

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Atlas)
America, Inc., its subsidiary, Atlas Pipeline)
Partners GP, Inc., its Affiliates, Viking)
Resources Corporation and Resource En-)
ergy, Inc, and Atlas Pipeline Operating Part-) Case No. 99-1519-GA-ARJ
nership for Relief from Compliance with)
the Obligations Imposed by Chapters 4901,)
4903, 4905, 4907, 4909, 4921, and 4923 of the)
Ohio Revised Code.)

ENTRY

The Commission finds:

- (1) On November 22, 1999, Atlas America, Inc. (applicant) for itself, its subsidiary, Atlas Pipeline Partners GP, Inc, to be re-constituted as Atlas Pipeline Partners GP, L.L.C. (APG) its affiliates, Viking Resources Corporation (Viking), and Resource Energy, Inc. (REI), and as the owner of APG, general partner on behalf of Atlas Pipeline Operating Partnership (partnership), pursuant to Section 4905.03(A)(6), Revised Code, filed an application requesting relief from the necessity of complying with the obligations imposed by Chapters 4901, 4903, 4905, 4907, 4909, 4921, 4923, and 4925, Revised Code.
- (2) According to the application, applicant is a Pennsylvania corporation authorized to do business in Ohio and is the parent corporation of APG, a Delaware corporation, which is the general partner of Atlas Pipeline Partners, L.P. and owns a general partnership interest in Atlas Pipeline Operating Partnership. Applicant, APG, Viking and REI are subsidiaries of Resource America Inc., and are engaged in the production of oil and natural gas in Ohio. The applicant states that it, APG, Viking, REI, and the partnership are not affiliated with or under the control of any gas company or natural gas company engaged in the transportation or distribution of natural gas and none are engaged in nor do any intend to engage in the distribution of natural gas to consumers in Ohio. The applicant also represents that it, APG, Viking, REI, and the partnership never dedicated, and none intend to dedicate any of their oil or natural gas drilling,

producing, gathering, or associated facilities or activities to public use or to otherwise serve the public.

Also according to the application, the applicant, Viking, and REI own and operate separate gathering line systems in Ohio. Gas produced from wells connected to these gathering systems is delivered to the pipeline systems of The East Ohio Gas Company, Northeast Ohio Natural Gas Company, Eastern Natural Gas Company, or Columbia Gas Transmission Corp. or Columbia Gas of Ohio, Inc. or sold and delivered to natural gas marketing companies or self-help customers pursuant to Commission-approved arrangements. Further, applicant, APG, Viking, REI, and the partnership permit, for a fee, certain producers located along the gathering systems to use these systems for delivery of gas production from their wells to East Ohio, Columbia, Northeast, and Eastern.

The applicant contends that the transactions described in the application are not the type that fall within the definition of a pipeline company under Section 4905.03(A)(7) and (A)(2), Revised Code. As a result, applicant requests that the Commission permanently relieve the applicant, APG, Viking, REI, and the partnership of compliance with the obligations imposed by Chapters 4901, 4903, 4905, 4907, 4921, 4923, and 4925, Revised Code. Applicant also requests that the Commission authorize the transfer of the existing exemptions to applicant, APG, or the partnership, as applicable.

- (3) Section 4905.03(A)(7), Revised Code, defines a pipeline public utility as follows:

A pipeline company, when engaged in the business of transporting natural gas, oil, or coal or its derivatives through pipes or tubing, either wholly or partly within this state.

- (4) The Commission has previously granted relief from jurisdiction to transporters, such as the applicant, APG, Viking, REI, and the partnership, which allow the use of their gathering lines by producers for a fee. See, *Resource America, Inc.*, Case No. 89-810-GA-ARJ, June 6, 1989, and *Resource America, Inc. and its Subsidiary, Shongum Oil and Gas, Inc.*,

Case No. 91-417-GA-ARJ, March 28, 1991. In those cases, the Commission determined that Resource America, Inc.'s pipeline activity was not that of a public utility but that of a private business. The Commission also found that the operation of a gathering system was incidental to the applicants' primary activity of gas production. As a result, the Commission granted the request for relief from jurisdiction.

Upon review, the Commission similarly finds that the applicant's, APG's, Viking's, REI's, and the partnership's activities are not the type which fall under the definition of pipeline company. Accordingly, the application for relief from compliance with the obligations imposed by Chapters 4901, 4903, 4905, 4907, 4909, 4921, and 4923, Revised Code, should be granted. Further, as requested in the application, the existing exemptions previously granted to Resource America, Inc. should be transferred to applicant, APG, Viking, REI, and the partnership, as applicable. Finally, nothing in this order exempts the activities of the applicant, APG, Viking, REI, and the partnership from the Commission's jurisdiction to inspect, for public safety purposes, gas and natural gas pipelines owned, operated or controlled by applicant, APG, Viking, REI, and the partnership.

It is, therefore,

ORDERED, That the application of applicant, APG, Viking, REI, and the partnership for relief from compliance with the obligations imposed by Chapters 4901, 4903, 4905, 4907, 4909, 4921, and 4923, Revised Code, be granted as set forth in this entry. It is, further,

ORDERED, That the existing exemptions granted to Resource America, Inc. should be transferred to applicant, APG, Viking, REI, and the partnership, as applicable. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



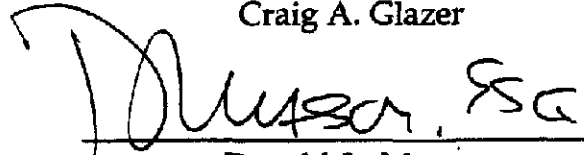
Alan R. Schriber, Chairman



Ronda Hartman Fergus



Craig A. Glazer



Donald L. Mason


Judith A. Jones

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Gary E. Vigorito
Secretary