

In the Matter of the Application of :
Cobra Pipeline Company, LTD : Case No.18-1549-PL-AEM
For an Emergency Increase in its :
Rates and Charges :

**APPLICATION FOR AN EMERGENCY
INCREASE IN ITS RATES AND CHARGES**

Now comes the Applicant, Cobra Pipeline Company, LTD (“Cobra”), which files this application pursuant to Ohio Revised Code (“R.C.”) §4909.16 for an emergency increase in its tariff rates for providing transportation of natural gas for its entire service area. Cobra is in urgent need of financial rate relief and requests that the Public Utilities Commission of Ohio (“PUCO” or “Commission”) schedule a hearing as soon as possible.

In support of its application, Cobra respectfully states the following:

I. JURISDICTION

- 1) Cobra is a limited liability company duly organized and existing under the laws of the State of Ohio.
- 2) Cobra is engaged in the transportation of natural gas in Ohio, and, as such, is defined to be a pipeline company under R.C. § 4905.03(f).
- 3) As a pipeline company, Cobra is defined to be a public utility under R.C. § 4905.02.
- 4) As a public utility, Cobra is regulated by and is subject to the jurisdiction of the Commission.

II. THE HISTORY OF COBRA’S RATES.

- 5) On December 19, 2005, Cobra filed an application, in Case No. 05-1538-PL-ATA, for approval of its tariff (“First Application”).

- 6) On June 27, 2007, this Commission issued an Order (“2007 Order”), in Case No. 05-1538-PL-ATA, that approved Cobra’s First Application. This Order set rates as follows:
- a. Firm Transportation Service:
 - i. Demand Charge = $\$0.50 \times \text{MDQ} \times \text{number of days in the month}$
 - ii. Commodity Charge = $\$0.10 \text{ per Dth}$
 - iii. Unauthorized Daily Overrun Charge = $\$0.50 \text{ per Dth}$
 - b. Interruptible Transportation Service:
 - i. Commodity Charge = $\$0.50 \text{ per Dth}$.¹
- 7) Cobra has operated under that tariff since it was filed.
- 8) On June 15, 2016 in Case No. 15-637-GA-CSS, the Commission issued an Opinion and Order (“2016 Order”) that, in part, stated:
- ... OTP, Cobra, and any other pipeline companies owned or controlled by Richard Osborne and regulated by the Commission should file, within 60 days of this Opinion and Order, a rate case application, pursuant to R.C. Chapter 4909, to establish just and reasonable rates including a standard rate for both firm and interruptible service.
- 9) Pursuant to Ohio Admin. Code (“O.A.C.”) §4901-7-01 and the Chapter IV of the Amended Appendix to that rule, Cobra complied with the 2016 Order on August 15, 2016, by filing an abbreviated Application for an Increase in its Rates and Charges (“Mandated Application”). The Mandated Application was docketed as Case No. 16-1725-PL-AIR (“Mandated Rate Case”), and identified a test year ending December 31, 2015, the most recent fiscal year available.

¹ A copy of Cobra’s current Tariff is attached as Exhibit F.

10) O.A.C. §4901-7-01 and its Amended Appendix Chapter IV, is “. . . intended to minimize the necessity for formal hearings. . . , to reduce filing requirements, and . . . shorten the time period between the application and commission order.”

11) On September 26, 2016, Cobra amended the Mandated Application (“Amended Application”), in response to a request filed by the Commission’s Staff dated and filed August 25, 2016.

12) On November 9, 2016, the Commission issued an Entry that accepted Cobra’s Amended Application as filed on September 26, 2016.

13) The Mandated Rate Case remains pending as of the date of this filing.

III. COBRA’S FINANCIAL STATUS HAS DETERIORATED DRAMATICALLY DURING THE TWO YEARS SINCE THE MANDATED RATE CASE WAS FILED.

A. DECREASE IN REVENUES.

14) Cobra has seen a dramatic decrease in the volumes that are shipped on its systems since December 31, 2015. Specifically, when compared to 2015, Cobra’s volumes decreased by more than 20% in 2016 and 2017.

15) Cobra has seen additional losses in volumes in 2018. Specifically, as of July 1, 2018, Cobra’s volumes fell from an additional 23% when compared to 2017.² This decrease is due, in large part, to: (1) Cobra’s largest transportation customers reliance upon local production gas instead of transporting natural gas from Chicago Citygate (“Citygate”); (2) Cobra’s largest transportation customer constructing its own delivery system to transport natural gas; and (3) the loss of a large wholesale customer.³

² Volumes are down a total of 37.7% in 2018 compared to the same time period (January 1st to July 1st) in 2015.

³ An excel spreadsheet titled “Cobra Monthly Volumes” is attached as Exhibit G. Exhibit G shows Cobra’s total deliveries and receipts for each month during 2010 – 2018.

16) In addition, Cobra has been forced to temporarily stop operating its Churchtown (“CT”) stripping station. This is because the CT has been shut in by Columbia Gas Transmission Company (“TCO”). TCO shut in CT because the flow of production gas from CT to the TCO interconnect has a high liquid content. Many of the CT’s producers have a dual feed ability and are capable of selling onto either Cobra or Dominion East Ohio Gas Company (“Dominion”). CT’s producers have moved to Dominion in order to sell their natural gas. In addition, natural gas prices from CityGate are higher than those currently from TCO, which receives natural gas from the Utica Shale development. Therefore, TCO’s shut in will likely continue unless either: (a) the Utica Shale exploration ends; or (2) customers with options to purchase natural gas voluntarily seek to pay high commodity prices.

17) Because of these factors, Cobra’s current rates do not provide sufficient revenues to cover the cost of its operations.

B. INCREASE IN EXPENSES.

18) Furthermore, Cobra saw its expenses increase in 2017. Specifically, Cobra’s expenses increased 28% in 2017 compared to 2016.⁴

19) This increase in expenses has been further exacerbated in 2018 due to the fact that Cobra is no longer affiliated with Orwell-Trumbull Pipeline Company, LLC (“OTP”). Until February, 2018, OTP and Cobra shared space and employees. During February, 2018, Zachary B. Burkons of Rent Due, LLC (“Receiver”) was placed in control of OTP and severed all relationships with Cobra.

20) The Receiver’s actions have forced Cobra to: (1) bear 100% of its employees’ salaries and benefits; and (2) locate independent office space, resulting in an increase in Cobra’s rent.

⁴ Cobra’s Income Statements for 2016 and 2017 are attached as Exhibit H.

IV. STANDARD FOR AN EMERGENCY RATE CASE.

21) R.C. §4909.16 states:

When the public utilities commission deems it necessary to prevent injury to the business or interests of the public or of any public utility of this state in case of any emergency to be judged by the commission, it may temporarily alter, amend, or, with the consent of the public utility concerned, suspend any existing rates, schedules, or order relating to or affecting any public utility or part of any public utility in this state. Rates so made by the commission shall apply to one or more of the public utilities in this state, or to any portion thereof, as is directed by the commission, and shall take effect at such time and remain in force for such length of time as the commission prescribes.

22) The Supreme Court of Ohio has consistently construed R.C. §4909.16 as vesting the

Commission with broad discretionary powers in determining when an emergency exists, and in tailoring a remedy which will enable the public utility involved to meet that emergency. See *Cambridge v. Pub. Util. Comm.* (1953), 159 Ohio St. 88; *Jackson v. Pub. Util. Comm.* (1953), 159 Ohio St. 123; and *Manufacturer's Light and Heat Co. v. Pub. Util. Comm.* (1955), 163 Ohio St. 78.

23) In addition, the Commission has established the following standards in order to weigh the merits of an emergency application:

- a. Emergency rate relief is “extraordinary” in nature;
- b. The existence of an “emergency” is a condition precedent to temporary relief;
- c. Temporary relief will be granted only at the “minimum level necessary” to avert or relieve the emergency;
- d. An applicant’s evidence will be reviewed with the “strictest scrutiny” and the evidence must “clearly and convincingly” demonstrate the “extraordinary circumstances” which constitute a genuine emergency situation; and

- e. Emergency rate relief will not be granted to circumvent or as a substitute for permanent rate proceedings and relief.

See Commission's Opinions and Orders in: (1) *Akron Thermal, LP*, Case No. 00-2260-HT-AEM (June 26, 2001); (2) *Lakeland Utilities Company*, Case No. 90-1613-WS-AEM (January 9, 1992); and (3) *Toledo Edison, Co.*, Case No. 84-1286-EL-AEM (February 19, 1985).

V. COBRA REQUESTS A SURCHARGE TO IMPLEMENT THE EMERGENCY RATE.

- 24) Because of the urgent financial emergency caused by Cobra's decrease in revenues and increase in expenses, Cobra respectfully requests a hearing as soon as possible and respectfully requests that the Commission approve emergency rate relief in the form of a surcharge. The economic changes incurred by Cobra have jeopardized its ability to provide quality transportation of natural gas to all its customers and created an emergency affecting the public interest, as well as Cobra's business interests.
- 25) Cobra asks that the surcharge be applied to all of its transportation customers on a per Dth shipped and on a bill rendered basis ("Surcharge"). Cobra seeks the Surcharge as temporary relief until either: (a) the Commission issues an Order in the Mandated Rate Case that reflects the current status of Cobra, and ignores the 2015 test year that was established nearly two years ago; or (b) the Commission directs Cobra to file a new rate case reflecting the current status of Cobra, and the Commission has issued an Order in that case. Cobra submits the current status of the company will demonstrate that a much larger increase than the Surcharge requested here is warranted.

26) Cobra asks that the Surcharge be applied to the following: (a) the demand charge on firm service; (b) the unauthorized daily overrun charge on firm service; and (c) the commodity charge on interruptible service.

27) Cobra asks that the Surcharge reflect a 110% increase (i.e., a total rate of \$1.05 per Dth). Cobra asserts that this emergency rate would still be more than 35% less than the transportation rates of its nearest competitor providing transportation service.

28) In support of its emergency application, Cobra will submit the following information:

- a. Exhibit A to be an income statement reflecting revenues and expenses beginning January 1, 2018 and that has been estimated out until December 31, 2018 (“Test Year”);
- b. Exhibit B to provide both the actual and estimated monthly volumes for the Test Year;
- c. Exhibit C will be the invoices Cobra has sent to customers to confirm the volumes during the Test Year;
- d. Cobra will provide a balance sheet for the Test Year as Exhibit D;
- e. Exhibit E to reflect the proposed rates for transportation service.
- f. Cobra will make any additional information requested available to the PUCO’s Staff on ten (10) days notice.

Wherefore, Cobra respectfully request that the Commission:

- a) Find that Cobra is in an emergency situation and that it is necessary, pursuant to R.C. §4909.16, to alter Cobra’s tariff rates so as to prevent further and continuing injury to Cobra’s business and the public interest;

- b) Authorize the Applicant to temporarily place the proposed Surcharge in effect until such time as permanent rate relief is granted; and
- c) Grant such other relief as the Commission finds to be fair and reasonable under the circumstances.

Respectfully submitted,

/s/ Michael D. Dortch

Michael D. Dortch (0043897)

Justin M. Dortch (00900048)

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Attorneys for Applicant

COBRA PIPELINE COMPANY, LTD

In the Matter of the Application of :
Cobra Pipeline Company, LTD : Case No.18-_____-PL-AEM
For an Emergency Increase in its :
Rates and Charges :

**EXHIBIT E TO COBRA'S APPLICATION FOR AN EMERGENCY
INCREASE IN ITS RATES AND CHARGES**

7. Transportation Rate

FIRM TTRANSPORTATION SERVICE:

Demand Charge (fixed charge paid
Regardless of volumes transported:) \$1.05 x MDQ x # of days in the month

Commodity Charge (paid only on
Quantity transported): \$0.10 per Dth

Unauthorized Daily Overrun Charge: \$1.05 per Dth

INTERRUPTIBLE TRANSPORTATION SERVICE:

Commodity Charge (paid only on
quantity transported): \$1.05 per Dth

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of
Cobra Pipeline Company, LTD
For an Emergency Increase in its
Rates and Charges

:
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Case No.18-_____-PL-AEM

VERIFICATION

STATE OF OHIO

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COUNT OF Lake

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I, Richard Osborne, Managing Member of Cobra Pipeline Company, LTD ("Cobra"), hereby affirm that the information contained in this application is true and correct to the best of my knowledge.

Richard Osborne

Richard Osborne, Managing Member

Sworn and subscribed before me this 15th day of October _____, 2018.



WILLIAM P SOCHOR
Notary Public
In and for the State of Ohio
My Commission Expires
February 12, 2022

William P. Sochor

Cobra Pipeline Company, LTD
Income Statement
Projected Year 2018

	1/1 to 8/31/18	9/1 to 12/31/18	Projected Totals 2018
Revenues			
Telemeter Charges CT	1,000.00	500.00	1,500.00
Telemeter Charges HV	9,000.00	4,125.00	13,125.00
Telemeter Charges NT	5,875.00	3,000.00	8,875.00
Rev Firm Demand Chg CT	138,112.50	33,350.00	171,462.50
Rev Firm Demand Chg HV	347,662.50	83,950.00	431,612.50
Rev Firm Demand Chg NT	66,675.00	16,100.00	82,775.00
Rev Firm Overrun Chg CT	43,974.85	17,974.50	61,949.35
Rev Firm Overrun Chg HV	159,334.45	20,000.00	179,334.45
Rev Firm Overrun Chg NT	18,293.20	6,086.50	24,379.70
Rev Interrupt Commod Chg CT	39,844.12	10,007.70	49,851.82
Rev Interrupt Commod Chg HV	359,098.15	129,304.75	488,402.90
Rev Interrupt Commod Chg NT	385,915.28	125,845.00	511,760.28
Rev Interrupt Commod Chg CLE	7,020.40	13,358.00	20,378.40
Rev Process/Compress CT	12,104.55	2,185.00	14,289.55
Adjust for 2018 billings not paid	(312,282.10)		(312,282.10)
Adjust for 2018 billings paid	(150,576.95)		(150,576.95)
Sales of Extracted Product CT	0.00		0.00
Total Revenues	1,131,050.95	465,786.45	1,596,837.40
Gross Profit	1,131,050.95	465,786.45	1,596,837.40
Expenses			
Opr Proc Extracting Matls CTP	425.00	0.00	425.00
Loss on Compress Gas Encroachm	15,800.00	0.00	15,800.00
Opr Proc Transp Prod CTP	0.00	0.00	0.00
Opr Compr Other Purch CTC	10,233.32	0.00	10,233.32
Opr Mains Other Purch CT	40,369.27	20,000.00	60,369.27
Opr Mains Other Purch HV	31,455.81	15,000.00	46,455.81
Opr Mains Other Purch NT	46,606.89	23,000.00	69,606.89
Customer and TCO Imbalance Adj	0.00	0.00	0.00
Lease Expenses CT	1,181.13	400.00	1,581.13
Lease Expenses HV	2,960.82	1,000.00	3,960.82
Lease Expenses NT	813.00	0.00	813.00
Salaries and Wages	324,722.67	175,000.00	499,722.67
Admin Supp/Exp Other Purch	223,520.56	61,478.00	284,998.56
Professional Services-Consult	500.00	0.00	500.00
Professional Svsc-Acct/Audit	0.00	1,500.00	1,500.00
Professional Services-Legal	83,230.37	66,590.00	149,820.37
Professional Svcs-Nomination	16,740.00	8,400.00	25,140.00
Property/General Insurance	24,584.61	16,800.00	41,384.61
Insurance Workers Comp	3,655.62	0.00	3,655.62
Admin Benefits	43,800.89	23,200.00	67,000.89
Maint Mains Other Purch HV	0.00	5,000.00	5,000.00
Maint Compr Other Purch CTC	2,217.72	1,100.00	3,317.72
Depreciation Expense	309,661.45	155,170.32	464,831.77
Vehicle and Equipment Leased	1,703.92	900.00	2,603.92

Cobra Pipeline Company, LTD
Income Statement
Projected Year 2018

	1/1 to 8/31/18	9/1 to 12/31/18	Projected Totals 2018
Regulatory - Safety	73,888.25	12,200.00	86,088.25
Excise Taxes	72,744.00	20,278.00	93,022.00
Other Taxes - Payroll Taxes	29,125.69	15,000.00	44,125.69
PP Tax Estimate & True Up	23,539.73	500,000.00	523,539.73
Real Estate Taxes - CT (Wash)	957.11	1,000.00	1,957.11
Real Estate Taxes - HV(Holmes)	82.94	85.00	167.94
Real Estate Taxes - NT (Trum)	4,243.84	0.00	4,243.84
Misc (Income)Expense	0.00	0.00	0.00
(Gain)/Loss on Sale of Assets	0.00	0.00	0.00
Interest Exp L/T Debt	78,514.45	39,000.00	117,514.45
Interest Expense	47.86	382.88	430.74
Total Expenses	1,467,326.92	1,162,484.20	2,629,811.12
Net Income	(\$ 336,275.97)	(\$ 696,697.75)	(\$ 1,032,973.72)

EXHIBIT B TO COBRA'S APPLICATION WITHHELD AND FILED
UNDER SEAL

EXHIBIT C TO COBRA'S APPLICATION WITHHELD AND FILED
UNDER SEAL

Cobra Pipeline Company, LTD
Balance Sheet

ASSETS

	8/31/2018	12/31/2018
Current Assets		
Cash Lake National - 9572	\$ 65.00	65.00
Cash - Fifth Third	(35,959.17)	20,000.00
A/R Customers	639,527.21	881,913.81
A/R 2017 Billings Not Paid	(374,282.10)	(374,282.10)
A/R 2017 Billings Paid	(348,312.85)	(348,312.85)
A/R 2018 Billings Not Paid	(312,282.10)	(312,282.10)
A/R 2018 Billings Paid	(150,576.95)	(150,576.95)
A/R Assoc Entities (Schedule 1)	4,186,923.42	4,186,923.42
Prepaid Insurance	40,035.91	25,616.83
Customer Exchange Gas	<u>(91,822.19)</u>	<u>(91,822.19)</u>
Total Current Assets	3,553,316.18	3,837,242.87
Property and Equipment (Schedule 2)	25,561,296.89	25,561,296.89
Construction Work in Progress (Schedule 2)	170,858.13	170,858.13
Accumulated Depreciation (Schedule 2)	<u>(21,329,145.16)</u>	<u>(21,484,315.48)</u>
Total Property and Equipment	<u>4,403,009.86</u>	<u>4,247,839.54</u>
Total Assets	<u>\$ 7,956,326.04</u>	<u>8,085,082.41</u>

LIABILITIES AND CAPITAL

Current Liabilities		
N/P Insurance Financing	\$ 28,838.16	18,023.85
A/P Vendors	164,523.49	586,466.25
A/P Clearing	(56.70)	(56.70)
A/P - Suspense Account	3,965.00	3,965.00
A/P Assoc Co - OTP	1,991,409.66	1,991,409.66
A/P Assoc Co - OsAir	6,200.59	56,200.59
Accrued Payroll	7,209.00	14,000.00
Accrued Interest Payable - Assoc Entities	369,180.00	369,180.00
Accrued Excise Taxes	280,965.58	291,634.58
Note Payable Huntington ST	2,190,507.37	2,065,307.00
A/P - TCO Exchange Gas	<u>333,318.46</u>	<u>333,318.46</u>
Total Current Liabilities	5,376,060.61	5,729,448.69
Long-Term Liabilities		
Notes Payable Vehicles & Equip (Schedule 3)	161,565.18	133,631.22
Reserve for PP Taxes	<u>4,223,539.73</u>	<u>4,723,539.73</u>
Total Long-Term Liabilities	<u>4,385,104.91</u>	<u>4,857,170.95</u>
Total Liabilities	9,761,165.52	10,586,619.64
Capital		
Paid-In Capital - RMO	(502,887.91)	(502,887.91)
Paid-In Capital FCCC Co. II	102,579.00	102,579.00
Retained Earnings Beginning	(215,334.65)	(215,334.65)
Adjust for 2017 billings not paid	(374,282.10)	(722,594.95)
Adjust for 2017 billings paid	(348,312.85)	
Adjust for pre-2018 IMP CWIP expenses	(130,325.00)	(130,325.00)
Net Income	<u>(336,275.97)</u>	<u>(1,032,973.72)</u>
Total Capital	<u>(1,804,839.48)</u>	<u>(2,501,537.23)</u>
Total Liabilities & Capital	<u>\$ 7,956,326.04</u>	<u>\$ 8,085,082.41</u>

Cobra Pipeline Company Ltd
Balance Sheet Schedule 1 - A/R Associated Entities

A/R Assoc Co Interest	166,862.00
A/R Clearing	(29,028.01)
A/R Assoc Co. - OTP	85,914.29
A/R Assoc Co. - Lake Shore	1,100,107.59
A/R Assoc Co - Chowder	103,638.31
A/R Assoc Co - NEO	399,765.00
A/R Assoc Co - Ohio Rural Nat	7,598.24
A/R Assoc Co - Nat Gas Marketi	2,023.13
A/R Assoc Co - Heisley Hopkins	28,500.00
A/R Assoc Co - GP	1,900.00
A/R Assoc Co - Big Oats	37.50
A/R Asoc-Lightning PipelineLtd	176,291.73
A/R Assoc Co - Cubby's	268.94
A/R Assoc Co - RMO	2,143,044.70
	4,186,923.42

Cobra Pipeline Company Ltd
Balance Sheet Schedule 2 - Plant

8/31/2018

Land & Land Rights-CT	123,067.09
Land & Land Rights-HV	8,497.44
Land & Land Rights-NT	30,707.92
Right-of-Ways-CT	180,838.42
Right-of-Ways-HV	127,686.66
Right-of-Ways-NT	517,807.40
Mains-CT	8,652,522.54
Mains-HV	4,240,347.16
Mains-NT	5,737,888.46
Mains-Grain Dryers	351,206.27
Compressor Station Equip-CT	1,525,982.04
Meas & Reg Station Equip-CT	732,397.76
Meas & Reg Station Equip-HV	731,780.13
Meas & Reg Station Equip-NT	477,225.85
Meas & Reg Stat Equip-Grain Dr	404,660.83
Communication Equipment-CT	312,912.50
Communication Equipment-WLBY	278,101.84
Other Equipment-CT	133,279.38
Other Equipment-HV	66,435.05
Structures & Improvements-WLBY	4,080.00
Office Furniture & Equip-WLBY	93,045.84
Transportation Equipment-CT	106,448.07
Transportation Equipment-HV	135,798.79
Transportation Equipment-NT	67,512.37
Transportation Equipment-WLBY	314,366.00
Tools, Shop, & Garage Equip.	11,980.67
Tools & Garage Equip-CT	15,433.81
Tools & Garage Equip-HV	11,969.11
Tools & Garage Equip-WLBY	165,793.57
Laboratory Equipment-CT	1,523.92
CWIP-ESD System upgrade	1,497.59
CWIP-V355 HCA Distributn Chang	141,027.33
CWIP-Q452 Tap Install	11,209.90
CWIP-Aspire Tap on 602	54.04
	25,561,296.89

12/31/2018

Land & Land Rights-CT	123,067.09
Land & Land Rights-HV	8,497.44
Land & Land Rights-NT	30,707.92
Right-of-Ways-CT	180,838.42
Right-of-Ways-HV	127,686.66
Right-of-Ways-NT	517,807.40
Mains-CT	8,652,522.54
Mains-HV	4,240,347.16
Mains-NT	5,737,888.46
Mains-Grain Dryers	351,206.27
Compressor Station Equip-CT	1,525,982.04
Meas & Reg Station Equip-CT	732,397.76
Meas & Reg Station Equip-HV	731,780.13
Meas & Reg Station Equip-NT	477,225.85
Meas & Reg Stat Equip-Grain Dr	404,660.83
Communication Equipment-CT	312,912.50
Communication Equipment-WLBY	278,101.84
Other Equipment-CT	133,279.38
Other Equipment-HV	66,435.05
Structures & Improvements-WLBY	4,080.00
Office Furniture & Equip-WLBY	93,045.84
Transportation Equipment-CT	106,448.07
Transportation Equipment-HV	135,798.79
Transportation Equipment-NT	67,512.37
Transportation Equipment-WLBY	314,366.00
Tools, Shop, & Garage Equip.	11,980.67
Tools & Garage Equip-CT	15,433.81
Tools & Garage Equip-HV	11,969.11
Tools & Garage Equip-WLBY	165,793.57
Laboratory Equipment-CT	1,523.92
CWIP-ESD System upgrade	1,497.59
CWIP-V355 HCA Distributn Chang	141,027.33
CWIP-Q452 Tap Install	11,209.90
CWIP-Aspire Tap on 602	54.04
	25,561,296.89

Cobra Pipeline Company Ltd
Balance Sheet Schedule 2 - Plant

8/31/2018

12/31/2018

CWIP-Main GateRiser Cleanup CT	2,328.80	CWIP-Main GateRiser Cleanup CT	2,328.80
CWIP-Smith Valve Repair HV	3,071.88	CWIP-Smith Valve Repair HV	3,071.88
CWIP-HV L3227 line retirement	4,411.09	CWIP-HV L3227 line retirement	4,411.09
CWIP V-355 Folsom	4,020.00	CWIP V-355 Folsom	4,020.00
CWIP V-355 Perkins Jones	3,237.50	CWIP V-355 Perkins Jones	3,237.50
A/D-Land & Land Rights-CT	(4,624.72)	A/D-Land & Land Rights-CT	(4,624.72)
A/D-Land & Land Rights-HV	(3,783.11)	A/D-Land & Land Rights-HV	(3,831.75)
A/D-Land & Land Rights-NT	(583.80)	A/D-Land & Land Rights-NT	(592.92)
A/D-Right-of-Ways-CT	(174,599.43)	A/D-Right-of-Ways-CT	(176,608.75)
A/D-Right-of-Ways-HV	(118,147.53)	A/D-Right-of-Ways-HV	(119,565.25)
A/D-Right-of-Ways-NT	(506,557.91)	A/D-Right-of-Ways-NT	(506,719.19)
A/D-Mains-CT	(8,393,752.21)	A/D-Mains-CT	(8,414,507.37)
A/D-Mains-HV	(3,581,951.71)	A/D-Mains-HV	(3,613,673.03)
A/D-Mains-NT	(5,500,540.03)	A/D-Mains-NT	(5,502,732.19)
A/D-Mains-Grain Dryers	(32,430.98)	A/D-Mains-Grain Dryers	(35,032.50)
A/D-Compressor Stat Equip-CT	(843,703.63)	A/D-Compressor Stat Equip-CT	(864,768.87)
A/D-Meas & Reg Equip-CT	(380,361.10)	A/D-Meas & Reg Equip-CT	(389,119.42)
A/D-Meas & Reg Stat Equip-HV	(431,912.99)	A/D-Meas & Reg Stat Equip-HV	(440,979.87)
A/D-Meas & Reg Stat Equip-NT	(218,859.24)	A/D-Meas & Reg Stat Equip-NT	(224,705.16)
A/D-M & R Stat Equip-Grain Dry	(74,866.10)	A/D-M & R Stat Equip-Grain Dry	(80,261.58)
A/D-Communication Equip-CT	(149,609.11)	A/D-Communication Equip-CT	(153,085.91)
A/D-Communication Equip-WLBY	(249,268.17)	A/D-Communication Equip-WLBY	(258,229.53)
A/D-Other Equipment-CT	(51,534.22)	A/D-Other Equipment-CT	(53,311.26)
A/D-Other Equipment-HV	(43,006.69)	A/D-Other Equipment-HV	(43,744.85)
A/D-Structural Improv-WLBY	(2,742.94)	A/D-Structural Improv-WLBY	(2,833.62)
A/D-Office Furn & Equip-WLBY	(92,321.90)	A/D-Office Furn & Equip-WLBY	(92,989.82)
A/D-Transportation Equip-CT	(102,034.55)	A/D-Transportation Equip-CT	(103,774.91)
A/D-Transportation Equip-HV	(76,715.02)	A/D-Transportation Equip-HV	(80,679.34)
A/D-Transportation Equip-NT	(50,183.78)	A/D-Transportation Equip-NT	(53,889.78)
A/D-Transportation Equip-WLBY	(132,509.53)	A/D-Transportation Equip-WLBY	(147,104.61)
A/D-Tools & Garage Equip-CT	(11,926.10)	A/D-Tools & Garage Equip-CT	(11,980.70)
A/D-Tools & Garage Equip-HV	(14,534.40)	A/D-Tools & Garage Equip-HV	(14,679.92)
A/D-Tools & Garage Equip-NT	(10,687.03)	A/D-Tools & Garage Equip-NT	(10,977.39)
A/D-Tools & Garage Equip-WLBY	(73,876.21)	A/D-Tools & Garage Equip-WLBY	(77,787.37)
	170,858.13		170,858.13

Cobra Pipeline Company Ltd
Balance Sheet Schedule 2 - Plant

	8/31/2018	12/31/2018
A/D-Laboratory Equipment-CT	(1,521.02)	A/D-Laboratory Equipment-CT (1,523.90) (21,484,315.48)
Total Property and Equipment	4,403,009.86	Total Property and Equipment 4,247,839.54

Cobra Pipeline Company Ltd
Balance Sheet Schedule 3 - N/P Vehicles and Equipment

	8/31/2018	12/31/2018
Note Payable Ally Truck 17	8,562.60	6,002.60
Note Payable Ally Truck 18	11,341.39	7,901.39
Note Payable Ally Truck 19	3,603.70	978.70
Note Payable Ally Truck 20	3,765.53	1,185.53
Note Payable Ally Truck 22	13,378.13	10,518.13
Note Payable Ally Veh 23	34,793.81	30,190.09
Note Payable Ally Vehicle 25	32,782.37	29,982.29
Note Payable - Kubota Credit	53,337.65	46,872.49
	161,565.18	133,631.22

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN
THE STATE OF OHIO**

GAS TRANSPORTATION SERVICES

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**Issued By
COBRA PIPELINE CO., LTD
Stephen G. Rigo, Vice President**

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION
OF NATURAL GAS IN THE STATE OF OHIO**

GAS TRANSPORTATION SERVICE

1. DEFINITIONS

As used herein in conjunction with transportation service, the following terms shall have the meanings indicated below:

- 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. "Cash-out Price" shall mean the standard by which prices are determined for cash-outs, imbalances, and any other penalties. The price shall be determined as follows for Underdeliveries and Overdeliveries:

the price for the last day of the month (for the month in which the "cash-out" occurred) for the "Mid-point Price" published in Gas Daily for "Columbia Appalachia," plus Columbia's 100% load factor transportation rate plus Columbia's applicable shrinkage.
- D. "Central Clock Time" (C.T.) shall mean Central Standard Time adjusted for Daylight Savings Time.
- E. "Company" means Cobra Pipeline Co., LTD, its successors and assigns
- F. "Cobra Pipeline Company, Ltd." or "Cobra System" shall mean all natural gas pipelines operated by, or any expansion, additions to, or replacement of these pipelines
- G. "Customer" means any individual, governmental, or corporate entity taking service hereunder.
- H. "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.

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**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN
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- I. "Delivery Point(s)" shall mean the specific measurement location(s) listed on the Service Agreement at which the Company delivers Customer-owned gas to Customer and Customer receives such gas from the Company.
- J. "Delivery Volume" shall mean the volume of Gas actually nominated and confirmed at the Delivery Point(s) by or on behalf of the Customer.
- K. "Firm" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), within the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) minus the Company's Shrinkage without interruption except under Force Majeure conditions or an energy emergency declared by the Commission.
- L. "Gas" shall mean natural gas of interstate pipeline quality.
- M. "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.
- N. "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.
- O. "Imbalance" shall mean the daily difference between the Dths tendered by or for the Customer's account at the Receipt Point(s) minus the Company's Shrinkage and the confirmed nomination volumes allocated to the Customer at the Delivery Point(s).
- P. "Interruptible" shall mean that each Dth the Customer nominates and the Company confirms at the Receipt Point(s), in excess of the Customer's MDQ, will be delivered to the Customer's Delivery Point(s) less the Company's Shrinkage, if the Company, using reasonable judgment, determines that capacity exists after all the Firm transport needs are accounted for to permit redelivery of tendered gas.
- Q. "Maximum Daily Quantity (" or "MDQ)" shall mean the maximum daily natural gas quantity which the Customer shall be entitled to nominate during any 24-hour period. The Customer's MDQ shall be negotiated between the Customer and the Company and incorporated into the Customer's Service Agreement with the Company.
- R. "'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.

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- S. "Nomination" shall mean the confirmed Quantity of Gas which the Customer shall arrange to have delivered to the Receipt Point(s) for redelivery by the Company to the Delivery Point(s). The Nomination shall include sufficient gas to account for the Company's Shrinkage.
- T. "Operational Flow Order" or "OFO" shall mean a declaration made by the Company that conditions are such that the Company can only safely transport an amount of Gas during a calendar day equal to the amount of Gas which the Customer will actually deliver at the Receipt Point(s) on that calendar day. The Company 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 the Company at the Receipt Point(s).
- U. "Overrun" shall mean any volume of Gas actually transported to the Delivery Point(s) which, as measured on a daily basis, exceeds the MDQ established by the Service Agreement.
- V. "PUCO" or "Commission" means the Public Utilities Commission of Ohio, or any successor governmental authority.
- W. "Quantity of Gas" shall mean the number of units of gas expressed in Dth unless otherwise specified.
- X. "Processing" shall mean the extraction of moisture, helium, natural gasoline, butane, propane, and/or other hydrocarbons (except methane) from natural gas tendered by Customer at the Receipt Point(s).
- Y. "Receipt Point(s)" shall mean those measurement locations where Customer-owned gas enters the Company's system.
- Z. "Service Agreement" shall mean an individual contract with the Company signed, prior to commencement of Transportation Service and, if applicable, Production Service, by each Customer that identifies the Receipt Point(s) and Delivery Point(s) and stipulates the type and terms of service to be provided by the Company,
- AA. "Shrinkage" shall mean the quantity of Gas required by the Company to replace the estimated quantity of Gas, which is required for compressor fuel, processing fuel, and lost-or-unaccounted-for Gas when transporting and/or processing the tendered quantities. These percentages shall be set forth in Customer's Service Agreement(s), and after a date not earlier than three years from the date of the Entry of the Public Utilities Commission approving Cobra's Tariff, P.U.C.O. No. 1, and each calendar year thereafter may be adjusted annually by the Company to reflect its operating experience.

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BB. "Transportation Service" shall mean the type of service offered to Customers to move natural gas from Receipt Point(s) to Delivery Point(s) via the Cobra System. Transportation Service may be either Firm or Interruptible.

CC. "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.

2. Applicability

Transportation service pursuant to this Tariff is available to all Customers who sign a Service Agreement with the Company in the form shown in Appendix A, demonstrate that they have the ability to tender natural gas to the Receipt Point(s), and have made suitable arrangements for such tendered volumes to be received at the Delivery Point(s) called for in the Service Agreement.

3. Term

Customers that elect to request service will be required to execute a written Service Agreement in the form shown in Appendix A prior to the commencement of any service. Unless otherwise agreed, Service Agreements shall provide for a primary term of one (1) year, continuing thereafter on a month-to-month basis subject to cancellation by the Company or the Customer on 30 days' written notice or as otherwise agreed by Company.

4. Types of Service and Capacity

Transportation Service. The Company shall offer Firm Transportation service if the Company using good industry practice believes it has sufficient pipeline capacity available after accounting for the projected demand of the existing Firm service load. The Company shall offer Interruptible Transportation service to all Customers who request such service, meet the tariff standards and execute a Service Agreement.

Where the Company has agreed to provide a Customer with Firm Transportation service, the Service Agreements shall specify the Company's pipeline capacity allocated to and reserved on behalf of the Customer for redelivery of the Customer's supply in terms of the MDQ that can be tendered to the Receipt Point(s) on a daily basis, and the maximum amount which can be transported to a particular Delivery Point. A Customer may have several Delivery Points, but the aggregate of the daily Firm accessible Delivery Points must equal or exceed the Receipt Point(s) MDQ, adjusted for Shrinkage.

The Company shall have no obligation to accept any Nomination in excess of the Customer's MDQ. If requested by the Customer, the Company may accept a nomination and subsequent

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tender of an amount in excess of the Customer's MDQ if the Company reasonably believes it can physically accommodate the request.

Processing. Company may process or permit to be processed natural gas tendered by Customer as defined herein. Company may also subject or permit the subjection of said natural gas to compression, cooling, cleaning or other processes to such an extent as may be required in its transportation from the source thereof to the Delivery Point(s). If Customer's gas is transported through a processing plant on Company's system and the Heating Value of Customer's gas at the point it enters Company's system is higher than 1,130 Btu per cubic foot, Customer shall enter into a separate processing agreement with the owner/operator of the applicable processing plant on Company's system and pay the applicable Processing Charge. Customer shall provide notice to Company in advance of Transportation Service being provided by Company setting forth sufficient details for Company to ascertain that Customer has complied with this requirement.

Company reserves the right to use natural gas upstream of the point of processing as required for the reasonable and prudent operation of Company's facilities and to make deliveries of gas to others under the provisions of this Tariff.

Company's sole obligation with respect to liquifiabiles is to redeliver to Customer thermally equivalent quantities of gas less applicable Shrinkage (including processing Shrinkage).

Should any new or additional facilities, alterations or modifications of existing facilities be installed to facilitate the processing of gas or the removal of liquifiabiles associated with the gas transported, the installation of such new or additional facilities or the alteration or modification of existing facilities, to the extent they affect Company's pipeline system, will be performed by Company and, upon receipt of billing therefore, Customer shall pay to Company the Processing Charge for gas processed through such facilities.

Notwithstanding any other provision of this Tariff, Company shall not be obligated to process gas and may interrupt or terminate any processing activity at any time, and from time to time, without prior notice to any Customer. Company reserves the right to sell and abandon its processing facilities at any time upon 30 days notice to Customer.

5. Delivery and Transportation

The Customer shall arrange with its Gas suppliers to have Gas tendered to the Receipt Point(s) for delivery to the Delivery Point(s) in a volume designed to match the Customer's nomination at the Delivery Point(s) plus Shrinkage for each Day in an amount not to exceed the Customer's MDQ. The Company shall then redeliver, on a firm basis, such quantities, less the Company's Shrinkage, to the Customer at the Delivery Point(s) as specified in the Customer's Service Agreement. Service(s) under the Service Agreement(s) shall be governed by: 1) this Tariff; 2); the Service Agreements and 3) the rules and orders of the Commission.

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For planning purposes, the Customer shall provide Written Notice, at least three (3) business days prior to the start of each calendar Month, to the Company of the amount of Gas it forecasts to transport during the upcoming Month.

The Customer shall submit its Nomination to the Company by no later than 11:30 am Central Clock Time for Gas flow the following day. This Nomination should correspond to scheduled deliveries the Customer makes on the upstream interstate pipeline and downstream local gas distribution and/or interstate pipeline company operating the applicable Delivery Point(s). Should the Customer desire to modify its Nomination either on the current Day or after the Nomination deadline for Gas flow the following day, the Company shall make every attempt to accommodate the Customer's request provided the Company can confirm such quantities with the upstream pipeline at the Receipt Point(s) and downstream entity at the Delivery Point(s).

After the Customer delivers gas or causes gas to be delivered to the Company at the Receipt Point(s) specified in the Service Agreement, the Company shall be deemed to be in control and possession of the gas until thermally equivalent quantities (less Shrinkage) are redelivered to the Customer or for the account of the Customer at the Delivery Point(s). The Customer shall have no responsibility with respect to any gas deliverable by the Company or on account of anything, which may be, done, happen, or arise with respect to such gas until the Company delivers such gas to the Customer or for the account of the Customer. The Company shall have no responsibility with respect to such gas before the Customer delivers or causes such gas to be delivered to the Company or after the Company redelivers such gas to the Customer or for the account of the Customer, or on account of anything which may be done, happen, or arise with respect to such gas before such delivery or after such redelivery.

6. Shrinkage

Unless 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.

7. Transportation Rate

FIRM TRANSPORTATION SERVICE:

Demand Charge (fixed charge paid regardless of volumes transported): \$.50 x MDQ x number of days in the month

Commodity Charge (paid only on quantity transported): \$.10 per Dth

Unauthorized Daily Overrun Charge: \$.50 per Dth

INTERRUPTIBLE TRANSPORTATION SERVICE:

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Commodity Charge (paid only on
quantity transported): \$.50 per Dth

OPTIONAL ELECTRONIC MEASUREMENT SERVICE

For each Delivery Point electronically measured: \$125 per month

Customers who elect this service must provide and pay for a dedicated telephone line and the necessary power to operate such electronic measurement and telemetering equipment. The meter, electronic measurement device and associated telemetering equipment shall be and remain the property of the Company. The Company will install and maintain the electronic measurement and telemetering equipment.

Customers who elect this optional service shall agree to continue it for a minimum period of thirty-six (36) months or until the Delivery Point is no longer in use for transportation service from Company, whichever first occurs.

8. Processing and Compression

(paid on quantity received at
Receipt Point) Charge \$0.25 per Dth

Processing and compression charge shall only apply when gas received by Company at the Receipt Point has a heat content in excess 1,130 Btu per cubic foot and is processed through a processing plant on Company's system.

The Company, at its sole discretion, may offer services at rates that are downwardly flexible from the maximum rates in Sections 7 and 8. The rate may be flexed between the upper bound of the basic rate and a lower bound that recovers all variable costs of service and provides a contribution to the Company's fixed costs of providing service. Such reduced rates may be determined based on competitive services available to the customer, the quality (firm or interruptible) of service and the Company's need to achieve load preservation or the economic recovery of costs of the Company.

9. Imbalances

The following shall apply unless otherwise agreed to by the Parties and approved by the Commission:

Customer shall be entitled to take, at the Delivery Point(s) on a daily basis the tendered quantity at the Receipt Point(s) minus the Shrinkage. The Service Agreement shall set out the time period in which the volumes tendered minus the Shrinkage will be balanced against the volumes taken at

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RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN THE STATE OF OHIO

the Delivery Point(s). When the amount of natural gas tendered at the Receipt Point(s) minus the Shrinkage exceeds the amount redelivered to the Delivery Point(s) for the period of time listed in the Service Agreement for balancing, then the Company may either carryover the surplus for subsequent redelivery at a specified time, or –cash-out the imbalance by paying the Customer the Cash-out Price for each Dth minus a percentage penalty as determined from the chart below for the surplus amount. If the amount of natural gas tendered to the Receipt Point(s) minus the Shrinkage for the period of time listed in the Service Agreement for balancing is less than the amount of natural gas taken by the Customer at the Delivery Point(s), then the Customer shall be cashed out by paying the Company the Cash-out Price for each Dth plus a percentage penalty as determined from the chart below for the amount the Customer has overtaken.

<u>Percentage Imbalance Level</u>	<u>Penalty</u>
0-10%	No penalty for cash-outs
10-20%	Ten Percent (10%) penalty fee on all Dth cashed-out
>20%	Twenty Percent (20%) penalty fee on all Dth cashed-out

10 Title to Gas

Any Customer taking natural gas transportation service pursuant to this schedule warrants that it has title to the gas delivered to Company free and clear of all claims, liens and encumbrances, and covenants and agrees to indemnify and hold harmless Company from all suits, actions, debts, accounts, damages, costs, losses, liens, judgments, orders, attorneys fees, expenses and liabilities arising from or attributable to the adverse claims of any and all other persons or parties to such gas.

The Customer and the Company each assume full responsibility and liability for the maintenance and operation of its respective properties and shall indemnify and save harmless the other party from all liability and expense on account of any and all damage, claims or actions, including injury to and death of persons, arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party; provided however, that neither party agrees to indemnify the other party for the negligence of the other party, its agents, servants or employees.

11. Operational Flow Orders

In the event any one of the following occur: 1) any Upstream Interstate Pipeline supplying the Company declares a Force Majeure event or an operational flow order; 2) the Commission or the Governor declare an energy emergency; or 3) if weather and usage conditions create a situation in which the Company reasonably believes that it cannot accommodate an imbalance from the

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Customer, the Company may issue an Operational Flow Order. During an Operational Flow Order the Customer may only tender and receive those volumes which the Company believes the Customer can actually both tender to the Receipt Point(s) and receive at the Delivery Point(s) on a daily basis. The Company will use its best efforts to avoid an Operational Flow Order if reasonably possible, and maintain the Operational Flow Order for as limited a period of time as is reasonably possible.

12. Measurement and Quality

Billings for all receipts and deliveries hereunder shall be made on a thermal basis in Dth. In converting thermal units to Mcf, Company shall have the right to rely upon the heat content calculation employed by the interstate pipeline, if any, tendering volumes on Customer's behalf at the Receipt Point(s), or in the event Customer is injecting natural gas directly into Company's system at a Receipt Point interconnecting with a local production well or a gathering system, then the heat content calculation shall be based on testing of samples of gas taken at the receipt point not less frequently than annually. Customer shall be responsible to pay the cost of such testing.

The gas made available to Company by Customer for redelivery shall be of quality equal to or better than the quality specifications of the upstream pipeline interconnect with the Receipt Point(s). The Gas delivered by the Company to the Customer at the Delivery Point(s) shall be odorized with mercaptan, shall be of interstate pipeline quality and shall, at a minimum, be commercially free from oil, water, air, salt, dust, gum, gum-forming constituents, harmful or noxious vapors, or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment at the Delivery Points or downstream of the Delivery Points.

The Gas shall not contain in excess of:

- a. Seven (7) pounds of water per million cubic feet of gas;
- b. Four percent (4%) by volume of a combined total to carbon dioxide and nitrogen components; provided, however, that the total carbon dioxide content shall not exceed one and twenty-five one hundredths percent (1.25%) by volume;
- c. Twenty five hundredths (0.25) grains of hydrogen sulfide per one hundred (100) feet of gas; and
- d. Ten (10) grains of total sulfur per one hundred (100) cubic feet of gas.

The gas delivered shall have a total heating value of not less than 1,000 BTU per standard cubic foot, and shall have a utilization factor of one thousand, three hundred (1,300) plus or minus six percent (6%). The utilization factor shall be calculated by dividing the BTU of the gas adjusted for moisture, divided by the square root of the specific gravity.

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13. Billing and Payment.

On or before the tenth (10th) day of each calendar month, the Company shall render to the Customer a statement setting forth the total quantity of Gas nominated by the Customer and confirmed by the Company pursuant to this Tariff during the immediately preceding Month, the billing rate and the amount due. Billing statements shall be deemed as rendered when such statements are deposited by the Company with the U.S. Mail for first-class delivery, as evidenced by the postmark date, deposited by the Company with an overnight courier service for delivery to the Customer, sent via facsimile machine to the Customer or hand-delivered to the Customer's office.

Both the Customer and the Company have the right to examine, at reasonable times agreed to by both parties, any books, charts, records or other pertinent information of the other to the extent necessary to verify the accuracy of any charge, computation, and statement made pursuant to any of the provisions within this Tariff.

If it shall be found that at any time or times the Customer has been overcharged or undercharged in any form whatsoever under this Section and the Customer has actually paid the bills containing such overcharge or undercharge, the Company shall refund the amount of any such overcharge or the Customer shall pay the amount of any such undercharge within thirty (30) days after final determination of such amounts. In the event an error is discovered in the amount billed in any statement rendered by the Company, such error shall be adjusted within thirty (30) days from the date of discovery of such error but in any event within six (6) months from the date of such statement with a three (3) month rebuttal period.

The Customer shall make payment to the Company for services purchased during the preceding month and billed pursuant to the provisions of this Tariff on or before the twenty-fifth (25th) day of the month, unless otherwise agreed to by the parties. Payment shall be made by wire transfer of Federal Funds at such bank account designated by the Company, except when such day of the month is a Saturday, Sunday or federal bank holiday, in which case payment is due on the following Business Day. All such payments shall be considered to have been made on the date when the Company has use of such funds.

If the rendering of the bill is delayed after the tenth (10th) day of the month following the month of actual delivery, then the time of payment shall be extended by the same number of days as the delay. If the Customer is responsible for the delay, the provisions of the previous paragraph remain as applicable.

If the Customer, in good faith, disputes the amount of any such invoice or any part thereof, the Customer will pay such amount as it concedes to be correct: provided, however, if the Customer disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve

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THE STATE OF OHIO**

such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

If the Customer fails to remit the full amount when due, the amount not paid by the due date shall be increased by 1.5 percent (1.5%) of the amount not timely paid each month.

The Company reserves the right to review the Customer's credit worthiness at any time. Upon request, but not more than twice in any 12-month period, the Customer must provide current financial credit information. If the Customer's current financial or credit status will not support the level of service contracted for, the Company may request that the Customer post the appropriate amount of collateral. Collateral may be in the form of a prepayment, cash deposit, letter of credit, creditworthy parent guarantee or other security acceptable to the Company.

14. Service to Grandfathered Transport Customers

The Company shall negotiate new agreements to continue service, at least through the end of the term of a current customer contract, with each firm transportation customer using the Cobra System as of the date of this filing. The Company shall acquire any regulatory authorizations necessary to provide service to firm transportation customers and the Company shall provide service upon such terms and conditions as may be ordered by the regulatory body having jurisdiction. Provision of service to such Customers, with the purpose of avoiding a disruption of service, shall be deemed to be provided under Section 4905.31, Revised Code.

15. General Terms and Conditions

- A. Services provided under this schedule are subject to all Federal, State of Ohio and local laws and to the orders, rules and regulations of any federal, State or local agencies having jurisdiction thereof.
- B. The Company, at its sole election, may terminate service under this schedule in the event Customer failed to cause its gas supply made available to Company at the Receipt Point(s) to match the gas supply consumed at the Delivery Point(s). The imbalance charges specified herein shall not be construed as Company's exclusive remedy in the event that Customer fails to fulfill its balancing obligations. In addition, nothing herein shall preclude Company from waiving an imbalance rate or charge provided Customer has undertaken reasonable efforts to eliminate the imbalance condition, the frequency and magnitude of the imbalance condition does not, in the Company's judgment, indicate Customer is utilizing the imbalance to obtain an economic advantage related to the cost of natural gas or transportation and related services or the imbalance condition does not disadvantage other customers or Company

If the Company believes that the Customer may be creating imbalances on the Company's system in order to obtain an economic advantage, it will notify the Customer and any involved marketer in writing of such belief and the Customer will have the

Filed pursuant to PUCO Entry dated April 15, 2009 in Case No. 09-258-PL-ATA

ISSUED: April 16, 2009

EFFECTIVE: April 16, 2009

**Issued By
COBRA PIPELINE CO., LTD
Stephen G. Rigo, Vice President**

**RULES AND REGULATIONS GOVERNING THE TRANSPORTATION OF NATURAL GAS IN
THE STATE OF OHIO**

opportunity to respond. If, within the sixty (60) day period following such notice, the Company concludes that the Customer has engaged in such imbalance activity, the Company may terminate Gas Transportation Service by giving the Customer and any involved marketer ten (10) days' notice prior to the end of the calendar month.

- C. With reasonable prior notice, Customer shall have the right to review the records of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s), during normal business hours. Either Customer or Company may, at its election, have any or all of the Receipt Point(s) meter(s) and/or Delivery Point(s) meter(s) tested for accuracy and adjusted in accordance with good industry practice. If the meters test within 2% or better of accurate measurement, then the cost of the test shall be paid by Party requesting the test. If the meters are found to be inaccurate by more than 2%, the Party owning the meter shall pay for the test. No adjustment based upon meter inaccuracies shall be made for delivery charges or natural gas imbalances unless a meter tests inaccurate by more than 5%. Any such billing correction shall only be to the 2% error level for a period of time no longer than to the last meter testing or six months, whichever is less.
- D. No waiver by the Company or the Customer of one or more defaults by the other of the provisions of service under this schedule shall be construed as a waiver of any other or further default or defaults, whether of a like or a different character.
- E. The Company is also subject to the Commission's current Gas Transportation Guidelines which are incorporated by reference and attached as Appendix B to this tariff.
- F. Except with regards to a Customer's obligation to make payment, neither Customer nor Company 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 of the obligation.

Force Majeure shall include, but shall not be limited to, the following: (i) 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, or explosions; (ii) breakage or accident or necessity of repairs or routine maintenance to machinery or equipment or lines of pipe; (iii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iv) interruption of firm transportation and/or storage by upstream interstate pipeline(s); (v) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (vi) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction. Customer and Company shall make reasonable efforts to avoid the adverse impacts of a Force Majeure event and to promptly resolve any such event once it has occurred in order to resume performance.

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Neither Customer nor Company 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 Customer or Company claiming Force Majeure shall not relieve either party from meeting all payment obligations.

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.

A party claiming Force Majeure must provide prompt notice to the other party. Initial notice may be given orally; however, written notification with reasonably full particulars of the event or occurrence claimed to constitute Force Majeure 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 the Force Majeure event, and neither party shall be deemed to have failed in such obligation to the other during such occurrences or event.

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APPENDIX A

TRANSPORTATION SERVICE AGREEMENT No. _____

THIS AGREEMENT, made and entered into as of the ____ day of _____, 20____,
by and between COBRA PIPELINE CO., LTD. ("Company") and _____
("Customer").

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

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

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

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

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

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

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Customer on or before the preceding January 2.

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

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

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

Section 7. Contract Data

A. POINTS OF RECEIPT INTO COBRA PIPELINE CO. LTD.

Meter Station No.	Township	County	Market Code
1)			
2)			
3)			

Market Code "A" means that the Point(s) of Receipt is serving the market area where Customer's end use facilities are located. Market Code "B" means that the Point(s) of Receipt is not serving the market area where Customer's end use facilities are located.

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B. DELIVERY POINTS FROM COBRA PIPELINE CO. LTD.

Meter Station No.	Township	County	Market Code
1)			
2)			
3)			

C. TRANSPORTATION SERVICE - VOLUME DETAIL

Quality of Service: FIRM ☐ INTERRUPTIBLE ☐

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

Maximum Daily Quantity (MDQ): Dth

Optional Electronic Measurement Service: (☐) yes (☐) no

D. NOTICES

To Cobra:

Cobra Pipeline Co. Ltd
8500 Station Street, Suite 100
Mentor, Ohio 44060
Attention: _____

To Customer:

Attention: _____

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

By: _____
Title: _____

COBRA PIPELINE COMPANY, LTD.
By: _____
Title: _____

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EXHIBIT G TO COBRA'S APPLICATION WITHHELD AND FILED
UNDER SEAL

Cobra Pipeline Company, LTD
Income Statement
F

	Year to Date 2017	Year to Date 2016
Revenues		
Rental Income	\$ 0.00	\$ 4,000.00
Telemeter Charges CT	1,500.00	1,625.00
Telemeter Charges HV	17,125.00	9,000.00
Telemeter Charges NT	8,875.00	8,875.00
Rev Firm Demand Chg CT	182,228.75	132,675.00
Rev Firm Demand Chg HV	458,713.75	333,975.00
Rev Firm Demand Chg NT	87,972.50	64,050.00
Rev Firm Overrun Chg CT	32,708.75	14,889.00
Rev Firm Overrun Chg HV	97,158.90	70,379.00
Rev Firm Overrun Chg NT	15,873.35	10,664.00
Rev Interrupt Commod Chg CT	305,914.18	270,107.92
Rev Interrupt Commod Chg HV	857,386.40	669,094.25
Rev Interrupt Commod Chg NT	565,368.02	414,921.74
Rev Interrupt Commod Chg CLE	28,234.00	14,690.50
Rev Process/Compress CT	131,632.50	132,253.25
Sales of Extracted Product CT	104,455.41	85,895.02
	<hr/>	<hr/>
Total Revenues	2,895,146.51	2,237,094.68
	<hr/>	<hr/>
Cost of Sales		
	<hr/>	<hr/>
Total Cost of Sales	0.00	0.00
	<hr/>	<hr/>
Gross Profit	2,895,146.51	2,237,094.68
	<hr/>	<hr/>
Expenses		
Opr Proc Extracting Matls CTP	46,847.15	59,227.54
Loss on Compress Gas Encroachm	30,800.00	0.00
Opr Proc Transp Prod CTP	19,150.07	27,529.96
Opr Compr Other Purch CTC	22,750.23	68,598.67
Opr Mains Other Purch CT	80,028.02	69,055.91
Opr Mains Other Purch HV	49,464.34	37,793.19
Opr Mains Other Purch NT	54,704.87	40,661.32
System Line Loss	48,025.00	96,021.00
Lease Expenses CT	790.83	1,682.37
Lease Expenses HV	1,939.78	2,903.30
Lease Expenses NT	463.00	1,884.26
Lease Expenses Misc	0.00	641.10
Admin Salaries	476,487.82	451,736.37
Admin Supp/Exp Other Purch	397,134.36	175,739.73
Professional Services-Consult	1,125.00	8,675.00
Professional Svsc-Acct/Audit	25,546.62	(2,056.64)
Professional Services-Legal	44,758.79	3,876.28
Professional Svcs-Nomination	25,920.00	25,920.00
Property/General Insurance	35,264.52	52,546.37
Insurance Workers Comp	2,474.90	1,412.00

Exhibit H

Cobra Pipeline Company, LTD
Income Statement
F

	Year to Date 2017	Year to Date 2016
Admin Benefits	55,197.17	43,709.51
Maint Extract Other Purch CTP	0.00	1,990.00
Maint Mains Other Purch CT	0.00	14,181.42
Maint Mains Other Purch HV	3,541.00	0.00
Maint Compr Other Purch CTC	22,010.93	44,339.09
Maint Admin Other Purch	88,791.45	0.00
Depreciation Expense	602,547.22	584,133.90
Vehicle and Equipment Leased	2,555.88	212.99
Regulatory - Safety	36,604.58	25,703.62
Excise Taxes	86,293.22	121,928.36
Other Taxes - Payroll Taxes	37,907.53	38,078.88
Other Tax - Personal Property	700,000.00	658,235.00
Real Estate Taxes - CT (Wash)	1,915.88	1,893.52
Real Estate Taxes - HV(Holmes)	167.18	147.90
Real Estate Taxes - NT (Trum)	4,186.28	3,809.38
Misc (Income)Expense	103,446.88	(457,830.13)
(Gain)/Loss on Fixed Assets	1,127.45	(326.32)
Interest Exp L/T Debt	114,379.09	114,512.58
Interest Expense	1,140.59	7,006.04
	<hr/>	<hr/>
Total Expenses	3,225,487.63	2,325,573.47
	<hr/>	<hr/>
Net Income	(\$ 330,341.12)	(\$ 88,478.79)
	<hr/>	<hr/>

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/15/2018 11:42:21 AM

in

Case No(s). 18-1549-PL-AEM

Summary: Application Cobra Pipeline Company, LTD's Application for an Emergency Increase in its rates and Charges electronically filed by Mr. Justin M Dortch on behalf of Cobra Pipeline Company, LTD