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PUCO EXHIBIT FILING

Date of Hearing: January 10th, 2019

Case No. 16-1725-PL-AIR & 18-1549-PL-AEM

PUCO Case Caption: IMO: the Application of Cobra Pipeline Company, Ltd. to Amend Its Rates and Charges & IMO: the Application of Cobra Pipeline Company, LTD For an Emergency Increase in Its Rates and Charges.

List of exhibits being filed:

Company Exhibits A & B

NED Exhibits A, B, C, D, E, G

Staff Exhibits: A, B, C, D, G, H

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Date Submitted: _____

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").

NEO-A

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 x MDQ x number of days in the month

      ii. Commodity Charge = $0.10 per Dth

      iii. Unauthorized Daily Overrun Charge = $0.50 per Dth

   b. Interruptible Transportation Service:

      i. Commodity Charge = $0.50 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 SURCHAGE 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	:	Case No.18-_____-PL-AEM
For an Emergency Increase in its	:	
Rates and Charges	:	

VERIFICATION

STATE OF OHIO)
) ss
COUNT OF Lake)

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, 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

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

For Management Purposes Only

Exhibit A

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	(91,822.19)		(91,822.19)	
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)	(21,329,145.16)		(21,484,315.48)	
Total Property and Equipment		4,403,009.86		4,247,839.54
Total Assets		$ 7,956,326.04		8,085,082.41

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	333,318.46		333,318.46	
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	4,223,539.73		4,723,539.73	
Total Long-Term Liabilities		4,385,104.91		4,857,170.95
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	(336,275.97)		(1,032,973.72)	
Total Capital		(1,804,839.48)		(2,501,537.23)
Total Liabilities & Capital		$ 7,956,326.04		$ 8,085,082.41

Exhibit D

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			12/31/2018		
Land & Land Rights-CT	123,067.09		Land & Land Rights-CT	123,067.09	
Land & Land Rights-HV	8,497.44		Land & Land Rights-HV	8,497.44	
Land & Land Rights-NT	30,707.92		Land & Land Rights-NT	30,707.92	
Right-of-Ways-CT	180,838.42		Right-of-Ways-CT	180,838.42	
Right-of-Ways-HV	127,686.66		Right-of-Ways-HV	127,686.66	
Right-of-Ways-NT	517,807.40		Right-of-Ways-NT	517,807.40	
Mains-CT	8,652,522.54		Mains-CT	8,652,522.54	
Mains-HV	4,240,347.16		Mains-HV	4,240,347.16	
Mains-NT	5,737,888.46		Mains-NT	5,737,888.46	
Mains-Grain Dryers	351,206.27		Mains-Grain Dryers	351,206.27	
Compressor Station Equip-CT	1,525,982.04		Compressor Station Equip-CT	1,525,982.04	
Meas & Reg Station Equip-CT	732,397.76		Meas & Reg Station Equip-CT	732,397.76	
Meas & Reg Station Equip-HV	731,780.13		Meas & Reg Station Equip-HV	731,780.13	
Meas & Reg Station Equip-NT	477,225.85		Meas & Reg Station Equip-NT	477,225.85	
Meas & Reg Stat Equip-Grain Dr	404,660.83		Meas & Reg Stat Equip-Grain Dr	404,660.83	
Communication Equipment-CT	312,912.50		Communication Equipment-CT	312,912.50	
Communication Equipment-WLBY	278,101.84		Communication Equipment-WLBY	278,101.84	
Other Equipment-CT	133,279.38		Other Equipment-CT	133,279.38	
Other Equipment-HV	66,435.05		Other Equipment-HV	66,435.05	
Structures & Improvements-WLBY	4,080.00		Structures & Improvements-WLBY	4,080.00	
Office Furniture & Equip-WLBY	93,045.84		Office Furniture & Equip-WLBY	93,045.84	
Transportation Equipment-CT	106,448.07		Transportation Equipment-CT	106,448.07	
Transportation Equipment-HV	135,798.79		Transportation Equipment-HV	135,798.79	
Transportation Equipment-NT	67,512.37		Transportation Equipment-NT	67,512.37	
Transportation Equipment-WLBY	314,366.00		Transportation Equipment-WLBY	314,366.00	
Tools, Shop, & Garage Equip.	11,980.67		Tools, Shop, & Garage Equip.	11,980.67	
Tools & Garage Equip-CT	15,433.81		Tools & Garage Equip-CT	15,433.81	
Tools & Garage Eqiup-HV	11,969.11		Tools & Garage Eqiup-HV	11,969.11	
Tools & Garage Equip-WLBY	165,793.57		Tools & Garage Equip-WLBY	165,793.57	
Laboratory Equipment-CT	1,523.92	25,561,296.89	Laboratory Equipment-CT	1,523.92	25,561,296.89
CWIP-ESD System upgrade	1,497.59		CWIP-ESD System upgrade	1,497.59	
CWIP-V355 HCA Distributn Chang	141,027.33		CWIP-V355 HCA Distributn Chang	141,027.33	
CWIP-Q452 Tap Install	11,209.90		CWIP-Q452 Tap Install	11,209.90	
CWIP-Aspire Tap on 602	54.04		CWIP-Aspire Tap on 602	54.04	

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	170,858.13	CWIP V-355 Perkins Jones	3,237.50	170,858.13
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)	

Cobra Pipeline Company Ltd
Balance Sheet Schedule 2 - Plant

8/31/2018			12/31/2018		
A/D-Laboratory Equipment-CT	(1,521.02)	(21,329,145.16)	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

P.U.C.O. No. 1

COBRA PIPELINE CO., LTD

Original Title Sheet and
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RULES AND REGULATIONS GOVERNING THE TRANSPORTATIONOF NATURAL GAS IN THE STATE OF OHIO

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Filed pursuant to PUCO Entry dated June 27, 2007 In Case No. 05-1558-PL-ATA

ISSUED: June 29, 2007

EFFECTIVE: June 29, 2007

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

Exhibit F

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.

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

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.

Filed pursuant to PUCO Entry dated June 27, 2007 in Case No. 05-1558-PL-ATA

ISSUED: June 29, 2007 **EFFECTIVE: June 29, 2007**

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COBRA PIPELINE CO., LTD
Stephen G. Rigo, Vice President

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

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.

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

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 liquifiables 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 liquifiables 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 Processsing 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.

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:

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

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.

Percentage Imbalance Level	Penalty
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

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.

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 under-charged 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

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

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.

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.

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

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

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.

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

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: _____

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

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

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

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
Total Revenues	2,895,146.51	2,237,094.68
Cost of Sales		
Total Cost of Sales	0.00	0.00
Gross Profit	2,895,146.51	2,237,094.68
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

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
Total Expenses	3,225,487.63	2,325,573.47
Net Income	($ 330,341.12)	($ 88,478.79)

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

From: Jessica Carothers
To: Justin Dortch
Subject: FW: Cobra Tunnel Hill
Date: Monday, December 31, 2018 8:35:56 AM

From: Lori Shaffer <lori_shaffer@transcanada.com>
Sent: Thursday, February 15, 2018 10:31 AM
To: Gary Mummey <gary_mummey@transcanada.com>; James Ogg <james_ogg@transcanada.com>; Jessica Carothers <jcarothers@cobrapipeline.com>
Cc: USPCGasQuality <USPCGasQuality@transcanada.com>; Sackett, Mark <Mark.Sackett@constellation.com>; Bill Wilson <william_wilson@transcanada.com>; David Blake <david_blake@transcanada.com>
Subject: RE: Cobra Tunnel Hill

Gary and Jim,

Is the meter run still open? If so, we need to close it until they are really ready to flow for the 24-48 hour period.

Jessica,

Please contact me when you are really ready to flow. Once you are ready, we will come back out and open the meter run.

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

From: Gary Mummey
Sent: Thursday, February 15, 2018 7:20 AM
To: Lori Shaffer <lori_shaffer@transcanada.com>
Cc: Jessica Carothers <jcarothers@cobrapipeline.com>; USPCGasQuality <USPCGasQuality@transcanada.com>; James Ogg <james_ogg@transcanada.com>; Sackett, Mark <Mark.Sackett@constellation.com>; Bill Wilson <william_wilson@transcanada.com>; David Blake <david_blake@transcanada.com>
Subject: Re: Cobra Tunnel Hill

NEO-B

Forget to let everyone know Cobra called and canceled their H2o test yesterday morning,I guess the producers would not come on line for the 24-48 hours , so they didn't have much gas to push, which would not allow the NGL to work correctly!

Sent from my iPhone

On Feb 12, 2018, at 12:06 PM, Gary Mummey <gary_mummey@transcanada.com> wrote:

> Meter was turned on around 9 AM this morning! Don't know when they started flowing!
>
> Sent from my iPhone
>
> On Feb 9, 2018, at 8:30 AM, Lori Shaffer <lori_shaffer@transcanada.com> wrote:
>
> > Jessica,
> >
> > The meter will be turned on Monday. We will monitor the water vapor content. We will do a final check of the water vapor content on Wednesday morning. If the gas is within the tariff for water vapor content, we will pull an extended gas sample and send to the lab. The meter will be shut in while we are waiting on the lab analysis. It normally take 7-14 days to get the lab analysis back. If you pass the CHDP, the meter will be returned to service.
> >
> > Thanks,
> >
> > Lori Martin Shaffer, PE
> > Gas Quality Manager, US Operations
> > TransCanada | Columbia Pipeline Group
> > Office: 304.357.2191 | Mobile: 304.550.1346
> >
> > **Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).**
> >
> > **From:** Lori Shaffer
> > **Sent:** Thursday, February 8, 2018 2:58 PM
> > **To:** 'Jessica Carothers' <jcarothers@cobrapipeline.com>
> > **Cc:** USPCGasQuality <USPCGasQuality@transcanada.com>; James Ogg <james_ogg@transcanada.com>; 'Sackett, Mark' <Mark.Sackett@constellation.com>; Gary Mummey <gary_mummey@transcanada.com>
> > **Subject:** RE: Cobra Tunnel Hill
> >
> > Jessica,

Thank you for the follow up. I will send a re-test request to the field for next week. We can definitely do a 24-48 hour test period. At the end of the test period we will check the gas stream for water vapor content. If you meet the water vapor content, we will take an extended analysis and send to the lab. The meter will be shut back in until we get the results from the lab.

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

From: Jessica Carothers [mailto:jcarothers@cobrapipeline.com]
Sent: Wednesday, February 7, 2018 4:43 PM
To: Lori Shaffer <lori_shaffer@transcanada.com>
Subject: RE: Cobra Tunnel Hill

Hello Lori,

I apologize for my delayed response. I have been out of the office extensively on some serious legal issues with another pipeline.

In my email dated 1/12/18, I misstated that we had made upgrades to the NGL station. The employees have made mechanical adjustments to improve the running of the facility. We have sequestered more "wet" producers.

Because of the NGL being mechanical equipment, our processing facility takes time to come up to temperature and start bringing the gas to specifications. This would take a shorter time frame in warmer weather. It appears that next week will have temperatures in the 40s and 50s. I respectfully request a 24-48 hour window for testing during the week of February 12th.

As mentioned before, we were approaching the required specifications on the last attempt but fell short in the allotted time frame. Once the station is back up and running consistently, the criteria will continue to be met.

Thank you,

Jessica

From: Lori Shaffer [mailto:lori_shaffer@transcanada.com]
Sent: Thursday, February 1, 2018 10:30 AM
To: Jessica Carothers <jcarothers@cobrapipeline.com>
Subject: RE: Cobra Tunnel Hill

Just checking in to see if you could send me the information on what upgrade you completed on the equipment?

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

From: Jessica Carothers [mailto:jcarothers@cobrapipeline.com]
Sent: Friday, January 19, 2018 9:03 AM
To: Lori Shaffer <lori_shaffer@transcanada.com>
Subject: RE: Cobra Tunnel Hill

Hello Lori,

Checking in. We would like to schedule another test. Please let me know how we can go about this.

Jessica Carothers

From: Jessica Carothers [mailto:jcarothers@cobrapipeline.com]
Sent: Friday, January 12, 2018 3:44 PM
To: 'Lori Shaffer' <lori_shaffer@transcanada.com>
Subject: RE: Cobra Tunnel Hill

Hi Lori,

As you know Cobra tested with your employees last month. Although our vapor content continued to drop during the testing period, we were unable to meet the requirements during the time frame given. We have since worked with more producers to improve the gas quality and made

further upgrades on our equipment. I would like to request another testing period for sometime next week. Please let me know if this is possible.

Jessica Carothers

From: Lori Shaffer [mailto:lori_shaffer@transcanada.com]
Sent: Wednesday, December 6, 2017 9:22 AM
To: Jessica Carothers <jcarothers@cobrapipeline.com>
Cc: James Ogg <james_ogg@transcanada.com>; Gary Mummey <gary_mummey@transcanada.com>; USPCGasQuality <USPCGasQuality@transcanada.com>; 'Elliot Duly' <eduly@cobrapipeline.com>; Jeffrey Rainey <jeff_rainey@transcanada.com>
Subject: RE: Cobra Tunnel Hill

Wonderful! Thank you.

I will schedule a re-test with the field. Please make sure you have purged the gas from the dehy/stripping unit to the meter and have dried the line. You will have 1 hour of flow to get the water vapor content under tariff. If the water vapor content is under 7 pounds, we will pull an extended gas sample. The meter will be shut back in until we get the sample results back from the lab. Once I get the results and calculate the cricondentherm, I will contact you with the results. If it is below 25F, the meter will be returned to service. If it is not under 25F, the process will re-start. During testing, Navigates capacity will remain zero.

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

From: Jessica Carothers [mailto:jcarothers@cobrapipeline.com]
Sent: Wednesday, December 6, 2017 8:39 AM
To: Lori Shaffer <lori_shaffer@transcanada.com>
Cc: James Ogg <james_ogg@transcanada.com>; Gary Mummey <gary_mummey@transcanada.com>; USPCGasQuality <USPCGasQuality@transcanada.com>; 'Elliot Duly'

<eduly@cobrapipeline.com>
Subject: RE: Cobra Tunnel Hill

The MRU includes both the dehydration and the NGL stripping. The NGL will drop the hydrocarbon dew point.

From: Lori Shaffer [mailto:lori_shaffer@transcanada.com]
Sent: Tuesday, December 5, 2017 1:41 PM
To: Jessica Carothers <jcarothers@cobrapipeline.com>
Cc: James Ogg <james_ogg@transcanada.com>; Gary Mummey <gary_mummey@transcanada.com>; USPCGasQuality <USPCGasQuality@transcanada.com>; 'Elliot Duly' <eduly@cobrapipeline.com>
Subject: RE: Cobra Tunnel Hill

Jessica,

Thank you for the information. I am still concerned with how Cobra is planning on lowering the Cricondentherm to less than 25F. You referenced dehydration as how Cobra was going to address fluids. Dehydration will not remove the hydrocarbon liquids or lower the Cricondentherm. Please let me know how you are planning on reducing the Cricondentherm to less than 25F.

Gary Mummey has completed the repairs to the GC.

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

From: Jessica Carothers [mailto:jcarothers@cobrapipeline.com]
Sent: Thursday, November 30, 2017 4:13 PM
To: Lori Shaffer <lori_shaffer@transcanada.com>
Cc: James Ogg <james_ogg@transcanada.com>; Gary Mummey <gary_mummey@transcanada.com>; USPCGasQuality <USPCGasQuality@transcanada.com>; 'Elliot Duly' <eduly@cobrapipeline.com>
Subject: RE: Cobra Tunnel Hill

Please see the attached response.

From: Lori Shaffer [mailto:lori_shaffer@transcanada.com]
Sent: Thursday, November 30, 2017 10:55 AM
To: Jessica Carothers <jcarothers@cobrapipeline.com>
Cc: James Ogg <james_ogg@transcanada.com>; Gary Mummey <gary_mummey@transcanada.com>; USPCGasQuality <USPCGasQuality@transcanada.com>
Subject: Cobra Tunnel Hill

Jessica,

I spoke with Jim Ogg and Gary will try to repair the GC tomorrow morning.

As discussed on the phone, I need documentation as to how the water vapor and Cricondentherm gas quality issues were resolved. Additionally, I need to see gas analysis for the stream.

I also need documentation of who you used to clean the meter run and the date it was cleaned.

Thanks,

Lori Martin Shaffer, PE
Gas Quality Manager, US Operations
TransCanada | Columbia Pipeline Group
Office: 304.357.2191 | Mobile: 304.550.1346

Please note: My email address has changed. Please update your records with my new address (lori_shaffer@transcanada.com).

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OR 6195 PG 2006

The Conveyance has Complied with Section 319.202
$ _____ Receipt # 3672
Permissive Tax _____
Exempt # _____ Date 9-16-16
By _____ Deputy
RALPH TAYLOR
MAHONING COUNTY AUDITOR

201600020489
Filed for Record in
MAHONING COUNTY, OHIO
NORALYNN PALERMO, RECORDER
09-16-2016 At 02:01 pm.
DEED 28.00
OR Book 6195 Page 2006 - 2007

Quit Claim Deed

Know all Men by these Presents: That ***Cobra Pipeline Company Ltd., an Ohio Limited Liability Company***, the Grantor, who claim title by instrument recorded in Volume 5742, Page 844 , of the Mahoning County Recorders office for the consideration of --Ten and no/100--- Dollars ($10.00) received to the full satisfaction of ***2412 N Newton Falls Road, LLC., an Ohio Limited Liability Company*** the Grantee, Whose tax mailing address is 3511 Lost Nation Road, Willoughby, Ohio 44060. have *Given, Granted, Remised Released and Forever Quit-Claimed*, and do by these presents absolutely give, grant remise, release and forever quit-claim unto the said grantee, his heirs and assigns forever, all such right and title as the grantor, have or ought to have in and to the following described, piece or parcels of land

See Attached "Exhibit A"

PPN: 51-082-0-003.00-P

To have and to hold the premises with appurtenances there-unto belonging to the said grantee its successors, heirs and assigns so that neither the said grantor, nor his heirs, nor any other persons claiming title through or under him shall or will hereafter claim or demand any right or right of title to the premises, or any part thereof, but they and every one of them shall by these presents be excluded and forever barred

In witness whereof, we have hereunto set their hands this 7th day of September, 2016

Cobra Pipeline Company., LTD
By: Richard M. Osborne, it Managing Member

STATE OF OHIO)
COUNTY OF LAKE) SS

BEFORE ME: a notary public in and for said County and State, personally appeared the above named Cobra Pipeline Company LTD by Richard M. Osborne its Managing Member. Who acknowledged that he did sign the foregoing instrument and that the same was his free act and deed of said Limited Liability Company and the free act and deed of himself as such Managing Member

WILLIAM P SOCHOR
Notary Public
In and for the State of Ohio
My Commission Expires
February 12, 2017

Notary Public

Prepared by Grantor

NEO-C

EXHIBIT "A"

Situate in the County of Mahoning in the State of Ohio and in the Township of Milton and bounded and described as follows:

Being a part of a 55.0 acre tract, as recorded in Deed Volume 1238, Page 623, Mahoning County Records, situated in Lot No. 5 of the North Survey, Town 2 North, Range 5 West, The Connecticut Western Reserve Survey, and being more particularly described as follows:

Beginning, for reference, at a survey monument box marking the intersection of the centerlines of Pritchard Ohltown Road (County Line Road) and Newton Falls Road (Hallock Sook Road in Trumbull County); thence South 20° 12' West 642.1 feet in the centerline of Newton Falls Road to a point, passing the north property line of said 55.0 acre tract of 603.2 feet; thence South 21° 53' West 835.3 feet, in the centerline of Newton Falls Road, to a R.R. spike marking the principal place of beginning;

thence continuing South 21° 53' West 322.51 feet in the centerline of said Newton Falls Road to a R. R. spike, marking the intersection of said Newton Falls Road the South line of said 55.0 acre tract; thence North 89° 39' West, 350.00 feet, in the south line of said 55.00 acre tract to an iron pipe, passing an iron pipe at 26.87 feet on right of way line; thence North 0° 21' East 300.00 feet, to an iron pipe; thence South 89° 39' East 468.37 feet to the principal place of beginning, passing an iron pipe set on right of way, at 441.50 feet, containing 2.82 acres, 0 185 acre of which is within the road right of way limits.

Now Known as Lot 1 in COLUMBIANA GAS TRANSMISSION CORPORATION PLAT 1 recorded in Volume 64 Page 216 in the Mahoning County Record of Plats.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Cobra Pipeline Company, Ltd. for an Increase in Its Rates and Charges.	))))	Case No. 16-1725-PL-AIR
In the Matter of the Application of Cobra Pipeline Company, Ltd. for an Emergency Increase in Its Rates and Charges.	))))	Case No. 18-1549-PL-AEM

COBRA PIPELINE COMPANY, LTD.'S RESPONSES TO ORWELL NATURAL GAS COMPANY, NORTHEAST OHIO NATURAL GAS CORP., AND BRAINARD GAS CORP.'S SECOND SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to Rules 4901-1-19 and 4901-1-20 of the Ohio Administrative Code, Orwell Natural Gas Company, Northeast Ohio Natural Gas Corp., and Brainard Gas Corp. (collectively, the "Ohio Utilities") request that Cobra Pipeline Company, Ltd. ("Cobra") respond in writing and under oath to the following Interrogatories and Requests for Production of Documents ("Discovery Requests"). The Discovery Requests are governed by the following Definitions and Instructions:

DEFINITIONS

1. Unless otherwise indicated, the "Ohio Utilities" means Orwell Natural Gas Company, Northeast Ohio Natural Gas Corp., and Brainard Gas Corp., and any and all of their predecessors, successors, and assigns.

2. "You", "Your", or "Cobra" refers to Cobra Pipeline Company, Ltd. and any and all of its representatives, employees, agents, officers, directors, members, affiliates, subsidiaries, parent companies, predecessors, successors, assigns or any other related business entity, as well as any of their or their members' officers, directors, employees, agents, or representatives.

NEO-D

3. The "Commission" or "PUCO" shall mean the Public Utilities Commission of Ohio.

4. "Cobra" means Cobra Pipeline Co., Ltd.

5. The "2016 Rate Case" shall mean PUCO Case No. 16-1725-PL-AIR.

6. The "Emergency Rate Case" shall mean PUCO Case No. 18-1549-PL-AEM.

7. The "Rate Case Application" refers to the application Cobra filed in the Rate Case on August 15, 2016, the amended application Cobra filed on September 26, 2016, and the Letter of Notification Cobra filed on November 4, 2016.

8. The "Emergency Rate Case Application" refers to the application Cobra filed in the Emergency Rate Case on October 15, 2018.

9. The "Quit Claim Deed" refers to the quit claim deed dated October 5, 2016, executed by Richard M. Osborne, as Managing Member of Cobra, conveying the real property and all appurtenances thereunto to Marietta Land Properties, LLC in exchange for ten dollars ($10.00).

10. "MLP" refers to Marietta Land Properties, LLC, an Ohio Limited Liability Company, owned and/or operated by Richard M. Osborne.

11. The "Real Property" refers to the real property and buildings thereunto subject to and identified in the Quit Claim Deed that Cobra transferred to MLP.

12. The "Washing County Personal Property" refers to the personal property located on the Real Property transferred to Marietta.

13. The "Management Audit" and/or "Investigative Audit" shall mean the Final Report for the Public Utilities Commission of Ohio To Provide an Investigative Audit Involving

Cobra Pipeline, LTD and Orwell-Trumbull Pipeline, LLC For Period 2014 to 2016 that was filed with the Commission on or around May 22, 2017 in Case No. 14-1709-GA-COI.

14. The "Investigative Auditor" and/or "Schumaker" refers to Schumaker & Company, the auditor that completed the Investigative Audit in Case No. 14-1709-GA-COI.

15. "Person" means any natural person, partnership, firm, association, corporation, or other government, legal, or business entity or organization. The term person also includes, except regarding individuals, all predecessors, successors, and any person acting on behalf of the parties or other person or entity.

16. "Communication" and "Communicate" are used herein in their broadest possible sense and mean any occurrence in which information is relayed between persons by means of an oral or written statement, including, without limitation, any, meeting, conversation, correspondence, memoranda, discussion, negotiation, telephone conversation, voicemail message, electronic mail message, proposal, or presentation, in whatever form.

17. "Document" is used herein in its broadest possible sense permissible under Rule 4901-1-20 of the Ohio Administrative Code and means any information memorialized in any way, however stored, including, but not limited to, bills, Communications, correspondence, electronic mail, memoranda, notes, writings, meeting minutes, spreadsheets, graphs, charts, and drafts of any of the foregoing, computer files, audio recordings, and photographs, in whatever form.

18. "All documents" as used herein means every document and every non-identical copy known to you and every such document or writing that you can locate or discover by reasonably diligent efforts.

19. "Relate to," "related to," or "relating to" when used in reference to a stated subject mean all of the following:

a. containing, comprising, constituting, stating, setting forth, reporting, including, negating, or manifesting in any way, whether in whole or in part, that subject; and

b. describing, mentioning, commenting on, responding to, showing, analyzing, discussing, reflecting, interpreting, identifying, concerning, contradicting, referring to, or in any way pertaining to, whether in whole or in part, that subject.

20. "Identify" means:

a. When used in reference to an individual, to state the full name, the present or last-known address, phone number, and the present or last-known employer or business affiliation of the person;

b. When used in reference to an entity, department, or division, to state the full name of the entity, department, or division, the present or last-known address and phone number of the entity, department, or division, and to identify the individual(s) who represents such entity, department, and division, in connection with the above-captioned proceeding;

c. When used in reference to a Document, to state the date, author, addressor, addressee, type of Document, title, if any, or some other means of identifying the Document, a general description of its subject matter, and its present or last known location and custodian;

d. When used in reference to a Communication, to state all Persons involved in the communication, the time, date, and location of the Communication, a general description of the subject matter of the Communication, and the nature of the Communication (e.g., telephone, e-mail, in person).

e. When used in reference to an act, to state the time, date, and place of performance of the act, the identity of the actor, a general description of the act, and all other persons present.

INSTRUCTIONS

1. You are required to choose one or more of Your employees, officers or agents to answer and respond to the following Discovery Requests, who shall furnish all such information which is known or available to You.

2. Where a Discovery Request calls for an answer in more than one part, the parts should be presented in the answer in a manner which is clearly understandable.

3. If Cobra claims that any document that is required to be produced by Cobra in response to any of the Document Requests is privileged:

a) identify its title and general subject matter;

b) state its date;

c) identify its author;

d) identify the person for whom it was prepared or to whom it was sent;

e) state the nature of the privilege claimed; and

f) State in detail each and every fact upon which Intervenor bases its claim of privilege.

4. If any Document responsive to a Request for Production of Documents is no longer in Your possession or control, please state why the Document is no longer in Your possession or control, explain the circumstances surrounding the disposition of the Document, identify the Person responsible for the disposition of the Document, and state whether the Document or copies thereof still exist.

INTERROGATORIES

1. Identify the consideration received by Cobra associated with the transfer of the Washington County Property to Marietta.

RESPONSE:

Cobra did not receive any consideration for the transfer of the Real Property to MLP.

2. Identify and explain whether Cobra currently maintains any property interest in the Washington County Property, including any property interest in any profits, appurtenances, fixtures, or assets (e.g., Churchtown stripping station) located thereon, such as a right-of-way, easement, assignment, lease, lien, covenant, etc.

OBJECTIONS:

1) This Interrogatory is vague and overbroad.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it currently has no interest in the Real Property or the physical buildings located on the Real Property. Cobra is still the owners of all personal property located on the Real Property. These items are known as "Washington Country Personal Property."

3. Identify and explain whether Cobra transferred or conveyed its property interest in the extracted liquid products from the Churchtown stripping station.

   a) If so, please identify and explain to whom Cobra's property interest was transferred or conveyed, the consideration exchanged, and the date of the transfer or conveyance.

OBJECTION(S):

1) This Interrogatory is vague and overbroad.

2) This Interrogatory requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it owns the property interest in any product extracted from the Washington County Personal Property. These products would then be sold to a third party. Cobra has traditionally sold these products to Mark West. However, no sales have been made to Mark West in 2018 due to TCO's shut in of the CT system. Cobra has attached an excel spreadsheet entitled "MarkWestPickups" that shows Cobra's sales to Mark West from 2008 to 2017. This document is confidential and shall only be provided to parties that have entered into the Confidentiality Agreement in the 2016 Rate Case.

4. Identify and explain whether Cobra and Marietta entered into or executed a real estate purchase agreement or contract of sale for the Washington County Property.

RESPONSE:

No, Cobra and MLP did not enter into a purchase agreement or contract for the sale of the Real Property.

5. Identify and explain whether Cobra has sold, transferred, or conveyed any assets, equipment, or plant to Richard M. Osborne or any entity owned or operated by Richard M. Osborne.

OBJECTIONS(S):

1) This Interrogatory is vague and overbroad.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that Richard M. Osborne ("RMO") is the primary owner of Cobra and as such he is entitled to receive distributions of profit from the company. However, Cobra does not believe that this is what this Interrogatory is referencing. Therefore, Cobra also states that Cobra has transferred the Real Property to MLP via the Quit Claim Deed. None of Cobra's other assets were transferred to RMO or an RMO owned company.

6. Identify and explain the following line item expenses in Exhibit A to the Emergency Rate Case Application. For purposes of this Interrogatory, please explain the nature, history and circumstances under which each expense was incurred by Cobra, and please provide an itemized breakdown for each expense:

a) Lease Expenses CT;

b) Lease Expenses HV;

c) Lease Expenses NT;

d) Admin Supp/Exp Other Purch; and

e) Real Estate Taxes – CT (Wash).

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states the following:

a) Lease Expenses CT;

This line item is dedicated to the payment of lease expenses incurred by Cobra on its CT system. These lease payments are made in order for Cobra to maintain its right of ways through things like real property, railroad lines, and similar items. An excel spreadsheet entitled "I 6 Expense Histories" is attached that breaks down these lease expenses.

b) Lease Expenses HV;

This line item is dedicated to the payment of lease expenses incurred by Cobra on its HV system. These lease payments are made in order for Cobra to maintain its right of ways through things like real property, railroad lines, and similar items. An excel spreadsheet entitled "I 6 Expense Histories" is attached that breaks down these lease expenses.

c) Lease Expenses NT;

This line item is dedicated to the payment of lease expenses incurred by Cobra on its NT system. These lease payments are made in order for Cobra to maintain its right of ways through things like real property, railroad lines, and similar items. An excel spreadsheet entitled "I 6 Expense Histories" is attached that breaks down these lease expenses.

d) Admin Supp/Exp Other Purch;

This line item is dedicated to expenses that are necessary to the operation of Cobra's business operations but do not fit into any other category listed on Cobra's 2018 Income Statement (also known as "Exhibit A"). These types of expenses include, but are not limited to: (a) office supplies; (b) payroll fees; and (c) employee reimbursements. An excel spreadsheet entitled "I 6 Expense Histories" is attached for Cobra's expenses associated with this line item.

e) Real Estate Taxes – CT (Wash).

This line item is dedicated to expenses that Cobra believed it would be incurring to pay the property taxes for the Real Property that is now owned by MLP. Cobra has recommended, in the testimony of Carolyn Coatoam, that this line item be removed from Cobra's 2018 Income Statement.

7. Identify and explain the following assets recorded in the Balance Sheet attached to the Emergency Rate Case Application as Exhibit D. For purposes of this Interrogatory, identify and explain the nature of each asset recorded, why Cobra recorded it as an asset, and provide an itemized breakdown of **each asset as of August 31, 2018, and as of December 31, 2018:**

a) Cash Lake National – 9572

b) Cash – Fifth Third

c) A/R Customers

d) A/R 2017 Billings Not Paid

e) A/R 2017 Billings Paid

f) A/R 2018 Billings Not Paid

g) A/R 2018 Billings Paid

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states the following:

a) Cash Lake National – 9572

Cobra listed this as a line item because it represents a bank account that contains money in it. This money is an asset that belongs to Cobra. Cobra has provided its Bank Statements to this Bank account as part of its Response to DR #1.

b) Cash – Fifth Third

Cobra listed this as a line item because it represents a bank account that contains money in it. This money is an asset that belongs to Cobra. Cobra has provided its Bank Statements to this Bank account as part of its Response to DR #1.

c) A/R Customers

Cobra listed this as a line item because it represents the accounts receivable from customer transport sales and sales of liquids produced from the stripping plant.

d) A/R 2017 Billings Not Paid

Cobra listed this as a line item because it represents the offset amounts billed at the $0.95 rate but not paid by the Ohio Utilities in 2017.

e) A/R 2017 Billings Paid

Cobra listed this as a line item because it represents the offset amounts billed at the $0.95 rate and paid by Cobra's customers in 2017.

f) A/R 2018 Billings Not Paid

Cobra listed this as a line item because it represents the offset amounts billed at the $0.95 rate but not paid by the Ohio Utilities in 2018.

g) A/R 2018 Billings Paid

Cobra listed this as a line item because it represents the offset amounts billed at the $0.95 rate and paid by Cobra's customers in 2018.

8. Identify and explain the following liabilities and capital recorded in the Balance Sheet attached to the Emergency Rate Case Application as Exhibit D. For purposes of this Interrogatory, identify and explain the nature of each liability or capital recorded, why it was recorded as a liability or capital, and provide an itemized breakdown for each as of August 31, 2018, and as of December 31, 2018:

a) A/P Suspense Account

b) A/P Assoc. Co. – OTP

c) A/P Assoc. Co. – OsAir

d) Accrued Interest Payable – Assoc. Entities

e) Paid-In Capital – RMO

f) Paid-In Capital FCCC Co. II

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states the following:

a) A/P Suspense Account

This line item includes a list of payments made by Cobra that have not been collected by the other party. An excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item.

b) A/P Assoc. Co. – OTP

This line item lists all accounts payable from Cobra to former affiliate company, Orwell-Trumbull Pipeline Company, LLC ("OTP"). An excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item.

c) A/P Assoc. Co. – OsAir

This line item lists all accounts payable from Cobra to affiliate company, OsAir, Inc. An excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item.

d) Accrued Interest Payable – Assoc. Entities

This line item shows all of the accrued interest payable from Cobra to affiliate or former affiliate companies. Cobra stopped recorded the accruing interest in 12/31/15. Cobra would remove this line item if its proposal to treat all intercompany loans as draws/disbursements to RMO. However, an excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item as it currently exists.

e) Paid-In Capital – RMO

This line item shows all capital investments made by RMO and all distributions made to RMO. Cobra has proposed various changes to its accounting practices that would dramatically affect this line item. However, an excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item as it currently exists.

f) Paid-In Capital FCCC Co. II

This line item shows all capital investments made by FCCC Co. II ("FCCC") and all distributions made to FCCC. An excel spreadsheet entitled "I 8a Misc Payables and PIC" is attached that provides a detail of this line item as it currently exists.

9. Identify and explain the following line items identified in Balance Sheet Schedule 1 – A/R Associated Entities, attached to the Emergency Rate Case Application as Exhibit D. For purposes of this Interrogatory, identify and explain the nature of each account receivable, why it was recorded as an accounts receivable, and provide an itemized breakdown of the total amount for each:

a) A/R Assoc Co Interest

b) A/R Clearing

c) A/R Assoc Co. – OTP

d) A/R Assoc Co. – Lake Shore

e) A/R Assoc Co. – Chowder

f) A/R Assoc Co. – NEO

g) A/R Assoc Co. – Ohio Rural Nat

h) A/R Assoc Co. – Nat Gas Marketi

i) A/R Assoc Co. – Heisley Hopkins

j) A/R Assoc Co. – GP

k) A/R Assoc Co. – Big Oats

l) A/R Asoc-Lightning PipelineLtd

m) A/R Assoc. Co. – Cubby's

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that the itemized breakdown of each line item is provided in an excel spreadsheet entitled "I9 AR Related Company." For an additional explanation of each line item, please see the comments below:

a) A/R Assoc Co Interest

This line item shows all of the accrued interest payable from affiliate and formerly affiliated companies to Cobra. Cobra stopped recorded the accruing interest in 12/31/15. Cobra would remove this line item if its proposal to treat all intercompany loans as draws/disbursements to RMO.

b) A/R Clearing

This account exists to facilitate intercompany transaction billing. Any charges for transport are billed as usual through sales invoices. In the cases of intercompany transfers, loans, or payments made on behalf of other entities, this account is used to convert the payments into billings to the related companies. The billings then show up in accounts receivable – intercompany.

c) A/R Assoc Co. – OTP

This line item lists all accounts receivable from Cobra's former affiliate company, Orwell-Trumbull Pipeline Company, LLC ("OTP").

d) A/R Assoc Co. – Lake Shore

This line item lists all accounts receivable from Cobra's former affiliate company, Lake Shore Gas Storage ("LSGS").

e) A/R Assoc Co. – Chowder

This line item lists all accounts receivable from Cobra's former affiliate company, Chower Gas Storage.

f) A/R Assoc Co. – NEO

This line item lists all accounts receivable from Cobra's former affiliate company, NEO.

g) A/R Assoc Co. – Ohio Rural Nat

This line item lists all accounts receivable from Ohio Rural Natural Gas Co-operative ("Ohio Rural"). Ohio Rural was never an affiliate of Cobra; however RMO was a member of the co-operative. RMO had instructed Cobra to provide a loan to Ohio Rural.

h) A/R Assoc Co. – Nat Gas Marketi

This line item lists all accounts receivable from Cobra's former affiliate company, Natural Gas Marketing

i) A/R Assoc Co. – Heisley Hopkins

This line item lists all accounts receivable from Cobra's former affiliate company, Heisley Hopkins.

j) A/R Assoc Co. – GP

This line item lists all accounts receivable from Cobra's former affiliate company, Great Plains Exploration Company ("Great Plains")

k) A/R Assoc Co. – Big Oats

This line item lists all accounts receivable from Cobra's affiliate company, Big Oats Oil Field Company ("Big Oats")

l) A/R Asoc-Lightning PipelineLtd

This line item lists all accounts receivable from Cobra's former affiliate company, Lightning Pipeline, LTD.

m) A/R Assoc. Co. – Cubby's

This line item lists all accounts receivable from Cobra's former affiliate company, Chubby's.

10. For the $2,143,044.70 in accounts receivable associated with RMO, as reflected in the Balance Sheet 1– A/R Associated Entities, attached to the Emergency Rate Case Application as Exhibit D, identify and explain:

a) the nature of the accounts receivable associated with RMO;

b) why it was recorded as an accounts receivable;

c) when the accounts receivable for RMO began to accrue;

d) the composition or itemized breakdown of the $2,143,044.70;

e) whether the $2,143,044.70 is a loan and/or payment to RMO;

f) the date of every draw or loan to RMO;

g) when Cobra anticipates collecting the accounts receivable associated with RMO, if ever;

h) all actions or efforts Cobra has taken and/or plans to take to collect the accounts receivable associated with RMO, if any;

i) whether there are any agreements, contracts, or other terms and conditions governing Cobra's accounts receivable associated with RMO; and

j) Whether Cobra has been or will be compensated (via interest payments or otherwise) by RMO for the outstanding accounts receivable, and if so, the amount (or percentage) of interest and/or compensation.

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra provides the following responses:

a) the nature of the accounts receivable associated with RMO;

This line item describes loans that were issued from Cobra to RMO. Cobra has recommended that these items be re-categorized as distributions to RMO.

b) why it was recorded as an accounts receivable;

These items were categorized as loans because Cobra was instructed by its primary owner to identify them in this manner. Again, Cobra has recommended that these items be re-categorized as distributions to RMO.

c) when the accounts receivable for RMO began to accrue;

The history of this Accounts receivable was included in Carolyn Coatoam's Testimony as Exhibit CC -2.

d) the composition or itemized breakdown of the $2,143,044.70;

The history of this Accounts receivable was included in Carolyn Coatoam's Testimony as Exhibit CC -2.

e) whether the $2,143,044.70 is a loan and/or payment to RMO;

This amount factors in both loans made to RMO and payments Cobra has received on those loans from RMO. The history of this Accounts receivable was included in Carolyn Coatoam's Testimony as Exhibit CC -2.

f) the date of every draw or loan to RMO;

The history of this Accounts receivable was included in Carolyn Coatoam's Testimony as Exhibit CC -2.

g) when Cobra anticipates collecting the accounts receivable associated with RMO, if ever;

As evidenced by the history of this Accounts receivable was included in Carolyn Coatoam's Testimony as Exhibit CC -2, RMO has made some payments. Again, however, Cobra has recommended that these items be re-categorized as distributions to RMO. If this is accepted then these items will not be collected.

h) all actions or efforts Cobra has taken and/or plans to take to collect the accounts receivable associated with RMO, if any;

Cobra has not made any collection efforts. However, Cobra has recommended that these items be re-categorized as distributions to RMO. If this is accepted then these items will not be collected.

i) whether there are any agreements, contracts, or other terms and conditions governing Cobra's accounts receivable associated with RMO; and

No contracts or agreement exists to govern the loans made to RMO.

j) Whether Cobra has been or will be compensated (via interest payments or otherwise) by RMO for the outstanding accounts receivable, and if so, the amount (or percentage) of interest and/or compensation.

As stated earlier, Cobra stopped imputed interest on its intercompany loans on 12/31/15.

11. Identify and explain the nature and specific composition of each plant item identified below, as referenced in the Balance Sheet Schedule 2 – Plant, attached to the Emergency Rate Case Application as Exhibit D.

a) Land & Land Rights-CT;

b) Right-of-Ways-CT;

c) Mains-CT

d) Compressor Station Equip-CT

e) Meas & Reg Station Equip-CT

f) Communication Equipment-CT

g) Other Equipment-CT

h) Transportation Equipment-CT

i) Tools & Garage Equip-CT

j) Laboratory Equipment-CT

OBJECTION(S);

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that all of this information can be found in: (1) the Schedule Y submitted as part of Carolyn Coatroom's testimony in the 2016 Rate Case; and (2) the excel spreadsheet entitled provided as part of Carolyn Coatoam's testimony in the 2016 Rate Case. Cobra has updated the spreadsheet to show the transfer of the Real Property and the proposed adjustments from the PUCO in the excel spreadsheet entitled "I 11 Plant."

12. Identify and explain whether any of the plant items referenced in Interrogatory No. 11 above are located on or within the Washington County Property.

OBJECTION(S);

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states the following:

a) Land & Land Rights-CT;

Cobra currently has no rights in the Real Property.

b) Right-of-Ways-CT;

Cobra currently does not have a Right-of-Way on the Real Property.

c) Mains-CT

Cobra states that this line item reverences the pipelines actually in the ground. Only a small percentage of the items identified in this line item are located on the Real Property. Cobra directs the Ohio Utilities to the excel spreadsheet entitled "I 11 Plant" for a breakdown of the plant items referenced in Mains-CT.

d) Compressor Station Equip-CT

Cobra states that this line item reverences the compressor and the items necessary to operate the compressor that is currently located on the Real Property. Cobra directs the Ohio Utilities to the excel spreadsheet entitled "I 11 Plant" for a breakdown of the plant items referenced in Compressor Station Equip-CT.

e) Meas & Reg Station Equip-CT

Cobra states that this line item reverences the measurement and regulators located on its pipeline system. Three of the 81 measurement stations for the system are located on the Real Property. Cobra directs the Ohio Utilities to the excel spreadsheet entitled "I 11 Plant" for a breakdown of the plant items referenced in Meas & Reg Station Equip-CT.

f) Communication Equipment-CT

Cobra states that none of these items are located on the Real Property.

g) Other Equipment-CT

This line item references the Striping Station rebuild. All improvements are included in the excel spreadsheet entitled "I 11 Plant."

h) Transportation Equipment-CT

Cobra states this line item refers to trucks and ATVs. Due to the mobile nature of these items, Cobra cannot state the exact location of these items at the time its discovery responses are submitted.

i) Tools & Garage Equip-CT

Cobra states that these items are related to Transportation Equipment-CT and as a result, Cobra cannot state the exact location of these items at the time its discovery responses are submitted.

j) Laboratory Equipment-CT

Cobra states that the items in this line item are used to measure the gas quality. These items are currently all located on the Real Property. Cobra directs the Ohio Utilities to the excel spreadsheet entitled "I 11 Plant" for a breakdown of the plant items referenced in Laboratory Equipment-CT.

13. Identify and explain how the value of each plant item referenced in Interrogatory No. 11 was calculated or determined, including but not limited to identifying the value and date of any repair or maintenance work performed on the plant items, if any.

RESPONSE:

Most of Cobra's assets identified in Interrogatory No. 11 had their value determined by TCO's Schedule Y. This Schedule shows the value of the assets Cobra bought from TCO based upon the price TCO paid for those items. All other items are included in the excel spreadsheet entitled "I 11 Plant" and are based on the price paid for the asset and/or the maintenance of the asset.

14. Identify and explain all actions Cobra has taken to comply with the Commission's Entry, dated April 11, 2018, in the Rate Case.

OBJECTION(S):

1) This Interrogatory requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.
2) This Interrogatory calls for a legal opinion/conclusion and is outside of Cobra's ability to respond.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it has taken the following actions in an attempt to comply with the Commission's Entry, dated April 11, 2018, in the 2016 Rate Case ("April Entry"):

a) Decreased its rate from $0.95 per Dth to $0.50 per Dth;

b) Filed a Application for Rehearing regarding the following errors made by the Commission:

1. This Commission erred in paragraphs 22 through 24 of its April Entry in its description and Application of the exemptions that result from R.C. §4909.17.
2. The Commission erred in paragraphs 25, and 35 through 37 of its April Entry when it ordered Cobra to provide an immediate refund of 100% of the delta between the rates Cobra placed in effect on July 1, 2017 and the rate which existed prior to that date.
3. The Commission erred in paragraph 32 of its April Entry when it asserted it intends to apply the procedures of R.C. §§4909.18 and 4909.19 to Cobra, after having just declared those same procedures inapplicable to Cobra.
4. This Commission erred in paragraph 24 when it concluded Cobra's Bond would not have satisfied the statute, assuming that R.C. §4909.42 might be applicable.

15. Identify and explain when Cobra will refund to customers all amounts collected in excess of Commission-approved rates as ordered by the Commission in the Entry dated April 11, 2018, in the Rate Case.

OBJECTION(S):

1) This Interrogatory requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

2) This Interrogatory calls for a legal opinion/conclusion and is outside of Cobra's ability to respond.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that this Commission granted Cobra's Application for Rehearing on the April Entry. As such, this Commission has not commented on its authority to grant an immediate refund in rate cases involving pipeline companies. However, if the Commission does amend the proposed rate in the 2016 Rate Case then Cobra intends to honor its Bond with its customers.

16. Identify and explain when Cobra will file a complete accounting of its refunds to customers as ordered by the Commission in the Entry dated April 11, 2018, in the Rate Case.

OBJECTION(S):

1) This Interrogatory requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.
2) This Interrogatory calls for a legal opinion/conclusion and is outside of Cobra's ability to respond.
3) This Interrogatory requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states it calculated the potential refund based upon a permanent rate of $0.50 per Dth in the 2016 Rate Case. This information was provided as Exhibit F to Carolyn Coatoam's Direct Testimony.

17. Identify the amount of rent and the recipient to whom Cobra paid rent over the last seven years.

OBJECTION(S):

1) This Interrogatory is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it has paid $925.00 per month to Revod Investments, LLC for office space near its HV system during the last seven years. All rent payments can be found within the general ledger provided as Exhibit JC-2 to Jessica Carother's testimony in this Emergency Rate Case.

18. Identify and explain whether Cobra has charged an administrative management fee as an expense over the last ten years, and if so, please identify and explain the nature, breakdown, date, and justification for the imposition of any administrative management fee.

OBJECTION(S):

1) This Interrogatory requests information that is not relevant to the subject matter of this

case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it used to charge LSGS a management fee from 1/31/09 until 12/1/12. This fee was $5,000.00 per month. The unpaid fees make up a portion of the account receivables line item referencing LSGS. The agreement between LSGS and Cobra for Cobra's management fees is attached as a PDF entitled "LSGS Maintenance Agreement."

19. Identify and explain whether Cobra has conducted any analysis, study, or review of the rate impact or bill impact on customers if the Commission approves the rates proposed by Cobra in the Emergency Rate Case Application.

OBJECTION(S):

1) This Interrogatory requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it has conducted no such study.

20. Identify and explain whether Cobra re-created, removed, revised, or otherwise edited any accounting entries to reflect the sale/transfer of the Washington County Property,

including any equipment, appurtenances, fixtures, profits, or other assets (e.g., Churchtown stripping station) located thereon, to Marietta.

a) If the answer is "yes", please identify and describe any documents or accounting entries re-created, removed, revised, or otherwise edited.

b) If the answer is "no", please identify and explain why Cobra did not do so and/or why Cobra has not done so.

RESPONSE:

No, Cobra has not documented the changes that need to be made regarding the Real Property. Cobra has stated, in Testimony filed in this Emergency Rate Case that it believes that the Real Property should be removed from its Plant and that operating expenses associated with the Real Property should be removed from its Income Statement. Cobra intends to make these changes as it closes its books for 2018.

21. Identify and explain whether Cobra removed the Washington County Property, including any equipment, appurtenances, profits, fixtures, or other assets (e.g., Churchtown stripping station) located thereon, from rate base.

a) If the answer is "yes", please identify and describe any documents or accounting entries reflecting the removal.

b) If the answer is "yes", please identify and describe which specific items were so removed.

c) If the answer is "no", please identify and explain why Cobra did not do so.

OBJECTION(S):

1) This Interrogatory requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states it has not removed any of its Washington County Personal Property from the Real Property.

REQUESTS FOR PRODUCTION OF DOCUMENTS

1-1. Produce a copy of all Documents or Communications related to, referencing, or otherwise concerning the Quit Claim Deed.

OBJECTION(S):

1) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra has attached a copy of the Quit Claim Deed. The only additional document or communication related to, referencing, or otherwise concerning the Quit claim Deed is an email, dated September 12, 2018, between Cobra and its legal counsel in which Cobra provides its counsel of a copy of the Quit Claim Deed.

1-2. Produce a copy of all Documents or Communications evidencing, referencing, or otherwise concerning Cobra's current property interest(s) in the Washington County Property, including but not limited to any right-of-way, easement, lease, assignment, lien, profits, covenant, or other property interest(s) related thereto.

RESPONSE:

Cobra states that it currently has no interest in the Real Property. Please see Schedule Y and the excel spreadsheet entitled "I 11 Plant" to see Cobra's interests in the Washington County Personal Property.

1-3. Produce a copy of the real estate purchase contract or other contract of sale of the Washington County Property between Cobra and Marietta.

RESPONSE:

Cobra states that no such documents exist, other than the Quit Claim Deed.

1-4. Produce a copy of all Documents or Communications concerning or otherwise relating to the potential or actual sale or transfer of any property, assets or equipment owned by

Cobra to Richard M. Osborne or any entity owned or operated by Richard M. Osborne, including but not limited to the "A/R Associated Entities" identified in Exhibit D to the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra has attached a copy of a quit claim deed, dated September 16, 2016 ("September Deed"). The September Deed was executed by RMO and it transferred a piece of property previously owned by Cobra to a limited liability company entitled 2412 N Newton Falls Road, LLC. It is Cobra's understanding the 2412 N Newton Falls Road, LLC is owned solely by RMO. The only additional document or communication related to, referencing, or otherwise concerning the September Deed is an email, dated September 12, 2018, between Cobra and its legal counsel in which Cobra provides its counsel of a copy of the September Deed.

1-5. Produce a copy of all Documents or Communications evidencing, referencing, or otherwise relating to loans, draws, or payments made by Cobra to Richard M. Osborne or to any entity owned or operated by Richard M. Osborne, including but not limited to the

"A/R Associated Entities" identified in Exhibit D to the Emergency Rate Case Application.

RESPONSE:

Cobra states that all such transactions can be located in Cobra's general ledger. Cobra has provided all a copy of its general ledger as Exhibit JC-2 ("Exhibit JC-2"). Exhibit JC-2 was filed as part of Jessica Carother's Direct Testimony in this Emergency Rate Case.

In addition, Cobra directs the Ohio Utilities to the "RMO" tab of Exhibit CC-2 ("Exhibit CC-2"). Exhibit CC-2 was filed as part of Carolyn Coatoam's Direct Testimony in this Emergency Rate Case. Other than these two documents, no such documents exist.

1-6. Produce a copy of all Documents or Communications evidencing, referencing, or otherwise relating to compensation received by Cobra for any loans or transfers made to Richard M. Osborne or to any entity owned or operated by Richard M. Osborne, including but not limited to the "A/R Associated Entities" identified in Exhibit D to the Emergency Rate Case Application.

RESPONSE:

Cobra states that all such transactions can be located in Cobra's general ledger. Cobra has provided all a copy of its general ledger as Exhibit JC-2. In addition, Cobra directs the Ohio Utilities to Exhibit CC-2 and Exhibit D.

1-7. Produce a copy of all Documents or Communications regarding Cobra between Richard M. Osborne or the Richard M. Osborne Trust and FCCC Co. II, LLC or its members during the last seven years.

OBJECTION(S):

1) This Interrogatory requests information that is outside of the possession and/or control of Cobra.

RESPONSE:

Cobra is a limited liability company owned by RMO and FCCC. As such, Cobra is an independent entity with no possession or control over the documents or communications its owners personally provide each other. Nor does Cobra have the legal authority to request such documents.

1-8. Produce a copy of all Documents or Communications between the Columbia Gas Transmission Company concerning, referencing, or otherwise relating to the Churchtown stripping station during the last seven years.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.
2) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra has attached all emails between it and TCO that references, concerning, or otherwise relating to the stripping station located on the CT system. These items are located in the Folder entitled "TCO Communications."

1-9. Produce a copy of all Documents or Communications evidencing, concerning, or relating to loan payments made by Cobra to Huntington Bank.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.
2) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that:

a) All such payments can be found within its general ledgers (Exhibit JC-2);

b) All correspondence concerning, relating to, or evidencing the Huntington loan payments is attached and contained in a folder entitled "Huntington Communications."

1-10. Produce a copy of all Documents or Communications evidencing, referencing, or otherwise relating to costs incurred by Cobra to implement the recommendations in the Investigative Audit.

RESPONSE:

Cobra states that no expenses have been incurred in the implementation of the Schumaker recommendations at this point. Cobra provided testimony in the 2016 Rate Case to this effect.

1-11. Produce a copy of all workpapers used or otherwise relied upon in the preparation of filing the Emergency Rate Case Application, including but not limited to any workpapers regarding rate design and rate impact workpapers. As part of this response, please provide working Excel documents with formulas included.

RESPONSE:

Cobra directs the Ohio Utilities to the excel spreadsheet entitled "2018 Revenue – Pro Rata" that was included in Cobra's response to DR #4. Cobra has also attached an excel spreadsheet entitled "Rate Increase Summary." Cobra states that no other documents exist.

1-12. Produce a working copy of all studies and/or models used or otherwise relied upon in the development of the Emergency Rate Case Application.

RESPONSE:

Cobra directs the Ohio Utilities to the excel spreadsheet entitled "2018 Revenue – Pro Rata" that was included in Cobra's response to DR #4. Cobra has also attached an excel spreadsheet entitled "Rate Increase Summary." Cobra states that no other documents exist.

1-13. Produce a copy of all Documents or Communications concerning, referencing, or otherwise related to the Commission's Entry, dated April 11, 2018, in the Rate Case.

OBJECTION(S):

1) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra will provide the Ohio Utilities of a privilege log of all documents and communications between Cobra and its legal counsel that references, concerns, or otherwise related to the April Entry.

1-14. Produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the accounts receivable associated with "RMO" as referenced in Exhibit D to the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra directs the Ohio Utilities to the "RMO" tab of Exhibit CC-2 ("Exhibit CC-2"). Exhibit CC-2. In addition, Cobra will provide the Ohio Utilities of a privilege log of all documents and communications between Cobra and its legal counsel that references, concerns, or otherwise related to the communications.

1-15. Produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the line item titled "Admin Supp/Exp Other Purch", as referenced in Exhibit A to the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra directs the Ohio Utilities to its general ledger (Exhibit JC-2). In addition, Cobra directs the Ohio Utilities to the excel spreadsheet entitled "I 6 Expense Histories".

Cobra also maintains the invoices and receipts that makes up the items found in its general ledger. Due to the massive volume of these items, Cobra believes that producing

these would be unduly burdensome. Cobra believes that its position regarding the unduly burdensome nature of this request is supported by the fact that the Commission's Staff only asked to verify a random sample of these items in DR #12 and DR #15 of the 2016 Rate Case.

1-16. Produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the "Paid-In-Capital" from RMO and FCCC Co. II, as referenced in Exhibit D to the Emergency Rate Case Application.

RESPONSE:

Cobra directs the Ohio Utilities to its general ledger (Exhibit JC-2) to locate any capital contributions and or distributions made to either RMO or FCCC. Cobra also directs the Ohio Utilities to the excel spreadsheet entitled "I 6 Expense Histories".

In addition, Cobra wishes to state that these figures could be amended if Cobra's recommend to re-categorize Accounts Receivables of inter-related companies as distributions.

1-17. Produce a copy of all profit and loss statements generated by Cobra over the last three years.

RESPONSE:

Cobra directs the Ohio Utilities to its Income Statements filed in the 2016 Rate Case and this Emergency Rate Case. Specifically, the Ohio Utilities should look at:

a) Exhibit 8 to Cobra's Application in the 2016 Rate Case;

b) Exhibit E to Coatoam Direct Testimony in the 2016 Rate Case;

c) Exhibit B to Carothers Direct Testimony in the 2016 Rate Case;

d) Exhibits A in this Emergency Rate Case;

e) Exhibit H in this Emergency Rate Case.

1-18. Produce a copy of all balance sheets generated by Cobra over the last three years.

RESPONSE:

Cobra has attached Cobra's balance sheets for the following years: (a) 2015; (b) 2016; and (c) 2017. These items can be found in the folder entitled "Balance Sheets." In addition, Cobra directs the Ohio Utilities to Exhibit D to Cobra's Application in this Emergency Rate Case.

1-19. Produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to Cobra's special arrangement with Hans Rothenbuhler.

OBJECTION(S):

1) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that all documents in its possession and/or control relating to, referencing, or concerning a special arrangement with Hans Rothenbuhler is attached. These items can be found in a Folder entitled "Hans."

1-20. Produce a copy of all Documents created or generated by Cobra evidencing, referencing, or otherwise concerning Cobra's personal property tax liabilities or obligations.

OBJECTION(S):

1) This RFP is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra directs the Ohio Utilities to the PDF entitled "PP Taxes Billed". This spreadsheet categorizes Cobra's personal property tax liabilities by year and by taxing authority. Cobra also directs the Ohio Utilities to an excel Spreadsheet entitled "RFP 1-20 Public Utility Property Tax Bills."

Cobra has not provided the individual invoices that it receives from the tax authorities due to the unduly burdensome nature of producing such a large volume of documents.

1-21. Produce a copy of all Documents generated by Cobra evidencing, referencing, or otherwise concerning Cobra's excise tax liabilities or obligations.

RESPONSE:

Cobra directs the Ohio Utilities to the excel spreadsheet entitled "RFP 1-21 Excise Tax Accruals."

1-22. Produce a copy of all Documents or Communications evidencing, referencing, or otherwise concerning administrative management fees charged by Cobra over the last ten years.

RESPONSE:

Cobra has attached all documents or communications in its possession and/or control evidencing, referencing, or otherwise concerning administrative management fees charged by Cobra. These items can be located in the folder entitled "LSGS Management Fees."

1-22. Produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the proposed Pipeline Safety Rider ("PSR").

OBJECTION(S):

1) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra will provide the Ohio Utilities of a privilege log of all documents and communications between Cobra and its legal counsel that references, concerns, or otherwise related to the PSR.

1-23. Produce a copy of all responses Cobra has given to any formal or informal discovery requests (e.g., requests for admission, requests for production of documents, interrogatories, data requests, etc.) made in connection with the Emergency Rate Case.

OBJECTION(S):

1) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra has attached all documents or communications in its possession and/or control provide as discovery responses in this Emergency Rate Case. These items can be located in the folder entitled "DR Responses." Please note that each PDF in this folder has been embedded with the documents referenced therein. Simply click on the blue link and the attached document will populate.

1-24. Produce a copy of Cobra's state and federal income tax returns over the last seven years.

OBJECTION(S):

1) This Interrogatory requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

2) This RFP is vague, overbroad, and unduly burdensome.

3) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that its Tax Returns for the last seven years are attached. These items can be found in a folder entitled "Tax Returns."

1-25. Produce a copy of the current organizational chart for Cobra.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that a excel spreadsheet entitled "Company Organizational Chart –as of 12 31 18" is attached.

1-26. Produce a copy of a current organizational chart for Cobra-affiliated companies.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.
2) This Interrogatory requests information that is outside of the possession and/or control of Cobra.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it does not maintain such a document. However, in order to prevent delay and/or additional expenses in this Emergency Rate Case, Cobra created a current organizational chart of Cobra-affiliated companies based upon the organizational chart it provided Schumaker in the Management Audit. This document is an excel spreadsheet and is entitled "Affiliate Org Chart – as of 12 31 18."

1-27. Produce a copy of all Documents or Communications concerning Cobra's property interest in the extracted liquid products or other profits from the Churchtown stripping station.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.
2) This RFP is vague, overbroad, and unduly burdensome.
3) This RFP requests information that is confidential and/or proprietary to Cobra's business.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that it owns the property interest in any product extracted from the Washington County Personal Property. These products would then be sold to a third party. Cobra has traditionally sold these products to Mark West. However, no sales have occurred in 2018. Cobra has attached an excel spreadsheet entitled "MarkWestPickups."

1-28. Produce a copy of all Documents or Communications evidencing, relating to, or otherwise concerning Cobra's payments of rent over the last three years.

OBJECTION(S):

1) This RFP is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s),Cobra states that evidence of its rent payments can be found in its general ledgers (Exhibit JC -2).

1-29. Please produce a copy of all Documents or Communications evidencing, concerning, or relating to a commercial lease agreement or rental agreement involving Cobra over the last three years.

RESPONSE:

Cobra has attached all documents and/or communications in its possession and/or control evidencing, concerning, or relating to a commercial lease agreement or rental agreement involving Cobra over the last three years. This document is a PDF entitled "SBizhub 55218123110400" and can be found in the folder entitled "Rent."

1-30. Please produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the line item titled "Lease Expenses CT", as referenced in Exhibit A to the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP is vague, overbroad, and unduly burdensome.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra directs the Ohio Utilities to its general ledger for payments of the payment of the items included in this line item. Cobra also directs the Ohio Utilities to the excel spreadsheet entitled to see the leases that exist meet creates the obligations for this line item.

Cobra states that there are all other documents or Communications concerning, referencing, or otherwise relating to the line item titled "Lease Expenses CT" can be found in the folder entitled "Lease Expenses CT."

1-31. Please produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the line item titled "Real Estate Taxes – CT (Wash)", as referenced in Exhibit A to the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP is vague, overbroad, and unduly burdensome.

2) This RFP requests information that is confidential and/or proprietary to Cobra's business.

3) This RFP requests information that is protected by the Attorney Client Privilege and/or the Work Product Doctrine.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra directs the Ohio Utilities to its general ledger for payments of the payment of the items included in this line item.

Cobra states that there some communications between Cobra and its counsel regarding this line item. Cobra will provide a Privilege log detailing these communications.

No other documents or communications exist other than the documents listed.

1-32. Please produce a copy of all Documents or Communications concerning, referencing, or otherwise relating to the line item titled "Accrued Interest Payable – Assoc. Entities", as referenced in Exhibit D to the Emergency Rate Case Application.

RESPONSE:

Cobra has attached an excel spreadsheet entitled "RFP 1-33 Cobra Related Party Balances." No other documents or communications exist concerning, referencing, or otherwise relating to the line item titled "Accrued Interest Payable – Assoc. Entities."

1-34. Please produce a copy of all Documents or Communications evidencing, concerning, or relating to any rate impact or bill impact schedules, analyses, or studies conducted by Cobra associated with the Emergency Rate Case Application.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that no such documents exist.

1-35. Please produce a copy of all Documents or Communications identified or described in Interrogatory No. 20 above.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that no such documents exist.

1-36. Please produce a copy of all Documents or Communications identified or described in Interrogatory No. 21 above.

OBJECTION(S):

1) This RFP requests information that is not relevant to the subject matter of this case and is not calculated to lead to the discovery of admissible evidence.

RESPONSE:

Notwithstanding and without waiving its objection(s), Cobra states that no such documents exist.

1-37. If any responsive information has been withheld by Cobra based on any claim of privilege or protection, please produce a privilege log supported by a description of the nature of documents, communications, or things being withheld that is sufficient to enable the Ohio Utilities to verify or contest your claim of privilege or work-product protection.

RESPONSE:

Cobra will provide the Ohio Utilities with a Privilege Log.

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	:	Case No.18-1579-PL-AEM
In the Matter of the Application of Cobra Pipeline Company, LTD To Amend Its Rates and Charges	:	Case No.18-1725-PL-AIR

VERIFICATION

STATE OF OHIO)
) ss
COUNT OF Lake)

I, Richard Osborne, Managing Member of Cobra Pipeline Company, LTD ("Cobra"), hereby affirm that the information contained in Cobra's responses to the Ohio Utilities' Second Set of Interrogatories and Requests for the Production of Documents are true and correct to the best of my knowledge.

Jessica Carothers

Jessica Carothers, General Manager

Sworn and subscribed before me this 2nd day of January _____, 2019.

Kristi

NOTARIAL SEAL STATE OF OHIO

KRISTI KOMARA
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Lake County
My Comm. Exp. 8/10/2021

2018 Transport Revenue Summary

Production	CT FIRM	CT Inter	CT Overrun	CT Process	HV FIRM	HV Inter	HV Overrun	NT FIRM	NT Inter	NT Overrun	CLE Inter	CT EM	HV EM	NT EM	Total
Month	400048920121	400048921221	400048920321	400048923523	400048920141	400048921241	400048920341	400048920161	400048921261	400048920361	400048921281	400048810000	400048810001	400048810002	Revenue
January	$ 21,351.25	9,468.45	21,815.80	2,380.00	53,746.25	76,899.90	59,698.95	10,307.50	110,043.90	10,776.80	2,969.70	125.00	1,125.00	750.00	381,458.50
February	$ 19,285.00	8,344.65	9,717.85	1,701.75	48,454.00	62,550.75	42,601.80	9,310.00	77,713.05	3,618.55	1,535.20	125.00	1,125.00	750.00	286,832.60
March	$ 21,351.25	10,561.90	12,441.20	2,823.50	53,746.25	72,639.15	51,438.70	10,307.50	97,782.83	3,897.85	1,596.00	125.00	1,125.00	750.00	340,586.13
April	$ 10,875.00	4,426.30	-	1,901.00	27,375.00	37,600.00	5,559.00	5,250.00	43,053.50	-	547.00	125.00	1,125.00	750.00	138,586.80
May	$ 11,237.50	1,302.60	-	832.75	28,287.50	28,054.40	-	5,425.00	12,042.84	-	144.50	125.00	1,125.00	750.00	89,327.09
June	$ 10,875.00	2,009.80	-	840.25	27,375.00	24,095.00	-	5,250.00	13,222.76	-	66.00	125.00	1,125.00	750.00	85,733.81
July	$ 11,237.50	1,345.20	-	828.50	28,287.50	26,716.40	-	5,425.00	15,813.70	-	94.50	125.00	1,125.00	750.00	91,748.30
August	$ 11,237.50	1,283.50	-	796.50	28,287.50	26,039.90	-	5,425.00	14,669.15	-	67.50	125.00	1,125.00	750.00	89,806.55
September	$ 10,875.00	1,554.50	-	546.25	27,375.00	26,210.05	-	5,250.00	18,641.00	-	1,147.00	125.00	1,000.00	750.00	93,473.80
October	$ 11,237.50	1,921.70	-	546.25	$ 28,287.50	25,918.00	-	$ 5,425.00	22,146.00	-	9,431.50	125.00	1,000.00	750.00	106,788.45
November	$ 10,875.00	3,229.50	7,155.50	546.25	$ 27,375.00	33,301.20	-	$ 5,250.00	36,325.00	2,692.50	1,432.00	125.00	1,000.00	750.00	130,056.95
December	$ 11,237.50	3,302.00	10,819.00	546.25	$ 28,287.50	43,875.50	20,000.00	$ 5,425.00	48,733.00	3,394.00	1,347.50	125.00	1,125.00	750.00	178,967.25
2018 Revenue	$ 161,675.00	$ 48,750.10	$ 61,949.35	$ 14,289.25	$ 406,884.00	$ 483,900.25	$ 179,298.45	$ 78,050.00	$ 510,186.73	$ 24,379.70	$ 20,378.40	$ 1,500.00	$ 13,125.00	$ 9,000.00	2,013,366.23

$0.95 Rate
Projected

NEO F
Exhibit B
NEO F?

Summary of Cobra Excise Taxes

	Net Taxable Gross Receipts	Our Numbers - Tax Due on Return	Return Filed		Their Numbers - DOT billed		CAT Taxes Paid thru Osair Inc.	AG Bills	
2008	83,483	3,965	filed		5,635	not paid	2,995	7,147	4/9/2018
2009	190,490	9,048	filed		12,858	not paid	5,263	16,308	4/9/2018
2010	205,467	9,760	filed		13,869	not paid	6,021	17,603	4/9/2018
2011	204,455	9,712	filed		13,801	not paid	5,829	17,517	4/9/2018
2012	260,004	12,350	filed		17,550	not paid	5,348	22,276	4/9/2018
2013	168,634	8,010	filed	**not accrued**	11,383	not paid	5,499	14,448	4/9/2018
		52,845			75,096		30,955	95,298	
2014	1,725,859	81,978	calculated not filed		29,986	paid this amount			
2015	1,557,275	103,429	calculated not filed		324,684	not paid			
2016	1,806,346	121,928	filed 8/30/16		108,161	not paid			
2017	1,278,418	86,293	filed 8/30/17		86,293	not paid			
2018	960,328	63,135	filed 8/30/18	**accrued**	63,135			85,549	11/1/2018
2019	5/1-8/31 est	9,609							
	8/31-11/30 es	10,144							
	12/1 -12/21 es	8,891							
		300,000			624,220		30,955	180,848	

1/9/2019

NEO-G

Staff Exhibit No. A

DATE 10-6-16
APPROVED
BY
ROGER WRIGHT, P.E., P.S.
WASHINGTON CO. ENGINEER

Instrument 201600006098 OR | Volume 603 Page 1450

201600006098
Filed for Record in
WASHINGTON COUNTY, OHIO
TRACEY WRIGHT, RECORDER
10-06-2016 At 09:00 am.
DEED 28.00
OR Volume 603 Page 1450 - 1451

TRANSFERRED NO.
TRANSFER FEE .50
SEC. 319.202 R.C. COMPLIED WITH 322.02
OCT 06 2016
IN AMOUNT EX
WILLIAM D. MCFARLAND, AUDITOR
WASHINGTON COUNTY, OHIO
BY

Quit Claim Deed

Know all Men by these Presents: That ***Cobra Pipeline Company, LTD an Ohio Limited Liability Company***, the Grantor, Who claim title by instrument recorded in Volume 461, Page 2337, Washington County Recorder's office for the consideration of --Ten and no/100--- Dollars ($10.00) received to the full satisfaction of ***Marietta Land Properties LLC, an Ohio Limited Liability Company*** the Grantee, Whose tax mailing address is 3511 Lost Nation Road, Willoughby, Ohio 44060. have *Given, Granted, Remised Released and Forever Quit-Claimed*, and do by these presents absolutely give, grant remise, release and forever quit-claim unto the said grantee, his heirs and assigns forever, all such right and title as the grantor, have or ought to have in and to the following described, piece or parcels of land

See Attached "Exhibit A"

PPN:360093036000

To have and to hold the premises with appurtenances there-unto belonging to the said grantee its successors, heirs and assigns so that neither the said grantor, nor his heirs, nor any other persons claiming title through or under him shall or will hereafter claim or demand any right or right of title to the premises, or any part thereof, but they and every one of them shall by these presents be excluded and forever barred

In witness whereof, we have hereunto set their hands this 23rd day of SEPT, 2016

Cobra Pipeline Company LTD
By: Richard M. Osborne, it Managing Member

STATE OF OHIO)
COUNTY OF LAKE) SS

BEFORE ME: a notary public in and for said County and State, personally appeared the above named Cobra Pipeline Company Ltd by Richard M. Osborne its Managing Member. Who acknowledged that he did sign the foregoing instrument and that the same was his free act and deed of said Limited Liability Company and the free act and deed of himself as such Managing Member

NOTARIAL SEAL

WILLIAM P SOCHOR
Notary Public
In and for the State of Ohio
My Commission Expires
February 12, 2017

9/23/16
Notary Public

Prepared by Grantor

Instrument 201600006098 OR | Volume 603 | Page 1451

201600006098
COBRA PIPELINE CO
SEE FILE
3511 LOST NATION RD
WILLOUGHBY OH 44094

Situated in the County of Washington in the State of Ohio and in the Township of ~~Watertown~~ WATERFORD and bounded and described as follows:

Being a 0.20 acre parcel of ground out of the 26 acre Lot #21 of the Wolf Creek Allotment, T 5 N-R 10 W, The Ohio River Survey and more particularly described as follows:

Beginning at an iron pin in the centerline of the Narrows Road which marks the northeast corner of the said 0.20 acre tract and the southeast corner of a 0.34 acre tract presently or formerly owned by Cody Dixon as recorded in Deed Volume 262, Page 253, of the Washington County Records;

thence S. 17° 30' W. 180.20 feet, in the east line of said 0.20 acre tract, to an iron pin;

thence N. 72° 30' W. 50.00 feet to an iron pin;

thence N. 17° 42 E. 172.90 feet to a Railroad spike set in the centerline of the Narrows Road, passing an iron pin set for reference at 152.90 feet;

thence S. 81° E. 50.00 feet, in the centerline of the Narrows Road, to the place of beginning containing 0.20 acres, more or less.

And being the same tract to which Grantors acquired title by Warranty Deed conveyed by R. H. Duff to The Ohio Fuel Gas Company, predecessor in interest to Columbia Gas Transmission Corporation, dated December 20, 1961, as recorded in said Washington County, Ohio, Record of Deeds, Volume 335, Page 864.

Prior Deed: Volume 461, Page 2337

Exhibit A

Staff Exhibit No. B

Washington County, Ohio - Property Record Card, Page 1
Parcel: 360093036000

GENERAL PARCEL INFORMATION

Owner	MARIETTA LAND PROPERTIES LLC
Property Address	MILL ST
Mailing Address	C/O DONALD WHITEMAN 7001 CENTER STREET
Owner Address	MILL ST
Land Use	499 OTHR COM STR
Legal Description	PUB UTIL-REG SITE NARROWS RD R10 T5 .20 AC & 16X20 REG BLDG

MAP

VALUATION

	Appraised	Assessed
Land Value	$3,660.00	$1,280.00
Improvements Value	$3,090.00	$1,080.00
Total Value	$6,750.00	$2,360.00
CAUV Value	$0.00	$0.00
Taxable Value	$2,360.00	

LAND

Description	Acreage/Fronta	Effective	Depth	Depth Factor	Actual Value
+PRIMARY	0.2	0	0	0	3670

AGRICULTURAL

Soil Code	Acreage

SALES

Sale Number	Sale Date	Sale Price	Sale Type	Buyer
	10/6/2016	0	1QC	MARIETTA LAND
0000136	2/15/2008	3352	1WD	COBRA PIPELINE

TAX

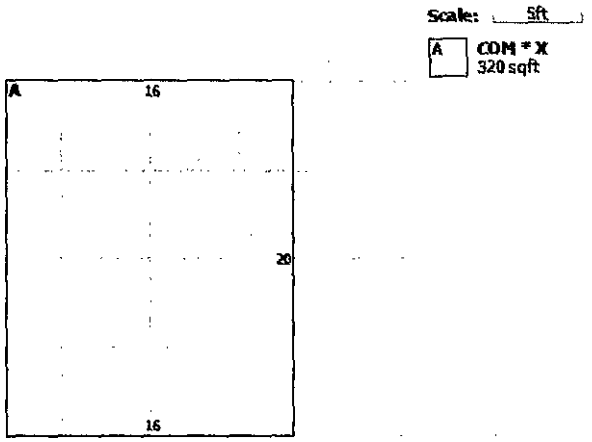
Gross Charge	$129.56
Reduction Factor	($1.58)
10% Rollback	$0.00
2.5% Homesite Rollback	$0.00
Homestead Reduction	$0.00
Penalties And Adjustments	$0.73
Net Annual Tax	$127.98

Washington County, Ohio - Property Record Card, Page 2
Parcel: 360093036000
Card: 0

GENERAL PARCEL INFORMATION

Owner	MARIETTA LAND PROPERTIES LLC
Property Address	MILL ST
Mailing Address	C/O DONALD WHITEMAN 7001 CENTER STREET
Owner Address	MILL ST
Land Use	499 OTHR COM STR
Legal Description	PUB UTIL-REG SITE NARROWS RD R10 T5 .20 AC & 16X20 REG BLDG

SKETCH



VALUATION

	Appraised		Assessed
Land Value	$3,660.00		$1,280.00
Improvements Value	$3,090.00		$1,080.00
Total Value	$6,750.00		$2,360.00
CAUV Value	$0.00		$0.00
Taxable Value		$2,360.00	

IMPROVEMENTS

Building Type	SHB	Area	Rate	Grade	Year Built	Value
MISCELLAN	+POLE	320	0	00000	1965	$3,090.00

RESIDENTIAL

Year Built	1965
Number of Stories	
Total Living Area	0
Total Rooms:	0
Total Bedrooms	0
Total Baths	0
Total Family Rooms	0

RESIDENTIAL DETAIL

	Basement	First Fl	Partial Upper Fl	Full Upper Fl	Attic
Area (F/Un)	0/0	0	0	0	0/0
Value	$0.00	$0.00	$0.00	$0.00	$0.00
Plaster/Drywall					
Paneling					
Fiberboard					
Unfinished					
Wood Joist					
Fire-Resist					
Fire-Proof					
Hardwood					
Pine					
Carpet					
Concrete					
Tile/Linoleum					
Rooms	0	0	0	0	0
Bedrooms	0	0	0	0	0
Family Rooms	0	0	0	0	0
Dining Rooms	0	0	0	0	0
Insulation					
Central Air					
Heat Pump					
Central Heat					
Plumbing	0	0	0	0	0

Staff Exhibit No. C

Property Information

Property Number	51-082-0-003.00-P	Property Address:
Owner Name	2412 N NEWTON FALLS ROAD LLC	2412 N NEWTON FALLS RD
Owner Address	3511 LOST NATION WILLOUGHBY OH 44060	
Tax Set	51 MILTON TWP JACKSON MILTON LSD	
School District	5005 JACKSON MILTON LSD	
Neighborhood	21000 Milton Twp	Tax Payer Address:
Use Code	474 Open Code	2412 N NEWTON FALLS ROAD PO BOX 1420 MENTOR OH 44061 USA
Acres	2.82000	

Description

LOT 1 322.51 X 441.50 IRR COLUMBIA GAS TRANSMISSION CORP PLAT NO. 1

Assessment Info		Current Value			Recent Transfer
Board of Revision	N	Mkt Land Value	$29,700	Valid Sale	N
Homestead/Disability	N	CAUV	$0	# Parcels	1
Owner Occupied	N	Mkt Impr Value	$170,040	Deed Type	3E-QUIT CLAIM DEED EXEMPT
Divided Property	N	Total	$199,740	Amount	$0
New Construction	N	**Current Tax**		Sale Date	9/16/2016
Foreclosure	N	Annual Tax *	$4,129.26	Conveyance	
Other Assessments	Y	Paid **	$4,129.26	Deed #	3672
Front Ft.	0	Delq	$0.00		

<< Previous Card Card 1 of 1 **Next Card >>**

474 Open Code Building Section 001 Occupancy 001

Year Built	1983	Year Remodel	0	Occupancy	Storage Warehouse
# Stories	1	Story Height	16	Use Code	474
Section Area	2400	Perim/Shape	2		

Land

Land Type	Acres	Square Ft.	Actual Frontage	Eff. Frontage	Depth	No Of Units	Value
A0Row	.18000	0	.00000	.00000		0	$0
A1Primary Site	2.64000	0	.00000	.00000		0	$29,700

CAUV Land

No CAUV Land On This Property

Card - 1

Improvements

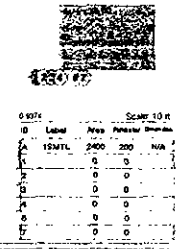
IMPR Type	Description	Area	Length	Width	Year Built
Other Improvement	Fencing	920	0	0	1983
Other Improvement	Paving Concrete	18000	0	0	2014
Other Improvement	Shed Utility	108	12	9	1977
Other Improvement	Pre-Eng Mtl Bldg	768	32	24	1977
Other Improvement	Pre-Eng Mtl Bldg	640	32	20	1974

IMPR Type	Description	Area	Length	Width	Year Built
Other Improvement	Pre-Eng Mtl Bldg	1920	60	32	1974
Other Improvement	Pre-Eng Mtl Bldg	1000	25	40	1986

- Card - 1

Property Sketch and Photos -- Card 1

Property Sketch



DOC ID ----> 201624300100

Staff Exhibit No. 1

DATE	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
08/30/2016	201624300100	DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG (LCP)	99.00	100.00	0.00	0.00	0.00

Receipt

This is not a bill. Please do not remit payment.

2412 N. NEWTON FALLS ROAD LLC
7001 CENTER STREET
MENTOR, OH 44060

STATE OF OHIO
CERTIFICATE

Ohio Secretary of State, Jon Husted

3934244

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

2412 N. NEWTON FALLS ROAD LLC

and, that said business records show the filing and recording of:

Document(s)	Document No(s):
DOMESTIC FOR PROFIT LLC - ARTICLES OF ORG	**201624300100**
Effective Date: 08/29/2016	

United States of America
State of Ohio
Office of the Secretary of State

Witness my hand and the seal of the Secretary of State at Columbus, Ohio this 30th day of August, A.D. 2016.

Jon Husted

Ohio Secretary of State

DOC ID ----> 201624300100

Form 533A Prescribed by:

JON HUSTED
OHIO SECRETARY OF STATE

Toll Free: (877) SOS-FILE (877-767-3453)
Central Ohio: (614) 466-3910
www.OhioSecretaryofState.gov
busserv@OhioSecretaryofState.gov
File online or for more information: www.OHBusinessCentral.com

Mail this form to one of the following:

Regular Filing (non expedite)
P.O. Box 670
Columbus, OH 43216

Expedite Filing (Two business day processing time. Requires an additional $100.00)
P.O. Box 1390
Columbus, OH 43216

2016 AUG 29 AM 8:11

Articles of Organization for a Domestic Limited Liability Company

Filing Fee: $99

Form Must Be Typed

CHECK ONLY ONE (1) BOX

(1) ☒ Articles of Organization for Domestic For-Profit Limited Liability Company (115-LCA)

(2) ☐ Articles of Organization for Domestic Nonprofit Limited Liability Company (115-LCA)

Name of Limited Liability Company: 2412 N. NEWTON FALLS ROAD LLC

Name must include one of the following words or abbreviations: "limited liability company," "limited," "LLC," "L.L.C.," "ltd.," "or "ltd"

Effective Date (Optional): _____ mm/dd/yyyy (The legal existence of the limited liability company begins upon the filing of the articles or on a later date specified that is not more than ninety days after filing)

This limited liability company shall exist for (Optional): _____ Period of Existence

Purpose (Optional): _____

****Note for Nonprofit LLCs**
The Secretary of State does not grant tax exempt status. Filing with our office is not sufficient to obtain state or federal tax exemptions. Contact the Ohio Department of Taxation and the Internal Revenue Service to ensure that the nonprofit limited liability company secures the proper state and federal tax exemptions. These agencies may require that a purpose clause be provided.

ORIGINAL APPOINTMENT OF AGENT

The undersigned authorized member(s), manager(s) or representative(s) of

2412 N. NEWTON FALLS ROAD LLC

Name of Limited Liability Company

hereby appoint the following to be Statutory Agent upon whom any process, notice or demand required or permitted by statute to be served upon the limited liability company may be served. The name and address of the agent is

Richard M. Osborne Sr.

Name of Agent

7001 Center Street

Mailing Address

Mentor	Ohio	44060
City	State	ZIP Code

ACCEPTANCE OF APPOINTMENT

The undersigned, Richard M. Osborne Sr. named herein as the statutory agent

Statutory Agent Name

for 2412 N. NEWTON FALLS ROAD LLC

Name of Limited Liability Company

hereby acknowledges and accepts the appointment of agent for said limited liability company

Statutory Agent Signature

Individual Agent's Signature / Signature on Behalf of Business Serving as Agent

By signing and submitting this form to the Ohio Secretary of State, the undersigned hereby certifies that he or she has the requisite authority to execute this document.

Required
Articles and original appointment of agent must be signed by a member, manager or other representative.

If authorized representative is an individual, then they must sign in the "signature" box and print their name in the "Print Name" box.

If authorized representative is a business entity, not an individual, then please print the business name in the "signature" box, an authorized representative of the business entity must sign in the "By" box and print their name in the "Print Name" box.

Signature

By (if applicable)

Richard M. Osborne Sr.

Print Name

Signature

By (if applicable)

Print Name

Signature

By (if applicable)

Print Name

Staff Exhibit No. 6

5

Ohio | Public Utilities Commission

Asim Z. Haque, Chairman

Commissioners

M. Beth Trombold
Thomas W. Johnson
Lawrence K. Friedeman
Daniel R. Conway

FILE

January 7, 2019

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

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

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in regard to authority to institute an emergency increase in its rates and charges, Case No. 18-1549-PL-AEM.

Tamara S. Turkenton
Director, Rates and Analysis Department
Public Utilities Commission of Ohio

David Lipthratt
Chief, Research and Policy Division
Public Utilities Commission of Ohio

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician MM Date Processed 01/07/19

RECEIVED-DOCKETING DIV
2019 JAN -7 PM 4:19

Enclosure
Cc: Parties of Record

Cobra Pipeline Company LTD
Case No. 18-1549-PL-AEM

BACKGROUND

On August 15, 2016, Cobra Pipeline Company, LTD ("Cobra" or "Company") filed an application in Case No. 16-1725-PL-AIR ("Rate Case"), in response to the Commission's Opinion and Order in Case No. 14-1654-GA-CSS, et al. On September 26, 2016, Cobra filed an amended application for an increase in its rates and on November 9, 2016 an entry was ordered accepting the filing. On April 13, 2018, a Staff Report was issued in response to the Company's application. Objections and testimony were filed in response to the Staff Report. The evidentiary hearing in the Rate Case began on September 10, 2018, and concluded on September 11, 2018; following the hearing, briefs were filed November 19, 2018.

On October 15, 2018, Cobra filed an application, in Case No. 18-1549-PL-AEM ("Emergency Rate Case"), seeking an emergency increase in its rates and charges for natural gas transportation service. In its Emergency Rate Case application, Cobra seeks authority to establish a temporary surcharge that would be applicable to the demand charge on firm service, the unauthorized daily overrun charge on firm service, and the commodity charge on interruptible service. Cobra proposes that the surcharge would be applied to all of its transportation customers' bills until either: (A) the Commission issues an order in the Rate Case that reflects the Company's current status and disregards the 2015 test year that was established two years ago or (B) the Commission directs Cobra to file a new rate case that reflects the Company's current status and the Commission issues an order in the new rate case.

On October 15, 2018, Cobra also filed a motion requesting consolidation of the Rate Case and the Emergency Rate Case. The motion was granted on December 7, 2018.

OVERVIEW

The Commission's authority to grant emergency relief arises under Section 4909.16, Ohio Revised Code. This statute gives the Commission the power to amend, alter, or suspend rates when the Commission deems it necessary to prevent injury to any public utility or part of any public utility in this state. The rates as directed by the Commission shall take effect at such time and remain in force for the length of time as prescribed by the Commission.

Staff's review of the Company's Emergency Rate Case application focused on investigating the Company's assertion that Cobra's financial status has deteriorated dramatically since the filing of the Rate Case. According to the Company's application, in the years 2016 and 2017 the Company experienced a 20% decrease in volumes of natural gas transported on its system. From 2017 to 2018, the Company asserts it experienced an additional 23% decrease in transported volumes. In order to verify the assertion regarding the Company's financial status, Staff issued a series of data requests for updated volumes, revenues, expenses, and recent bank statements. This new information was then used in conjunction with and compared against information Staff had previously obtained during the Rate Case investigation.

Detailed below are Staff's recommendations, with regard to the Emergency Rate Case filing. The comments presented below are in addition to Staff's previously filed recommendations in the Rate Case

proceeding found in the Staff Report, testimony and throughout the hearing process. Staff's comments focus on the volume reductions experienced by the Company, the current revenues and expenses as contained in the Emergency Rate Case filing, the Company's most recent bank statements, and a calculation of a proposed emergency rate, should it be authorized by the Commission.

REVIEW AND RECOMMENDATION

It is Staff's opinion that the Company is not experiencing a statutory emergency. This finding is due to the fact that Staff found many irregularities in the income statement, balance sheet and cash flows from the bank statement reviews. Staff believes that the Company's current financial condition is, in large part, a result of the Company's failure to manage its funds properly.

Volume Reductions

The Company has asserted in its Emergency Rate Case application that, since the filing of the Rate Case, the Company has experienced substantial year over year decrease in the volumes that are shipped on its systems. The Company attributes the decrease in volumes to the following: large transportation customers have ceased utilizing Chicago Citygate in favor of local production, the Company's largest transportation customer has constructed its own natural gas delivery system, and the loss of a large wholesale customer. Additionally, the Company's application cites the temporary shutdown of its Churchtown ("CT") stripping station as another reason for its reduced sales volumes, as CT has been shut in by Columbia Gas Transmission Company ("TCO"). Cobra posits that TCO shut in CT because the flow of production gas from CT to the TCO interconnect has a high liquid content. Cobra further acknowledges that this situation is unlikely to change, barring the cessation of Utica Shale exploration activities or customers voluntarily choosing to pay the high commodity prices offered by Cobra.

Staff does not believe that the shut in of gas volumes on TCO is solely the result of market prices. Staff believes that with minor improvements and/or repairs to the CT stripping equipment the Company could deliver gas into TCO and increase its transportation volumes and revenues.

Staff agrees with the Company's assertion that it has lost a substantial amount of volumes in recent years, but Staff's view is that the volume reductions reflect more than just market forces outside of the Company's control. Most of the customers currently served by the Company are captive to the system, and the non-captive customers may continue to explore other options for transporting gas in response to the Company's chosen practices.

Bank Statements

Staff's review included an examination of the Company's most recent 18 months of bank statements. Staff further investigated many of the larger withdrawals and checks issued by the Company by having the Company substantiate the recipient and the purpose for the transactions. Staff has concerns with some of the Company's responses regarding those transactions. For example, the Company paid large monthly management fees to an outside entity, which are in excess of the Company's salaries and wages expense. The Company also made large loan repayments to affiliated companies. Large transactions such as these concern Staff, as they have a negative impact on the Company's cash flows and liquidity. Given its review of the bank statements, Staff is concerned that, if an emergency surcharge is authorized, Cobra will not

allocate the additional revenues effectively; rather than using the additional revenues for operating and maintaining the Company's system, Cobra may continue to allow owner withdrawals and support unregulated affiliates.

Revenue and Expense Analysis

Staff reviewed the income statement as filed in the Company's Emergency Rate Case application by trending and comparing financial data to the Company's Rate Case application. Several expenses have increased drastically since the Rate Case filing. Examples of such increased expenses are salaries and wages, which has increased 28% or $109,000. Likewise, legal expenses have increased by over $112,000. Property tax expense has been included in the income statement but no payments have been made.[1] Despite its financial condition, the increase in expenses signals to Staff that the Company has not made a substantial effort to control costs.

Personal Property Tax

The Company's total property tax accrual at the end of 2018 will be $4,723,539.73.[2] Since the time of the Rate Case, the Company has made no payments toward this obligation; however, the Company's income statement reflects a $700,000 payment in 2017 and a $658,235 payment in 2016. If these payments are found to have not actually occurred, then the Company's income statement would be inaccurate and misleading. The Company asserts that their failure to make payments on delinquent property taxes is a result of their current financial situation. While Staff agrees that the Company's recent loss in volumes has hindered their ability to pay, the personal property taxes have been outstanding since 2009, which Staff believes shows a pattern of failure by the Company to meet its financial obligation.

CALCULATION OF EMERGENCY RATES

Given the concerns stated above, Staff does not recommend approval of the Company's proposed surcharge. However, should the Commission deem a surcharge necessary, then Staff would recommend a $0.40 surcharge for each of the Company's volumetric tariffs.

Staff's calculation is based upon the revenue short fall, as asserted in the Company's Emergency Rate Case. Staff requested 11 months of actual 2018 volumes with forecasted volumes for December 2018 in order to calculate a sufficient surcharge. Staff's recommended surcharges by tariff are listed in the table below.

Tariffs	Current	Company Proposed Surcharge	Staff Recommended Surcharge
Firm Transportation Service			
Demand Charge	$.50 x MDQ x # of days in the month	$1.05 x MDQ x # of days in the month	$.50 x MDQ x # of days in the month
Commodity Charge	$ 0.10 per Dth	$ 0.10 per Dth	$ 0.50 per Dth
Unauthorized Daily Overrun Charge	$ 0.50 per Dth	$ 1.05 per Dth	$ 0.90 per Dth
Interruptible Transportation Service			
Commodity Charge	$.50 per Dth	$ 1.05 per Dth	$ 0.90 per Dth

[1] Staff Data Request #1.
[2] Staff Data Request #1, Question 9.

CONCLUSION

Staff believes that the Company's current financial condition is, in large part, a result of the Company's failure to manage its funds properly. Staff does not recommend the Company's proposed surcharge. However, should the Commission deem a surcharge necessary, then the Staff would recommend a $0.40 surcharge for each of the Company's volumetric tariffs until permanent rates are established by the Commission.

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Cobra Pipeline Company, Ltd. To Amend Its Rates and Charges.	)))	Case No. 16-1725-PL-AIR
In the Matter of the Application of Cobra Pipeline Company, LTD For an Emergency Increase in its Rates and Charges.	))))	Case No. 18-1549-PL-AEM

TESTIMONY IN SUPPORT OF THE STAFF LETTER

MATTHEW SNIDER
RESEARCH & POLICY DIVISION
RATES AND ANALYSIS DEPARTMENT
PUBLIC UTILITIES COMMISSION OF OHIO

STAFF EXHIBIT 1

January 7, 2018

1. Q. Please state your name and your business address.

A. My name is Matthew Snider. My business address is 180 East Broad Street, Columbus, Ohio, 43215.

2. Q. By whom are you employed?

A. I am employed by the Public Utilities Commission of Ohio (PUCO or Commission).

3. Q. What is your current position with the PUCO and what are your duties?

A. I am a Utility Specialist III in the Research & Policy Division within the Rates and Analysis Department. My duties include analyzing and auditing the financial statements of Public Utility Companies, for the purpose of ratemaking, that fall under the jurisdiction of the PUCO.

4. Q. Would you briefly state your educational background, experience and qualifications?

A. I earned a Bachelor of Science degree in Business from Miami University with majors in both Finance and Accounting in May of 2009. I have also completed various classes and workshops on the ratemaking process and provided workpapers, research, and testimony for previous cases before the Commission.

5. Q. Please outline your work experience.

A. Following my graduation from Miami University in 2009, I worked Winfree, Ruff & Associates, Ltd, CPAs as a tax accountant. After working there for two years, I joined the PUCO in February 2011 as a Utility Auditor 1. Since joining the PUCO, I have been promoted several times until reaching my current position of Utility Specialist III.

6. Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide additional support to Staff's Recommendation Letter which addresses the application for Emergency Rates filed in this case by Cobra Pipeline, LTD (Cobra, or Company).

7. Q. What is Emergency Rate Relief?

A. Section 4909.16 of the Ohio Revised Code gives the Commission the power to amend, alter, or suspend rates when the Commission deems it necessary to prevent injury to any public utility or part of any public utility in this state.

8. Q. What was Staff's process of review application for Emergency Rate Relief?

A. Staff's review focused on investigating the Company's assertion that Cobra's financial status has deteriorated dramatically since the Company's filing of the application to increase rates in Case No. 16-1725-PL-AIR

(Rate Case). Staff performed this review by issuing a series of data requests in regards to revenues, expenses, transportation volumes and recent bank statements. Staff used this information, along with the information from the prior Rate Case, to formulate a recommendation to the Commission and to calculate an emergency surcharge if the Commission chooses to institute one.

9. Q. Is it Staff's opinion that the Company is experiencing a statutory emergency?

A. No, Staff cannot find that the Company is experiencing a statutory emergency.

10. Q. Why does Staff hold this view?

A. Staff found many irregularities in the income statement, the balance sheet, and cash flows from bank statement reviews. The Company continues to make large owner withdrawals and loan utility funds to unregulated affiliates.

11. Q. If the Commission were to determine that an emergency exists, did Staff calculate an emergency surcharge?

A Yes.

12. Q. How did Staff calculate the emergency surcharge?

A. Staff's calculation of the emergency surcharge was based on the revenue shortfall as asserted in Exhibit A[1] of the Company's application. Staff then divided that revenue shortfall by 11 months of actual (January through November) and 1 month of forecasted (December) volumes for 2018. Staff then applied its calculated rate of $0.40 to each of the Company's volumetric tariffs.

13. Q. Why did Staff calculate the emergency surcharge in this manner?

A. Staff calculated the surcharge using only the revenue shortfall and the volumes because Staff views the surcharge as a temporary rate. There are still many outstanding issues in the Rate Case that this surcharge does not address. For example, the Company has unpaid property taxes in excess of $4.7 million dollars,[2] which the surcharge does not address.

14. Q. Does Staff recommend that the surcharge be implemented?

A. No, Staff does not recommend that any surcharge be implemented.

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[1] In the Matter of the Application of Cobra Pipeline Company, LTD For an Emergency Increase in its Rates and Charges, Case No. 18-1549-PL-AEM, Application, Income Statement Projected Year 2018 (Oct. 15, 2018).

[2] Staff Data Request #1, Question 9.

15. Q. Why is Staff making this recommendation?

A. Staff believes that the Company's current financial condition is, in large part, a result of the Company's failure to manage its funds properly. For that reason, Staff has concerns that any surcharge granted by the Commission may not be used to meet the Company's financial obligations.

16. Q. Does this conclude your testimony?

A. Yes, it does. However, I reserve the right to submit supplemental testimony, as new information subsequently becomes available or in response to positions taken by other parities.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-filed Testimony in Support of the Staff Letter of Matthew Snider has been served upon the below-named counsel via electronic mail, this 7th day of January, 2019.

/s/Werner L. Margard III
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In the Matter of the Application of	:	
Cobra Pipeline Company, Ltd.	:	Case No. 16-1725-PL-AIR
To Amend Its Rates and Charges	:	
In the Matter of the Application of	:	
Cobra Pipeline Company, LTD	:	Case No.18-1579-PL-AEM
For an Emergency Increase in its	:	
Rates and Charges	:	

DIRECT TESTIMONY OF JESSICA CAROTHERS

COBRA PIPELINE COMPANY, LTD EXHIBIT # A

INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jessica Carothers and my business address is 8635 East Avenue, Mentor Ohio 44060.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Cobra Pipeline Company, LTD ("Cobra"). My title is Accounting Manager. I function as Cobra's General Manager.

Q. WHAT ARE YOUR RESPONSIBILITIES?

A. First, I oversee day-to-day company operations. I am also responsible for overseeing any legal issues that arise and ensuring that the company's accounting is correct, including account receivables.

Q. WHAT IS YOUR PROFESSIONAL BACKGROUND?

A. I began my professional career, in 2004, by working in retail banking at Lake National Bank. I worked for Lake National Bank for four (4) years. In 2008, I was hired by Cobra to be its Accounting Manager. I began operating as Cobra's General Manager in 2014.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO ("PUCO" OR "COMMISSION") BEFORE?

A. Yes. I have testified, on behalf of Cobra in Case No. 16-1725-PL-AIR ("2016 Rate Case"). I have also testified on behalf of Orwell-Trumbull Pipeline Company, LLC

("OTP")[1] in the following cases before the PUCO: (1) Case No. 14-1654-GA-CSS; (2) Case No. 15-0637-GA-CSS; and (3) Case No. 15-0475-GA-CSS.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?

A. The purpose of my testimony is to provide the company's history and to support Cobra's Application for an Emergency Rate Case ("Application") in Case No. 18-1579-PL-AEM ("Emergency Rate Case"). Specifically, my testimony will support Cobra's Application by: (1) justifying Cobra's need for an emergency rate increase; (2) demonstrating that Cobra's emergency rate does not allow for the recovery for the investment in or the return of investment for Cobra's owners; (3) defending certain operating expenses included in Cobra's 2018 Income Statement; and (4) establishing a permanent rate for Cobra via the consolidated 2016 Rate Case.

COMPANY HISTORY

Q. ARE YOU FAMILIAR WITH THE HISTORY OF COBRA?

A. I am.

Q. WOULD YOU PLEASE PROVIDE A BRIEF HISTORY OF COBRA?

A. Cobra's pipelines consist of more than two-hundred (200) miles of pipeline that Cobra purchased from Columbia Gas Transmission Company ("TCO") in 2005. Cobra's pipeline system consists of three (3) different sections. The three (3) different sections of Cobra's pipeline system are called: (1) Churchtown ("CT"); (2) Holmesville ("HV"); and

[1] OTP and Cobra were affiliate companies until OTP was placed into receivership by the Cuyahoga County Court of Common Pleas on November 21, 2017.

(3) North Trumbull ("NT"). CT provides transportation services to Noble and Washington counties, Ohio. HV provides transportation services in Holmes and Wayne counties, Ohio. NT provides transportation services in Ashtabula, Columbiana, Geauga, Mahoning, and Trumbull counties, Ohio.

Cobra filed an application to become a pipeline company with the Public Utilities Commission of Ohio ("PUCO" or "Commission") on December 19, 2005 ("Initial Application"). Cobra's application was docketed as Case No. 05-1558-PL-ATA ("ATA Case"). This Commission approved Cobra's Initial Application in an Entry dated June 27, 2007. Cobra's tariff ("Tariff") was filed in the ATA Case on June 29, 2007.

EMERGENCY RATE CASE

Q. THANK YOU. LET'S TALK ABOUT THIS EMERGENCY RATE CASE. PLEASE EXPLAIN TO ME WHAT THE PURPOSE OF AN EMERGENCY RATE CASE.

A. My understanding is that a public utility can file an Emergency Rate Case, such as this one, when its revenues are no longer meeting its operating expenses.

Q. PLEASE EXPLAIN HOW COBRA EARNS REVNUE.

A. Cobra is a pipeline company that ships natural gas. Cobra earns money by shipping that natural gas through its three systems.

Q. HOW MUCH REVENUE HAS COBRA PROJECTED THAT IT WILL EARN IN 2018?

A. Cobra projected that it would earn $1,596.837.40 in revenue during 2018. This information was provided to the Commission in Cobra's 2018 Pro Rata Income Statement ("2018 Income Statement") that was attached to its Application as Exhibit A.

Q. WHAT ARE COBRA'S CURRENT RATES?

A. Cobra has two different rates approved by this Commission. First, this Commission approved Cobra to charge $0.50 per Dth for interruptible service. Cobra is also approved to charge the following for firm service:

(a) a Demand Charge of $0.50per Dth multiplied by the Minimum Daily Quantity ("MDQ") multiplied by the number of days in a month; and

(b) a commodity charge of $.010 per Dth.

Cobra also is permitted to charge $0.25 per Dth for processing and compression.

These rates are listed in Cobra's Tariff. They were approved by this Commission in that ATA Case.

Q. PLEASE EXPLAIN THE $0.25 PER DTH CHARGE FOR PROCESSING AND COMPRESSION.

A. Cobra's CT system is connected to Columbia Gas ("TCO"). Natural gas transported from Cobra to TCO must be compressed, which increases the pressure level of the gas, in order to be delivered to TCO.

Q. HOW DOES THIS $0.25 PER DTH CHARGE IMPACT COBRA'S REVENUES IN 2018?

A. Cobra earned minimal revenue from this $0.25 per Dth charge in 2018. Specifically, Cobra's 2018 Income Statement shows that Cobra expects to earn only $14,289.55 in 2018. Cobra expects this revenue stream to remain nominal until TCO ends it's shut in of Cobra's CT system.

Q. TCO HAS SHUT IN COBRA'S CT SYSTEM?

A. Yes. However, I will not providing further testimony regarding TCO's shut in of Cobra's CT system. Instead, Carolyn Coatoam will be discussing this matter in her testimony.

Q. DOES COBRA HAVE ANY FIRM CUSTOMERS?

A. Yes, Cobra currently has some customers that receive firm service. However, Cobra believes that any customer that currently receives firm service will move to interruptible service if Cobra is granted a rate increase.

Q. WHICH CUSTOMERS CURRENTLY RECEIVE FIRM SERVICE?

A. Northeast Ohio Natural Gas Corp ("NEO") receives firm service on NT, HV, and CT systems.

Q. BUT COBRA BELIEVES THAT IF THERE IS A RATE INCREASE THEN THESE CUSTOMERS WILL MOVE TO INTERUPTABLE SERVICE?

A. Correct.

Q. WHY?

A. Cobra believes that its firm services customers will seek to minimize their transportations costs in order to maximize their competitiveness in the market.

Q. HOW DOES COBRA GENERATE REVENUE FROM INTERRUPTABLE SERVICE?

A. Generating revenue from interruptible service is a simple math equation. Cobra's total revenue equals the number of Dth Shipped multiplied by the $0.50 Dth rate.

Q. HOW MANY DTHS WERE SHIPPED THROUGH COBRA'S SYSTEMS IN 2018?

A. Cobra was forced to make a forecast of the volumes that it expected to deliver because 2018 is not finished yet. Cobra included its projected revenues for September through December, 2018 in Exhibit B to its Application.

EXHIBIT B SHOWS COBRA'S REVENUES AT $2,013,366.23 AND NOT THE $1,596,837.40 LISTED ON COBRA'S EXHIBIT A. CAN YOU EXPLAIN THIS?

A. Yes, please direct your attention to the portion of Exhibit B that is highlighted in green. This section of Exhibit B reflects the portion of 2018 that Cobra collected $0.95 per Dth under its Bond before this Commission issued an Order, dated April 11, 2018 in the 2016 Rate Case ("April Order"), instructing Cobra to return to the $.050 per Dth rate. Cobra's 2018 Income Statement removes the revenue difference in the portions entitled "Adjust for 2018 billings not paid" and "Adjust for 2018 billings paid."

Q. THANK YOU. YOU ALSO STATED THAT COBRA PROJECTED THE VOLUME OF NATURAL GAS IT WOULD DELIEVER FROM SEPTEMBER THROUGH DECEMBER 2018. HOW ACCURATE WERE COBRA'S PROJECTIONS?

A. Cobra believes that its projections were accurate. Cobra provided Staff with an update regarding its projections as part of its response to DR #4.[2] Below is a breakdown of Cobra's projected revenues versus actual revenues for this time period:

September Actual: $92,124.05

September Projected: $93,473.80 (-$1,349.75 off September Actual)

October Actual: $118,851.60

September Projected: $106,788.45 ($12,063.15 off October Actual)

November Actual: $166, 634.10

November Projected: $130,056.95 ($36,577.15 off November Actual)

Q. WHY WERE NOVEMBER'S PROJECTED AND ACTUAL VOLUMES SO DIFFERENT?

A. One of the variables in making projections on volumes delivered on a pipeline company's system is based upon the weather. November, 2018 was colder than anticipated. Colder weather means that more natural gas is required to heat homes, factories, and other

[2] Cobra's response to DR #4 is attached as Exhibit JC-1.

buildings. This increase in demand lead to an increase in the volume of natural gas shipped through a pipeline company's systems.

Q. HOW MANY TOTAL DTHS HAVE BEEN DELIVERED ON COBRA'S SYSTEMS IN 2018?

A. Cobra has delivered 2,232,117 Dths from January 1, 2018 through November 30, 2018. This information was also provided to the Commission's Staff in DR #4.

Q. HOW MANY DTHS DOES COBRA EXPECT TO DELIEVER IN DECEMBER, 2018?

A. Cobra projects to deliver 262,942 Dths in December, 2018.

Q. MEANING THAT COBRA EXPECTS TO DELIVER 2,495,059 DTHS IN 2018?

A. Correct.

Q. WHAT ARE COBRA'S TOTAL EXPENSES IN 2018?

A. Cobra stated in the 2018 Income Statement that it expects to spend $2,629,811.12 in 2018. However, this number needs to be adjusted.

Q. WHAT LINE ITEM DOES COBRA NEED TO ADJUST?

A. Cobra realizes that it should not have included the "Depreciation Expense" line item for the purposes of this Emergency Rate Case.

Q. WHY SHOULD THIS LINE ITEM NOT BE INCLUDED?

A. The "Depreciation Expense" line item should not be included because this is an accounting mechanism used to recover the company's investment in its systems and is therefore not an operating expense.

Q. WHAT ARE COBRA'S EXPENSES AFTER REMOVING THIS LINE ITEM?

A. Cobra's operating expenses total $2,164,979.35 when this line item is removed.

Q. AFTER REMOVING THIS LINE ITEM AND UPDATING THE MONTLY VOLUMES COBRA SHIPPED IN 2018, WHAT DO YOU BELIEVE COBRA'S EMERGENCY RATE SHOULD BE?

A. $0.87 per MCF.

Q. PLEASE EXPLAIN HOW YOU GOT TO THIS RATE.

A. It is the same simple math equation that I discussed earlier. Cobra needs to earn $2,164,979.35 in order to break even. If Cobra is going to deliver 2,495,059 Dths of natural gas in 2018 then it must charge $0.87 per Dth to cover its expenses.

DOES THIS PROPOSED EMERGENCY RATE INCLUDE PREVIOUSLY ASSESSED PERSONAL PROPERTY TAXES THAT COBRA OWES?

A. No, previously assessed personal property taxes ("PAPPT") owed by Cobra were not listed as a line item in Cobra's 2018 Income Statement and, therefore, were not considered within this calculation for an emergency rate.

Q. DOES THIS PROPOSED EMERGENCY RATE INCLUDE DISTRIBUTIONS TO COBRA'S OWNERS?

A. No, Cobra's proposed emergency rate does not include either a rate of return for its owners, nor does it contain the owner's recoupment of their investments in Cobra once the "Depreciation Expense" line item is removed.

Q. DOES COBRA EVENTUALLY INTEND TO PAY THE PREVIOUSLY ASSESSED PERSONAL PROPERTY TAXES, PROVIDE ITS OWNERS A RATE OF RETUN, AND RETURN THE OWNER'S INVESTMENT IN COBRA?

A. Yes, eventually. However, it is my understanding that for the purpose of an Emergency Rate Case that a utility is only allowed to seek a rate that covers its current operating expenses. The other items must be handled after the emergency rate has been determined.

Q. HOW DOES COBRA HOPE TOACCOMPLISH THIS?

A. It is Cobra's hope that this can be achieved through the 2016 Rate Case that has been consolidated with this matter. However, if that can't be accomplished then Cobra will be forced to file yet another rate case.

Q. ARE THERE ANY OPERATING EXPENSES THAT COBRA EXPECTS STAFF OR THE INTERVENER'S TO CHALLENGE?

A. Cobra expects the entities owned by Hearthstone Utilities, Inc. ("Hearthstone")[3] to object to anything and everything that allows Cobra to continue its existence. However, Cobra believes that Staff will be more measured and practical in its approach. Cobra expects

[3] Hearthstone currently owns a collection of public utilities that were previously owned by Cobra's owner Richard M. Osborne. These entities have been engaged in multiple litigations since Mr. Osborne was removed as the CEO of these entities.

inquires and/or challenges from Staff on the following line items: (1) Salaries and Wages; (2) Admin Benefits; (3) Other Taxes – Payroll Taxes; (4) Regulatory – Safety; (5) Professional Services – Legal; (6) PP Tax Estimate & True Up; and (7) Real Estate Taxes – CT (Wash).

Q. WHICH OF THESE ITEMS ARE YOU PREPARED TO DISCUSS.

A. I will be addressing the following line items: (1) Salaries and Wages; (2) Admin Benefits; (3) Other Taxes – Payroll Taxes; (4) Regulatory – Safety; and (5) Professional Services – Legal. Carolyn Coatoam will be addressing PP Tax Estimate & True Up and Real Estate Taxes – CT (Wash) line items.

Q. START WITH THE SALARIES AND WAGES LINE ITEM. WHY DO YOU BELIEVE STAFF WILL QUESTION THIS LINE ITEM?

A. Actually, the (1) Salaries and Wages, (2) Admin Benefits, (3) Other Taxes – Payroll Taxes line items can all be discussed as one.

Q. THEN PLEASE EXPLAIN WHY COBRA BELIEVES THAT STAFF WOULD CHALLENGE THESE LINE ITEMS.

A. Cobra has seen an increase in these expenses in 2018 when compared to previous years.

Q. WHY HAS COBRA SEEN AN INCREASE IN EXPENSES FOR THESE LINE ITEMS?

A. Traditionally, Cobra and OTP have split the expenses associated with these line items. OTP assumed 37% of total expenses while Cobra assumed 63%. This arraignment was

terminated when OTP entered into receivership and the Receiver was unwilling to continue this, and other, arraignments. Carolyn Coatoam testified to these facts during the 2016 Rate Case.

Cobra's 2018 Income Statement shows that Cobra expects to spend $499,722.67 in salary and wages in 2018,[4] while Cobra spent $476,487.82 in 2017 and $451,736.37 in 2016.[5] This increase has occurred even though Cobra has mostly been understaffed for 2018. Cobra has actually lost three (3) operators of its pipelines this year and has been forced to contract with UPL to ensure that its pipelines are properly operated.

This increase is also true of Cobra's payroll tax expenses and its expenses associated with administrative benefits. Cobra estimated that it would spend $67, 000.89 on administrative benefits in 2018 compared to $55,197.17 in 2017 and $43,709.51 in 2016. Similarly, Cobra expects to spend $44,125.69 in payroll taxes during 2018 while it spent $37, 907.53 in 2017 and $38,078.88 in 2016.

Q. IN TOTAL, HOW MUCH HAS COBRA'S BEEN FORCED TO INCREASE ITS EXPESNES ASSOCIATED WITH EMPLOYEES' SALARIES AND BENEFITS?

A. In total, Cobra projects to spend $610,849.25 in 2018, while it spent $569,592.52 in 2017 and $533,524.76 in 2016. This means Cobra has been forced to increase its expenses associated with salaries and benefits $41,256.73 from 2017 and $77,324.49 from 2016.

Q. DOES COBRA BELIEVE THESE INCREASES IN EXPENSES ARE JUSTIFIED?

[4] See Exhibit A to Cobra's Application in this Emergency Rate Case.
[5] See Exhibit H to Cobra's Application in this Emergency Rate Case.

A. Yes it does. Cobra has to pay its employees. In fact, I testified in the 2016 Rate Case that Cobra needs additional employees to properly operate. I am not alone in this belief. Specifically, I am referring to the Schumaker & Company ("Schumaker"). This Commission ordered Cobra to go through a Management Audit in the 2016 Order. That Management Audit was conducted in 2016 and 2017, and the auditor, Schumaker, also believed that Cobra should hire additional employees and states as such in its report ("Schumaker Report").

Q. NEXT, PLEASE DISCUSS THE REGULATORY – SAFETY LINE ITEM?

A. Cobra is a pipeline company under R.C. §4905.03(f) and as such it this Commission has the authority to regulate the safety and maintenance of Cobra's pipelines. As part of its duties in regulating pipeline safety, Cobra has received letters of probable non-compliance ("PNC") from this Commission. Cobra has worked diligently to ensure these letters, and the concerns contained within those letters, receive the attention they deserve. By doing so, Cobra has addressed nearly all of the concerns this Commission has presented to it in the PNCs.[6]

Q. DOES COBRA BELIEVE THAT THESE EXPESNES WERE JUSTIFIED?

A. Yes, Cobra shares this Commission's goal to maintain pipeline safety. Cobra simply seeks the recovery of the expenses associated with maintaining pipeline safety. In this Case, UTI has charged Cobra $29,125.69 as of August 31, 2018 and Cobra anticipates the

[6] The Commission's own Staff admitted as such during the 2016 Rate Case. Specifically, Staff called Peter A. Chace as its sole witness to testify on pipeline safety. During his testimony, Mr. Chance stated that the only remaining concern the Commission had regarding Cobra's pipeline safety was being addressed by Cobra's management through its retention of an outside contractor, Utility Technologies International Corporation ("UTI"). See Mr. Chace's Testimony at Transcript Vol. 2, P.312 – 314.

final bill $44,125.69 for 2018. Mr. Chace stated, during the 2016 Rate Case, that he believes Cobra should be allowed to recover these expenses.[7]

Q. FINALLY, PLEASE EXPLAIN THE PROFESSIONAL SERVICES – LEGAL LINE ITEM?

A. 2018 has been a very expensive year for Cobra in regards to legal fees.

Q. WHY IS THAT?

A. Honestly, the 2016 Rate Case and this Emergency Rate Case have cost Cobra a lot of money.

Q. PLEASE ELABORATE.

A. Cobra did not originally seek to be involved in a rate case. In fact, Cobra was originally forced into the 2016 Rate Case by this Commission's 2016 Order. During the evidentiary hearing, Cobra submitted evidence that it had spent over $150,000 in expenses associated with the 2016 Rate Case.[8] The evidentiary hearing in the 2016 Rate Case took place on September 10, 2018 and September, 11, 2018. Cobra's 2018 Income Statement accounts for another $66,590.00 between September 1, 2018 and December 31, 2018 in legal fees. Most of which are associated with either: (1) this Emergency Rate Case; or (2) the evidentiary hearing and the post-hearing briefs in the 2016 Rate Case.

[7] See Mr. Chance's Direct Testimony in the 2016 Rate Case at P.6, Lines 20-22.
[8] See Exhibit K and Exhibit L of my direct testimony in the 2016 Rate Case.

Q. DOES THIS MEAN THAT ALL OF COBRA'S LEGAL FEES ASSOCIATED WITH THE 2016 RATE CASE AND THIS EMERGENCY RATE CASE ARE INCLUDED IN THE PROFESSIONAL SERVICES – LEGAL LINE ITEM?

A. No, the 2016 Rate Case has dragged on for over two (2) years. The 2018 Income Statement only reflects the legal fees that Cobra incurred during 2018 and not 2016 and 2017. Similarly, this Emergency Rate Case will not be concluded in 2018. The evidentiary hearing isn't scheduled to take place until January 10, 2019 and then there will be the post-hearing briefs that will need to be filed.

Q. DOES COBRA BELIEVE THAT THESE EXPENSES ARE JUSTIFIED?

A. Yes. Cobra needs legal representation and must pay its lawyers to receive their service. This Commission ordered Cobra to file the 2016 Rate Case. Staff recommended that Cobra be allowed to recover its legal fees during the 2016 Rate Case. Cobra believes that it should receive the same treatment for its expenses in this Emergency Rate Case. In addition, Cobra does not anticipate its future legal expenses to decrease any time soon due to: (1) the possibility of yet another rate case in 2019; (2) Hearthstone's eagerness to engage in litigation with any entity owned by Richard M. Osborne; and (3) possible litigation before the Ohio Supreme Court regarding retroactive rate making.

Q. WHY WOULD COBRA BE FORCED TO FILE ANOTHER RATE CASE IN 2019?

A. It is my understanding that emergency rate cases, such as this one, do not allow for the recovery of a utility's investment or for a rate of return for the utility's owners. If this is

correct, and the Commission does not address these items through the consolidated 2016 Rate Case, then Cobra is required to file a rate case to address these issues.

THE CONSOLIDATED 2016 RATE CASE.

Q. IS THIS WHY COBRA FILED A MOTION TO CONSOLIDATE THIS EMERGENCY RATE CASE AND THE 2016 RATE CASE?

A. Yes, Cobra does not want to file a third rate case. However, Cobra will file such a rate case if it proves necessary.

Q. HOW WOULD COBRA PREFER THAT THE COMMISSION HANDLE THIS MATTER?

A. Cobra hopes that this Commission will determine an emergency rate and then use the 2016 Rate Case to settle the other items necessary to establish a permanent rate.

Q. HOW WOULD THE COMMISSION DO THIS?

A. The Commission would accept Cobra's proposition to not limit itself to the 2015 test year that was established in the 2016 Rate Case ("Test Year").

Q. HOW WOULD THIS ALLOW THE COMMISSION TO SET A PERMANENT RATE?

A. It would allow this Commission to use the emergency rate as a baseline for Cobra's operating expenses and then make a determination on other disputed items using the most recent financial information about the company.

Q. WOULDN'T THIS INFORMATION NEED TO BE REQUESTED BY STAFF?

A. No. This information has already been provided to the Commission (and its Staff) as exhibits and/or evidence in either this Emergency Rate Case or the 2016 Rate Case. In an attempt to show good faith with the Commission and to expedite these proceedings, Cobra is also attaching its entire general ledger to the Commission as Exhibit JC -2. This will allow the Commission the ability to examine Cobra's entire financial history.

Q. WHAT ISSUES WOULD STILL NEED TO BE ADDRESSED?

A. Cobra believes that the Commission would need to make determinations on: (1) statutory process of a rate case for a pipeline company; (2) the rate of return Cobra's owners are entitled to receive; and (3) Cobra's ability to recover the investment made in its systems; and (4) PAPPT.

Q. WHICH TOPICS ARE YOU PREPARED TO DISCUSS TODAY?

A. I plan on discussing the following topics: (1) the rate of return Cobra's owners are entitled to receive; and (2) Cobra's ability to recover the investment made in its systems. Carolyn Coatoam will discuss: (1) PAPPT; and (2) Cobra's ability to recover the investment made in its systems. Cobra's attorneys will address the proper legal process for a pipeline company's rate case in Cobra's post-hearing briefs.

Q. PLEASE DISCUSS COBRA'S POSITION ON THE RATE OF RETURN COBRA BELIEVES ITS OWNERS SHOULD RECEIVE.

A. Cobra disagrees with Staff's position regarding the rate of return that Cobra's owners are entitled to receive, including the assertion that smaller, privately held companies do not have a higher risk profile from larger companies and publicly traded companies. However, Cobra no longer wishes to argue this point and is willing to accept the midpoint rate of return this Commission's Staff selected in its Staff Report in the 2016 Rate Case ("Staff Report"). That rate was 9.09%.

Q. IF COBRA ACCEPTS THE RATE OF RETUN AT 9.09% FOR ITS OWNERS INVESTMENT THEN HOW MUCH WILL COBRA'S OWNERS RECEIVE ANNUALLY?

A. The Staff created workpapers to back up its Staff Report ("Workpapers"). According to Schedule A1 of Staff's Workpapers, Cobra's owners should be entitled to receive $401,861.50 annually at the 9.09% rate of return.

Q. COBRA'S OWNERS WOULD ACCEPT THIS $401,861.50 FIGURE AS THEIR ANNUAL RETURN ON THEIR INVESTMENT?

A. Yes, but only if doing so brings about a quick resolution to this Emergency Rate Case and the 2016 Rate Case.

Q. NEXT, YOU SAID THAT YOU INTENDED TO COMMENT ON COBRA'S ABILITY TO RECOVER ITS INVESTMENT?

A. Correct. Cobra currently lists its total plant in service as $4,247,839.54. This information can be found in Cobra's Balance Sheet provided as Exhibit D to Cobra's Application. Staff's Workpapers list Cobra's total plant in service as $4,420,916.

Cobra's figure is smaller than the number found in Staff's Workpapers because three (3) years have passed since the Test Year that Staff's Workpapers are based upon. Cobra would like to continue to depreciate these assets at the same rate that Columbia Gas ("TCO") did when they owned these assets and as Cobra has done since it has owned these assets. This depreciation rate was the line item that was removed during the emergency rate discussion.

Q. WHAT WAS THAT AMOUNT AGAIN?

A. That amount was listed as the line item entitled "Depreciation Expense" in the 2018 Income Statement and equals $464,831.77.

Q. DOES COBRA BELIEVE THAT STAFF WILL CHALLENGE THIS AMOUNT?

A. Cobra does. However, Carolyn Coatoam will be handling the testimony to explain why such a challenge is improper.

Q. HOW WILL THESE TWO NUMBERS BE INVOLVED IN DETERMINING A PERMANENT RATE FOR COBRA?

A. As the Staff Report states that the three components needed to determine a proper rate of return rate are: (1) rate base; (2) rate of return; and (3) operating expenses. Cobra has now: (1) demonstrated its current operating expenses: (2) accepted the Staff's proposed rate of return; and (3) effectively, accepted Staff's proposed rate base. These numbers should be added together and divided by the number of Dths Cobra anticipates shipping in 2018.

Q. HAS COBRA DONE THIS CALCULATION?

A. Yes, Cobra has. Cobra's depreciation rate would be $464,831.77. Cobra's return on its investment would be $401,861.50. Cobra's operating expenses total $2,164,979.35. These combined total $3,031,672.62. Cobra believes that it will deliver 2,495,059 Dths of natural gas in 2018. Therefore, Cobra believes that a permanent rate of $1.22 per Dth is appropriate.

Q. DOES THIS PROPOSED PERMANENT RATE OF $1.22 PER DTH INCLUDE PAPPT?

A. No, it does not.

Q. DOES THIS MEAN THAT COBRA IS NO LONGER SEEKING RECOVERY OF THE PAPPT?

A. Cobra still believes that the PAPPT should be recovered as a regulatory asset. Cobra proposed that this regulatory asset be collected as a rider and not be included a permanent rate. Carolyn Coatoam will provide Cobra's testimony regarding PAPPT.

Q. DOES THIS PROPOSED PERMANENT RATE OF $1.22 PER DTH INCLUDE ANY REFUND THAT COBRA MIGHT OWE?

A. No, this proposed rate does not factor any refund that Cobra might owe. This number was based purely on the Cobra's volumes, rate base, rate of return, and operating expenses. As I stated earlier, Cobra's attorneys will address this matter in the post-hearing briefs in this Emergency Rate Case and/or before the Ohio Supreme Court.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does. However, I reserve the right to further supplement my testimony.

EXHIBIT JC-1 TO TESTIMONY WITHHELD AND FILED UNDER SEAL

EXHIBIT JC-2 TO TESTIMONY WITHHELD AND FILED UNDER SEAL

In the Matter of the Application of Cobra Pipeline Company, Ltd. To Amend Its Rates and Charges	: : :	Case No. 16-1725-PL-AIR
In the Matter of the Application of Cobra Pipeline Company, LTD For an Emergency Increase in its Rates and Charges	: : : :	Case No.18-1579-PL-AEM

DIRECT TESTIMONY OF CAROLYN COATOAM

COBRA PIPELINE COMPANY, LTD EXHIBIT # B

Q. Please state your name and business address.

A. My name is Carolyn Coatoam. My business address is 8635 East Avenue, Mentor, OH 44060.

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

A. I am currently employed by Cobra Pipeline Company, Ltd ("Cobra"). Cobra employs me as its Controller.

Q. Please describe your educational background.

A. I have obtained the following degrees: (1) Bachelor of Arts degree from Lake Erie College in psychology; (2) an Associate of Arts degree in accounting from Lakeland Community College; and (3) a Bachelor of Science degree in accounting from Lake Erie College.

Q. *Please describe your work history.*

A. In 1975, I began my professional career at Haskins and Sells ("H&S").[1] I worked for H&S for 7 years in auditing. During my time with H&S, my duties included audits of various public companies for which I was senior accountant in charge of up to 6 junior staff.

In 1996, I was employed by Niche Systems and Support ("NSS"). NSS hired me as a consultant to Applied Industrial Technologies, located in Cleveland, Ohio ("AIT"). I was part of a team that developed and implemented a web-based system that enabled access to purchase orders, invoices, and receipt records by the 400+ branches of AIT around the country.

[1] H&S is now known as Deloitte & Touche.

In addition to these jobs, I was also the bookkeeper, payroll clerk, tax preparer, and banker for Mr. Concrete, Inc., a commercial concrete construction company that was owned by my husband and myself. My duties included: (1) accounting; (2) payroll; (3) union reporting; (4) company tax returns; (5) billings; and 6) banking.

In 2009, Richard M. Osborne ("Mr. Osborne") hired me to set up a database and collect the documentation of all loans outstanding for himself and all of his various businesses. In 2011, I was appointed Chief Financial Officer of John D Oil and Gas Company ("John D"), a natural gas exploration and production company owned by Mr. Osborne. John D filed for bankruptcy in early 2012, and was eventually liquidated, in Chapter 7 bankruptcy, during 2016. Mr. Osborne then appointed me as the Controller for Cobra in 2017. I was aware of Cobra's financial situation because I had been assisting Cobra with its bookkeeping and financial management since 2013.

Q. Have you previously testified before the Public Utilities Commission of Ohio ("PUCO" or "Commission") before?

A. Yes, I testified on behalf of Cobra in Case No. 16-1725-PL-AIR ("2016 Rate Case").

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support Cobra's Application for an Emergency Rate Case ("Application") in Case No. 18-1579-PL-AEM ("Emergency Rate Case"). Specifically, my testimony will support Cobra's Application by defending portions of Cobra's operating expenses found it Cobra's 2018 Pro Rata Income Statement ("2018 Income Statement"). I also plan on doing the following during my testimony (1) provide supporting justification for a permanent rate of $1.22 per Dth proposed by Cobra in

Jessica Carother's direct testimony; and (2) provide support for two riders to Cobra's permanent rate that Cobra proposed during the 2016 Rate Case.

EMERGENCY RATE CASE

Q. Thank you. Let's begin by discussing the Emergency Rate Case. Are you aware of the proposed emergency rate that Cobra has proposed in this case?

A. I am. The proposed rate is $0.87 per Dth for interruptible service.

Q. Do you support this proposed rate?

A. I do.

Q. Why?

A. It is my understanding that the purpose of an emergency rate case is to allow a utility to increase its revenues to the level of its operating expenses when its current revenues are not meeting that threshold. I believe that this $0.87 per Dth does this.

Q. Does Cobra expect the Interveners and the Staff to challenge some of Cobra's operating expenses?

A. Cobra believes that the intervening parties owned by Hearthstone Utilities, Inc. ("Hearthstone") will likely challenge any and all of Cobra's operating expenses. [2] Cobra does not believe Stand Energy will challenge any of Cobra's operating expenses. Cobra expects inquires and/or challenges from Staff on the following line items: (1) Salaries and Wages; (2) Admin Benefits; (3) Other Taxes – Payroll Taxes; (4) Regulatory – Safety;

[2] Hearthstone currently owns a collection of public utilities that were previously owned by Cobra's owner Richard M. Osborne. These entities have been engaged in multiple litigations since Mr. Osborne was removed as the CEO of these entities.

(5) Professional Services – Legal; (6) Personal Property Tax Estimate & True Up; and (7) Real Estate Taxes – CT (Wash).

Q. Which of these items are you prepared to discuss?

A. I will be addressing Personal Property Tax Estimate & True Up and Real Estate Taxes – CT (Wash) line items. Jessica Carothers will be discussing the following line items: (1) Salaries and Wages; (2) Admin Benefits; (3) Other Taxes – Payroll Taxes; (4) Regulatory – Safety; and (5) Professional Services – Legal.

Q. Start with the "Real Estate Taxes – CT (Wash)" line item.

A. Sure. Cobra's 2018 Income Statement includes a line item entitled "Real Estate Taxes – CT (Wash)." This line item is projected to cost Cobra $1,957.11 in 2018. This money was to pay the property taxes on a piece of property Cobra used to own in Washington County, Ohio. Cobra believes that this line item should be deleted from its 2018 Income Statement and this money should not be included in Cobra's operating expenses.

Q. Why?

A. Cobra was notified, during the 2016 Rate Case, that its primary owner, Richard M. Osborne, transferred the real property that Cobra owned in Washington County, Ohio ("Real Property") to Marietta Land Properties, LLC ("MLP"), via Quit Claim Deed on September 23, 2016. Cobra's operating expenses should not include the property taxes for the Real Property because Cobra does not own the Real Property.

Q. Doesn't the Real Property have Cobra's stripping station located on it?

A. Yes it does. As I just stated, Cobra acknowledges that it currently is no longer the owner of the Real Property. However, Cobra maintains that it still owns all of its personal property located on the Real Property ("Washington County Personal Property"). I plan on discussing Cobra's Washington County Personal Property when I discuss Cobra's permanent rate. However, for the purposes of discussing Cobra's operating expenses this is the only line item that needs to be addressed.

Q. Will the removal of $1,957.11 affect the proposed emergency rate of $.87 per Dth?

A. No. Cobra's 2018 Pro Rate Income Statement ("2018 Income Statement") listed Cobra's operating expenses as $2,629.811.12.[3] Cobra acknowledges that the "Depreciation Expense" line item should not be included in determining its emergency rate in Jessica Carother's testimony. This admission led to Cobra showing an operating expense totaling $2,164,979.35. Removing the "Real Estate Taxes – CT (Wash) line item puts Cobra's operating expenses at $2,163,022.24. Cobra still projects to ship 2,495,059 Dths in 2018. This new figure still requires a $0.87 per Dth rate in order for Cobra to meet its operating expenses.

Q. Thank you. Next please discuss the Personal Property Tax Estimate & True Up line item.

A. Sure. The line item titled "PP Tax Estimate & True Up" addresses the personal property taxes that Cobra believes it owes in 2018.

Q. Does this include the previously assessed personal property taxes ("PAPPT") that Cobra owes?

[3] The 2018 Income Statement was attached to Cobra's Application in this Emergency Rate Case as Exhibit A.

A. No it does not. This line item only addresses the personal property taxes that Cobra believes it owes for 2018.

Q. Why does Cobra believe that Staff will object to this line item if this line item only addresses the personal property taxes owed in 2018?

A. Cobra believes that Staff will object to this line item because of the way Cobra books this line item.

Q. Why would Staff object to how Cobra books this line item?

A. I stated, during my testimony in the 2016 Rate Case, that Cobra estimates the amount of personal property taxes that Cobra will owe each year and then provides a "true up" on the next financial year after it has received the invoices from the various counties. This year, Cobra estimates that its personal property tax obligation would be $500,000. In addition to this estimate, Cobra has received invoices from the counties for 2017. This amount totaled $23,539.73 over Cobra's estimate for 2017. Therefore, Cobra carried this amount over into 2018. Cobra expects Staff to object to the inclusion of this $23,539.73 because the expense were not directly incurred in 2018.

Q. Does Cobra believe that this $23,539.73 should be included in Cobra's 2018 operating expenses?

A. Yes, Cobra does.

Q. Why?

A. Cobra believes that these should be included for multiple reasons. The most obvious of which is that this method is the most financially responsible for Cobra to handle such a

complicated topic. Specifically, Cobra operates in multiple counties and each county collects personal property taxes. However, counties are not the only taxing authority that is permitted to collect personal property taxes from Cobra. Townships, cities, and various taxing districts ("Taxing Authorities") are also allowed to collect personal property taxes. In addition to the voluminous number of Taxing Authorities that exist, each Taxing Authority is allowed to have a different tax rate.

Cobra would be forced to spend countless hours to follow each Tax Authority to see if any changes existed and/or if new Tax Authorities were created. This increase in hours would lead to Cobra being forced to pay for overtime to its current staff or hiring additional staff. All of which would potentially cost Cobra the $23,539.73 in question or more. These expenses would be recoverable as operating expenses but would ultimately increase Cobra's rate.

Q. HOW WOULD THE PROPOSED EMERGENCY RATE BE AFFECTED IF THE COMMISSION REMOVED THE $23,539.73?

A. Removing this amount would reduce the proposed emergency rate to $0.86 per Dth.

Q. HOW WOULD THIS AFFECT COBRA?

A. The reduction in revenue would mean that it would be unable to meet its financial obligations in 2018. Obligations such as paying its 2018 personal property taxes.

Q. Has Cobra paid its 2018 personal property taxes?

A. No. First, Cobra has not received the invoices from the taxing authorities. Second, Cobra does not generate the revenues to pay these amounts which is exactly why Cobra filed this Emergency Rate Case.

SUPPORT FOR A PERMANENT RATE OF $1.22 PER DTH.

Q. Thank you. Next you said you were going to support the proposed permanent rate of $1.22.

A. That is correct.

Q. How do you plan on doing that?

A. I plan on discussing how inaccurate and unfair Cobra believes Staff's claim that Cobra has over-accrued depreciation of its assets. In addition, I also plan on discussing Staff's recommendations to reduce Cobra's Plant in Service.

Q. First, what does Cobra intend to claim as its depreciation in 2018?

A. Cobra intends to claim $464,831.77 in 2018. This amount can be found on Cobra's 2018 Income Statement that can be found as Exhibit A to Cobra's Application.

Q. What is Staff's recommendation regarding Cobra's depreciation rate?

A. Staff argued, during the 2016 Rate Case, that Cobra over depreciated its assets because it depreciated the assets over a 45 year time frame. Staff proposed solving this alleged over recovery by decreasing Cobra's depreciation by about $190,000 a year over a ten (10) year period.

Q. Q. Does the $464,831.77 include the roughly $190,000 adjustment that Staff recommended in the 2016 Rate Case?

A. It does not.

Q. Why hasn't Cobra included the $190,000 adjustment that Staff recommended in the 2016 Rate Case?

A. First, the Commission has not issued an Order, in the 2016 Rate Case, stating that it agrees with Staff's position or Cobra's arguments regarding this matter. Until a final order is issued, Cobra will continue to depreciate its assets in the way it and TCO have done for the last forty-plus years.

Q. Does Cobra disagree with Staff's position regarding the depreciation rate?

A. Yes, Cobra believes that it has been depreciating the assets in the manner in which this Commission has authorized it to do.

Q. Why does Cobra believe this Commission has authorized this depreciation rate for these assets?

A. TCO is a public utility and, as such, it is required to submit its rates to the Commission for review. I therefore assume that the Commission reviewed and approved the depreciation rate during that case, when it determined whether TCO rates were just and reasonable.

Furthermore, Cobra is also a public utility and, as such, it too is required to submit its rates to the Commission for approval, as well. In Cobra's case, I know that Cobra's rates were submitted for review and approved in Case No. 05-1558-PL-ATA ("ATA Case"). I did not participate in the ATA Case because I was not an employed by Cobra at that time.

However, I have now participated in a rate case on behalf of Cobra, the 2016 Rate Case. I have witnessed, first hand, the detail in which Staff reviews items such as the depreciation rates during these rate cases. I can only assume that the same process was followed in the ATA Case. Therefore, Cobra's depreciation was reviewed and approved by the Commission during Cobra's ATA Case and TCO's rate case. If the Commission did not object to this depreciation rate, in at least two separate rate cases, it certainly does not seem reasonable to do so now, forty five years after the fact.

Q. How would Staff's proposed $190,000 adjustment affect Cobra's proposed permanent rate?

A. It would decrease Cobra's proposed permanent rate from $1.22 per Dth by roughly 7.6 cents per Dth.

Q. **Early you stated that Cobra believes this adjustment is improper, but you also said that Cobra thought it was unfair. Can you please explain why Cobra believes this is unfair?**

A. Sure. As I stated earlier, Staff's proposed $190,000 adjustment is unjustified because Cobra's depreciation rates were at least implicitly approved at least twice by this Commission. It is also unfair because the impact will be felt at a time when Cobra is the most financially vulnerable.

Q. Does Cobra have a proposed solution that would make the proposed adjustment more equitable?

A. Again, Cobra believes the proposed adjustment is totally unjustified. However, if the Commission were to agree with the proposed adjustment then the Commission should

implement it in a manner that will not injure the company and threaten its future existence. The best way to accomplish this would be to create a Rider that would decrease Cobra's permanent rate by the 7.6 cents per Dth over a ten (10) year time period ("Reduction Rider"). The Commission should then order that the Reduction Rider should not go into effect until two (2) years after the permanent rate has been established. This method would allow Cobra to weather the financially difficult time period while still allowing the Commission to collect the alleged over accrual.

Q. Thank you. Next, you said that you wished to discuss Staff's recommendations to reduce Cobra's Plant in Service.

A. Correct. Specifically, I would like to address the Staff's proposal to reduce Cobra's Plant in Service by roughly $400,000. In addition, I would like address the Washington County Personal Property that the Staff is surely going to suggest be removed from Cobra's plant.

Q. First, let's discuss Cobra's Plant in Service. Please describe your duties when it comes to handling Cobra's Plant in Service.

A. As the Controller for Cobra, my job is to manage Cobra's records and accounts. These include Cobra's Plant in Service Accounts and the depreciation of the assets contained within these accounts.

Q. How was Cobra's Plant created?

A. Cobra was created when it purchased three pipeline systems off of Columbia Gas ("TCO"). The TCO acquisition adjustment is a result of entries made at the inception of

Cobra. Cobra was provided with TCO Schedule Y[4] that provided acquisition costs and accumulated depreciation for the assets purchased by Cobra. The assets were transferred to Cobra's books exactly as set forth by TCO except for some additions which amounted to approximately $400,000.

Q. Is that the roughly $400,000 in dispute?

[4] TCO's Schedule Y was provided in Response to Staff's DR #12 in the 2016 Rate Case.

A. It is. I testified in the 2016 Rate Case that Cobra regarding this matter. Specifically, I stated that the roughly $400,000 was paid for by Cobra and its owner and used for various additions to the existing assets. However, I have been unable to locate the detail or the proofs of purchase. I know that these records must have existed because I, or people working with me, have found miscellaneous documents such as purchase order acknowledgments and packing slips that demonstrate that these records exist.

Unfortunately, I have been unable to locate all of the necessary information due to: (1) the accounting trail was not properly documented by Cobra's former Controllers and therefore the documentation has been difficult to locate; and (2) Cobra's frequent office relocations. While I still maintain that these items exist, Cobra understands that the Commission should remove this amount from Cobra's plant until these items are found.

Q. What did Cobra propose as its remaining Plant during the 2016 Rate Case?

A. Cobra proposed a net plant of $5,475,475.00 according to Staff's Schedule B1.[5]

Q. What is Cobra's current Plant in Service?

A. Cobra had $4,247,839.54 in Plant when it filed this Emergency Rate Case ("Current Plant"). This information can be found in Cobra's balance sheet which was included in Cobra's Application as Exhibit D. More specifically, Exhibit D, Schedule 2 provides a complete breakdown by account.

[5] Schedule B1 was part of Staff's Workpapers ("Workpapers") that supported the Staff's Report in the 2016 Rate Case.

Q. Thank you. Now you mentioned earlier that you expected Staff to challenge the Plant associated with Washington County Personal Property. Can you explain why you expect Staff to challenge these assets?

A. Certainly. I believe that Staff will try to lump Cobra's Washington County Personal Property into the transaction that transferred the Real Property out of Cobra's possession. Specifically, I believe that Staff will try to lump Cobra's compressor and the equipment contained in the buildings as assets transferred by the Quit Claim Deed.

Q. Cobra does not believe that these items were transferred by the Quit Claim Deed?

A. Certainly not.

Q. Please explain why Cobra believes this.

A. First, Cobra's primary owner of Cobra, the grantor, and the owner of MLP, the grantee, is the same person, Richard M. Osborne. Mr. Osborne has repeatedly assured Cobra that his intent was only transfer the Real Property. Mr. Osborne has expressly stated that his intent was not to transfer Cobra's Washington County Personal Property.

Second, and more importantly, these items have clearly been identified as personal property by the State of Ohio and not part of any real property. Cobra is sure that these items have continually been classified as personal property and not real property because of the type of taxes it is required to pay on these items. Specifically, Cobra pays real property taxes on the buildings on and the land that makes up the Real Property to Washington County. Attached as Exhibit CC – 1 is a printout of Washington County's Property Record Card on the Real Property ("Property Card").

The Property Card shows a land value of $42,770 and a value of $68,030.00 for the improvements made on the property (total value equaling $110,800.00). Specifically, the $68,030.00 lists the following: (1) Fence, built in 1995, valued at $610; (2) Office(s), built in 1981, valued at $34,900.00; (3) Shed, built in 1995, valued at $0; and (4) Utility Shed, built in 1981, valued at $32,530.00. Washington County would have included the over $1,000,000 in assets that makes up the Washington Personal Property if these items were considered part of the Real Property in order to increase the property value and receive more tax dollars. Instead, these items are included in the Washington Personal Property and are being taxed as personal property.

Q. Isn't the Washington Personal Property located on the Real Property though?

A. Yes, they are. However, a person (or an entity) having personal property on the real property of another person/entity does not forfeit his/her ownership rights while the personal property is on the real property. For example, Cobra was evicted by OTP from the Station Road officer earlier this year. However, Cobra's officer furniture and, more importantly, its electronic pipeline monitoring equipment did not become OTP's property just because it remained within the office.

Q. Does Cobra believe that any amount of value should be removed from its Plant as a result of the Real Property and the Washington County Personal Property?

A. Yes. Cobra no longer owns the Real Property. Therefore, the Total Value of the Real Property should be removed from Cobra's Plant. As I stated earlier, Washington County values the Real Property at $110,800.00.

RIDERS TO COBRA'S PERMANENT TARIFF.

Q. Finally, you stated that you wanted to discuss three riders that Cobra wishes to support. Can you please identify these riders?

A. Sure. First, I have already discussed the idea of the Reduction Rider. Cobra maintains its belief that it has not over accrued its depreciation, however if the Commission determines that Cobra is incorrect then Cobra believes that its proposed Reduction Rider is the most equitable way to resolve the issue while ensuring Cobra's ability to provide safe and reliable service.

The other two riders that I wish to discuss were proposed in the 2016 Rate Case. These two riders are: (1) a future improvements rider ("FI Rider"); and a rider to cover Cobra's PAPPT obligations ("PAPPT Rider").

Q. Please describe the FI Rider.

A. Cobra was ordered by this Commission, in the 2016 Order, to undergo a Management Audit. During that Management Audit, Schumaker & Company ("Schumaker") was selected as the auditor. Schumaker eventually submitted a report to this Commission on its findings ("Schumaker Report"). In the Schumaker Report, Schumaker recommended certain things should be done in order to improve Cobra's management of its pipelines. Cobra submitted evidence, during the 2016 Rate Case, that Cobra has taken Schumaker's recommendations and implemented all of the recommendations that it can afford to implement. However, it is not financially possible nor is it practical to implement Schumaker's recommendation to update Cobra's technology and make improvements to the pipeline at this time.

Cobra stated, during the 2016 Rate Case, that to make such improvements would cost in excess of $1,000,000. Cobra, nor its owners, can commit this kind of capital to such improvements at this time. Cobra believes that even if it could do so that it should not because it would be imprudent to do all at once. Therefore, Cobra has proposed the FI Rider.

The FI Rider will be a rider that does not cost Cobra's customers any money at its implementation because Cobra is not currently seeking to improve its systems. However, sometime in the future, when Cobra's financial situation has stabilized, Cobra would like to begin incrementally making the improvements recommended by Schumaker along with other improvements that might be needed. When and if Cobra needs to make such an improvement, it will send the proposed improvement to the Commission for approval. Customers will then be allowed to comment and a decision will be rendered. If the Commission approves the improvement, then the improvement will be made, the cost of the improvement will be added into the FI Rider, and Cobra will recover the cost of the improvement.

Q. Please describe the PAPPT Rider.

A. Cobra maintains that its customers have never paid rates reflecting the personal property taxes. Cobra is asking that it be allowed to recover this money as a regulatory asset because the expense is a valid expense. This regulatory asset would be recovered via the PAPPT Rider.

Q. Does Staff support this PAPPT Rider?

A. No, it does not.

Q. Why?

A. Staff believes that Cobra has collected the money to pay the PAPPT. Staff also believes that Cobra's principal owner, Richard M. Osborne, has taken that money out of the company instead of paying the PAPPT.

Q. Is Staff correct?

A. Staff is not correct.

Q. Please explain why Staff is incorrect.

A. Staff calculated, during the 2016 Rate Case, that Cobra's owners were entitled to receive $401,861.50 annually based on a 9.09% midpoint rate of return.[6] Cobra has existed for 11 years. Therefore, Cobra's owners have been entitled to earn $4,420,476.50 over the life of the company's existence.

Q. How much money has Cobra's owners actually received from the company during the 11 years of the company's existence?

A. That is actually a bit more complicated than it seems.

Q. Why is that?

A. It is more complicated because Cobra's principle owner, Mr. Osborne, has: (1) taken draws/distributions from Cobra; (2) loaned Cobra money; (3) had Cobra loan him money; (4) had Cobra loan affiliated companies money; (5) had affiliated companies loan Cobra money; and (6) had Cobra pay management fees to affiliated companies.

[6] See Schedule A1 of Staff's Workpapers.

These actions have created accounting difficulties and has inflamed this Commission's ire. Cobra wishes to simplify this process and allow this Commission to get a clear view of what Mr. Osborne has drawn from Cobra over the years.

Q. How does Cobra propose to do this?

A. Cobra recommends that all the transactions that I listed earlier be reconciled as distributions made to Mr. Osborne instead of loans, management fees, etc.

Q. When Cobra does this, how much money has Mr. Osborne had distributed to him over the 11 years of the company's existence?

A. Mr. Osborne has received $5,036,625.35 in distributions during Cobra's existence.

Q. Can you please explain how Cobra got to this number?

A. Certainly. First, Mr. Osborne's capital account (as it is currently identificd) has a negative balance of $566,000.[7] Next, Cobra looked at Exhibit D, Schedule 1 of its Application in this Emergency Rate Case ("Schedule 1"). Schedule 1 is a balance sheet for all of the intercompany accounts receivable. First, Cobra will need to deduct $241,472.30 from Schedule 1. Specifically, Cobra needs remove the following line items: (a) A/R Assoc Co Interest; (b) A/R Clearing; and (c) A/R/ Assoc Co – NEO.

Q. Why does Cobra need to remove these line items from Schedule 1?

NEO should not be listed as an associated entity because it has not been an associated entity at least 2014. Therefore, the $103,638.31 should not be included in Schedule 1. This line item should be added to Exhibit D itself.

[7] This figure was generated from the GL's provided in to the Commission in Exhibit JC-2. This number is calculated from the items identified as draws or distributions to Mr. Osborne.

Next, the A/R Assoc Co Interest and A/R Clearing line items should be removed because these figures are only necessary if these items are being treated as accounts receivable. Since Cobra's recommendation is to treat them as distributions, they are no longer necessary.

After these adjustments are made, Schedule 1 would show that Mr. Osborne has had $3,927,451.12 distributed to him. However this number is not complete and further work must be done.

Q. Please explain what further work must be done?

A. A number of things must be done. First, the $3,927,451.12 figure does not include any write offs not shown in Schedule 1 ("Write Offs"). Next, management fees ("Management Fees") Cobra paid to affiliate OsAir, Inc. ("OsAir") must be included. Finally, Mr. Osborne's original capital account must be taken into account.

Specifically, these numbers for each item are: (a) $183,174.23 in Write Offs; (b) $360,000.00 in Management Fees; and (c) $566,000.00 from Mr. Osborne's capital account. These figures combined with the $3,927,451.12 figure total the $5,036,625.35 that I previously mentioned.

Q. Explain how Cobra came to determine that there are $183,174.23 in Write Offs?

A. Certainly. I have attached an excel spreadsheet entitled "Related Company AR Histories" ("AR Histories") to my testimony as Exhibit CC -2. The AR Histories excel spreadsheet details the credits and the debts that went into the accounts receivables. It also contains a tab that totals all of the Write Offs contained within the document. That total equals the $183,174.23 in Write Offs that was stated earlier.

Q. Explain the $360,000.00 in Management Fees?

A. In January, 2017, Mr. Osborne informed Cobra that it would be paying OsAir a management fee in the amount of $20,000 a month. Cobra made these payments until May 22, 2018. The total of these payments equals $360,000. Cobra found this information by searching its general ledgers, which it has provided Staff in Exhibit JC -2. Cobra has also created a tab in Exhibit CC-2 that consolidates this information.

Cobraproposes that these payments should be treated as draws/distributions by Mr. Osborne in order to demonstrate that Staff's concern that Mr. Osborne has withdrawn dollars that should have been used to pay the PAPPT is incorrect.

Q. Does Cobra believe that it this is an acceptable distribution?

A. Cobra is aware that its distributions to Mr. Osborne are outside of the Upper Bound Rate of Return listed in Schedule A1 of Staff's Workpapers. More importantly, Cobra recognizes that its distributions are roughly $616,148.85 more from the midpoint rate of return proposed. However, Cobra believes that this demonstrates that Mr. Osborne was not simply ignoring Cobra's personal property tax obligations and taking the money as profit.

Q. Please explain.

A. Assuming the mid-point rate of return that Cobra has stated that it is willing to accept for its owners, Mr. Osborne has received $616,148.85 more than Cobra's owners were entitled to receive over 11 years. This breaks down into about $56,013.53 annually. $56,013.53 a year does not cover the $500,000 plus personal property taxes that Cobra owes annually.

Q. Shouldn't Mr. Osborne just have forgone any profit and paid the personal property taxes when they were owed?

A. No, a utility's owner is not required to eschew profit, and demanding the owner do so is counter to the purpose of rate of return regulation. It would discourage investment into regulated utilities.

Furthermore, Cobra has provided undisputed evidence, in the 2016 Rate Case, that Cobra was unaware that it owed personal property taxes at the time its rates were established. Second, this Commission and its Staff reviewed Cobra's application in the ATA Case. That application did not include for the recovery of personal property taxes because Cobra was unaware that the taxes were owed until the year before the test year in that case

In addition, Cobra would still owe PAPPT today even if Mr. Osborne had forgone ALL PROFIT and applied that money to paying personal property taxes.

Explain how Cobra would still owe PAPPT today even if Mr. Osborne had forgone ALL PROFIT and applied that money to paying personal property taxes?

Mr. Osborne has received $5,036,625.35 in total distribution over 11 years, or roughly $457,875.03 annually. All parties agree that Cobra's personal property tax obligations are in excess of $500,000 annually. Therefore, applying each year's average distribution to Mr. Osborne would not meet the Cobra's personal property tax obligations and Cobra would still have an outstanding balance owed in PAPPT.

Q. Cobra has another owner, FCCC Co. III, LLC. Has any distributions been made to it?

A. No.

Q. Thank you, now that Mr. Osborne did not take money out of the company in lieu of paying its PAPPT, please explain how Cobra would like to apply this information to its proposed PAPPT Rider.

A. Cobra believes that the numbers discussed earlier shows that Cobra's rate of $.050 per Dth never allowed it the opportunity to recover valid expense, i.e. Cobra's personal property tax obligations, in the first place. As such, Cobra seeks a rider to allow for the recovery of this obligation as a regulatory asset. However, Cobra is also aware that if all funds taken by Mr. Osborne are treated as distributions, he will have recovered a profit in excess of the proposed mid-point rate of return by $616,148.85. Cobra believes that Mr. Osborne was entitled to a reasonable salary, and not merely recovery of profits, Nonetheless, assuming that Staff disagrees, Cobra would accept a PAPPT Rider that includes the amount of personal property taxes Cobra owes minus the $616,148.85.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does. However, I reserve the right to further supplement my testimony.

Washington County, Ohio - Property Record Card, Page 1
Parcel: 380080432000

GENERAL PARCEL INFORMATION

Owner	MARIETTA LAND PROPERTIES LLC
Property Address	1695 LANG FARM RD
Mailing Address	C/O DONALD WHITEMAN 7001 CENTER STREET
Owner Address	1695 LANG FARM RD
Land Use	499 OTHR COM STR
Legal Description	R9 T3 S14 160 AC LOT 404 E END OF W1/2 49.51AC SUR V 1-82

MAP

VALUATION

	Appraised	Assessed
Land Value	$42,770.00	$14,970.00
Improvements Value	$68,030.00	$23,810.00
Total Value	$110,800.00	$38,780.00
CAUV Value	$0.00	$0.00
Taxable Value	$38,780.00	

LAND

Description	Acreage/Fronta	Effective	Depth	Depth Factor	Actual Value
+PRIMARY	3	0	0	0	21420
+UNDEVELOPED	46.51	0	0	0	21350

AGRICULTURAL

Soil Code	Acreage

SALES

Sale Number	Sale Date	Sale Price	Sale Type	Buyer
	10/6/2016	0	1QC	MARIETTA LAND
0000137	2/15/2008	209134	1WD	COBRA PIPELINE

TAX

Gross Charge	$0.00
Reduction Factor	$0.00
10% Rollback	$0.00
2.5% Homesite Rollback	$0.00
Homestead Reduction	$0.00
Penalties And Adjustments	$0.00
Net Annual Tax	$12.00

Washington County, Ohio - Property Record Card, Page 2
Parcel: 380080432000
Card: 0

GENERAL PARCEL INFORMATION

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Owner Address	1695 LANG FARM RD
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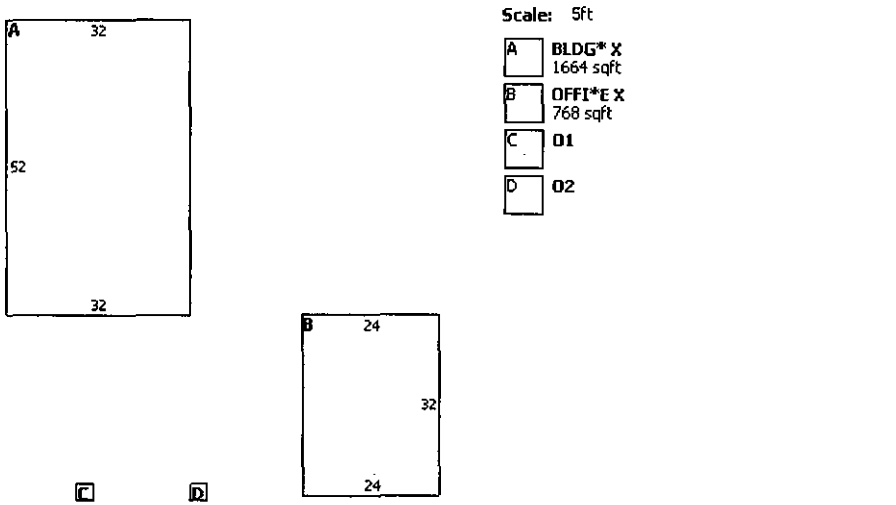
SKETCH



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IMPROVEMENTS

Building Type	SHB	Area	Rate	Grade	Year Built	Value
FENCE	+METAL	80	1485	00000	1995	$610.00
OFFICE(S)	+METAL	768	6303	00000	1981	$34,900.00
UTILITY S	+METAL	1664	2920	00000	1981	$32,530.00
SHED	+FRAME	384	0	00000	1995	$0.00

RESIDENTIAL

Year Built	1995
Number of Stories	
Total Living Area	0
Total Rooms:	0
Total Bedrooms	0
Total Baths	0
Total Family Rooms	0

RESIDENTIAL DETAIL

	Basement	First Fl	Partial Upper Fl	Full Upper Fl	Attic
Area (F/Un)	0/0	0	0	0	0/0
Value	$0.00	$0.00	$0.00	$0.00	$0.00
Plaster/Drywall					
Paneling					
Fiberboard					
Unfinished					
Wood Joist					
Fire-Resist					
Fire-Proof					
Hardwood					
Pine					
Carpet					
Concrete					
Tile/Linoleum					
Rooms	0	0	0	0	0
Bedrooms	0	0	0	0	0
Family Rooms	0	0	0	0	0
Dining Rooms	0	0	0	0	0
Insulation					
Central Air					
Heat Pump					
Central Heat					
Plumbing	0	0	0	0	0

EXHIBIT CC-2 TO TESTIMONY WITHHELD AND FILED UNDER SEAL