

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE JOINT
APPLICATION OF NORTHEAST OHIO
NATURAL GAS CORP. AND ORWELL-
TRUMBULL PIPELINE COMPANY, LLC FOR
APPROVAL OF AN ASSET TRANSFER AND
RELATED AUTHORITY.

CASE NO. 19-1921-PL-ATR

ENTRY

Entered in the Journal on October 24, 2019

{¶ 1} Pursuant to R.C. 4905.04, 4905.05, and 4905.06, the Commission is vested with the power and jurisdiction to supervise and regulate public utilities. Under R.C. 4905.48, a public utility may purchase or sell its property to another public utility, with the consent and approval of the Commission.

{¶ 2} Northeast Ohio Natural Gas Corp. (NEO) is a natural gas company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} Orwell-Trumbull Pipeline Company, LLC (OTP) is a pipeline company as defined in R.C. 4905.03 and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of the Commission.

{¶ 4} On November 21, 2017, in Case No. CV 14 822810, the Cuyahoga County Court of Common Pleas (Court) granted a motion filed by Park View Federal Savings Bank n/k/a First National Bank of Pennsylvania to appoint a receiver, effective October 30, 2017, over all property, both real and personal, owned by Richard M. Osborne, the Richard M. Osborne Trust, OTP, and certain other affiliated entities. Under the terms of the Court's order, the appointed receiver is authorized, among other things, to take and have complete and exclusive possession, control, and custody of the receivership property, as well as to sell the receivership property free and clear of all liens and encumbrances by private sale, private auction, public auction, or by any other method deemed appropriate by the receiver, subject to Court approval, after notice and opportunity for a hearing.

{¶ 5} On October 18, 2019, NEO and OTP, by and through the receiver over the personal and real property of OTP, Zachary B. Burkons of Rent Due, LLC (Receiver) (collectively, Joint Applicants), filed a joint application seeking expedited approval of a proposed transfer of certain pipeline assets and other non-cash items of OTP to NEO, consistent with the terms of an asset purchase agreement attached to the joint application. Joint Applicants state that, on October 16, 2019, the Court granted the Receiver's motion for approval to sell the assets to NEO. Noting that the sale will not proceed until all necessary regulatory approvals have been obtained, Joint Applicants request, pursuant to R.C. 4905.48, the Commission's approval of the asset purchase agreement by December 1, 2019. Further, Joint Applicants represent that there will be no interruption of service to customers and that NEO will continue to provide safe and reliable service to its customers and to OTP's customers. Joint Applicants note that all of OTP's customers, including NEO, are currently served via contract with OTP. According to the joint application, NEO will honor the terms of each of those contracts upon owning the purchased assets, with NEO's customers continuing to pay the same gas cost charges related to NEO's current contract with OTP until the purchased assets are included in a Commission-approved revenue requirement. NEO also requests accounting authority to accept OTP's initial rate base value of \$13,310,881 as the installed cost of the purchased assets, less accumulated depreciation of \$4,100,921 as of September 1, 2019, with any recovery on and of the purchased assets, including determinations as to whether such assets are currently used and useful, to be addressed in a subsequent proceeding.

{¶ 6} The attorney examiner finds that a procedural schedule should be established to assist the Commission in its review of the joint application. Consequently, all interested persons should file motions to intervene in this proceeding by November 8, 2019. Comments and reply comments by intervenors should be filed by November 8, 2019, and November 22, 2019, respectively.

{¶ 7} It is, therefore,

{¶ 8} ORDERED, That interested persons file motions to intervene, comments, and reply comments in accordance with Paragraph 6. It is, further,

{¶ 9} ORDERED, That a copy of this Entry be served upon all interested persons and parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

/s/ Sarah J. Parrot

By: Sarah J. Parrot
Attorney Examiner

JRJ/mef

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in

Case No(s). 19-1921-PL-ATR

Summary: Attorney Examiner Entry setting the procedural schedule: motions to intervene due 11/8/19; comments due 11/8/19; and reply comments due 11/22/19. electronically filed by Ms. Mary E Fischer on behalf of Sarah J. Parrot, Attorney Examiner, Public Utilities Commission of Ohio