

FILE

25

RECEIVED-DOCKETING DIV
2011 MAR -2 PM 3:12
PUCO

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of :
KNG Energy, Inc. and Ohio Gas Company :
for Approval of an Interconnection :
Agreement. :

Case No. 11-1115-GA-ATR

JOINT APPLICATION
FOR
APPROVAL OF AN INTERCONNECTION AGREEMENT

Pursuant to Section 4905.48, Revised Code, KNG Energy, Inc. ("KNG") and Ohio Gas Company (Ohio Gas) (collectively, "Applicants") hereby request Commission approval of an interconnection agreement that will enable Applicants to operate certain of their respective facilities in connection with each other. In support of this Joint Application, Applicants state as follows:

1. KNG and Ohio Gas are public utilities and natural gas companies under Sections 4905.02 and 4905.03(A)(6), Revised Code, and, as such, are subject to the jurisdiction of this Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.

2. KNG owns and operates an 8-inch natural gas pipeline that extends from an interconnection with the Crossroads interstate pipeline north of the village of Deshler, Ohio approximately twelve miles in a southerly direction to the Village of Leipsic, Ohio (the "KNG Pipeline").

3. Ohio Gas is in the process of acquiring a natural gas pipeline system owned by the Villages of Hamler, Holgate, and Malinta, Ohio. A portion of this system – a natural gas pipeline that traverses an unincorporated area of Henry County, Ohio (the "Ohio Gas Pipeline")

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician And Date Processed 3/2/11

– crosses the KNG Pipeline near CR 3 in Bartlow Township, Henry County, at a point approximately 1.5 miles from the eastern terminus of the Ohio Gas Pipeline just north of the Village of Deshler, Ohio.

4. Section 4905.48(A), Revised Code, provides, *inter alia*, that, with the consent and approval of the Commission, two public utilities whose lines intersect or parallel each other may enter into a contract that will enable them to operate their lines in connection with each other.

5. Applicants have agreed that it is to their mutual advantage and in the public interest to interconnect the KNG Pipeline with the Ohio Gas Pipeline by establishing a point of interconnection where the two pipelines intersect in accordance with the terms and conditions set forth in the Interconnection and Operation Agreement (the “Interconnection Agreement”), a copy of which is attached to this Joint Application as Attachment A.

6. As more fully described in the Interconnection Agreement, as consideration for KNG designing, engineering, and constructing the interconnection, Ohio Gas will convey ownership to KNG of the 1.5 mile segment of the Ohio Gas Pipeline between the interconnection and the Village of Deshler, which will permit KNG to deliver gas transported through the KNG Pipeline to points east of the new interconnection.¹

7. Approval of the Interconnection Agreement will further the public interest by increasing the supply options available to Ohio Gas to serve its customers downstream of the interconnection, by permitting KNG to more fully utilize the capacity of the KNG Pipeline, and by permitting KNG to provide an additional supply option to consumers located east of the interconnection. Thus, in accordance with Section 4905.48, Revised Code, approval of the

¹ Section 4905.48(B), Revised Code, provides, *inter alia*, that, with the consent and approval of the Commission, any public utility may purchase the property and plant of any other public utility. If the Commission determines that this conveyance requires a separate approval, Applicants respectfully request that the Commission grant such approval by its order in this case.

Interconnection Agreement will enhance the Applicants' ability to provide adequate service at reasonable rates to their current and prospective customers.

8. As required by Section 4905.48, Revised Code, verifications executed by the officers of the respective Applicants are attached hereto.

WHEREFORE, the Applicants respectfully request that the Commission:

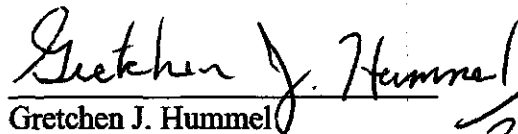
- a. Find that the proposed interconnection and the attached Interconnection Agreement are reasonable and in the public interest;
- b. Find that the proposed interconnection will enhance the ability of both Applicants to provide adequate service at reasonable and just rates;
- c. Find that this Joint Application meets the requirements of Section 4905.48, Revised Code, and that no hearing is required; and
- d. Grant this Joint Application together with any other approvals deemed necessary and proper to implement interconnection proposed herein.

Respectfully submitted,



Barth E. Royer
Bell & Royer Co, LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
(614) 228-0704 – Phone
(614) 228-0201 – Fax
BarthRoyer@aol.com – Email

Attorney for KNG Energy, Inc.



Gretchen J. Hummel
McNees Wallace & Nurick LLC
21 South State Street, Suite 1700
Columbus, Ohio 4325-4228
(614) 469-8000 – Phone
(614) 469-4653 – Fax
ghummel@mwncmh.com – Email

Attorney for Ohio Gas Company

BY BEP-
PER 3/2/2011
EMAIL AUTHORIZATION

VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF HANCOCK)

I, Sandra L. Roller, President of KNG Energy Inc., being first duly sworn, hereby verify that the information contained in this Joint Application is true and correct to the best of my knowledge, information and belief.

Sandra L. Roller
Sandra L. Roller

Sworn and subscribed in my presence this 1st day of March 2011.

Kay Nartker
Notary Public

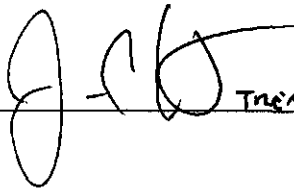


Kay Nartker
Notary Public
State of Ohio
My commission expires
Sept. 10, 2015

VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF HANCOCK)

I, James C. Koehler II, Corporate Treasurer of KNG Energy Inc., being first duly sworn,
hereby verify that the information contained in this Joint Application is true and correct to the
best of my knowledge, information and belief.



Treasurer

Sworn and subscribed in my presence this 1st day of March 2011.



Notary Public



Kay Nartker
Notary Public
State of Ohio
My commission expires
Sept. 10, 2015


VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF WILLIAMS)

I, Richard P. Hallett, President of Ohio Gas Company, being first duly sworn, hereby verify that the information contained in this Joint Application is true and correct to the best of my knowledge, information and belief.



Sworn and subscribed in my presence this 28th day of February 2011.



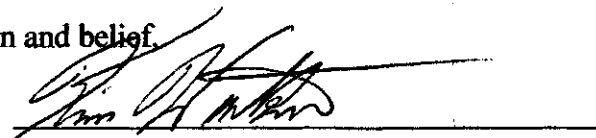
Notary Public

Douglas E. Westhoven
Notary Public, State of Ohio
My Commission Expires July 5, 2014


VERIFICATION

STATE OF OHIO)
) SS
COUNTY OF WILLIAMS)

I, Kim Watkins, Treasurer and Corporate Secretary of Ohio Gas Company, being first duly sworn, hereby verify that the information contained in this Joint Application is true and correct to the best of my knowledge, information and belief.



Sworn and subscribed in my presence this 28th day of February 2011.


Notary Public

Douglas E. Westhoven
Notary Public, State of Ohio
My Commission Expires July 5, 2014

Joint Application
KNG Energy, Inc. – Ohio Gas Company
Case No. 11-1115-GA-ATR

ATTACHMENT A

INTERCONNECTION AND OPERATION AGREEMENT

This Interconnection and Operation Agreement ("Agreement") is made and entered into as of March 1, 2011 by and between KNG Energy, Inc. ("KNG") and Ohio Gas Company ("Ohio Gas").

WITNESSETH:

Whereas, Ohio Gas is in the process of acquiring a natural gas pipeline that traverses an unincorporated area of Henry County, Ohio north of the Village of Deshler, Ohio (the "Ohio Gas Pipeline"); and

Whereas, the Ohio Gas Pipeline intersects an 8" natural gas pipeline owned and operated by KNG and located along CR 3 in Bartlow Township, Henry County, Ohio (the "KNG Pipeline"); and

Whereas, Ohio Gas desires to establish an interconnection between the Ohio Gas Pipeline and the KNG Pipeline at or near the point where the pipelines intersect to serve as a point of delivery for natural gas transported on the KNG Pipeline into the Ohio Gas Pipeline; and

Whereas, KNG is willing to establish such interconnection subject to the terms and conditions set forth herein;

Now, therefore, in consideration of the premises and the mutual covenants and agreements set forth herein, KNG and Ohio Gas (collectively, the "Parties") agree as follows:

ARTICLE I – FACILITIES DESIGN AND CONSTRUCTION

- 1.1 KNG has received, and hereby grants, the request by Ohio Gas for the construction of an interconnection between Ohio Gas Pipeline and the KNG Pipeline to be located in Bartlow Township, Henry County, Ohio as shown on the map attached as Exhibit A to this Agreement. This interconnection shall be designed and constructed to deliver quantities of up to 1,500 dekatherms (Dth) per day into the Ohio Gas Pipeline for redelivery to end-user customers of Ohio Gas.
- 1.2 After consultation with Ohio Gas, KNG shall prepare and provide Ohio Gas with the specifications of the interconnection facilities, including primary regulation, overpressure protection, flow control, and metering, as well as other facilities which may be required in accordance with good industry practice (collectively, the "Interconnection Facilities"). The Interconnection Facilities shall be constructed in accordance with those specifications unless the Parties agree in writing to modifications prior to the commencement of construction. As used in this Agreement, the term Interconnection Facilities does not include data acquisition or communications equipment and any associated electric or telephone installations.

- 1.3 KNG shall be responsible for the design, engineering, and construction of all Interconnection Facilities, with the exception of the installation of the taps themselves, which shall be performed by Ohio Gas at its sole expense. Upon the completion of construction, KNG shall own and have title to the Interconnection Facilities upstream of the insulating flange on the valve serving the Ohio Gas Pipeline, which shall be the designated ownership demarcation as shown in Exhibit B to this Agreement. Ohio Gas shall own and have title to the Interconnection Facilities downstream of the designated point of tie-in and ownership demarcation. KNG shall cathodically isolate its facilities from those of Ohio Gas at the designated ownership demarcation. Each Party shall be individually responsible for the installation, operation, and maintenance of any data acquisition and communications equipment and any associated electric and telephone installations it may elect to install, regardless of the location of such equipment and installations. The chart attached hereto as Exhibit C delineates the respective rights and responsibilities of the Parties with respect to various components of the Interconnection Facilities and the data acquisition and communications equipment and associated installations as provided in this Paragraph 1.3.
- 1.4 As consideration for KNG designing, engineering, and constructing the Interconnection Facilities as provided in Paragraph 1.3 above, upon completion of construction and after the closing of the acquisition of the Village of Hamler natural gas distribution system by Ohio Gas, Ohio Gas shall convey to KNG ownership of, and title to, the portion of the Ohio Gas Pipeline east of the designated point of the Ohio Gas tap to its eastern terminus just north of the Village of Deshler. Ohio Gas shall, at its sole expense, install a tap on the portion of the Ohio Gas Pipeline to be conveyed to KNG pursuant to this Paragraph 1.4 at a point to be designated by KNG to permit KNG to operate that portion separately. Ohio Gas shall not be required to make any warranties, express or implied, with respect to the condition of the portion of the Ohio Gas Pipeline conveyed to KNG (hereinafter, the "KNG Deshler Pipeline"). Upon such conveyance, KNG shall be fully responsible for the operation, maintenance, repair, and replacement of the KNG Deshler Pipeline, and all expense and risk associated therewith.
- 1.5 The consideration specified in Paragraph 1.4 above shall be in lieu of Ohio Gas reimbursing KNG for the cost incurred by KNG for designing, engineering, and constructing the Interconnection Facilities and acquiring any necessary land, private rights of way, or easements; provided, however, that if, at any time prior to the date the Interconnection Facilities are placed in service, Ohio Gas elects not to proceed with the interconnection, Ohio Gas shall reimburse KNG for the total cost it has actually incurred in designing, engineering, purchasing, constructing, and installing the Interconnection Facilities and acquiring any necessary land, private rights of way, or easements. In such event, KNG shall render to Ohio Gas a detailed invoice, with such supporting documentation as Ohio Gas may reasonably request, of the total cost incurred by KNG in designing, engineering, purchasing, constructing and installing the Interconnection Facilities and acquiring any necessary land, private rights of way, or easements prior to the date of the invoice. Ohio Gas shall pay to KNG the full amount of such invoice

within thirty-days (30) of the date received. Ohio Gas shall have the right to audit the records of KNG relevant to costs included in the invoice for six (6) months from the date of the invoice. During that period, KNG will maintain all records necessary to support the invoiced costs.

- 1.6 KNG shall complete the construction and installation of the Interconnection Facilities as soon as practicable after execution of this agreement, but no later than June 1, 2011, unless the completion date is extended by written agreement of the Parties.
- 1.7 KNG shall design, engineer, install, construct, inspect, and test its Interconnection Facilities in accordance with sound and prudent standards and practices common to the natural gas industry and all applicable laws, orders, directives, rules and regulations of all federal, state and local authorities having jurisdiction over such activities. KNG shall be responsible for obtaining such governmental permits and approvals as may be required for the construction and installation of the Interconnection Facilities.
- 1.8 Not less than thirty-days (30) prior to the planned commencement of construction, KNG shall provide Ohio Gas with a schedule for the construction of the Interconnection Facilities. The construction schedule shall include the date(s) upon which Ohio Gas shall install the taps referred to in Paragraphs 1.3 and 1.4 above, such date(s) to be determined by KNG after consultation with Ohio Gas.
- 1.9 Ohio Gas shall have the right at all times during construction and testing of the Interconnection Facilities to review and monitor the manner in which the Interconnection Facilities are being constructed and tested to confirm that Interconnection Facilities conform to the specifications and are fully operable. Ohio Gas shall have the right to require KNG to terminate construction if Ohio Gas reasonably determines that the manner of construction endangers the Ohio Gas Pipeline or Ohio Gas personnel.
- 1.10 The tap valves shall not be opened until both Parties are prepared to place their respective portions of the Interconnection Facilities in service.

ARTICLE II - OPERATION AND MAINTENANCE

- 2.1 The Parties shall be fully responsible for the operation, maintenance, repair, and replacement of their respective portions of the Interconnection Facilities, and all expense and risk associated therewith. The Parties shall operate and maintain their respective portions of the Interconnection Facilities in accordance with sound and prudent practices common to the natural gas industry and all applicable laws, orders, directives, rules and regulations of all federal, state and local authorities having jurisdiction over such activities.
- 2.2 The rates, terms, and conditions under which KNG shall deliver gas to the Ohio Gas Pipeline at the point of delivery shall be subject to a separate transportation agreement

between KNG and Ohio Gas, between KNG and Ohio Gas Energy Services, or between KNG and any competitive retail natural gas supplier that Ohio Gas authorizes to utilize the Ohio Gas Pipeline for the purpose of providing commodity service to end-user customers within its service area.

ARTICLE III – TERM

- 3.1 This agreement shall be effective upon execution by the Parties and shall remain in effect unless and until terminated by mutual agreement of the Parties or as provided in sections 3.2 and 3.3 below.
- 3.2 This agreement may be terminated upon default by either Party in the performance of any material provision, condition, or requirement set forth herein, in which case the other Party may give notice in writing to the Party in default, specifying the default. Unless such default is cured within thirty days (30) after receipt of such notice of default, this Agreement may be terminated by written notice at the option of the Party serving such notice of default.
- 3.3 Either Party may terminate this Agreement by written notice to the other Party if the other Party dissolves, liquidates, or terminates its separate corporate existence, or proceedings are commenced against the other Party for any relief under any bankruptcy or insolvency law, or any law relating to the creditworthiness of the other Party.

ARTICLE IV – REGULATIONS AND GOVERNMENTAL APPROVALS

- 4.1 This Agreement and all of the terms and conditions contained herein, and the respective obligations of the Parties hereunder, are subject to all valid and applicable laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- 4.2 Upon execution of this agreement, the Parties will forthwith file a joint application with the PUCO for approval of this Agreement pursuant to Section 4905.48 of the Ohio Revised Code. Such application shall be substantially in the form set forth in Exhibit D to this Agreement. If this Agreement is challenged by any third-party, the Parties shall defend this Agreement, whether the challenge is raised in the proceeding upon the joint application or in any other PUCO proceeding, unless the Parties mutually agree in writing not to do so, in which case this Agreement shall be null and void. The obligation to defend the agreement shall not extend to participating in any appeal of a PUCO order approving or denying the joint application or otherwise interfering with the Agreement.

ARTICLE V – MISCELLANEOUS

- 5.1 All notices under this Agreement shall be in writing and deemed to have been made duly given when deposited in the United States mail, postage prepaid, and addressed as follows:

If to KNG Energy:

KNG Energy, Inc.
1700 Westfield Drive
Findlay, OH 45840
Attn: Sandra Roller, President

If to Ohio Gas:

Ohio Gas Company
P.O. Box 528
Bryan, OH 43506
Attn: Douglas D. Saul, Vice President - Operations

- 5.2 Ohio Gas will indemnify, defend and hold KNG, its owners, officers, directors, affiliates and subsidiaries harmless, to the fullest extent permitted by law, from and against any and all loss, claims, demands, damages, injuries or suits (including, but not limited to, claims, demands or suits for property damage, bodily injury, illness, disease, death or loss of services, property or wages) which may be brought against KNG by any party, including, but not limited to, any third party, any employee of Ohio Gas, subcontractor of Ohio Gas, any employee of subcontractors of Ohio Gas, or the legal representative or successor of any such party or person, in anywise arising out of or incident to (i) the negligent acts or omissions or willful and wanton misconduct of Ohio Gas or any employees of Ohio Gas or subcontractors in connection with the construction and installation of the Interconnection Facilities pursuant to this Agreement, or (ii) Ohio Gas's presence in, on or about KNG's property or job site; such duty of Ohio Gas to indemnify, defend and hold harmless KNG to also include payment for KNG's costs and expenses, including attorney's fees.
- 5.3 KNG will indemnify, defend and hold Ohio Gas, its owners, officers, directors, affiliates and subsidiaries harmless, to the fullest extent permitted by law, from and against any and all loss, claims, demands, damages, injuries or suits (including, but not limited to, claims, demands or suits for property damage, bodily injury, illness, disease, death or loss of services, property or wages) which may be brought against Ohio Gas by any party, including, but not limited to, any third party, any employee of KNG, subcontractor of KNG, any employee of subcontractors of KNG, or the legal representative or successor of any such party or person, in anywise arising out of or incident to (i) the negligent acts or omissions or willful and wanton misconduct of KNG or any of KNG's employees or subcontractors in connection with the construction and installation of the Ohio Gas

facilities pursuant to this Agreement, or (ii) KNG's presence in, on or about Ohio Gas's property or job site; such duty of KNG to indemnify, defend and hold harmless Ohio Gas to also include payment for Ohio Gas's costs and expenses, including attorney's fees.

- 5.4 In the event of an unforeseen emergency, either Party, in its reasonable judgment, and without first having notified the other Party, may enter upon the other Party's premises in order to take such action which, in its reasonable judgment, the Party believes is necessary and appropriate to handle such emergency. In such event, the Party shall notify the other Party as soon as practicable after entering upon the other Party's premises; provided, however, that in no event shall the entering Party be liable to the other Party for damage to its property, for monetary loss, or for personal injury caused by or arising from the actions of the entering Party, its employees or contractors, in responding to and/or treating such emergency situation, unless such damage, loss or injury resulted exclusively from the gross negligence or willful and wanton misconduct of the entering Party.
- 5.5 The failure of either Party at any time to exercise any right or to require performance by the other Party of any provision herein shall in no way affect the right of such Party thereafter to enforce the same, nor shall the waiver by either Party hereto of any breach of any provision herein by the other Party be a waiver of any other breach of such provision, or as a waiver of the provision itself.
- 5.6 This Agreement shall be governed and construed in accordance with the substantive laws of the State of Ohio, without regard to the choice of law provisions thereof.
- 5.7 This Agreement shall inure to and be binding upon the successors and assigns of the Parties hereto; provided, that neither Party shall assign this Agreement and the rights hereunder without first having obtained the written approval of the other Party, which approval shall not be unreasonably withheld.
- 5.8 If any provision of this Agreement shall be held invalid, illegal, or unenforceable to any extent and for any reason by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and shall be enforceable to the full extent permitted by law.
- 5.9 This written Agreement contains the entire Agreement between the Parties and there are no understandings or representations between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by a duly authorized representative of each Party.

In witness thereof, the Parties have caused this agreement to be executed by their duly authorized representatives as of the day and year first above written.

KNG Energy, Inc.

By: Sandra L. Roller
Name: Sandra L. Roller
Title: President

Ohio Gas Company

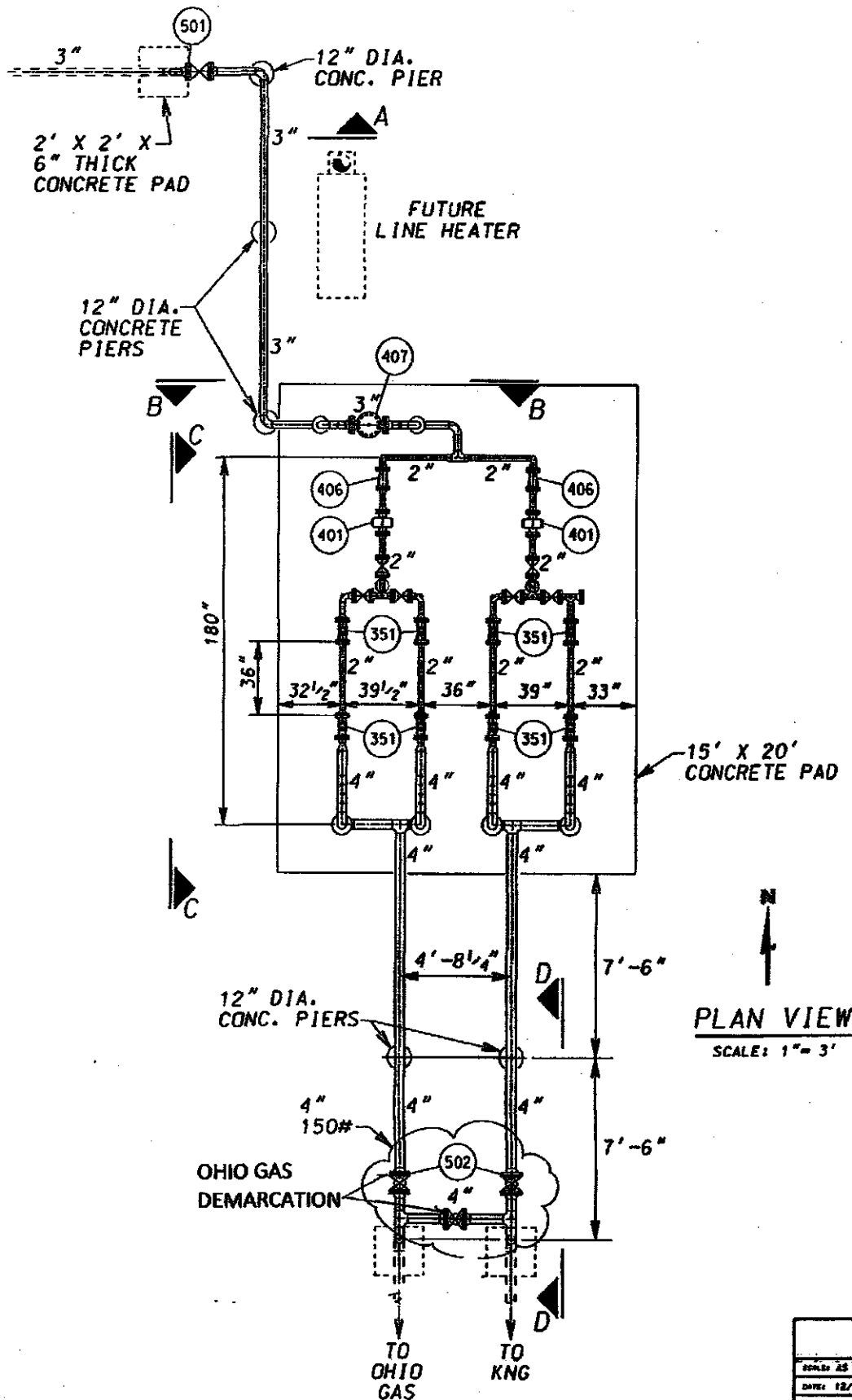
By: Douglas D. Saul
Name: Douglas D. Saul
Title: Vice President - Operations

**KNG Energy, Inc. – Ohio Gas Company
Interconnection and Operation Agreement
March 1, 2011**

EXHIBIT A

**KNG Energy, Inc. – Ohio Gas Company
Interconnection and Operation Agreement
March 1, 2011**

EXHIBIT B



SEE DRAWING NO. 10-022-202
FOR STATION PIPING SECTION
DETAILS AND MATERIALS LIST

KNG ENERGY FINDLAY, OHIO		
DESIGNED AS SHOWN		CHIEF BY TEL
DATE: 12/28/10		AS-BUILT
KNG Deshler/Ohio Gas M & R Station		
HYDROCARBON TECHNOLOGY ENGINEERING, INC. 10000 N. RIVER, SUITE 100		DRAWING NO. 10-022-201

**KNG Energy, Inc. – Ohio Gas Company
Interconnection and Operation Agreement
March 1, 2011**

EXHIBIT C

Measuring Station Name:

KNG - Ohio Gas

Downstream Pipeline MAOP 100 psig

Pipeline:

DLP8

Upstream Pipeline MAOP 740 psig

Dth/d:

1,500

Estimated Cost:

Station Equipment	Design	Material Acquisition	Installation	Ownership	Operation & Maintenance	Removal
Upstream Pipeline tap	KNG	KNG	Ohio Gas	KNG	KNG	KNG
Upstream pipe and valve	KNG	KNG	KNG	KNG	KNG	KNG
Station Piping	KNG	KNG	KNG	KNG	KNG	KNG
Regulation	KNG	KNG	KNG	KNG	KNG	KNG
Meter	KNG	KNG	KNG	KNG	KNG	KNG
Electronic Measurement						
KNG	KNG	KNG	KNG	KNG	KNG	KNG
Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas
Fencing	KNG	KNG	KNG	KNG	KNG	KNG
Station Site Acquisition	KNG	KNG	KNG	KNG	KNG	KNG
Downstream Tap West	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas	Ohio Gas
Piping and valve	Ohio Gas	KNG	KNG	Ohio Gas	Ohio Gas	Ohio Gas
Downstream Tap East	Ohio Gas	Ohio Gas	Ohio Gas	KNG	KNG	KNG
Piping and two valves	KNG	KNG	KNG	KNG	KNG	KNG
8" Pipeline Separation	Ohio Gas	Ohio Gas	Ohio Gas			

**KNG Energy, Inc. – Ohio Gas Company
Interconnection and Operation Agreement
March 1, 2011**

EXHIBIT D

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of	:
KNG Energy, Inc. and Ohio Gas Company	:
for Approval of an Interconnection	:
Agreement.	:

Case No. 11- -GA-ATR

**JOINT APPLICATION
FOR
APPROVAL OF AN INTERCONNECTION AGREEMENT**

Pursuant to Section 4905.48, Revised Code, KNG Energy, Inc. ("KNG") and Ohio Gas Company (Ohio Gas) (collectively, "Applicants") hereby request Commission approval of an interconnection agreement that will enable Applicants to operate certain of their respective facilities in connection with each other. In support of this Joint Application, Applicants state as follows:

1. KNG and Ohio Gas are public utilities and natural gas companies under Sections 4905.02 and 4905.03(A)(6), Revised Code, and, as such, are subject to the jurisdiction of this Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.

2. KNG owns and operates an 8-inch natural gas pipeline that extends from an interconnection with the Crossroads interstate pipeline north of the village of Deshler, Ohio approximately twelve miles in a southerly direction to the Village of Leipsic, Ohio (the "KNG Pipeline").

3. Ohio Gas is in the process of acquiring a natural gas pipeline system owned by the Villages of Hamler, Holgate, and Malinta, Ohio. A portion of this system – a natural gas pipeline that traverses an unincorporated area of Henry County, Ohio (the "Ohio Gas Pipeline")

– crosses the KNG Pipeline near CR 3 in Bartlow Township, Henry County, at a point approximately 1.5 miles from the eastern terminus of the Ohio Gas Pipeline just north of the Village of Deshler, Ohio.

4. Section 4905.48(A), Revised Code, provides, *inter alia*, that, with the consent and approval of the Commission, two public utilities whose lines intersect or parallel each other may enter into a contract that will enable them to operate their lines in connection with each other.

5. Applicants have agreed that it is to their mutual advantage and in the public interest to interconnect the KNG Pipeline with the Ohio Gas Pipeline by establishing a point of interconnection where the two pipelines intersect in accordance with the terms and conditions set forth in the Interconnection and Operation Agreement (the “Interconnection Agreement”), a copy of which is attached to this Joint Application as Attachment A.

6. As more fully described in the Interconnection Agreement, as consideration for KNG designing, engineering, and constructing the interconnection, Ohio Gas will convey ownership to KNG of the 1.5 mile segment of the Ohio Gas Pipeline between the interconnection and the Village of Deshler, which will permit KNG to deliver gas transported through the KNG Pipeline to points east of the new interconnection.¹

7. Approval of the Interconnection Agreement will further the public interest by increasing the supply options available to Ohio Gas to serve its customers downstream of the interconnection, by permitting KNG to more fully utilize the capacity of the KNG Pipeline, and by permitting KNG to provide an additional supply option to consumers located east of the interconnection. Thus, in accordance with Section 4905.48, Revised Code, approval of the

¹ Section 4905.48(B), Revised Code, provides, *inter alia*, that, with the consent and approval of the Commission, any public utility may purchase the property and plant of any other public utility. If the Commission determines that this conveyance requires a separate approval, Applicants respectfully request that the Commission grant such approval by its order in this case.

Interconnection Agreement will enhance the Applicants' ability to provide adequate service at reasonable rates to their current and prospective customers.

8. As required by Section 4905.48, Revised Code, verifications executed by the officers of the respective Applicants are attached hereto.

WHEREFORE, the Applicants respectfully request that the Commission:

- a. Find that the proposed interconnection and the attached Interconnection Agreement are reasonable and in the public interest;
- b. Find that the proposed interconnection will enhance the ability of both Applicants to provide adequate service at reasonable and just rates;
- c. Find that this Joint Application meets the requirements of Section 4905.48, Revised Code, and that no hearing is required; and
- d. Grant this Joint Application together with any other approvals deemed necessary and proper to implement interconnection proposed herein.

Respectfully submitted,

Barth E. Royer
Bell & Royer Co, LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
(614) 228-0704 – Phone
(614) 228-0201 – Fax
BarthRoyer@aol.com – Email

Attorney for KNG Energy, Inc.

Gretchen J. Hummel
McNees Wallace & Nurick LLC
21 South State Street, Suite 1700
Columbus, Ohio 4325-4228
(614) 469-8000 – Phone
(614) 469-4653 – Fax
ghummel@mwncmh.com – Email

Attorney for Ohio Gas Company