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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of Orwell Natural Gas Company,	)	Case No. 14-1654-GA-CSS
Complainant,	)	
vs.	)	
Orwell-Trumbull Pipeline Company, LLC	)	
Respondent,	)	

In the Matter of the Complaint of Orwell Natural Gas Company,	)	Case No. 15-637-GA-CSS
Complainant,	)	
vs.	)	
Orwell-Trumbull Pipeline Company, LLC	)	
Respondent.	)	

ORWELL NATURAL GAS COMPANY'S MOTION FOR LEAVE TO FILE *INSTANTER* THE DIRECT TESTIMONY OF MICHAEL S. ZAPPITELLO AND REQUEST FOR EXPEDITED TREATMENT

Pursuant to Ohio Administrative Code ("O.A.C.") 4901-1-12(A), Orwell Natural Gas Company ("Orwell") respectfully requests leave to file *instanter* the Direct Testimony of Michael S. Zappitello. A copy of Mr. Zappitello's direct testimony is attached to this motion. Orwell seeks leave to file testimony beyond the October 27, 2015 deadline established in the Attorney Examiner's September 11, 2015 Entry. Counsel for Ohio Consumer's Counsel, Staff, and Orwell-Trumbull Pipeline, LLC ("OTP") have indicated that they will not oppose this motion. The Commission should grant this motion because Orwell is filing this testimony only one day after the deadline. Orwell was unable to file the testimony electronically on October 27, 2015 due to difficulties with the electronic filing system. Because Orwell served the parties with Mr. Zappitello's testimony on October 27, 2015, no party will be prejudiced by this motion. Orwell also requests expedited treatment of this motion under O.A.C. 4901-1-12(C). A memorandum in support of this motion is attached below.

Respectfully submitted,

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Counsel for Orwell Natural Gas Company

MEMORANDUM IN SUPPORT

On September 11, 2015, the Attorney Examiner issued an entry that established an October 27, 2015 deadline for the parties to file direct testimony. On October 27, 2015, Orwell made multiple attempts to file the Direct Testimony of Mike S. Zappitello electronically but encountered difficulties with the electronic filing system. Counsel for Orwell attempted to personally file a hard copy of the testimony at the docketing division but arrived shortly after 5:30. At 6:35 p.m., counsel for Orwell served the parties with Mr. Zappitello's testimony via e-mail, informed the parties of Orwell's difficulties with filing the testimony, and informed the parties that Orwell would be seeking leave to file the testimony out of time.

Orwell respectfully requests leave to file testimony one day out of time. Granting this motion will not prejudice any party because the parties were served with the testimony on October 27, 2015. The Commission has granted leave in similar situations. *In the Matter of the Complaint of the City of Huron v. Ohio Edison*, 03-1238-EL-CSS, (Entry at p. 5) (August 2, 2005)(*In re Ohio Edison*). In *In re Ohio Edison*, the examiner ordered all parties to file pre-filed testimony by July 1, 2005. Ohio Edison filed its pre-filed testimony and motion for leave to file its pre-filed testimony one day out of time. However, Ohio Edison served the opposing party with the testimony on July 1, 2005. The Commission concluded that "[a]lthough OE failed to adhere to the procedural schedule ordered by the examiner in this case, Huron was not prejudiced by the failure of OE to timely file its pre-filed testimony. OE's motion for leave to file one day out of time should be granted." *Id.* The Commission is presented with the same situation in

Orwell's case. In addition, the Commission has granted leave to file testimony out of time on other occasions where the other parties did not suffer any prejudice. [1]

Pursuant to O.A.C. 4901-1-12(C), Orwell requests expedited treatment of this motion. Counsel for OCC, Staff, and OTP indicated that they do not oppose expedited treatment of this motion. In addition, counsel for OCC, Staff, and OTP indicated that they will not oppose this motion for leave.

Respectfully submitted,

/s/ Devin D. Parram

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[1] *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained Within the Rate Schedules of Duke Energy Ohio, Inc.*, 08-218-GA-GCR, (Entry at p. 2-3) (December 2, 2008); and *In the Matter of the Application of Columbus Southern Power Co. & Ohio Power Co. for Auth. to Establish A Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Sec. Plan. in the Matter of the Application of Columbus Southern Power Co. & Ohio Power Co. for Approval of Certain Accounting Auth..*, Case No. 10-268-EL-FAC, (Opinion and Order at p. 4)(May 4, 2014).

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served this 28th day of October, 2015 by electronic mail upon the following:

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Devin D. Parram

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Orwell-Trumbull Pipeline Company, LLC	)	
Respondent.	)	

DIRECT TESTIMONY OF MICHAEL S. ZAPPITELLO

Submitted on behalf of Orwell Natural Gas Company

October 27, 2015

I. INTRODUCTION

Q. Please state your name and business address.

A. Michael S. Zappitello. Orwell Natural Gas Company ("Orwell"). 8470 Station Street, Mentor, Ohio 44060.

Q. By whom are you employed and in what capacity?

A. I am employed by Northeast Ohio Natural Gas Corporation ("Northeast"). Although I am compensated by Northeast, I am currently acting Director of Gas Procurement for Northeast, Orwell, and Brainard Gas Corporation ("Brainard").

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on the behalf of Orwell.

Q. Please describe your professional experience and qualifications.

A. I was employed by Webb Manufacturing from 1980 through 2007 as Shipping Supervisor, Traffic Manager, and Department Manager. My duties included routing all shipments per published transportation tariffs and supervising up to 60 employees. I supervised all purchasing functions, supervised all customer representatives, and handled negotiations with outside vendors. I was also responsible for reviewing contracts and overseeing all levels of inventory. In 2008, I was hired by Cobra Pipeline Co. LTD's ("Cobra") manager of purchasing. At the time, I was on Orwell-Trumbull Pipeline Company, LLC's ("OTP") payroll. In 2010, I began purchasing gas for all the Ohio utilities. I was employed as Director as Gas Procurement for Northeast in 2013.

Q. Describe the duties of your current position?

A. I am responsible for all gas procurement for Orwell, Northeast and Brainard. I am also responsible for system balancing for the Ohio utilities.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the claims Orwell asserted against OTP in the two complaints filed by Orwell in Commission Case Nos. 14-1654-GA-CSS and 15-637-GA-CSS.

Q. Please summarize your testimony.

A. First, I describe the Natural Gas Transportation Service Agreement (the "Orwell-OTP Contract") between Orwell and OTP that is at issue in these cases. Second, I discuss the two invoices OTP submitted to Orwell which are at issue in Case No. 14-1654-GA-CSS. Third, I discuss various reasons why the Orwell-OTP Contract,[1] as currently drafted, is unjust and unreasonable, which is the basis for Orwell's complaint in Case No. 15-637-GA-CSS. Fourth, I discuss reasons why OTP's current tariff ("OTP Tariff") is unreasonable.[2] Finally, I summarize Orwell's recommendations for the Commission with respect to Orwell's various concerns.

II. DESCRIPTION OF THE ORWELL-OTP CONTRACT

Q. Please describe the terms of the Orwell-OTP contract.

A. From my review of the Orwell-OTP agreement, it appears that on or about July 8, 2008 Orwell and Brainard entered into the Orwell-OTP Contract with OTP. The agreement has a term of 15 years, which expires in 2023.[3] The Orwell-OTP Contract provides that

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[1] A true an accurate copy of the Orwell-OTP Contract is attached as **MSZ Attachment A**.

[2] Orwell-Trumbull Pipeline, LLC, Rules and Regulations Governing the Transportation of Gas in Unincorporated Areas, P.U.C.O. No. 1.

[3] Orwell-OTP Contract at Paragraph 3.1 (MSZ Attachment A).

OTP will receive gas from suppliers and transport this gas on the OTP pipeline system for delivery into Orwell's and Brainard's systems. The initial rate charged to Orwell and Brainard was $0.95 per Mcf. The contract has a clause which provides for the potential adjustment of the transportation rate every five years, which states:

> Rate 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.[4]

OTP did not seek to adjust the rate on July 1, 2013. September of 2014 was the first time OTP sought to adjust the transportation rate. In January 2015, Orwell began paying a transportation rate of $1.01, an issue which will be discussed in more detail later in my testimony.

The Orwell-OTP Contact is an interruptible agreement, which means that OTP has the ability to reject Orwell's nominations to the OTP system. The Orwell-OTP Contract states:

> 1.1 [Orwell] shall arrange with suppliers of [Orwell's] selection to have Gas in an amount not to exceed [Orwell's] MDQ adjusted for OTPC Shrinkage as specified on Exhibit B, tendered to the Receipt Points(s) as specified on Exhibit B, for delivery into the OTPC Pipeline on [Orwell's] behalf. OTPC shall then redeliver<u>, on an interruptible basis</u>, such quantities, less OTPC's Shrinkage, to [Orwell], or on behalf of [Orwell], at the Delivery Point(s) as specified on Exhibit B....[5](emphasis added)

The Orwell-OTP Contract also contains a sole-source provision, which states:

[4] Exhibit B of Orwell-OTP Contract (MSZ Attachment A).

[5] Orwell-OTP Contract at Paragraph 1.1 (MSZ Attachment A).

> 1.2 [Orwell] agrees that during the term of this Transportation Services Agreement it will use only OTPC's 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 Orwell may use other pipelines to transport its gas requirements.[6] (emphasis added)

Only if nominations are rejected by OTP is Orwell or Brainard then able to use another transportation source.

Q. Orwell filed a complaint in Case No. 14-1654-GA-CSS regarding two invoices that OTP sent Orwell on September 12, 2014. Are you familiar with these two invoices?

A. Yes. These two invoices total $2,670,130.73 OTP claims that Orwell owes this amount to OTP for volumes transported on OTP's system from 2010 through 2014.[7] The invoices indicate that they are from "Orwell Trumbull Pipeline Company/Great Plains." I am not aware of any tariff Great Plains Exploration has filed with the Commission. Further, Orwell does not have any contract with Great Plains Exploration.

Q. Does Orwell owe OTP $2,670,130.73.50 for volumes delivered on OTP?

A. Absolutely not. Orwell already paid OTP for all the volumes described in the two invoices. These invoices are allegedly for "metered volumes delivered on 2" gathering lines" from 2010 to 2014. However, I am not aware of any agreement, tariff, or Commission order that segregates OTP's system into separate portions. In fact, such a provision would make little sense when, as here, gas is transported by displacement in a pressurized system. The only Commission approved authority governing the relationship between Orwell and OTP that I am aware of is the Orwell-OTP Contract and the OTP

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[6] Orwell-OTP Contract at Paragraph 1.2 (MSZ Attachment A).

[7] True and accurate copies of the September 8, 2014 invoices are attached as **MSZ Attachment B.**

Tariff. According to the Orwell-OTP Contract, OTP charges Orwell for volumes transported on any portion of OTP's system and Orwell pays for this transportation. Orwell paid every invoice OTP submitted for volumes transported from 2010 through 2014. By submitting the two invoices that are at issue in Case No. 14-1654-GA-CSS, OTP is attempting to double-charge Orwell for transportation service Orwell already paid for. According to Jessica Carothers, the Accounting Manager for OTP, these two invoices represent additional charges above and beyond the charges Orwell has paid OTP from 2010 to 2014. [8] Ms. Carothers admits these additional charges would effectively make Orwell's transportation charge $1.90 per Mcf.[9] However, the Orwell-OTP Contract establishes a transportation rate of $0.95 per Mcf, a fact which Ms. Carothers admits.[10] She also admitted that Orwell paid all the invoices OTP submitted from 2010 to 2014 that were consistent with the $0.95 transportation rate contained in the Orwell-OTP Contract.[11]

Q. Does the Orwell-OTP Contract indicate which pipelines in OTP's system are subject to the terms of the agreement?

A. No. The contract does not segregate or distinguish different portions of OTP's system. The contract defines the "Pipeline" as "[a]ll pipelines owned by OTPC located in Northeastern Ohio."[12] OTP has at all periods relevant to the timeframe of the invoices

[8] September 8, 2015 Deposition of Jessica Carothers ("Carothers Depo.") at 12 and 43. Excerpts from the transcript of the Carothers Depo. are attached as **MSZ Attachment C**.

[9] Carothers Depo. at 12 and 43 (MSZ Attachment C).

[10] Carothers Depo. at 40 (MSZ Attachment C).

[11] Carothers Depo. at 29, 39 and 40 (MSZ Attachment C).

[12] Exhibit A of Orwell-OTP Contract (MSZ Attachment A).

operated the 2 inch lines as part of the OTP system. I approved all OTP pipeline invoices and verified delivery of volumes over these 2 inch pipelines. All invoices regarding transportation of volumes on OTP's system have been paid by Orwell.

III. THE ORWELL-OTP CONTRACT IS UNJUST AND UNREASONABLE

Q. Orwell filed a complaint with the Commission (Case No. 15-637-GA-CSS) claiming that the Orwell-OTP Contract is no longer just or reasonable. Are you familiar with this complaint?

A. Yes.

Q. Do you agree that the terms of the Orwell-OTP Contract are no longer just or reasonable?

A. Yes.

Q. Why?

A. There are a number of reasons that the Orwell-OTP Contract is unjust and unreasonable. One problem with the Orwell-OTP Contract is that it is a "sole-source" agreement. The Orwell-OTP Contract obligates Orwell to "use only [OTP's] pipelines to transport gas for any of its customers." This sole-source provision limits Orwell's ability to consider other competitive and operational options. For example, Orwell previously had a transportation agreement with The East Ohio Gas, Co. d/b/a Dominion East Ohio ("Dominion") under which Dominion provided firm transportation service at a rate of approximately $0.92 per Mcf.[13] Not only was the transportation rate Dominion charged less than the initial OTP rate of $0.95, but the firm service provided by Dominion is substantially more valuable than the interruptible service provided by OTP. Firm service

[13] A true and accurate copy of the April 14, 2005 Transportation Agreement between Orwell and Dominion and related documents, attached as **MSZ Attachment D**.

ensures that service will be available 24 hours a day, 365 days a year. Interruptible service, on the other hand, can be interrupted and may be unavailable in the coldest part of the winter heating season. Additionally, the Dominion transportation agreement was not a "sole-source" agreement and allowed Orwell to pursue additional transportation options.

Orwell no longer has a transportation agreement with Dominion and a number of the Dominion taps on Orwell's system were dismantled in 2008. These taps that were dismantled were located in areas where OTP's pipelines were located and, therefore, served as a valuable alternative to OTP. However, now that these taps have been dismantled, Orwell is only able to receive supplies from Dominion in a few isolated areas on its system where OTP cannot serve Orwell's customers. Dominion is no longer a true secondary source or alternative for Orwell, which eliminates Orwell's ability to gain competitive prices from suppliers who do not transport on OTP. When Richard M. Osborne ("Osborne") was still in control of both OTP and Orwell, he ordered an employee of Orwell to dismantle the Dominion taps.[14] Mr. Osborne stated that Dominion was "a competitor" with OTP, and that the relationship was "unpleasant."[15] Although Orwell has since considered approaching Dominion about potentially reestablishing the taps that were dismantled and negotiating a new transportation agreement, Orwell is concerned that the "sole-source" provision the Orwell-OTP Contract precludes Orwell from fully utilizing any transportation agreement with Dominion. Orwell has approached

[14] September 29, 2015 Deposition of Richard M. Osborne ("Osborne Depo") at 116-117. Excerpts from the transcript of the Osborne Depo. are attached as **MSZ Attachment E**.

[15] Osborne Depo. at 56- 58 (MSZ Attachment E).

Dominion about reinstalling taps in areas on Orwell's system in order to serve as secondary source to OTP. Although Dominion has not agreed to reinstall those taps as of today, Orwell will continue to pursue potential interconnections with Dominion.

Another reason this agreement is unreasonable is because it has a 15-year term. This is an extremely long commitment on Orwell's part, especially considering the fact that the contract is a sole-source arrangement. Gas supply options can change substantially from year to year based on market conditions, and a gas utility needs the flexibility to consider and choose from these various options to provide the lowest cost gas to its customers. The Orwell-OTP Contract does not do this. It locks Orwell in to basically one transportation source for 15 years. Further, based on statements made by Richard M. Osborne, it appears the only rationale for the 15-year term was to ensure that Mr. Osborne received a return on his $15 million investment in OTP. [16] The 15-year term sole-source, however, did not benefit Orwell or its customers.

Q. Does the Orwell-OTP Contract present any system reliability concerns for Orwell?

A. Yes. The fact the Orwell-OTP Contract is a sole-source agreement and an interruptible agreement puts Orwell in a precarious position. On the one hand, the contract precludes Orwell from considering alternative options for transportation. On the other hand, the contract gives OTP the right to interrupt Orwell's service. This overreliance on OTP does not allow Orwell to timely ensure gas supplies will always be available for its customers. This is a clear example of the imbalance of costs/power in the Orwell-OTP Contract.

[16] Osborne Depo. at 48 – 50 (MSZ Attachment E).

Another reason solely relying on OTP is problematic is because of OTP's reliance on North Coast Gas Transmission ("North Coast"). North Coast is the primary interconnect from which OTP receives gas supplies. Although OTP does have an interconnection with Cobra, Cobra does not have the ability to independently serve OTP during the cold weather. Any disruption of service from North Coast could put large portions of Orwell's system at risk of losing gas service. Orwell should have the ability to explore additional transportation options to ensure that Orwell's customers receive reliable service.

Q. Has Orwell's reliance upon the Orwell-OTP Contact ever resulted in a situation where Orwell was concerned that it would be unable to provide gas to customers?

A. Yes. In early 2014, Ohio, along with many states in the Eastern United States, experienced unusually cold temperatures. The extremely cold temperatures resulted in a substantial increase in expected gas usage and depletion of gas supply. On February 24th, 2014, Orwell sought bids for its March 2014 gas requirements. Orwell sought 3,750 Dth/day for delivery into North Coast for redelivery into OTP as the anticipated Orwell burn for the month of March 2014. Orwell would typically have both BP Canada and North Coast as supply options. However, North Coast's supplies were exhausted due to the extreme weather. Although BP had 500Dth/day available, this amount was not enough to meet Orwell's requirement of 3750Dth/day. Although Orwell accepted BP's bid for 500Dth/day at NYMEX plus six dollars per Dth, Orwell still had to obtain the remaining volumes needed to supply customers for March. To do so, Orwell decided to tap the Spelman Pipeline Holdings, LLC's ("Spelman") line into Cobra Pipeline Co. LTD's ("Cobra") line to increase pressures on Cobra to feed OTP. However, it was unclear at the time if the amount of gas delivered into OTP would be adequate. In addition, the amount of time Orwell had to successfully install the tap was incredibly short because Orwell only had a matter of days before March 1, 2014, which is when Orwell's gas supplies would be depleted. Therefore, Orwell decided to purchase an additional 3,000Dth/day for the 1st, 2nd and 3rd of March to make sure that Orwell did not run out of gas.

As a result of this emergency situation, Orwell was forced to acquire abnormally expensive gas from BP while installing an emergency tap between Spelman and Cobra. Fortunately, Orwell was able to supply gas to all of its customers, though the Commission did not allow recovery for the full cost of these volumes. However, Orwell could have avoided this cost to its shareholders if it had Dominion as a secondary transportation option to purchase from a greater number of suppliers. Orwell also would have been able to avoid paying the extremely high prices for gas.

Q. Does Orwell's over-reliance on OTP's system cause other problems for Orwell and its customers?

A. Yes. During the winter, OTP relies upon Orwell to keep OTP's system pressures up in order to serve many of Orwell's customers, especially customers on the Northern end of OTP's system. These are primarily human needs customers. To maintain adequate pressure levels on OTP's system, Orwell has to purchase more gas than it needs during the winter, which results in a large positive imbalance for Orwell on OTP's system. Orwell is credited for this positive volumes imbalance during the summer months. Because the gas purchased during the winter is typically more expensive than volumes purchased in the summer, Orwell's customers ultimately pay more for gas just to keep OTP's pressures up.

Q. How can this situation be remedied?

A. Part of the problem today is that gas flowing from North Coast has to travel from the southern portion of OTP's system in Mantua to the northern portion of its system to serve all of Orwell's customers.[17] OTP's pipeline flows as far as Eastlake, Ohio. When it is very cold, there are situations when there is insufficient pressure to push the gas to the far northern portions of the system, which results in some of Orwell's customers getting little gas pressure, or no gas at all. For example, on February 17, 2015, customers located in Willoughby, Ohio complained that they were experiencing low or no gas pressure. To remedy this situation, Orwell had to purchase more gas than it burned in February and March to maintain adequate gas pressures on OTP to serve Orwell's customers. If Orwell had the ability to reestablish taps on its system with Dominion in these northern areas, this would help alleviate the problem by adding additional supply sources in north. It would also reduce Orwell's need to over-purchase gas on OTP during the winter months, which would reduce rates for Orwell's customers. Orwell asked OTP to reinstall interconnection with Dominion in the northern part of its system to allow Orwell to have diversity of supply. OTP has indicated that it will consider reinstalling this tap, but has not taken any action yet. If the Commission modifies the Orwell-OTP Contract as recommended by Orwell, Orwell would have the ability reinstall taps on its system, which would allow Orwell to bypass OTP.

[17] A map of OTP's and Orwell's systems is attached as **MSZ Attachment F**. This is a fair and accurate representation of Orwell's and OTP's system.

Q. What are some other concerns you have with the Orwell-OTP Contract?

A. The transportation rate Orwell is being charged is unreasonable. Orwell and Brainard are being charged \$1.01 per Mcf for "sole-source" interruptible service, which is more than any other entity taking transportation service on OTP. Great Plains Exploration, LLC ("Great Plains") is charged \$0.95 per Mcf.[18] Gas Natural Resources (f/k/a John D. Oil and Gas Marketing) is charged \$0.50 per Mcf for firm transportation service[19] and Newbury Local Schools is charged \$0.90 per Mcf for firm service.[20] It is unreasonable for OTP's largest transportation customer to be paying the highest rates for interruptible (less favorable) service.

Q. Has Orwell attempted to renegotiate the transportation rate with OTP?

A. Yes. In September 2014, OTP sent Orwell an invoice that increased the transportation rate from \$0.95 to \$1.08.[21] OTP did not provide Orwell any prior notice regarding the proposed rate increase and did not attempt to negotiate the rate with Orwell prior to unilaterally increasing the rate. OTP claimed that new rate of \$1.08 was calculated based upon the consumer price index ("CPI") for Cleveland, Ohio. I responded through a letter which indicated that OTP was obligated to attempt to negotiate a new transportation rate.

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[18] July 1, 2008 Natural Gas Transportation Agreement between OTP and Great Plains, attached hereto as **MSZ Attachment G.** – This document was provided in Orwell-Trumbull Pipeline Company, LLC's Responses to the Office of Consumers' Counsel Second Set of Interrogatories and Request for Production of Documents in Case No. 15-637-GA-CSS.

[19] January 1, 2009 Transportation Service Agreement No. 101 Orwell-Trumbull Pipeline Co., LLC between OTP and Gas Natural Resources (f/k/a John D. Oil and Gas, Marketing), attached hereto as **MSZ Attachment H.** This document was provided in Orwell-Trumbull Pipeline Company, LLC's Responses to the Office of Consumers' Counsel Second Set of Interrogatories and Request for Production of Documents Case No. 15-637-GA-CSS.

[20] July 27, 2009 Transportation Service Agreement No. 1006 between OTP and Newbury Local Schools, attached hereto as **MSZ Attachment I.** This document was provided in Orwell-Trumbull Pipeline Company, LLC's Responses to the Office of Consumers' Counsel Second Set of Interrogatories and Request for Production of Documents Case No. 15-637-GA-CSS.

[21] A true and accurate copy of the September 29, 2014 letter and invoice from OTP is attached as **MSZ Attachment J.**

On October 20, 2014, I met with Jessica Carothers to discuss a negotiated transportation rate for Orwell. First, I explained that OTP's calculation of the new rate of $1.08 was incorrect based on the Cleveland CPI. Using the Cleveland CPI, the accurate amount would be $1.01 per Mcf. Next, I proposed a new transportation rate of $0.60 per Mcf which was reflective of the current market conditions at the time.[22]

Q. Please explain how you determined that $0.60 was the market condition at the time.

A. I determined that $0.60 per Mcf was reasonable by analyzing the cost Orwell incurred to transport on OTP and the potential savings Orwell could have recognized transporting gas on Dominion. First, I assumed that Orwell would be required to transport gas at the maximum daily quantity ("MDQ") amount of 2000 Dth/day specified in the Orwell-OTP Contract.[23] For the five months that Orwell's requirements exceeded the 2000 Dth/day MDQ (November 2013 through March 2014), I determined what the costs would have been to transport supplemental gas supplies via Dominion.

Q. During the five-month winter period, what were the prices for volumes transported via OTP vs. prices for volumes that could have been transported via Dominion?

A. The costs for volumes transported via OTP were approximately $2.02 per Mcf. This total cost includes the Chicago winter basis for gas ($0.63), North Coast transportation costs ($0.38), and OTP transportation costs ($1.01). Gas was purchased via Dominion during the five-month winter period would have cost Orwell $0.864 per Mcf, which is the total of the Dominion winter basis (-$0.756) and Dominion's transportation cost per the DTS transportation tariff rate ($1.62). Although the Dominion tariff transportation rate is higher than the combined transportation rates of North Coast and OTP, the Dominion

[22] A workpaper that supports the proposed $0.60 transportation rate is attached as **MSZ Attachment K.**

[23] Orwell-OTP Contract (MSZ Attachment A).

winter basis is so much lower than the OTP winter basis that transporting gas on Dominion during the five-month winter period would have served Orwell customers $1.156 lower per Mcf than gas purchased and then transported on OTP.

Q. Did you factor the difference in shrink percentages between OTP and Dominion into your analysis?

A. No.

Q. Why not?

A. The shrink percentage for gas transported from North Coast to OTP is 4.95% (1.25% shrink on North Coast plus 3.7% shrink on OTP). The shrink percentage for gas transported on Dominion is 5.1%. Because the shrinkage percentages are essentially the same, shrinkage has almost no impact on my analysis.

Q. Based on your analysis, how much could Orwell have saved its customers if it would have supplemented its requirements by purchasing gas from Dominion during the five-month winter season?

A. Orwell would have saved at least $230,065.52 over a 12 month period if it would have purchased supplies transported by Dominion. This translates into a savings of approximately $0.35 per Mcf. By subtracting $0.35 from the OTP rate of $0.95, I determined that $0.60 per Mcf was the current market rate for transported gas volumes that should have been effective for the next five years.

Q. What was OTP's response to your proposal of $0.60 per Mcf?

A. OTP rejected this proposal and refused to negotiate. Rather, OTP decided to charge Orwell and Brainard $1.01 per Mcf.

Q. How does the $1.01 transportation rate OTP is charging Orwell and Brainard compare to the rates being charged for interruptible service on other pipelines?

A. The amount OTP is charging Orwell and Brainard for interruptible service is substantially higher than the transportation rates some other intrastate pipelines are charging their customers for interruptible transportation service. Both Spelman and Cobra charge $0.50 per Dth for interruptible transportation service, which is approximately $0.50 per Mcf. OTP is charging Orwell almost twice as much for transportation service than Cobra and Spelman charge for interruptible transportation service under their tariffs.

Q. How does OTP's refusal to negotiate a more reasonable transportation rate and efforts to prevent Orwell from negotiating a transportation agreement with Dominion harm Orwell's customers?

A. OTP's actions cause Orwell's and Brainard's customers to pay higher rates than necessary because Orwell and Brainard are precluded from pursuing cheaper gas supply and transportation options.

Q. It is your testimony that the Orwell-OTP Contract is unreasonable. Wasn't the Orwell-OTP Contract approved by the Commission?

A. Yes. In Case No. 08-1244-PL-AEC, the Commission approved the Orwell-OTP Contract. However, the Commission may not have been aware of a number of factors when it approved the Orwell-OTP Contract that show that the contract is unreasonable. First, the Commission may not have known that when the Orwell –OTP Contract was executed, Mr. Osborne owned OTP and had a substantial ownership interest in Orwell. When the contract was signed, Orwell was owned by Lightning Pipeline Company, Inc. ("Lightning"). Lightning's stock was owned primarily by the Richard Osborne Trust, of which Mr. Osborne was the sole trustee.[24] The Richard Osborne Trust was also the majority shareholder of OTP.[25] Mr. Osborne admits he was the managing member of OTP when the Orwell-OTP Contract was executed.[26] Mr. Osborne admits that he owned 100% of Orwell and Brainard when the contract was executed.[27] On the Orwell-OTP Contract, Steve Rigo signed on the behalf of OTP and Thomas Smith signed on the behalf of Brainard and Orwell. Mr. Smith reported directly to Osborne when he was employed at Orwell and Mr. Rigo reported directly to Mr. Osborne when he was employed by OTP.[28] According to the notice provisions under the Orwell-OTP Contract, both Mr. Smith and Mr. Rigo worked out of the same offices and had the same contact number.[29] This shows that the Orwell-OTP Contract may not have been the result of an arms-length transaction.

Q. Do you have other concerns with the terms of the Orwell-OTP Contract?

A. Yes. The contract contains an arbitration provision, which states that all disputes regarding the contract must be resolved in binding arbitration in a hearing conducted in Lake County, Ohio. Because of this provision, OTP has filed a demand for arbitration with the American Arbitration Association, which is being held in Lake County, Ohio.

Q. Why is this problematic?

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[24] *In the Matter of the Purchased Gas Adjustment Clauses Contained Within the Rate Schedules of Northeast Ohio Natural Gas Corporation and Orwell Natural Gas Company*, Case No. 10-209-GA-GCR, Opinion and Order ("2010 GCR Opinion and Order") at 6.

[25] 2010 GCR Opinion and Order at 7.

[26] Osborne Depo. at 41-42 (MSZ Attachment E).

[27] *Id.*

[28] 2010 GCR Opinion and Order at 14; Osborne Depo. at 49-50 (MSZ Attachment E).

[29] Orwell-OTP Contract at Paragraph 5.5 (MSZ Attachment A).

A. In my opinion, disputes between Orwell and OTP regarding the Orwell-OTP Contract should be resolved by the Commission. Both Orwell and OTP are public utilities regulated by the Commission. While the Orwell-OTP Contract is allegedly an "agreement" between Orwell and OTP, the contract required Commission approval. Further, the various flaws in the Orwell-OTP Contract have a detrimental effect on Orwell's regulated ratepayers. In my opinion, these are all legitimate reasons why the Commission should be the final arbiter regarding the terms of Orwell-OTP Contract.

IV. THE COMMISSION SHOULD REQUIRE OTP TO MODIFY THE OTP TARIFF

Q. In Orwell's complaint, Orwell requests that the Commission require OTP to file a new tariff. Why is Orwell making this request?

A. Orwell has attempted to renegotiate the terms of the Orwell-OTP Contract with OTP. However, OTP has been unwilling to negotiate in good faith, and Orwell is concerned that fruitful negotiations with OTP's current management, at least for the foreseeable future, may be impossible. If Orwell and OTP cannot come to an agreement regarding a new transportation contract, Orwell should have the option of taking standard transportation service under OTP's transportation tariff. However, the way the OTP Tariff is currently drafted, that simply is not an option for Orwell.

Q. Why?

A. Some of the most critical terms and conditions of the OTP Tariff lack clarity, and would need to be more clearly defined before Orwell could decide if selecting standard transportation service under the OTP Tariff is the best option. First, the OTP Tariff does not have a standard transportation service rate. Rather, it indicates that "the rates and charges for transportation services will be established pursuant to contracts submitted to the Commission for approval under Section 4905.31 of the Revised Code."[30] This means Orwell has no option but to enter into a transportation contract with OTP. But Orwell's good-faith attempts to negotiate a new transportation rate with OTP have failed. And because the OTP Tariff lacks a specified transportation rate, Orwell has only two options: (1) continue complying with OTP's unreasonable demands or (2) file a complaint with the Commission. Orwell was forced to pursue the second option, which is why I am testifying in this case. However, if OTP had a reasonable tariff (which would include a defined transportation rate), Orwell would have the ability to take general transportation service as another option. In the future, this option would be preferable to Orwell filing a complaint every time a contractual dispute arises with OTP.

Q. Do you have other concerns regarding the way the OTP Tariff is currently drafted?

A. Yes. OTP's tariff states that "[u]nless otherwise agreed, the Customer shall have the right to retain, pursuant to this Tariff, 100% of the gas delivered to the Receipt Point(s), less the Shrinkage."[31] The Orwell-OTP Contract does not have a specified shrinkage percentage; rather, it states "Shrinkage: TBD." Because there is no defined amount of shrinkage, Orwell is unable to determine whether the amounts OTP charges for shrink are justified. It is Orwell's position that defining a specific amount for shrinkage in the OTP Tariff would help provide transparency with respect to the amounts OTP is charging Orwell for shrink.

Q. Why is having a transparent shrinkage rate important?

[30] OTP Tariff, Section 7, First Revised Sheet No. 6.

[31] OTP Tariff, Section 6, First Revised Sheet No. 7.

A. Disputes between OTP and Orwell have occurred recently regarding the appropriate amount of shrinkage. Before September 2014, OTP never charged Orwell for shrink. In September 2014, OTP sent Orwell an invoice that included retroactive charges for shrink of 5% which dated back to July 1, 2013. In September 2014, I informed OTP that it did not have authority to retroactively charge Orwell for shrinkage and informed OTP that it had no basis for charging 5% for shrinkage considering that its US DOT Pipeline and Hazardous Material Safety report indicates that its shrinkage is 3.7%.[32] If OTP is required by the Commission to have a specified shrinkage rate, then OTP would have to justify any shrinkage charges different from the specified rate. This would provide Orwell a basis to challenge any shrinkage charge that appears to be unjustified or inconsistent with the rate specified in the tariff.

Q. Do other pipelines regulated by the Commission include a specified amount for shrinkage in their tariffs?

A. Yes. Both Spelman's and Cobra's tariff contain standard form "Transportation Service Agreements" for customers that desire to enter into standard transportation agreements with the pipelines. These standard form agreements for both Spelman and Cobra have a specified amount for shrinkage of 3.5%.

Q. Was the fact that the OTP Tariff lacks a specified amount for shrinkage an issue in the Commission-ordered investigation of Orwell, Northeast, and Brainard?

A. Yes. In the Commission-ordered investigation of Orwell, Northeast, and Brainard, the ("COI case"), the auditor recommended that OTP's tariff be modified to include specific percentage of shrinkage.

[32] OTP's Annual Report for Calendar Year Gas Distribution System, attached hereto as **MSZ Attachment L.**

V. ORWELL'S RECOMMENDATIONS FOR THE COMMISSION

Q. What are your recommendations regarding the complaint filed in Case No. 14-1654-GA-CSS?

A. The Commission should find that the two invoices submitted by OTP to Orwell totaling $2,670,130.73 are unjust and unreasonable. The Commission should issue an order that prohibits OTP from terminating or disrupting service for Orwell as a result of Orwell's decision not to pay these two invoices. In addition, the Commission should state in its order that OTP is prohibited from submitting similar retrospective charges in the future unless such charges are allowed by OTP's tariff, Commission rule, or Commission order.

Q. You have discussed a number of concerns regarding the Orwell-OTP Contract and the OTP Tariff. Please explain how you propose the Commission address these issues.

A. First, the Commission should determine that the Orwell-OTP Contract, as currently drafted, is unjust and unreasonable. Orwell requests that the Commission modify the Orwell-OTP Contract until OTP is required to file a new approved tariff. Orwell suggests the following revisions to the interim Orwell-OTP Contract, which would form the basis for the relationship between Orwell and OTP until OTP files an approved tariff:

- Paragraph 1.1- The Commission should change the contract from interruptible service to firm service.
- Paragraph 1.2- The Commission should void the sole-source provision of the contract, and permit Orwell to obtain transportation service from alternative sources to obtain least cost gas for its customers.

- Paragraph 3.1 -The Commission should modify the term of the contract. The contract should be in effect only until OTP files an approved tariff, or Orwell and OTP negotiate a true arm's-length transportation contract.
- Paragraph 7.6 – The Commission should void the arbitration provision, and assert sole and exclusive jurisdiction over all matters related to this contract and/or dispute.
- The Commission should modify the transportation rate OTP is currently charging Orwell. A just and reasonable transportation rate for an interim arrangement is $0.60.

The Commission should require OTP to file a new tariff that contains a specified shrink percentage. In addition, the tariff should contain a standard transportation rate. Whatever transportation rate OTP proposes, OTP should be required to establish a legitimate basis for the proposed charge. Until OTP files a new Commission-approved tariff, the Commission should require OTP to comply with the modified terms of the Orwell-OTP Contract as Orwell recommends above.

Q. Does this conclude your testimony?

A. Yes. However, I reserve the right to supplement or revise my testimony.

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

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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)

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

*Rates will adjust every five (5) years commencing on July 1, 2013 and continuing on each fifth (5^{th}) 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.

Orwell Trumbull Pipeline Company/Great Plains Exploration

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

INVOICE

Bill To:

Orwell Natural Gas
8500 Station Street
Mentor OH 44060

Date 09/08/14
Invoice # 5002
Due upon receipt

YEAR	DESCRIPTION		TOTAL
2010	Farm Tap volumes delivered on 2" gathering lines	229,172.5 MCF	$ 217,713.88
2011	Farm Tap volumes delivered on 2" gathering lines	269461.7 MCF	$ 339,817.09
2012	Farm Tap volumes delivered on 2" gathering lines	312,373.9MCF	$ 296,755.21
2013	Farm Tap volumes delivered on 2" gathering lines	379,321.1 MCF	$ 360,355.05
2014	Farm Tap volumes delivered on 2" gathering lines	269,200.0 MCF	$ 255,740.00
Note:	Please see next page for detail.		
		GRAND TOTAL:	$ 1,470,381.23

PLEASE SEND THIS REMITTANCE WITH PAYMENT

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

Date 09/08/14
Invoice # 5002
Total $ 1,470,381.23

Amount Paid: ____________

OTP 2" Meter Usage Summary
2010-Current

Farm Taps

Station Name	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Total Meter
8760 Tyler FT (612)	349.1	379.7	302.8	439	343.6	1,813.9
8780 Tyler Blvd (613)	375.5	301.9	351.2	546	506.9	2,081.2
Accurate Metal Saw	2,025.0	2,155.8	1,828.5	2,548	2,091.9	10,649.4
ACG Equip	165.2	164.6	106.0	214	175.7	825.8
Cars Auto	370.7	149.7				520.4
Cast Nylon			1,907.8	4,045	2,559.6	8,511.9
Comm - Chardon twp 606	1,289.0	1,384.7	1,379.2	1,533	992.5	6,578.3
Comm - Mentor 104	14,415.5	15,153.0	4,991.8	7,167	4,896.2	46,623.8
Comm - Newbury		*60.8*	204.8	395	239.4	899.7
Comm - Painesville 104	7,322.7	4,405.1	235.1	1,200	258.1	13,420.6
Comm- Concord 104	3,366.2	3,068.2	2,372.9	2,659	2,506.1	13,972.5
Comm Mentor 603	178.2	246.6	199.6	341	359.6	1,324.6
Comm Painesville 624			743.4	1,016	978.8	2,738.2
Deep Spring Trout	650.3	656.3	644.7	835	597.8	3,383.7
Eastlake (618)	3,761.1	4,052.1	2,859.0	3,538	2,458.3	16,668.8
Hopkins Rd ext FT (608)	622.8	761.4	460.2	624	644.8	3,112.7
JDOG Transports ORW - Industrials	35,704.8	66,683.6	63,013.8	58,724	35,604.7	259,731.3
JDOG Transports ORW (tyler, grand river, d center, 104, others)	133,756.0	136,203.6	122,507.4	167,696	138,348.1	698,510.8
Kobelt Hamilton FT (614)	1,388.4	1,727.8	1,317.3	1,900	1,498.0	7,831.3
Lake West	10,495.2	71,908.0	52,432.3	60,899	30,799.1	226,533.3
Leroy North 627			158.0	692	635.8	1,486.2
MC Sign	1,181.6	1,281.7	995.7	1,368	918.2	5,745.2
Mentor 623		76.1	329.9	443	175.6	1,024.8
Mentor Med	1,835.2	13,168.2	9,731.0	16,484	5,261.6	46,479.9
Mercantile FT (607)	1,256.0	1,249.4	507.1	879	939.6	4,831.3
Newbury Schools		8,391.4	4,845.9	8,796	6,091.8	28,125.1
Red Wine & Brew				126	1,001.4	1,127.2
Res - Chardon twp 104	1,483.8	1,503.6	1,801.6	2,342	1,645.4	8,776.5
Res - Concord 104	1,810.8	1,856.2	1,595.4	2,362	1,590.0	9,214.3
Res - Kirtland 104	234.1	484.5	325.7	253	215.7	1,513.4
Res - Leroy	1,528.9	1,640.8	1,526.7	1,581	1,263.4	7,541.0
Res - Mentor	885.7	1,126.9	1,112.6	2,169	886.5	6,181.1
Res - Newbury 104	1,039.0	1,312.6	1,282.5	1,528	1,403.5	6,565.3
Res - Painesville 104	112.5	322.8	117.6	205	77.1	834.6
Res Chardon 633				275	460.1	734.7
Res Concord 625			118.6	241	167.0	526.1
Res Concord 647					175.5	175.5
Res Leroy (621)		335.1	563.8	1,071	800.3	2,770.5
Res Leroy 634				123	151.5	274.3
Res Leroy 636				76	191.6	267.9
Res Leroy 637				60	216.8	276.8
Res Leroy 638				31	129.5	160.0
Res Leroy 645					100.4	100.4
Res Mentor 622		275.5	666.9	870	802.7	2,614.7
Res Mentor 626			190.7	415	211.7	817.6
Res Mentor 631			33.5	227	191.2	451.7
Res Mentor 648					52.3	52.3
Res Newbury 646					96.0	96.0
Residential _ Leroy (619)	412.0	470.5	467.3	662	575.1	2,587.2
Samco Sercvice FR (616)	445.3	593.9	536.4	608	460.4	2,643.8
St. Denis (605)	711.9	742.1	740.1	1,005	667.1	3,866.0
Tran - Painesville 104		1,932.0	5,969.6	6,444	5,243.6	19,589.0
Tran- Concord		279.3	902.0	953	828.2	2,962.5
Transind Mentor 104		560.9	1,314.4	1,345	1,259.1	4,479.2
Transother Mentor 104		2,628.9	8,111.2	9,131	8,282.4	28,153.8
Wisner Road 630			65.6	240	172.7	478.4
YMA West		3,825.5	4,390.5			8,216.0
YMCA Central		4,181.4	6,115.8			10,297.2
Total Farm Tap Per Year	229,172.5	357,702.2	312,373.9	379,321.1	269,200.0	1,547,769.7

Orwell Trumbull Pipeline Company/Great Plains Exploration

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

INVOICE

Bill To:

Orwell Natural Gas
8500 Station Street
Mentor OH 44060

Date 09/08/14
Invoice # 5001
Due upon receipt

YEAR	DESCRIPTION		TOTAL
2010	Metered volumes delivered on 2" gathering lines	168,146.6 MCF	$ 159,739.27
2011	Metered volumes delivered on 2" gathering lines	269461.7 MCF	$ 255,988.62
2012	Metered volumes delivered on 2" gathering lines	271,742.2 MCF	$ 258,155.09
2013	Metered volumes delivered on 2" gathering lines	331,425.8 MCF	$ 314,854.51
2014	Metered volumes delivered on 2" gathering lines	222,117.9 MCF	$ 211,012.01
Note:	Please see next page for detail.		
		GRAND TOTAL:	$ 1,199,749.50

PLEASE SEND THIS REMITTANCE WITH PAYMENT

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

Date 09/08/14
Invoice # 5001
Total $ 1,199,749.50

Amount Paid: ____________

OTP 2" Meter Usage Summary
2010-Current

Station No	Station Name	Total 2010	Total 2011	Total 2012	Total 2013	Total 2014	Total Meter
23	18th Century	2,066.0	2,623.0	2,461.0	6,434.0	3,129.5	16,713.5
51	Andrews - Osborne	13,479.0	13,610.0	12,708.0	14,094.0	11,358.0	65,249.0
72	Breckenridge	26,984.0	29,123.0	24,250.0	30,408.0	21,962.0	132,727.0
30	Cambden Creek	1,472.0	1,670.0	2,178.0	4,534.0	4,553.0	14,407.0
76	Curtis Blvd	717.0	1,914.0	3,208.0	3,866.0	2,416.0	12,121.0
70	Gracewoods	4,001.0	3,188.0	2,314.0	4,988.0	3,675.0	18,166.0
66	Grand River #1	26,701.0	13,188.0	30,258.0	32,239.0	17,698.0	120,084.0
66	Grand River #2	9,704.6	38,779.3	29,672.0	35,716.0	15,387.0	129,258.9
61	Hendricks			3,977.2	7,784.8	5,022.5	16,784.5
	JET Center					4,489.0	4,489.0
67	Kirtland Tudor Estates	386.0	102.0	492.1	3,271.2	531.5	4,782.8
77	Lake West	14,042.0	71,596.0	56,248.0	64,170.0	43,743.0	249,799.0
56	Melrose Farms	1,136.0	1,097.0	1,335.0	3,085.0	2,572.0	9,225.0
74	Mentor Medical Campus	3,173.0	15,078.0	15,883.0	16,434.0	9,196.0	59,764.0
19	Nature Preserve	19,447.0	18,957.7	21,445.0	26,979.1	21,906.4	108,735.2
78	Orchard Rd	8.0	106.0	12,571.0	6,699.0	912.0	20,296.0
81	Shamrock Blvd		155.0	1,179.0	1,470.0	363.0	3,167.0
43	St. John's Bluff	4,001.0	4,678.0	4,811.0	6,024.0	4,876.0	24,390.0
65	Tyler Blvd	24,620.0	31,777.7	19,612.9	31,063.1	24,857.0	131,930.7
14A-B	Tyler Tinman	10,874.0	11,889.0	14,946.0	12,059.6	12,537.0	62,305.6
55	Willoughby Crossing	5,335.0	5,570.0	4,207.0	10,855.0	5,388.0	31,355.0
80	YMCA West		4,360.0	7,986.0	9,252.0	5,546.0	27,144.0
	Total Metered Per Year	**168,146.6**	**269,461.7**	**271,742.2**	**331,425.8**	**222,117.9**	**1,262,894.2**

legal issues, responses, and overseeing the day-to-day workings of the company.

Q. Okay. What is your job title with Orwell-Trumbull Pipeline, if you know?

A. My general job title across the board is accounting manager.

Q. Okay. So that would hold true for Orwell-Trumbull Pipeline, Cobra, Lakeshore Gas Storage, Chowder Gas Storage, correct?

A. Correct.

Q. You're an accounting manager?

A. Correct.

Q. And in terms of your clerical duties, those are both accounting oriented and otherwise, or are they just clerical?

A. Just clerical.

Q. Do you have an official job title with these other sort of miscellaneous companies?

A. No, I do not.

Q. Okay. How would you describe the duties other than the way you've described them in terms of being in charge of accounts receivable, bookkeeping and responding to legal requests?

How would you describe your duties as

through contractual terms. Is that right?
A. Correct.
Q. Now, as an accounting manager and somebody who is responsible for accounts receivable, in summary form, when you send bills to Great Plains Exploration, what are those bills for?
A. Okay. They are charged on the amount of gas transported across Orwell-Trumbull's lines at a 95 cent rate for transport.
Q. Okay. So if I can take it in stages again. I'm not completely slow witted, but in order to get all this down, if we could just take it in stages again.
A. Absolutely.
Q. Would I be correct in saying Great Plains Exploration essentially buys gas from gas producers?
A. Great Plains Exploration has its own gas wells and then it also ships for a few other producers on the Orwell-Trumbull line.
Q. Okay. And the producers that Great Plains actually owns, the wells that they own, are those then owned by Mr. Osborne?

corresponds to the invoice number for 2013, right?
A. Yes.
Q. And finally, the 222,117.9 Mcf, that corresponds to the 222,117.9 in the -- on page 21 at the bottom of total year 2014, right?
A. Yes.
Q. Okay. Now, if you go to the end of the total metered per year on page 21, I see the number $1,262,894.02.
Do you see that?
A. Yes. But I don't think it's dollars. I think it's Mcf.
Q. Okay. That is the total metered volume, that number, 1,262,894.2 is a volume number, not a dollar number?
A. Correct.
Q. These volumes over these three years, had Orwell-Trumbull Pipeline charged Orwell Natural Gas for transporting these volumes previously?
A. Yes.
Q. Okay. And how much was the charge that they had charged them previously?
A. 95 cents an Mcf.

Q. So am I correct in saying that Orwell-Trumbull Pipeline Company and Orwell Natural Gas had a transportation agreement that stated Orwell-Trumbull Pipeline Company will charge Orwell Natural Gas 95 cents per Mcf for transporting gas?
A. Yes.
Q. And that transportation agreement I believe was filed at the Public Utilities Commission. Is that correct?
A. Yes.
Q. And each month that Orwell-Trumbull Pipeline Company transported gas volumes for Orwell Natural Gas from the year -- from January 2010 through December 2014, Orwell-Trumbull Pipeline Company would get -- would send Orwell Natural Gas Company an invoice. Is that right?
A. Yes.
Q. Now, were those invoices paid?
A. Yes.
Q. Okay. Now, did Great Plains Exploration have a similar contract with Orwell Natural Gas Company?
MR. DORTCH: Objection.

Q. The charges on the invoice dated 9-8 of '14, then, they were in addition to the charges that Orwell-Trumbull Pipeline Company had already sent to Orwell Natural Gas. Is that right?
A. Yes.
Q. So the actual charge for transportation assuming -- and I'm going to assume as a hypothetical, okay, that -- it might not be a hypothetical to you, but for the purposes of the deposition I'm going to assume as a hypothetical that all of these charges are due, the actual charge for transporting gas would be $1.90 per Mcf. Is that right?
A. Say it again.
Q. Okay. So I apologize. It was an unfortunate question.
These charges here on this invoice of September 8, 2014, this number $1,199,749.50, that represents the volumes transported over the two-inch gathering lines at 95 cents per Mcf. Is that right?
A. Correct.
Q. And the previous charges for these same volumes that were sent on a monthly basis from

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. ASN 9/9/05 DH 9/9/05

3.2 & 6.3

1.3 DEO shall waive the requirements of Section ~~3.2~~ of the GTS rate schedule.

EGCA requirement $3.00/MDQ/mo.

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 ASN 9/9/05 DH 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 Bruce C Klink

ORWELL NATURAL GAS
COMPANY

By S G Rigo

Stephen G. Rigo, President

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: S G Rigo

Title: Executive Vice President

Date: September 20, 2005

THE EAST OHIO GAS COMPANY

By: Jeffrey P. Murphy

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.

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

MONTHLY VOLUMES (MCF):			JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
			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	$ 1,576
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	$ 3,850	$ 9,509	$ 14,468	$ 103,081
UER Discount:		*$0.0000*	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Transport Rates:			$ 22,624	$ 17,503	$ 21,409	$ 8,847	$ 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	$ 8,952.90	$ 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 787,554 $712,051 53,404 .090

#Meters
34

Savings:
$75,000/yr

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

April 14, 2005

Larry – I have Orwell's original.
[illegible] 4/15

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

Re: Agreement Dated April 14, 2005

Dear Steve:

Enclosed is your original copy of our fully executed Agreement. Please keep this copy for your records.

352-3469
FAX: Mel Resnick
FROM: Steve Rigo
7 pages
~~4/3/06~~
4/18/06

Sincerely,

Bruce C Klink

Bruce C. Klink
Dominion East Ohio

Encl.

DATE, TIME	04/18 09:51
FAX NO./NAME	3523469
DURATION	00:01:54
PAGE(S)	07
RESULT	OK
MODE	STANDARD ECM

TIME : 04/18/2006 12:25
NAME : STEPHEN RIGO
FAX : +000000000
TEL : 0000000000
SER.# : BROJ1J620391

TRANSMISSION VERIFICATION REPORT

break?

MS. PIACENTINO: Yeah, yeah.

THE VIDEOGRAPHER: Off the record.

- - - -

(Off the record.)

- - - -

THE VIDEOGRAPHER: We are back on the record.

BY MS. PIACENTINO:

Q. Mr. Osborne, before we went on the record, I had handed you what has been marked as Osborne Exhibit Number 2. It's the Natural Gas Transportation Service Agreement between Orwell-Trumbull Pipeline Company, Orwell Natural Gas Company and Brainard Gas Corp.

Is that what you have in your hand right now?

A. Yes.

Q. Okay. At the time the transportation service agreement was entered into, which was the 1st day of July, 2008, what was your affiliation with Orwell-Trumbull Pipeline Company, Orwell Natural Gas Company and Brainard Gas Corp.?

A. Well, I was the managing member of Orwell-Trumbull Pipeline. And whatever my title was, was what my title was with Orwell Natural

Gas and Brainard.
Q. And you say whatever your title was was whatever your title was. Did you have any --
A. I don't know what -- I don't know what my title was.
Q. Okay. That's okay. Did you have any --
A. I mean, at that time, you know, it shows that Tom Smith was the president of Brainard and Tom Smith was the president of Orwell. Steve Rigo worked for Orwell-Trumbull as the executive vice-president.
Q. So I'm just going to backtrack you, just so I understand.
Would you have, then, ownership interest in Orwell Natural Gas Company at the time in 2008 that this contract was entered into?
A. Yeah. I owned a hundred percent of it.
Q. Okay. And then how about Brainard Gas Corporation? Did you own --
A. Yeah, I owned a hundred percent of Brainard.
Q. When did you start Brainard Gas Corporation, do you recall?
A. I bought it from somebody, I couldn't tell you when.
Q. When you purchased it, did Brainard Gas company

A. Yes.
Q. With the address of 8500 Station Street, Suite 100, Mentor, Ohio 44060. Is that correct?
A. Yes.
Q. Okay. An e-mail of SRigo@Orwellgas.com. Is that correct?
A. Yes.
Q. And then a phone number of 440-974-3770. Is that correct?
A. Yes.
Q. Just looking at the top of this document and the information that we just recited, it looks like -- and you can correct me if I'm wrong -- that the shipper, Orwell Natural Gas Company or Brainard Gas Company, has the same address as the OTPC Gas Transmission Company, LLC, which the address is 8500 Station Street, Suite 100, Mentor, Ohio. Is that correct?
A. Yes.
Q. Can you explain to me why they would have the same addresses?
A. No. I mean, you know, he could have been in my -- he could have been in my offices. I was in the same building as -- as Orwell-Trumbull. I was in the same building as Orwell Natural Gas.

You know, we always had separate offices here. You know, I can't explain why.
Q. But the two have -- separate entities shared the same address?
A. I don't know about the fax number. He never mentioned that. That could be different.
Q. Yeah, the fax number is different. Yes, sir. The fax number for Orwell Natural Gas Company.
A. Okay. You know.
Q. Okay. And just for clarification, too, as well, the phone number for Orwell Natural Gas Company is listed as 440-974-3770 and the phone number listed for OTPC Gas Transmission Company is the same phone number, which is 440 --
A. Yeah.
Q. -- 974-3770, and this could be the same explanation as to why --
A. So what?
Q. I'm just asking.
A. Well, you tell me why. I mean, I don't know why they were the -- you know. So they have the same address. So what?
Q. Okay. I'm just clarifying. I just have two different entities here. I just want to be sure I understand they have the same address and phone

number.

Okay. So Mr. Steve Rigo and Mr. Tom Smith, who are both signators to this document in front of you, which is Exhibit Number 2, did they both report to you?

A. Yes.

Q. And you hired both of them, correct?

A. Yes.

Q. And from the document, since Mr. Rigo signed on behalf of Orwell-Trumbull Pipeline Company, when he made decisions on behalf of Orwell-Trumbull Pipeline Company, would you approve those decisions?

A. I can't tell you. I'd say no.

Q. You did not approve Mr. Rigo's decisions with respect to those made on behalf of Orwell-Trumbull Pipeline Company?

A. No.

Q. Okay. How about Thomas Smith, who signed on behalf of Brainard Gas Corp. and on behalf of Orwell Natural Gas Company, both as president of those entities?

In the instance that he made any decisions on behalf of Brainard Gas Corporation or Orwell Natural Gas Company, would you review or approve

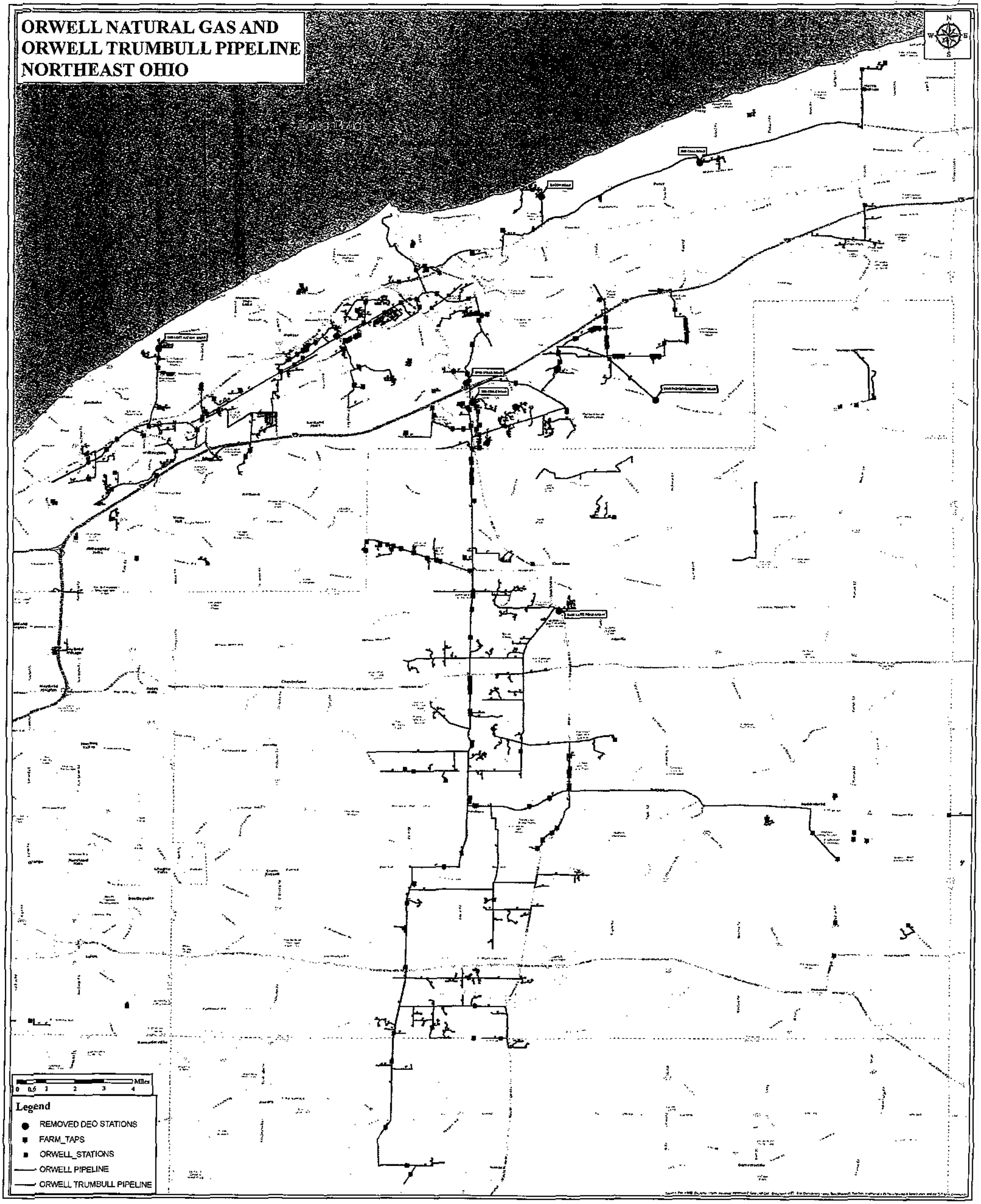
Mr. Osborne?
A. Yes.
Q. Okay. Top of the page, the first page of Osborne Exhibit Number 3, says "Agreement," and it starts off: "This agreement is entered into by the East Ohio Gas Company, dba, Dominion East Ohio and Orwell Natural Gas Company, Orwell, this 14th day of April, 2005." Is that correct?
A. Yes.
Q. Okay. Do you recall the terms of this agreement, Mr. Osborne, either by reviewing the document or by memory?
A. No.
Q. Do you recall any of the customers that this agreement would have dealt with?
A. No.
Q. If you want to take a second to review the agreement, there are some questions involving whether or not the contract prohibited your company from serving anyone, if you recall.
A. I don't know. I mean, it's not in effect anymore, so --
Q. I know it's not in effect, but it was in effect at one point. So that's why --
A. Well, what does it have to do with this?

Q. I just have some questions for you about it.
A. I know. Ask the questions.
Q. Okay. Do you recall who any of the customers were or buildings that the Dominion East Ohio agreement dealt with?
A. No.
Q. Okay. And you had mentioned earlier that your -- well, I guess Dominion East Ohio's rates were higher than yours, is that correct?
A. Yes.
Q. Okay. Do you recall what the cost per MCF under this agreement was?
A. No.
Q. Do you recall if Orwell Natural Gas Company paid monthly demand charges?
A. I don't know.
Q. Okay. Do you recall if the company, Orwell Natural Gas, was receiving any discount based on this rate structuring with Dominion East Ohio?
A. I don't know that.
Q. And you said you had kind of a shaky relationship with Dominion East Ohio, is that correct?
A. Yes.
Q. And when you took over the company, you had mentioned that the Dominion East Ohio agreement

was already in effect.
A. To my knowledge, yes.
Q. Okay. Did you try to do anything to terminate the agreement between Dominion East Ohio and Orwell Natural Gas Company?
A. Yeah, we probably terminated it when we started with Orwell-Trumbull.
Q. And why would you have terminated the agreement?
A. Because we didn't want to do business with them anymore.
Q. And why did you not want to do business with them anymore?
A. Because they were a higher price and they were always trying to squeeze us, squeeze our expansion.
Q. At the time of the agreement, Dominion East Ohio and Orwell Natural Gas Company, that's Osborne Exhibit Number 3, were either Steve Rigo and Tom Smith, the individuals we've discussed a couple times in this deposition, a part of Orwell Natural Gas Company, if you recall?
A. Yes, I believe they were, yes.
Q. Do you know if both of them were a part of Orwell Natural Gas Company or just Steve Rigo or just Tom Smith?

A. No.
Q. Do you recall that The Commission issued an order that found that the $1.50 adder JDOG was an unnecessary addition to costs and, therefore, was disallowed?
A. Yes.
Q. And what was your role in determining that $1.50 fee, if any?
A. I didn't have a role in it.
Q. So it's your testimony that the $1.50 fee came solely from Mr. Smith and that he didn't discuss that matter with you at all?
MR. DORTCH: Objection. Objection.
A. Well, it could have --
MR. DORTCH: Go ahead and answer, Rick.
A. It could have come from Becky Howell, too.
Q. If Ms. Howell would have made the decision, would she have discussed it with you?
A. No.
Q. So to the best of your knowledge, you had no input into the decision to charge the $1.50 fee?
A. Yes.
Q. You indicated, previously, that there are a

number of taps between Orwell and Dominion East Ohio Gas Company, correct?
A. Yes.
Q. Did you, at some time, approximately 2008 or 2009, direct Marty Whelan to dismantle or abandon a number of those taps?
A. Yes.
Q. And do you know who Mr. Whelan is?
A. Yeah. He's president of Northeast Ohio Natural Gas now.
Q. And did you make him president of Northeast Ohio Natural Gas?
A. No.
Q. Did you make Mr. Whelan vice-president of Northeast Ohio and Orwell when you were still affiliated with the LDCs?
A. I couldn't tell you if I did. I don't think he would have been associated with Orwell. He might have, I don't know.
Q. When -- do you recall the dismantling or abandoning of the Dominion taps?
A. Yes.
Q. And do you recall Mr. Whelan coming to you and recommending that you not abandon or dismantle the taps?


ORWELL NATURAL GAS AND
ORWELL TRUMBULL PIPELINE
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FARM_TAPS
ORWELL_STATIONS
ORWELL PIPELINE
ORWELL TRUMBULL PIPELINE

NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

BY THIS AGREEMENT, executed this 1st day of July, 2008 Orwell-Trumbull Pipeline Co., LLC ("OTPC") and Great Plains Exploration, LLC ("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:

<u>RECITALS</u>

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.

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 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).

III. TERM

3.1 The term of this Agreement shall commence on July 1, 2008 and end on June 30, 2008 and continue from month to month thereafter unless terminated by either party upon thirty days (30) prior 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:	Great Plains Exploration, LLC
	8500 Station Street, Suite 100
	Mentor, Ohio 44060
EMAIL:	tsmith13@sprynet.com
PHONE:	(440) 974-3770
FAX:	(440) 974-0844
ATTN:	Gregory J. Osborne

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: 11/14/2008

Great Plains Exploration, LLC

By: ______________________

Gregory J. Osborne

Its: President

Date: 11/14/08

Exhibit A

OTPC Gas Transmission, LLC

ALL PIPELINES OWNED BY OTPC LOCATED IN NORTHEASTERN OHIO.

Exhibit B

OTPC Gas Transmission, LLC

Primary Receipt Points

Interconnection with North Coast Gas Transmission, LLC's Pipeline in Mantua, Ohio and all other points of receipt along OTPC

Primary Delivery Point(s)

All delivery interconnections along OTPC

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)

1004

TRANSPORTATION SERVICE AGREEMENT No. 101
Orwell-Trumbull Pipeline Co., LLC

THIS AGREEMENT, made and entered into as of the 15 day of January, 2009, by and between ORWELL-TRUMBULL PIPELINE CO., LLC. ("Company") and JOHN D. OIL & GAS MARKETING, LLC (Customer").

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

Section 1. **<u>Transportation Service to be Rendered.</u>** 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 and Customer's Delivery Point(s) to be identified in Attachments B and C respectively.

Section 2. **<u>Incorporation of Tariff Provisions.</u>** 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. **<u>Regulation.</u>** 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. **<u>Term.</u>** This Transportation Service Agreement shall become effective as of the Customer's February, 2009 billing cycle following its execution and shall continue through the last day of Customer's March, 2015 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. **<u>Notices.</u>** 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. **<u>Cancellation of Prior Agreements.</u>** This agreement supersedes and cancels, as of the effective date herein, any previous service agreements between the parties hereto.

TRANSPORTATION SERVICE AGREEMENT No. 101
Orwell-Trumbull Pipeline Co., LLC

Section 7. Conditions of Service

Quality of Service: FIRM

Balancing Time Period: Monthly

Rates: For incremental loads per Attachment A

NOTICES:

To Orwell-Trumbull :

Orwell-Trumbull Pipeline Co. LLC
8500 Station Street Suite 315
Mentor, OH 44060
Attention: Customer Service
Phone: 440-205-4600
Fax: 440-205-8680
E-Mail: bwollet@cobrapipeline.com

To. Customer:

John D. Oil and Gas Marketing, LLC
3511 Lost Nation Rd Suite 201
Willoughby, OH 44094
Attention: Supply Services
Phone:440 269-8778
Fax: 440 255-1985
E-Mail: lmolnar@johndoilandgas.com

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

JOHN D. OIL AND GAS MARKETING, LLC

By: Leslie Molnar

Print Name: Leslie Molnar

Title: Marketing Manager

Date: 1/15/2009

ORWELL-TRUMBULL PIPELINE CO., LLC.

By: Brian Wollet

Print Name: Brian Wollet

Title: Supply Analyst

Date: 1/15/2009

Exhibit A

RATES

$0.50 per MCF (thousand cubic feet) for incremental volumes only, as agreed to below:

Eye Lighting	Mentor
Accurate Metal Saw	Mentor
MC Sign	Mentor
Classic Chevy	Mentor
Classic BMW (old)	Mentor
Clasic Ford	Mentor
Classic VW	Mentor
Classic Cadillac	Mentor
Classic Hyndai	Mentor
Classic Toyota	Mentor
Classic Mini	Mentor
Classic Lexus	Willoughby
Classic BMW (new)	Willoughby
Component Repair	Mentor
Osborne Concrete and Stone Co.	Grand River
Mentor Lumber and Supply	Mentor
Aexcel Corporation	Mentor
B.B. Bradley Co., Inc.	Painesville
Roll Kraft	Mentor
Cres Cor	Mentor
Anodizing Specialists	Mentor
Andrews Osborne Academy	Willoughby
Lake Erie College (9 buildings)	Painesville
U. S. Endoscopy	Mentor
R. W. Sidley (Scale House)	Grand River
Brennens	Grand River

Initial

For Company BMW Date 2/16/09

For Customer YM Date 2/26/09

Contract #: 101
Date: January 15, 2009
Shipper: John D. Oil and Gas Marketing, LLC

Exhibit B

POINTS OF RECEIPT INTO ORWELL-TRUMBULL PIPELINE CO. LTD.

Check all that apply:

Cobra Pipeline __X_____

North Coast Pipeline __X______

List other: Local Production

Initial

For Company BMW ________ Date 2/26/09 ________

For Customer YM ________ Date 2/26/09 ________

Contract #: 101
Date: January 15, 2009
Shipper: John D. Oil and Gas Marketing, LLC

Exhibit C

DELIVERY POINTS FROM ORWELL-TRUMBULL PIPELINE CO. LTD.

Orwell Natural Gas TBS ___X_____

Brainard Gas TBS _____X_____

List other

Initial

For Company BMW Date 2/26/01

For Customer JM Date 2/26/09

Contract #: 101
Date: January 15, 2009
Shipper: John D. Oil and Gas Marketing, LLC

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:

Steve S. Williams
[PRINT NAME]
Title: Operations Manager

E. NOTICES

To Cobra:

Cobra Pipeline Company, Ltd.
Attention: Steve Williams
3511 Lost NationRd.
Suite 213
Willoughby, OH 44094
Phone: 440-255-1945
Fax: 440-255-1985
swilliams@cobrapipeline.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

COBRA PIPELINE COMPANY, LTD.
By:
Steven J. Williams
[PRINT NAME]
Title: Operations Manager

Richard M. Osborne
8500 Station Street, Suite 113
Mentor, OH 44060
Ph. 440-951-1111

September 29, 2014

Marty Whelan

Orwell Natural Gas

8500 Station Street

Mentor, OH 44060

Dear Marty,

As stated in Exhibit B of the Orwell Trumbull contract with Orwell Natural Gas, "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."

A. July 1,2006 Cleveland CPI Index 193.1

B. July 1, 2013 Cleveland CPI Index 219.251

C. Change 26.151 (A - B)

D. Percentage Change 0.135427 (C/A)

E. OTP Transportation Rate 7/1/2006 $0.95

F. Increase $0.13 (E * D)

G. New Rate $1.08 (E + F)

Effective as of September 2014 invoicing, the new rate of $1.08 per MCF will be charged on Orwell Natural Gas transport on Orwell Trumbull Pipeline. I am also sending an invoice for the past amounts owed from July 2013 through August 2014.

Thank you for bringing the contract to my attention.

Sincerely,

Richard M. Osborne

cc: Gregory Osborne, James Sprague

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

Date 10/01/14
Invoice # 5004
Due upon receipt

Month	MCF Volume	$0.95 Rate	$1.08 Rate	Difference Owed
Jul-13	11,039.4	$ 39,383.20	$ 11,922.55	$ 1,435.12
Aug-13	9,836.8	$ 39,412.65	$ 10,623.74	$ 1,278.78
Sep-13	12,242.1	$ 39,442.10	$ 13,221.47	$ 1,591.47
Oct-13	32,097.5	$ 39,470.60	$ 34,665.30	$ 4,172.68
Nov-13	67,320.8	$ 39,500.05	$ 72,706.46	$ 8,751.70
Dec-13	101,148.3	$ 39,528.55	$ 109,240.16	$ 13,149.28
Jan-14	125,989.1	$ 39,558.00	$ 136,068.23	$ 16,378.58
Feb-14	102,933.8	$ 39,587.45	$ 111,168.50	$ 13,381.39
Mar-14	102,724.6	$ 39,614.05	$ 110,942.57	$ 13,354.20
Apr-14	37,369.3	$ 39,643.50	$ 40,358.84	$ 4,858.01
May-14	18,682.3	$ 39,672.00	$ 20,176.88	$ 2,428.70
Jun-14	9,800.1	$ 39,701.45	$ 10,584.11	$ 1,274.01
Jul-14	11,092.6	$ 39,729.95	$ 11,980.01	$ 1,442.04
*1.5% Late Fee will be charged if payment is delinquent more than 30 days.				
			GRAND TOTAL:	$ 83,495.97

PLEASE SEND THIS REMITTANCE WITH PAYMENT

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

Date 10/01/14
Invoice # 5004
Total $ 83,495.97

Amount Paid: ____________________

MSZ Attachment K

	January	February	March	April	May	June	July	August	September	October	November	December			Savings per MCF
OTP Volume past 12 months	125,989.1	103,835.8	102,724.6	38,221.5	33,251.4	10,017.7	11,244.7	12,233.1	12,242.1	32,097.5	67,320.8	101,148.3	650,326.6		0.353769
OTP Cost plus Chicago basis	$ 254,497.98	$ 209,748.32	$ 207,503.69	$ 77,207.43	$ 67,167.83	$ 20,235.75	$ 22,714.29	$ 24,710.86	$ 24,729.04	$ 64,836.95	$ 135,988.02	$ 204,319.57	$ 1,313,659.73		
OTP Volume @ 2000 MDQ	62,000.0	56,000.0	62,000.0	38,221.5	33,251.4	10,017.7	11,244.7	12,233.1	12,242.1	32,097.5	60,000.0	62,000.0	451,308.0	OTP Volume	
OTP Cost plus Chicago basis	*$ 125,240.00*	*$ 113,120.00*	*$ 125,240.00*	*$ 77,207.43*	*$ 67,257.83*	*$ 20,235.75*	*$ 22,714.29*	*$ 24,720.86*	*$ 24,729.04*	*$ 64,836.95*	*$ 121,200.00*	*$ 125,240.00*	*$ 921,642.15*	*OTP Cost*	
Displaced to Dominion	63,989.1	47,835.8	40,724.6								7,320.8	39,148.3	199,018.6	Dominion Volume	
Dominion Cost plus Basis	$ 55,286.58	$ 41,330.13	$ 35,186.05	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,325.17	$ 33,824.13	$ 171,952.06	Dominion Cost	
													$ 1,083,594.21	Combined total	
													$ 230,065.52	Savings	

Chicago winter basis	0.63	Dominion winter basis	-0.756
North Coast transport	0.38	Dominion Transport	1.62
OTP transport	*1.01*		*0.864*
	2.02		

255862.87
158203.5
1.617302209

OMB NO: 2137-0522
EXPIRATION DATE: 01/31/2014

U S Department of Transportation
Pipeline and Hazardous Materials Safety Administration

Initial Date Submitted:	03/12/2014
Form Type:	INITIAL
Date Submitted:	

ANNUAL REPORT FOR CALENDAR YEAR 2013 GAS DISTRIBUTION SYSTEM

PART A - OPERATOR INFORMATION	(DOT use only) 20142383-21411
1. Name of Operator	ORWELL TRUMBULL PIPELINE COMPANY, LLC
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)	
2a. Street Address	3511 Lost Nation Rd
2b. City and County	Willoughby,Lake
2c. State	OH
2d. Zip Code	44094
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER	32582
4. HEADQUARTERS NAME & ADDRESS	
4a. Street Address	3511 LOST NATION RD
4b. City and County	WILLOUGHBY,US
4c. State	OH
4d. Zip Code	44094
5. STATE IN WHICH SYSTEM OPERATES	OH

PART B - SYSTEM DESCRIPTION

1.GENERAL

	STEEL									
	UNPROTECTED		CATHODICALLY PROTECTED							
	BARE	COATED	BARE	COATED	DUCTILE IRON	COPPER	CAST/ WROUGHT IRON	PLASTIC	OTHER	TOTAL
MILES OF MAIN	0.000	0.000	0.000	69.320	0.000	0.000	0.000	0.640	0.000	69.960
NO. OF SERVICES	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000

2.MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2' OR LESS	OVER 2' THRU 4'	OVER 4' THRU 8'	OVER 8' THRU 12'	OVER 12'	TOTAL
STEEL	0.000	7.821	15.503	45.996	0.000	0.000	69.320
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST WROUGHT IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	0.000	0.640	0.000	0.000	0.000	0.000	0.640
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	8.461	15.503	45.996	0.000	0.000	69.960

3.NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICE LENGTH: 100

MATERIAL	UNKNOWN	1' OR LESS	OVER 1' THRU 2'	OVER 2' THRU 4'	OVER 4' THRU 8'	OVER 8'	TOTAL
STEEL	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DUCTILE IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
COPPER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
CAST WROUGHT IRON	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PVC	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC PE	0.000	0.000	4.000	0.000	0.000	0.000	4.000
PLASTIC ABS	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PLASTIC OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OTHER	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	4.000	0.000	0.000	0.000	4.000

4.MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION

	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	TOTAL
MILES OF MAIN	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	69.960	69.960
NUMBER OF SERVICES	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	4.000

PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR

CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION				
NATURAL FORCES				
EXCAVATION DAMAGE				
OTHER OUTSIDE FORCE DAMAGE				
MATERIAL OR WELDS				
EQUIPMENT				
INCORRECT OPERATIONS				
OTHER				

NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR 0

PART D - EXCAVATION DAMAGE

NUMBER OF EXCAVATION DAMAGES 0

NUMBER OF EXCAVATION TICKETS 3304

PART E-EXCESS FLOW VALUE(EFV) DATA

NUMBER OF EFV'S INSTALLED THIS CALENDER YEAR ON SINGLE FAMILY RESIDENTIAL SERVICES. 0

ESTIMATED NUMBER OF EFV'S IN SYSTEM AT THE END OF YEAR: 0

PART F - LEAKS ON FEDERAL LAND

TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: 0

PART G-PERCENT OF UNACCOUNTED FOR GAS

UNACCOUUNTED FOR GAS AS A PERCENT OF TOTAL INPUT FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR.

INPUT FOR YEAR ENDING 6/30: 3.7%

PART H - *ADDITIONAL INFORMATION*

PART I - PREPARER AND AUTHORIZED SIGNATURE

Mark Callahan.Compliance Manager
(Preparer's Name and Title)

(440) 255-1845
(Area Code and Telephone Number)

mcallahan@egas.net
(Preparer's email address)

(440) 255-1985
(Area Code and Facsimile Number)