BEFORE RECEIVED-DOCKETING DIV THE PUBLIC UTILITIES COMMISSION OF ON AUG 22 PM 5: 02

In the Matter of the Complaint of

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KNG Energy, Inc.,

Complainant,

v.

Case No. 12-2758-GA-CSS

Ohio Intrastate Energy, LLC,

Respondent,

Relative to Violations of Sections 4905.48, 4905.54, and 4905.56, Revised Code.

STATUS REPORT
AND
JOINT MOTION FOR CONTINUANCE
OF
KNG ENERGY, INC
AND
OHIO INTRASTATE ENERGY, LLC

Pursuant to the attorney examiner's June 27, 2014 entry, KNG Energy, Inc. ("KNG") and Ohio Intrastate Energy, LLC ("OIE") report that the discussions relating to a settlement agreement that would resolve all matter in dispute between the two parties are still ongoing.

Accordingly, KNG and OIE hereby jointly move for an order continuing this proceeding until such time as a settlement is reached or until one of the parties advises the Commission that a settlement cannot be achieved.

A memorandum in support of this motion is attached hereto.

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Technician Date Processed AUG 2 2 2014

Respectfully submitted,

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of

KNG Energy, Inc.,

v.

Complainant,

Case No. 12-2758-GA-CSS

Ohio Intrastate Energy, LLC,

Respondent,

Relative to Violations of Sections 4905.48, : 4905.54, and 4905.56, Revised Code.

> MEMORANDUM IN SUPPORT OR JOINT MOTION FOR CONTINUANCE KNG ENERGY, INC AND OHIO INTRASTATE ENERGY, LLC

On June 20, 2014, Ohio Intrastate Energy, LLC ("OIE"), the respondent herein, filed a request for a 60-day extension of the milestone dates of the procedural schedule previously established by the attorney examiner's entry in this docket of April 17, 2014. In support of its request, OIE cited ongoing settlement negotiations and indicated that it anticipated receiving a settlement proposal from the complainant, KNG Energy, Inc. ("KNG"), before the end of June. KNG did not oppose the continuance.

By entry of June 27, 2014, the attorney examiner continued this matter. However, noting that this case has been pending for almost two years and that numerous continuances have previously been granted, the attorney examiner, rather than establishing a new procedural schedule, required that the parties submit status updates on July 24, 2014 and August 22, 2014 detailing the efforts made to resolve this matter. The attorney examiner further found that, if a stipulation was not filed by August 22, 2014, an expedited schedule for the case to proceed to hearing would be established and that no further continuances would be granted except pursuant to a joint motion of the parties. The parties submitted their initial respective status reports on July 24, 2014 in accordance with the June 27, 2014 entry.

As noted by KNG in its July 24, 2014 update, there are other matters in dispute between the parties in addition to those raised by KNG's complaint in this proceeding, including a complaint filed by OIE against KNG in the Hancock County Court of Common Pleas seeking a declaratory judgment with respect to certain capacity rights OIE claims to hold on a KNG-owned pipeline, as well as OIE's failure to take over the service to customers it had undertaken to serve in 2011, but which KNG continues to serve on a temporary basis pursuant to the Commission's order in the Suburban abandonment case, Case No 08-946-GA-ABN. Thus, the focus of the settlement discussions is not limited to this complaint, but, rather, goes to a global resolution that would end all the controversies between the parties. Those discussions are still ongoing, and, although the parties have agreed to a general framework for a settlement, there are a number of details that must be worked out before a settlement can be finalized.

Under these circumstances, the parties believe that the interests of efficiency and economy would be best served by an order continuing the suspension of the procedural schedule in this case until a settlement is reached or until one of the parties advises the Commission that a settlement cannot be achieved. If a party reports that that further settlement discussions will not be productive, the parties agree that, consistent with the attorney examiner's June 27, 2014 entry,

an expedited procedural schedule should be established and that this matter should proceed to hearing.

WHEREFORE, KNG and OIE respectfully request that their joint motion of a continuance of the procedural schedule be granted.

Respectfully submitted,

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