OCC EXHIBIT NO._____

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Regulation of the	)	
Purchased Gas Adjustment Clauses	)	Case No. 14-206-GA-GCR
Contained With In the Rate Schedules of	)	Case No. 14-209-GA-GCR
Brainard Gas Corporation, Northeast Ohio	)	Case No. 14-212-GA-GCR
Natural Gas Corporation, and Orwell	)	
Natural Gas Company and Related Matters.	)	
In the Matter of the Uncollectible Expense	)	
Riders of Northeast Ohio Natural Gas	)	Case No. 14-309-GA-UEX
Corporation and Orwell Natural Gas	)	Case No. 14-312-GA-UEX
Company.	)	
In the Matter of the Percentage of Income	)	
Payment Plan Rider of Northeast Ohio	)	Case No. 14-409-GA-PIP
Natural Gas Corporation	)	

DIRECT TESTIMONY
OF
GREGORY SLONE

On Behalf of
The Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

July 21, 2015

TABLE OF CONTENTS

PAGE

I. INTRODUCTION 1

II. PURPOSE OF TESTIMONY 4

III. RECOMMENDATION 6

IV. HISTORY OF 2012 GCR CASES AUDIT REPORT, HEARING AND RESULTING PUCO OPINION AND ORDER 11

V. CURRENT STAFF AUDIT REPORT OF NORTHEAST, ORWELL AND BRAINARD 14

VI. LOCAL PRODUCTION GAS COSTS COMPARED TO INTERSTATE GAS COSTS FOR NORTHEAST AND ORWELL 17

ATTACHMENTS

OCC Attachment GS-1	Gregory Slone Testimony History.
OCC Attachment GS-2	List of Gas Purchasing, Gas Storage and Gas Transportation Contracts for Orwell, Brainard and Northeast.
OCC Attachment GS-3	Analysis of Local Gas Purchases Compared to Interstate Gas Purchases for Northeast and Orwell.
OCC Attachment GS-4	Gas Transportation Service Agreement between Orwell and Orwell Trumbull Pipeline signed January 1, 2006.
OCC Attachment GS-5	Gas Transportation Service Agreement between Orwell and Orwell Trumbull Pipeline signed July 1, 2008.
OCC Attachment GS-6	Gas Transportation Service Agreement between Orwell and Cobra Pipeline dated January 23, 2008.
OCC Attachment GS-7	Gas Transportation Service Agreement between Orwell and Spelman Pipeline Holdings, LLC dated February 28, 2014
OCC Attachment GS- 8	Gas Transportation Service Agreement between Orwell and North Coast Gas Transmission dated August 23, 2004.
OCC Attachment GS-9	Gas Transportation Service Agreement between Orwell and Dominion (as East Ohio Gas Company d/b/a Dominion East Ohio) dated April 14, 2005.

OCC Attachment GS-10	Transportation Service Agreement between Orwell-Trumbull Pipeline and Newbury Local Schools dated July 27, 2009.
OCC Attachment GS-11	July Invoice from Orwell-Trumbull Pipeline to Orwell Natural Gas dated August, 13, 2012.
OCC Attachment GS-12	Analysis of Orwell's increased gas cost due to loss of Gas Transportation Service Agreement between Orwell and Dominion dated April 14, 2005.
OCC Attachment GS-13	Map of Orwell/Orwell-Trumbull System.
OCC Attachment GS-14	Analysis of Orwell's gas supply delivered through Dominion.
OCC Attachment GS-15	May 8, 2015 Transcript Of Martin Whelan Deposition.

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.

A1. My name is Gregory Slone. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio Consumers' Counsel ("OCC" or "Consumers' Counsel") as a Senior Energy Analyst.

Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE?

A2. I received my bachelor's degree in civil engineering from The Ohio State University in 1977, and received the status of a certified charted industrial gas consultant from the Gas Technology Institute in Chicago, Illinois in 1984.

I joined the OCC in May 2010 as a Senior Energy Analyst. Prior to joining the OCC, I served as vice president of generation services for American Municipal Power, Inc. ("AMP"), where I was responsible for the daily operations of AMP's electric generating plants, which included negotiating all the commodity contracts for purchasing and selling coal, natural gas, and emission allowances. I also developed and directed AMP's natural gas and electric aggregation consulting business. As General Manager of the aggregation business, I negotiated consulting services contracts with more than forty municipalities throughout Ohio. These consulting services included negotiating price, terms and conditions

for natural gas and electric supply with the retail natural gas and electric service providers.

Prior to AMP, I worked for many years for Columbia Gas of Ohio, Inc. ("Columbia"), serving in a number of sales and marketing positions, including Director of Sales. During my employment at Columbia, I was responsible for interacting with customers and retail natural gas marketers on issues related to natural gas costs, supply, and rates. In addition, I negotiated special contracts that involved competitive market issues for major industrial accounts.

I have also had experience with transactions among affiliated companies. During my tenure at Columbia, I interacted with large industrial customers on a daily basis. At the same time, an affiliate company, Columbia Energy Services ("CES"), was also contacting many of these same industrial customers in an effort to market natural gas services to the customer. CES was one of a number of natural gas marketers working in Ohio, and as an employee of Columbia, we were required to implement corporate separation policies to ensure that any transactions with affiliates were fair and reasonable. We were also required to not disclose certain price sensitive information or share that information with affiliates.

Q3. WHAT ARE YOUR RESPONSIBILITIES AS AN OCC SENIOR ENERGY ANALYST?

A3. My duties include research, investigation, and analysis of electric and natural gas utility filings at the state and federal levels, and providing recommendations concerning policy development and implementation in various jurisdictions Specifically, among other things, I provide policy and technical analysis on both natural gas and electric utility filings with the Public Utilities Commission of Ohio ("PUCO"), including Electric Standard Service Offers ("SSO"), Gas Cost Recovery ("GCR") Audits, Fuel Adjustment Clause Audits, Long-Term Forecast Reports, Infrastructure Replacement Programs, and rate cases.

Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED BEFORE THE PUCO?

A4. Yes. This information is attached as OCC Attachment GS-1.

Q5. WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF YOUR TESTIMONY?

A5. I have reviewed the PUCO Staff's ("Staff") January 27, 2015 Financial Audits of the Gas Cost Recovery Mechanisms for the Effective GCR Period January 1, 2013 through June 30, 2014 for Brainard Gas Corporation ("Brainard"); for the Effective GCR Period July 1, 2012 through June 30, 2014 for Orwell Natural Gas Company ("Orwell"); and for the Effective GCR Period March 1, 2012 through June 30, 2014 for Northeast Ohio Natural Gas Corporation ("Northeast")

(collectively, "the Utilities"). I also reviewed the Utilities' responses to OCC discovery. Additionally, I have reviewed the 2010 and 2012 GCR audit proceedings for Orwell and Northeast, including discovery responses, along with Annual Reports filed with the PUCO for Orwell, Northeast, and other small Ohio gas distribution companies.[1]

II. PURPOSE OF TESTIMONY

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A6. The purpose of my testimony is to address certain issues related to the natural gas purchasing practices and policies of Northeast, Orwell and Brainard. These policies and practices implicate how the Utilities' charges to consumers are adversely impacted by contracts with affiliate and related companies, and how the Utilities' system reliability and diversity of fuel supply was negatively affected by Orwell's abandonment or dismantling of interconnects (or "taps") on Dominion East Ohio Gas Company's ("Dominion") system. Through my testimony, I will:

1. Explain how contracts that Northeast, Orwell and Brainard have with affiliate and related companies are biased toward the affiliate or related natural gas suppliers, production companies, and intrastate pipelines. These contracts had a detrimental impact on the Utilities' residential customers'

[1] Some of the contracts OCC received from the Staff in Case Nos. 10-209-GA-GCR and 10-212-GA-GCR contained markings or hand written notations that were made by the Staff or the Utilities My review of those contracts did not take any of those markings into consideration.

gas rates by inflating the GCR. As a result, the Utilities' gas purchasing contracts with affiliated companies and gas transportation contracts with related companies did not provide their residential customers with fair, just, and reasonable gas rates during the Audit period and the Utilities' gas purchasing practices and policies were imprudent. I calculate that customers paid higher rates than necessary resulting in $671,696 of excessive gas charges (for Northeast customers) and $25,181 of excess charges (for Orwell customers).

2. Demonstrate that the removal of approximately 10 interconnects with the Dominion system unreasonably increased costs to the GCR, and at the same time, reduced the reliability of natural gas supplies to residential customers of Orwell Natural Gas during the Audit period. As a result, I explain how the GCR rates for Orwell were not fair, just, and reasonable and that Orwell's gas purchasing practices and policies did not promote minimum prices consistent with an adequate supply of gas. I also provide an appropriate repricing of the gas supplies transported on Orwell-Trumbull Pipeline ('OTP"), the related company intrastate pipeline that Orwell relied on in place of Dominion. I calculate that customers paid higher

rates than necessary resulting in $1,653,652 of excessive gas charges to Orwell's customers.

3. Demonstrate that the loss of a special contract with Dominion, due to signing an inappropriate agreement with a related company -- OTP -- unreasonably and unjustly increased the cost of natural gas supplies to customers of Orwell. I calculate that this imprudent transaction resulted in customers paying higher rates than are fair, just and reasonable in the amount of $205,016.

III. RECOMMENDATION

Q7. WHAT ARE YOUR RECOMMENDATIONS REGARDING THE UTILITIES' PURCHASING PRACTICES AND ASSOCIATED CONTRACTS WITH AFFILIATES AND RELATED COMPANIES?

A7. I have several recommendations that are aimed at producing rates for customers that are fair, just, and reasonable, and ensuring that the Utilities' natural gas purchasing practices and policies promote minimum prices consistent with an adequate supply of gas. These recommendations focus on Orwell's and Northeast's natural gas purchasing practices and associated contracts with affiliates and/or related companies.

1. I recommend that the PUCO find that the gas cost recovery rates charged to Orwell and Northeast customers during the

current audit periods were not fair, just, and reasonable. Instead the rates were excessive due to unreasonable and/or imprudent purchasing policies or practices of the Utilities, which did not result in minimum gas prices consistent with adequate supply of gas.

2. To assure fair, just, and reasonable rates for the Utilities' customers, I recommend that the intrastate gas supply purchased from local gas producers provided by JDOG Marketing and its successor, Gas Natural Resources ("GNR"), during the Audit period be re-priced. Specifically, the natural gas purchased should be re-priced based on the historic difference between the cost of interstate gas and the cost of local production gas prior to the utilization of JDOG Marketing in 2008 as the asset manager for both Northeast and Orwell. I discuss this in greater detail below. More specifically, I recommend that the PUCO order Northeast to refund $671,696 to GCR customers and Orwell to refund $25,181 to GCR customers for excessive charges associated with local production gas purchased during the audit periods.

3. I recommend that the PUCO terminate the July 1, 2008 gas transportation agreement between Orwell and Brainard

with Orwell-Trumbull Pipeline. The contract at issue was not negotiated as an arm's length agreement and, consequently, has caused customers to pay excessive gas costs, resulting in unjust and unreasonable rates to Orwell's and Brainard's residential customers. In its place, the PUCO should order Orwell and Brainard to negotiate a reasonable agreement to obtain minimum gas prices consistent with adequate supplies of gas for customers. I also recommend that the PUCO require Orwell to pursue reinstalling the interconnections with Dominion that Orwell abandoned/dismantled after the gas transportation contract with OTP was executed. The PUCO should also order that shareholders bear the cost of the new interconnections inasmuch as their abandonment or dismantling was imprudent (ordered by the largest shareholder of Orwell's parent Company).[2]

4. With regard to the issue of re-pricing the gas transported on OTP, I recommend that the PUCO order Orwell to refund $1,653,652 to GCR customers for excessive charges for natural gas purchased through the OTP system during the audit period.

[2] 2012 GCR, Staff Audit Report at 7-8 (February 28, 2013).

5. In addition, I recommend that the PUCO order Orwell to refund $205,016 to GCR customers for excessive charges for natural gas transportation services on the Dominion East Ohio Gas ("Dominion") system. The excessive charges resulted from the loss of a gas transportation contract Orwell entered into with Dominion on April 15, 2005 (Dominion Special Contract"),[3] which was terminated once Orwell signed the transportation contract with OTP.

6. I recommend that the PUCO order a complete management Performance Audit ("M/P Audit") as part of their next GCR review. I recommend that the PUCO retain an independent auditor to conduct the MP Audit to ensure that the gas purchasing practices and policies of the Utilities result in fair, just, and reasonable gas rates and promote minimum prices consistent with an adequate supply of gas. Finally, I recommend that the Utilities' shareholders, not customers, pay for the M/P Audit.

[3] See April 14, 2005 Agreement between Orwell and Dominion, attached as OCC Attachment GS-9.

Q8. HAVE YOU REVIEWED THE PUCO STAFF'S RECALCULATION, OR ADJUSTMENTS, IN THE 2012 GCR CASES FOR NORTHEAST AND ORWELL?

A8. Yes, I have reviewed the Staff's recommendation for refunds to customers and reconciliations for Northeast's and Orwell's GCR rates. The Staff's recommendations appear to be consistent with the principles that I recommend; however, the methodology used by Staff to reprice the excessively priced local production is different.

Staff's recommendation regarding the re-pricing of gas delivered through OTP was to re-price the natural gas purchased in March 2014, resulting in an adjustment that covers only a few days of excessive prices. My recommendation, however, is to re-price the gas delivered through OTP for the entire audit period. It is more appropriate to re-price the natural gas purchased during the entire audit period, not just for one selected month out of the entire period. Otherwise, customers are not assured that the prices paid during the entire audit period are fair, just and reasonable.

IV. HISTORY OF 2012 GCR CASES AUDIT REPORT, HEARING AND RESULTING PUCO OPINION AND ORDER

Q9. CAN YOU SUMMARIZE YOUR FINDINGS FROM THE 2012 GCR AUDIT?

A9. As noted in my testimony that was filed in Northeast's and Orwell's 2012 GCR (Case Nos. 12-209-GA-GCR and 12-212-GA-GCR), certain gas purchase contracts between the Northeast and Orwell and their affiliated marketing company -- JDOG Marketing -- in place during the 2012 GCR Audit, showed a bias toward JDOG Marketing. This bias was manifested in the excessive GCR rates paid by the customers of Northeast and Orwell. In those cases, I recommended that the PUCO order Northeast and Orwell to terminate their gas purchase, agent, and asset management contracts with affiliated companies. My recommendation was made after I determined that the contracts caused Northeast's and Orwell's residential customers to be charged excessive gas rates.[4]

I also recommended that the PUCO require Northeast and Orwell to discontinue using JDOG Marketing, or any other affiliated company, as the gas purchasing agent and asset manager. In addition, I recommended that the work that had been outsourced to JDOG Marketing should be performed by in-house employees of Northeast and Orwell.[5] Finally, I recommended that the gas supply from local gas

[4] *In the Matter of the Regulation of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company*, Case Nos. 12-209-GA-GCR and 12-212-GA-GCR, Direct Testimony of Gregory Slone at 11-30 (July 1, 2013) ("2012 GCR").

[5] 2012 GCR, Direct Testimony of Gregory Slone at 11-30 (July 1, 2013).

producers that was procured by JDOG Marketing during the audit periods be re-priced and a refund made to customers. The repricing was based on the historical difference between the cost of interstate gas and the cost of local production gas prior to using JDOG Marketing as the asset manager for both Northeast and Orwell in 2008.[6]

Q10. ARE THE GAS PURCHASE CONTRACTS FROM THE 2012 GCR APPLICABLE TO THE CURRENT GCR AUDIT?

A10. Yes. The gas purchase contracts with affiliated and related companies that were an issue in the 2012 GCR were also in place for a majority of the current Audit period,[7] which covers the period through June 30, 2014.[8] Thus applying any disallowance from the 2012 GCR to this audit period is consistent with the PUCO's Order in the 2012 GCR.

Q11. WHAT ARE YOUR OBSERVATIONS BASED ON YOUR REVIEW OF THE GAS PURCHASE CONTRACTS BETWEEN NORTHEAST AND ORWELL AND AFFILIATED OR RELATED COMPANIES FROM THE 2012 GCR CASES?

A11. Based on the numerous natural gas purchase agreements I reviewed in the 2012 GCR Audit, I concluded that there was a lack of attention to and enforcement of

[6] 2012 GCR, Direct Testimony of Gregory Slone at 11-30 (July 1, 2013).

[7] See OCC Attachment GS-2 (Exhibit "A" from Orwell/Northeast/Brainard Discovery Responses).

[8] The Audit period for Brainard is January 1, 2013 through June 30, 2014. The Audit period for Orwell is July 1, 2012 through June 30, 2014. The Audit period for Northeast is March 1, 2012 through June 30, 2014.

the terms and conditions in the natural gas purchase contracts between Northeast and Orwell and affiliated companies, such as JDOG Marketing. In addition, I found that Northeast and Orwell made no attempt to verify that the price they paid JDOG Marketing for local production gas promoted minimum prices consistent with an adequate supply of gas as required by the PUCO's rules. Responses to OCC discovery indicated that Northeast and Orwell accepted the end result (gas purchased) as being the lowest cost option. There was no indication Northeast or Orwell performed any independent analysis to determine (or verify) that the natural gas purchased was actually at the minimum prices available. Moreover, the contracts suggested a bias towards the affiliated company -- JDOG Marketing -- by imprudently injecting JDOG Marketing, and its additional fee, into the purchasing process to perform duplicative services already performed by Northeast and Orwell employees.[9]

Q12. WHAT ISSUES WERE RESOLVED THROUGH THE OPINION AND ORDER IN THE 2012 GCR?

A12. In the Opinion and Order filed in the 2012 GCR on November 13, 2013, the PUCO concluded that during the GCR audit period "the evidence shows that the gas costs were not fair, just, and reasonable and their gas purchasing practices and policies did not promote minimum prices consistent with an adequate supply of gas."[10] The PUCO also ruled on a number of issues, including the over-collection

[9] 2012 GCR, Direct Testimony of Gregory Slone at 20-25 (July 1, 2013).

[10] 2012 GCR, Opinion and Order at 35 (November 13, 2013).

for costs from customers for the purchase of local gas production by Northeast and Orwell during the audit periods,[11] and the disallowance of premiums paid to JDOG Marketing in the amount of $583,417 for Northeast, and $224,991 for Orwell.[12] The PUCO also approved a disallowance of the Cobra processing fees charged to Northeast's GCR customers in the amount of $145,363.[13] Finally, the PUCO ordered a civil forfeiture in the amount of $2,000 for each month Northeast and Orwell failed to comply with the terms of the Stipulation in the 2010 GCR Audit, which required the termination of the affiliate contracts. The total forfeiture equaled $26,000 for Northeast and $50,000 for Orwell.[14]

V. CURRENT STAFF AUDIT REPORT OF NORTHEAST, ORWELL AND BRAINARD

Q13. ARE YOU FAMILIAR WITH THE PUCO STAFF'S CURRENT FINANCIAL AUDIT REPORT FOR NORTHEAST, ORWELL AND BRAINARD?

A13. Yes, I reviewed the 2015 Audit Report conducted by Staff, which was docketed on January 27, 2015. In addition, I have reviewed the gas purchase contracts, gas supply options, and pricing history, and other information provided by Northeast, Orwell, and Brainard in response to OCC discovery. I have also reviewed information from the 2012 GCR proceeding, including the 2012 GCR Audit and

[11] 2012 GCR, Opinion and Order at 27 and 39 (November 13, 2013).

[12] Id at 42.

[13] Id. at 44-45.

[14] Id at 62.

Opinion and Order, which continue to impact the results and findings in the current GCR Audit for Orwell, Northeast, and Brainard.

Q14 WHAT IS YOUR UNDERSTANDING OF THE PUCO STAFF'S AUDIT REPORT?

A14. It is my understanding that the PUCO Staff Audit was a financial audit that focused on review of accounting issues. The Audit was not a Management/Performance ("M/P") Audit where the focus is on a review of the natural gas purchasing policies and practices of the utility. As a result, the Staff's Audit is not exhaustive and does not address the prudency of many of the Utilities' policies and practices.

As part of its financial audit and review of the prior PUCO orders, Staff re-priced local production costs based upon the costs paid to the local producers and any associated transportation charges. By re-pricing the production costs, the Staff determined that customers had been charged too much for natural gas. In doing so, Staff eliminated premiums paid to the affiliated marketers -- JDOG Marketing and GNR -- and eliminated any Cobra Pipeline Co. ("Cobra") processing fees for Northeast.[15] In addition, the Staff recommended re-pricing 9,000 dekatherms (Dth) of natural gas that Orwell purchased for March 2014. Orwell paid $56.00

[15] Staff Audit Report at 14 (January 27, 2015).

per Dth for the gas; however, Staff recommended a price of $6.72 per Dth, because it believed lower priced gas was available.[16]

Specifically, the Staff recommended refunding $1,077,901 for Northeast's customers. In addition, Staff recommended an upward adjustment of $43,470 for Orwell, increasing GCR rates for Orwell's customers. Finally, Staff recommended refunding $4,960 for Brainard's customers.[17]

I agree with the reasoning for the Staff's recommended adjustments. But I used a different methodology to reprice the over-priced local production. In addition, my re-pricing of Orwell's interstate gas purchases on OTP covers the entire audit period. Staff's re-pricing only accounts for a few of the most egregious and costly days in March 2014,[18] when Orwell paid $56 per Dth for 9,000 Dth of gas.

[16] Staff Audit Report at 15 (January 27, 2015).

[17] Staff Audit Report at 16, 29 and 31 (January 27, 2015).

[18] Staff Audit Report at 15 (January 27, 2015).

VI. LOCAL PRODUCTION GAS COSTS COMPARED TO INTERSTATE GAS COSTS FOR NORTHEAST AND ORWELL

Q15. IS LOCAL PRODUCTION GAS IN OHIO NORMALLY LESS EXPENSIVE TO PURCHASE AND DELIVER FOR LOCAL DISTRIBUTION GAS COMPANIES THAN GAS PURCHASED FROM AN INTERSTATE PIPELINE?

A15. Yes. Historically, interstate gas purchases have been more expensive than local gas production purchases. The higher cost for interstate gas is often attributed to the fixed demand cost for interstate transportation associated with interstate gas supply. In addition, many interstate gas contracts also include significant fixed costs associated with firm interstate storage service that is vital to all Local Distribution Companies ("LDCs") in Ohio. As a matter of fact, local gas production supplies for Northeast and Orwell have historically been priced lower than interstate supplies -- or at least that was the case from 2000 until 2008. However, starting in 2008, local production gas supplies for Northeast and Orwell suddenly became more expensive than interstate gas supplies.

Q16. WHAT DO YOU ATTRIBUTE THE SHIFT IN 2008 THAT INCREASED THE GAS COST OF LOCAL PRODUCTION RELATIVE TO INTERSTATE GAS?

A16. In 2008, Northeast and Orwell signed gas purchase agreements with an affiliate company -- JDOG Marketing. From 2008 until November 2013, JDOG

Marketing or its successor (GNR) purchased gas on behalf of the Utilities. During this time period, local production gas became more expensive than interstate gas.

As demonstrated in OCC Attachment GS-3, for the eight-year period from 2000 through 2007, Northeast purchased local production gas at a weighted average rate that was $0.97 per thousand cubic feet (Mcf) **less** than the average cost of interstate gas supplies.

However, after JDOG Marketing began purchasing local gas production for the Utilities, for the seven-year period from 2008 through 2014, the weighted average cost of local gas averaged $0.62 per Mcf **more** than the weighted average cost of interstate gas. This represents a total shift of $1.59 per Mcf after the affiliate -- JDOG Marketing -- began purchasing local gas for Northeast and Orwell. This differential would have been greater if not for the PUCO's decision in the 2012 GCR that prevented JDOG Marketing from purchasing local gas on the Utilities' behalf, effective December 2013. As a result of the PUCO's action, I have no re-pricing concerns or recommendations for local gas purchases after December 2013 for the remaining audit period (January 2014 through June 2014).

Q17. WHAT ARE OTHER REASONS THE COST OF LOCAL PRODUCTION GAS IS HIGHER FOR NORTHEAST AND ORWELL?

A17. Another reason that the cost of local production has been higher for Northeast and Orwell compared to local production costs prior to 2008 is that, in the past, Northeast paid for services that were never performed.

For example, JDOG Marketing purchased local production gas on behalf of Northeast from gas producers delivering gas supplies into Cobra Pipeline's Churchtown system. Cobra Pipeline -- a related company -- is an intrastate pipeline operating only in Ohio, with three separate pipeline systems: Churchtown, Homesville and North Trumbull. Because there are significant volumes of high Btu gas in the area, the Churchtown system, located in southeastern Ohio, has a processing plant that extracts butane, propane and other hydrocarbons (except methane) from natural gas delivered by producers into Cobra Pipeline.

In the 2012 GCR, the PUCO ruled that Northeast was paying the processing fee to Cobra Pipeline for gas that was never actually processed. Accordingly, the PUCO disallowed $145,363 for processing charges paid by Northeast to Cobra Pipeline reducing rates to Northeast's GCR customers.[19]

[19] 2012 GCR, Opinion and Order at 45.

Q18. HAVE YOU CALCULATED HOW MUCH NORTHEAST AND ORWELL OVERPAID, TO THE DETRIMENT OF GCR CUSTOMERS, FOR LOCAL PRODUCTION GAS DURING THE CURRENT AUDIT PERIOD?

A18. Yes. I calculated the total overpayment for local production gas purchases by Northeast, which should be refunded to its GCR customers, is $671,696 during the current audit period. I calculated the total overpayment for local production gas purchases by Orwell, which should be refunded to its GCR customers, is $25,181 during the current audit period.

Q19. HOW DID YOU DETERMINE THE APPROPRIATE REFUND TO CUSTOMERS?

A19. As discussed previously and as shown on OCC Attachment GS-3, (which was developed from Northeast's and Orwell's Annual Reports to the PUCO), for the eight-year period from 2000 through 2007, Northeast purchased local production gas at a weighted average rate of $0.97 per Mcf less than the average cost of interstate gas supplies. However, after JDOG Marketing began purchasing local gas production for Northeast, for the seven-year period from 2008 through 2014, the average cost of local gas was actually higher than the average cost of interstate gas. By using the same price relationship between local gas and interstate gas that was established in the eight years prior to JDOG Marketing's involvement in the purchase of gas for Northeast, an appropriate annual price for local production can be determined and applied for the audit period. This re-pricing will help assure that customers pay fair, just, and reasonable rates for natural gas supply.

OCC Attachment GS-3, column (b) shows the average price of local production gas for each year from 2000 through 2014. Reducing the average annual price of local production for the 2012 through 2014 audit period shown in column (b) by the historical weighted average difference between local gas and interstate gas of $0.97 per Mcf from the previous eight-year period prior to JDOG purchasing gas for Orwell and Northeast (2000 - 2007) provides a more appropriate price for local gas during the current audit period. This adjusted price for local production gas during the current audit period is shown in column (e).

The difference between the price Northeast actually paid for local production gas and the adjusted price is shown in column (f) of OCC Attachment GS-3 represents the average price per Mcf that Northeast overpaid for local production gas. By multiplying the average overpayment in column (f) by the adjusted local production gas purchased during the audit period, shown in column (g), the amount customers overpaid Northeast for local production gas during the audit period is shown in column (i).

Q20. HOW WAS THE AMOUNT THAT ORWELL'S CUSTOMERS HAVE OVERPAID FOR NATURAL GAS SUPPLY DERIVED?

A20. The total overpayment for local production gas that GCR customers paid to Orwell during the current Audit period can be calculated using the same approach developed for Northeast. The only variable that changed in my analysis takes into consideration that Orwell did not report a breakdown of local gas purchases and

interstate gas purchases on its Annual Report to the PUCO for a number of years between 2000 and 2007. Consequently, because of the limited data points available to calculate the average price differential between local production gas and interstate gas for Orwell prior to 2008, I used the same $0.97 per Mcf differential that I calculated for Northeast. Had I only used the two data points available from Orwell's 2000 through 2007 Annual Reports, the average price differential between local production gas and interstate gas would have been $2.40 per Mcf. Based on using Northeast's lower price differential of $0.97 per Mcf, I calculated the total overpayment for local production gas purchases by Orwell's GCR customers to be $25,181 during the current audit period.

VII. ORWELL GAS TRANSPORTATION CONTRACTS WITH ORWELL-TRUMBULL PIPELINE

Q21. WHAT GAS TRANSPORTATION CONTRACTS DOES ORWELL HAVE WITH OTP?

A21. Orwell entered into a transportation service agreement with OTP on January 1, 2006, attached as OCC Attachment GS-4, and began receiving natural gas deliveries from OTP that year. Orwell signed a second agreement with OTP on July 1, 2008, which replaced the 2006 agreement and obligated Orwell to transport gas through OTP for a 15-year period, as noted in OCC Attachment GS-5.

Q22. ARE ORWELL AND OTP AFFILIATED OR RELATED IN ANY WAY?

A22. Yes, at the time the contracts were signed, both Orwell and OTP were under the control of Richard Osborne.[20] Mr. Osborne was the owner of OTP[21] and the Chairman of the Board and CEO of Gas Natural, Inc. ("GNI"),[22] the parent company of Orwell.[23] It is my understanding that an affiliate is a company that shares common ownership with another company. In this instance, Richard Osborne owned OTP at the same time he was CEO of GNI and a majority stockholder in GNI. Therefore, it is my understanding that OTP and Orwell are related companies, rather than affiliates.

Q23. DID RICHARD OSBORNE SIGN THE TRANSPORTATION CONTRACT ON BEHALF OF ORWELL AND OTP?

A23. No, however, both Stephen G. Rigo, who signed for OTP and Thomas J. Smith, who signed for Orwell and Brainard, worked directly for Richard Osborne at the time the contracts were executed.[24] In prior testimony before the PUCO, both Mr. Rigo and Mr. Smith indicated that they reported directly to Mr. Osborne.[25]

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[20] *In the Matter of the Purchased Gas Adjustment Clause Contained Within the Rate Schedule of Northeast Natural Gas Corporation*, Case No. 10-209-GA-GCR, and *In the Matter of the Purchased Gas Adjustment Clause Contained Within the Rate Schedule of Orwell Natural Gas Company*, Case No. 10-212-GA-GCR, Testimony of Stephen G. Rigo at 1 (April 8, 2011); Tr. Vol. III at 400 (Rigo)(May 11, 2011). Tr. Vol. IV at 787-788 (Smith)(May 12, 2011).

[21] 2014 Staff Audit Report at 8 (January 27, 2015).

[22] 2012 Staff Audit Report at 8 (February 28, 2013).

[23] 2014 Staff Audit Report at 6 (January 27, 2015).

[24] See, July 1, 2008 Natural Gas Transportation Service Agreement attached as OCC Attachment GS-5 at 9.

[25] 2012 GCR, Direct Testimony of Stephen G. Rigo at 1 (April 8, 2011); Tr. Vol. III at 400 (Rigo)(May 11, 2011). Tr. Vol. IV at 787-788 (Smith)(May 12, 2011).

Q24. DO THE CONTRACTS BETWEEN ORWELL AND ORWELL-TRUMBULL PIPELINE SHOW A BIAS TOWARDS THE RELATED COMPANY?

A24. Yes. The 2006 contract between Orwell and OTP had a three year term at $0.95 per Mcf for interruptible service. In addition, the contract had the effect of reducing the volumes of natural gas Orwell was transporting through Dominion. This contract showed bias toward OTP because Orwell agreed to pay OTP $0.95 per Mcf for interruptible transportation service, while it had been paying Dominion approximately $0.92 per Mcf for firm transportation service, which is a considerably more valuable service for consumers.

Firm transportation service is more valuable than interruptible transportation service because, as the name implies, the service is firm (or available) 24 hours a day, 365 days a year. This is important to GCR customers because they need to be assured of having service during the peak cold winter heating season. On the other hand, interruptible transportation service can be interrupted and thus is often not available during the coldest parts of the winter heating season.

For example, both Spelman and Cobra have tariffs with a transportation rate for interruptible service for $0.50 per Dth.[26] The fact that the rate that Orwell paid OTP for charges are far in excess compared to what other affiliated and related pipelines were charging suggests the lack of an arms-length relationship. A

[26] Both Mcf and Dth are simply units of measure used to determine the amount of natural gas transported or consumed. Mcf if measured in cubic feet and Dth is measured in therms or btus. Typically, one Dth equally approximately 970 cubic feet of natural gas. One Mcf equals 1,000 cubic feet of natural gas.

reasonable arms-length transaction would have produced a transportation rate on the OTP system of approximately $0.50 per Mcf.

Similarly, the 2008 contract was also not negotiated at arm's length and shows an even greater bias towards OTP than the 2006 contract Orwell signed with OTP for the following reasons:

1) The transportation rate that OTP charges Orwell is not commensurate with the rate Orwell paid other similarly situated pipelines;
2) OTP has agreements with other transportation customers (end-users on Orwell's distribution system) at significantly lower transportation rates than that which OTP charges Orwell;
3) The 2008 agreement provides OTP with the exclusive right to transport all of Orwell's natural gas supply for a 15-year term,[27] which is significantly longer than normal for this type of agreement; and
4) The 2008 contract between Orwell and OTP was for interruptible transportation service, replacing a similarly priced transportation contract Orwell had negotiated with Dominion East Ohio Gas for firm service. In addition, the Dominion contract did not grant Dominion the exclusive

[27] See, July 1, 2008 Natural Gas Transportation Service Agreement between Orwell and OTP at 5, attached as OCC Attachment GS-5.

right to transport gas for Orwell. Thus, Orwell had significant flexibility under the Dominion contract that it does not have under the OTP contract.

5) Orwell was paying OTP the same rate for an inferior interruptible transportation service that it previously paid Dominion for firm service. To the extent that the OTP contract was needed to provide Orwell's customers with gas during peak winter periods, the reliance on interruptible transportation service was unreasonable and imprudent, because the service is not reliable during high demand winter periods when customers have the greatest need for natural gas service.

Q25. DID THIS BIAS CREATED WITH THE CONTRACT BETWEEN ORWELL AND OTP RESULT IN CUSTOMERS PAYING TOO MUCH FOR NATURAL GAS?

A25. Yes, the bias resulted in customers over paying by $1,653,652. The OTP/Orwell contract amounted to an unreasonable and imprudent purchasing contract. The GCR customers should be protected from paying excessive charges caused by these actions.

Q26. IS THE TRANSPORTATION RATE ORWELL PAYS OTP COMMENSURATE WITH OTHER SIMILARLY SITUATED PIPELINES IN OHIO?

A26. No. Orwell takes transportation service from four intrastate pipeline companies: OTP, Cobra Pipeline Co., LTD ("Cobra"), Spelman Pipeline Holdings, LLC ("Spelman"), and North Coast Gas Transmission, LLC ("North Coast"). Cobra's rate is $0.50 per Dth.[28] Spelman's rate is $0.50 per Dth.[29] North Coast's rate is $0.25 per Dth.[30] OTP's rate was $0.95 per Mcf for the 2012 - 2014 audit period and due to an escalation clause in the contract, it is currently $1.01 per Mcf[31] -- more than double the rates charged by the other three pipelines.[32]

Q27. DO YOU HAVE OTHER CONCERNS REGARDING THE OTP CONTRACT IN ADDITION TO THE RATE?

A27. Yes. The contract Orwell signed with OTP is for a 15-year term whereby OTP has exclusive rights to transport all natural gas delivered to Orwell.[33] The term of the contract is unusually long, but more importantly there is an exclusivity

[28] See, January 24, 2008 Transportation Service Agreement between Orwell and Cobra at 1, attached as OCC Attachment GS-6.

[29] See February 28, 2014 Transportation Service Agreement between Orwell and Spelman at 2, attached as OCC Attachment GS-7.

[30] See August 23, 2004 Transportation Service Agreement between Orwell and North Coast at 16, attached as OCC Attachment GS-8.

[31] Both Mcf and Dth are simply units of measure used to determine the amount of natural gas transported or consumed. Mcf if measured in cubic feet and Dth is measured in therms or btus. Typically, one Dth equally approximately 970 cubic feet of natural gas. One Mcf equals 1,000 cubic feet of natural gas.

[32] See, July 1, 2008 Natural Gas Transportation Service Agreement between Orwell and OTP at 11, attached as OCC Attachment GS-5.

[33] Id. at 5.

clause[34] in the agreement that is unduly burdensome and likely to cause customers to pay rates that may not be fair, just, and reasonable.

The agreement states that "[Orwell] agrees that during the term of this Transportation Service Agreement it will use only OTP's pipelines to transport gas for any of its customers; provided, however, that this exclusive use of the OTP pipelines shall remain in effect as long as OTP has available capacity within its pipelines."[35] By signing this agreement Orwell is committed to taking gas from the OTP system, regardless of how many other better opportunities might arise over the next 15 years. Interestingly, while Orwell was prevented from taking service from any other pipeline for fifteen years, OTP was not similarly handicapped. OTP retained the option of serving additional or other customers if an opportunity arose for OTP to transport at a higher, or lower, rate than Orwell was paying. OTP had that option, even if it meant daily gas capacity being used by Orwell would have to be interrupted.

Orwell also appears to have similar concerns as mine, regarding the validity of the contract with OTP as they have filed a Complaint with the PUCO alleging that the 2008 contract between Orwell and OTP is "currently detrimental to rate payers within ONG's [Orwell's] system and OTP should be under a standard tariff rate

[34] Id. at 4.

[35] See July 1, 2008 Natural Gas Transportation Service Agreement between Orwell and OTP at 4, attached as OCC Attachment GS-5.

for transportation services."[36] The Complaint also alleges that "The Agreement, pursuant to its terms, results in [customers] for ONG [Orwell] paying a premium for gas than is otherwise available in the market."[37]

Q28. DO YOU HAVE ANY OTHER CONCERNS RELATED TO THE 2008 CONTRACT?

A28. Yes. It is my understanding that the PUCO has long preferred that LDCs minimize their reliance on affiliated pipelines for transportation service.[38] It is also my understanding that the PUCO prefers that LDCs diversify both their commodity and gas transportation services whenever financially feasible.[39]

In this case, Orwell acted contrary to PUCO precedent. First, Orwell increased its reliance on a related pipeline -- OTP -- when it signed the 15-year transportation agreement. Thus Orwell became more reliant on a related company. Second, by abandoning or dismantling the Dominion taps, Orwell lessened the potential diversity of supply options. The reasonable and prudent action (as has been previously recognized by the PUCO) would have been to increase diversity of

[36] *Orwell Natural Gas Company, Complainant, vs. Orwell-Trumbull Pipeline Company, LLC, Respondent,* Case No. 15-637-GA-CSS, Complaint at 3 (March 31, 2015).

[37] Id.

[38] *In the Matter of the Investigation Into the Gas Purchasing Practices and Policies of Columbia Gas of Ohio, Inc.,* Case No. 83-135-GA-COI, and *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Columbia Gas of Ohio, Inc. and Related Matters*, Case No. 84-6-GA-GCR, Opinion and Order at 20 (October 8, 1985).

[39] Id at 20, 22, 25.

supply actions by adding OTP as a potential transportation provider, while retaining the services option provided by Dominion.

Based on my reading of the PUCO's Opinion and Order in a Columbia Gas of Ohio GCR case, Case Nos. 83-135-0GA-COI and 84-6-GA-GCR, and on advice of counsel, the PUCO was critical of Columbia for its over-reliance on its affiliate pipeline transportation service provider, Columbia Gas Transmission Company.[40] In addition, the PUCO ordered Columbia to take steps to diversify its gas commodity and transportation options.[41]

Perhaps the most significant issue with Orwell signing the one-sided agreement with its related pipeline is that the exclusive right that Orwell entered into with OTP led to the loss of a special contract Orwell had with Dominion.

Q29. WHY IS THE LOSS OF THE DOMINION SPECIAL CONTRACT SIGNIFICANT?

A29. There are a number of reasons. Orwell signed an agreement with Dominion on April 14, 2005 ("Dominion Special Contract").[42] Prior to signing the OTP contract, Orwell received most of its gas supply from Dominion and some from

[40] *In the Matter of the Investigation Into the Gas Purchasing Practices and Policies of Columbia Gas of Ohio, Inc.,* Case No. 83-135-GA-COI, and *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Columbia Gas of Ohio, Inc. and Related Matters*, Case No. 84-6-GA-GCR, Opinion and Order at 20 (October 8, 1985).

[41] Id. at 20.

[42] See April 14, 2005 Agreement between Orwell and Dominion, attached as OCC Attachment GS-9.

local gas production.[43] Once Orwell began taking gas deliveries from OTP, the gas supply from Dominion was drastically reduced.

On the surface, reducing reliance on the Dominion system would appear to be the right move, as supply diversity can be an advantage for any natural gas local distribution system. Unfortunately, rather than improving its supply diversity by adding another supply alternative, Orwell entered into an exclusive 15-year agreement with OTP for the transport of all of its gas deliveries beginning on July 1, 2008.[44] Thus, not only did Orwell improperly reduce its gas transportation and gas supply options, but at the same time, it improperly increased its reliance on a related company -- OTP.

Orwell essentially traded reliance on a firm contract with a non-affiliated and non-related entity -- Dominion -- for reliance on an interruptible contract with a related entity -- OTP.

Trading the Dominion Special Contract for the OTP contract is imprudent for at least two reasons: first, the transportation rates were approximately equal, but the Dominion transportation rate averaged $0.92 per Mcf for firm service, as long as Orwell arranged to deliver gas to Dominion,[45] while the OTP contract provided

[43] Orwell and OTP Annual Reports to the PUCO.

[44] See July 1, 2008 Natural Gas Transportation Service Agreement between Orwell and OTP at 4-5, attached as OCC Attachment GS-5.

[45] See, April 14, 2005 Agreement between Orwell and Dominion at 1, 7-9, attached as OCC Attachment GS-9.

for an inferior quality (interruptible) service at a rate of $0.95 per Mcf;[46] Second, the exclusivity clause in the OTP contract limits future opportunities to take lower priced natural gas from other pipelines and potentially other gas supply sources that are not tied to OTP. A gas distribution company with natural gas purchasing practices and policies that promote minimum prices for their customers consistent with an adequate supply of gas would not voluntarily enter into this type of agreement with OTP and give up the firm contract it had with Dominion for an interruptible rate with an exclusivity clause.

Q30. WHY DO YOU STATE THAT OTP HAS AGREEMENTS WITH OTHER TRANSPORTERS (END-USERS ON ORWELL'S DISTRIBUTION SYSTEM) AT SIGNIFICANTLY LOWER TRANSPORTATION RATES THAN ORWELL PAYS?

A30. A number of Orwell's distribution customers are currently receiving transportation service directly from OTP. Unfortunately, several of the agreements are filed with confidential transportation rates and are not currently available to OCC. A public 2009 contract between OTP and Newbury Local Schools includes the transportation rate. The rate is $0.90 per Mcf, which is less than the rate Orwell pays for transportation.[47] Moreover, Newbury Local

[46]See, July 1, 2008 Natural Gas Transportation Service Agreement between Orwell and OTP at 4, attached as OCC Attachment GS-5.

[47] July 28, 2009 Transportation Service Agreement between Orwell-Trumbull Pipeline and Newbury Local Schools at 4, attached as OCC Attachment GS-10.

Schools' agreement is for firm service, while Orwell pays $0.95 per Mcf for interruptible service.[48]

In addition, I am aware of another customer -- identified only as YMCA -- receiving a transportation rate of $0.50 per Mcf from OTP. I have not been able to locate the specific transportation agreement, but the rate is identified and listed on a separate bill on monthly invoices from OTP to Orwell.[49] It appears that Orwell bills the transportation rate to the YMCA on behalf of OTP. Because the contract between OTP and the YMCA is unavailable, it cannot be determined if the agreement is for firm or interruptible service. While the $0.50 per Mcf rate is significantly lower than that which Orwell pays to OTP, it is practically the same rate as other pipelines -- Spelman and Cobra -- charge Orwell for transportation service. The $0.50 per Mcf rate appears to be a more appropriate rate for Orwell to pay OTP. That is, had the rate been determined through an arm's length negotiation.

[48] July 28, 2009 Transportation Service Agreement between Orwell-Trumbull Pipeline and Newbury Local Schools at 4, attached as OCC Attachment GS-10.

[49] *In the Matter of the Complaint of Orwell Natural Gas Company, Complainant, v. Orwell-Trumbull pipeline Company, LLC, Respondent*, Case No. 14-1654-GA-CSS, See OCC Attachment GS-11, August 12, 2012 OTP Invoice to Orwell Natural Gas.

Q31. HAVE YOU CALCULATED HOW MUCH ORWELL HAS OVERCHARGED CUSTOMERS FOR GAS DELIVERED THROUGH ORWELL-TRUMBULL PIPELINE DUE TO THE LOSS OF THE DOMINION SPECIAL CONTRACT?

A31. Yes. In response to OCC discovery, Orwell provided the gas supply volumes delivered through the OTP system for the audit period, attached as OCC Attachment GS-12. The data provided as "Orwell OTP Supply" show the gas volumes purchased and delivered to Orwell each month and the cost per Mcf Orwell paid for the gas.

As OCC Attachment GS-12 shows, during the audit period, Orwell paid a total of $7,642,032 (column "h") for 1,082,245 Mcf of gas delivered (column "d") for an average cost of $7.061 per Mcf (column "i").

Also in response to OCC discovery, Orwell provided the gas supply volumes still delivered through the Dominion system for those limited Orwell pipeline systems that OTP could not serve. This data is also shown on OCC Attachment GS-12 as the "Orwell DEO Supply." This table shows the average commodity price of gas that Orwell paid for gas received through the Dominion pipeline system for each month of the audit period. However, instead of using the transportation rate Orwell actually paid each month, I replaced the transportation rate paid with the price Orwell would have paid Dominion had Orwell remained on its Special Contract Rate with Dominion.

With this adjustment, I was able to determine the price Orwell would have paid for gas purchases from the Dominion system for each month during the audit period. The average price Orwell would have paid for gas through the Dominion system during the audit period was $5.722 per Mcf (column "r").

Based on these calculations shown on OCC Attachment GS-12, by signing the 15-year exclusive contract with OTP and losing the Dominion Special Contract, GCR customers paid $1,653,652 more during the audit period than they would have paid if Orwell would have maintained the Dominion Special Contract. Customers are required to pay gas rates that are fair, just, and reasonable and natural gas companies are required to have gas purchasing practices and policies that are reasonable, prudent, and promote minimum prices consistent with an adequate supply of gas. Due to Orwell's unreasonable and imprudent purchasing practices, customers overpaid for gas supply. The overpayment should be refunded to customers.

Q32. WERE MONTHLY DELIVERED GAS PRICES DURING THE AUDIT PERIOD ALWAYS HIGHER ON THE OTP SYSTEM THAN THE DOMINION SYSTEM?

A32. No. Although the delivered price of gas was generally cheaper from Dominion than from OTP, the difference was not significant most months. However, during the five month period from November 2013 through March 2014, the delivered

cost of gas from the OTP system was much higher, accounting for almost 95% of the total difference during the audit period.

Q33. COULD ORWELL HAVE PURCHASED GAS THROUGH THE DOMINION SYSTEM DURING THE FIVE MONTH PERIOD FROM NOVEMBER 2013 THROUGH MARCH 2014, EVEN IF IT NO LONGER HAD THE SPECIAL TRANSPORTATION AGREEMENT WITH DOMINION?

A33. No. Orwell chose to abandon or physically dismantle the interconnections (or taps) with Dominion once Orwell began receiving natural gas supplied from OTP.[50] Dominion currently only serves the isolated parts of Orwell's system that OTP cannot serve.

Q34. WHY DID ORWELL ABANDON THE TEN INTERCONNECTIONS WITH DOMINION?

A34. According to Orwell's President -- Marty Whelan -- the taps were abandoned in order to avoid paying a meter charge of $120 per month for each of the interconnections.[51] This saved Orwell approximately $1,200 per month for all ten interconnects, or $14,400 per year.

[50] 2014 GCR, Deposition of Martin Whelan at 52-53 (May 8, 2015), attached as OCC Attachment GS-15.

[51] 2014 GCR, Deposition of Martin Whelan at 53 (May 8, 2015), attached as OCC Attachment GS-15.

Q35. DO YOU CONSIDER ORWELL'S ACTIONS TO ABANDON THE TAPS TO SAVE APPROXIMATELY $14,400 PER YEAR ON GAS COSTS A PRUDENT DECISION?

A35. Absolutely not, and based on his testimony, neither does Orwell's President -- Marty Whelan. During his deposition regarding the reason that Orwell abandoned the taps with Dominion, Mr. Whelan stated, "I can tell you that I didn't agree with it, and I blew a gasket over it. And if nothing else, if something happened to Orwell-Trumbull system, [we would] have a backup."[52]

OTP receives its gas supply through one interconnect with North Coast Gas Transmission ("North Coast") located near Mantua, Ohio. OTP then moves the gas received from North Coast north to Orwell's distribution system, as can be seen on the map of Orwell and OTP's systems, attached as OCC Attachment GS-13. Any disruption of service from North Coast or OTP could put the entire Orwell system served by OTP at risk of losing gas service to customers. So not only would the Dominion taps have provided Orwell with another gas supply option for potentially cheaper gas supplies, the interconnects would have also provided a physical backup gas supply in the event of a disruption on North Coast or OTP.

[52] 2014 GCR, Deposition of Martin Whelan at 52-53 (May 8, 2015), attached as OCC Attachment GS-15.

Q36. WOULD ORWELL HAVE BEEN ABLE TO PURCHASE GAS SUPPLIES FROM DOMINION DURING THE FIVE-MONTH PERIOD FROM NOVEMBER 2013 THROUGH MARCH 2014 IF THE DOMINION TAPS WERE STILL IN PLACE?

A36. Yes, if Orwell had not entered into the 2008 contract with OTP and the interconnects with Dominion had remained in place, Orwell would have been able to purchase gas and transport on Dominion's system at any time during the current audit period and especially during the five-month period from November 2013 through March 2014.

VIII. LOSS OF DOMINION SPECIAL CONTRACT

Q37. IN ADDITION TO OVER PAYING FOR GAS DELIVERED THROUGH OTP, DID THE LOSS OF THE DOMINION SPECIAL TRANSPORTATION CONTRACT CREATE ANY ADDITIONAL COSTS TO ORWELL'S GCR CUSTOMERS?

A37. Yes. The loss of the Dominion Special Transportation Contract also impacted the cost of gas Orwell still purchased from Dominion to serve isolated Orwell distribution systems that could only be supplied by Dominion because they were not interconnected with gas supplies from OTP.

Q38. HAVE YOU CALCULATED HOW MUCH ORWELL HAS OVERPAID FOR GAS DELIVERED FROM DOMINION DUE TO THE LOSS OF THE DOMINION SPECIAL CONTRACT?

A38. Yes. GCR customers paid a total of $205,016 more for gas transported through Dominion than they would have been charged had the Dominion Special Contract with Orwell not been terminated.

Q39. HOW WAS THIS EXCESS AMOUNT CALCULATED?

A39. In response to OCC discovery, Orwell provided the natural gas delivered through the Dominion system for the current audit period, attached as OCC Attachment GS-14. The data provided by Orwell, shown on OCC Attachment GS-14 as "Orwell Dominion Supply" shows the gas volumes purchased and delivered to Orwell each month and the cost per Mcf Orwell paid for the gas.

The calculation of how much Orwell overpaid for gas delivered from Dominion, due to the loss of the Dominion Special Contract is shown on OCC Attachment GS-14 as the "Added Cost of Terminated Dominion Special Contract." The actual Dominion transportation rate for each month of the audit period is calculated by dividing the total monthly Dominion transportation charge, listed on OCC Attachment GS-14 as "DEO Transport," by the monthly volumes delivered to Orwell -- shown on the attachment as MCF After Shrink. The actual monthly Dominion transportation rate is then reduced by the average transportation rate of

$0.92 per Mcf,[53] which Orwell would have paid each month if the Special Contract with Dominion had not been unreasonably terminated.

The total monthly cost premium Orwell paid Dominion for transportation service after the loss of the Dominion Special Contract is shown on the last column of OCC Attachment GS-14. As OCC Attachment GS-14 shows, GCR customers paid a total of $205,016 more for gas transported through Dominion than they would have been charged had the Dominion Special Contract with Orwell not been terminated.

IX. CONCLUSION

Q40. WHAT IS YOUR RECOMMENDATION?

A40. Based on the gas purchasing practices between Northeast and Orwell and their affiliates during the 2015 Audit period, as discussed in my testimony, I recommend the PUCO find that the local production gas costs for Northeast and Orwell during the 2015audit period were unreasonable and imprudent.

Therefore, I recommend that the intrastate gas supply from local gas producers provided by JDOG Marketing and GNR during the audit periods be re-priced. It should be re-priced based on the historic difference between the cost of interstate gas and the cost of local production gas prior to the insertion of JDOG Marketing

[53] See, April 14, 2005 Agreement between Orwell and Dominion at 9, attached as OCC Attachment GS-9.

in 2008 as the asset manager for both Northeast and Orwell. I recommend that the PUCO order corresponding refunds or reconciliations to customers of $671,696 for Northeast and $25,181 for Orwell.

In addition, I recommend that the PUCO terminate as unreasonable the 2008 gas transportation agreement between Orwell and Brainard with Orwell Trumbull Pipeline. I also recommend the PUCO should direct Orwell and Brainard to renegotiate a more reasonable agreement because the agreement was not entered into through an arm's length negotiation and, consequently, had a detrimental impact on Orwell's and Brainard's residential customers' GCR rates.

I also recommend that the PUCO require Orwell to pursue reinstalling the interconnections with Dominion that Orwell abandoned/dismantled after the gas transportation contract with OTP was executed. The PUCO should also order that shareholders bear the cost of the new interconnections inasmuch as their abandonment or dismantling was imprudent.

With regard to the issue of re-pricing the gas transported on OTP, I recommend the PUCO order Orwell to refund $1,653,652 to GCR customers for excessive charges for natural gas delivered through the OTP system during the audit period.

In addition, I recommend the PUCO order Orwell to refund $205,016 to GCR customers for excessive charges for natural gas transportation services on

Dominion's system. The refund is necessary due to the loss of a special gas transportation contract Orwell had with Dominion that was terminated by Dominion once Orwell signed the transportation contract with OTP.

Finally I recommend that the PUCO order a complete management Performance Audit ("M/P Audit") as part of their next GCR review. I recommend that the PUCO retain an independent auditor to conduct the M/P Audit to ensure that the gas purchasing practices and policies of the Utilities result in fair, just, and reasonable gas rates to customers and promote minimum prices consistent with an adequate supply of gas. I recommend that the Utilities' shareholders pay for the M/P Audit.

Q41. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A41. Yes, however, I reserve the right to incorporate new information that may subsequently become available. I also reserve the right to supplement my testimony in response to positions taken by the PUCO Staff or the Utilities.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the *Direct Testimony of Gregory Slone, on behalf of the Office of the Ohio Consumers' Counsel*, was served on the persons stated below via electronic service this 23rd day of July, 2015.

/s/ Joseph P. Serio
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Gregory Slone
Testimony Submitted on Public Utility Regulation

- *In the Matter of Northeast Ohio's* and *Orwell's Purchased Gas Adjustment Clauses*, Case No. 10-209-GA-GCR and Case No. 10-212-GA-GCR (April 18, 2011)

- *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 08-1344-GA-EXM (July 8, 2011)

- *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services*, Case No. 08-1344-GA-EXM (Rebuttal Testimony - July 14, 2011)

- *In the Matter of the Application of The Dayton Power and Light Company to Establish a Fuel Rider*, Case No.11-5730-EL-FAC (October 4, 2012)

- *In the Matter of the Application of The Dayton Power and Light Company for Approval of its market Rate Offer*, Case No.12-426-EL-SSO (March 1, 2013)

- *In the Matter of Northeast Ohio's* and *Orwell's Purchased Gas Adjustment Clauses*, Case No. 12-209-GA-GCR and Case No. 12-212-GA-GCR (July 1, 2013)

- *In the Matter of the Complaint of Ormet Primary Aluminum Corporation v. Ohio Power Company d/b/a/ AEP Ohio,* Case No. 13-2206-EL-CSS (April 22, 2014)

Exhibit A - Contract matrix

Attachment GS-2

Counter Party					A	B	C
	Type	Identifyer	Origination Date	Term	Commodity Coast	Transportation Cost	Storage Cost
Brainard Gas							
Orwell Trumbull Pipeline	Transport	OrwellBrainard2008 - IT - Orwell - Trumbull #1	7/1/2008	15 Years	N/A	$.95 per MCF plus Shrink (DBT)	N/A
Cobra Pipeline Company	Transport	Brainard2008 - IT - CobraPipeline#1	1/24/2008	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
John D Oil & Gas Marketing, LLC	NAESB	JohnD.2011 - INTERSTATESales-Service Company#2	Assigned to GNR 6/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Sequent Energy	NAESB	N/A	8/1/2010	Month to Month	Confirmation agreement	N/A	N/A
Great Plains	NAESB	Brainard2013 - Sales-Great Plains	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Gas Natural Service Company	NAESB	Service Company2011 - INTRASTATESales-LDC's #5	2/23/2011	Terminated	Confirmation agreement	N/A	N/A
Orwell Natural Gas Company							
Orwell Trumbull Pipeline	Transport	OrwellBrainard2008 - IT - Orwell - Trumbull #1	7/1/2008	15 Years	N/A	$.95 per MCF plus Shrink (DBT)	N/A
Cobra Pipeline Company	Transport	ORWELL2008 - IT - CobraPipeline#1	1/24/2008	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
North Coast Gas Transmission	Transport	IT-30000-A	8/23/2004	Year to Year	N/A	$0.38 per DTH plus 1.025% Shrink	N/A
Spellman Pipeline	Transport	SPEL-ORW14	2/28/2014	3 Years	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
Columbia Gas Transmission	Storage	Orwell2004-GTS-TCO #1	1/14/2004	Year to Year	N/A	N/A	$0.7849 per DTH plus Shrink (DBT)
BP Canada	NAESB	5503044	2/1/2010	Month to Month	Confirmation agreement	N/A	N/A
South Jersey Resources Group	NAESB	N/A	12/1/2009	Month to Month	Confirmation agreement	N/A	N/A
Lake Shore Gas	NAESB	Orwell2013-Sales-LSGS	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Compass Energy	NAESB	N/A	9/17/2010	Month to Month	Confirmation agreement	N/A	N/A
Mid American Natural Resources, LLC	NAESB	N/A	11/10/2009	Month to Month	Confirmation agreement	N/A	N/A
Shell Energy	NAESB			Month to Month	Confirmation agreement	N/A	N/A
North Coast Gas Transmission	NAESB	GS 30000 M		Month to Month	Confirmation agreement	N/A	N/A
Constellation	NAESB	AES07036	2/1/2007	Month to Month	Confirmation agreement	N/A	N/A
Sequent Energy	NAESB	NA	8/1/2010	Month to Month	Confirmation agreement	N/A	N/A
Gas Natural Service Company	NAESB	Service Company2011 - INTRASTATESales-LDC's #5	2/23/2011	Terminated	Confirmation agreement	N/A	N/A
John D Oil & Gas Marketing, LLC	NAESB	JohnD.2011 - INTERSTATESales-Service Company#2	Assigned to GNR 6/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Great Plains Exploration	NAESB	Orwell2013-Sales-Great Plains	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Mentor Energy & Resources Company	NAESB	Orwell2013-Sales-Mentor	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
John D Resources	NAESB	Orwell2013-Sales-Resources	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
OsAir	NAESB	Orwell2013-Sales-OsAir	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
John D Oil & Gas Company	NAESB	Orwell2013-Sales-JDOG	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Annorock Petroleum	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX even per MCF	N/A	N/A
Beldon & Blake (Enervest)	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX even per MCF minus 2% Shrink	N/A	N/A
Energy Exploation and Development	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX even per MCF minus 2% Shrink	N/A	N/A
Gas Acquisition	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX plus $0.30 per MCF	N/A	N/A
Petrox, Inc.	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX plus $0.35 per MCF	N/A	N/A
Alliance Petroleum Corporation	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX plus $0.60 per MCF	N/A	N/A
Stackhouse Construction Inc.	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX plus $0.40 per MCF	N/A	N/A
Range Resource (Enervest)	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX plus $0.50 per MCF	N/A	N/A
Northeast Ohio Natural Gas Company							
Dominion East Ohio	Transport	NEO2005-GTS-Dominion East Ohio #1	4/14/2005	Year to Year	N/A	see section 2.2 of contract	N/A
Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#1 H0001	1/24/2008	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#2 C0001	1/24/2008	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink, $0.25	N/A
Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#3 N0002	1/24/2008	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#1 H0001 Revision #1	4/1/2013	Year to Year	N/A	1825 DTH MDQ Firm tariff rate	N/A
Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#2 C0001 Revision #1	4/1/2013	Year to Year	N/A	725 DTH MDQ Firm tariff rate	N/A

Cobra Pipeline	Transport	NEO2008IT-CobraPipeline#3 N0002 Revision #1	4/1/2013	Year to Year	N/A	350 DTH MDQ Firm tariff rate	N/A
Spellman Pipeline	Transport	SPEL-NEO12	3/1/2012	Year to Year	N/A	$0.50 per DTH plus 3.5% Shrink	N/A
Columbia Gas Transmission	Storage	NEO2004-GTS-TCO#1	11/1/2014	Year to Year	N/A	N/A	$0.7849 per DTH plus Shrink (DBT)
Columbia Gas Transmission	Storage/Transport	NEO2008-FTS-TCO#1	5/9/2008	Year to Year	N/A	3147 DTH Firm tariff rate	N/A
BP Canada	NAESB			Month to Month	Confirmation agreement	N/A	N/A
Shell Energy	NAESB			Month to Month	Confirmation agreement	N/A	N/A
IGS Energy	NAESB			Month to Month	Confirmation agreement	N/A	N/A
Exelon	NAESB			Month to Month	Confirmation agreement	N/A	N/A
Constellation	NAESB			Month to Month	Confirmation agreement	N/A	N/A
Sequent Energy	NAESB	N/A	8/1/2010	Month to Month	Confirmation agreement	N/A	N/A
Gas Natural Service Company	NAESB	Service Company2011 - INTRASTATESales-LDC's #5	2/23/2011	Terminated	Confirmation agreement	N/A	N/A
John D Oil & Gas Marketing, LLC	NAESB		Assigned to GNR 6/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Great Plains Exploration	NAESB	NEO2013-Sales-Great Plains	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Mentor Resources	NAESB	NEO2013-Sales-Mentor	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
John D Resources	NAESB	NEO2013-Sales-Resources	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
OsAir	NAESB	NEO2013-Sales-OsAir	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
John D Oil & Gas Production Company	NAESB	NEO2013-Sales-JDOG	12/1/2013	Month to Month	Confirmation agreement	N/A	N/A
Hutton Exploration	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX even per MCF	N/A	N/A
RC Poling Company	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Bands Company	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Mormack	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Petrox	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
HI Smith	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.10 per MCF	N/A	N/A
Dominion E&P	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 plus 2% Shrink/Mcf	N/A	N/A
Hartzler	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Killbuck Creek Oil Company	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Alliance Petroleum	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
ISSI	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
LOR Beazer	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
White Energy	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Harry Weaver	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Great Plains Exploration	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Northwood Energy	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Enervest	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A
Everflow Eastern	Local Production	N/A	Assigned from GNR 12/1/2013	Month to Month	NYMEX minus $0.20 per MCF	N/A	N/A

Northeast Natural Gas - Local Gas Purchases vs Interstate Gas Purchases

a	b	c	d	e	f	g	h	i
			(b - c)	(c - avg of d)	(b - e)		(d*g)	(f * g)
Year	Local Gas	Interstate	Added Cost of Interstate Gas	Price of Local Gas based on historical diff	Delta between acutal and adjusted	Audit Period Local Gas Purchases (Mcf)	Added Cost of Interstate Gas	Over payment for Local Gas
2000	$ 3.19	$ 3.91	$ 0.72			413,198	295,753	
2001	$ 4.20	$ 6.36	$ 2.16			485,630	1,047,780	
2002	$ 3.47	$ 3.50	$ 0.03			719,000	20,188	
2003	$ 5.42	$ 5.91	$ 0.49			744,523	362,219	
2004	$ 6.73	$ 7.09	$ 0.36			787,363	282,865	
2005	$ 8.58	$ 10.85	$ 2.27			607,808	1,378,887	
2006	$ 8.24	$ 10.51	$ 2.27			198,745	450,479	
2007	$ 8.22	$ 9.26	$ 1.04			168,948	175,679	
2008	$ 10.98	$ 9.60	$ (1.38)	$8.63	$2.35	264,387	(365,073)	
2009	$ 5.83	$ 5.91	$ 0.08	$4.94	$0.89	218,767	17,501	
2010	$ 7.01	$ 6.26	$ (0.75)	$5.29	$1.72	557,743	(418,307)	
2011	$ 6.57	$ 5.47	$ (1.10)	$4.50	$2.07	543,868	(598,255)	
2012	$ 3.96	$ 3.31	$ (0.64)	$2.34	$1.62	306,313	(197,311)	$495,354
2013	$ 4.52	$ 4.83	$ 0.31	$3.85	$0.67	282,389	86,345	$188,421
2014	$ 5.42	$ 6.57	$ 1.15	$5.59	($0.18)	68,964	79,181	-$12,079
								$671,696
	2000-2007	Wtd Avg -	$ 0.97					
	2008-2014	Wtd Avg -	$ (0.62)					

1 NEO audit period covers the last 10 months of 2012, all of 2013, and 1st 6 months of 2014.
2 All data utilized for this analysis is from NEO annual reports to PUCO, plus OCC Att. GS-3 in response to 2nd set of OCC discovery
3 Annual Report data is used from 2000 -2011, which is based on the calendar year
4 Discovery responses are used for 2012-2014, which is based on the audit period

Orwell Natural Gas - Local Gas Purchases vs Interstate Gas Purchases

a	b	c	d	e	f	g	h	h
			(b - c)	(c - avg of d)	(b - e)		(d*g)	(f * g)
Year	Local Gas $/Mcf	Interstate $/Mcf	Added Cost of Interstate Gas	Price of Local Gas based on historical diff	Delta between acutal and adjusted	Audit Period Local Gas Purchases (Mcf)	Added Cost of Interstate Gas	Over payment for Local Gas
2000								
2001								
2002								
2003								
2004	$ 5.09	$ 7.13	$ 2.04					
2005	$ 6.82	$ 9.57	$ 2.75					
2006								
2007								
2008								
2009	$ 6.23	$ 7.32	$ 1.09					
2010	$ 5.96	$ 5.58	$ (0.38)					
2011	$ 5.57	$ 4.73	$ (0.84)					
2012	$ 3.97	$ 4.84	$ 0.88	$3.87	$0.09	14,156		$1,330
2013	$ 4.60	$ 5.16	$ 0.56	$4.19	$0.41	57,759		$23,851
2014	$ 5.03	$ 9.41	$ 4.38	$8.44	($3.41)	17,992		$0.00
								$25,181
	2000-2007	Average -	$ 2.40		Used Wtd Avg for NEO - $0.97			
	2008-2014	Average -	$ 0.92					

1 Unable to determine the actual split between local gas production and interstate gas for a number of years
2 Orwell audit period is from July 1, 2012 through June 30, 2014
3 All data utilized for this analysis is from NEO annual reports to the PUCO, plus Att. GS-3 in response to 2nd set of OCC discovery
4 Because of the limited number of years prior to 2008 that a comparison could be made between local and interstate gas, the differential for Northeast was used instead of the differential for Orwell

NATURAL GAS PURCHASES - 2000 - 2011 - ORWELL & NORTHEAST

Privileged and Confidential Trial Preparation Documents

Orwell Natural Gas

	FROM ANNUAL REPORT									FROM DISCOVERY RESPONSES TO 2014 GCR CASES								
	2012			2013			2014			2012			2013			2014		
	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)
Local Producers	23,570.1	$ 3.92	$ 92,468	59,956	$ 4.59	$ 275,035				14,156	$ 3.97	$ 56,128	57,759	$ 4.60	$ 265,685	17,992	$5.03	$ 90,505
TCO/Cobra	215,672.9	$ 3.34	$ 720,226	208,948	$ 4.07	$ 850,608				82,975	$ 4.32	$ 358,668	172,044	$ 4.69	$ 807,104	151,335	$6.87	$ 1,040,039
DEO	98,177.5	$ 3.04	$ 298,672	180,980	$ 3.91	$ 708,517				35,983	$ 5.84	$ 210,120	142,724	$ 5.83	$ 831,479	111,648	$7.39	$ 824,849
Spelman Pipeline	-	$ -	$ -	-	$ -	$ -				-	$ -	$ -	-	$ -	$ -	82,835	$7.24	$ 599,356
OTP	402,714.6	$ 3.67	$ 1,476,620	539,817	$ 4.20	$ 2,268,137				195,268	$ 4.88	$ 953,347	573,269	$ 5.13	$ 2,943,653	313,708	$11.94	$ 3,745,032
Cobra	740,135.1	$ 3.50	$ 2,587,986	989,701	$ 4.14	$ 4,102,297				314,226	$ 4.84	$ 1,522,135	888,036	$ 5.16	$ 4,582,236	659,525	$9.41	$ 6,209,276
ONG Marketing																		
IGS																		
Others										Volumes are for partial year Mar 2012 - December 2012						The cost for 2014 include a very high price for the Month of March 2014		
Belden & Blake																		
Great Lakes Energy Partners																		
CGAS Services																		
Cypress Nat Gas																Volumes are for partial year January 2014 - June 2014.		

Northeast Natural Gas

	2012			2013			2014			2012			2013			2014		
	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)
Local Producers	403,593	$ 4.16	$ 1,736,317	265,503	$ 4.90	$ 1,301,790	105,836	$ 5.16	$ 546,012	306,313	$ 3.96	$ 1,211,744	282,389	$ 4.52	$ 1,276,354	68,964	$5.42	$ 373,692
TCO/Cobra	699,821	$ 3.16	$ 2,217,117	1,460,655	$ 4.89	$ 7,138,376	1,785,731	$ 5.12	$ 9,143,302	445,730	$ 2.27	$ 1,010,057	1,421,773	$ 4.76	$ 6,762,357	1,071,178	$6.73	$ 7,204,994
DEO	629,219	$ 3.24	$ 2,038,670	831,336	$ 4.66	$ 3,872,658	916,860	$ 4.54	$ 4,159,587	405,366	$ 4.42	$ 1,793,576	782,138	$ 4.96	$ 3,880,775	552,918	$6.22	$ 3,439,970
Tenn Gas Pipeline	19,396	$ 3.79	$ 73,557	24,508	$ 4.11	$ 100,787	26,783	$ 4.85	$ 130,013	13,242	$ 4.44	$ 58,849	23,073	$ 4.48	$ 103,402	18,348	$7.67	$ 140,649
	1,348,436	$ 3.21	$ 4,329,344	2,316,498	$ 4.80	$ 11,111,821	2,729,374	$ 4.92	$ 13,432,902	864,339	$ 3.31	$ 2,862,481	2,226,983	$ 4.83	$ 10,746,534	1,642,444	$6.57	$ 10,785,613
Other																		

= missing data

2012 and 2014 data from discovery responses do not represent complete calendar years

NATURAL GAS PURCHASES - 2000 - 2014 - ORWELL & NORTHEAST - From ANNUAL REPORTS

Orwell Natural Gas	2000			2001			2002			2003			2004			2005			2006			
	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)
Local Producers													45,821	$ 5.09	$ 233,154	127,570	$ 6.82	$ 870,348				
TCO/Cobra																						
DEO																						
Spelman Pipeline																						
OTP																						
Cobra																						
ONG Marketing	344,578	$ 3.94	$ 1,358,098	180,085	$ 5.54	$ 997,159													532,358	$ 10.05	$ 5,353,020	593,895.4
IGS	-	$ -	$ -	53,640	$ 6.00	$ 322,075	179,334	$ 5.29	$ 948,096	370,961	$ 6.56	$ 2,435,282	340,319	$ 7.08	$ 2,409,460	186,151	$ 7.43	$ 1,382,491				
Others	-	$ -	$ -	-	$ -	$ 146,993	94,185	$ 4.66	$ 438,650	19,032	$ 4.25	$ 80,888	15,921	$ 8.21	$ 130,738	185,648	$ 11.73	$ 2,177,449				
Belden & Blake	-	$ -	$ -	15,800	$ 4.77	$ 75,291	28,708	$ 3.97	$ 113,957	19,203	$ 3.74	$ 71,747	17,221	$ 3.74	$ 64,414							
Great Lakes Energy Partners	-	$ -	$ -	-	$ -	$ -	17,458	$ 5.90	$ 103,003	18,457	$ 5.90	$ 108,896	28,600	$ 5.90	$ 168,740							
CGAS Services	-	$ -	$ -	23,366	$ 3.30	$ 77,109	37,288	$ 3.30	$ 123,050	14,053	$ 4.45	$ 62,601										
Cypress Nat Gas	-	$ -	$ -	-	$ -	$ -	9,650	$ 4.85	$ 46,800	441,706	$ 6.25	$ 2,759,414										
	344,578	$ 3.94	$ 1,358,098	272,891	$ 5.93	$ 1,618,627	366,623	$ 4.84	$ 1,773,556													
PRICE																						
Local Gas	Local Gas			Local Gas			Local Gas			Local Gas			Local Gas	$ 5.09		Local Gas	$ 6.82		Local Gas			Local Gas
Interstate/Intrastate	Inter/Intra			Inter/Intra			Inter/Intra			Inter/Intra			Inter/Intra	$ 7.13		Inter/Intra	$ 9.57		Inter/Intra			Inter/Intra
VOLUMES																						
Local Gas																						
Interstate/Intrastate																						

Northeast Natural Gas	2000			2001			2002			2003			2004			2005			2006			
	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)
Local Producers	413,198	$ 3.19	$ 1,316,208	485,630	$ 4.20	$ 2,038,871	719,000	$ 3.47	$ 2,497,294	744,523	$ 5.42	$ 4,035,555	787,363	$ 6.73	$ 5,304,742	607,808	$ 8.58	$ 5,212,029	198,745	$ 8.24	$ 1,636,813	168,948.1
TCO	143,665	$ 3.98	$ 571,193	275,160	$ 6.64	$ 1,826,005	245,240	$ 3.56	$ 871,854	272,606	$ 5.84	$ 1,591,347	272,028	$ 6.70	$ 1,823,045	584,246	$ 11.12	$ 6,500,686	531,101	$ 10.96	$ 5,513,421	434,795.7
DEO	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	317,567	$ 11.38	$ 3,614,069	699,549.9
Tenn Gas Pipeline	49,237	$ 3.70	$ 182,237	61,348	$ 5.11	$ 313,368	39,244	$ 3.14	$ 123,293	27,698	$ 6.59	$ 182,402	35,121	$ 10.09	$ 354,413	84,026	$ 8.92	$ 749,145	85,584.0	$ 8.04	$ 688,338	28,054.5
Cobra										-	$ -	$ -	-	$ -	$ -	-	$ -	$ -				
Other													-	$ -	$ 146,142	-	$ -	$ 372,419				
PRICE																						
Local Gas	Local Gas	$ 3.19		Local Gas	$ 4.20		Local Gas	$ 3.47		Local Gas	$ 5.42		Local Gas	$ 6.73		Local Gas	$ 8.58		Local Gas	$ 8.24		Local Gas
Interstate	Interstate	$ 3.91		Interstate	$ 6.36		Interstate	$ 3.50		Interstate	$ 5.91		Interstate	$ 7.09		Interstate	$ 10.85		Interstate	$ 10.51		Interstate
VOLUMES																						
Local Gas	Local Gas	413,198		Local Gas	485,630		Local Gas	719,000		Local Gas	744,523		Local Gas	787,363		Local Gas	607,808		Local Gas	198,745		Local Gas
Interstate	Interstate	192,902		Interstate	336,508		Interstate	284,484		Interstate	300,304		Interstate	307,149		Interstate	668,272		Interstate	934,252		Interstate
Interstate w/DEO																						

2007		2008			2009			2010			2011			2012			2013			2014		
Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)
					59,500.6	$ 6.82	$ 405,627	43,491.0	$ 5.96	$ 259,087	38,070.1	$ 5.57	$ 212,025	23,570.1	$ 3.92	$ 92,468	59,956	$ 4.59	$ 275,035			
					73,681.2	$ 5.18	$ 381,847	16,964.9.6	$ 6.02	$ 1,021,526	196,542.1	$ 4.78	$ 938,961	215,672.9	$ 3.34	$ 720,226	208,948	$ 4.07	$ 850,608			
					26,821.1	$ 5.42	$ 14,54.1	11,68.7.7	$ 5.51	$ 643,995	137,860.7	$ 4.89	$ 674,671	98,177.5	$ 3.04	$ 298,672	180,980	$ 3.91	$ 708,517			
					-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -	-	$ -	$ -			
					99,114.1	$ 5.49	$ 544,301	406,996.8	$ 5.42	$ 2,204,678	460,215.9	$ 4.65	$ 2,142,245	402,714.6	$ 3.67	$ 1,476,620	539,817	$ 4.20	$ 2,268,137			
					31,013.9	$ 5.11	$ 158,557															
$ 8.19	$ 4,866,943	6,31.61	$ 9.30	$ 6,076,248	431,707.1	$ 8.23	$ 3,551,103															
		Local Gas			Local Gas	$ 6.23		Local Gas	$ 5.96		Local Gas	$ 5.57		Local Gas	$ 3.92		Local Gas	$ 4.59				
		Inter/Intra			Inter/Intra	$ 7.32		Inter/Intra	$ 5.58		Inter/Intra	$ 4.73		Inter/Intra	$ 3.48		Inter/Intra	$ 4.12				
					Local Gas	90,515		Local Gas	43,491		Local Gas	38,070		Local Gas	23,570		Local Gas	59,956				
					Inter/Intra	631,324		Inter/Intra	693,504		Inter/Intra	794,619		Inter/Intra	716,565		Inter/Intra	929,745				

2007		2008			2009			2010			2011			2012			2013			2014		
Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)	Volume (Mcf)	Price ($)	Amt Paid ($)
$ 8.22	$ 1,389,585	264,387	$ 10.28	$ 2,717,806	218,6.7	$ 6.74	$ 1,474,397	557,743	$ 7.01	$ 3,909,079	543,868	$ 6.57	$ 3,574,593	403,593	$ 4.16	$ 1,736,317	265,503	$ 4.90	$ 1,301,790	105,836	$ 5.16	$ 546,012
$ 8.64	$ 3,755,185	688,559	$ 9.63	$ 6,628,467	482,228	$ 6.37	$ 3,072,604	583,637	$ 6.18	$ 3,606,207	665,854	$ 5.37	$ 3,575,540	699,821	$ 3.16	$ 2,217,117	1,460,655	$ 4.89	$ 7,138,376	1,785,731	$ 5.12	$ 9,143,302
$ 9.69	$ 6,780,890	680,885	$ 9.61	$ 6,543,738	701,498	$ 5.88	$ 4,122,500	727,540	$ 6.31	$ 4,592,566	694,251	$ 5.58	$ 3,874,020	629,219	$ 3.24	$ 2,038,670	831,336	$ 4.66	$ 3,872,658	916,860	$ 4.54	$ 4,159,587
$ 8.11	$ 22,756	4,51.7	$ 8.94	$ 407,009	145,747	$ 4.50	$ 660,332	7,427	$ 7.86	$ 58,394	10,215	$ 4.88	$ 49,807	19,396	$ 3.79	$ 73,557	24,508	$ 4.11	$ 100,787	26,783	$ 4.85	$ 130,013
		325,125	$ 11.55	$ 3,755,524	312,196	$ 5.19	$ 1,621,833															
$ 8.22		Local Gas	$ 10.98		Local Gas	$ 5.83		Local Gas	$ 7.01		Local Gas	$ 6.57		Local Gas	$ 4.16		Local Gas	$ 4.90		Local Gas	$ 5.16	
$ 9.26		Interstate	$ 9.60		Interstate	$ 5.91		Interstate	$ 6.26		Interstate	$ 5.47		Interstate	$ 3.21		Interstate	$ 4.80		Interstate	$ 4.92	
68,948		Local Gas	589,512		Local Gas	80,963		Local Gas	5,7.743		Local Gas	543,868		Local Gas	403,593		Local Gas	265,503		Local Gas	105,836	
1,162,400		Interstate	1,414,961		Interstate *	1,329,472		Interstate	1,318,604		Interstate	1,370,320		Interstate	1,348,436		Interstate	2,316,498		Interstate	2,729,374	

* Local gas include Cobra

* Local gas includes Cobra

2012 amount Paid for local production is the same as the amount paid from 2010 annual report
Revised average price for local producers using Exhibit 1 from OCC discovery set 2 (Case 12-209)
and response to discovery_____ from Case 14-209

OTP & Orwell

NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

BY THIS AGREEMENT, executed this 1st day of January, 2006 Orwell-Trumbull Pipeline Co., LLC ("OTPC") and Orwell Natural Gas Company ("Shipper"), OTPC and Shipper are hereinafter sometimes referred to collectively as the Parties and individually as a Party) for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby recite and agree as follows:

RECITALS

WHEREAS, OTPC owns a natural gas transmission pipeline system described on **Exhibit A** to this Agreement (Pipeline); and

WHEREAS, OTPC is an Ohio intrastate pipeline operating natural gas pipelines and related facilities located within the State of Ohio under authority of the Public Utility Commission of Ohio; and

WHEREAS, Shipper desires to utilize OTPC's Pipeline for the transportation of natural gas within the State of Ohio; and

WHEREAS, OTPC has agreed to provide such transportation to Shipper subject to the terms and conditions hereof.

WITNESSETH: In consideration of the mutual covenants herein contained, the Parties hereto agree that OTPC will transport for Shipper, on an Interruptible basis, and Shipper will furnish, or cause to be furnished, to OTPC natural gas for such transportation during the term hereof, at prices and on the terms and conditions hereinafter provided:

AGREEMENTS

DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used herein and shall be construed to have the meaning as follows:

A. **"Btu"** shall mean the British thermal unit as defined by international standards.

B. **"Business Day"** shall mean any weekday, excluding federal banking holidays.

C. **"Central Clock Time"** (C.T.) shall mean Central Standard Time adjusted for Daylight Savings Time.

D. **"Company"** means OTPC, its successors and assigns.

E. **"Customer"** means any individual, governmental, or corporate entity taking transportation service hereunder.

F. **"Dekatherm"** or **"Dth"** means the Company's billing unit measured by its thermal value. A dekatherm is 1,000,000 Btus. Dekatherm shall be the standard unit for purposes of nominations, scheduling, invoicing, and balancing.

G. **"Delivery Point(s)"** shall mean the specific measurement location(s) listed on **Exhibit B** at which OTPC delivers Shipper-owned Gas to Shipper and Shipper receives such Gas from OTPC. **Exhibit B** is hereby incorporated into this Agreement.

H. **"Delivery Volume"** shall mean the volume of Gas actually taken at the Delivery Point(s) by or on behalf of Shipper.

' shall mean that each Dth Shipper tenders at the Receipt Point will be delivered to Shipper's Delivery Point(s) minus OTPC's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.

J. **"Gas"** shall mean natural gas of interstate pipeline quality.

K. ***"Gas Day" or "Day"*** shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its beginning.

L. ***"Heating Value"*** shall mean the gross heating value on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.

M. **"Imbalance"** shall mean the daily difference between the Dths tendered by or for Customer's account at the Receipt Point minus OTPC's Shrinkage and the metered volumes allocated to Shipper at the Delivery Point(s).

N. **"Interruptible"** shall mean that each Dth Shipper tenders at the Receipt Point will be delivered to Shipper's Delivery Point(s) less OTPC's Shrinkage if OTPC, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.

O. **"Maximum Daily Quantity"** ***or*** **"(MDQ)"** shall mean the maximum daily firm natural gas quantity which Shipper shall be entitled to nominate during any 24-hour period. Shipper's MDQ shall be negotiated between Shipper and OTPC and incorporated into Shipper's Service Agreement with OTPC.

P. **"Month"** shall mean a calendar month beginning at 9:00 a.m. Central clock time on the first day of the calendar month and ending at 9:00 a.m. Central clock time the first day of the following calendar month.

Q. **"OTPC System"** shall mean the intrastate pipeline system owned by OTPC.

R. **"Nomination"** shall mean the confirmed Quantity of Gas which Shipper shall arrange to have delivered to the Receipt Point(s) for redelivery by OTPC to the Delivery Point(s). The Nomination shall include sufficient gas to account for OTPC's Shrinkage.

S. **"Operational Flow Order" or "OFO"** shall mean a declaration made by OTPC that conditions are such that OTPC can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which Shipper will actually receive at the Receipt Point on that calendar day. OTPC shall only declare an Operational Flow Order if an upstream pipeline declares an operational flow order or otherwise restricts the flow of Gas which normally would be delivered to OTPC at the Receipt Point.

T. **"Overrun"** shall mean any volume of Gas actually transported which, as measured on a daily basis, exceeds the maximum daily quantity (MDQ) established by this Agreement.

U. **"PUCO" or "Commission"** means the Public Utilities Commission of Ohio or any successor governmental authority.

V. **"Quantity of Gas"** shall mean the number of units of gas expressed in Dth or MMBtu unless otherwise specified.

W. **"Receipt Point(s)"** shall mean those measurement locations where Shipper-owned gas enters OTPC's system.

X. **"Service Agreement"** Each Customer shall sign an individual Agreement with OTPC prior to commencement of service that identifies the Receipt Point and Delivery Point(s),

the MDQ, declares whether the transportation is Firm or Interruptible and establishes the cost for the transportation. The Service Agreements shall be filed with the Commission pursuant to Section 4905.31, Revised Code for approval.

Y. **"Shrinkage"** shall mean the quantity of Gas required by OTPC to replace the estimated quantity of Gas which is required for compressor fuel, and lost-or-unaccounted-for Gas when transporting the tendered quantities. This percentage is set forth in **Exhibit B.**

Z. **"Written Notice"** shall mean a legible communication received by the intended recipient of the communication by United States mail, express courier, or confirmed facsimile. Written Notice may also be provided by Email, but shall not be effective until such time as (a) the Email is acknowledged by the intended recipient; (b) or a copy of such Email is received by the intended recipient by US mail, express courier, or facsimile.

I. DELIVERY AND TRANSPORTATION

1.1 Shipper shall arrange with suppliers of Shipper's selection to have Gas in an amount not to exceed Shipper's MDQ adjusted for OTPC's Shrinkage as specified on **Exhibit B**, tendered to the Receipt Point(s) as specified on **Exhibit B**, for delivery into the OTPC Pipeline on Shipper's behalf. OTPC shall then redeliver, on an Interruptible basis, such quantities, less OTPC's Shrinkage, to Shipper, or on behalf of Shipper, at the Delivery Point(s) as specified on **Exhibit B**. All transportation by OTPC for Shipper shall be governed by OTPC's then current transportation tariff on file with the PUCO, except as expressly modified hereby.

1.2 For planning purposes, Shipper shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to OTPC of the amount of Gas it intends to transport each day of the upcoming Month. Shipper shall submit its Nomination to OTPC by no later than 10:00 a,m, Central Clock Time for Gas flow the following day. This nomination should correspond to scheduled deliveries Shipper makes on the upstream interstate pipeline and downstream local distribution company operating the applicable Delivery Point(s). Should the Shipper desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, OTPC shall make every attempt to accommodate Shipper's request provided OTPC can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

1.3 Shipper shall be permitted to have delivered into and removed from OTPC's Pipeline its nominated Gas volume, adjusted for OTPC's Shrinkage, up to the MDQ previously agreed to and found on **Exhibit B**.

1.4 If any of the interstate pipelines interconnected with OTPC issues an operational flow order then OTPC may issue its own matching OFO on its Pipeline that will apply to all Shippers. The OFO may restrict Shippers to nominate into the OTPC Pipeline only that volume of Gas which Shipper will have redelivered the same day adjusted for Shrinkage. OTPC will use its best efforts to limit such OFO to just the time necessary to comply with applicable upstream interstate OFOs. OTPC will only assess OFO penalties on a pro-rata basis if OTPC is actually assessed penalties by an applicable upstream pipeline.

1.5 Imbalances caused by Shipper at the Delivery Point(s) shall be resolved by OTPC and Shipper within thirty (30) days. Imbalances at the Receipt Point are governed by the terms and conditions of the upstream pipeline(s) delivering into OTPC. Any imbalance charges or penalties or costs of any kind incurred by OTPC as a result of Shipper's over or under delivery of natural gas into OTPC's system, either on a daily or monthly basis, will be reimbursed by Shipper within ten (10) days of receipt thereof. If Shipper fails to make any payments under this

Agreement when due, OTPC has the right to terminate this Agreement upon two (2) days notice, unless such payment is made by the date specified in the termination notice.

1.6 Shipper warrants that it has title to all Gas delivered to OTPC, free and clear of all claims, liens, and other encumbrances, and further covenants and agrees to indemnify and hold harmless from all claims, demands, obligations, suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities of any kind or nature arising from or attributable to the adverse claims of any and all other persons or parties relating to such Gas tendered by Shipper at the Receipt Point.

II. QUANTITY AND PRICE

2.1 Shipper shall pay OTPC a Commodity Rate plus Shrinkage, as stated on **Exhibit B**, for each volume of Gas delivered to the Delivery Point(s).

Three year term w/o ever-green provis

III. TERM

3.1 The term of this Agreement shall commence on January 1, 2006 and end on December 31, 2008.

IV. MEASUREMENT AND QUALITY OF GAS

4.1 Measurement of the Gas delivered and billed to Shipper shall be based upon an allocation conducted by the operator of the Delivery Point(s). Disputes regarding allocated throughput shall be handled in accordance with the tariff of the Delivery Point(s) operator. Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. OTPC shall provide to Shipper at Shipper's request, pertinent tariff information pertaining to method of allocating deliveries at Delivery Point(s).

4.2 All Gas delivered under this Agreement shall be commercially free from solid and liquid impurities and shall satisfy all pipeline quality standards reasonably established from time to time by OTPC and upstream or downstream pipelines.

V. BILLING AND PAYMENT

5.1 On or about the tenth (10th) day of each calendar month, OTPC will render to Shipper a statement setting forth the total volume of Gas delivered hereunder for Shipper during the immediately preceding Month. In the event OTPC was not able to take actual meter readings at any meter, or if OTPC has not received the necessary meter statements from the owner or operator of any applicable meter in time for preparation of the monthly statement, OTPC may use an estimated Gas delivery volume based upon confirmed nominations. Any

such estimated delivery volume shall be corrected in the first statement after the actual meter readings become available.

5.2 In the event of a meter failure a reconstructed bill using the best information available shall be used.

5.3 Shipper agrees to pay OTPC the amount payable according to such statement on or before the twenty-fifth (25th) day of the month or within ten (10) days of receipt of the invoice whichever is later.

5.4 Failure to tender payment within the above specified time limit shall result in a monthly interest charge of one and one half percent (1-1/2%) per month on the unpaid balance. In addition, should Shipper's payment be delinquent by more than thirty (30) days, OTPC shall have the right, at its sole discretion, to terminate this Agreement and to terminate Gas transportation in addition to its seeking other legal redress. OTPC will first contact Shipper about any payment issues and try to resolve those issues in a reasonable manner.

5.5 Any notice, request, demand, statement, or other correspondence shall be given by Written Notice to the Parties hereto, as set forth below:

Shipper: Orwell Natural Gas Company
8500 Station Street, Suite 100
Mentor, Ohio 44060
EMAIL: tsmith13@sprynet.com
PHONE: (440) 974-3770
FAX: (440) 974-0844
ATTN: Thomas J. Smith

OTPC: OTPC Gas Transmission Company, LLC
8500 Station Street
Suite 100
Mentor, OH 44060
EMAIL: srigo@orwellgas.com
PHONE (440) 974-3770
FAX: (440) 205-8680
ATTN: Stephen G. Rigo

VI. FORCE MAJEURE

6.1 Except with regards to a party's obligation to make payment due under Section 5 and Imbalance Charges under Section 2, neither party shall be liable to the other for failure to perform a firm obligation; to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 6.2.

6.2 Force Majeure shall include but not be limited to the following (1) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law statute, ordinance, or regulations promulgated by a governmental authority having jurisdiction. The Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event of occurrence once it has occurred in order to resume performance.

6.3 Neither party shall be entitled to the benefit of the provision of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming Force Majeure failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The claiming of Force Majeure shall not relieve either party from meeting all payment obligations.

6.4 Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbances.

6.5 The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas as applicable to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

VII. ADDITIONAL TERMS

7.1 Shipper shall join with OTPC in support of the application to the PUCO for approval of this Agreement pursuant to Section 4905.31, Revised Code.

7.2 In the event of an energy emergency declared by the Governor or any other lawful official or body, it is understood that OTPC shall and will follow the dictates of any energy emergency rule, or order. OTPC shall not be liable for any loss or damage suffered by Shipper as a result thereof.

7.3 This Agreement shall be construed under the laws of the State of Ohio.

7.4 This Agreement, together with all schedules and exhibits hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

7.5 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Except as expressly provided herein, nothing in this Agreement is intended to confer upon any person other than the Parties and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

7.6 The parties agree that any dispute arising hereunder or related to this Agreement shall be resolved by binding arbitration under the auspices of the American Arbitration Association. Prehearing discovery shall be permitted in accordance with the procedures of the Ohio Rules of Civil Procedure. The arbitrator or arbitrators shall have authority to impose any remedy at law or in equity, including injunctive relief. The parties agree that any hearing will be conducted in Lake County, Ohio.

7.7 Recovery by either Party of damages, if any, for breach of any provision hereof shall be limited to direct, actual damages. Both Parties waive the right, if any, to recover consequential, indirect, punitive and exemplary damages.

7.8 Both parties shall have the right to demand credit assurances from the other party. If the financial responsibility of any Party is at any time unsatisfactory to the other Party for any reason, then the defaulting Party will provide the requesting Party with satisfactory security for the defaulting Party's performance hereunder upon requesting Party's demand. Defaulting Party's failure to abide by the provisions of this Section shall be considered a breach hereof, and the requesting Party may terminate this Agreement, provided the defaulting Party is afforded an opportunity to cure any default within three (3) business days notice of any breach. Both Parties have the right, in addition to all other rights and remedies, to set-off any such unpaid balance due the other Party, or by the parent or any subsidiary of the other Party, under any separate agreement or transaction.

7.9 No presumption shall operate in favor of or against either party regarding the construction or interpretation of this Agreement as a result of either party's responsibility for drafting this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the date set forth above.

Orwell-Trumbull Pipeline Co., LLC

By: _____

Stephen G. Rigo

Its: Executive Vice President

Date: 12/31/00

Orwell Natural Gas Company

By: _____

Thomas J. Smith

Its: President

Date: 12/31/05

Exhibit A

OTPC Gas Transmission, LLC

ALL PIPELINES OWNED BY OTPC LOCATED IN NORTHEASTERN OHIO.

Exhibit B

OTPC Gas Transmission, LLC

Primary Receipt Point

Interconnection between OTPC and North Coast Gas Transmission, LLC's Pipeline in Mantua, Ohio

Primary Delivery Point(s)

Various interconnections between OTPC and Orwell Natural Gas Company.

Shrinkage

TBD

MDQ

2000 Dth/day

RATES

Commodity Charge (paid only on quantity transported)

November-March	$0.95 per Thousand Cubic Feet (Mcf)
April-October	$0.95 per Thousand Cubic Feet (Mcf)

7

IDENTIFIER: OrwellBrainard2008 – IT-
Orwell-Trumbull #1

NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

BY THIS AGREEMENT, executed this 1st day of July, 2008 Orwell-Trumbull Pipeline Co., LLC ("OTPC"), Orwell Natural Gas Company ("ONG") and Brainard Gas Corp. ("BGC") (hereinafter ONG and BGC shall collectively be referred to as "Shipper"), OTPC and Shipper are hereinafter sometimes referred to collectively as the Parties and individually as a Party) for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby recite and agree as follows:

RECITALS

WHEREAS, OTPC owns a natural gas transmission pipeline system described on **Exhibit A** to this Agreement (Pipeline); and

WHERAS, OTPC is an Ohio intrastate pipeline operating natural gas pipelines and related facilities located within the State of Ohio under authority of the Public Utility Commission of Ohio; and

WHEREAS, Shipper desires to utilize OTPC's Pipeline for the transportation of natural gas within the State of Ohio; and

WHEREAS, OTPC has agreed to provide such transportation to Shipper subject to the terms and conditions hereof,

WITNESSETH: In consideration of the mutual covenants herein contained, the Parties hereto agree that OTPC will transport for Shipper, on an Interruptible basis, and Shipper will furnish, or cause to be furnished, to OTPC natural gas for such transportation during the term hereof, at prices and on the terms and conditions hereinafter provided:

AGREEMENTS

DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used herein and shall be construed to have the meaning as follows:

A. **"Btu"** shall mean the British thermal unit as defined by international standards.

B. **"Business Day"** shall mean any weekday, excluding federal banking holidays.

C. **"Central Clock Time"** (C.T.) shall mean Central Standard Time adjusted for Daylight Savings Time.

D. **"Company"** means OTPC, its successors and assigns.

E. **"Customer"** means any individual, governmental, or corporate entity taking transportation service hereunder.

F. **"Dekatherm"** or **"Dth"** means the Company's billing unit measured by its thermal value. A dekatherm is 1,000,000 Btus. Dekatherm shall be the standard unit for purposes of nominations, scheduling, invoicing, and balancing.

G. **"Delivery Point(s)"** shall mean the specific measurement location(s) listed on **Exhibit B** at which OTPC delivers Shipper-owned Gas to Shipper and Shipper receives such Gas from OTPC. Exhibit B is hereby incorporated into this Agreement.

H. **"Delivery Volume"** shall mean the volume of Gas actually taken at the Delivery Point(s) by or on behalf of Shipper.

I. **"Firm"** shall mean that each Dth Shipper tenders at the Receipt Point will be delivered to Shipper's Delivery Point(s) minus OTPC's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.

J. **"Gas"** shall mean natural gas of interstate pipeline quality

K. **"Gas Day"** or **"Day"** shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its beginning.

L. **"Heating Value"** shall mean the gross heating value .on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.

M. **"Imbalance"** shall mean the daily difference between the Dths tendered by or for Customer's account at the Receipt Point minus OTPC's Shrinkage and the metered volumes allocated to Shipper at the Delivery Point(s).

N. **"Interruptible"** shall mean that each Dth Shipper tenders at the Receipt Point Will be delivered to Shipper's Delivery Point(s) less OTPC's Shrinkage if OTPC, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.

O. **"Maximum Daily Quantity"** or **"(MDQ)"** shall mean the maximum daily firm natural gas quantity which Shipper shall be entitled to nominate during any 24-hour period. Shipper's MDQ shall be negotiated between Shipper and OTPC and incorporated into Shipper's Service Agreement with OTPC.

P. **"Month"** shall mean a calendar month beginning at 9:00 a.m. Central clock time on the first day of the calendar month and ending at 9:00 a.m. Central clock time the first day of the following calendar month.

Q. **"OTPC System"** shall mean the intrastate pipeline system owned by OTPC.

R. **"Nomination"** shall mean the confirmed Quantity of Gas which Shipper shall arrange to have delivered to the Receipt Point(s) for redelivery by OTPC to the Delivery Point(s). The Nomination shall include sufficient gas to account for OTPC's Shrinkage.

S. **"Operational Flow Order"** or **"OFO"** shall mean a declaration made by OTPC that conditions are such that OTPC can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which Shipper will actually receive at the Receipt Point on that calendar day. OTPC shall only declare an Operational Flow Order if an upstream pipeline declares an operational flow order or otherwise restricts the flow of Gas which normally would be delivered to OTPC at the Receipt Point.

T. **"Overrun"** shall mean any volume of Gas actually transported which, as measured on a daily basis, exceeds the maximum daily quantity (MDQ) established by this Agreement

U. **"PUCO"** or **"Commission"** means the Public Utilities Commission of Ohio or any successor governmental authority.

V. **"Quantity of Gas"** shall mean the number of units of gas expressed in Dth or MMBtu unless otherwise specified.

W. **"Receipt Point(s)"** shall mean those measurement locations where Shipper-owned gas enters OTPC's system.

X. **"Service Agreement"** Each Customer shall sign an individual Agreement with OTPC prior to commencement of service that identifies the Receipt Point and Delivery Point(s),the MDQ, declares whether the transportation is-Firm or Interruptible and establishes the cost

for the transportation. The Service Agreements shall be filed with the Commission pursuant to Section 4905.31, Revised Code for approval.

Y. **"Shrinkage"** shall mean the quantity of Gas required by OTPC to replace the estimated quantity of Gas which is required for compressor fuel, and lost-or-unaccounted-for Gas when transporting the tendered quantities~ This percentage is set forth in Exhibit B.

Z. **"Written Notice"** shall mean a legible communication received by the intended recipient of the communication by United States mail, express courier, or confirmed facsimile. Written Notice may also be provided by Email, but shall not be effective until such time as (a) the Email is acknowledged by the intended recipient; (b) or a copy of such Email is received by the intended recipient by US mail, express courier, or facsimile.

I. DELIVERY AND TRANSPORTATION

1.1 Shipper shall arrange with suppliers of Shipper's selection to have Gas in an amount not to exceed Shipper's MDQ adjusted for OTPC's Shrinkage as specified on Exhibit B, tendered to the Receipt Point(s) as specified on Exhibit B, for delivery into the OTPC Pipeline on Shipper's behalf. OTPC shall then redeliver, on an interruptible basis, such quantities, less OTPC's Shrinkage, to Shipper, or on behalf of Shipper, at the Delivery Point(s) as specified on **Exhibit B**. All transportation by OTPC for Shipper shall be governed by OTPC's then current transportation tariff on file with the PUCO, except as expressly modified hereby.

1.2 ONG agrees that during the term of this Transportation Service Agreement it will use only OTPC's pipelines to transport gas for any of its customers, provided, however, that this exclusive use of the OTPC pipelines shall remain in effect as long as OTPC has available capacity within its pipelines. Should available capacity not exist, then during that period only ONG may use other pipelines to transport its gas requirements. This Transportation Service Agreement will only be utilized by BGC for back up purposes only and on an as needed basis.

1.3 For planning purposes, Shipper shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to OTPC of the amount of Gas it intends to transport each day of the upcoming Month. Shipper shall submit its Nomination to OTPC by no later than 10:00 a.m. Central Clock Time for Gas flow the following day. This nomination should correspond to scheduled deliveries Shipper makes on the upstream interstate pipeline and downstream local distribution company operating the applicable Delivery Point(s). Should the Shipper desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, OTPC shall make every attempt to accommodate Shipper's request provided OTPC can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

1.4 Shipper shall be permitted to have delivered into and removed from OTPC's Pipeline its nominated Gas volume, adjusted for OTPC's Shrinkage, up to the MDQ previously agreed to and found on **Exhibit B**.

1.5 If any of the interstate pipelines interconnected with OTPC issues an operational flow order then OTPC may issue its own matching OFO on its Pipeline that will apply to Shippers. The OFO may restrict Shippers to nominate into the OTPC Pipeline only that volume of Gas which Shipper will have redelivered the same day adjusted for Shrinkage. OTPC will use its best efforts to limit such OFO to just the time necessary to comply with applicable upstream interstate OFOs. OTPC will only assess OFO penalties on a pro-rata basis if OTPC is actually assessed penalties by an applicable upstream pipeline.

1.6 Imbalances caused by Shipper at the Delivery Point(s) shall be resolved by OTPC and Shipper within thirty (30) days. Imbalances at the Receipt Point are governed by the terms and conditions of the upstream pipeline(s) delivering into OTPC. Any imbalance charges or penalties or costs of any kind incurred by OTPC as a result of Shipper's over or under delivery of natural gas into OTPC's system, either on a daily or monthly basis, will be reimbursed by Shipper within ten (10) days of receipt thereof. If Shipper fails to make any payments under this Agreement when due, OTPC has the right to terminate this Agreement upon two (2) days notice, unless such payment is made by the date specified in the termination notice.

1.7 Shipper warrants that it has title to all Gas delivered to OTPC, free and clear of all claims, liens, and other encumbrances, and further covenants and agrees to indemnify and hold harmless from all claims, demands, obligations, suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities of any kind or nature arising from or attributable to the adverse claims of any and all other persons or parties relating to such Gas tendered by Shipper at the Receipt Point.

II. QUANTITY AND PRICE

2.1 Shipper shall pay OTPC a Commodity Rate plus Shrinkage, as stated on Exhibit B, for each volume of Gas delivered to the Delivery Point(s).

III. TERM

3.1 The Agreement shall be effective as of 1st day of July, 2008 and shall continue in full force and effect, terminating 15 years thereafter and shall continue from year to year thereafter, unless cancelled by either party upon 30 days written notice.

IV. MEASUREMENT AND QUALITY OF GAS

4.1 Measurement of the Gas delivered and billed to Shipper shall be based upon an allocation conducted by the operator of the Delivery Point(s). Disputes regarding allocated throughput shall be handled in accordance with the tariff of the Delivery Point(s) operator. Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. OTPC shall provide to Shipper at Shipper's request, pertinent tariff information pertaining to method of allocating deliveries at Delivery Point(s).

4.2 All Gas delivered under this Agreement shall be commercially free from solid and liquid impurities and shall satisfy all pipeline quality standards reasonably established from time to time by OTPC and upstream or downstream pipelines.

V. BILLING AND PAYMENT

5.1 On or about the tenth (10th) day of each calendar month, OTPC will render to Shipper a statement setting forth the total volume of Gas delivered hereunder for Shipper during the immediately preceding Month. In the event OTPC was not able to take actual meter readings at any meter, or if OTPC has not received the necessary meter statements from the owner or operator of any applicable meter in time for preparation of the monthly statement, OTPC may use an estimated Gas delivery volume based upon confirmed nominations. Any such estimated delivery volume shall be corrected in the first statement after the actual meter readings become available.

5.2 In the event of a meter failure a reconstructed bill using the best information available shall be used.

5.3 Shipper agrees to pay OTPC the amount payable according to such statement on or before the twenty-fifth (25th) day of the month or within ten (10) days of receipt of the invoice whichever is later.

5.4 Failure to tender payment within the above specified time limit shall result in a monthly interest charge of one and one half percent (1-1/2%) per month on the unpaid balance. In addition, should Shipper's payment be delinquent by more than thirty (30) days, OTPC shall have the right, at its sole discretion, to terminate this Agreement and to .terminate Gas transportation in addition to its seeking other legal redress. OTPC will first contact Shipper about any payment issues and try to resolve those issues in a reasonable manner.

5.5 Any notice, request, demand, statement, or other correspondence shall be given by Written Notice to the Parties hereto, as set forth below:

Shipper: Orwell Natural Gas Company or Brainard Gas Company, as applicable
8500 Station Street, Suite 100
Mentor, Ohio 44060
EMAIL: tsmith13@sprynet.com
PHONE: (440) 974-3770
FAX: (440) 974-0844
ATTN: Thomas J. Smith

OTPC: **OTPC Gas Transmission Company, LLC**
8500 Station Street
Suite 100
Mentor, OH 44060
EMAIL: srigo@orwellgas.com
PHONE (440) 974-3770
FAX: (440) 205-8680
ATTN: Stephen G. Rigo

VI. FORCE MAJEURE

6.1 Except with regards to a party's obligation to make payment due under Section 5 and Imbalance Charges under Section 2, neither party shall be liable to the other for failure to perform a firm obligation; to the extent such failure was caused by Force Majeure, The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 6.2.

6.2 Force Majeure shall include but not be limited to the following (1) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which .cause freezing or failure of wells or lines of pipe; (iii); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law statute, ordinance, or regulations promulgated by a governmental authority having jurisdiction. The Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event of occurrence once it has occurred in order to resume performance.

6.3 Neither party shall be entitled to the benefit of the provision of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming Force Majeure failed to remedy the 'condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The claiming of Force Majeure shall not relieve either party from meeting all payment obligations.

6.4 Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbances.

6.5 The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas as applicable to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

VII. ADDITIONAL TERMS

7.1 Shipper shall join with OTPC in support of the application to the PUCO for approval of this Agreement pursuant to Section 4905.31, Revised Code.

7.2 In the event of an energy emergency declared by the Governor or any other lawful official or body, it is understood that OTPC shall and will follow the dictates of any energy emergency rule, or order. OTPC shall not be liable for any loss or damage suffered by Shipper as a result thereof.

7.3 This Agreement shall be construed under the laws of the State of Ohio.

7.4 This Agreement, together with all schedules and exhibits hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

7.5 This Agreement shall be binding upon and. inure to the benefit of the Parties and their respective permitted successors and assigns. Neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Except as expressly provided herein, nothing in this Agreement is intended to confer upon any person other than the Parties and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

7.6 The parties agree that any dispute arising hereunder or related to this Agreement shall be resolved by binding arbitration under the auspices of the American Arbitration Association. Preheating discovery shall be permitted in accordance with the procedures of the Ohio Rules of Civil Procedure. The arbitrator or arbitrators shall have authority to impose any remedy at law or in equity, including injunctive relief. The parties agree that any heating will be conducted in Lake County, Ohio.

7.7 Recovery by either Party of damages, if any, for breach of any provision hereof shall be limited to direct, actual damages. Both Parties waive the right, if any, to recover consequential, indirect, punitive and exemplary damages.

7.8 Both parties shall have the right to demand credit assurances from the other party. If the financial responsibility of any Party is at any time unsatisfactory to the other Party for any reason, then the defaulting Party will provide the requesting Party with satisfactory security for the defaulting Party's performance hereunder upon requesting Party's demand. Defaulting Party's failure to abide by the provisions of this Section shall be considered a breach hereof, and the requesting Party may terminate this Agreement, provided the defaulting Party is afforded an opportunity to cure any default within three (3) business days notice of any breach. Both Parties have the right, in addition to all other rights and remedies, to set-off any such unpaid balance due the other Party, or by the parent or any subsidiary of the other Party, under any separate agreement or transaction.

7.9 No presumption shall operate in favor of or against either party regarding the construction or interpretation of this Agreement as a result of either party's responsibility for drafting this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the date set forth above.

Orwell-Trumbull Pipeline Co., LLC

By: _____
Stephen G. Rigo,
Executive Vice President

Date: July 1, 2008

Brainard Gas Corp.

By: _____
Thomas J. Smith, President

Date: July 1, 2008

Orwell Natural Gas Company

By: _____
Thomas J. Smith, President

Date: July 1, 2008

p:\jtomaszewski\jlhosborne misc\northeast ohio\sale of neo&orwell\NaturalGasTransp.Agr.Brainard Orwell 09-08-08

Exhibit A

OTPC Gas Transmission, LLC

ALL PIPELINES OWNED BY OTPC LOCATED IN NORTHEASTERN OHIO.

Exhibit B

OTPC Gas Transmission, LLC

Primary Receipt Point

Interconnection between QTPC and North Coast Gas Transmission, LLC's Pipeline in Mantua, Ohio

Primary Delivery Point(s)

For BGC: Various interconnections between OTPC and BGC. as required for back-up services only.

For ONG: Various interconnections between OTPC and ONG.

Shrinkage

TBD

2000 Dth/day

***RATES**

Commodity Charge (paid only on quantity transported)

November-March $0.95 per Thousand Cubic Feet (Mcf)

April-October $0.95 per Thousand Cubic Feet (Mcf)

*Rates will adjust every five (5) years commencing on July 1, 2013 and continuing on each fifth (5th) anniversary date for the remaining term of this Agreement to reflect the higher of $0.95 per Thousand Cubic Feet (Mcf) or a negotiated rate to reflect the then current market conditions existing on each such rate adjustment date. If the parties cannot agree on a rate adjustment amount, OTPC shall have the option to increase the Rate by the increase in the consumer price index all items (Cleveland, Ohio) ("CPI") as calculated from July 1, 2008 to each applicable rate adjustment date.

ORWELL2008 - IT – CobraPipeline #1

TRANSPORTATION SERVICE AGREEMENT No. N 0003

SYSTEM: Churchtown ___ Holmesville ___ North Trumbull X
SELECT ONLY ONE

THIS AGREEMENT, made and entered into as of the 24 day of January, 2008, by and between COBRA PIPELINE CO., LTD. ("Company") and Orwell Natural Company ("Customer").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Transportation Service to be Rendered. In accordance with the provisions of the effective applicable transportation service provisions of Company's Tariff, on file with the Public Utilities Commission of Ohio (PUCO), and the terms and conditions herein contained, Company shall receive the quantities of gas requested by Customer to be transported and shall redeliver said gas to Customer's Delivery Point(s). The Point(s) of Receipt, Customer's Delivery Point(s), the Maximum Daily Quantity (MDQ) if applicable and the quality of service shall be set forth in Section 7 of this Transportation Service Agreement.

Section 2. Incorporation of Tariff Provisions. This Transportation Service Agreement shall be subject to the provisions of the Company's Tariff PUCO No. 1, as the same may be amended or superseded from time to time, which is incorporated herein by this reference.

Section 3. Regulation. This Transportation Service Agreement is contingent upon the receipt and continuation of all necessary regulatory approvals and authorizations. This Agreement shall become void or expire, as appropriate, if any necessary regulatory approval or authorization is not so received or continued.

Section 4. Term. This Transportation Service Agreement shall become effective as of the Customer's _____, 20____ billing cycle following its execution and shall continue through the last day of Customer's _____, 20____ billing cycle, provided however, that the Agreement shall continue in effect after that date on a year-to-year basis with each term ending on the last day of Customer's March billing cycle, unless terminated in accordance with this section.

Company may terminate this Transportation Service Agreement effective as of the end of Customer's applicable March billing cycle consistent with the above terms, upon written notice to Customer on or before the preceding January 2.

Customer may terminate this Agreement, effective as of the end of the applicable March billing cycle consistent with the above terms, or request a change in the level or quality of service, upon written notice to Company on or before the preceding January 2. Company will approve or deny any request by Customer to change the level or quality of service, to be effective as of the beginning of its April billing cycle, on or before the preceding January 2, or as soon thereafter as practicable.

Section 5. Notices. Any notices, except those relating to billing or interruption of service, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by certified mail to the address provided in Section 7 of this Agreement.

Section 6. Cancellation of Prior Agreements. This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the parties hereto.

Section 7. Meter Data *See "Exhibit A" Points of receipt into Cobra Pipeline Company
*See " Exhibit B" Points of delivery from Cobra Pipeline Company

TRANSPORTATION SERVICE AGREEMENT No. 0003

SYSTEM: Churchtown ___ Holmesville ___ North Trumbull X
SELECT ONLY ONE

C. TRANSPORTATION SERVICE

Quality of Service: FIRM (___) Maximum Daily Quantity (MDQ): _____ Dth

INTERRUPTIBLE (✓)

Production Gas Heat Content*: _____ Btu/cubic foot (attach latest sample test)

Shrinkage: 3.5 %; After a date not earlier than three years from the date of the Entry of the Public Utilities Commission approving Cobra's Tariff, P.U.C.O. No. 1, and each calendar year thereafter during the term hereof as that term may be extended pursuant to Section 4 of this Transportation Service Agreement, Company may adjust this shrinkage percentage to reflect its operating experience.

Balancing Time Period: Monthly

D. PROCESSING AND COMPRESSION SERVICE* (applicable only if heat content is greater than 1,130 Btu/cu. ft.):

Accepted: (NA)

E. NOTICES

To Cobra :

Cobra Pipeline Co. Ltd
3511 Lost Nation Rd. Suite 213
Willoughby, Ohio 44094-7789
Attention: Customer Service
Phone: 440-255-1945
Fax: 440-255-1985
E-Mail: swilliams@cobrapipeline.com

To. Customer:

Orwell Natural Gas Company
8500 Station St Suite 100
Mentor OH 44060
Attention: Steve Rigo
Phone:
Fax:
E-Mail

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

Orwell Natural Gas Company

By: [signature]

Title: President

COBRA PIPELINE COMPANY, LTD.

By: [signature]

Title: Pres [illegible]

TRANSPORTATION SERVICE AGREEMENT No. N 0003

SYSTEM: Churchtown ___ Holmesville ___ North Trumbull X
SELECT ONLY ONE

C. TRANSPORTATION SERVICE

Quality of Service: FIRM (____) Maximum Daily Quantity (MDQ): _____ Dth

INTERRUPTIBLE (✓)

Production Gas Heat Content*: _____ Btu/cubic foot (attach latest sample test)

Shrinkage: 3.5 %; After a date not earlier than three years from the date of the Entry of the Public Utilities Commission approving Cobra's Tariff, P.U.C.O. No. 1, and each calendar year thereafter during the term hereof as that term may be extended pursuant to Section 4 of this Transportation Service Agreement, Company may adjust this shrinkage percentage to reflect its operating experience.

Balancing Time Period: Monthly

D. PROCESSING AND COMPRESSION SERVICE* (applicable only if heat content is greater than 1,130 Btu/cu. ft.):

Accepted: (NA)

E. NOTICES

To Cobra :

Cobra Pipeline Co. Ltd
3511 Lost Nation Rd. Suite 213
Willoughby, Ohio 44094-7789
Attention: Customer Service
Phone: 440-255-1945
Fax: 440-255-1985
E-Mail: swilliams@cobrapipeline.com

To. Customer:

Orwell Natural Gas Company
8500 Station St., Suite 100
Mentor, Ohio 44060
Attention: Steve Rigo
Phone:
Fax:
E-Mail

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

_____

By: _____

Title: President

COBRA PIPELINE COMPANY, LTD.

By: _____

Title: OPERATIONS MANAGER [redacted]

Exhibit B

DELIVERY POINTS FROM COBRA PIPELINE CO. LTD.

Meter Station Number	Township	County	Meter Owner/Pipeline
730993	SOUTHINGTON	TRUMBULL	ORWELL NATURAL GAS
734296	CHAMPION	TRUMBULL	ORWELL NATURAL GAS
730996	FARMINGTON	TRUMBULL	ORWELL NATURAL GAS
739624	MILTON	MAHONING	ORWELL NATURAL GAS

(10)

TRANSPORTATION SERVICE AGREEMENT No. SPEL-ORW14

THIS AGREEMENT made and entered into as of the 28th day of February, 2014, by and between SPELMAN PIPELINE HOLDINGS, LLC. ("Company") and Orwell Natural Gas, ("Customer") (sometimes jointly referred to as "Parties").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Transportation Service to be Rendered. In accordance with the provisions of the effective applicable transportation service provisions of Company's Tariff, on file with the Public Utilities Commission of Ohio (PUCO), and the terms and conditions herein contained, Company shall receive the quantities of gas requested by Customer to be transported and shall redeliver said gas to Customer's Delivery Point(s). The Point(s) of Receipt, Customer's Delivery Point(s), the Maximum Daily Quantity (MDQ) if applicable and the quality of service shall be set forth in Section 7 of this Transportation Service Agreement.

Section 2. Incorporation of Tariff Provisions. This Transportation Service Agreement shall be subject to and governed by the provisions of the Company's Tariff Gas P.U.C.O. No. 1, as the same may be amended or superseded from time to time, which is incorporated herein by this reference.

Section 3. Regulation. This Transportation Service Agreement is contingent upon the receipt and continuation of all necessary regulatory approvals and authorizations. This Agreement shall become void or expire, as appropriate, if any necessary regulatory approval or authorization is not so received or continued.

Section 4. Term. This Transportation Service Agreement shall have a commencement date of February 28, 2014 and shall continue for a period of 3 years from the commencement date. Upon expiration, this Agreement shall continue on a month to month basis, unless cancelled with a 90 day notice, prior to the expiration by either party in writing to the other.

Section 5. Notices. Any notices, except those relating to billing or interruption of service, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by certified mail, facsimile transmission confirmed by ordinary mail or e-mail confirmed by ordinary mail to the address provided in Section 7(E) of this Agreement.

Section 6. Cancellation of Prior Agreements. This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the

parties hereto.

Section 7. Contract Data

A. PRIMARY POINTS OF RECEIPT INTO SPELMAN PIPELINE HOLDINGS, LLC:

Gate Station	Township	County
1) 742639 Spelman Hunter Rd		
2) 742641 Spelman Ashland		
3)		

B. DELIVERY POINTS FROM SPELMAN PIPELINE HOLDINGS, LLC:

Gate Station	Township	County
1)		
2)		
3)		

C. TRANSPORTATION SERVICE - VOLUME DETAIL

Quality of Service: FIRM (____) INTERRUPTIBLE (X)

Shrinkage: 3.5 %; each calendar year during the term hereof as that term may be extended pursuant to Section 4 of this Transportation Service Agreement, Company may adjust this shrinkage percentage effective January 1 to reflect its operating experience.

Maximum Daily Quantity (MDQ): _____ Dth

D. TRANSPORTATION SERVICE RATE

Pursuant to the flexible rate authority granted in Spelman Pipeline Holdings, LLC's Tariff, P.U.C.O. No. 1, the maximum contractual volumetric rate hereunder is set at $ .50 per Dth commencing on the commencement date for deliveries on behalf of Customer.

D. NOTICES

To Spelman Pipeline Holdings, LLC:

Spelman Pipeline Holdings, LLC
Attention: Martin K. Whelan, President
8500 Station St. Suite 100
Mentor, Ohio 44060
(440) 974-3770
mwhelan@egas.net

To. Customer:

Orwell Natural Gas
Attention: Mike Zappitello
8500 Station St. Suite 100
Mentor, Ohio 44060
(440) 974-3770
mzappitello@egas.net

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

SPELMAN PIPELING HOLDINGS, LLC

By: _____
[PRINT NAME]
Title: President

ORWELL NATURAL GAS

By: _____
[PRINT NAME]
Title: _____

NORTH COAST GAS TRANSMISSION, LLC.

250 East Broad St.
Suite 1220
Columbus, OH 43215

Phone (614) 545-0438
Fax (614) 545-0496
E mail:
mcalderone@commensatgas.com

Michael E. Calderone
President & CEO

June 8, 2010

Mr. Thomas J. Smith
President
Orwell Natural Gas Company
8500 Station Street, Suite 100
Mentor, OH 44060

Re: Amendment to Natural Gas Transportation Service Agreement IT-30000-A dated August 23, 2004 as amended April 20, 2005, October 10, 2006 and August 7, 2008 ("Agreement")

Dear Thomas:

North Coast Gas Transmission, LLC ("North Coast") and Orwell Natural Gas Company ("Orwell") are parties to the above-referenced Agreement and have agreed to extend the term and change the rate contained in the Agreement and accordingly agree as follows:

1. The term of the Agreement shall end on October 31, 2011.
2. For the period November 1, 2009 through October 31, 2011, the rate shall be $.38 for each dekatherm transported, plus shrinkage of 1.25% as specified in the Agreement.
3. All of the other terms and conditions of the Agreement remain in full force and effect.

Please indicate you assent by executing the originals and returning one to me for my files.

Sincerely,
NORTH COAST GAS TRANSMISSION

BY: _____
Michael E. Calderone
President & CEO

ORWELL NATURAL GAS COMPANY

BY: Richard M. Osborne Sr.
~~Thomas J. Smith~~ RICHARD M. OSBORNE, SR.
~~President~~ CHAIRMAN

NORTH COAST GAS TRANSMISSION, LLC.

250 East Broad St
Suite 1220
Columbus, OH 43215

Phone: (614) 545-0488
Fax: (614) 545-0496
E-mail:
mcalicerone@northcoastgas.com

Michael Calicerone
Senior Vice President

August 7, 2008

Mr. Stephen G. Rigo
President
Orwell Natural Gas Company
8500 Station Street, Suite 100
Mentor, OH 44060

Re: Amendment to Natural Gas Transportation Service Agreement IT-30000-A dated August 23, 2004 as amended April 20, 2005 and October 10, 2006 ("Agreement")

Dear Steve:

North Coast Gas Transmission, LLC ("North Coast") and Orwell Natural Gas Company ("Orwell") are parties to the above-referenced Agreement and have agreed to extend the term and change the rate contained in the Agreement and accordingly agree as follows:

1. The term of the Agreement shall end on October 31, 2009.
2. For the period August 1, 2008 through October 31, 2009, the rate shall be $.38 for each dekatherm transported, plus shrinkage of 1.25% as specified in the Agreement.
3. All of the other terms and conditions of the Agreement remain in full force and effect.

Please indicate you assent by executing the originals and returning one to me for my files.

Sincerely,
NORTH COAST GAS TRANSMISSION

BY: _____

ORWELL NATURAL GAS COMPANY

BY: _____

ITS: President

4/21/05 Mailed the original to Cal-[illegible]

NORTH COAST GAS TRANSMISSION, LLC.

250 East Broad St
Suite 1220
Columbus, OH 43215

Phone (614) 545-0488
Fax: (614) 545-0496
E-mail
mcalderone@northcoastgas.com

Michael Calderone
Senior Vice President

April 20, 2005

Mr. Stephen G. Rigo
President
Orwell Natural Gas Co.
8500 Station Street, Suite 100
Mentor, Ohio 44060

Re: Amendment of Natural Gas Transportation Service Agreement IT-30000-A dated August 23, 2004

Dear Steve:

North Coast Gas Transmission, LLC ("North Coast") and Orwell Natural Gas Company ("Orwell") are parties to the above-referenced Natural Gas Transportation Service Agreement ("Agreement"). North Coast and Orwell have agreed to extend the term of the Agreement and accordingly, amend the Agreement as follows:

1. Paragraph 3.1 of the agreement shall be replaced in its entirety with the following language: "The term of this Agreement shall commence on November 1, 2004 and end on October 31, 2006".

2. All other terms and conditions of the Agreement shall remain the same.

If the foregoing reflects your understanding, please execute the originals in the space below and return one copy to me for my files.

Sincerely,
NORTH COAST GAS TRANSMISSION, LLC

BY: _____

ORWELL NATURAL GAS COMPANY

BY: _____

ITS: President

NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

BY THIS AGREEMENT, executed this 23rd day of August, 2004 North Coast Gas Transmission, LLC. (North Coast) and Orwell Natural Gas Company (Shipper), (North Coast and Shipper are hereinafter sometimes referred to collectively as the Parties and individually as a Party) for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do hereby recite and agree as follows:

RECITALS

WHEREAS, North Coast owns a natural gas transmission pipeline system described on **Exhibit A** to this Agreement (Pipeline); and

WHEREAS, North Coast is an Ohio intrastate pipeline operating natural gas pipelines and related facilities located within the State of Ohio under authority of the Public Utility Commission of Ohio; and

WHEREAS, Shipper desires to utilize North Coast's Pipeline for the transportation of natural gas within the State of Ohio; and

WHEREAS, North Coast has agreed to provide such transportation to Shipper subject to the terms and conditions hereof.

WITNESSETH: In consideration of the mutual covenants herein contained, the Parties hereto agree that North Coast will transport for Shipper, on an Interruptible basis, and Shipper will furnish, or cause to be furnished, to North Coast natural gas for such transportation during the term hereof, at prices and on the terms and conditions hereinafter provided:

AGREEMENTS

DEFINITIONS

Except where the context otherwise indicates another or different meaning or intent, the following terms are intended and used herein and shall be construed to have the meaning as follows:

A. **"Btu"** shall mean the British thermal unit as defined by international standards.

B. **"Business Day"** shall mean any weekday, excluding federal banking holidays.

C. **"Central Clock Time"** (C.T.) shall mean Central Standard Time adjusted for Daylight Savings Time.

D. **"Company"** means North Coast Gas Transmission, LLC, its successors and assigns.

E. **"Customer"** means any individual, governmental, or corporate entity taking transportation service hereunder.

F. **"Dekatherm"** or **"Dth"** means the Company's billing unit measured by its thermal value. A dekatherm is 1,000,000 Btus. Dekatherm shall be the standard unit for purposes of nominations, scheduling, invoicing, and balancing.

G. **"Delivery Point(s)"** shall mean the specific measurement location(s) listed on **Exhibit B** at which North Coast delivers Shipper-owned Gas to Shipper and Shipper receives such Gas from North Coast. **Exhibit B** is hereby incorporated into this Agreement.

H. **"Delivery Volume"** shall mean the volume of Gas actually taken at the Delivery Point(s) by or on behalf of Shipper.

I. **"Firm"** shall mean that each Dth Shipper tenders at the Receipt Point will be delivered to Shipper's Delivery Point(s) minus North Coast's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.

J. **"Gas"** shall mean natural gas of interstate pipeline quality.

K. ***"Gas Day" or "Day"*** shall mean a period of 24 consecutive hours, beginning at 9:00 a.m. Central Clock Time, as adjusted for Daylight Savings Time, and the date of the Day shall be that of its beginning.

L. ***"Heating Value"*** shall mean the gross heating value on a dry basis, which is the number of British thermal units produced by the complete combustion at constant pressure of the amount of dry gas (gas containing no water vapor) that would occupy a volume of one Cubic Foot at 14.73 psia and 60° F with combustion air at the same temperature and pressure as the gas, the products of combustion being cooled to the initial temperature of the gas and air, and the water formed by combustion condensed to the liquid state.

M. **"Imbalance"** shall mean the daily difference between the Dths tendered by or for Customer's account at the Receipt Point minus North Coast's Shrinkage and the metered volumes allocated to Shipper at the Delivery Point(s).

N. **"Interruptible"** shall mean that each Dth Shipper tenders at the Receipt Point will be delivered to Shipper's Delivery Point(s) less North Coast's Shrinkage if North Coast, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.

O. **"Maximum Daily Quantity" *or* "(MDQ)"** shall mean the maximum daily firm natural gas quantity which Shipper shall be entitled to nominate during any 24-hour period. Shipper's MDQ shall be negotiated between Shipper and North Coast and incorporated into Shipper's Service Agreement with North Coast.

P. **"Month"** shall mean a calendar month beginning at 9:00 a.m. Central clock time on the first day of the calendar month and ending at 9:00 a.m. Central clock time the first day of the following calendar month.

Q. **"NCGT System"** shall mean the Buckeye 425 pipeline, Buckeye 10 inch pipeline and the Ashland 8 inch pipeline.

R. **"Nomination"** shall mean the confirmed Quantity of Gas which Shipper shall arrange to have delivered to the Receipt Point(s) for redelivery by North Coast to the Delivery Point(s). The Nomination shall include sufficient gas to account for North Coast's Shrinkage.

S. **"Operational Flow Order" or "OFO"** shall mean a declaration made by North Coast that conditions are such that North Coast can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which Shipper will actually receive at the Receipt Point on that calendar day. North Coast shall only declare an Operational Flow Order if an upstream pipeline declares an operational flow order or otherwise restricts the flow of Gas which normally would be delivered to North Coast at the Receipt Point.

T. **"Overrun"** shall mean any volume of Gas actually transported which, as measured on a daily basis, exceeds the maximum daily quantity (MDQ) established by this Agreement.

U. **"PUCO" or "Commission"** means the Public Utilities Commission of Ohio or any successor governmental authority.

V. **"Quantity of Gas"** shall mean the number of units of gas expressed in Dth or MMBtu unless otherwise specified.

W. **"Receipt Point(s)"** shall mean those measurement locations where Shipper-owned gas enters North Coast's system.

X. **"Service Agreement"** Each Customer shall sign an individual Agreement with North Coast prior to commencement of service that identifies the Receipt Point and Delivery Point(s), the MDQ, declares whether the transportation is Firm or Interruptible and establishes the cost for the transportation. The Service Agreements shall be filed with the Commission pursuant to Section 4905.31, Revised Code for approval.

Y. **"Shrinkage"** shall mean the quantity of Gas required by North Coast to replace the estimated quantity of Gas which is required for compressor fuel, and lost-or-unaccounted-for Gas when transporting the tendered quantities. This percentage is set forth in **Exhibit B**.

Z. **"Written Notice"** shall mean a legible communication received by the intended recipient of the communication by United States mail, express courier, or confirmed facsimile. Written Notice may also be provided by Email, but shall not be effective until such time as (a) the Email is acknowledged by the intended recipient; (b) or a copy of such Email is received by the intended recipient by US mail, express courier, or facsimile.

I. DELIVERY AND TRANSPORTATION

1.1 Shipper shall arrange with suppliers of Shipper's selection to have Gas in an amount not to exceed Shipper's MDQ adjusted for North Coast's Shrinkage as specified on **Exhibit B**, tendered to the Receipt Point(s) as specified on **Exhibit B**, for delivery into the North Coast Pipeline on Shipper's behalf. North Coast shall then redeliver, on an Interruptible basis, such quantities, less North Coast's Shrinkage, to Shipper, or on behalf of Shipper, at the Delivery Point(s) as specified on **Exhibit B**. All transportation by North Coast for Shipper shall be governed by North Coast's then current transportation tariff on file with the PUCO, except as expressly modified hereby.

1.2 For planning purposes, Shipper shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to North Coast of the amount of Gas it intends to transport each day of the upcoming Month. Shipper shall submit its Nomination to North Coast by no later than 11:30 am Central Clock Time for Gas flow the following day. This nomination should correspond to scheduled deliveries Shipper makes on the upstream interstate pipeline and downstream local distribution company operating the applicable Delivery Point(s). Should the Shipper desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, North Coast shall make every attempt to accommodate Shipper's request provided North Coast can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

1.3 Shipper shall be permitted to have delivered into and removed from North Coast's Pipeline its nominated Gas volume, adjusted for North Coast's Shrinkage, up to the MDQ previously agreed to and found on **Exhibit B**.

1.4 If any of the interstate pipelines interconnected with North Coast issues an operational flow order then North Coast may issue its own matching OFO on its Pipeline that will apply to all Shippers. The OFO may restrict Shippers to nominate into the North Coast Pipeline only that volume of Gas which Shipper will have redelivered the same day adjusted for Shrinkage. North Coast will use its best efforts to limit such OFO to just the time necessary to comply with applicable upstream interstate OFOs. North Coast will only assess OFO penalties on a pro-rata basis if North Coast is actually assessed penalties by an applicable upstream pipeline.

1.5 Imbalances caused by Shipper at the Delivery Point(s) shall be resolved by North Coast and Shipper within thirty (30) days. Imbalances at the Receipt Point are governed by the terms and conditions of the upstream pipeline(s) delivering into North Coast. Any imbalance charges or penalties or costs of any kind incurred by North Coast as a result of Shipper's over or under delivery of natural gas into North Coast's system, either on a daily or monthly basis, will be reimbursed by Shipper within ten (10) days of receipt thereof. If Shipper fails to make any

payments under this Agreement when due, North Coast has the right to terminate this Agreement upon two (2) days notice, unless such payment is made by the date specified in the termination notice

1.6 Shipper warrants that it has title to all Gas delivered to North Coast, free and clear of all claims, liens and other encumbrances, and further covenants and agrees to indemnify and hold harmless from all claims, demands, obligations, suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities of any kind or nature arising from or attributable to the adverse claims of any and all other persons or parties relating to such Gas tendered by Shipper at the Receipt Point.

II. QUANTITY AND PRICE

2.1 Shipper shall pay North Coast a Commodity Rate plus Shrinkage, as stated on **Exhibit B,** for each volume of Gas delivered to the Delivery Point(s).

III. TERM

3.1 The term of this Agreement shall commence on November 1, 2004 and end on October 31, 2005.

IV. MEASUREMENT AND QUALITY OF GAS

4.1 Measurement of the Gas delivered and billed to Shipper shall be based upon an allocation conducted by the operator of the Delivery Point(s). Disputes regarding allocated throughput shall be handled in accordance with the tariff of the Delivery Point(s) operator. Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. North Coast shall provide to Shipper at Shipper's request, pertinent tariff information pertaining to method of allocating deliveries at Delivery Point(s).

4.2 All Gas delivered under this Agreement shall be commercially free from solid and liquid impurities and shall satisfy all pipeline quality standards reasonably established from time to time by North Coast and upstream or downstream pipelines.

V. BILLING AND PAYMENT

5.1 On or about the tenth (10th) day of each calendar month, North Coast will render to Shipper a statement setting forth the total volume of Gas delivered hereunder for Shipper during the immediately preceding Month. In the event North Coast was not able to take actual meter readings at any meter, or if North Coast has not received the necessary meter statements from the owner or operator of any applicable meter in time for preparation of the monthly statement, North Coast may use an estimated Gas delivery volume based upon confirmed

nominations. Any such estimated delivery volume shall be corrected in the first statement after the actual meter readings become available.

5.2 In the event of a meter failure a reconstructed bill using the best information available shall be used.

5.3 Shipper agrees to pay North Coast the amount payable according to such statement on or before the twenty-fifth (25th) day of the month or within ten (10) days of receipt of the invoice whichever is later.

5.4 Failure to tender payment within the above specified time limit shall result in a monthly interest charge of one and one half percent (1-1/2%) per month on the unpaid balance. In addition, should Shipper's payment be delinquent by more than thirty (30) days, North Coast shall have the right, at its sole discretion, to terminate this Agreement and to terminate Gas transportation in addition to its seeking other legal redress. North Coast will first contact Shipper about any payment issues and try to resolve those issues in a reasonable manner.

5.5 Any notice, request, demand, statement, or other correspondence shall be given by Written Notice to the Parties hereto, as set forth below:

Shipper:	Orwell Natural Gas Company
	8500 Station Street, Suite 100
	Mentor, Ohio 44060
EMAIL:	sgr_sr@sbcglobal.net
PHONE:	(440) 974-5120
FAX:	(440) 974-5114
ATTN:	Stephen G. Rigo, Sr.

NORTH COAST:	**North Coast Gas Transmission Company, LLC**
	250 East Broad Street
	Suite 1220
	Columbus, OH 43215
EMAIL:	pmcgonagle@somersetgas.com
PHONE	(614) 545-0487
FAX:	(614) 545-0496
ATTN:	Patrick J. McGonagle

VI. FORCE MAJEURE

6.1 Except with regards to a party's obligation to make payment due under Section 5 and Imbalance Charges under Section 2, neither party shall be liable to the other for failure to perform a firm obligation; to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 6.2.

6.2 Force Majeure shall include but not be limited to the following (1) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law statute, ordinance, or regulations promulgated by a governmental authority having jurisdiction. The Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event of occurrence once it has occurred in order to resume performance

6.3 Neither party shall be entitled to the benefit of the provision of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming Force Majeure failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship. The claiming of Force Majeure shall not relieve either party from meeting all payment obligations.

6.4 Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be entirely within the sole discretion of the party experiencing such disturbances.

6.5 The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notification of Force Majeure to the other party, the affected party will be relieved of its obligation to make or accept delivery of Gas as applicable to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

VII. ADDITIONAL TERMS

7.1 Shipper shall join with North Coast in support of the application to the PUCO for approval of this Agreement pursuant to Section 4905.31, Revised Code.

7.2 In the event of an energy emergency declared by the Governor or any other lawful official or body, it is understood that North Coast shall and will follow the dictates of any energy emergency rule, or order. North Coast shall not be liable for any loss or damage suffered by Shipper as a result thereof.

7.3 This Agreement shall be construed under the laws of the State of Ohio.

7.4 This Agreement, together with all schedules and exhibits hereto, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (regardless of whether similar), nor shall any such waiver constitute a continuing waiver unless otherwise expressly provided.

7.5 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns. Neither this Agreement nor any of the rights, benefits or obligations hereunder shall be assigned, by operation of law or otherwise, by any Party hereto without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Except as expressly provided herein, nothing in this Agreement is intended to confer upon any person other than the Parties and their respective permitted successors and assigns, any rights, benefits or obligations hereunder.

7.6 The parties agree that any dispute arising hereunder or related to this Agreement shall be resolved by binding arbitration under the auspices of the American Arbitration Association. Prehearing discovery shall be permitted in accordance with the procedures of the Ohio Rules of Civil Procedure. The arbitrator or arbitrators shall have authority to impose any remedy at law or in equity, including injunctive relief. The parties agree that any hearing will be conducted in Franklin County, Ohio.

7.7 Recovery by either Party of damages, if any, for breach of any provision hereof shall be limited to direct, actual damages. Both Parties waive the right, if any, to recover consequential, indirect, punitive and exemplary damages.

7.8 Both parties shall have the right to demand credit assurances from the other party. If the financial responsibility of any Party is at any time unsatisfactory to the other Party for any reason, then the defaulting Party will provide the requesting Party with satisfactory security for the defaulting Party's performance hereunder upon requesting Party's demand. Defaulting Party's failure to abide by the provisions of this Section shall be considered a breach hereof, and the requesting Party may terminate this Agreement, provided the defaulting Party is afforded an opportunity to cure any default within three (3) business days notice of any breach. Both Parties have the right, in addition to all other rights and remedies, to set-off any such unpaid balance due the other Party, or by the parent or any subsidiary of the other Party, under any separate agreement or transaction.

7.9 No presumption shall operate in favor of or against either party regarding the construction or interpretation of this Agreement as a result of either party's responsibility for drafting this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed as of the date set forth above.

North Coast Gas Transmission Company, LLC

By: _____

Its: Sr. Vice President

Date: November 18, 2004

Orwell Natural Gas Company

By: _____

Its: President

Date: **August 23, 2004**

Exhibit B

North Coast Gas Transmission, LLC

Primary Receipt Point

Interconnection between North Coast and Crossroads Pipeline known as Cygnet

Primary Delivery Point(s)

Interconnection between North Coast and Orwell Natural Gas Company known as Mantua.

Shrinkage

1.5%

MDQ

1000 Dth/day

RATES

Commodity Charge (paid only on quantity transported)

November-March	$0.25
April-October	$0.25

AGREEMENT

This Agreement is entered into by The East Ohio Gas Company d/b/a Dominion East Ohio ("DEO") and Orwell Natural Gas Company ("Orwell") this 14th day of April, 2005.

In consideration of the promises set forth below, the parties agree as follows:

Article 1 Transportation Rates

1.1 DEO shall bill Orwell, at General Transportation Service ("GTS") rates, on the basis of the aggregate usage for all of Orwell's delivery points.

1.2 The demand charges and volumetric rates for each year of this Agreement shall be determined as follows. Before the effective date and each anniversary date of this Agreement, DEO shall estimate Orwell's total load and the corresponding revenues for the subsequent 12-month period. The demand charge for each month of that 12-month period shall be 1/12 of 90% of those estimated revenues. The remaining 10% of those estimated revenues shall be used to calculate the volumetric rate for that subsequent 12-month period.

1.3 DEO shall waive the requirements of Section ~~3.2~~ 3.2 & 6.3 of the GTS rate schedule. EGM requirements #3.2/MDQ/etc. ASM 9/9/05 DJ 9/9/05

1.4 DEO shall provide firm service up to the amount of gas scheduled for the gas day for delivery to Orwell. All service beyond that amount shall be interruptible service. There shall be no additional charge for standby service.

1.5 If, at any time during the term of this Agreement, including the primary term and any renewal periods, Orwell begins to serve a customer already served by DEO or reduces deliveries from DEO at existing interconnects by using other supply sources, DEO may reduce the effective discount provided to Orwell under the billing arrangement described in Section 1.1 above by an amount up to the revenue lost by DEO as a result of Orwell's action. If the revenue loss exceeds the effective discount, DEO may terminate this Agreement with 60 days' notice and thereafter render service to Orwell under maximum tariff rates and all applicable terms and conditions, including Section 3.2, of the GTS rate schedule, without aggregating Orwell's accounts. & 6.3 ASM 9/9/05 DJ 9/9/05

Article 2 DEO/OIGTC Application

2.1 DEO and Ohio Intrastate Gas Transmission Company ("OIGTC") will be filing a joint application (the "DEO/OIGTC Joint Application") for approval by The Public Utilities Commission of Ohio ("PUCO") of DEO's purchase of OIGTC's assets. Orwell shall not file to intervene in that proceeding or in any way oppose the DEO/OIGTC Joint Application.

Article 3 Regulatory Approvals

3.1 DEO and Northeast Ohio Natural Gas Corporation ("NEONG") will be filing a joint application (the "DEO/NEONG Joint Application") for PUCO approval of an asset

exchange. This Agreement is contingent on PUCO approval of both (i) the DEO/NEONG Joint Application, and (ii) the DEO/OIGTC Joint Application.

Article 4 Term

4.1 This Agreement shall be effective on the date the PUCO approves the second of the two applications on approval of which this Agreement is contingent. This Agreement has a primary term of seven years, unless earlier terminated by DEO as permitted under Section 1.5 above, and shall automatically renew thereafter year to year unless terminated by either party with 60 days' written notice.

Article 5 Notices

5.1 All notices required or permitted under this Agreement, except those relating to billing, shall be sent by facsimile, hand delivery, or certified mail addressed to the following:

If to DEO:

P.O. Box 5759
Cleveland, OH 44101-0759
Facsimile No. (216) 736-6247
Attention: Jeffrey A. Murphy
Director, Pricing and Regulatory Affairs

If to Orwell:

P.O. Box 190
Orwell, OH 44706
Facsimile No. (440) 974-5114
Attention: Stephen G. Rigo
President

5.2 Either party may change its address for receipt of notices by giving written notice to that effect, as provided in Section 5.1, to the other party.

Article 6 Assignment

6.1 This Agreement may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

6.2 This Agreement shall be binding on and inure to the benefit of the parties' successors and assigns.

Article 7 Entire Agreement

7.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. No amendment, modification, or change to this Agreement shall be valid unless made in writing signed by the parties.

THE EAST OHIO GAS COMPANY
D/B/A DOMINION EAST OHIO

By _____

ORWELL NATURAL GAS
COMPANY

By _____
Stephen G. Rigo, President

COI-1302389v3

Dominion East Ohio
1201 East 55th Street, Cleveland, OH 44103
Mailing Address: P.O. Box 5759
Cleveland, OH 44101-0759
Web address: www.dom.com

Dominion East Ohio

September 13, 2005

Mr. Stephen G. Rigo
Orwell Natural Gas
8500 Station Street
Suite 100
Mentor, Ohio 44060

Re: DEO Agreement No. 11943, dated April 14, 2005
Subject: Transportation Migration Riders

Dear Steve:

Pursuant to our discussion on Friday, September 9, 2005, Dominion East Ohio will agree to waive the Transportation Migration Rider Parts A and B (Riders) for all volumes delivered under the subject Agreement. However, Orwell Natural Gas agrees to pay the Riders if Dominion East Ohio is required by the Public Utilities Commission of Ohio to apply them to the subject Agreement for any service that has been or will be rendered to Orwell Natural Gas by Dominion East Ohio.

Please indicate your acceptance of the above by signing both copies of this letter in the space provided below. One fully executed original will be returned to you.

Thank you,

Michael J. Mallady
Dominion East Ohio

AGREED AND ACCEPTED BY:

ORWELL NATURAL GAS COMPANY

By: _____

Title: Executive Vice President

Date: September 20, 2005

THE EAST OHIO GAS COMPANY

By: _____

Title: Director

Date: _____

By: _____
Legal Counsel

General Transportation Service (GTS)

1. Applicability

   1.1 Transportation service pursuant to this rate schedule is available to Customers throughout East Ohio's service area who:

   a) have purchased or otherwise arranged for a supply of natural gas of acceptable quality and have provided for the delivery of such gas to East Ohio's system for redelivery at a point on the East Ohio system; and

   b) qualify for transportation service under the PUCO Gas Transportation Program Guidelines; and

   c) have entered into a written contract (the "contract") with East Ohio for service under this rate schedule for a minimum of 12 months.

   1.2 Transportation service pursuant to this rate schedule is subject to East Ohio's General Terms and Conditions of Transportation Service.

2. Character of Service

   The gas received by East Ohio on any Day for the account of the Customer shall be delivered by East Ohio to the Customer on the same Day on a firm basis, provided, however, that East Ohio's obligation to deliver gas to the Customer on any Day is limited to the Maximum Daily Transportation Quantity specified in the contract and is subject to the provisions of Section 2 of East Ohio's General Terms and Conditions of Transportation Service.

3. Measurement of Deliveries

   3.1 Delivery Points specified in the contract may be equipped with monthly gas measurement equipment instead of real-time electronic gas measurement ("EGM") capability, except as specified in Section 3. 2 below. For any Delivery Point so equipped, the average daily volume of gas delivered by East Ohio to the Customer shall be calculated by dividing the total volume of gas delivered by East Ohio during the Customer's Billing Cycle by the number of days in the Billing Cycle. In addition:

   a) Customers without EGM devices are subject to East Ohio's issuance of operational flow orders.

   3.2 Any Customer that does not receive all of its natural gas requirements through East Ohio shall be required to equip all of its Delivery Points with EGM capability. Any

other Customers may elect to equip some or all of its Delivery Points with EGM capability. If EGM capability approved and required by East Ohio is not available at any of the Delivery Points specified in the contract at the time the contract is executed, such equipment shall be installed, owned, operated, and maintained by East Ohio, provided, however, that all costs associated with the purchase and installation of such equipment shall be borne by the Customer and paid to East Ohio in equal monthly installments over a period specified in the contract, which period shall not exceed 24 months. In addition:

a) The Customer shall provide, at no cost to East Ohio and in a timely manner, a 120 volt, 15 ampere, AC power supply and a telephone tie to the Customer's telephone system accessible at Customer's meter location(s), and any necessary telephone enhancements to properly transmit data.

b) The Customer shall pay all charges for continuous electric and telephone service necessary for the operation of the EGM equipment.

c) Customers with EGM devices are subject to East Ohio's issuance of operational matching orders.

4. Tolerances

Positive and Negative Imbalance Volumes will be reconciled pursuant to Sections 5 and 6 of East Ohio's General Terms and Conditions of Transportation Service.

5. Volume Banking Service

5.1 Customers purchasing transportation service pursuant to this rate schedule are required to subscribe to Volume Banking Service. The minimum Monthly Tolerance Level for such Customers is two percent (2%) of monthly consumption volumes.

5.2 Customers will be billed the applicable rate per Mcf on all Delivery Volumes according to the level of Volume Banking set forth in their service agreements.

Monthly Tolerance Level	Rate per Mcf for all Delivery Volumes
Two Percent	$0.022
Four Percent	$0.027
Six Percent	$0.034
Eight Percent	$0.040
Ten Percent	$0.046

6. Rates and Charges

6.1 The volumetric charge for each Customer at each Delivery Point served under this rate schedule shall not exceed the rates set forth below plus any riders applicable to service rendered under this rate schedule:

For the first 100 Mcf each month, $1.3128 per Mcf,
For the next 400 Mcf each month, $1.0528 per Mcf,
For all over 500 Mcf each month, $0.8788 per Mcf.

In no event shall the volumetric charge for volumes delivered under this rate schedule be less than the Variable Cost of Service.

6.2 In addition to the volumetric charge, each Customer shall be charged a Customer charge of $102.50 per Delivery Point per month.

6.3 Any Customer that does not receive all of its natural gas requirements through East Ohio will be subject to a surcharge equal to $3.00 per Mcf times the Customer's Maximum Daily Transportation Quantity, payable monthly.

6.4 Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio as of November 8, 1994 shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider. Such Customer shall also be responsible for East Ohio's Uncollectible Expense Rider and receive a credit for $0.0601 per Mcf in recognition thereof.

EOG Transport

Dominion East Ohio Transportation Customer Rates

Daily Transportation Customers (DTS)

Monthly Service Charge:	$ 377.00	
Transportation Rate		
First 500 Mcf/month	$ 1.0803	Mcf
Next 24,500 Mcf/month	$ 0.9113	Mcf
Next 25,000 Mcf/month	$ 0.5603	Mcf
Over 50,000 Mcf/month	$ 0.1663	Mcf
PIPP RIDER[2] (effective 05/12/99):	$ 0.1110	Mcf
Transition Cost :	$ -	Mcf
Migration Rider Part A[3]:	$ 0.0990	Mcf
Energy Choice Program Costs:	$ -	Mcf
Uncollectible Expense Rider[2]:	$ 0.2531	Mcf
Excise Tax Rider		
First 100 Mcf/month	$ 0.1593	Mcf
Next 1,900 Mcf/month	$ 0.0877	Mcf
Over 2,000 Mcf/month	$ 0.0411	Mcf

Storage

Volume Banking		
Monthly Tolerance Level		
2%	$ 0.0220	
4%	$ 0.0270	
6%	$ 0.0340	
8%	$ 0.0400	
10%	$ 0.0460	
FSS Storage		
Base Rate (MSC):	$ 0.4030	Mcf
Injections:		
FSS:	$ 0.0580	Mcf
EFSS:	$ 0.0830	Mcf
Withdrawals:		
FSS:	$ 0.0570	Mcf
EFSS:	$ 0.0820	Mcf
In/Out Storage		
Reservation fee (MDSC):	$ 1.8700	Mcf
Maximum Storage Capacity (MSC)	$ 0.0410	Mcf
Injections/Withdrawals:	$ 0.0220	Mcf

General Transportation Customers[1] (GTS)

Monthly Service Charge:	$ 102.50	
Transportation Rate		
First 100 Mcf/month	$ 1.3128	Mcf
Next 400 Mcf/month	$ 1.0528	Mcf
Over 500 Mcf/month	$ 0.8788	Mcf
PIPP RIDER[2] (effective 05/12/99):	$ 0.1110	Mcf
Transition Cost :	$ -	Mcf
Migration Rider Part A[3]:	$ 0.0990	Mcf
Energy Choice Program Costs:	$ -	Mcf
Uncollectible Expense Rider[2]:	$ 0.2531	Mcf
Excise Tax Rider		
First 100 Mcf/month	$ 0.1593	Mcf
Next 1,900 Mcf/month	$ 0.0877	Mcf
Over 2,000 Mcf/month	$ 0.0411	Mcf

Effective Date: 06-Jul-05

Transportation Service for Schools[1] (TSS)

Monthly Service Charge:	$ 50.00	
Transportation Rate		
First 100 Mcf/month	$ 1.4568	Mcf
Next 400 Mcf/month	$ 1.1968	Mcf
Over 500 Mcf/month	$ 1.0228	Mcf
PIPP RIDER[2] (effective 05/12/99):	$ 0.1110	Mcf
Transition Cost :	$ -	Mcf
Migration Rider Part A[3]:	$ 0.0990	Mcf
Energy Choice Program Costs:	$ -	Mcf
Uncollectible Expense Rider[2]:	$ 0.2531	Mcf
Excise Tax Rider		
First 100 Mcf/month	$0.1593	Mcf
Next 1,900 Mcf/month	$0.0877	Mcf
Over 2,000 Mcf/month	$0.0411	Mcf

Effective Date: 06-Jul-05

1. All GTS and TSS customers are required to take a minimum of 2% volume banking. GTS customers include Full-Requirement and General customers.
2. Any Customer initiating transportation service under this rate schedule who was exclusively a sales customer of East Ohio as of November 8, 1994 shall continue to be responsible for charges pursuant to East Ohio's Interim Emergency and Temporary PIP Plan Rider. Such Customers shall also be responsible for East Ohio's Uncollectible Expense Rider and receive a credit for $0.0601 per Mcf in recognition thereof.
3. Pursuant to The Public Utilities Commission of Ohio Opinion and Order in Case Nos. 97-219-GA-GCR and 97-119-GA-FOR dated November 5, 1998 the Transportation Migration Rider, Part A, has been increased from $0.000 per Mcf to $0.099 per Mcf. The transition cost recovery surcharge has been reduced to $0.000 per Mcf from its prior level of $0.012 per Mcf which was capped at 10% of all transportation related charges.

Account Name: Orwell Natural Gas
Account Number: Various
Transportation Services effective date: October 1, 2005

SPECIAL GENERAL TRANSPORTATION SERVICE (SGTS)
NORTHEAST OHIO NATURAL GAS

			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
MONTHLY VOLUMES (MCF):			25,616	19,788	24,233	9,711	5,824	1,102	1,136	1,381	1,547	4,653	11,321	16,986	123,297
Transport Rate															
First...	100	$1.3128	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 131	$ 1,575
Next...	400	$1.0528	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 421	$ 5,053
Over...	500	$0.8788	$ 22,072	$ 16,950	$ 20,857	$ 8,094	$ 4,679	$ 529	$ 559	$ 774	$ 920	$ 3,650	$ 9,509	$ 14,488	$ 103,081
UER Discount:		$0.0000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Transport Rates:			$ 22,624	$ 17,503	$ 21,409	$ 8,647	$ 5,231	$ 1,082	$ 1,112	$ 1,326	$ 1,473	$ 4,202	$ 10,062	$ 15,040	$ 109,710
Excise Tax (Effective July, 2001)															
First...	100	$0.0000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Next...	1900	$0.0000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Over...	2000	$0.0000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Excise Tax:			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Volume Banking Fee		$ 0.022	$ 564	$ 435	$ 533	$ 214	$ 128	$ 24	$ 25	$ 30	$ 34	$ 102	$ 249	$ 374	$ 2,713
	MDTQ	Demand Rate													
MDTQ Surcharge	0	$ 3.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
RIDERS															
PIPP:		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Migration Rider (Part A):		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Uncollectible Expense Rider:		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Monthly Service Fee:		$ 102.50	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 103	$ 1,230
TOTAL MONTHLY COSTS:			$ 23,289.94	$ 18,040.35	$ 22,044.77	$ 8,962.90	$ 5,462.03	$ 1,208.45	$ 1,239.17	$ 1,459.05	$ 1,609.04	$ 4,406.92	$ 10,413.37	$ 15,516.31	$ 113,652

Summary

Annual Volume (Mcf)	Annual Revenue	90% of Revenue	Monthly Demand Charge	10% of Revenue	Volumetric Charge ($/Mcf)
123,297	$ 113,652	$ 102,287	$ 8,524	$ 11,365	$ 0.092

NEO 182,554 $712,051 53,404 .090

#Meters 34

Savings: $75,000/yr

FILE

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Orwell-Trumbull Pipeline Company, LLC for Approval of Transportation Service Agreement with Newbury Local Schools	))))))	Case No. 09-650-PL-AEC

APPLICATION OF ORWELL-TRUMBULL PIPELINE COMPANY, LLC AND REQUEST FOR EXPEDITED CONSIDERATION

Pursuant to Section 4905.31, Ohio Revised Code, Orwell-Trumbull Pipeline Company, LLC ("Orwell-Trumbull" or "Applicant") respectfully requests that the Commission approve a Transportation Service Agreement it has executed with Newbury Local Schools (identified as "Shipper"). In support of this Application, Orwell-Trumbull states:

1. Applicant is an Ohio corporation and an intrastate pipeline company and public utility within the meaning of Sections 4905.02 and 4905.03, Ohio Revised Code, subject to the jurisdiction of the Public Utilities Commission of Ohio ("Commission"). Orwell-Trumbull operates pursuant to its Tariff P.U.C.O. No. 1, issued and effective on and after March 21, 2006.
2. Pursuant to its approved tariff, transportation service agreements with shippers are to be filed with the Commission for approval as special arrangements pursuant to Ohio Revised Code Section 4905.31.
3. Shipper is a local school district with facilities in Newbury, Ohio, and its central office at 14775 Auburn Road, Newbury, Ohio.
4. On July 27, 2009, subject to the approval of this Commission, Applicant entered into a natural gas transportation service agreement with Shipper as set forth in Exhibit A.

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 AMN Date Processed 7/28/09

5. No party to the agreement holds any interest in any other party to the agreement.
6. The Natural Gas Transportation Service Agreement conforms to the Commission's transportation guidelines. Shipper will tender to Applicant those volumes of gas delivered on its behalf to Applicant's receipt point on Cobra Pipeline Co., Ltd. in Middlefield Township, Geauga County, and Applicant will, subject to the provisions of the agreement, deliver said volumes of gas on a firm basis to points of interconnection between Applicant and Shipper's school buildings.
7. Orwell-Trumbull submits that the attached new arrangement with Newbury Local Schools is reasonable and should be approved pursuant to Section 4905.31, Ohio Revised Code.

WHEREFORE, Orwell-Trumbull Pipeline Company, LLC respectfully requests that the Commission approve the new arrangement with Newbury Local Schools attached to this Application pursuant to Ohio Revised Code Section 4905.31. Expedited consideration is requested.

Respectfully Submitted,

Andrew J. Sonderman (0008610)
Weltman, Weinberg & Reis Co., LPA
175 S. Third Street, Suite 900
Columbus, Ohio 43215
614.857.4383 (voice)
614.233.6826 (facsimile)
asonderman@weltman.com

Attorney for Orwell-Trumbull Pipeline Co., LLC

Exhibit A

TRANSPORTATION SERVICE AGREEMENT No. 1006

THIS AGREEMENT made and entered into as of the 27th day of July, 2009, by and between ORWELL-TRUMBULL PIPELINE COMPANY, LLC. ("Company") and NEWBURY LOCAL SCHOOLS, NEWBURY, OHIO ("Customer") (sometimes jointly referred to as "Parties").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Transportation Service to be Rendered. In accordance with the provisions of the effective applicable transportation service provisions of Company's approved Tariff Gas P.U.C.O No. 1 on file with the Public Utilities Commission of Ohio (PUCO), and the terms and conditions herein contained, Company shall receive the quantities of gas requested by Customer to be transported and shall redeliver said gas to Customer's Delivery Point(s). The Point(s) of Receipt, Customer's Delivery Point(s), the Maximum Daily Quantity (MDQ) if applicable and the quality of service shall be set forth in Section 7 of this Transportation Service Agreement.

Section 2. Incorporation of Tariff Provisions. This Transportation Service Agreement shall be subject to and governed by the provisions of the Company's Tariff Gas P.U.C.O. No. 1, as the same may be amended or superseded from time to time, which is incorporated herein by this reference.

Section 3. Regulation. This Transportation Service Agreement is contingent upon the receipt and continuation of all necessary regulatory approvals and authorizations. This Agreement shall become void or expire, as appropriate, if any necessary regulatory approval or authorization is not so received or continued.

Section 4. Term. This Transportation Service Agreement shall have a commencement date of the date that service is made available and shall continue for a period of 5 years from the commencement date,

Section 5. Notices. Any notices, except those relating to billing or interruption of service, required or permitted to be given hereunder shall be effective only if delivered personally to an officer or authorized representative of the party being notified, or if mailed by certified mail, facsimile transmission confirmed by ordinary mail or e-mail confirmed by ordinary mail to the address provided in Section 7(E) of this Agreement.

Section 6. Cancellation of Prior Agreements. This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the parties hereto.

Section 7. Contract Data

A. PRIMARY POINT(S) OF RECEIPT INTO ORWELL-TRUMBULL PIPELINE COMPANY, LLC.

Gate Station	Township	County
1)Orwell Trumbull Pipeline Interconnect Meter No. 740018	Middlefield	Geauga
2)		
3)		

B. DELIVERY POINT(S) FROM ORWELL-TRUMBULL PIPELINE COMPANY, LLC.

Meters	Township	County
1) Highschool	Newbury	Geauga
2) Elementary School	Newbury	Geauga
3)		

C. TRANSPORTATION SERVICE - VOLUME DETAIL

Quality of Service: FIRM (X) INTERRUPTIBLE (____)

Shrinkage: _____%. This percentage may be adjusted annually by the Company.

Maximum Daily Quantity (MDQ): 60 Dth

D. TRANSPORTATION SERVICE RATE: $0.90 per Mcf Delivered

E. MONTHLY SERVICE CHARGE: $10.00 Per Meter Per Month

F. NOTICES

To Orwell Trumbull:

Orwell Trumbull Pipeline
Attention: Steve Rigo
3511 Lost NationRd.
Suite 213
Willoughby, OH 44094
Phone: 440-255-1945
Fax: 440-255-1985
srigo@orwellgas.com

To. Customer:

Newbury Local Schools
Attention: David M. Hoskin
14775 Auburn Rd.
Newbury, OH 44065
440-564-5501
Fax: 440-564-9460
E-mail Address: ne_hoskin@lgca.org

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of the date hereinafter first mentioned.

NEWBURY LOCAL SCHOOLS

By: David M. Hoskin
David M. Hoskin
[PRINT NAME]
Title: Treasurer

ORWELL-TRUMBULL PIPELINE CO., LLC.

By: Steven J. Allegrini
[PRINT NAME]
Title: Operations Manager

Orwell Trumbull Pipeline Company

3511 Lost Nation Road, Suite 213
Willoughby, OH 44094
(440) 255-1945

INVOICE

Bill To:
Orwell Natural Gas
8500 Station Street
Mentor OH 44060

8/13/2012
Invoice #: 577
Amount Due: 8/28/2012

MONTH	DESCRIPTION		Rate	TOTAL
July	Transportation @ $.50 per MCF (The YMCA)			
		326.4	0.54	$ 176.26
		249.5	0.54	$ 134.73
	Total	575.9	0.54	$ 310.99
			GRAND TOTAL:	**$ 310.99**

*****PLEASE SEND THIS REMITTANCE WITH PAYMENT*****

Bill To:
Orwell Natural Gas
8500 Station Street
Mentor OH 44060

0 08/13/12
Invoice #: 577
Amount Due: $ 310.99

Amount Paid: _____

ORWELL - INCREASE GAS COST DUE TO LOSS OF CONTRACT & REMOVAL OF DEO TAPS

Attachment GS - 12

ORWELL OTP SUPPLY								
	Orwell OTP (DTH) (c*1.029)	MCF Before Shrink (c=d)	MCF After Shrink (g/0.95)	Purchased cost per DTH	Commodity (b*e)	OTP Transport	Total Cost (f+g)	Cost per MCF (h/d)
a	b	c	d	e	f	g	h	i
Jul-12	10,800.0	10,495.4	10,495.4	3.374	$ 36,439	$ 9,971	$ 46,410	$ 4.422
Aug-12	12,066.0	11,726.2	11,726.2	3.51	$ 42,352	$ 11,140	$ 53,492	$ 4.562
Sep-12	24,094.0	23,415.2	23,415.2	3.153	$ 75,968	$ 22,244	$ 98,213	$ 4.194
Oct-12	33,631.0	32,683.3	32,683.3	3.542	$ 119,121	$ 31,049	$ 150,170	$ 4.595
Nov-12	59,280.0	57,609.7	57,609.7	3.95	$ 234,156	$ 54,729	$ 288,885	$ 5.015
Dec-12	61,059.0	59,338.2	59,338.2	4.255	$ 259,806	$ 56,371	$ 316,177	$ 5.328
Jan-13	95,561.0	92,868.1	92,868.1	3.669	$ 350,613	$ 88,225	$ 438,838	$ 4.725
Feb-13	85,664.0	83,250.0	83,250.0	3.712	$ 317,985	$ 79,088	$ 397,072	$ 4.770
Mar-13	84,977.0	82,582.0	82,582.0	4.063	$ 345,262	$ 78,453	$ 423,714	$ 5.131
Apr-13	37,962.0	36,892.1	36,892.1	4.574	$ 173,638	$ 35,047	$ 208,686	$ 5.657
May-13	24,351.0	23,664.7	23,664.7	4.752	$ 115,716	$ 22,481	$ 138,197	$ 5.840
Jun-13	18,723.0	18,195.0	18,195.0	4.718	$ 88,335	$ 17,285	$ 105,620	$ 5.805
Jul-13	2,721.0	2,644.7	2,644.7	4.327	$ 11,774	$ 2,512	$ 14,286	$ 5.402
Aug-13	12,288.0	11,942.1	11,942.1	3.959	$ 48,648	$ 11,345	$ 59,993	$ 5.024
Sep-13	14,763.0	14,347.4	14,347.4	3.807	$ 56,203	$ 13,630	$ 69,833	$ 4.867
Oct-13	35,195.0	34,202.8	34,202.8	3.834	$ 134,938	$ 32,493	$ 167,430	$ 4.895
Nov-13	71,439.0	69,426.1	69,426.1	4.289	$ 306,402	$ 65,955	$ 372,357	$ 5.363
Dec-13	106,248.0	103,253.6	103,253.6	4.231	$ 449,535	$ 98,091	$ 547,626	$ 5.304
Jan-14	131,809.0	128,094.4	128,094.4	5.93	$ 781,627	$ 121,690	$ 903,317	$ 7.052
Feb-14	108,085.0	105,039.1	105,039.1	9.787	$ 1,057,828	$ 99,787	$ 1,157,615	$ 11.021
Mar-14	61,521.0	59,787.2	59,787.2	24.154	$ 1,485,978	$ 56,798	$ 1,542,776	$ 25.804
Apr-14	-	-	-	0	$ -	$ -	$ -	$ -
May-14	21,390.0	20,787.6	20,787.6	5.155	$ 110,265	$ 19,748	$ 130,014	$ 6.254
Jun-14	-	-	-	0	$ -	$ 11,310	$ 11,310	$ -
	1,113,627.0	1,082,244.9	1,082,244.9	116.745	$ 6,602,590	$ 1,039,442	$ 7,642,032	$ 7.061

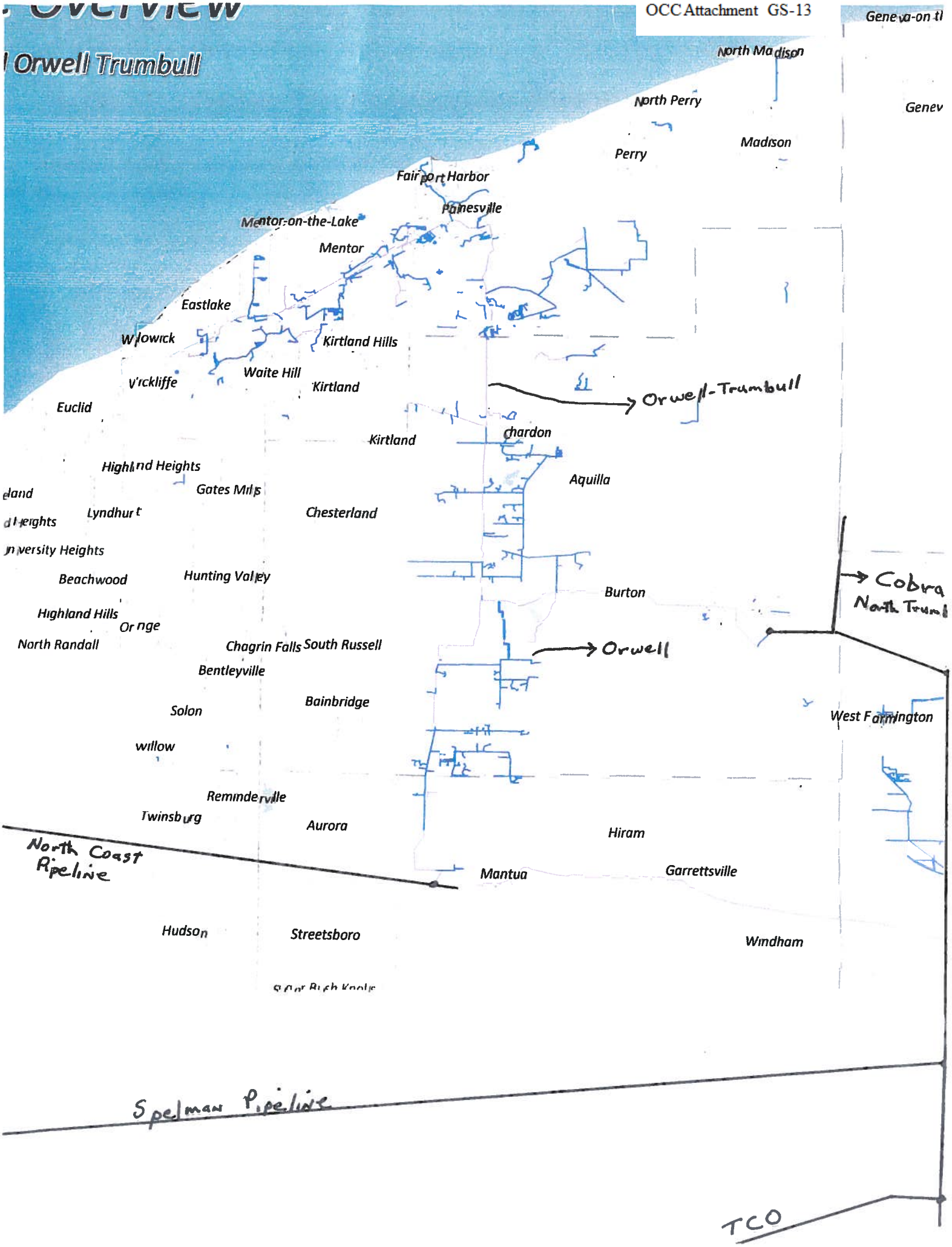
ORWELL DEO SUPPLY										
	Orwell DEO (DTH)	MCF Before Shrink (L/1.023)	MCF After Shrink (m * 0.941)	Commodity	DEO Transport (n * 0.92)	Total Cost (o + p)	Cost per MCF (q / n)	Added Cost of OTP Supply $/Mcf (I - r)	Total Added Cost of OTP Supply $ (d * t)
k	l	m	n	o	p	q	r		
Jul-12	4,784.0	4,676.4	4,400.5	$ 12,434	$ 4,048	$ 16,482	$ 3.746	$ 0.68	$7,095
Aug-12	3,700.0	3,616.8	3,403.4	$ 10,710	$ 3,131	$ 13,842	$ 4.067	$ 0.50	$5,804
Sep-12	3,251.0	3,177.9	2,990.4	$ 10,055	$ 2,751	$ 12,806	$ 4.282	$ (0.09)	-$2,061
Oct-12	4,628.0	4,523.9	4,257.0	$ 13,090	$ 3,916	$ 17,006	$ 3.995	$ 0.60	$19,610
Nov-12	5,371.0	5,250.2	4,940.4	$ 16,927	$ 4,545	$ 21,473	$ 4.346	$ 0.67	$38,541
Dec-12	17,385.0	16,994.1	15,991.4	$ 70,166	$ 14,712	$ 84,878	$ 5.308	$ 0.02	$1,187
Jan-13	24,470.0	23,919.8	22,508.5	$ 87,164	$ 20,708	$ 107,872	$ 4.793	$ (0.07)	-$6,315
Feb-13	24,830.0	24,271.7	22,839.7	$ 89,346	$ 21,013	$ 110,358	$ 4.832	$ (0.06)	-$5,162
Mar-13	23,357.0	22,831.9	21,484.8	$ 91,686	$ 19,766	$ 111,452	$ 5.187	$ (0.06)	-$4,625
Apr-13	17,630.0	17,133.1	16,156.5	$ 79,549	$ 14,864	$ 94,413	$ 5.844	$ (0.19)	-$6,899
May-13	8,093.0	7,864.9	7,416.6	$ 35,711	$ 6,823	$ 42,534	$ 5.735	$ 0.11	$2,485
Jun-13	5,084.0	4,940.7	4,659.1	$ 21,656	$ 4,286	$ 25,943	$ 5.568	$ 0.24	$4,312
Jul-13	4,028.0	3,914.5	3,691.4	$ 15,007	$ 3,396	$ 18,403	$ 4.985	$ 0.42	$1,103
Aug-13	3,555.0	3,454.8	3,257.9	$ 11,231	$ 2,997	$ 14,228	$ 4.367	$ 0.66	$7,846
Sep-13	3,318.0	3,224.5	3,040.7	$ 11,039	$ 2,797	$ 13,836	$ 4.550	$ 0.32	$4,548
Oct-13	4,247.0	4,127.3	3,892.0	$ 14,431	$ 3,581	$ 18,012	$ 4.628	$ 0.27	$9,132
Nov-13	13,985.0	13,590.9	12,816.2	$ 49,976	$ 11,791	$ 61,767	$ 4.819	$ 0.54	$37,768
Dec-13	22,872.0	22,227.4	20,960.4	$ 86,216	$ 19,284	$ 105,499	$ 5.033	$ 0.27	$27,982
Jan-14	31,746.0	30,851.3	29,092.8	$ 133,563	$ 26,765	$ 160,328	$ 5.511	$ 1.54	$197,393
Feb-14	33,703.0	32,753.2	30,886.3	$ 273,490	$ 28,415	$ 301,906	$ 9.775	$ 1.25	$130,879
Mar-14	28,058.0	27,267.2	25,713.0	$ 136,222	$ 23,656	$ 159,878	$ 6.218	$ 19.59	$1,170,991
Apr-14	16,476.0	15,736.4	14,870.9	$ 75,212	$ 13,681	$ 88,893	$ 5.978	$ (5.98)	$0
May-14	7,873.0	7,519.6	7,106.0	$ 33,791	$ 6,538	$ 40,329	$ 5.675	$ 0.58	$12,036
Jun-14	4,408.0	4,210.1	3,978.5	$ 15,635	$ 3,660	$ 19,296	$ 4.850	$ (4.85)	$0
	316,852.0	308,078.6	290,354.4	$ 1,394,306	$ 267,126	$ 1,661,432	$ 5.722	$ 1.34	**$1,653,652**

Mar-14	61,521.0	59,787.2	59,787.2	24.154	$ 1,485,978	$ 56,798	$ 1,542,776	$ 25.804
less	9,000.0				$ 504,000			
	52,521.0	51,040.8	51,040.8		$ 981,978	48,488.76	$ 1,030,467	$ 20.189

Monthly price for March 2014 after removing 9,000 dth at $56.00 per dth is still $20.19/Mcf

Zappitello calculated the delivered volumes by dividing $0.95/Mcf into the OTP transport charges.

The monthly DEO transport costs above (column "p") have been ajusted to $0.92/Mcf, which is the projected average transportation for Orwell Natural Gas from the DEC Special Contract dated April 14, 2005.


Overview
Orwell Trumbull
North Madison
North Perry
Perry
Madison
Fairport Harbor
Painesville
Mentor-on-the-Lake
Mentor
Eastlake
Willowick
Kirtland Hills
Waite Hill
Wickliffe
Kirtland
Euclid
Orwell-Trumbull
Kirtland
Chardon
Aquilla
Highland Heights
Gates Mills
Lyndhurst
Chesterland
University Heights
Beachwood
Hunting Valley
Burton
Cobra
North Trumbull
Highland Hills
Orange
North Randall
Chagrin Falls
South Russell
Orwell
Bentleyville
Bainbridge
Solon
West Farmington
Willow
Remnderville
Twinsburg
Aurora
Hiram
North Coast Pipeline
Mantua
Garrettsville
Hudson
Streetsboro
Windham
Spelman Pipeline
TCO

Effect of Lost Dominion Special Contract on Orwell Natural Gas

Attachment GS - 14

	ORWELL DOMINION SUPPLY							Added Cost of Terminated Dominion Special Contract			
	Orwell DEO (DTH)	MCF Before Shrink	MCF After Shrink	Commodity	DEO Transport	Total Cost	Cost per MCF	Actual DEO Transport Rate ($/Mcf)	Avg DEO Special Transport Rate	Transport Rate Premium	Cost Premium
Jul-12	4,784.0	4,676.4	4,400.5	$ 12,433.62	$ 11,423.56	$ 23,857.18	$ 5.421	$ 2.60	$ 0.920	$ 1.68	$ 7,375
Aug-12	3,700.0	3,616.8	3,403.4	$ 10,710.40	$ 10,053.96	$ 20,764.36	$ 6.101	$ 2.95	$ 0.920	$ 2.03	$ 6,923
Sep-12	3,251.0	3,177.9	2,990.4	$ 10,054.65	$ 9,131.40	$ 19,186.05	$ 6.416	$ 3.05	$ 0.920	$ 2.13	$ 6,380
Oct-12	4,628.0	4,523.9	4,257.0	$ 13,089.67	$ 10,889.28	$ 23,978.95	$ 5.633	$ 2.56	$ 0.920	$ 1.64	$ 6,973
Nov-12	5,371.0	5,250.2	4,940.4	$ 16,927.47	$ 12,058.37	$ 28,985.84	$ 5.867	$ 2.44	$ 0.920	$ 1.52	$ 7,513
Dec-12	17,385.0	16,994.1	15,991.4	$ 70,165.86	$ 23,181.32	$ 93,347.18	$ 5.837	$ 1.45	$ 0.920	$ 0.53	$ 8,469
Jan-13	24,470.0	23,919.8	22,508.5	$ 87,164.43	$ 28,798.25	$ 115,962.68	$ 5.152	$ 1.28	$ 0.920	$ 0.36	$ 8,090
Feb-13	24,830.0	24,271.7	22,839.7	$ 89,345.73	$ 30,284.39	$ 119,630.12	$ 5.238	$ 1.33	$ 0.920	$ 0.41	$ 9,272
Mar-13	23,357.0	22,831.9	21,484.8	$ 91,686.38	$ 28,014.36	$ 119,700.74	$ 5.571	$ 1.30	$ 0.920	$ 0.38	$ 8,248
Apr-13	17,630.0	17,133.1	16,156.5	$ 79,548.70	$ 23,264.21	$ 102,812.91	$ 6.364	$ 1.44	$ 0.920	$ 0.52	$ 8,400
May-13	8,093.0	7,864.9	7,416.6	$ 35,710.65	$ 17,429.02	$ 53,139.67	$ 7.165	$ 2.35	$ 0.920	$ 1.43	$ 10,606
Jun-13	5,084.0	4,940.7	4,659.1	$ 21,656.20	$ 13,110.48	$ 34,766.68	$ 7.462	$ 2.81	$ 0.920	$ 1.89	$ 8,824
Jul-13	4,028.0	3,914.5	3,691.4	$ 15,006.64	$ 11,607.65	$ 26,614.29	$ 7.210	$ 3.14	$ 0.920	$ 2.22	$ 8,212
Aug-13	3,555.0	3,454.8	3,257.9	$ 11,230.69	$ 12,016.42	$ 23,247.11	$ 7.136	$ 3.69	$ 0.920	$ 2.77	$ 9,019
Sep-13	3,318.0	3,224.5	3,040.7	$ 11,038.99	$ 11,091.17	$ 22,130.16	$ 7.278	$ 3.65	$ 0.920	$ 2.73	$ 8,294
Oct-13	4,247.0	4,127.3	3,892.0	$ 14,431.30	$ 12,119.36	$ 26,550.66	$ 6.822	$ 3.11	$ 0.920	$ 2.19	$ 8,539
Nov-13	13,985.0	13,590.9	12,816.2	$ 49,975.75	$ 21,620.83	$ 71,596.58	$ 5.586	$ 1.69	$ 0.920	$ 0.77	$ 9,830
Dec-13	22,872.0	22,227.4	20,960.4	$ 86,215.92	$ 29,111.95	$ 115,327.87	$ 5.502	$ 1.39	$ 0.920	$ 0.47	$ 9,828
Jan-14	31,746.0	30,851.3	29,092.8	$ 133,563.11	$ 36,403.44	$ 169,966.55	$ 5.842	$ 1.25	$ 0.920	$ 0.33	$ 9,638
Feb-14	33,703.0	32,753.2	30,886.3	$ 273,490.20	$ 34,052.57	$ 307,542.77	$ 9.957	$ 1.10	$ 0.920	$ 0.18	$ 5,637
Mar-14	28,058.0	27,267.2	25,713.0	$ 136,221.61	$ 33,060.74	$ 169,282.35	$ 6.584	$ 1.29	$ 0.920	$ 0.37	$ 9,405
Apr-14	16,476.0	15,736.4	14,870.9	$ 75,211.80	$ 22,971.96	$ 98,183.76	$ 6.602	$ 1.54	$ 0.920	$ 0.62	$ 9,291
May-14	7,873.0	7,519.6	7,106.0	$ 33,791.00	$ 17,200.12	$ 50,991.12	$ 7.176	$ 2.42	$ 0.920	$ 1.50	$ 10,663
Jun-14	4,408.0	4,210.1	3,978.5	$ 15,635.45	$ 13,246.91	$ 28,882.36	$ 7.260	$ 3.33	$ 0.920	$ 2.41	$ 9,587
	316,852.0	308,078.6	290,354.4	$ 1,394,306.22	$ 472,141.72	$ 1,866,447.94	$ 6.428				$ 205,016

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

2 - - -

3 In the Matter of the :
Regulations of the :
4 Purchased Gas Adjustment :
Clauses Contained Within : Case No. 14-206-GA-GCR
5 the Rate Schedules of :
Brainard Gas Corporation :
6 and Related Matters. :
:
7 In the Matter of the :
Regulations of the :
8 Purchased Gas Adjustment :
Clauses Contained Within : Case No. 14-209-GA-GCR
9 the Rate Schedules of :
Natural Gas Corporation :
10 and Related Matters. :
:
11 In the Matter of the :
Regulations of the :
12 Purchased Gas Adjustment :
Clauses Contained Within : Case No. 14-212-GA-GCR
13 the Rate Schedules of :
Orwell Natural Gas Company:
14 and Related Matters. :

15 - - -

16 DEPOSITION

17 of Martin Whelan, taken before me, Karen Sue Gibson,

18 a Notary Public in and for the State of Ohio, at the

19 offices of Bruce J. Weston, Ohio Consumers' Counsel,

20 10 West Broad Street, Suite 1800, Columbus, Ohio, on

21 Friday, May 8, 2015, at 9:10 a.m.

22 - - -

23 ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
24 Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
25 FAX - (614) 224-5724

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On behalf of the Ohio Consumers of
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Natural Gas Corporation, and Orwell
10 Natural Gas Company.

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By Mr. William L. Wright, Section Chief
12 Public Utilities Section
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On behalf of the PUCO Staff.
16
ALSO PRESENT:
17
Mr. Roger Sarver, PUCO (via speakerphone).
18 Mr. Gregory Slone, OCC.
Mr. Bruce Hayes, OCC.
19
- - -
20

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INDEX

- - -

Martin Whelan Page

Cross-Examination by Mr. Serio 5

- - -

Deposition Exhibit Identified

1 NEO Kidron Supply Chart 20

2 Gas Deliveries Tab 30

3 NEO DEO Supply 31

4 Agreement Between DEO and NEONG 35

5 Agreement Between OTPC, ONG, and BGC 38

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Friday Morning Session,
May 8, 2015.

- - -

MR. SERIO: We are here this morning for the deposition of Mr. Marty Whelan. Have the court reporter swear in the witness.

(Witness sworn.)

MR. SERIO: My name is Joe Serio. I am here for the Office of Consumers' Counsel, and with me are Greg Slone and Bruce Hayes. They are analysts at OCC. And at some point during the deposition Mike Schuler, who is an attorney at OCC, may join us from time to time.

If we could get appearances for the company.

MR. YURICK: Yes, thank you. On behalf of the company, Mark Yurick and Devin Parram, with the law firm of Taft, Stettinius & Hollister, 65 East State Street, Suite 1000, Columbus, Ohio 43215. Being deposed is Marty Whelan, President of Northeast Ohio Natural Gas Company, Orwell Natural Gas Company, and Brainard Gas Company.

MR. SERIO: And if we could get appearances from those on the phone.

MR. MARGARD: Thank you, Joe. On behalf

of the Commission staff, that is Warner Margard Assistant Attorney General; also Katie Johnson, Assistant Attorney General; and Roger Sarver, Commission staff. I also may have Tom Lindgren, Assistant Attorney General, participating on the call throughout the day.

MR. SERIO: Okay. Thank you very much.

- - -

MARTIN WHELAN

being by me first duly sworn, as hereinafter certified, deposes and says as follows:

CROSS-EXAMINATION

By Mr. Serio:

Q. With that, Mr. Whelan, before we get started I think you know where the restrooms are?

A. Yes.

Q. If you need a break, let me know. Please finish the question if there is one pending and then we will take a break. Hopefully we will be out of here before noon.

A. Thanks.

Q. Counsel indicated -- can we get your name and your position for the record, please.

A. Martin Whelan, I am president of the Ohio utilities, Orwell Natural Gas, Northeast Ohio Natural

Gas, and Brainard Natural Gas.

Q. Okay. And are you also an officer for any other entities that are affiliated with or related to the three utilities?

A. Yes. I am an officer at -- for Spellman Pipeline, Public Gas in Kentucky. I believe that's it.

Q. Okay. So you are not -- you are not an officer involved with Kidron Pipeline?

A. I believe that Jim Sprague is the managing member of that now, and I do not believe that I am an officer of Kidron Pipeline.

Q. And how about Great Plains?

A. The holding company?

Q. Yes.

A. I believe I am on the board of Great Plains Natural Gas.

Q. Okay. Now, to the extent you are listed as president for the three utilities and Spellman -- and can you give me a brief description of your job responsibilities or duties as president?

A. My job I am in charge of all operations, billing, metering; we've moved the bulk of the accounting into Lancaster, and I work with the accountants in Lancaster on accounting; obviously

these regulatory issues; just day-to-day management of the utilities and oversight of the ones up north.

Q. So as far as the day-to-day duties and responsibilities of running the companies, the three utilities and Spellman, you are the individual that makes those decisions, correct?

A. Currently, yes.

Q. As president, who do you directly report to?

A. Kevin Degenstein.

Q. And what's his title?

A. He is the chief operating officer of Gas Natural, our parent company.

Q. And to the extent that you report to him, is that something you do on a daily basis regarding daily operations, or is that only for larger issues?

A. No. It would be larger issues or if I need help with something.

Q. Now, you're familiar with the 2012 GCR cases that the utilities have at the PUCO?

A. Yes, sir.

Q. And that would have been 12-209-GA-GCR and 12-212-GA-GCR, correct?

A. I don't know that those numbers are -- I don't know them by heart, but I was involved in the

cases.

Q. You were a witness in those proceedings, right?

A. Yes, sir.

Q. One of the issues in those cases involved the processing fee that Northeast was paying Cobra a 25 cent per Mcf processing fee, correct?

A. Correct.

Q. And the processing gas issue was raised during cross-examination at the evidentiary hearing in those cases, correct?

A. Correct.

Q. And the PUCO determined that there was no gas actually being processed and that the company was improperly paying the fee, correct?

A. Correct.

Q. Now, have you done anything to determine if any gas was actually ever processed?

A. Yes.

Q. And was any gas ever actually processed?

A. Some gas was processed and shipped to TCO.

Q. Was any of the gas that went to Ohio customers processed?

A. If it was shipped into TCO storage, yes.

Q. And for the -- when you say some of the gas, I believe in the 2012 case there was a total disallowance of about $145,000. For the volumes associated with that disallowance, do you know how much of those volumes actually were processed versus how many were not?

A. Off the top of my head, no, but I would -- I probably have that somewhere.

Q. Can you give me an idea of an estimate? You know, half? Less than half? A quarter? 10 percent?

A. 20 or 30 percent may have went actually through the processing plant and got shipped out to TCO.

Q. Now, for the gas, the remaining approximately 70 to 80 percent of the gas that was never processed, has the company Northeast taken any steps with Cobra to get reimbursement for the fees that Cobra charged Northeast?

A. I believe that's part of the litigation that's currently going on.

Q. Is there a specific proceeding where Northeast is attempting to get reimbursement for the processed gas fees?

A. No, but it's included in part of a

proceeding between Gas Natural, Incorporated, and Richard Osborne.

Q. Is that a proceeding in the Ohio courts to your knowledge?

A. I believe so.

Q. Is that something at the PUCO?

A. No.

Q. Do you know which court or case number?

A. I do not.

Q. Is that something you could provide to us?

A. I believe so.

Q. Okay. As part of the discovery that OCC served Orwell in this proceeding, one of the responses had a large Exhibit B. Are you familiar with that Exhibit B?

A. I believe it was provided by Mike Zappitello.

Q. Okay. Are you familiar with that information at all?

A. Not really.

Q. All right. Well, let me -- I have a couple of questions. If you're familiar with it, we'll go forward. If not, then we will save it for Mr. Zappitello. It's my understanding that Northeast

stopped purchasing local production through the Cobra system beginning in December of 2013; is that correct?

A. I believe that's correct.

Q. Do you know why Northeast stopped purchasing local production from Cobra in December of 2013?

A. I believe it had something to do with affiliated contracts and the board not wanting anything purchased from an Osborne entity.

Q. Do you know how much gas Northeast was purchasing from Cobra or purchasing and then transporting through Cobra prior to those purchases ending in December of '13?

A. The exact numbers, no.

Q. Ballpark volume.

A. Probably 60 to 70 percent of our load.

Q. And when you say --

A. But, now, that being said, I mean, we still use Cobra for the same volume. It's just a matter of whether it's interstate gas or production gas that's sold into Cobra.

Q. When you say 60 to 70 percent, that's of the Northeast volumes, correct?

A. Yes, sir.

Q. Okay. So you're still transporting the same gas through the Cobra system.

A. Yes, sir.

Q. The difference is who it's purchased from?

A. Yes, sir.

Q. Okay. Prior to December, '13, who was the gas being purchased from?

A. I believe it would have been either John D. Oil and Gas Marketing or Gas Natural Resources.

Q. And then after December, '13, starting January of '14, those purchases were made from?

A. Whoever the lowest marketer on the interstate system was.

Q. And would John D. Oil and Gas Natural be included in any of the marketers that could bill for that?

A. I don't believe so. I think that was part of the order was that they weren't allowed to be included.

Q. Okay. Now, to the extent that Northeast, Orwell, and Brainard all purchased -- they all purchased gas from different sources, correct?

A. Yes.

Q. And that gas is categorized as local gas,

interstate purchases, or intrastate purchases, correct?

A. To a point. It's also categorized pipeline specific.

Q. Okay. So when -- when the companies purchase gas and it falls in one of those categories, how do you determine which category it falls in? For example, how do you define what constitutes local gas?

A. Well, the local gas is tied directly into the system, and it's -- it flows directly into the system.

Q. And when you say the system, you are talking about the three LDC systems?

A. The distribution systems, correct.

Q. Okay. What would constitute interstate purchases?

A. Cobra purchases, Spellman Pipeline purchases.

Q. What about Orwell-Trumbull Pipeline?

A. Orwell-Trumbull.

Q. So that would constitute the three related pipelines to the LDCs.

A. Orwell-Trumbull is not related to the LDCs. Spellman is related to the LDCs.

Q. Okay. Cobra and Orwell are not related?
A. No, sir.
Q. But those are companies that are affiliated with Richard Osborne, correct?
A. Correct.
Q. And then if it's an intrastate purchase --
A. I guess I can -- those are all separate purchases.
Q. Right.
A. I mean, Orwell-Trumbull is fed by North Coast primarily, Cobra is federal by TCO primarily, Spellman is fed by TCO primarily, but they are all in different areas.
Q. When you mean different areas, you mean different -- they feed in different parts of the three distribution companies.
A. No. I mean TCO has specific zones in the state. They are different zones.
Q. Okay. So you break your purchases down by local gas which is the gas tied directly into the system, interstate purchases which would be the Cobra, Spellman, and Orwell-Trumbull purchases, and then intrastate purchases?
A. Those would be intrastate. The TCO

purchases would be interstate.

Q. Inter, okay. All right.

A. And then you have Dominion.

Q. And then Dominion would constitute an intrastate or interstate?

A. It's just Dominion. We buy directly into Dominion's pool.

Q. When you say Dominion, are you talking about Dominion Transmission Company or Dominion East Ohio?

A. Dominion East Ohio.

Q. The LDC in Ohio, Dominion East Ohio. So Northeast, Orwell, and Brainard, do all three have gas supplies that are transported by Spellman?

A. No.

Q. Which LDCs do for Spellman?

A. NEO and Orwell.

Q. Okay. And then, now, who does the actual purchasing of gas supplies on behalf of the LDCs during -- who did that during the audit period?

A. Mike Zappitello.

Q. And he did all the purchasing for the three utilities during the audit period?

A. I believe so. There might be some contracts with local producers that I might have

signed, but I believe Mike was the gas purchaser.

Q. Now, during the audit period, to the extent that Mr. Zappitello was doing the purchasing, who was he working for during the audit period?

A. During the audit period I believe he was working for a combination of John D. Oil and Gas Marketing the and Gas Natural Resources.

Q. Okay. Let's -- if we can get your understanding, who was John D. Oil and Gas?

A. I don't understand the question.

Q. You indicated he worked for those two different companies.

A. Yes.

Q. Can you explain the difference between the two different companies?

A. John D. Oil and Gas Marketing was a company that was providing asset management or purchasing services to the utilities that during the audit period was bought out by Gas Natural Resources.

Q. Do you know who -- are there any other employees that worked for John D. Oil and then Gas Natural Resources that were involved with Mr. Zappitello in any of the gas purchasing for the three distribution companies?

A. I do not know.

Q. Now, do you know what interconnections for interstate pipelines that Spellman has?

A. Spellman has an inter -- has a connection with TCO in Morrow County and a connection with TCO in Ashland County in Ohio.

Q. Does Spellman have interconnections with any other pipelines?

A. Currently, no.

Q. So to the extent that gas flows from TCO to Spellman, that would be categorized as an interstate purchase?

A. Intra.

Q. Intra because it was connected to TCO.

A. Because Spellman in an intrastate pipeline. I guess it's an interstate because you are buying it from TCO but it's.

Q. But you categorize it as intrastate because Spellman is in Ohio.

A. When I categorize purchases, I categorize it by pipeline and delivery. I really don't categorize it by intrastate, interstate. The only thing I categorize separate it's either pipeline or it's local production.

Q. Are there any local -- is any local production tied into Spellman?

A. Currently, no.

Q. So all the gas that flows through Spellman right now to the LDCs comes from TCO.

A. Correct.

Q. And do you know when Orwell first began receiving gas deliveries from Spellman?

A. I believe it was March 1 of last year.

Q. Now, to the extent that Orwell began getting gas from Spellman in March of last year, did that supply replace other gas supplies?

A. That supply augmented other gas supplies.

Q. When you say "augmented," that means you were purchasing additional volumes?

A. It was -- we got into a problem where North Coast could not reasonably supply Orwell-Trumbull Pipeline because of cost-of-gas basis and temperatures. And Cobra North Trumbull could not supply Orwell-Trumbull Pipeline enough gas to replace the North Coast gas because of TCO delivery pressures. So we moved gas across Spellman in Ashland County into Cobra North Trumbull to supplement additional volumes and get the pressures up higher so gas would move into Orwell-Trumbull Pipeline.

Q. So you didn't stop any of the other

sources. It just replaced some of the volumes from the other sources.

A. We had to displace volumes that were unavailable on North Coast gas transmission with Spellman.

Q. And that unavailability was basically price.

A. Yes.

Q. Okay. Now, there was an Exhibit B attached to discovery responses that we got for Orwell. Are you familiar with the Exhibit B document?

MR. YURICK: Joe, I don't mean to break up your flow here, but I was wondering if you could identify which set of discovery. Is that possible?

MR. SERIO: Yeah.

MR. YURICK: I think it might make it a little clearer for the record, easier to find.

Q. Okay. It's Orwell's Second Set of Discovery, but it was the First Set of Discovery to Northeast and Brainard. The response came in response to the Orwell discovery, but it referred to all three LDCs.

A. I'm not directly -- I glanced at that spreadsheet.

Q. We -- I have a sheet -- an individual tab from that exhibit that I am going to mark as Deposition Exhibit 1, and we will see if you have any.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. Okay. This was the Northeast Kidron supply tab in Exhibit B.

A. Yes.

Q. Are you familiar with this information at all?

A. The information directly, no. I am familiar with the Kidron system.

Q. Okay. Let me ask the questions. If you can answer them, great. If not, we will save them for Mr. Zappitello. Now, there is a column there that's marked "Production," correct? The "Production MCF"?

A. Yes, sir.

Q. And then there is a column titled "Production Cost"?

A. Yes, sir.

Q. Can you explain to me what "Production MCF" means?

A. Kidron has some wells on it, local gas-producing wells on it, that produce directly into

the system.

Q. Okay. And then the "Production Cost," is that the cost of paying for the gas itself or is that something different?

A. That's the cost for paying for the gas itself.

Q. Okay. So you simply divide the production cost by the Mcf to get the cost per Mcf?

A. As long as his stuff is right, yeah, it should be.

Q. Okay. Now, if you look at May, 2013, it indicates there that there were 100 Mcf production and the cost was $1,283.95?

A. Yes.

Q. So that comes out to $12.84 an Mcf and then in June the same calculation shows 1,160 -- 1,106?

A. Yes.

Q. Do you know what happened in April and May that caused you to need those volumes at that high price?

A. I honestly don't. I don't know. I don't.

Q. So is that something Mr. Zappitello would be able to explain?

A. I would hope so.

Q. Okay. Then the first column, the "NEO Kidron via TCO," that's Northeast Kidron?

A. Yes.

Q. What do you mean by "via TCO"?

A. In June of '13 or the end of May of '13 -- this is going to be a long drawn out. Kidron Pipeline was a bunch of gathering lines, wells, that sold into TCO. It butted up to NEO's Kidron system which is fed by Dominion. Dominion took the line that was feeding Kidron and put it onto the suction side of the compressor. So they took a line that was 100, 150 pounds, dropped the pressure down to 30. NEO took the Kidron system, reversed the tap, and started buying gas off of TCO and pushing it back into Kidron to get the pressures up when it was cold out so we could supply our customers.

Q. So the volumes listed June, '13, through June, '14, replace volumes that previously you had gotten through Dominion?

A. They augmented -- Dominion was still selling into the system, but Dominion was selling it at a pressure that wouldn't maintain the system properly. So instead of Dominion feeding Kidron, you had a Dominion tap over here and Dominion tap back

here -- or TCO tap back here.

Q. Because the Dominion pressure dropped that means you took less from Dominion, correct?

A. We had -- yeah.

Q. Okay.

A. What it meant was Dominion wasn't able to give us enough to support the system.

Q. Okay. Now, the producers, the local producers, that deliver into Kidron, is that a number of different producers or is there?

A. No. NEO/Great Plains Natural Gas bought the Kidron production which is four or five wells and the pipeline. NEO inherited the pipeline and the TCO tap. Great Plains Natural Gas inherited the production.

Q. The NEO Kidron supply under "Production MCF," are those volumes that have to come into the Northeast system via Kidron?

A. Yes.

Q. So there isn't a way to replace these volumes with any other capacity?

A. You could replace it with TCO or Dominion.

Q. And then it would just be a matter of comparing the price on TCO or Dominion compared to

the price that's on here through these local producers?

A. Yes.

Q. Now, to the extent we --

A. Actually that's not correct.

Q. Okay.

A. It could be replaced by TCO because with Dominion's pressures they could not replace the producing wells.

Q. When Mr. Zappitello does his purchasing, do you know if he does an analysis every month to compare the cost from these local producers to the TCO costs that are the alternative?

A. I do not.

Q. Would you expect that that's a type of analysis that he would do as part of his purchasing?

A. Yes.

Q. Now, we see a pretty wide range of prices on the cost per Mcf. Do you know what causes the variance in the price there?

A. I believe that it's a NYMEX plus contract.

Q. And that would be one of the contracts that you provided to us in response in discovery, correct?

A. I believe so.

Q. Okay. Northeast Ohio inherited the products from Kidron, but the pipeline of Kidron is part of Great Plains Natural Gas Company, correct?

A. I think it's the opposite.

Q. Just the opposite, okay. So the pipeline itself is inherited by Northeast, but the production is inherited into Great Plains Natural?

A. Yeah, which is Northeast's holding company.

Q. So Kidron would be considered an unregulated affiliate of the three distribution companies?

A. Not the pipeline, maybe the production but not the pipeline. There's no charges on the Kidron Pipeline. The Kidron Pipeline just moves gas from TCO into NEO. They don't charge anything for moving that gas. NEO owns the tap on TCO. NEO maintains the lines.

Q. Okay. If there is no charge, is there a reason that instead of just having the distribution company build out that pipe, Kidron was established as a separate entity? Do you know?

A. Because of the production, I am assuming, and former management.

Q. Do you know how many feet of pipeline Kidron has?

A. I answered in your discovery I believe it's in the neighborhood of 9,000, but I can't give you that number.

Q. Okay. Do you know if Kidron installed that pipeline, or did Kidron purchase it?

A. I don't know who the original producer was. I know that we bought the producing wells, the pipeline, and the TCO tap from Kidron.

Q. So you don't know if Kidron laid any of that pipe or if they just purchased it from the local producers?

A. Kidron could have bought it from Range Resources. I don't know.

Q. Okay. So Kidron gets no revenues from any of the distribution companies.

A. The only revenue that Kidron gets is for selling natural gas and whatever oil the wells produce.

Q. Does Kidron have any employees?

A. No.

Q. Who does the work for Kidron? Do you know?

A. Who pumps the wells?

Q. Who does the actual physical work related to any of the functions that Kidron Pipeline does?

A. NEO.

Q. So Northeast employees run the day-to-day functions of Kidron?

A. There really are no day-to-day functions at Kidron except for maintenance.

Q. Okay.

A. I mean, you have got a pipeline that NEO uses Kidron doesn't charge anything for. It just -- we bought the TCO tap and the pipeline for less than it would currently cost us to do a TCO tap so that we could re -- so that we could keep our system alive in Kidron because we didn't have enough pressure to run the system.

As part of that purchase, we got stuck with some producing wells. Yeah, an NEO guy might swing by to flip a switch to get water off of it or something, but it's not -- it was something to help the utility keep a system alive.

Q. Now, you indicated previously that Mr. Zappitello worked for JDOG, and then he worked for Gas Natural when Gas Natural purchased JDOG, correct?

A. Yes, sir.

Q. Do you know when Mr. Zappitello started working for JDOG?

A. I believe it was 2009 or 2010.

Q. Do you know who Mr. Zappitello worked for prior to working for JDOG?

A. No.

Q. If you know, is JDOG today a company in the business of selling natural gas?

A. I don't believe so.

Q. Okay.

MR. YURICK: Joe, can I just interject something real quick? I have noted in my time representing the companies that a lot of these companies have names that have words in them that are almost interchangeable. So, for example, at one point you indicated Zappitello worked for JDOG and Gas Natural. The more specific or more precise thing would be, I think, and, Marty, correct me if I'm wrong, that Mike worked for JDOG Marketing. There could be or may not be other companies in the sphere of all of these companies that have John D. Oil and Gas in the name also.

I know that Mike Zappitello moved from there to Gas Natural Resources which is different than Gas Natural, Inc., and there are other companies

within, again, the corporate ambit that may or may not have the name gas and natural in them. So I just don't want you to be confused or.

MR. SERIO: Okay.

MR. YURICK: I don't mean to nitpick or be persnickety.

MR. SERIO: No. I appreciate you pointing that out.

Q. So we close the loop, when I just referred to JDOG and you responded, you meant JDOG Marketing.

A. Correct.

Q. And when I mentioned Gas Natural, you were talking about Gas Natural Resources or GNR.

A. Yes, sir.

MR. YURICK: Hey, Vern?

MR. MARGARD: Yes, sir.

MR. YURICK: Can you hear me okay when I talk? I keep forgetting you are on the phone. I hope I am making sense.

MR. MARGARD: I will tell you I am hearing you clearer now than when you were talking before, but I knew exactly what you were talking about before so, therefore, able to follow just fine.

MR. YURICK: Thank you.

MR. MARGARD: If I have got an issue, we'll holler.

MR. YURICK: Okay. Thank you.

Q. Going back to Exhibit B, there is a couple of tabs in Exhibit B that talk about gas delivered to Northeast through Dominion and that would be -- I am going to hand you a second document. I am going to mark this one Depo Exhibit 2. And this is the Gas Deliveries Tab. And just so that we're clear, the format on this exhibit we took the tab and it's been reformatted just to put this limited to just this data on this sheet.

A. Okay.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. I'm not -- the information came from the company, but it didn't come in this exact form so that we're not misleading anybody with this. If you look at the column "Intrastate through" -- I'm sorry. "Interstate/Intrastate through DEO MCF," I think it's the fourth column down, it's the total of 2,085,582. Do you see that?

A. Yes.

Q. Okay. And then if you look at -- okay. Then I have a second document that I will mark as Depo Exhibit 3.

(EXHIBIT MARKED FOR IDENTIFICATION.)

MR. SERIO: Vern, I will get a copy of these to you this afternoon.

MR. MARGARD: That would be fine. Thank you.

Q. Depo Exhibit 3 indicates if you look at Mcf after shrink for Northeast Dominion supply, the volumes there are 1,740,422. Now, if I compare the NEO DEO supply on Exhibit 3 to the interstate/intrastate DEO Mcf on Deposition Exhibit 2, there is a discrepancy of about 345,000 Mcf. Can you explain to me what that difference relates to, if you know?

A. No. I have no clue.

Q. So this would be something that Mr. Zappitello could probably explain for me?

A. Yes, sir.

MR. YURICK: I'm sorry. Could you go over that one more time where you are getting those numbers from.

MR. SERIO: Sure. If you look at the fourth column of Exhibit 2, the 2,085,000.

MR. YURICK: Yes.

MR. SERIO: And that's supposed to be volumes through Dominion. And then if you look at

Exhibit 3, the third column, "MCF After Shrink," it's 1.7 million. And it looked to us like both of them represent volumes to Northeast through Dominion. And we couldn't understand the discrepancy between the two.

MR. YURICK: Okay. Thanks for clearing that up.

MR. SERIO: Sure. No problem.

Q. Now, to the extent that Northeast gets gas delivered by Dominion, you have a number of taps or interconnections between Northeast and Dominion, correct?

A. Yes.

Q. When I use the word "taps" or "interconnections," do you -- is there -- in your mind is there a difference between a tap and an interconnection, or are they the same thing?

A. Same thing.

Q. Okay. And do you know who owns those taps, Dominion or Northeast?

A. It depends on where they are at.

Q. How do you determine who would own the tap?

A. There was a sale agreement when Dominion bought the old IGTC line and converted it to a medium

pressure line that we -- NEO owned all those taps, not Dominion. I think taps prior to Dominion going in and doing a rate case NEO owned, but I think taps that they are doing now Dominion owns. So they are all different.

Q. If Dominion is putting -- if you went to Dominion tomorrow and said I want to put in a tap, whose call is it as to who would own the tap or pay for it? Is that just a negotiated item?

A. No. It depends on where you are at in the system and what type line you are on. The last round of taps we did with Dominion, or we are in the process of doing, down in Churchtown, we are paying for the tap and they own it.

Q. Okay. When you -- when you put in a tap like that, what is involved in putting in that tap physically? What equipment is put in?

A. A T, a tap valve, the tap itself, and then a metering and regulator station.

Q. Roughly speaking what is the cost associated with putting in a tap?

A. Anywhere from 5,000 to 250,000, it depends on what you are tapping and what you are trying to get out of it.

Q. Is the meter and regulating station

equipment the biggest difference between the 5,000 and the 250,000 dollar tap?

A. It's a good chunk of it, but if you are tapping plastic line, a tap fee is 50 bucks. If you are tapping a steel line, the tap might be 5 grand by the time you pay a welder.

Q. Okay. If I had other examples of discrepancies in volumes like the ones with NEO Dominion supply, would you have familiarity with that or is that stuff --

A. I did not prepare any of those schedules.

Q. Okay. To the extent that you have got taps with Dominion, does what you pay to get gas through that tap vary depending on who owns the tap?

A. No.

Q. So regardless of whether it's a Northeast tap or a Dominion-owned tap, the price of the transportation service is the same.

A. The only difference in transportation services is the different utilities each have their own individual contract with Dominion.

Q. To the extent that you've got interconnections between Dominion and Northeast, are the rates that Dominion charges their tariff rates or their special contracts?

A. We have a special contract rate.

Q. I am going to hand you a contract that's identified as NEO2005-GTS-Dominion East Ohio #1. This is a three-page contract and it's signed by Bruce Klink on behalf of Dominion and Lawrence Haren on behalf of Northeast Ohio. I don't know if I am going to put this as an exhibit yet. I am going to hand it to you first to see if I am talking about the right contract.

You might want to show that to counsel also. That's my only copy. Is that the Dominion contract you are referring to?

A. Yes.

MR. YURICK: Okay. Yeah. Thanks.

MR. SERIO: And I am going to mark this as Depo Exhibit 4, and I will get you a copy when we take a break.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. Now, to the extent this is the transportation contract between Dominion and Northeast, I did not see on here the rate -- specific rate that Dominion charges to Northeast.

A. It's not a complete contract.

Q. Okay. Is there other pages that I'm missing?

A. I believe there is an exhibit page with the rates, and I believe there is another page with all the interconnects somewhere.

MR. SERIO: Evidently when we got this contract, we only got these three pages so if we could get the exhibit or the other pages associated with it. And I will make sure you get a copy of this so you know exactly what it is.

Q. Now, this is the Northeast Dominion contract. Is there a similar contract between Dominion and either Brainard or Orwell?

A. I believe there was a similar contract between Dominion and Orwell that is no longer in effect, and Orwell is now just a regular customer.

Q. And do you know if we got a copy of that other contract between Dominion and Orwell as part of the discovery?

A. I do not. I don't know if the time period you asked -- I don't know what -- that contract would not have been in effect during this GCR audit.

Q. So to the extent that Orwell is a customer of Dominion today, since there is no special contract then the rates that Dominion would charge Orwell would just be the Dominion tariff rates,

correct?

A. I believe so, yes.

Q. If you know, the prior contract that Orwell had with Dominion, would the terms and conditions and charges have been similar to the special contract between Dominion and Northeast?

A. To the best of my knowledge, Northeast and Orwell had the exact same contract with the exact same clause in it that if the utility supplemented any of Dominion's volumes with another source, the contract was null and void, and Orwell's management made the executive decision to source gas away from Dominion and breaks the contract.

Q. Okay. That's actually a good segue into my next few questions.

A. I always like to give you a segue, Joe.

Q. Oh, it helps. Okay. When you referred -- before we go there you indicated that Orwell to the extent they are a customer of Dominion today, it's regular tariff service. Are you familiar with the East Ohio tariff that Orwell is charged under?

A. Off the top of my head, no.

Q. But to the best of your understanding, it would be the current Dominion tariff for general

transportation service.

A. Yes.

(EXHIBIT MARKED FOR IDENTIFICATION.)

Q. Okay, okay. I am going to hand you Deposition Exhibit 5 which has a contract identifier OrwellBrainard2008-IT-Orwell-Trumbull #1. And this is a contract between Orwell-Trumbull Pipeline Company and Orwell Natural Gas Company and Brainard, correct?

A. Correct.

Q. And I believe that this is a multiple page contract with an Exhibit A and B, and it's signed by Stephen Rigo on July 1, 2008, on behalf of Orwell-Trumbull and Thomas Smith July 1, 2008, on behalf of Orwell and Brainard, correct?

A. That's what I see, yeah.

Q. Okay. Is this the contract that you referred to as taking the place of the Dominion service previously under the Dominion contract with Orwell?

A. Well, yeah, but you just asked me three questions.

Q. Okay. We can break them down.

A. Orwell was getting service from Dominion in 2006. And in 2008, NEO and Orwell negotiated a

contract with Dominion when Dominion bought the IGTC line, and we did an asset swap between NEO and Dominion. And then, yes, this contract didn't necessarily replace Dominion, but a lot of the interconnects on this contract were what took away Dominion's volumes that created Dominion to say you breached the contract, and you are going back to tariff rates for Orwell only.

Q. Okay. And then to the extent it was serving Brainard, that was new service for Brainard.

A. Yes. Dominion -- Dominion has never served Brainard. TCO and -- TCO and TCO served Brainard except for the old Orwell-Trumbull stuff.

Q. This contract was signed by Mr. Rigo and Mr. Smith. Were you involved in any of the negotiations --

A. For the contract?

Q. -- establishing this contract?

A. No.

Q. At the time that Mr. Rigo signed this contract, do you know who he reported to at Orwell-Trumbull?

A. I would assume Mr. Osborne.

Q. And at the time that Mr. Smith signed the contract on behalf of Brainard and Orwell, do you

know who he reported to?

A. Again, I would assume Mr. Osborne.

Q. Do you know if when this contract was negotiated if Mr. Osborne gave directions to Mr. Rigo and Smith as to what should be included as the terms and conditions of the contract?

A. I do not.

Q. That would be something that to the best of your knowledge Mr. Rigo or Mr. Smith could answer or Mr. Osborne?

A. I would think, yes.

Q. Now, the terms and conditions of this contract call for a transportation rate of 95 cents per Mcf, correct?

A. Yes, sir.

Q. Now, do you know what led to the decision that the contract would charge 95 cents per Mcf versus a different rate?

A. I do not. I am assuming it was competition.

Q. Do you know how much Cobra charges Orwell or Northeast for transportation services?

A. 50 cents a dekatherm.

Q. And do you know how much North Coast charges Orwell, Northeast, or Brainard for

transportation?

A. I believe it's about a dime. Actually I shouldn't say. I don't know because.

Q. Mr. Zappitello would know those amounts more specifically, correct?

A. Yeah.

Q. So do you -- do you know why the rate of 95 cents in this contract was so much higher than the 50-cent rate?

A. Factually or personally?

Q. Let's start with fact.

A. Fact, no.

Q. If you have an opinion, I would be happy to listen.

A. That was Dominion's transportation rate in 2008.

Q. 95 cents was?

A. Yeah.

Q. Do you know how much Spellman charges for transportation services?

A. 50 cents a dekatherm.

Q. So the fact that the other pipelines that serve Orwell and Northeast and Brainard are lower has nothing -- is directly related to the fact that at the time Dominion's transportation rate was 95 cents.

A. That's three questions too.

Q. All right. I'll -- it was a bad question. The 95 cents was purely based on the fact that was the Dominion rate at the time.

A. I don't know that for a fact. That's the rate that was negotiated by Mr. Smith, Mr. Rigo, and Mr. Osborne probably based off of Dominion's rate. I told you it was an opinion, not a fact.

Q. Okay.

A. I mean, that being said Orwell-Trumbull is a brand new system, and the costs associated with Orwell-Trumbull were probably more than double the costs associated with Cobra Pipeline and probably one more than five times the cost of Spellman Pipeline.

Q. At the time that Orwell and Northeast were contemplating entering into contracts with Orwell-Trumbull to replace the Dominion transportation contract, do you know if there was any cost/benefit analysis done to determine the price differential between taking service from Dominion under the special contract and then versus taking delivery through the Orwell-Trumbull contract that we have here, Deposition Exhibit 4?

A. To clear that up, Northeast does not have a contract with Orwell-Trumbull nor does it transport

on Orwell-Trumbull. So the question is related to Orwell.

Q. Okay. For Orwell do you know if there was any cost/benefit analysis done for Orwell to compare?

A. I would assume there was a cost/benefit analysis done with Orwell based on the cost of Chicago City Gate gas gas transmission to feed Orwell-Trumbull.

Q. Just to give you a heads up we will be asking a discovery request to get a copy of that analysis.

A. Yeah. I did not do that or negotiate.

Q. Right. To the extent there was such an analysis, if you have it, we will be sending a request to get that.

Now, to the best of your knowledge, has there been any attempt to renegotiate this contract prior to recent -- recently as far as using the reopen or close to change the terms and conditions?

A. There's been no attempt -- well, you say prior to recently. Obviously recently there has been an attempt to renegotiate that contract. That's the first and only attempt to renegotiate that contract.

Q. Do you know why there was no attempt to

renegotiate the contract prior to the recent attempt?

A. I do not.

Q. Who would have made the decision to try to renegotiate the contract if you decided you wanted to do that? Would that fall under your responsibility or would that be somebody else's?

A. Currently or prior? Currently it fell under mine and Mike Zappitello's responsibility which is why we're trying to renegotiate. Prior to that I would assume it would have been Mr. Osborne or whoever was running Orwell at the time.

Q. So it would have been your responsibility since you took over as president for Orwell. Prior to you being named president of Orwell, it would have been the responsibility to whomever was president of Orwell at the time.

A. Or running Orwell.

Q. Running Orwell. And prior to your becoming president of Orwell, who was the president of Orwell?

A. I don't -- Greg Osborne was the president of Orwell for about four months before they put me in there, and I honestly -- I think it was Tom Smith prior to that, but I'm not positive.

Q. Okay.

A. Up until the last few months except for pipeline specific projects, I didn't do a lot of work for Orwell.

Q. Okay. Previously you indicated the contract with Dominion was breached and that occurred when Orwell signed the contract with Orwell-Trumbull and started taking gas from Orwell-Trumbull, correct?

A. That occurred when Dominion figured out that Orwell's volumes were going down and got upset. It might have been 2010 before they threw the contract -- I don't remember when the contract was thrown out.

Q. So it was Dominion that -- that declared the contract to be in breach.

A. That -- part of the contract that said if you replace our volumes, we are changing the rates now in effect, and they changed their rates.

Q. And you indicated to the best of your knowledge that the company Orwell had done some analysis to determine that breaching the Dominion contract and taking gas from Orwell was a more economic option, correct?

A. I said I assumed that.

Q. You assumed. And that would have been a decision that Mr. Smith would have made at the time?

A. I would also assume that.

Q. Or Mr. Osborne if he was president at the time?

A. Or whoever was buying gas or moving gas or.

Q. Okay. I meant to ask you a question. I am not going to get into the report per se because that's not a part of the GCR cases, but you're familiar with the investigative audit that Rehmann CIS did for the PUCO --

A. Yes.

Q. -- in the 14-205 docket? In that report on page 10 on the second bullet on page 10 it indicates that there were a number of contracts that would stay with JDOG or GNR Marketing or Gas Natural Resources and there were some that would go to the utility company.

I'm sorry. I have the wrong page.

A. Do you have the right page, Joe?

Q. Actually I am asking the question about the wrong audit report. It was the staff audit report in this proceeding and that would be the audit report in Case Nos. 14-206, 14-209, and 14-212 that the PUCO staff filed on January 27, 2015. I will hand you the audit report and let you go to page 10.

And we are looking at the second bullet point there. Audit report, page 10, second bullet point.

A. Okay.

Q. Can you explain to me which -- who made the decision as to which contracts would stay with either JDOG Marketing or GNR and which would go to the utility?

A. It was decided that all the local production was tied directly into the utilities would go to the utilities. And all the local production that was not tied in -- directly into the utilities would stay with the marketing company because the utilities couldn't burn the gas 12 months out of the year.

Q. And do you know who made that decision?

A. I think it was a group effort but.

Q. Looking at the three different distribution companies, taking them one at a time, do any of them have parts of their system where customers that can only be served by transporting through Orwell-Trumbull Pipeline?

A. Yes.

Q. Can you go through the three different companies and give me an idea of what parts of the system or how many customers?

A. Again, it's only two because Northeast does not transport on Orwell-Trumbull, but Orwell has direct farm taps on Orwell-Trumbull, and NEO has direct farm taps on Orwell-Trumbull. And there is some areas where Orwell-Trumbull is that Dominion is not that Orwell may have a system tied in off of it. To go down through and try to separate out the customers and tell you where they are off the top of my head, I can't.

Q. Can you give me a ballpark what percentage of the system? Is it something that's minimal or large parts?

A. 15 to 20.

Q. Customers or percent?

A. Percent.

Q. Okay. And that would be for both Orwell and Northeast?

A. Northeast does not --

Q. I thought 15 to 20 percent of Orwell.

A. And then Brainard it's less than that.

Q. Okay.

A. Brainard is just maybe a handful or two.

Q. Can Orwell-Trumbull serve all of Orwell's customers, all of its system?

A. No.

MR. YURICK: I'm sorry. Can I have that question read back again.

THE WITNESS: "Can Orwell-Trumbull serve all of Orwell's customers?"

MR. YURICK: Thanks.

Q. To your knowledge the contract between Orwell-Trumbull and Orwell that we previously identified as Exhibit No. 5, does that contract -- is there a provision in that that requires Orwell to take all of its supplies from Orwell-Trumbull?

A. Yes, sir.

Q. Now, the question is if Orwell-Trumbull cannot supply all of the Orwell system, why would there be a clause in the contract that requires Orwell to take all its supply from Orwell-Trumbull?

A. I can't answer that. I am assuming that it's because they mean on wherever Orwell-Trumbull can serve, but it's a confusing clause to me also.

Q. Now, we previously discussed the different rates that the LDCs pay Orwell-Trumbull, Cobra, or North Coast, or Spellman. Do you recall that?

A. Yes.

Q. Now, the contracts that Brainard, Orwell, and Northeast have with Cobra, Spellman, and

Orwell-Trumbull vary in length, correct?

A. I don't believe so. I believe that Brainard and Orwell-Trumbull's contract is a 15-year contract, but everybody else is just on a year to year with respective pipelines.

Q. Do you know why the other -- you said all the others are year to year. Do you know why the others were all year to year but there's the 15-year clause in the Orwell-Trumbull Pipeline contracts?

A. I do not factually.

Q. You didn't have any input into how long that contract term should be, correct?

A. No.

Q. Do you know if any former employees of Orwell-Trumbull currently work for any of the three distribution companies?

A. No, unless Mike Zappitello was at one point considered an Orwell-Trumbull employee.

Q. Do you know if any of the Cobra employees work for any of the distribution companies?

A. Yeah. I think there is a field -- Ira Hendrix came from Cobra, and he works for Northeast now as a field person.

Q. Okay. Do you know if there is any former distribution company employees that now work for

Orwell-Trumbull or Cobra?

A. I think at one time Bryant Wall was either an NEO or Orwell employee; and, now, he works for Orwell-Trumbull.

Q. And do you know what he did for Northeast previously?

A. It was accounting.

Q. And does he do similar-type work now for the pipelines?

A. I believe gas analyst, system balancer.

Q. Do you know if Orwell-Trumbull is currently soliciting customers?

A. I do not.

Q. Do you know if Orwell-Trumbull Pipeline provides transportation service to anyone other than Orwell, Brainard -- other than Orwell or Brainard customers or customers served off the Orwell/Brainard system?

A. I believe they do.

Q. You indicated that Northeast has interconnections with Dominion today that are still in use under the Dominion contract, correct?

A. Correct.

Q. Orwell to the extent they take service from Dominion today takes it under the Dominion

tariffs, correct?

A. Correct.

Q. And to the extent that Orwell takes service from Dominion today, there is a number of taps or interconnections that are in use today, correct?

A. Correct.

Q. Does Orwell have any other tap -- did Orwell have other taps or interconnections with Dominion that were used previously under their special contract but are no longer used today?

A. Yes.

Q. Do you know how many of these taps that Orwell had with Dominion that are no longer used today?

A. Approximately 10.

Q. Can you tell me why -- are those taps physically in place today?

A. No.

Q. The 10. And can you tell me when those taps were -- scratch that.

If the taps are no longer in place today, that means they were dismantled, taken apart?

A. Yes.

Q. Do you know when they were taken apart?

A. Somewhere between '9 and '10.

Q. And do you know why the taps were dismantled?

A. I got -- the explanation that I received on why the taps were dismantled because they were tired of paying the meter charges on all the taps they weren't using.

Q. And do you know what the meter charge was at the time?

A. I think 120 apiece.

Q. 120 a month? A year?

A. Yeah, a month.

Q. And that meter charge would have been paid regardless of whether you took gas or not?

A. Correct. Also would have went to the GCR regardless of if we took gas.

Q. And to the extent that you did take gas, then you would pay the $120 a month, and then you would pay a volumetric charge for how much gas actually flowed?

A. Yes, sir.

Q. Was there a cost associated with dismantling the taps?

A. I am sure there was.

Q. Do you know who paid that cost?

A. I would think Orwell.
Q. Who made the actual decision to dismantle the taps?
A. Factually or opinionly?
Q. Factually.
A. I don't know.
Q. Would that have been something that the then president of Orwell would have determined?
A. I would think so.
Q. And at that time period Mr. Smith was the president of Orwell?
A. I believe so.
Q. At the time that you were told that it was because the company was tired of paying the $120 a month, do you know if there was any kind of analysis, cost/benefit analysis, done to compare the cost of taking the gas through the meters versus the alternatives?
A. I doubt it. I can tell you that I didn't agree with it, and I blew a gasket over it. And if nothing else, if something happened to Orwell-Trumbull system, have a backup.
Q. And you raised those concerns with your management at the time.
A. Absolutely.

Q. And your management still elected to remove those taps.

A. Yes.

Q. And as a result of removing those taps, Orwell then took more gas through the Orwell-Trumbull Pipeline, correct?

A. Not necessarily because the taps were already shut in but they were just sitting there idle.

Q. To the extent that the taps were physically in place but sitting there idle, was that something that Orwell could have used as a negotiation point with Orwell-Trumbull to force Orwell-Trumbull's rates down?

MR. YURICK: I am going to object to the form of the question as calling for speculation, but you can go ahead and answer.

A. Well, I have an answer. Not after they signed that 2008 contract.

Q. Prior to the 2008 contract, that could have been a term for negotiation, correct?

MR. YURICK: Same objection but go ahead and answer, please.

A. I guess.

Q. After the 2008 contract was signed, then

those taps no longer had value other than as a backup, correct?

A. According to Orwell's previous management, correct.

Q. You indicated that there was a cost associated with dismantling the taps. Do you have any idea how much it costs to dismantle each of the taps?

A. I don't. I mean, I know what it -- it could be anywhere from 5 to 15 grand.

Joe, do you have a problem with me taking a break?

MR. SERIO: No. Absolutely. Vern, we are going to take a break until 10 till.

MR. MARGARD: Okay. Thanks. I'll be here.

(Recess taken.)

Q. We are going to go back on the record.

Mr. Whelan, I have just a few more questions. First, in your view what's the difference between Orwell-Trumbull Pipeline, Cobra, and Spellman other than -- I understand they are three different companies. But do they serve the same function as far as serving the three distribution companies?

A. Yes.

Q. Now, if you could look at Deposition Exhibit No. 2 again, for Northeast Ohio Natural Gas, just so that I'm clear, local production through Cobra means what?

A. It means production that's sold into Cobra and then delivered to an NEO system on Cobra.

Q. And then local production nonCobra means what?

A. It would be tied directly into the distribution system.

Q. Interstate/intrastate through Cobra means what?

A. That would be the gas that's purchased off of TCO or through TCO and delivered to Cobra to serve the customer.

Q. And then interstate/intrastate through DEO, that's Dominion?

A. Yes.

Q. And then intrastate through Spellman, those are volumes just through Spellman.

A. Yes.

Q. Are there any other volumes other than these five categories for Northeast?

A. For Northeast?

Q. Yes.

A. It would be the Kidron volumes.

Q. Okay. So Kidron volumes -- that would be today. During the audit period, do you know if there was any volumes delivered through Kidron?

A. There was production volumes delivered through Kidron, yes.

Q. Okay. So that's the only category missing to come up with the total gas deliveries for Northeast.

A. I think there was production volumes through Kidron. I thought that sheet that you gave me first showed production volumes through '13 when it started bringing TCO volumes in.

Q. That would be Deposition Exhibit 1.

A. Yes.

Q. So if I look at Deposition Exhibit No. 1, the NEO Kidron via TCO, I believe it's 37,681 --

A. Yeah.

Q. -- dekatherms.

A. The volume in question though is the local production volumes that were before.

Q. So if I added that 37,681 to the volumes on Deposition Exhibit 2, that would give me the total deliveries for Northeast, correct?

A. Yes.

Q. Okay.

A. As long as you included the column of production. That's what was left out.

Q. Okay. So the third column on Deposition Exhibit 1, the "Production MCF"?

A. I didn't see that on your spreadsheet.

Q. That should be on Deposition Exhibit 2 where it says "Intrastate through Kidron," correct?

A. No, local production through Kidron. The intrastate didn't start until June of '13.

Q. Okay. So both the first column and the third column of Deposition Exhibit 1, those totals need to be added to the totals on Deposition Exhibit 2 to come up with the total Northeast volumes.

A. If that is through the complete audit period, yes.

Q. Okay. The same would -- okay. So then if I look at Orwell next, the definitions would be the same as the definitions, only they refer to Orwell instead of Northeast, correct? Like the local production nonCobra would be the same as local production nonCobra for Northeast only it's for Orwell instead of Northeast, correct?

A. Yes. The only thing that -- I am just looking at it, and I don't see where you have

interstate through Orwell-Trumbull.

Q. So the only thing missing on Orwell Natural is interstate through Orwell-Trumbull?

A. At a quick glance looking at this, yes.

Q. Okay. If I look at the seventh column, it states interstate/intrastate through OTP. Isn't that Orwell-Trumbull?

A. Oh, I'm sorry. I didn't see it. No, we're good.

Q. So all the Orwell volumes are listed here on Exhibit -- Deposition Exhibit 2.

A. It appears to be, yes.

Q. And then for Brainard, are all the Brainard volumes listed there on Deposition Exhibit 2?

A. It appears to be, yes.

Q. So North Coast does not deliver directly into Orwell or Brainard, correct?

A. Not without going through OTP, no.

MR. SERIO: That's all the questions I have.

Vern, did you have any questions?

MR. MARGARD: I don't but thank you.

MR. SERIO: Okay. With that I think we are done with the deposition. There are a total of

five deposition exhibits, and I will make sure that staff gets a copy of all five this afternoon.

MR. MARGARD: Okay. Thanks.

MR. YURICK: And, Joe, according to my notes, you asked for -- can you hear me still, Vern?

MR. MARGARD: Oh, yeah, I'm good.

THE WITNESS: You are better off than I am. I am sitting next to him, and I can't hear him.

MR. YURICK: You asked for a contract between --

MR. SERIO: The additional pages to the contract that are missing.

THE WITNESS: The exhibits for the Orwell-Trumbull Pipeline contract.

MR. YURICK: Okay.

MR. SERIO: It's Dominion. Deposition Exhibit 4, I will give you a copy of it. It's missing a couple pages. The DEO NEO, yes.

MR. PARRAM: Both pages to that.

MR. YURICK: Exhibits.

THE WITNESS: DEO Orwell, isn't it?

MR. SERIO: No.

THE WITNESS: All right. I'm sorry. I am confused now. You're right.

MR. YURICK: Exhibits to DEO Northeast

contract.

MR. SERIO: And I will give you a copy of this. This is Exhibit 4. We have to make it. And then I also need the name and case number GNI versus Osborne.

And then I indicated I was going to ask in discovery for the cost/benefit analysis unless you just want to provide it and save me the trouble of writing a discovery request.

MR. YURICK: We can look for that.

MR. SERIO: I think that's the three items we asked for.

MR. PARRAM: This is the cost/benefit analysis of the negotiations for the Orwell/Orwell-Trumbull agreement.

MR. SERIO: The decision to get rid of the taps and to do that.

MR. YURICK: I don't have any questions so. We would reserve the right to sign. I think we can go from there.

(Discussion off the record.)

(Thereupon, the deposition was concluded at 10:59 a.m.)

- - -

State of Ohio :
: SS:
County of _____ :

I, Martin Whelan, do hereby certify that I have read the foregoing transcript of my deposition given on Friday, May 8, 2015; that together with the correction page attached hereto noting changes in form or substance, if any, it is true and correct.

_____
Martin Whelan

I do hereby certify that the foregoing transcript of the deposition of Martin Whelan was submitted to the witness for reading and signing; that after he had stated to the undersigned Notary Public that he had read and examined his deposition, he signed the same in my presence on the _____ day of _____, 2015.

_____
Notary Public

My commission expires _____, _____.

- - -

CERTIFICATE

State of Ohio :
: SS:
County of Franklin :

I, Karen Sue Gibson, Notary Public in and for the State of Ohio, duly commissioned and qualified, certify that the within named Martin Whelan was by me duly sworn to testify to the whole truth in the cause aforesaid; that the testimony was taken down by me in stenotypy in the presence of said witness, afterwards transcribed upon a computer; that the foregoing is a true and correct transcript of the testimony given by said witness taken at the time and place in the foregoing caption specified and completed without adjournment.

I certify that I am not a relative, employee, or attorney of any of the parties hereto, or of any attorney or counsel employed by the parties, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Columbus, Ohio, on this 11th day of May, 2015.

_____
Karen Sue Gibson, Registered
Merit Reporter and Notary Public
in and for the State of Ohio.

My commission expires August 14, 2015.

(KSG-6041)

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in

Case No(s). 14-0206-GA-GCR, 14-0209-GA-GCR, 14-0212-GA-GCR

Summary: Testimony Direct Testimony of Gregory Slone on Behalf of the Ohio Consumers' Counsel electronically filed by Ms. Gina L Brigner on behalf of Serio, Joseph P. Mr.