270	5.00	PRE/NA	256	0
MOWER		06/01/83	114		100.00			114	5.00	PRE/NA	109	0
GRAVELY		06/01/83	1,375		100.00			1,375	5.00	PRE/NA	1,306	0
STEEL PIPE		12/01/83	820		100.00			820	15.00	ALT/NA	779	0
GAS PLANT		01/01/84	15,535		100.00			15,535	15.00	ALT/NA	14,758	0
COMPUTER & SOFTWARE		03/01/84	2,343		100.00			2,343	5.00	PRE/NA	2,226	0
COMPUTER DESK		07/01/84	140		100.00			140	5.00	PRE/NA	133	0
CHAIN SAW		07/01/84	265		100.00			265	5.00	PRE/NA	252	0
GAS PLANT		07/01/85	6,689		100.00			6,689	5.00	PRE/NA	6,354	0
BALLING MACHINE		10/01/85	2,500		100.00			2,500	5.00	PRE/NA	2,375	0
18 R275 METERS		04/01/86	1,043		100.00			1,043	5.00	PRE/NA	1,043	0
RELIEF VALVE		07/01/86	89		100.00			89	5.00	PRE/NA	89	0
GAS PLANT		07/01/86	7,472		100.00			7,472	5.00	PRE/NA	7,472	0
REGULATORS		06/01/87	112		100.00			112	7.00	200DB/HY	112	0
GAS PLANT		07/01/87	9,303		100.00			9,303	7.00	200DB/HY	9,303	0
METER AHT		04/01/88	200		100.00			200	7.00	200DB/HY	200	0
GAS PLANT		07/01/88	2,962		100.00			2,962	7.00	200DB/HY	2,962	0
GAS PLANT		08/01/88	34,964		100.00			34,964	7.00	200DB/HY	34,962	0
21 METERS		12/01/88	1,320		100.00			1,320	7.00	200DB/HY	1,320	0
24 METERS & 2 REGULATORS		05/01/89	1,553		100.00			1,553	7.00	200DB/HY	1,553	0

Code: S = Sold, A = Auto, L = Listed, C = COGS

Form 4562

Depreciation and Amortization Report

2015

ANDREASSI GAS COMPANY
Form 1120 - Line 20

Tax Year 2015
Keep for your records

25-1153220

Asset Description	Code	Date In Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
REGULATOR		07/01/89	20		100.00			20	7.00	200DB/HY	20	0
GRINDER		08/01/89	148		100.00			148	7.00	200DB/HY	148	0
GAS PLANT		08/01/89	14,588		100.00			14,588	7.00	200DB/HY	14,588	0
METER-RIDGEVIEW		09/01/89	292		100.00			292	7.00	200DB/HY	292	0
COPIER		11/01/89	1,148		100.00			1,148	7.00	200DB/HY	1,148	0
METERS		12/01/89	1,765		100.00			1,765	7.00	200DB/HY	1,765	0
GAS PLANT		08/01/90	23,738		100.00			23,738	7.00	200DB/HY	23,738	0
FUSING MACHINE		10/01/90	800		100.00			800	7.00	200DB/HY	800	0
24 METERS		11/01/90	1,659		100.00			1,659	7.00	200DB/HY	1,659	0
COMPUTER		11/01/90	1,800		100.00			1,800	5.00	200DB/HY	1,800	0
GAS PLANT		07/01/91	27,473		100.00			27,473	7.00	200DB/HY	27,473	0
GAS PLANT		07/01/92	30,737		100.00			30,737	7.00	200DB/HY	30,737	0
GAS PLANT		07/01/93	36,262		100.00			36,262	15.00	150DB/HY	36,262	0
94 FORD 4X4		12/01/93	16,527		100.00			16,527	5.00	200DB/HY	16,527	0
GATES		05/01/94	189		100.00	189		0	7.00	200DB/HY		0
GAS PLANT		07/01/94	43,813		100.00			43,813	15.00	150DB/HY	43,813	0
6 REGULATORS		10/01/94	230		100.00	230		0	7.00	200DB/HY		0
24 METERS		11/01/94	2,056		100.00	2,056		0	7.00	200DB/HY		0
GAS SNIFFER		05/01/95	1,392		100.00	1,392		0	7.00	200DB/HY		0
GAS PLANT		07/01/95	39,316		100.00			39,316	15.00	SL/HY	39,316	0
PRINTER		09/01/95	649		100.00	649		0	5.00	200DB/HY		0
OFFICE FURNITURE		12/01/95	1,590		100.00	1,590		0	7.00	200DB/HY		0
GAS PLANT		07/01/96	40,830		100.00			40,830	15.00	SL/HY	40,830	0
GAS PLANT		07/01/97	30,646		100.00	18,000		12,646	15.00	SL/HY	12,646	0
GAS PLANT		07/01/98	19,524		100.00			19,524	15.00	SL/HY	19,524	0
FORD TRUCK		07/01/99	19,000		100.00			19,000	5.00	200DB/HY	19,000	0
GAS PLANT		07/01/99	14,990		100.00			14,990	15.00	SL/HY	14,990	0
GAS PLANT		07/01/00	15,098		100.00			15,098	15.00	SL/HY	14,595	503
GAS PLANT		07/01/01	10,310		100.00			10,310	15.00	SL/HY	9,279	687
GAS PLANT		05/01/02	26,141		100.00			26,141	15.00	SL/HY	21,785	1,742
JOHN DEERE		06/01/02	5,448		100.00			5,448	7.00	200DB/HY	5,448	0
COMPUTER SYSTEM		07/01/02	1,985		100.00			1,985	5.00	200DB/HY	1,985	0
36 METERS		10/01/02	3,836		100.00			3,836	7.00	200DB/HY	3,836	0
GAS PLANT		07/01/03	9,138		100.00			9,138	15.00	SL/HY	7,005	609
GAS PLANT		07/01/04	11,444		100.00			11,444	15.00	SL/HY	8,011	763
GAS PLANT		07/01/05	12,911		100.00			12,911	15.00	SL/HY	8,178	861
GAS PLANT		07/01/06	17,281		100.00			17,281	15.00	SL/HY	9,792	1,152

Code: S = Sold, A = Auto, L = Listed, C = COGS

Form 4562

ANDREASSI GAS COMPANY
Form 1120 - All Assets

Depreciation and Amortization Report

Tax Year 2016 - Projected
Keep for your records

2015

25-1153220

Asset Description	Code	Date In Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation	Accumulated Depreciation*
DEPRECIATION													
Main Activity													
BUILDINGS		01/01/58	2,623		100.00								
GAS PLANT		07/01/70	134,477		100.00			2,623	50.00	SL/NA	2,079	0	2,079
FURNITURE & FIXTURES		01/01/78	130		100.00			134,477	33.00	SL/NA	134,301	0	134,301
MACHINERY & EQUIPMENT		01/01/78	225		100.00			130	3.00	SL/NA	130	0	130
PUBLIC UTILITY PROPERTY		01/01/81	17,628		100.00			225	3.00	SL/NA	225	0	225
PUBLIC UTILITY PROPERTY		01/01/82	8,773		100.00			17,628	15.00	PRE/NA	17,628	0	17,628
SMALL TOOLS		01/01/82	82		100.00			8,773	15.00	PRE/NA	8,773	0	8,773
CALCULATOR		01/01/82	278		100.00			82	5.00	ALT/NA		0	
FILE CABINET		01/01/82	247		100.00			278	5.00	ALT/NA	278	0	278
METERS & REGULATORS		01/01/83	937		100.00			247	5.00	ALT/NA	247	0	247
GAS PLANT		01/01/83	6,782		100.00			937	5.00	PRE/NA	891	0	891
ADDREASSOGRAPH		04/01/83	100		100.00			6,782	15.00	ALT/NA	6,443	0	6,443
BRUSH CUTTER		05/01/83	303		100.00			100	5.00	PRE/NA	95	0	95
TYPEWRITER		05/01/83	270		100.00			303	5.00	PRE/NA	288	0	288
MOWER		06/01/83	114		100.00			270	5.00	PRE/NA	256	0	256
GRAVELY		06/01/83	1,375		100.00			114	5.00	PRE/NA	109	0	109
STEEL PIPE		12/01/83	820		100.00			1,375	5.00	PRE/NA	1,306	0	1,306
GAS PLANT		01/01/84	15,535		100.00			820	15.00	ALT/NA	779	0	779
COMPUTER & SOFTWARE		03/01/84	2,343		100.00			15,535	15.00	ALT/NA	14,758	0	14,758
COMPUTER DESK		07/01/84	140		100.00			2,343	5.00	PRE/NA	2,226	0	2,226
CHAIN SAW		07/01/84	265		100.00			140	5.00	PRE/NA	133	0	133
GAS PLANT		07/01/85	6,689		100.00			265	5.00	PRE/NA	252	0	252
BAILING MACHINE		10/01/85	2,500		100.00			6,689	5.00	PRE/NA	6,354	0	6,354
18 R275 METERS		04/01/86	1,043		100.00			2,500	5.00	PRE/NA	2,375	0	2,375
RELIEF VALVE		07/01/86	89		100.00			1,043	5.00	PRE/NA	1,043	0	1,043
GAS PLANT		07/01/86	7,472		100.00			89	5.00	PRE/NA	89	0	89
REGULATORS		06/01/87	112		100.00			7,472	5.00	PRE/NA	7,472	0	7,472
GAS PLANT		07/01/87	9,303		100.00			112	7.00	200DB/HY	112	0	112
METER AHT		04/01/88	200		100.00			9,303	7.00	200DB/HY	9,303	0	9,303
GAS PLANT		07/01/88	2,962		100.00			200	7.00	200DB/HY	200	0	200
GAS PLANT		08/01/88	34,964		100.00			2,962	7.00	200DB/HY	2,962	0	2,962
21 METERS		12/01/88	1,320		100.00			34,964	7.00	200DB/HY	34,962	0	34,962
24 METERS & 2 REGULATORS		05/01/89	1,553		100.00			1,320	7.00	200DB/HY	1,320	0	1,320
REGULATOR		07/01/89	20		100.00			1,553	7.00	200DB/HY	1,553	0	1,553
GRINDER		08/01/89	148		100.00			20	7.00	200DB/HY	20	0	20
								148	7.00	200DB/HY	148	0	148

Code: S = Sold, A = Auto, L = Listed, C = COGS

*Accumulated Depreciation = Section 179 + SDA + Prior + Current

Form 4562

Depreciation and Amortization Report

2015

ANDREASSI GAS COMPANY
Form 1120 - All Assets

Tax Year 2016 - Projected
► Keep for your records

25-1153220

Asset Description	Code	Date In Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation	Accumulated Depreciation*
GAS PLANT		08/01/89	14,588		100.00			14,588	7.00	200DB/HY	14,588	0	14,588
METER-RIDGEVIEW		09/01/89	292		100.00			292	7.00	200DB/HY	292	0	292
COPIER		11/01/89	1,148		100.00			1,148	7.00	200DB/HY	1,148	0	1,148
METERS		12/01/89	1,765		100.00			1,765	7.00	200DB/HY	1,765	0	1,765
GAS PLANT		08/01/90	23,738		100.00			23,738	7.00	200DB/HY	23,738	0	23,738
FUSING MACHINE		10/01/90	800		100.00			800	7.00	200DB/HY	800	0	800
24 METERS		11/01/90	1,659		100.00			1,659	7.00	200DB/HY	1,659	0	1,659
COMPUTER		11/01/90	1,800		100.00			1,800	5.00	200DB/HY	1,800	0	1,800
GAS PLANT		07/01/91	27,473		100.00			27,473	7.00	200DB/HY	27,473	0	27,473
GAS PLANT		07/01/92	30,737		100.00			30,737	7.00	200DB/HY	30,737	0	30,737
GAS PLANT		07/01/93	36,262		100.00			36,262	15.00	150DB/HY	36,262	0	36,262
94 FORD 4X4		12/01/93	16,527		100.00			16,527	5.00	200DB/HY	16,527	0	16,527
GATES		05/01/94	189		100.00	189		0	7.00	200DB/HY		0	189
GAS PLANT		07/01/94	43,813		100.00			43,813	15.00	150DB/HY	43,813	0	43,813
6 REGULATORS		10/01/94	230		100.00	230		0	7.00	200DB/HY		0	230
24 METERS		11/01/94	2,056		100.00	2,056		0	7.00	200DB/HY		0	2,056
GAS SNIFFER		05/01/95	1,392		100.00	1,392		0	7.00	200DB/HY		0	1,392
GAS PLANT		07/01/95	39,316		100.00			39,316	15.00	SL/HY	39,316	0	39,316
PRINTER		09/01/95	649		100.00	649		0	5.00	200DB/HY		0	649
OFFICE FURNITURE		12/01/95	1,590		100.00	1,590		0	7.00	200DB/HY		0	1,590
GAS PLANT		07/01/96	40,830		100.00			40,830	15.00	SL/HY	40,830	0	40,830
GAS PLANT		07/01/97	30,646		100.00	18,000		12,646	15.00	SL/HY	12,646	0	30,646
GAS PLANT		07/01/98	19,524		100.00			19,524	15.00	SL/HY	19,524	0	19,524
FORD TRUCK		07/01/99	19,000		100.00			19,000	5.00	200DB/HY	19,000	0	19,000
GAS PLANT		07/01/99	14,990		100.00			14,990	15.00	SL/HY	14,990	0	14,990
GAS PLANT		07/01/00	15,098		100.00			15,098	15.00	SL/HY	15,098	0	15,098
GAS PLANT		07/01/01	10,310		100.00			10,310	15.00	SL/HY	9,966	344	10,310
GAS PLANT		05/01/02	26,141		100.00			26,141	15.00	SL/HY	23,527	1,743	25,270
JOHN DEERE		06/01/02	5,448		100.00			5,448	7.00	200DB/HY	5,448	0	5,448
COMPUTER SYSTEM		07/01/02	1,985		100.00			1,985	5.00	200DB/HY	1,985	0	1,985
36 METERS		10/01/02	3,836		100.00			3,836	7.00	200DB/HY	3,836	0	3,836
GAS PLANT		07/01/03	9,138		100.00			9,138	15.00	SL/HY	7,614	610	8,224
GAS PLANT		07/01/04	11,444		100.00			11,444	15.00	SL/HY	8,774	763	9,537
GAS PLANT		07/01/05	12,911		100.00			12,911	15.00	SL/HY	9,039	860	9,899
GAS PLANT		07/01/06	17,281		100.00			17,281	15.00	SL/HY	10,944	1,152	12,096
2006 FORD RANGER		07/06/06	25,403		100.00			25,403	5.00	200DB/HY	25,403	0	25,403
GAS PLANT		07/01/07	18,104		100.00			18,104	15.00	150DB/HY	11,155	1,069	12,224

Code: S = Sold, A = Auto, L = Listed, C = COGS

*Accumulated Depreciation = Section 179 + SDA + Prior + Current

Form 4562

ANDREASSI GAS COMPANY
Form 1120 - All Assets

Depreciation and Amortization Report

Tax Year 2016 - Projected
Keep for your records

2015

25-1153220

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation	Accumulated Depreciation*
GAS PLANT		07/01/08	17,242		100.00			17,242	15.00	150DB/HY	9,606	1,018	10,624
GAS PLANT		07/01/09	11,592		100.00			11,592	15.00	150DB/HY	5,774	684	6,458
GAS PLANT-WAGES		07/01/10	7,296		100.00			7,296	15.00	150DB/HY	3,203	431	3,634
GAS PLANT-WAGES		07/01/11	5,130		100.00			5,130	15.00	150DB/HY	1,933	320	2,253
GAS PLANT-WAGES		07/01/12	7,056		100.00			7,056	15.00	150DB/HY	2,169	489	2,658
2013 FORD F150		04/21/13	24,660		100.00			24,660	5.00	200DB/HY	17,558	2,841	20,399
GAS PLANT-WAGES		07/01/13	7,116		100.00			7,116	15.00	150DB/HY	1,640	548	2,188
GAS PLANT-WAGES		07/01/14	6,330		100.00			6,330	15.00	150DB/HY	918	541	1,459
GAS PLANT-WAGES		07/01/15	6,570		100.00			6,570	15.00	150DB/HY	329	624	953
TOTALS			882,927	0		24,106	0	858,821			781,937	14,037	820,080

92% wages

Add 6% of wages to deprec. cost.

Code: S = Sold, A = Auto, L = Listed, C = COGS

9. Reference Maintenance Expense, Right-of-Way. Please provide the following:
- a. Name of company/individual fulfilling contact;
 - i. Kelsey Backhoe Services – Bryan Kelsey
 - b. How are wages and hours worked determined;
 - i. Contract - \$60/hr at approximately 325 hours per 5 year period
 - c. Areas to be mowed and cleared per month for 2016 and 2015.
 - i. N/A – No funds to contract the work. Intend to hire right of way clearing in the spring of 2017.

10. Reference Maintenance Expense, Replacement of Outdated Meters. Please provide the following:

- a. Total number of meters;
 - i. 380
- b. Total number of meters to be replaced;
 - i. 192 over the next 16 years
- c. Total number of meters already replaced;
 - i. None
- d. An explanation of how the replacement of 12 meters per year was determined;
 - i. The company would like to replace 12 meters per year over the next 16 years.
- e. Life of meters;
 - i. 40 years
- f. An explanation of how the cost of meters was determined.
 - i. Solicited prices and quotes for a cost of \$150 per meter.

11. Reference Office Expense, Computer. Please provide the new computer purchase date and invoice, or time frame to be purchased.

- 1. Computer is to be purchased in the next 3-6 months.

12. Reference Office Expense, Software. Please provide the following:

- a. Name of new software;
 - i. Rural Billing by Redline Data Systems, Inc.

- b. New software purchase date and invoice, or time frame to be purchased;
 - i. 1-3 months from current date.
 - c. New software cost breakdown of yearly expense.
 - i. \$890.00 yearly expense
13. Reference Office Expense, Printer. Please provide the new printer purchase date and invoice, or time frame to be purchased.
- a. 3-6 months from current date. \$1,160.00 for HP All In One laser printer with approximately \$550.00 for toner & paper per year.
14. Details of pipeline replacement projects by Andreassi Gas Company for 2016 and 2015 and proposed pipeline replacement projects and timeline.
- a. No main lines were in need of replacement in 2015 & 2016. The company plans to replace 1-2 miles of pipeline over the 5 years.

Name of Utility: Andreassl Gas Company

**COMPARATIVE BALANCE SHEET
FOR THE PERIOD ENDING August 31, 2016**

31-Dec-15

31-Aug-16

ASSETS	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
LIABILITIES	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) 1 Sept 14 - 31 Aug 15	Current Year (4) 1 Sept 15 - 31 Aug 16				
CUSTOMER CLASS								
Residential	351	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**

	31-Dec-15		31-Aug-16		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)			
	12 Month Period Ending Actuals		Current Year (2)	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)										
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	\$ -	\$ 174,714			
Operation expense	\$ 155,601	\$ 123,264	\$ -	\$ 123,264	\$ -	\$ 123,264	\$ 36,238	\$ 159,502			
Maintenance expense	\$ 16,759	\$ 12,111	\$ -	\$ 12,111	\$ -	\$ 12,111	\$ 5,700	\$ 17,811			
Depreciation expense	\$ 16,714	\$ 14,707	\$ -	\$ 14,707	\$ -	\$ 14,707	\$ -	\$ 14,707			
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
General Office Salaries	\$ 3,600	\$ 4,800	\$ -	\$ 4,800	\$ -	\$ 4,800	\$ -	\$ 4,800			
General Office Expenses	\$ 5,660	\$ 5,974	\$ -	\$ 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	\$ -	\$ 9,275			
total Expenses & Taxes	\$ 378,871	\$ 344,845	\$ -	\$ 344,845	\$ -	\$ 344,845	\$ 52,370	\$ 397,215			
Net Operating Income	\$ (4,217)	\$ (24,793)	\$ (8)	\$ (24,801)	\$ (8)	\$ (24,801)	\$ 15,330	\$ (9,471)			
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Other Deductions:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Net Income	\$ (4,217)	\$ (24,793)	\$ (8)	\$ (24,801)	\$ (8)	\$ (24,801)	\$ 15,330	\$ (9,471)			

¹ Carried over from Statement of Revenues