

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

IN THE MATTER OF THE JOINT	:	
APPLICATION OF ORWELL NATURAL	:	CASE NO. 17 - _____-GA-ATR
GAS COMPANY AND TO TRANSFER	:	
LUDLOW NATURAL GAS	:	
COMPANY, LLC FOR APPROVAL OF	:	
THE TRANSFER OF ASSETS AND	:	
SUBSTITUTION OF SERVICE.	:	

**JOINT APPLICATION FOR TRANSFER OF ASSETS
AND SUBSTITUTION OF SERVICE**

Pursuant to Ohio Revised Code ("O.R.C.") §4905.05, 4905.06, and 4905.48, Orwell Natural Gas Company ("ONG") And Ludlow Natural Gas Company, LLC ("LNGC") respectfully submit this Joint Application for Transfer of Assets and Substitution of Service ("Application") to the Public Utilities Commission of Ohio ("PUCO" or "Commission") to: (1) authorize the transfer of certain assets from ONG to LNGC; and (2) substitute LNGC as the provider of service to affected customers from ONG. ONG and LNGC respectfully request that the Commission expedite its approval of this Application. In support of the Application, ONG and LNGC state the following:

1. ONG is a "public utility" as defined in Section 4905.02 of the Ohio Revised Code ("O.R.C."), and a "natural gas company" as defined in Section 4905.03(E) of the O.R.C. Pursuant to O.R.C. §4905.02 and §4905.04, the Commission has jurisdiction over ONG.
2. LNGC wishes to engage in the business of supplying natural gas to customers within the State of Ohio. LNGC has filed Case No. 17-_____-GA-ACE seeking this Commission's authority to operate as a retail natural gas service provider.

3. ONG filed its original tariff with the Commission on February 20, 1990 in Case No. 89-8033-GA-TRF. Since its tariff was approved by the Commission, ONG has provided natural gas retail services to its customers.
4. Pursuant to O.R.C. § 4905.48(B), “Any public utility may purchase or lease the property, plant, or business of any other such public utility.”
5. Pursuant to O.R.C. § 4905.48(C), “Any such public utility may sell or lease its property or business to any other such public utility.”
6. On October 29, 2008, ONG (and various other companies) submitted an application to the Commission that requested ownership of ONG be transferred to Energy West, Incorporated (“Energy West”) in Case No. 08-1196-GA-UNC. Before this case was filed, ONG (and the various other companies) were owned by Mr. Richard Osborne (“Mr. Osborne”). The Commission approved the ONG’s Application to transfer ownership of ONG to Energy West in an Order dated December 3, 2009. After the transfer was completed, Mr. Osborne became Chairman of the Board and Chief Executive Officer for Energy West.
7. Energy West currently operates as Gas Natural Inc. (“GNI”). Mr. Osborne remained Chairman of the Board and Chief Executive Officer of GNI until May 1, 2014. On May 1, 2014, GNI’s Board of Directors removed Mr. Osborne from his duties with the company. The removal of Mr. Osborne from his positions led to litigation being filed from both GNI and Mr. Osborne (“Lawsuits”).
8. On July 13, 2016, Mr. Osborne and GNI entered into a “Confidential Settlement Agreement and Mutual Release” (“Universal Settlement Agreement”) in order to bring about the end of the Lawsuits.

9. As part of the Universal Settlement agreement, certain assets of “GNI or its pertinent affiliate(s)” were to be transferred to “Mr. Osborne or his designee.” Mr. Osborne has designated LNGC as the entity to receive these assets. Some of these assets include pipelines which are located on property owned or controlled by Mr. Osborne. The pipelines in question are located in Lake County, Ohio and have the following parcel numbers:

- a. 27-B-044-0-00-001-0
- b. 27-B-044-0-00-002-0
- c. 27-B-044-0-00-010-0
- d. 27-B-044-0-00-012-0
- e. 27-B-044-0-00-013-0
- f. 27-B-044-0-00-021-0
- g. 27-B-044-0-00-022-0
- h. 27-B-044-0-00-025-0
- i. 16-B-060-B-00-001-0
- j. 16-B-060-B-00-002-0
- k. 16-B-060-B-00-003-0
- l. 16-B-060-B-00-004-0
- m. 16-B-060-B-00-005-0
- n. 16-B-060-B-00-006-0
- o. 16-B-060-B-00-007-0
- p. 16-B-060-B-00-008-0
- q. 16-B-060-B-00-009-0

r. 16-B-060-B-00-010-0

10. Mr. Osborne is the sole member of LNGC.

11. Per the terms of the Universal Settlement Agreement, ONG, a GNI affiliate, will transfer the assets to LNGC, as Mr. Osborne's designee, upon the Commission's approval of this Application.

12. Furthermore, ONG will transfer the accounts of Customers to LNGC ("Customers"). The Customers include six (6) entities and nine (9) meters. The Customers are:

- a. Samuel and Christine Ventura – 9220 Sugarbush Drive, Mentor, Ohio 44060 –
ONG Account Number 210052486;
- b. Lake County Engineers – 554 Blackbrook Road, Painesville, Ohio 44077 – ONG
Account Number 210005956;
- c. Classic Interior Completion, Inc. – 38585 Apollo Pkwy, Willoughby, Ohio 44094
– ONG Account Number 210100350;
- d. Orwell-Trumbull Pipeline Company, LLC – 3511 Lost Nation Road, Willoughby,
Ohio 44094 – ONG Account Numbers: (1) 210036323; (2) 210043881; and (3)
210043930;
- e. The River Tavern – 3511 Lost Nation Road, Suite 1, Willoughby, Ohio 44094 –
ONG Account Number 200022135;
- f. PSS Recruiting, LLC – 3511 Lost Nation Road, #102, Willoughby, Ohio 44094 –
ONG Account Number 210071577.

13. Maps showing the location of effected properties and pipelines are attached as Exhibit A.

14. LNGC has obtained the consent of all Customers to transfer their accounts.

15. ONG will discontinue service to the Customers and transfer the accounts of these customers to LNGC upon the Commission's approval of this application.
16. LNGC will charge rates approved by this Commission in Case No. 17-____-GA-ACE.
17. The Commission has consistently held that a cessation of service by a regulated utility, accompanied simultaneously by uninterrupted and adequate service by a non-regulated utility, is not an "abandonment" of service under O.R.C. § 4905.20 or 4905.21.¹

WHEREFORE, the Application respectfully requests that the Commission approve this Application and provide the following findings, approvals and relief:

- A. Find that the proposed transaction is reasonable and in the best interest of the public and approve the transfer of customers and assets from ONG to LNGC;
- B. Find that LNGC will exclusively provide all retail natural gas services to the Customers;
- C. Find that LNGC has the technical, financial, and managerial abilities to ensure the provision of uninterrupted and adequate service to the Customers;
- D. Direct ONG and LNGC to notify all Customers of this transaction within thirty (30) days of the Commission's Order; and
- E. Provide such other relief and approvals as the Commission deems necessary.

¹ See, *In the Matter of the Application of Gasco Distribution Systems, Inc. and Consumers Gas Cooperative for the Approval of the Transfer of Assets and Customers*, Case No. 09-375-GA-ATR, Finding and Order (August 12, 2009); *In the Matter of the Application of Columbia Gas of Ohio, Inc. and Consumers Gas Cooperative for the Approval of the Transfer of Assets and Customers*, Case No. 08-740-GA-ATR, Finding and Order (September 23, 2008); and *In the Matter of the Joint Application of Northern Industrial Energy Development, Knox Energy Cooperative Association, Inc. and The East Ohio Gas Company d/b/a Dominion East Ohio*, Case No. 07-633-GA-ATR . Entry (June 27, 2007).

VERIFICATION

State of Ohio

County of Fairfield

SS:

Before me, Notary Public for the State of Ohio, personally appeared Marty Whelan, who first having been sworn, deposed and said that he is the President of Orwell Natural Gas Company, LLC, that he has read the foregoing Joint Application, and that the statements set forth therein are true and accurate to the best of his knowledge.



Marty Whelan
President of Orwell Natural Gas Company

Sworn and subscribed in my presence this 31 day of March, 2017.


Notary Public

Jennifer Kronenbitter
Notary Public
In and for the State of Ohio
My Commission Expires
Feb. 9, 2022

VERIFICATION

State of Ohio

County of Franklin

:
:
: SS:
:

Before me, Notary Public for the State of Ohio, personally appeared Richard M. Osborne, who first having been sworn, deposed and said that he is the Sole Member of Ludlow Natural Gas Company, LLC, that he has read the foregoing Joint Application, and that the statements set forth therein are true and accurate to the best of his knowledge.

Richard M. Osborne

Richard M. Osborne
Member of Ludlow Natural Gas Company, LLC

Sworn and subscribed in my presence this 28th day of March, 2017.



Michelle N. Eiler, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

Michelle N. Eiler

Notary Public

Respectfully submitted,

/s/ Gina M. Piacentino per email auth.

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Case No(s). 17-0911-GA-ATR

Summary: Application Joint Application of Orwell Natural Gas Company and Ludlow Natural Gas Company, LLC for Approval of the Transfer of Assets and Substitution of Service.
electronically filed by Mr. Justin M Dortch on behalf of LudlowNatural Gas Company, LLC