

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the	:	
Complaint of:	:	
	:	
Orwell Natural Gas	:	
Company,	:	
	:	
Complainant,	:	
	:	Case No. 15-475-GA-CSS
vs.	:	
	:	
Orwell-Trumbull Pipeline	:	
Company, LLC.,	:	
	:	
Respondent.	:	

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PROCEEDINGS

before Mr. Scott Farkas, Hearing Examiner, at the
Public Utilities Commission of Ohio, 180 East Broad
Street, Room 11-D, Columbus, Ohio, called at
10:00 a.m. on Tuesday, March 22, 2016.

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On behalf of the Complainant.

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On behalf of the Respondent.

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On behalf of the Residential Customers of
Orwell Natural Gas Company.

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1 Tuesday Morning Session,
2 March 22, 2016.

3 - - -

4 EXAMINER FARKAS: The Commission has
5 called for hearing at this time and place, In the
6 Matter of the Complaint of Orwell Natural Gas Company
7 versus Orwell-Trumbull Pipeline Company, LLC., Case
8 No. 15-475-GA-CSS.

9 My name is Scott Farkas. I'm the Attorney
10 Examiner assigned to hear this case. At this time
11 I'll take appearances. First, on behalf of the
12 Complainant.

13 MS. PIACENTINO: Gina Piacentino on behalf
14 of Orwell Natural Gas Company.

15 EXAMINER FARKAS: Okay.

16 MR. M. DORTCH: Good morning, your Honor.
17 Michael Dortch, Kravitz, Brown & Dortch, LLC, on
18 behalf of the Orwell-Trumbull Pipeline Company. I'm
19 also assisted by my Associate, Justin Dortch.

20 EXAMINER FARKAS: Okay.

21 MR. KUMAR: On behalf of the residential
22 consumers of Orwell Natural Gas Company and the Ohio
23 Consumers' Counsel, Bruce Weston, Ajay Kumar.

24 EXAMINER FARKAS: Okay. Thank you.

25 Let's go off the record for one second.

1 (Discussion off the record.)

2 EXAMINER FARKAS: Back on the record.

3 MS. PIACENTINO: I'd like to call Mike
4 Zappitello to the stand, please.

5 EXAMINER FARKAS: Raise your right hand.

6 (Witness sworn.)

7 EXAMINER FARKAS: You may proceed.

8 MS. PIACENTINO: Thank you.

9 - - -

10 MICHAEL ZAPPITELLO

11 being first duly sworn, as prescribed by law, was
12 examined and testified as follows:

13 DIRECT EXAMINATION

14 By Ms. Piacentino:

15 Q. Can you, please, state your name for the
16 record, please?

17 A. Michael Zappitello.

18 Q. And your current employer?

19 A. Northeast Ohio Natural Gas Company.

20 Q. What is your business address?

21 A. 8470 Station Street, Mentor, Ohio 44060.

22 Q. On whose behalf are you appearing today to
23 provide testimony?

24 A. Orwell Natural Gas.

25 MS. PIACENTINO: Okay. May I approach,

1 your Honor?

2 EXAMINER FARKAS: Yes.

3 Q. Mr. Zappitello, can you tell the Court
4 what I handed you?

5 A. It's my testimony on behalf of Orwell
6 Natural Gas in this case.

7 Q. Did you prepare the testimony?

8 A. I did.

9 Q. Do you have any corrections or changes you
10 would like to make to the testimony?

11 A. I have one correction.

12 Q. Okay.

13 A. On page 3, line number 7, replace "Gas
14 System number 51" with "Gas System number 627."

15 Q. Any other corrections or changes you'd
16 like to make?

17 A. No.

18 Q. Mr. Zappitello, if I were to ask you the
19 same questions that are found in your direct
20 testimony that were prefiled in this case, would your
21 answers be the same?

22 A. Yes.

23 MS. PIACENTINO: That's all I have.

24 EXAMINER FARKAS: Okay.

25 MR. M. DORTCH: Mr. Kumar.

1 MR. KUMAR: Have we marked this exhibit?

2 MS. PIACENTINO: Oh, yeah. Do you want me
3 to mark them now or wait until the end?

4 EXAMINER FARKAS: Why don't we mark it
5 now.

6 MS. PIACENTINO: Okay. I'll mark this as
7 Exhibit A.

8 EXAMINER FARKAS: A. Okay.

9 (EXHIBIT MARKED FOR IDENTIFICATION.)

10 EXAMINER FARKAS: And just for the record,
11 is the testimony that you're marking the same
12 testimony that was docketed?

13 MS. PIACENTINO: Yes, sir.

14 EXAMINER FARKAS: Okay. Thank you.

15 - - -

16 CROSS-EXAMINATION

17 By Mr. Kumar:

18 Q. Good morning, Mr. Zappitello. In your
19 testimony you make reference to some restrictions
20 that have been placed on the, I guess, Orwell,
21 Northeast, and Brainard companies with regards to
22 related party and affiliate transactions?

23 A. Yes.

24 Q. Were those restrictions the result of
25 actions that were -- proceedings that occurred at

1 this Commission?

2 A. I guess I'm not privy to why the direction
3 was given by our Board of Directors, given to me not
4 to purchase any products from related parties.

5 Q. Have you -- are you aware of any issues in
6 the past where the Orwell, Northeast, and Brainard
7 companies have had issues with affiliate transactions
8 that have come to the attention of the Commission?

9 A. There is a case with Orwell-Trumbull
10 Pipeline and our rate structure and special contract.

11 Q. Are you aware of the investigative audit
12 that took place last year, before the Commission,
13 regarding Orwell Natural Gas?

14 A. The audit for Orwell, Brainard, and NEO?

15 Q. Yes.

16 A. Yes.

17 MR. KUMAR: Your Honor, I have no more
18 questions, but I would like to take administrative
19 notice of the public version of the Rehmann Report in
20 Case No. 14-205-GA-COI.

21 EXAMINER FARKAS: Okay. Any objection?

22 MR. M. DORTCH: No objection, your Honor.

23 EXAMINER FARKAS: Okay. We'll take
24 administrative notice of that document.

25 MR. KUMAR: Thank you.

1 EXAMINER FARKAS: Okay.

2 MR. M. DORTCH: Thank you, your Honor.

3 - - -

4 CROSS-EXAMINATION

5 By Mr. M. Dortch:

6 Q. Mr. Zappitello, you are not an attorney,
7 are you?

8 A. I am not.

9 Q. So you do not have any basis to determine
10 what is an affiliate or what is a related
11 transaction; is that fair to say? A legal definition
12 of "an affiliate" or "a related transaction."

13 A. I am not an attorney, so I will go with
14 that.

15 Q. Okay. But you do understand that you have
16 been instructed to purchase no products from
17 Mr. Osborne's unregulated companies; is that correct?

18 A. Yes.

19 Q. And those instructions are without regard
20 to the price at which you might purchase such
21 products?

22 A. I would say it goes with restriction,
23 meaning, you know, I was told not to purchase from
24 related parties; Mr. Osborne's unregulated companies
25 being one of those entities.

1 Q. Again, you're not an attorney, but you
2 understand Mr. Osborne's -- as a layman, at least,
3 you understand Mr. Osborne's unregulated companies to
4 be within that definition?

5 A. Yes.

6 Q. And again, to make certain that your
7 answer to my question was clear, that is without
8 respect to the price that you might be able to
9 acquire a product from Mr. Osborne or one of his
10 companies?

11 A. I would say that's true.

12 Q. So if natural gas is lower being purchased
13 from a production company, you would still not
14 purchase it because it was Mr. Osborne?

15 A. If it was lower that I knew of,
16 substantially lower, I would kick it up to the Board.

17 Q. Is production gas in northeast Ohio
18 cheaper today than interstate gas to your knowledge?

19 A. Not to my knowledge.

20 Q. Okay. Second area of inquiry. In your
21 testimony you express concern with the fact that you
22 are unable to access interstate gas for these 13 or
23 14 customers. Do you recall that portion of your
24 testimony?

25 A. Yes.

1 Q. Now, your alternatives to interstate gas
2 include production gas?

3 A. That would be an alternative.

4 Q. And it would also include compressed
5 natural gas?

6 A. I would not include that.

7 Q. That would not provide a source of energy
8 to your customers?

9 A. Not at a cost-effective rate.

10 Q. You don't believe it would be cost
11 effective, but it would, nonetheless, be an option
12 without regard to cost.

13 A. Without regard to cost.

14 Q. And another option would be conversion to
15 propane?

16 A. Again, it's an option, but not in regards
17 to cost.

18 Q. And are there any other options of which
19 you might be aware?

20 A. No.

21 Q. Now, as I understand what you are asking
22 from your testimony, what you are asking the
23 Commission to do, in essence, is to demand, order
24 Orwell-Trumbull Pipeline Company to provide some form
25 of status report and to set a deadline by which the

1 line must be reconnected; is that correct?

2 A. Uh-huh.

3 THE COURT REPORTER: Is that a "yes"?

4 THE WITNESS: Yes. I'm sorry.

5 THE COURT REPORTER: That's okay. Thank
6 you.

7 MR. M. DORTCH: No additional questions,
8 your Honor.

9 EXAMINER FARKAS: Okay. Any redirect?

10 MS. PIACENTINO: No.

11 EXAMINER FARKAS: I have some questions
12 for you.

13 THE WITNESS: Okay.

14 EXAMINER FARKAS: When did you first learn
15 about the ODOT project at I-90 that affected the
16 pipeline in this case?

17 THE WITNESS: Myself, it was the day
18 before. I don't remember the exact date. It was the
19 day that the Orwell-Trumbull representative came over
20 and told us about it.

21 EXAMINER FARKAS: Do you know, was that in
22 2015?

23 THE WITNESS: It was in March of 2015.

24 EXAMINER FARKAS: Okay.

25 THE WITNESS: March 6th, 7th, 5th,

1 somewhere in there.

2 EXAMINER FARKAS: Okay. And it's your
3 understanding that it's an Orwell-Trumbull Pipeline
4 pipeline; they are the owners of the pipeline?

5 THE WITNESS: It's my understanding, yes.

6 EXAMINER FARKAS: Okay. And has Orwell
7 contacted the Trustee about the wells that are in the
8 area that are available --

9 THE WITNESS: We had --

10 EXAMINER FARKAS: -- to provide gas?

11 THE WITNESS: I'm sorry to interrupt. We
12 had contacted the Trustee to arrange to displace gas.
13 The meeting was between Orwell, the Trustee, and also
14 Orwell-Trumbull was involved in that.

15 EXAMINER FARKAS: And when did that
16 happen?

17 THE WITNESS: Early March. Within a
18 couple days of that notification.

19 EXAMINER FARKAS: Okay. And are there --
20 how many customers are involved in the -- are
21 impacted by the shutoff?

22 THE WITNESS: 14.

23 EXAMINER FARKAS: 14. And are they all
24 residential customers?

25 THE WITNESS: To my knowledge, yes.

1 EXAMINER FARKAS: Okay. Is there a
2 contract between Orwell Natural Gas and the Trustee
3 or the Bankruptcy Court for service provided by the
4 wells?

5 THE WITNESS: There is not.

6 EXAMINER FARKAS: And so, how are you
7 arranging for compensation for gas derived from the
8 wells?

9 THE WITNESS: Orwell-Trumbull is
10 displacing the gas on the south side, and giving
11 basically what the wells produce on the north side,
12 they're giving credit for them to the Trustee on the
13 south side.

14 EXAMINER FARKAS: Okay. And are the
15 customers -- are the wells -- how do the wells get
16 gas to the customers; is it through a pipeline?

17 THE WITNESS: Through the Orwell-Trumbull
18 pipeline, the north section.

19 EXAMINER FARKAS: On the north side, okay.
20 And is there a contract between Orwell Natural Gas
21 and OTP to provide that gas from those wells for the
22 customers?

23 THE WITNESS: There's a contract for
24 movement of gas on OTP in between the two parties.

25 EXAMINER FARKAS: Okay. And is that

1 pursuant to an arrangement that OTP and Orwell
2 entered into at what time?

3 THE WITNESS: I believe it was 2008 that
4 contract was signed.

5 EXAMINER FARKAS: Okay. So there was
6 previously a contract for gas from those five wells,
7 that are mentioned in the testimony, to provide gas
8 to these customers?

9 THE WITNESS: No, sir.

10 EXAMINER FARKAS: No.

11 THE WITNESS: The contract I speak of is
12 just the transportation contract between Orwell and
13 Orwell-Trumbull Pipeline.

14 EXAMINER FARKAS: Are there any other
15 sources of gas for these 14 customers?

16 THE WITNESS: At this point, no.

17 EXAMINER FARKAS: Okay. And do you know
18 the length of the line that was removed for the
19 construction of Interstate 90?

20 THE WITNESS: Just through discovery,
21 everything I've seen, it's about a thousand feet.

22 EXAMINER FARKAS: Okay. What is the cost
23 of injecting compressed natural gas?

24 THE WITNESS: I am not an expert on that,
25 so I don't know.

1 EXAMINER FARKAS: Okay.

2 THE WITNESS: Just through discovery I've
3 been told that it's -- I can see it's fairly high.

4 EXAMINER FARKAS: What does that mean,
5 "fairly high"?

6 THE WITNESS: Into the tens of thousands
7 of dollars.

8 EXAMINER FARKAS: Okay. For what?

9 THE WITNESS: Just the initial setup and
10 the upkeep for it.

11 EXAMINER FARKAS: Okay. So if you were to
12 have to do that for a year, let's say, what would be
13 the cost?

14 THE WITNESS: I'm not an expert to give an
15 opinion or a number there.

16 EXAMINER FARKAS: Okay. But is that cost,
17 the \$10,000 or so that you had talked about, is that
18 for the initial, that's not an ongoing cost, or is
19 that just a setup cost?

20 THE WITNESS: You would have an initial
21 setup cost and then an ongoing cost to haul the tanks
22 back and forth.

23 EXAMINER FARKAS: Okay. But you're not
24 purporting to be an expert in that.

25 THE WITNESS: No.

1 EXAMINER FARKAS: Okay. That's all I
2 have. Thank you.

3 MS. PIACENTINO: Thank you.

4 EXAMINER FARKAS: You may step down.

5 MS. PIACENTINO: I'd like to next call
6 Jeff Heidnik, please.

7 EXAMINER FARKAS: Please raise your right
8 hand.

9 (Witness sworn.)

10 EXAMINER FARKAS: You may proceed.

11 MS. PIACENTINO: Thank you.

12 - - -

13 JEFFREY J. HEIDNIK

14 being first duly sworn, as prescribed by law, was
15 examined and testified as follows:

16 DIRECT EXAMINATION

17 By Ms. Piacentino:

18 Q. Can you, please, state your full name for
19 the record?

20 A. Jeff Heidnik.

21 Q. And who is your employer?

22 A. Orwell Natural Gas.

23 Q. And what's your business address?

24 A. 8470 Station Street, Mentor, Ohio 44060.

25 Q. On whose behalf do you appear today?

1 A. Orwell Natural Gas.

2 MS. PIACENTINO: May I approach, your
3 Honor?

4 EXAMINER FARKAS: Yes.

5 Q. Mr. Heidnik, can you identify for the
6 record what I just handed you?

7 A. This is a copy of the direct testimony I
8 submitted on March 15th of this year.

9 Q. Did you prepare the testimony?

10 A. I did.

11 Q. Do you have any corrections or changes
12 you'd like to make to the testimony?

13 A. I do not.

14 Q. If I were to ask you the same questions
15 that are found in your direct testimony that were
16 filed, today, would those answers be the same?

17 A. Yes, they would.

18 MS. PIACENTINO: Can we mark this as
19 Exhibit B, please?

20 EXAMINER FARKAS: So marked.

21 (EXHIBIT MARKED FOR IDENTIFICATION.)

22 MS. PIACENTINO: Nothing further.

23 EXAMINER FARKAS: Okay. Do you have any
24 questions?

25 MR. KUMAR: I do. I have a few.

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CROSS-EXAMINATION

By Mr. Kumar:

Q. Mr. Heidnik, now, your current position,
you are the General Manager of Orwell Natural Gas?

A. That is correct.

Q. Are you familiar with human needs
customers?

A. I am.

Q. And what, in your mind, is a human needs
customer?

A. Families, children, elderly. Typically
your residential customer would be described as a
human needs customer.

Q. Are you familiar with the requirements for
serving human needs customers?

A. If they request it, and it is available,
then we are to supply it to them.

Q. Isn't it true that Commission rules
require that human needs customers have a reliable
source of gas supply?

A. That would be a big part of it, correct.
Reliable is very important.

MR. KUMAR: Your Honor, I'd like to have
an exhibit marked as, I guess, OCC Exhibit 1. It is

1 the Entry on Rehearing in Case No. 93-1636 --

2 EXAMINER FARKAS: Well, I'm not going to
3 mark as an exhibit an entry that the Commission -- I
4 mean, that speaks for itself.

5 MR. KUMAR: All right. May I approach?

6 EXAMINER FARKAS: Yes.

7 Q. Can you turn to, I guess, Appendix A to
8 this order. In Appendix A could you turn to page 11.
9 I guess in Paragraph (c) there is a section on "Human
10 Needs and Public Welfare Customers." Could you read
11 that, I guess, the first four lines of that?

12 A. Certainly. "Human Needs and Public
13 Welfare Customer - A customer whose facilities are
14 used for residential dwelling on either a permanent
15 or temporary basis; commercial customers of a
16 residential nature; other customers whose service
17 locations are places of the kind, where the element
18 of human welfare is the predominant factor...."

19 MR. KUMAR: Thank you.

20 Your Honor, I'd ask that we take
21 administrative notice of, I guess, Appendix A to the
22 Entry on Rehearing, regarding "Gas Transportation
23 Program Guidelines" in this document. It's the "Gas
24 Transportation Guidelines" that resulted from the
25 85-800-GA-COI many years ago.

1 EXAMINER FARKAS: Okay.

2 MR. M. DORTCH: Your Honor, I'll stipulate
3 to the legal definition of a "human needs customer."

4 MR. KUMAR: And the rest of the document,
5 as well. It's an order from the Commission.

6 MR. M. DORTCH: It's an order of the
7 Commission.

8 EXAMINER FARKAS: I will take
9 administrative notice of the order and the appendix
10 attached to the order in Case No. 93-1636 that was
11 issued on November 2nd, 1995.

12 MR. KUMAR: Thanks.

13 Q. (By Mr. Kumar) Mr. Heidnik, you stated
14 here that you have certain reliability concerns
15 surrounding the wells that are serving those
16 customers?

17 A. That's correct.

18 Q. Isn't it true that those wells have been
19 shut off before?

20 A. We did have a situation here recently,
21 this past winter, where the gas supply was
22 interrupted.

23 Q. And that occurred on February 11th, 2016?

24 A. Correct.

25 Q. And that occurred at 3:00 a.m., as you

1 state in your testimony?

2 A. Correct.

3 Q. Are you aware of any other reliability
4 issues with these wells?

5 A. The wells, themselves, I do not.

6 Q. Do you have any concerns that these wells
7 will be able to provide all the natural gas needs of
8 these customers going forward?

9 A. Looking forward as to the ownership of the
10 wells is a concern of mine. There's a question as to
11 who owns the wells and who's going to own them in the
12 future; whether they will be operated. Without that
13 line connected across Interstate 90, there's no way
14 to get the wells to market, so there's a concern
15 about the value of the wells going forward, the
16 usefulness.

17 Q. Do you have any concerns regarding the
18 salting in of these wells?

19 MR. M. DORTCH: Objection. Leading.

20 EXAMINER FARKAS: You want to rephrase
21 your question?

22 Q. Do you have any concerns regarding the
23 continued life of those wells?

24 MR. M. DORTCH: Objection. Lack of
25 foundation. Does Mr. Heidnik have any knowledge of

1 well operations generally?

2 EXAMINER FARKAS: I'll sustain -- well,
3 allow the question.

4 A. We've had an incident already this winter
5 that caused the 14 customers to go without gas on a
6 15-degree day for roughly 5-and-a-half hours. We
7 have no control of how those wells operate or whether
8 we have gas or not. We completely rely on the
9 operation of those wells to supply those customers
10 with gas.

11 Q. Mr. Heidnik, are you familiar with the use
12 of compressed natural gas to temporarily supply
13 customers?

14 A. I am somewhat, yes.

15 Q. Would you consider it a -- isn't it true
16 that it's a dangerous operation to supply --

17 MR. M. DORTCH: Objection. Leading.

18 EXAMINER FARKAS: I'll sustain the
19 objection.

20 MR. KUMAR: Your Honor, it's not -- I'm
21 cross-examining a witness.

22 EXAMINER FARKAS: I know. Just ask him if
23 he knows whether the well is dangerous or not.

24 Q. Do you have any concerns about the dangers
25 of supplying compressed natural gas, using compressed

1 natural gas to supply customers?

2 A. It's not as easy a task as it may sound.
3 There's a lot of moving parts to it. There's a lot
4 of regulation involved. It's not just a matter of
5 filling a cylinder with gas and bringing it to the
6 customer.

7 EXAMINER FARKAS: How does it work when
8 you inject compressed natural gas into a well?
9 What's the process?

10 THE WITNESS: Well, the first concern,
11 obviously, is you have to have --

12 EXAMINER FARKAS: Not concern, just how
13 does it work.

14 THE WITNESS: You would have a trailer
15 that is DOT regulated that's able to go up and down
16 the roads that can be filled at a station that would
17 take pipeline gas and compress it to 3,600 pounds or
18 more, and then deliver it to the general area that
19 you're going to be using it, and then a series of
20 regulators to cut that pressure from the 3,600 pounds
21 or more down to the 50 pounds that you ultimately
22 might send the customer.

23 There's a freezing concern because you're
24 taking that high-purchase gas and cutting it down to
25 low-pressure. There's a regulator operation that is

1 crucial to making this work.

2 EXAMINER FARKAS: How large is the vessel
3 that the gas is contained in?

4 THE WITNESS: Typically it's a tube
5 trailer when you're talking about compressed natural
6 gas.

7 EXAMINER FARKAS: Is this a trailer -- is
8 this the size of a standard propane tank that serves
9 residential customers, or larger?

10 THE WITNESS: So the propane tank hauls
11 liquid.

12 EXAMINER FARKAS: No, no. The size of the
13 compressed natural gas tank.

14 THE WITNESS: It's similar.

15 EXAMINER FARKAS: It's similar. Okay.
16 And if you had one of those tanks, how long would a
17 full tank last for a customer, for these customers,
18 let's say, these 14 customers, how long would a tank
19 last?

20 THE WITNESS: So just to clarify about a
21 tank. So when you think about compressed natural
22 gas, it's not a single tank.

23 EXAMINER FARKAS: Okay.

24 THE WITNESS: It's a series of tubes. And
25 that, again, it goes back to DOT mandate, because if

1 there was a rupture you're not rupturing the whole
2 vessel, you're potentially rupturing just the one
3 cylinder. So they are essentially manifolded
4 together or they can be discharged individually. So
5 it's not a single vessel that carries compressed
6 natural gas.

7 EXAMINER FARKAS: Has the company ever
8 done this before?

9 THE WITNESS: No.

10 EXAMINER FARKAS: So you have no real
11 experience with doing this.

12 THE WITNESS: My experience is with
13 liquified natural gas that I built and operated a
14 plant in upstate Maine. We also came very close to
15 building a compressed natural gas facility, for this
16 very purpose, in upstate Maine.

17 EXAMINER FARKAS: But for these 14
18 customers, Orwell Natural Gas, are you saying that
19 you've never used compressed natural gas to serve
20 them?

21 THE WITNESS: That is correct.

22 EXAMINER FARKAS: Okay. Thank you.
23 Go ahead.

24 Q. (By Mr. Kumar) Are you aware of compressed
25 natural gas being used as a solution to serve

1 customers beyond a few hours?

2 A. No. It is typically used in a maintenance
3 scenario where pipeline flows are interrupted or in
4 an extreme emergency situation where there's been an
5 interruption in gas. It's temporary, at best.

6 Q. Do you know if Pipeline Safety, if Ohio
7 Pipeline Safety would have any concerns about the
8 long-term use of compressed natural gas to serve
9 customers?

10 A. I do not.

11 MR. KUMAR: I have no further questions.

12 EXAMINER FARKAS: Okay.

13 MR. M. DORTCH: Thank you, your Honor.

14 - - -

15 CROSS-EXAMINATION

16 By Mr. M. Dortch:

17 Q. Good morning, Mr. Heidnik.

18 A. Good morning.

19 Q. Mr. Heidnik, you said that Orwell Natural
20 Gas has never used compressed natural gas to your
21 knowledge; is that correct?

22 A. Other than to fuel a vehicle.

23 Q. Other than -- okay. You do use it to fuel
24 vehicles. But Northeast Ohio Natural Gas has
25 supplemented their systems with compressed natural

1 gas on any number of occasions; isn't that correct?

2 A. I don't know that firsthand, other than
3 I've heard discussions of it.

4 Q. But you are aware that it occurred?

5 A. I'm not involved with the operation of it,
6 so I don't know for sure, when and why. I couldn't
7 speak to that.

8 Q. And if you're concerned, you mentioned
9 this one interruption on February 11th, that wasn't a
10 well issue at all, was it, sir? It was an issue of a
11 gate was locked and, thus, a well tender didn't
12 perform his responsibility to monitor that well;
13 isn't that true?

14 A. My understanding is that the gate was, in
15 fact, locked and that the --

16 Q. Thank you, sir.

17 A. -- well failed to operate.

18 Q. And the well monitor did not --
19 responsible for monitoring that well did not do so
20 for approximately a week, correct?

21 A. That's my understanding.

22 Q. Thank you.

23 Now, given your concern with the lack of
24 reliability of the wells, why hasn't -- strike that.

25 Did Orwell Natural Gas bring in any backup

1 mechanism? Did it bring in compressed natural gas,
2 for example?

3 A. We did have a trailer of compressed
4 natural gas tubes that was on our property in the
5 very beginning because we didn't have any idea how
6 this was going to play out.

7 Q. When you say "at the very beginning," you
8 mean prepared to serve customers if the well gas
9 proved inadequate or unavailable?

10 A. No. That was when we were first put on
11 notice that the line was going to be severed. At
12 that time we had no idea where the gas was going to
13 come from. There was not a deal on the table, yet,
14 with utilizing the wells. This was on the very first
15 day or two of notification that this line was going
16 to be interrupted.

17 Q. And again, just so we're clear, the reason
18 gas was unavailable on the north end of the lot is
19 because Orwell Natural Gas refuses to do business
20 with Rick Osborne or any entity related to Rick
21 Osborne.

22 A. That was our direction.

23 MR. M. DORTCH: I have no further
24 questions, your Honor.

25 EXAMINER FARKAS: I just have a question.

On page 3 of your testimony, line 11, starting at 10, it says "When I asked him about alternatives to terminating service to the over forty (40) customers out of gas...." And I guess my understanding was there were 14 customers. What does the 40 customers refer to?

THE WITNESS: In order to sever the line, the valve that supplied this line was further south, if you will. So there were a number of customers that were on the south side of the freeway that were interrupted, as well, the day the line was severed and prior to the valve getting welded back in.

EXAMINER FARKAS: Well, how are the other 26 customers then being -- what's happened to them?

THE WITNESS: So if you think about the line going under the freeway, the valve needed to be welded in on each side so that the gas upstream of that would be held in check, if you will. So once the line was severed, the valve was put in place, it was able to be closed, and the gas supply was able to be reestablished south of Interstate 90 for those 26 customers between the valves.

EXAMINER FARKAS: Okay. And those 26 customers are now being served --

THE WITNESS: Correct.

1 EXAMINER FARKAS: -- through the pipeline?

2 THE WITNESS: The one that was originally,
3 that they were served off, correct.

4 EXAMINER FARKAS: Okay.

5 THE WITNESS: With no change other than
6 during the construction period.

7 EXAMINER FARKAS: Okay. All right. Now
8 I'll ask you the same question. When did you first
9 learn about the I-90 project and the possible
10 disruption of service to these 14 customers?

11 THE WITNESS: That was March 5th.

12 EXAMINER FARKAS: Of 2015?

13 THE WITNESS: Of 2015.

14 EXAMINER FARKAS: Okay. That's it, unless
15 you have any redirect?

16 MS. PIACENTINO: Your Honor, earlier you
17 had asked Mike Zappitello about the cost of
18 compressed natural gas.

19 - - -

20 REDIRECT EXAMINATION

21 By Ms. Piacentino:

22 Q. Mr. Heidnik, would you be comfortable in
23 giving any costs associated with that if that were, I
24 guess, a solution for this issue?

25 A. Certainly. The first hurdle is to find a

1 facility to be able to fill the cylinders.

2 Q. Okay.

3 A. The facility that -- the only facility in
4 our area is designed and built to fill vehicles, so
5 that's typically not the same setup that you would
6 use to fill a trailer with a much larger volume of
7 gas in one sitting, if you will, as opposed to the 10
8 or 15 gallons that you would fill in a vehicle.

9 These two trailers can hold up to 80 MCF
10 in some cases, and take hours to fill. So that would
11 be my first concern is to find a facility that you
12 could even do that.

13 And then, of course, you would need two
14 trailers. And you need hazard ODOT licenses to drive
15 these trailers up and down the road. So, at the end
16 of the day, the cost per MCF gets extremely
17 prohibitive, gets into the 20- to 30-dollar range
18 when you put it all together.

19 MS. PIACENTINO: That's all I have.

20 EXAMINER FARKAS: Okay. Any follow-up?

21 - - -

22 RECROSS-EXAMINATION

23 By Mr. M. Dortch:

24 Q. Mr. Heidnik, I was intrigued by something
25 you just said. You testified 80 MCF for a typical

1 one of these tubular trailers.

2 A. Correct.

3 Q. I assume they come in larger and smaller
4 sizes, but 80 MCF is the one you're familiar with?

5 A. An affiliate company owned two of those
6 and that's what I'm speaking to.

7 Q. And you are familiar with the quantities
8 of natural gas consumed by these 14 customers, as
9 well, as manager of Orwell Natural Gas, correct?

10 A. Correct.

11 Q. And what is the quantity of natural gas
12 consumed by these customers in an average year?

13 A. A typical home, as a rule of thumb, is
14 100 MCF a year. So we're talking about 14 homes, so
15 it's going to be somewhere in the 1,400 MCF annually.

16 Q. Do you recall being deposed?

17 A. I do.

18 Q. And you testified during your deposition
19 that you had reviewed the records of these customers
20 and that you were consuming -- they were consuming
21 1,200 MCF a year, correct?

22 A. Correct.

23 Q. Have you reviewed the testimony of
24 Ms. Carothers?

25 A. I have.

1 Q. And based on actual production for -- or,
2 actual consumption for 2015, Ms. Carothers has
3 identified the actual consumption as being about
4 700 MCF a year, correct?

5 A. Correct.

6 Q. So assuming somewhere between 700 and
7 1,200 MCF per year, you're talking about somewhere
8 between 8 and maybe as many as 15 trailers per year?
9 So about once a month you would need to change out
10 these trailers; is that accurate?

11 A. It's close.

12 MR. M. DORTCH: Okay. Thank you.

13 No more questions.

14 EXAMINER FARKAS: Okay. You're done.

15 Okay.

16 MS. PIACENTINO: Your Honor, I'd like to
17 call Mr. John Kroto to the stand, please.

18 EXAMINER FARKAS: Raise your right hand.

19 (Witness sworn.)

20 EXAMINER FARKAS: Go ahead.

21 - - -

22 JOHN F. KROTO

23 being first duly sworn, as prescribed by law, was
24 examined and testified as follows:

25 DIRECT EXAMINATION

1 By Ms. Piacentino:

2 Q. Can you, please, state your full name for
3 the record?

4 A. My name is John F. Kroto. K-r-o-t-o.

5 Q. Who do you work for, Mr. Kroto?

6 A. I'm an attorney, an associate at the Knox
7 Law Firm in Erie, Pennsylvania.

8 Q. Can you provide their business address,
9 please?

10 A. 120 West Tenth Street, Erie, PA 16501.

11 Q. How long have you worked for them?

12 A. I started working at Knox in August of
13 2013.

14 Q. And prior to Knox, where were you
15 employed?

16 A. I was a law clerk for then Chief Judge
17 Thomas P. Agresti. He's not the Chief Judge anymore,
18 but he's still a Judge in the Western District of PA
19 Bankruptcy, Court.

20 Q. As you know, I've called you as a witness
21 here today in this Case 15-475-GA-CSS. Are you
22 familiar with this case?

23 A. Only very minimally.

24 Q. Do you understand that there is a current
25 dispute between two parties, Orwell Natural Gas and

1 Orwell-Trumbull Pipeline Company?

2 A. I do understand the nature of the dispute,
3 yes.

4 Q. What is your involvement with this
5 dispute?

6 A. Well, I guess, first, I should say that
7 Knox and myself, the Knox Law Firm are the attorneys
8 for the Chapter 7 Trustee who is Guy C. Fustine, who
9 has been appointed to administer the estate of Great
10 Plains Exploration as well as two other entities,
11 John D. Oil and Gas Company, and Oz Gas, LTD. So
12 what I do is I represent the Trustee as Attorney Pro
13 Se in those three matters which are three separate
14 cases in the Western District of Pennsylvania
15 Bankruptcy Court.

16 The reason that I got involved in this
17 matter was the Trustee received a call around either
18 March 11th or March 12th of 2015, and there was a
19 request to have a representative of the Trustee
20 participate in a telephone conference the same day
21 at, my recollection it was 2:00 or 3:00 in the
22 afternoon. And so, that's how I got involved because
23 I was the representative of the Trustee that
24 participated in that phone conference.

25 Q. Prior to this request for a phone call

1 either on behalf of the Trustee or a representative
2 of the Trustee, had anyone in your offices been
3 contacted about this dispute?

4 A. We knew nothing, we, collectively, the
5 attorneys for the Trustee, and I would say the
6 Trustee knew nothing of this dispute.

7 Q. You may have said this earlier, I just
8 wanted some clarification, how is the Trustee and
9 then yourself involved with, I guess, this actual
10 dispute?

11 A. Well, the Trustee is appointed to
12 administer the estate of Great Plains Exploration,
13 LLC. Great Plains has various gas and oil interests
14 in the state of Ohio, in and around the Mentor area,
15 if I can just generalize in northwest Ohio.

16 The call was made, it was Mr. Dortch who
17 called, and the request was to provide customers
18 north of I-90 around Vrooman Road with gas from Great
19 Plains' wells during an interruption in service due
20 to ODOT's construction.

21 Q. Who currently owns Great Plains' wells
22 that you're referencing?

23 A. Well, the wells -- all the assets of Great
24 Plains are currently part of the bankruptcy estate.
25 The Trustee is the administrator of the estate. Akin

1 to a probate of a will or something like that, if you
2 will. But, I mean, the ownership lies with the
3 estate of Great Plains.

4 Q. And this call I understand that you
5 participated in, there was a settlement -- well,
6 strike that. Excuse me.

7 When Mr. Dortch called, did he notify you
8 that there was a settlement conference before the
9 Commission?

10 A. He, Mr. Dortch, first spoke with the
11 Trustee, and then I got on the call and the reason
12 being is that the Trustee could not participate and
13 so he informed me that there was going to be a
14 conference call that day. The call was around noon
15 with Mr. Dortch. And then, again, the conference was
16 going to be that afternoon with several people,
17 several entities involved in the situation at, again,
18 I think 2:00 or 3:00.

19 Q. Were you the one that participated in this
20 phone call around 2:00 or 3:00?

21 A. That was the first phone call and I did
22 participate. I was the only participant on behalf of
23 the Trustee, if you will.

24 Q. What was your, I guess, assumption of the
25 need for the call, and were there any guidelines with

1 respect to you or the Trustee?

2 A. I'll be honest with you, right off the bat
3 I had almost no clue what was going on. I mean, I
4 understood that ODOT was involved. That was the
5 first time I ever heard of the PUCO; no offense.

6 (Laughter.)

7 EXAMINER FARKAS: None taken.

8 A. I didn't know who they were. It was the
9 first time I had the pleasure of talking to
10 Mr. Dortch. It was -- I didn't know what needed to
11 be done. I just knew that a representative of the
12 Trustee was being asked to participate and that was
13 about it at the time.

14 And there was an e-mail later from
15 Mr. Dortch that kind of summarized what the situation
16 was. At that point I better understood. And again,
17 whether that e-mail was before or after the phone
18 conference, I don't know.

19 But I'll admit, at the time of the phone
20 conference I had very little information prior to and
21 had almost no idea what was going on, but, by the end
22 of the phone call, I understood what the Trustee was
23 being asked to do.

24 Q. And could you advise what the Trustee was
25 being asked to do?

1 A. The Trustee was being asked to provide gas
2 from Great Plains' wells that are north of I-90 and
3 supply the customers, the residential customers, that
4 are north of I-90 while ODOT reconstructed I-90 or
5 whatever they were doing.

6 Q. Did anybody in the settlement conference,
7 either myself or Mr. Dortch or anyone from the
8 Commission, advise you as to a timeline as to how
9 long this supply to the residential customers would
10 have to occur?

11 A. Well, there was -- there were two time
12 frames discussed. The first was that there would be
13 a four-hour break for everyone, once the line was cut
14 by -- I don't know who was cutting the line, I don't
15 know if it was ODOT or somebody else, but then our
16 wells north of I-90 would be severed for a month
17 before the pipeline was reconnected.

18 Q. Was it your anticipation that the pipeline
19 would be reconnected?

20 A. Yeah. Yes.

21 Q. When was the first time, I guess, you got
22 knowledge that the pipeline had not been reconnected?

23 A. There was an interruption in service in
24 February of this year, and I got an e-mail and/or a
25 call from you, very early in the morning, regarding

1 the interruption of service. It was at that point
2 that I discovered the line had never been
3 reconnected.

4 Q. Were you surprised at that?

5 A. Yes.

6 Q. Why is that?

7 A. During the multiple, and there was at
8 least two phone conferences between representatives
9 of all the parties, including ODOT and the PUCO, the
10 Trustee was informed through me, and I was informed
11 that it would be reconnected within a month.

12 Q. I'm just going to ask you a couple
13 questions about the wells, themselves. What is your
14 role or knowledge with respect to those wells?

15 A. I know that, and again only from, I think,
16 testimony, that there's five wells that are north of
17 I-90 and that's about the sum total of my knowledge.

18 Q. And how many wells are part of the estate
19 of the bankruptcy?

20 A. There's around, I believe, 100 producing
21 wells. Now, forgive me, there's, you know, there's
22 also the John D. Oil, John D. Oil and Gas Company
23 interests as well as the Great Plains interests in
24 Ohio.

25 Q. With respect to this specific dispute, how

1 many of the wells are a part of the asset of the
2 estate?

3 A. My understanding is there is only five.

4 Q. Okay. What is the current status of the
5 wells? Are they for sale? If you can speak to that.

6 A. Well, the assets, the case -- when the
7 Trustee was first appointed, he was appointed as a
8 Chapter 11 Trustee. The case has subsequently been
9 converted. The same Trustee is now the Chapter 7
10 Trustee. He filed a motion to continue the
11 operations. Chapter 7 is liquidation, so the primary
12 objective of the Trustee is to liquidate the assets
13 for the benefit of creditors, so everything is for
14 sale.

15 Q. So I have a better understanding, I guess,
16 of that aspect of the bankruptcy, do you have callers
17 coming in, calling in, asking about the purchase of
18 those wells or how does that work?

19 A. We -- a consultant was approved by the
20 Bankruptcy Court to work for the Trustee, to market
21 the assets for sale, which include the mineral
22 interests and also include the physical wells that
23 sit on the surface.

24 Q. Have the specific wells that are involved
25 in this dispute, do they have any value, does the

1 bankruptcy estate put a value to them at this point?

2 A. Well, there's a value on the minerals in
3 the ground. And there was a report, a few years ago,
4 that said that there was several million dollars
5 worth of gas in the ground. Now, what the value of
6 the physical wells are and the tanks that are
7 associated with that, we don't know. I don't know.

8 But the Trustee is in the process, with
9 the consultant, of entertaining bids or offers to
10 purchase the assets. To maximize the purchase price
11 it would be beneficial to sell the assets as a going
12 concern, in a bundle all at one time.

13 Now, the five wells that are marooned
14 north of I-90 are going to be of no value by
15 themselves and of little addition to the value of the
16 whole package because they're cut off.

17 MS. PIACENTINO: Okay. That's all I have
18 for Mr. Kroto.

19 EXAMINER FARKAS: Any questions?

20 MR. KUMAR: I do have a few questions.

21 - - -

22 CROSS-EXAMINATION

23 By Mr. Kumar:

24 Q. Mr. Kroto, I'm going to refer to those
25 five wells, I guess, north of I-90 as the "Vrooman

1 wells"; is that all right?

2 A. That's fine.

3 Q. Just for the sake of clarity.

4 Now, do you know if there are any buyers
5 looking into the purchase of Great Plains' assets?

6 A. We have had -- we sent out letters or
7 e-mails to several hundred people, oil and gas --
8 independent oil and gas producers from western New
9 York, West Virginia, Ohio, and Pennsylvania, trying
10 to find basically anybody who is interested in the
11 assets. And we have had -- and again, the consultant
12 has contacts. And we have had I'd say anywhere from
13 20 to 40 interested parties either in the Ohio assets
14 or the Pennsylvania assets and in some cases both.

15 Q. Do you know if any of these buyers have
16 expressed any interest in, I guess, purchasing those
17 Vrooman wells, specifically?

18 A. We are marketing the assets as a package,
19 so the buyers don't necessarily, I mean, they would
20 know of the status if they were to inquire, we
21 haven't hidden the status of those wells, but also no
22 one has specifically asked about any individual
23 wells.

24 Q. Is one of the interested -- do you know if
25 one of the interested buyers for some of Great

1 Plains' assets is Richard M. Osborne?

2 A. Yes. I received an e-mail from his
3 attorney, yesterday, stating that he planned to make
4 an offer.

5 Q. And was that to make an offer on all of
6 Great Plains' assets or the Vrooman wells,
7 specifically?

8 A. All of the Ohio assets, which include
9 Great Plains Exploration, LLC., and John D. Oil and
10 Gas Company.

11 Q. You stated earlier that the market value
12 of those wells is diminished since they were, I
13 guess, disconnected from any interstate gas
14 pipelines.

15 A. Correct. I mean, naturally, if you can't
16 get the gas to market, then you can't sell it.

17 Q. Are you aware that Richard M. Osborne owns
18 Orwell-Trumbull Pipeline?

19 A. Yes.

20 Q. Are you familiar with the incident that
21 occurred on February 11th, 2016?

22 A. Are you speaking of the interruption of
23 service?

24 Q. Yes.

25 A. Yes.

1 Q. Could you explain how you came to find out
2 about that incident?

3 A. I received -- and again, I don't recall
4 specifically, but I received an e-mail and/or a call,
5 I'm not sure which came first, from Gina Piacentino,
6 informing me that overnight there was an interruption
7 in service.

8 Q. Do you know why that interruption in
9 service occurred?

10 A. I understand it was cold and I understand
11 that -- I don't know if it was the well froze or some
12 machinery attached to the well froze. I don't know
13 specifically.

14 Q. Do you know anything about any locks being
15 changed on the gate to the well?

16 A. I know that some department in Ohio
17 requires locks on all the gates. And I know from our
18 well tenders that the locks are frequently cut and
19 discarded and they get replaced as soon as possible.
20 I understand that that lock had been replaced and it
21 was just a matter of getting the key.

22 Q. And who replaces the locks?

23 A. Usually, it's the well tenders. GPE,
24 Great Plains, has two of them. I also know that
25 there's an individual who works for one of

1 Mr. Osborne's other companies by the name of Jon
2 Magnusson. I don't know who replaced that lock and I
3 don't know who had the key.

4 Q. Was it one of GPE's well tenders that
5 replaced the lock?

6 MR. M. DORTCH: Objection. Asked and
7 answered. He's already said he doesn't know who
8 replaced it.

9 EXAMINER FARKAS: I'll sustain the
10 objection.

11 Q. Do you know on whose land those Vrooman
12 wells are located?

13 A. As I sit here right now, I do not.

14 Q. Okay. Are you aware of any other
15 reliability issues that are associated with those
16 Vrooman wells?

17 A. I am not aware of any other interruptions
18 in service related to those wells.

19 Q. If there are no buyers for those Vrooman
20 wells, I guess what happens next?

21 A. If we don't get a buyer -- well, let me
22 back up. The Court has us on a schedule to receive
23 formal offers by April 1st; file a motion for sale,
24 pursuant to 363 of the Bankruptcy Code, on or before
25 April 5th; and have the sale wrapped up by sometime

1 in June.

2 If we don't meet the April 1st and the
3 April 5th deadlines because we don't have a signed
4 asset purchase agreement, thus we can't file a motion
5 for sale, we are required, pursuant to the Court's
6 order, to hire an auctioneer who will then, with the
7 best business judgment that the auctioneer has,
8 auction off those wells, be it as a group, as several
9 groups, or individually.

10 Q. And speaking specifically about those
11 Vrooman wells, if they are not sold at auction, then
12 what will happen to them?

13 A. Well, I mean, the Trustee, pursuant to
14 Bankruptcy Code, can abandon assets if they are of no
15 value, but -- and again, I don't want to talk out of
16 turn, there are some, obviously, environmental issues
17 associated with that and there's -- there's a butting
18 of heads with respect to bankruptcy law and
19 environmental law. So I don't know what would
20 happen, but I suspect that to the extent that the
21 estate had funds available, which I don't know if it
22 will, it would have to do something with those wells.

23 Q. Do you know who would pay the cost, I
24 guess, of capping those wells in that situation?

25 A. If the estate couldn't afford it, it would

1 either be the landowners or the bank.

2 MR. KUMAR: I have no further questions,
3 your Honor.

4 EXAMINER FARKAS: Okay.

5 MR. M. DORTCH: Thank you, your Honor.

6 - - -

7 CROSS-EXAMINATION

8 By Mr. M. Dortch:

9 Q. Good morning, Mr. Kroto.

10 A. How are you doing?

11 Q. Pretty good. How are you?

12 A. Good. Thanks.

13 Q. Welcome to Ohio.

14 A. Glad to be here.

15 Q. Well, please visit us any time.

16 Hopefully, not for a proceeding like this.

17 A. Sure, I will.

18 Q. You said that at the moment there is
19 little value to the Vrooman wells; do you recall?

20 A. Right. Yeah. I mean, connected versus
21 disconnected, yes.

22 Q. Now, is it fair to say that a
23 knowledgeable buyer would adjust his bid price to
24 reflect the reduced value of those wells?

25 A. Absolutely.

1 Q. Is it fair to say that a knowledgeable
2 buyer, recognizing the isolation of those wells from
3 the market for gas, might evaluate them and decide
4 whether it's worthwhile to finance the cost of
5 reaching the market; in other words --

6 A. Sure.

7 Q. -- reconnecting the pipeline somewhere?

8 A. Yes.

9 Q. And you are on a timeline right now where
10 decisions are being made by early April, hopefully
11 you're going to have a sale completed by June, did I
12 understand that correctly, or you're simply to report
13 to the Trustee -- or, I'm sorry, to the Bankruptcy
14 Court by June where you are in the process? I got
15 lost a little bit there.

16 A. The timeline is -- and I wish I had a copy
17 of it, the timeline is attached to a Court order. So
18 it's not to report; it's to finalize.

19 And I did misspeak. The timeline that I
20 laid out was for the Oz Gas assets, the Pennsylvania
21 assets.

22 EXAMINER FARKAS: For the what?

23 THE WITNESS: Oz Gas.

24 EXAMINER FARKAS: What is that?

25 THE WITNESS: Those are the Pennsylvania

1 wells.

2 EXAMINER FARKAS: That does not include
3 these wells --

4 THE WITNESS: Right.

5 EXAMINER FARKAS: -- the Vrooman wells?

6 THE WITNESS: Correct. The Ohio assets,
7 the Ohio wells are on a different timeline. And I
8 apologize, that timeline is a little bit longer. We
9 have, I think, until May.

10 EXAMINER FARKAS: May.

11 THE WITNESS: Instead of April, we have
12 until May.

13 EXAMINER FARKAS: To report to the --

14 THE WITNESS: To get a --

15 EXAMINER FARKAS: A motion for sale.

16 THE WITNESS: Right. We have until May
17 for the motion for sale. If we don't, we have until
18 the end of May to hire an auctioneer. And the assets
19 are to be liquidated by, I want to say it's either
20 July 22nd or August the 22nd, I can't remember. But
21 the timeline is stretched out a little bit further
22 than the Pennsylvania timeline.

23 Q. (By Mr. M. Dortch) Can you explain what a
24 motion for sale is?

25 A. Sure. Pursuant to Bankruptcy Code Section

1 363, the Trustee or the debtor in possession can file
2 a motion to sell the assets free and clear of liens
3 and encumbrances. The motion, itself, is just that,
4 a motion where all of the respondents are named and
5 the respondents would be lienholders with respect to
6 the assets. So everyone with an interest, any
7 parties in interest or lienholders are put on notice
8 that the sale is going to take place.

9 And the Court conducts a hearing, an
10 evidentiary hearing, if necessary, with respect to
11 the sale. Objections are heard, if there are any.

12 What happens as result of a 363 sale is
13 that the assets transfer to the buyer, free and clear
14 of liens and encumbrances. Any of those liens and
15 encumbrances transfer over to the proceeds of the
16 sale, and then the Court orders distribution of the
17 proceeds based on the priority of liens.

18 EXAMINER FARKAS: How many lienholders are
19 on file in this bankruptcy estate?

20 THE WITNESS: There's -- there are
21 hundreds, if not thousands of creditors. The bank is
22 the main creditor, RBS Citizens. But understand
23 that, for example, John D. Oil and Gas, which has
24 wells in Ohio, is a publicly-traded company or at
25 least it was, and it has, I think, 1,500

1 shareholders.

2 EXAMINER FARKAS: Okay.

3 MR. M. DORTCH: May I approach, your
4 Honor?

5 EXAMINER FARKAS: Yes.

6 MR. M. DORTCH: Your Honor, I'm going to
7 ask that this be marked as Orwell-Trumbull Pipeline
8 Company Exhibit No. 1.

9 (EXHIBIT MARKED FOR IDENTIFICATION.)

10 Q. Mr. Kroto, I'm going to ask you to take a
11 moment to examine what I have marked as -- had marked
12 as Orwell-Trumbull Pipeline Company Exhibit No. 1.
13 Once you've had an opportunity -- you don't have to
14 read it in any great detail, but once you've had an
15 opportunity to review it, I will ask if you recognize
16 it.

17 A. I do.

18 Q. And can you tell me what Orwell-Trumbull
19 Exhibit No. 1 consists of?

20 A. This is a letter that you sent to myself,
21 Attorney Fustine who is the Trustee or who was the
22 Chapter 11 Trustee at that time, as well as a number
23 of other people.

24 Q. And I will note that I sent you the
25 Complaint that had been filed. My letter is dated

1 March 12th if you note. And that the Complaint,
2 which I also sent to you, had been filed March 9th.
3 Do you see that, sir?

4 A. Yes.

5 Q. I also sent you a copy of an order,
6 entered by Attorney Examiner Farkas, ordering my
7 client not to shut off service to the area north of
8 Vrooman Road. Do you see that?

9 A. I do.

10 Q. And finally, I will represent to you that
11 the balance is just the e-mail communications between
12 you and I that were pertinent to my request to you.

13 A. Yes.

14 Q. Fair enough?

15 A. Yes, sir.

16 Q. Now, without asking you to repeat your
17 testimony, essentially what was it that you
18 understood I was asking you and the Trustee to do and
19 why?

20 A. You were asking the Trustee to allow the
21 wells north of Vrooman Road to supply gas to the
22 residents north of Vrooman Road, because the line was
23 going to be cut because of the ODOT construction.

24 Q. And I think you said that this was the
25 first you had heard about this whole situation?

1 A. That is true.

2 Q. So, from that I can deduce, being a
3 brilliant guy, that no one from Orwell Natural Gas
4 had contacted you to see about the availability of
5 those wells?

6 A. You were the first contact we received.

7 Q. And was the Trustee willing to sell gas to
8 Orwell Natural Gas?

9 A. As far as I know.

10 Q. Do you know that Orwell Natural Gas
11 refused to buy gas from the Trustee? They insisted
12 on a displacement arrangement?

13 A. I -- I heard that testimony or I heard
14 those questions today. I don't know if I knew that
15 before today or ever.

16 Q. Okay. Fair enough. Finally, if you would
17 look at the second page of my letter to you, I think
18 you referred to it as an e-mail, but I sent this
19 letter as an attachment --

20 A. As an attachment.

21 Q. And this is where I outlined what was
22 going on and asked, otherwise known as begging on one
23 knee, for you to become involved. If you look at,
24 let's see, I believe it's the second page -- well,
25 I'm sorry. I'm having difficulty finding what I

1 wanted to reference here.

2 Oh, I'm sorry. Bottom of the first page.
3 Last paragraph of the first page. Do you see where I
4 said that service north of I-90 will be disrupted
5 somewhere between three and six weeks?

6 A. Yes.

7 Q. Do you recall any discussion with me or
8 anybody else that that was an estimate, that there
9 might be things come up that we couldn't know at the
10 time?

11 A. Not that I recall.

12 Q. Fair enough.

13 Do you know whether the situation has
14 remained -- strike that.

15 I want to revisit one of Mr. Kumar's
16 questions or lines of questioning very briefly. The
17 Trustee has the power to abandon assets of no value,
18 you stated

19 A. Yeah. The Trustee has authority, in the
20 Bankruptcy Code, to abandon assets. Now, the Trustee
21 has to get Court permission to do that.

22 Q. I understand. Isn't it the case also that
23 under the Bankruptcy Code, Mr. Osborne, as the
24 owner -- well, that's not exactly correct, he's the
25 principal of these companies, that the companies can

1 petition the Court to have the abandoned assets
2 released back to it?

3 A. Yes.

4 MR. M. DORTCH: I have no further
5 questions.

6 EXAMINER FARKAS: I have a question before
7 you have redirect.

8 MS. PIACENTINO: Yes, sir.

9 EXAMINER FARKAS: Has the Bankruptcy Court
10 been in contact or notified any of the 14 customers
11 that are receiving gas from these wells as to the
12 status of the wells or the ability to purchase the
13 wells if a sale happens?

14 THE WITNESS: Your Honor, I don't
15 specifically know. I know that when certain events
16 happen in a Bankruptcy Court, everyone gets notice.
17 And, unfortunately, by "everyone" I mean a list of
18 five- or six-hundred individuals. Whether these 14
19 customers fall into that category, I would doubt it.
20 I would doubt it.

21 EXAMINER FARKAS: Okay. And you don't
22 know for a fact that any of those 14 customers have
23 actually filed anything in the bankruptcy, do you?

24 THE WITNESS: No, sir.

25 EXAMINER FARKAS: Okay.

1 MS. PIACENTINO: I have no more redirect.

2 EXAMINER FARKAS: You're excused. Thank
3 you for your testimony.

4 THE WITNESS: Thank you.

5 MS. PIACENTINO: Your Honor, at this time
6 I have no further witnesses. I would like to make a
7 motion to include Exhibit A which is the Direct
8 Testimony of Mike Zappitello, and Exhibit B which is
9 the Direct Testimony of Jeff Heidnik as part of the
10 record in this case.

11 EXAMINER FARKAS: Any objection?

12 MR. M. DORTCH: No objection, your Honor.

13 MR. KUMAR: No objection.

14 EXAMINER FARKAS: Then they will be
15 admitted.

16 (EXHIBITS ADMITTED INTO EVIDENCE.)

17 EXAMINER FARKAS: Okay.

18 OCC.

19 MR. KUMAR: Your Honor, the OCC would like
20 to call Bruce Hayes.

21 EXAMINER FARKAS: Okay. Raise your right
22 hand.

23 (Witness sworn.)

24 MR. KUMAR: Your Honor, since we took
25 administrative notice of the 85-800, I'd like to mark

1 Mr. Hayes' testimony as Exhibit 1 --

2 EXAMINER FARKAS: So marked.

3 MR. KUMAR: -- OCC Exhibit 1.

4 EXAMINER FARKAS: So marked.

5 (EXHIBIT MARKED FOR IDENTIFICATION.)

6 - - -

7 BRUCE M. HAYES

8 being first duly sworn, as prescribed by law, was
9 examined and testified as follows:

10 DIRECT EXAMINATION

11 By Mr. Kumar:

12 Q. Would you, please, state your full name
13 and address for the record.

14 A. It's Bruce M. Hayes. H-a-y-e-s. I'm
15 testifying on behalf of the Office of the Ohio
16 Consumers' Counsel, 10 West Broad Street, Suite 1800,
17 Columbus, Ohio 43215.

18 Q. Are you the same Bruce Hayes whose Direct
19 Testimony was filed in this case?

20 A. Yes.

21 Q. Do you have your prepared testimony with
22 you on the stand?

23 A. Yes, I do.

24 Q. Did you prepare the testimony or have it
25 prepared at your direction?

1 A. Yes, I did.

2 Q. Do you have any changes or corrections to
3 your testimony?

4 A. Yes, I have some minor changes. On
5 page 5, line 5, it's a change from "13" to "14"
6 Orwell residential customers. And then that same
7 change on line 6, change from "13" to "14."

8 And then at the bottom of page 5, the
9 footnote, it says "See Attachment BMH-B, OCC Set 1,
10 Interrogatory 2." That should be "Interrogatory 11."

11 And then on page 6, the footnote at the
12 bottom of the page, rather than "Interrogatory 11,"
13 it should be "Interrogatory 2."

14 Q. Do you have any other changes or
15 corrections to your testimony?

16 A. No, I don't.

17 Q. And if I asked you the same questions,
18 today, found in your direct testimony, with those
19 changes and corrections, would your answers be the
20 same?

21 A. Yes, they would.

22 MR. KUMAR: Your Honor, the OCC would like
23 to move for the admission of OCC Exhibit 1, and make
24 the witness available for cross-examination.

25 EXAMINER FARKAS: Okay.

1 Do you have any questions?

2 MS. PIACENTINO: I have no questions for
3 this witness.

4 EXAMINER FARKAS: Do you have any
5 questions?

6 MR. M. DORTCH: I have no questions, your
7 Honor.

8 EXAMINER FARKAS: I have no questions
9 either.

10 Okay. Any objection to the admission of
11 OCC Exhibit 1?

12 MS. PIACENTINO: No objection.

13 MR. M. DORTCH: None.

14 EXAMINER FARKAS: It is admitted.

15 (EXHIBIT ADMITTED INTO EVIDENCE.)

16 EXAMINER FARKAS: Why don't we take a
17 10-minute -- why don't we go to 11:30, we'll recess,
18 and then we'll come back.

19 (Recess taken.)

20 EXAMINER FARKAS: Let's go back on the
21 record. Okay. Ready to go forward?

22 MR. M. DORTCH: Thank you, your Honor.
23 Orwell-Trumbull Pipeline Company calls Ms. Jessica
24 Carothers.

25 EXAMINER FARKAS: Okay.

1 MR. M. DORTCH: And may I approach, your
2 Honor?

3 EXAMINER FARKAS: Yes.
4 Raise your right hand.
5 (Witness sworn.)

6 MR. M. DORTCH: This will be OTPC
7 Exhibit 2.

8 (EXHIBIT MARKED FOR IDENTIFICATION.)

9 - - -

10 JESSICA CAROTHERS
11 being first duly sworn, as prescribed by law, was
12 examined and testified as follows:

13 DIRECT EXAMINATION

14 By Mr. M. Dortch:

15 Q. Good morning.

16 A. Good morning.

17 Q. Could you state your name, please.

18 A. Jessica Carothers.

19 Q. And, Ms. Carothers, who are you employed
20 by?

21 A. Orwell-Trumbull Pipeline Company.

22 Q. And do you have with you what we have had
23 marked Orwell-Trumbull Exhibit No. 2?

24 A. Yes, sir.

25 Q. And is that the testimony prepared by you

1 or at your direction?

2 A. Yes.

3 Q. Do you have any changes to that testimony?

4 A. I do not.

5 Q. And if I asked you the questions that are
6 written in Exhibit No. 2, would your answers be
7 identical to the answers in Exhibit No. 2?

8 A. They would.

9 MR. M. DORTCH: Your Honor, I would, at
10 this time, move for admission of Orwell-Trumbull
11 Pipeline Exhibit No. 2, and tender the witness for
12 cross-examination.

13 MS. PIACENTINO: Go ahead.

14 MR. KUMAR: Your Honor, before we begin
15 cross-examination, I have a motion to strike, I
16 guess, a sentence from Ms. Carothers' testimony. On
17 page 7, lines 7 and 8, the sentence that begins "It
18 simply did not wish to incur that cost." I think
19 that might be hearsay.

20 MR. M. DORTCH: Your Honor, she is not
21 expressing hearsay. She is expressing her opinion.
22 The question is "Was there another reason that you
23 felt ONG's complaint is misleading?" And the answer
24 is her opinion that ONG did not want to incur the
25 cost to which she is referring. It has nothing to do

1 with hearsay.

2 MR. KUMAR: Your Honor, it's -- I think it
3 is hearsay because it's expressing, I guess, Orwell's
4 thought-process regarding whether or not they wished
5 to incur that cost. She never states that it's her
6 opinion.

7 EXAMINER FARKAS: I'm going to deny your
8 motion.

9 MR. KUMAR: All right.

10 - - -

11 CROSS-EXAMINATION

12 By Ms. Piacentino:

13 Q. Good afternoon, Jessica. How are you?

14 A. I'm well. How are you?

15 Q. Good. And I know this may be in your
16 testimony, when did you start with Orwell-Trumbull
17 pipeline?

18 A. December -- or, sorry, January of 2008.

19 Q. 2008. In your testimony you had indicated
20 that Marty Whelan was involved with OTP in, at least,
21 2013; is that correct?

22 A. That's correct.

23 Q. Okay. Do you recall when Marty left OTP?

24 A. He never was employed by Orwell-Trumbull,
25 but from the beginning of the time that I worked for

1 the pipelines I knew of him to be directly a part of
2 our operations. And I'd say we changed the
3 management structure of those pipelines in May of
4 2014. We tried to find a way to continue to work
5 together over that summer, but it really came to an
6 end, as far as the relationship, in August of 2014.

7 Q. And your testimony indicated that
8 Mr. Whelan was involved with discussions with ODOT
9 and contractors about the Vrooman Road project; is
10 that correct?

11 A. That is correct.

12 Q. Were you a party to those conversations or
13 discussions?

14 A. At that time that he was, no.

15 Q. Okay. Do you have any correspondence
16 between you and Marty Whelan about those discussions
17 that he had with ODOT?

18 A. I wasn't involved with him in those
19 discussions, so there's none to show.

20 Q. Okay. So you have no idea if the
21 discussions between Marty Whelan and perhaps ODOT and
22 the contractors were vague, or if they provided any
23 sort of timeline with respect to the project, you
24 don't know really the gist of the conversations or
25 discussions; is that correct?

1 A. What I know of is the e-mails that were
2 provided to me that included Marty Whelan being in
3 the correspondence, and then also the information as
4 far as the communication with Elliott Dooley who is
5 now our operations manager.

6 Q. You say Mr. Whelan left around August 2014
7 or that's when the relationship terminated?

8 A. Yes.

9 Q. Okay.

10 EXAMINER FARKAS: Do you have a page for
11 that? Sorry.

12 MS. PIACENTINO: Oh, yes, sir. That's in
13 the testimony, page 6, line 15.

14 EXAMINER FARKAS: Thank you.

15 MS. PIACENTINO: You're welcome.

16 Q. After August 2014 and before the Complaint
17 was filed in March of 2015, were there any other
18 discussions with respect to the ODOT and Vrooman Road
19 project that you were a part of?

20 A. Yes.

21 Q. Okay. Was Marty a part of those projects
22 or discussions?

23 A. During that time frame, no.

24 Q. Was anybody from Orwell Natural Gas a part
25 of those discussions?

1 A. During that time frame, no.

2 Q. You also indicate in your testimony there
3 was a contractor, and I'll get the page number for
4 you, a contractor who was diverted to repair a gas
5 leak in Millersburg?

6 A. That is correct.

7 Q. And who is the contractor that you're
8 referencing?

9 A. Wenger Pipeline.

10 Q. Where is Wenger Pipeline located?

11 A. I don't know the exact address of where
12 they work. I know that it's in Ohio.

13 Q. Are they a contractor that OTP typically
14 does business with?

15 A. Yes.

16 Q. Do you know of any other contractors that
17 OTP does business with that would do the similar work
18 that Wenger would do?

19 A. Big Oat's Oil Field Supply.

20 Q. So when you testified that the contractor,
21 Wenger Pipeline, had been diverted to repair a gas
22 leak, did you contact Big Oat's Supply as well?

23 A. Big Oat's did not have the appropriate
24 equipment at that time to be able to do the work
25 themselves.

1 Q. Do you know if OTP contacted any other
2 contractor, outside of Wenger or Big Oat's?

3 A. Not to my knowledge.

4 Q. Do you know why?

5 A. Wenger is the company that is included in
6 our O&M Manual that allows them to do work on our
7 pipeline and that's monitored by the PUCO.

8 Q. What did you say, an "O&M"?

9 A. O&M is the Operations and Maintenance
10 Manual that you -- the PUCO has to have -- audits
11 this and it gives you a list of everybody that can do
12 work on your pipelines, and you have a standard of
13 what you have to do with your pipeline, and Wenger is
14 the -- Wenger and Big Oat's are the two companies
15 that are included on who can do work on those
16 pipelines.

17 Q. Can you make any special exceptions as to
18 allowing contractors as part of that manual, if you
19 know?

20 A. Yes, you can make adjustments to your
21 manual.

22 Q. Has OTP ever done that?

23 A. No.

24 Q. Do you know why?

25 A. Well, we did. We added Big Oat's a few

1 years back.

2 Q. Okay. So aside from Wenger and Big Oat's,
3 those are the only people as part of the manual?

4 A. Correct.

5 MS. PIACENTINO: With respect to, I guess,
6 the contractor portion of the testimony, it's
7 page 11.

8 EXAMINER FARKAS: Okay. Thank you.

9 MS. PIACENTINO: You're welcome.

10 Q. Jessica, were you a party to the
11 settlement conference that we had initially after the
12 complaint was filed in this matter?

13 A. I was.

14 Q. You were?

15 A. I was. Sorry.

16 Q. I believe that was here at the Commission;
17 is that correct?

18 A. There was one that was here and then there
19 was another by telephone.

20 Q. Okay. And in that conference did you
21 represent Orwell-Trumbull Pipeline's, I guess,
22 interests with respect to what they were going to be
23 doing with the line?

24 A. I did.

25 Q. Okay. Can you kind of summarize what

1 happened in the conference?

2 MR. M. DORTCH: Objection. Your Honor,
3 we're talking about matters discussed during a
4 settlement conference, a mediation conference. I
5 believe those matters are confidential.

6 MS. PIACENTINO: Your Honor, we allowed
7 Mr. Kroto to testify as to what was going on in the
8 settlement conference. I don't think it was called a
9 "settlement conference." I believe it was called an
10 "informal hearing."

11 MR. M. DORTCH: Actually, it was called a
12 "mediation." And again, mediation is subject to the
13 rules of confidentiality.

14 EXAMINER FARKAS: Well, is your objection
15 that it not be made public and you want this portion
16 of the transcript to be confidential?

17 MR. M. DORTCH: The objection, your Honor,
18 is that we're treading on matters that, by statute,
19 are confidential, and I don't want to go into
20 matters -- I don't know how far this is going and I
21 don't want to go into matters that I believe are, in
22 fact, confidential.

23 EXAMINER FARKAS: There was no objection
24 before and I understand that.

25 What was your question again?

1 Can you read her question again?

2 (Record read.)

3 MR. M. DORTCH: Your Honor, I would also
4 add that Mr. Kroto was not a participant to the
5 mediation conference. He was a third-party contacted
6 after and as a separate part of the mediation
7 conference. That's the end.

8 MS. PIACENTINO: I can strike -- I can
9 strike my question.

10 EXAMINER FARKAS: Okay.

11 Q. (By Ms. Piacentino) Jessica, did you
12 ever -- did you, on behalf of OTP, or OTP, ever
13 provide a timeline with respect to reconnection of
14 the line that's, I guess, part of the dispute in this
15 case?

16 A. I did.

17 Q. What was your timeline if you recall?

18 A. At that time we were hoping to be able to
19 reconnect within 30 days.

20 Q. And where did the 30 days come from?

21 A. When we had been in contact with Wenger,
22 when we first were planning on actually cutting the
23 line and then reestablishing, that had been a very
24 hard winter. There were -- I remember at the time
25 that the area was excessively muddy from what I had

1 been told and that it would be very hard to bore the
2 line at that time.

3 So they had put us off in hopes that it
4 would be easier within a couple of weeks after the
5 weather had changed a bit. So that was the idea of
6 the time frame that we had received from Wenger. And
7 then also with the hard winter, they had their own
8 projects that they had to finish first.

9 Q. Then can you tell me why the line wasn't
10 reconnected after the 30 days?

11 A. We had been told, at that point, that all
12 of the construction was going on with the bridge and
13 that it didn't allow for a lot of room for then the
14 Wenger crew to also come in, plus our crews. And the
15 customers at the north end were being served, that
16 there really wasn't any issue at that time, or threat
17 to the service, so we were kind of put on delay.

18 Q. Do you know when ODOT completed the
19 project?

20 A. Mr. Zappitello had sent me an e-mail in
21 the fall of 2015, saying that he had been in contact
22 with the State and said that they had finished up
23 their construction.

24 Q. So did you contact Wenger at that point?

25 A. We had been in contact with Wenger

1 periodically over that entire time frame. We had,
2 from what I was told, that we had had talks with them
3 about when we would be able to schedule some time.

4 Q. Do you know when that time was?

5 EXAMINER FARKAS: Let me just ask a
6 question. What was the date that Mr. Zappitello, in
7 his e-mail, indicated that ODOT -- or, is it --

8 THE WITNESS: I don't remember exactly. I
9 think it was in September, but I'm not --

10 MR. M. DORTCH: Your Honor, if you give me
11 a minute.

12 THE WITNESS: I'm sure it's in discovery.

13 MS. PIACENTINO: I think it was
14 September 22nd.

15 MR. M. DORTCH: September 22nd, your
16 Honor.

17 EXAMINER FARKAS: Of 2015?

18 MR. M. DORTCH: 2015.

19 EXAMINER FARKAS: Okay. Thank you.

20 MR. M. DORTCH: It is Attachment D to
21 Mr. Zappitello's testimony.

22 EXAMINER FARKAS: Thank you.

23 Q. (By Ms. Piacentino) During this time
24 period -- I guess, strike that.

25 After you received the notice from

1 Mr. Zappitello around September of 2015, had you been
2 in any contact or communication with the Trustee or
3 the lawyer for the Trustee with respect to the status
4 of the line?

5 A. No.

6 Q. Okay. Why is that?

7 A. Because I wasn't ordered to.

8 Q. "Ordered to." Who would have ordered you
9 to communicate with them?

10 A. Anyone. The State. Anyone.

11 Q. Were you here for Mr. Kroto's testimony
12 earlier?

13 A. I was.

14 Q. Okay. Were you aware that Mr. Kroto was
15 also under the impression that line would be
16 connected within about a month?

17 A. He was a part of the conversations that we
18 had that initially had said that was our initial
19 plan.

20 Q. So you didn't feel it necessary to let him
21 know the change in plan?

22 A. No.

23 Q. Do you know anything about -- strike that.

24 When was the first time that OTP, if you
25 recall or if you were a part of it, got the pricing

1 for the reconnection of the line?

2 A. It was -- the first time was before I had
3 any part of it, so it was -- it was probably as early
4 as 2013.

5 Q. Do you know the most recent pricing, if
6 you've gotten any, and what year that would have come
7 in?

8 A. As far as I know, when we were talking
9 about reestablishing the line back a year ago, in
10 2015, the quotes had remained the same.

11 Q. Were those the same quotes that OTP had,
12 for its knowledge, when they based the 30-day window
13 for reconnection of the line?

14 A. Yes.

15 Q. All right. Those are still the same
16 quotes that they're basing it on for reconnection of
17 the line currently to this date?

18 A. That's what I was told, yes.

19 Q. Is there a reason you haven't gotten
20 updated pricing or reached out to contractors with
21 respect to reconnection of the line?

22 A. We don't have plans on reconnecting the
23 line immediately, so we have not gotten updated
24 quotes.

25 Q. Did you have plans of reconnecting the

1 line, though, as you conveyed, within 30 days?

2 A. When we had been in plans of doing it 30
3 days from when we severed the line, I had been told
4 that those were the same quotes that would be able to
5 be used. So we didn't need to get another set of
6 quotes because those were the same -- those were
7 still good numbers.

8 EXAMINER FARKAS: Are the prices, the
9 quotes you're talking about, are they the prices that
10 are on page 11 of your testimony, lines 14 and 15,
11 between \$79,000 and \$137,500?

12 THE WITNESS: Yes, sir.

13 EXAMINER FARKAS: Okay. Thank you.

14 Q. Earlier you had mentioned Big Oat's as a
15 contractor. Do you know who owns Big Oat's?

16 A. Richard Osborne.

17 MS. PIACENTINO: Okay. I don't have
18 anything further right now.

19 EXAMINER FARKAS: Okay. Any questions?

20 MR. KUMAR: I just have a few questions.
21 Excuse me, I'm recovering from a sore throat.

22 - - -

23 CROSS-EXAMINATION

24 By Mr. Kumar:

25 Q. You stated in your testimony that a

1 contractor was diverted to deal with a leak in, I
2 guess, Millersburg?

3 A. Yes, sir.

4 Q. And that was a leak on Cobra Pipeline?

5 A. Yes.

6 Q. And that leak was also fixed at the
7 request of Orwell Natural Gas?

8 A. No.

9 Q. Who was the leak, I guess, fixed at the
10 request of?

11 A. Well, we knew that we had to fix the leak,
12 but it serves -- that area of line serves Northeast
13 Ohio Natural Gas, and if we did not fix that leak
14 immediately, because it was in the late fall,
15 temperatures were continuing to drop, and if we
16 hadn't fix it it would have put out the town of
17 Millersburg for northeast Ohio.

18 Q. When you diverted that contractor, did you
19 inform anyone at Orwell or Gas Natural, the parent
20 company, that it was -- it would change the timeline
21 for fixing the line under I-90 off of Vrooman Road?

22 A. No.

23 Q. Okay. Just one more question. The entire
24 OTP system, that's classified as a higher -- it's
25 classified as high-pressure distribution by the PUCO;

1 isn't that correct?

2 A. Yes.

3 MR. KUMAR: I have no further questions.

4 EXAMINER FARKAS: I have a couple of
5 questions.

6 In a filing that Orwell-Trumbull made,
7 indicating that they believed the Complaint was
8 satisfied, this was on April 3rd, 2015, and I can
9 show this to you. It's indicated, on page 3, excuse
10 me, OTP anticipated it would complete construction of
11 a new line beneath I-90 for a mere additional \$1,300.
12 I'm not sure how that coincides with your reference.

13 THE WITNESS: That's incorrect.

14 EXAMINER FARKAS: Okay.

15 THE WITNESS: I think that was a typo.

16 MR. M. DORTCH: You can go ahead and
17 answer.

18 THE WITNESS: That's an incorrect amount.

19 EXAMINER FARKAS: Okay. All right.

20 MR. M. DORTCH: Your Honor, as the author
21 of that particularly badly-grammatically-constructed
22 sentence, I can tell you that what I was trying to
23 convey was the idea that Orwell Natural Gas could
24 serve those customers for \$1,300, not that we could
25 replace the line for \$1,300.

1 EXAMINER FARKAS: Okay. All right.

2 MR. M. DORTCH: And when I went back --
3 when I first heard about this, I went back and read
4 it and I said "I don't know what I was thinking."

5 EXAMINER FARKAS: Okay. All right.

6 Can you tell me the length of the line
7 that was -- well, when -- strike that.

8 When ODOT approached OTP about the
9 project, were you working for OTP?

10 THE WITNESS: Initially?

11 EXAMINER FARKAS: Well, at the time, at
12 the commencement of this project.

13 THE WITNESS: I had been working for
14 Orwell-Trumbull when they were initially contacted
15 about moving the line. I was not the one that was in
16 contact with ODOT.

17 When we received notification, just kind
18 of a summary of the conversation, it was "If you
19 don't cut the line, we are," I was a part of that
20 conversation.

21 EXAMINER FARKAS: Okay. And when you say
22 "moving the line," are you actually talking about
23 removing pipeline?

24 THE WITNESS: We didn't have to remove the
25 pipeline. We had to abandon the line where it was

1 and bore and construct a new pipeline that was
2 outside of the construction zone of where the bridge
3 is.

4 EXAMINER FARKAS: So has OTP actually
5 constructed a new pipeline underneath I-90?

6 THE WITNESS: No, we have not.

7 EXAMINER FARKAS: Okay. So is the line
8 that was there, still there, just not useable?

9 THE WITNESS: That's correct.

10 EXAMINER FARKAS: Okay. And what's the
11 distance, the length of the line that was made
12 unusable?

13 THE WITNESS: Approximately a thousand
14 feet.

15 EXAMINER FARKAS: Okay. Did OTP receive
16 any compensation from ODOT as a result of this
17 project?

18 THE WITNESS: No, sir.

19 EXAMINER FARKAS: Okay. OTP was just
20 directed to remove the line by ODOT.

21 THE WITNESS: Correct.

22 EXAMINER FARKAS: Okay. That's all I
23 have.

24 Any redirect?

25 MR. M. DORTCH: Your Honor, I actually

1 have no redirect of Ms. Carothers. I do have a
2 couple of questions that are more of a rebuttal to an
3 earlier witness, kind of thing. So I can terminate
4 this and then call her again on rebuttal, or just go
5 to rebuttal, if you like.

6 MS. PIACENTINO: I don't have any
7 problems. You can go ahead.

8 EXAMINER FARKAS: Go ahead.

9 MR. M. DORTCH: Thank you.

10 - - -

11 DIRECT EXAMINATION - REBUTTAL

12 By Mr. M. Dortch:

13 Q. Ms. Carothers, you have heard ONG
14 witnesses testify about their concerns with the use
15 of compressed natural gas today, correct?

16 A. Yes.

17 Q. Are you aware of Orwell Natural Gas
18 serving customers other than these 14 customers --
19 strike that. I said "compressed natural gas."

20 You've also heard their concerns about
21 serving customers solely from production gas.

22 A. Yes.

23 Q. Are you aware of a situation anywhere in
24 the Orwell Natural Gas system in which Orwell Natural
25 Gas is serving customers solely by production gas,

1 other than these 14 customers on Vrooman Road?

2 A. I don't know that they are serving it
3 solely with production gas. I do know that they use
4 production gas on their systems, in addition to
5 transportation -- transported gas.

6 MR. M. DORTCH: Okay. I have no further
7 questions.

8 MS. PIACENTINO: Nothing. Nothing
9 further.

10 MR. KUMAR: Your Honor, can I ask for a
11 5-minute recess? I'd like to -- I guess since
12 Mr. Dortch called a rebuttal witness, I may call a
13 rebuttal witness as well.

14 EXAMINER FARKAS: To rebut what or who?

15 MR. KUMAR: Some of Ms. Carothers'
16 testimony regarding compressed natural gas.

17 EXAMINER FARKAS: The testimony she just
18 gave?

19 MR. KUMAR: Yes.

20 EXAMINER FARKAS: Let's stand down for
21 5 minutes.

22 (Off the record.)

23 EXAMINER FARKAS: Let's go back on the
24 record.

25 MR. KUMAR: Your Honor, excuse me. I have

1 no further questions and I will not be calling a
2 rebuttal witness.

3 EXAMINER FARKAS: Okay. Thank you.

4 MR. M. DORTCH: Your Honor, I have one
5 stipulated exhibit I would like to have admitted.

6 This would be OTPC No. 3.

7 (EXHIBIT MARKED FOR IDENTIFICATION.)

8 MR. M. DORTCH: Your Honor, this is OTPC
9 No. 3, and the sole purpose of the exhibit, your
10 Honor, is that there was -- I was concerned that
11 there was an impression made by the witnesses'
12 testimony that Orwell-Trumbull Pipeline Company had
13 not complied with the Commission order to provide a
14 status report. In fact, Orwell-Trumbull Pipeline
15 Company was not ordered to do so; I was ordered to do
16 so, Counsel specifically. These are my e-mails to
17 the Commission, providing a status report at the time
18 the line was severed.

19 EXAMINER FARKAS: Just for the record, the
20 page that ends in "98" is a blank on my copy.

21 MR. J. DORTCH: That's my part, your
22 Honor, that's because it was an attachment as part of
23 an e-mail and that's the first thing that popped up.

24 EXAMINER FARKAS: I just want to be sure
25 that was the intention.

1 Okay.

2 MS. PIACENTINO: I have nothing further,
3 your Honor.

4 EXAMINER FARKAS: Okay. Do you have
5 anything further?

6 MR. M. DORTCH: Nothing further from
7 Respondent, your Honor.

8 MR. KUMAR: OCC doesn't have anything
9 else.

10 EXAMINER FARKAS: Your exhibits, are you
11 moving to admit those?

12 MR. M. DORTCH: I move to admit
13 Exhibits 1, 2, and 3.

14 EXAMINER FARKAS: Any objection to the
15 admission of OTP Exhibits 1, 2, and 3?

16 MS. PIACENTINO: No objection.

17 MR. KUMAR: No.

18 EXAMINER FARKAS: They will be admitted.

19 (EXHIBITS ADMITTED INTO EVIDENCE.)

20 EXAMINER FARKAS: Okay. Let's go off the
21 record for a second.

22 (Discussion off the record.)

23 EXAMINER FARKAS: Let's go back on the
24 record. Off the record we had a discussion as to a
25 possible stipulation from Mr. Dortch, and so we are

1 going to allow him to do that. In the interim,
2 briefs, initial briefs will be due on April 28th, and
3 reply briefs will be due May 6th. If, in the event a
4 stipulation is agreed to, then the briefing schedule
5 would be suspended/eliminated.

6 MR. M. DORTCH: Thank you, your Honor.

7 MS. PIACENTINO: Thank you, your Honor.

8 EXAMINER FARKAS: Anything further?

9 MS. PIACENTINO: Nothing further.

10 EXAMINER FARKAS: Okay. We're done.

11 (Thereupon, the proceedings concluded at
12 12:08 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Tuesday, March 22, 2016, and carefully compared with my original stenographic notes.

Carolyn M. Burke, Registered
Professional Reporter, and
Notary Public in and for the
State of Ohio.

My commission expires July 17, 2018.

- - -

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Summary: Transcript in the matter of Orwell Natural Gas Company vs. Orwell-Trumbull Pipeline Company, LLC hearing held on 03/22/16 electronically filed by Mr. Ken Spencer on behalf of Armstrong & Okey, Inc. and Burke, Carolyn