

- HEATING AND COOLING PIPELINE
 WATER TRANSPORTATION COMPANIES

ANNUAL REPORT

OF

89-9018
North Coast Gas Transmission, LLC
Mr. William Lang
President & CEO
250 E. Broad Street Suite 1220
Columbus, OH 43215

(Address of principal business office at end of year)

TO THE
PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
YEAR ENDED DECEMBER 31, 20_04

Name, title, address, telephone and fax numbers (including area code) of the person to be contacted concerning this report.

Patrick J. McGonagle, Vice President - 250 E. Broad Street, Suite 1220,
Columbus, OH 43215 Tel. (614) 545-0494 Fax (614) 545-0496

P.U.C.C.

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TABLE OF CONTENTS

Title	Page No.
General Instructions	1
History	2
Identity of Respondent	3-4
Corporations Controlled by Respondent (Schedule 1)	5
Type of Service Supplied (Schedule 2)	6
Important Changes During the Year	7
Voting Powers & Elections (Schedule 3)	8
Directors, Proprietors, Partners (Schedule 4)	9
Balance Sheet (Schedule 5)	10-11
Income Statement (Schedule 6)	12-13
Investments (Schedule 7)	14-15
Special Funds Accounts (Schedule 8)	16
Notes and Other Accounts Receivable & Accounts Receivable from Associated Companies (Schedule 9)	17
Capital Stock (Schedule 10)	18
Long Term Debt (Schedule 11)	19
Notes Payable (Schedule 12)	20
Accumulated Depreciation (Schedule 13)	21
Bases for Charges for Depreciation (Schedule 14)	22
Statement of Retained Earnings & Partnership Capital Statement (Schedule 15 & 16)	23
Taxes Accrued (Schedule 17)	24
Utility Plant in Service (Schedule 18)	25
Operating Revenues & Expenses (Schedule 19)	26
Statement of Intrastate Gross Earnings (Schedule 20)	27
Verification Oath	29

GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all heating and cooling, pipeline and water transportation companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answer shall appear to show that no schedule, question, or line item has been overlooked. If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the fact.
3. If answers to an inquiry are given elsewhere in the report, incorporation of information by reference is sufficient.
4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.
5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
8. Amounts on any schedule (except as otherwise provided therein), may, at the option of the respondent, be rounded off to whole dollars provided that amounts are appropriately adjusted to agree with the rounded total.
9. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.
10. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
10. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
12. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.

HISTORY

1.	Exact name of company making this report. <u>North Coast Gas Transmission, LLC</u>
2.	Date of organization <u>09/01/98</u>
3.	Under the laws of what Government, State or Territory organized? If more than one, name all. <u>Ohio</u>
4.	If a consolidated or merged company, name all constituent and all merged companies. <u>N/A</u>
5.	Date and authority for each consolidation and each merger. <u>N/A</u>
6.	State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. <u>Single-member LLC</u>
7.	If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. <u>N/A</u>
8.	State whether or not, the respondent during the year conducted any part of its business under a name, or names, other than shown, in response to inquiry No. 1. If so, give full particulars. <u>N/A</u>
9.	Where are the books and records of the company kept? <u>50 Fountain Plaza, Suite 1220, Buffalo, NY</u>
10.	Name below all classes of public service furnished by the respondent. <u>Transportation of natural gas to natural gas utilities of Columbia Gas of Ohio, Dominion East Ohio and KNG Energy Inc. and also transportation to the interstate pipeline of Columbia Gas Transmission</u>

IDENTITY OF RESPONDENT

1. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. **Single-member LLC**
2. Date when operations began. **April 1, 2004 (as a regulated utility)**
3. If a consolidated or merged company, give names of each such incident, date, and Commission authority. If a reorganized company, give name of original corporation.
N/A
4. If incorporated specify (a) Date of filing articles of incorporation, **N/A**
(b) State in which incorporated,
5. Commission Case Number granting operating authority and date issued.
04-265-PL-ATA issued 03/30/04
6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown Title Page; if so, give full particulars.
N/A
7. Description of general service territory. **The respondent is an intrastate natural gas pipeline traversing multiple northern Ohio counties serving various town border metering stations with the following natural gas utilities:**
8. List all affiliate companies with whom the respondent does business and their relationship to the respondent. If respondent is a partnership, provide this information for each partner. (Use separate page(s) if needed). **Somerset Gas Transmission Company, LLC - sole LLC member**
State whether the affiliate is (a) a regulated public utility or, (b) a publicly held corporation.
N/A - neither
9. Did any corporation or corporations, telephone or other, hold control over the respondent at the close of the year? **Yes (LLC)** If control was so held, state:
 - a. The name and address of the controlling corporation or corporations. **Somerset Gas Transmission Company, LLC - 250 E. Broad St., #1220, Columbus, OH**
 - b. The form of control, whether sole or joint. **Sole**
 - c. The extent of control. **Full**
 - d. Whether control was direct or indirect. **Direct**
 - e. If indirect, the name and address of the intermediary through which control was established. **N/A**
10. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? **No** If control was so held, state: **N/A**
 - a. The name and address of the trustee.
 - b. The name and address of the beneficiary or beneficiaries for whom the trust was maintained, if available.

Page 3 - Identity of Respondent

7. The respondent is an intrastate natural gas pipeline traversing multiple northern Ohio counties serving various town border metering stations with the following natural gas utilities:

KNG Energy Inc. - counties of Wood, Hancock and Seneca

Columbia Gas of Ohio - cities of Findlay, Fostoria, Norwalk, Oberlin
and Parma/Hinckley

Dominion East Ohio - counties of Cuyahoga and Summit

11. Did the respondent hold control over other corporations at the close of the year? No
If so, state: N/A
- a. The name and address of corporation or corporations controlled.
 - b. The form of control, whether sole or joint.
 - c. Other parties, if any, to joint agreement for control.
 - d. The extent of control.
 - e. Whether control is direct or indirect.
 - f. If indirect, the name and address of the intermediary through which control was established.

IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, incorporation of that information by reference will be sufficient.

1. Issuances of Capital Stock or long term debt during the year: Identify the securities, date, consideration received and Commission authorization. **N/A - none**

2. Changes in franchise rights. **N/A**

3. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).
N/A - none

4. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report. **N/A - none**

SCHEDULE: 3

VOTING POWERS AND ELECTIONS					
<p>1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and notes of all stockholders.</p>					
Line No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities	
1.	Somerset Gas Transmission Company, LLC 250 E. Broad Street, Suite 1220 Columbus, OH 43215		100%	100% owner of LLC membership interest(s)	
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					
	Total listed above				
	Total all stockholders				

SCHEDULE: 4

DIRECTORS, PROPRIETORS, PARTNERS

1. Give the name of director or proprietor. (For partnerships identify each partner, identify which are general or limited partners, and show each partner's percent of interest.)

Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1	Somerset Gas Transmission Company, LLC (100% owner) 250 E. Broad Street, #1220, Columbus, OH		
2	William R. Ziegler (manager)	08/31/02	N/A - no specified term
3	c/o Satterlee Stephens Burke & Burke		
4	230 Park Avenue, 11th Floor, New York, NY		
5	Thomas H. O'Neill, Jr. (manager)	08/31/02	N/A - no specified term
6	50 Fountain Plaza, #1220, Buffalo, NY		
7	Kenneth Hannan, Jr. (manager)	08/31/02	N/A - no specified term
8	c/o Colonial Navigation		
9	750 Lexington Avenue, 26th Floor, New York, NY		
10	William A. Lang (manager)	08/31/02	N/A - no specified term
11	c/o Somerset Gas Transmission Company, LLC		
12	250 E. Broad Street, #1220, Columbus, OH		
13			
14			
15			

(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)

16	Name of Chairman of the Board	William R. Ziegler	21. Treasurer	None
17	Name of Secretary of Board	None	22. Controller	Gregory J. Altman, CPA
18	President	William A. Lang		
19	Vice-President	Michael Calderone		
20	Secretary	Patrick J. McGonagle		

SCHEDULE: 5

BALANCE SHEET				
Description	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
Current Assets				
Cash and Equivalents		See attached schedule		
Accounts Receivable-Net				
Notes Receivable-Net				
Other Current Assets				
Totals				
Noncurrent Assets				
Investments				
Other Noncurrent Assets				
Totals				
Property, Plant and Equipment				
Property, Plant, and Equipment				
Accumulated Depreciation & Amortization				
Net Plant				
TOTAL ASSETS				
Current Liabilities				
Accounts and Notes Payable				
Other Current & Accrued Liabilities				
Totals				
Total Long-Term Debt				
Other Deferred Credits				
Stockholders' Equity				
Capital Stock				
Retained Earnings				
Proprietary Capital - Proprietorship and Partnership				
Totals				
TOTAL LIABILITIES & OTHER CREDITS				

SCHEDULE: 5A

NOTES TO BALANCE SHEET

Beginning Balance Sheet date is at April 1, 2004, the date when North Coast Gas Transmission received approval from the PUCO to be treated as a regulated utility.

Schedule 5, Page 10
Balance Sheet

Description	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
Current Assets				
Cash and Equivalents		81,577	55,447	(26,130)
Accounts Receivable - Net		581,594	670,353	88,759
Notes Receivable - Net		0	0	0
Other Current Assets		57,338	485,194	427,856
Totals		720,509	1,210,994	490,485
Noncurrent Assets				
Investments		0	0	0
Other Noncurrent Assets		665,928	533,095	(132,833)
Totals		665,928	533,095	(132,833)
Property, Plant and Equipment				
Property, Plant and Equipment	25	10,088,670	13,234,352	3,145,682
Accumulated Depreciation & Amortization	21	667,461	915,375	247,914
Net Plant		9,421,209	12,318,977	2,897,768
TOTAL ASSETS		10,807,646	14,063,066	3,255,420
Current Liabilities				
Accounts and Notes Payable		903,898	5,455,241	4,551,343
Other Current & Accrued Liabilities		984,442	892,255	(92,187)
Totals		1,888,340	6,347,496	4,459,156
Total Long-Term Debt	19	23,877	19,813	(4,064)
Other Deferred Credits		750,000	0	(750,000)
Stockholders' Equity				
Capital Stock		0	0	0
Retained Earnings		0	0	0
Proprietary Capital - Proprietorship and Partnership	23	8,145,429	7,695,757	(449,672)
Totals		8,145,429	7,695,757	(449,672)
TOTAL LIABILITIES & OTHER CREDITS		10,807,646	14,063,066	3,255,420

SCHEDULE: 6A

NOTES TO INCOME STATEMENT

The income statement shown reflects the period from April 1, 2004 through December 31, 2004 which is the period during the year ended December 31, 2004 in which North Coast Gas Transmission was a regulated utility.

SCHEDULE: 8

SPECIAL FUNDS ACCOUNTS 125 & 128 (125)					
Name of Fund (a)	Balance First of Year (b)	Additions Principal Income (c) (d)		Deductions	Balance End of Year
None					
TOTALS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

SCHEDULE: 9

NOTES AND OTHER ACCOUNTS RECEIVABLE						
Notes Receivable				*Other Accounts Receivable		
Name of Debtor	Amount at Close of Year			Name of Debtor	Amount at Close of Year	
N/A -- none				Treasurer of State	437	989 00
				Other	39	730 00
Total			0 00	Total	477	719 00
ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES						
Name of Debtor	Consideration Received			Amount at Close of Year		
N/A -- none						
				Total	0	00
*Show major items only. Minor items may be reported in one group.						

SCHEDULE: 10

CAPITAL STOCK

1. Respondent shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc.
2. Respondent shall provide the information specified in column headings (b) through (h) and note any other pertinent information at the bottom of this schedule.

Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid In Capital (e)	Total (Col. (d) & (e)) (f)	Number of Shares of Treasury Stock (g)	Amount in Treasury Stock Account (h)
N/A	\$		\$	\$	\$		\$
TOTALS	\$		\$	\$	\$		\$

SCHEDULE: 11

LONG-TERM DEBT				
1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.				
2. In the remaining columns (b) - (i) respond shall furnish the appropriate data.				
Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Original Amount of Debt (e)
GMAC truck loan	March 2004	March 2009	0% (interest free)	\$30,480.60

SCHEDULE: 12

NOTES PAYABLE

Name of Creditor	Considerations Reserved	Date of Obligations	Date of Maturity	Credit Balance at Close of Year	
Somerset Gas Transmission	None	12/31/04	on demand	4,000,000	00
			Total	4,000,000	00

ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES

Name of Creditor	Considerations Reserved	Date of Obligations	Date of Maturity	Credit Balance at Close of Year	
N/A - none					
			Total	0	00

MATURED LONG TERM DEBT

Name of Creditor	Considerations Reserved	Date of Obligations	Date of Maturity	Credit Balance at Close of Year	
N/A - none					
			Total	0	00

SCHEDULE: 14

BASES OF CHARGES FOR DEPRECIATION

1. Provide separate schedules for each jurisdiction in which the respondent operates and for the overall operations of the respondent.
2. Under column (a) provide all subclasses of plant for which a separate depreciation rate is determined and a subtotal for each primary account.
3. Under columns (b) thru (d) provide the life, net salvage, and rate prescribed by the Commission.

Jurisdiction _____

Overall Operations

Classes and Subclasses of Depreciable Plant

	Account Number and Title of Plant Accounts and its Subclasses (a)	Life (Years) (b)	*Net Salvage (%) (c)	Depreciation	
				*Rate (%) (d)	*Reserve (%) (e)
1	101-365.2 Land rights/Rights of way	N/A	0	N/A	
2					
3	101-366 Leasehold improvements		0	2.18%	
4	101-367 Mains		0	2.18%	
5	101-368 Compressor station equipment		0	2.63%	
6	101-369 M&R station equipment		0	3.05%	
7					
8	101-371 Other equipment		0	3.05%	
9	101-372 System balancing gas		0	3.00%	
10					
11	101-391 Office furniture & equipment		0	4.75%	
12	101-394 Tools, shop & garage equipment		0	4.75%	
13	101-395 Vehicle	5	0	20.00%	
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29	*Composite rate for all depreciable accounts				
30	*Composite rate for all plant accounts				
31					
32	Ratio to all depreciable accounts				
33	Ratio to all plant accounts				

SCHEDULE: 15

STATEMENT OF RETAINED EARNINGS			
Account No.	Item	Page No.	Amount
	Balances-First of Year		N/A
	Changes:		
	Balance Transferred from Income		
	Dividends Declared		
	Miscellaneous Debits to Retained Earnings		
	Miscellaneous Credits to Retained Earnings		
	Balance-End of Year		
	Notes to Statement of Retained Earnings:		

SCHEDULE: 16

PARTNERSHIP CAPITAL STATEMENT ⁽¹⁾			
Account No.	Item	Page No.	Amount
	Partnership Capital-Beginning of Year		8,145,429
	Net Income (Loss) for Year		96,454
	Partners' Capital Contributions		0
	Miscellaneous Credits		0
	Total Credits		8,241,883
	Partners' Drawings		546,126
	Prior Period Adjustment(s)		0
	Miscellaneous Debits		0
	Total Debits		546,126
	Partnership Capital-End of Year		7,695,757

(1) This statement should also be used by sole proprietors.

SCHEDULE: 17

TAXES ACCRUED

Explain items recorded in column (e). Any amounts included for other than current taxes should be explained by footnote.

Kind of Tax (a)	Balance First of Year (b)	Amount Accrued During Year (c)	Payments During Year (d)	Other Items Dr. or (Cr.) (e)	Balance End of Year (f)
Accrued personal property tax	44,522	127,232	35,019	0	136,735
Accrued gross receipts tax	114,151	64,131	41,974	0	136,308
Total	\$ 158,673	\$ 191,363	\$ 76,993	\$ 0	\$273,043

SCHEDULE: 20

STATEMENT OF INTRASTATE-GROSS EARNINGS (1)				
Line No.	Item	Amount		
		Total Company	Other Than Ohio Intrastate	Ohio Intrastate
1	Operating and Miscellaneous Revenue (Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	2,689,445	0	2,689,445
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	465,669	0	465,669
3	SUBTOTAL (1) + (2)	3,155,114	0	3,155,114
4	Earnings or receipts from sales to other public utilities for resale	(762,920)	(0)	(762,920)
5	TOTAL (3) + (4)	2,392,194	0	2,392,194
<p>(1) Intrastate means from one point in Ohio to another point in Ohio, or wholly within Ohio.</p>				

Schedule 19, Page 26
Operating Revenues and Expenses

Operating Expenses:

737 · Operation Supplies	55.69
860.1 · Buckeye Lease Payments	1,143,442.62
923.3 · Outside Maintenance Services	32,005.75
930.222 · Tools-Misc. Operating	6,316.93
930.223 · Pipeline Safety Assessment	19,440.00
930.23 · Electric	7,952.44
930.25 · Water	247.42
930.26 · Trash Service	586.95
930.5 · Communication Service Expense	17,304.56
930.6 · Cable & Road Runner Service	1,693.09
931.5 · Trailer Rental	3,900.24
932 · Compressor Rental	679,600.00
933.1 · Truck Lease	5,144.31
935.3 · Buckeye Lease O & M	19,684.38
935.4 · Oil	22,556.86
921 · Moving Expense	2,576.01
921.1 · Office Supplies	3,511.20
921.2 · Postage and shipping	74.00
921.31 · Meals	9,519.67
921.32 · Lodging	8,864.62
921.33 · Airfare	1,776.30
921.3 · Travel Expense - Other	4,412.18
922 · Entertainment Expense	1,612.63
923 · Professional Fees	361,651.04
924 · Property and Auto Ins.	22,338.30
930.2 · Misc. General Expense	456.60
930.212 · Misc. Office Expense	1,396.23
930.213 · Computer expenses	713.37
930.215 · Bank Service Charges	337.00
930.22 · Misc. Operating	35,529.62
930.24 · Dues & Subscriptions	545.00
930.27 · Waste Service	960.60
930.28 · Seminars	765.00
933 · Transportation Expense	24,530.02
935.1 · Maint. of Other Plant	2,210.94
935.2 · Maintenance Supplies and Service	45,309.53
	<u>2,489,021.10</u>

SCHEDULE: 21

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons
to Receive Entries and Orders from the Docketing Division

Patrick J. McGonagle	Vice President
Name	Title
250 E. Broad Street, Suite 1220, Columbus, OH 43215	
Address	
(614) 545-0494	
Phone Number (Including Area Code)	

Name, Title, Address, and Phone Number of Person to whom Invoice
should be Directed

Gregory J. Altman	Controller
Name	Title
50 Fountain Plaza, Suite 1220, Buffalo, NY 14202	
Address	
(716) 842-1042	
Phone Number (Including Area Code)	

Name and Address of the President

William A. Lang	President
Name	President
250 E. Broad Street, Suite 1220, Columbus, OH 43215	
Address	

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of OHIO
County of FRANKLIN

William A. Lang makes oath and says that
(Insert here the name of the affiant.)

he is PRESIDENT
(Insert here the official title of deponent)

of North Coast Gas Transmission LLC
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including 1-1, 2004, to and including 12-31-04, 20 .

W. A. Lang
(Signature of affiant.)

Subscribed and sworn to before me, a Notary Public in and for the State and county named, this 23rd day of May, 2005. My commission expires , 20 .

Patrick J. McGonagle
(Signature of officer authorized to administer oaths.)

PATRICK J. MCGONAGLE, Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03 R. C.