

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of Utility)	
Pipeline, Ltd., Cobra Pipeline Company, Ltd.,)	Case No. 21-0803-GA-ATR
and Knox Energy Cooperative Association, Inc.)	
to Substitute Natural Gas Service and Transfer)	
Assets to Customers)	

COMMENTS OF STAND ENERGY CORPORATION

I. INTRODUCTION

On July 16, 2021 Cobra Pipeline Company, Ltd (“Cobra”), Utility Pipeline, Ltd. (“UPL”), and Knox Energy Cooperative Association, Inc. (“Knox”) (together the “Joint Movants”) filed a Joint Application to Substitute Natural Gas Service and Transfer Assets and Customers along with supporting direct testimony (“Joint Application”). On July 26, 2021, the Attorney Examiner filed an Entry ordering comments to be filed regarding the Joint Application no later than August 20, 2021 and further directed Cobra to send a letter of notice with a copy of the Entry by August 6, 2021, to all of its customers. Stand Energy Corporation (“Stand Energy”) filed its Motion to Intervene on July 28, 2021. Stand Energy subsequently received its “Notice of Customers of Cobra Pipeline Company, Ltd.” on August 9, 2021.

II. COMMENTS

In Direct Testimony filed with the Joint Application, a representative of Cobra states that its “[c]ustomers include local distribution companies and natural gas marketing companies who

serve residential, commercial, and industrial users.”¹ Additionally, the Notice to Customers of Cobra Pipeline Company, Ltd. provides that “[i]f the application is approved by the PUCO, Knox will become owner of these Systems and Cobra’s customers will become customers of Knox, a not-for-profit, member-owned cooperative.” However, in its “Memorandum in Response to the Motions to Intervene of Northeast Ohio Natural Gas Corp. and Stand Energy Corp.” Joint Movants state that “. . . there is the *possibility* that Knox will negotiate appropriate agreements with suppliers and brokers such as Stand Energy.”² (emphasis added). While Joint Movants appear to acknowledge that natural gas marketing companies are “customers of Cobra,” it is unclear at times in the filings whether Joint Movants are referring to Cobra’s customers that are natural gas suppliers transporting gas through the Cobra pipeline or end-use customers. Joint Movant’s statement that there is only a “possibility” that Knox will negotiate transportation agreements with suppliers leaves a great amount of uncertainty regarding how the proposed transfer will impact natural gas marketers generally and specifically how it will impact the end-users they serve.

Joint Movants have provided no information as to how pricing and terms of service may change in the future. As stated by Joint Movants, Knox is a not a regulated utility. Therefore, Knox presumably will unilaterally set rates outside the jurisdiction of the Commission. This seems similar to what Cobra unsuccessfully tried to do as regulated utility. Cobra’s overcharging of transportation customers, like Stand Energy, was ultimately disallowed by this Commission’s findings in case 16-1725-PL-AIR. The Commission disallowed the increased rates in finding that Cobra failed to demonstrate that its existing rates and charges were insufficient to provide adequate

¹ See *Direct Testimony of Stephen G. Rigo*, Case No. 21-0803-GA-ATR, dated July 16, 2021, pg. 2 Line 23 – Pg. 3 Line 1.

² See *Memorandum in Response to the Motions to Intervene by Northeast Ohio Natural Gas Corp. and Stand Energy Corp.*, Case No. 21-0803-GA-ATR, dated August 4, 2021, at pg. 6.

compensation.⁴ Further, this Commission ordered Cobra to refund to its customers amounts paid in excess of the Commission approved rates.⁵ However, due to Cobra's ultimate bankruptcy filing, it never provided these refunds to its customers.

Joint Movants have provided almost no information on how the transfer of assets and customers will affect customers of the current Cobra intrastate pipeline system like Stand Energy. In addition to the Transportation Service Agreement that Stand Energy has with Cobra (which is specifically **not** being assumed by UPL/Knox), Cobra's rates and terms of service are set out in its filed Tariff No. 1⁶ and therefore easily accessible by the public. Stand Energy is not seeking leverage in some possible future contract negotiations. Stand Energy currently serves a growing number of small industrial customers that are reliant on gas shipped through the Cobra system. Stand Energy is simply seeking basic information on how the transfer from Cobra to UPL/Knox will affect Stand Energy's shipping rates, terms of service, how future changes to these would be decided and ultimately how this transfer will affect the end-users that Stand Energy serves.

It is reasonable to request that Joint Movants provide information on rates and terms of service that current shippers on the Cobra system can expect once the transfer is completed. Additionally, it is also reasonable that Joint Movants provide information on how future changes to rates and terms of service may be decided. It is difficult to understand how the transfer can be deemed reasonable and protecting the public interest when no substantive information has been provided on how this transfer will impact current Cobra customers. The Joint Application is vague

⁴ See *Cobra Pipeline Company Ltd.*, Case No. 16-1725-PL-AIR, Opinion & Order dated September 11, 2019.

⁵ See *Cobra Pipeline Company Ltd.*, Case No. 16-1725-PL-AIR, Entry dated September 11, 2019.

⁶ See generally, *Cobra Pipeline Co. Ltd.*, 89-8041-PL-TRF.

at best and evasive at worst. It should not be difficult to determine what is going to happen to Gas Transportation customers and the marketers that serve them.

III. CONCLUSION

Stand Energy requests that the Commission require the Joint Movants to provide specific evidence as to rates, terms of service and how future changes to these may be decided so that it can determine if Ohio customers could be harmed and therefore whether the transaction is reasonable and protects the public interest before approving Joint Movant's application to Substitute Natural Gas Service and Transfer Assets and Customers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that the foregoing was filed electronically through the Docketing Information System (DIS) of the Public Utilities Commission of Ohio on this 20th day of August, 2021. The DIS e-filing system will electronically serve notice of this document on counsel for all parties.

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Summary: Comments of Stand Energy Corporation electronically filed by Mrs. Kate E Russell-Bedinghaus on behalf of Stand Energy Corporation