

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of)
Utility Pipeline, Ltd., Cobra Pipeline)
Company, Ltd., and Knox Energy)
Cooperative Association, Inc. to Substitute)
Natural Gas Service and Transfer Assets)
and Customers)

Case No. 21-0803-GA-ATR

**SUPPLEMENT TO JOINT APPLICATION TO ADD NORTHERN INDUSTRIAL
ENERGY DEVELOPMENT, INC. AS A JOINT APPLICANT AND TO AMEND THE
JOINT APPLICATION TO SUBSTITUTE NATURAL GAS SERVICE AND
TRANSFER ASSETS AND CUSTOMERS**

I. INTRODUCTION

This supplement adds Northern Industrial Energy Development, Inc. (“NIED”) as a party to the Joint Application filed by Utility Pipeline, Ltd. (“UPL”), Cobra Pipeline Company, Ltd. (“Cobra”), and Knox Energy Cooperative Association, Inc. (“Knox”) on July 16, 2021, and amends the Joint Application to request that the Commission approve the assignment of certain portions of Cobra’s natural gas pipeline systems to NIED instead of Knox.

As amended by this supplement, through the Joint Application the parties seek Commission approval to transfer Cobra’s natural gas pipeline systems and farm taps as follows:

- Cobra will sell to UPL the Holmesville, North Trumbull, and Churchtown Systems identified in the Joint Application. (See Joint Application, Exs. A, B, and C.)
- Cobra will also sell to UPL the natural gas taps for the Grain Dryer Farm/Nursery Customers identified in the Joint Application. (See Joint Application, Ex. D.)
- Concurrently with the closing of the Cobra sale, UPL will assign the natural gas taps for the Grain Dryer Farm/Nursery Customers to Knox.

- Concurrently with the closing of the Cobra sale, UPL will assign the Holmesville, North Trumbull, and Churchtown Systems to a public utility, NIED, instead of Knox. To support the proposed assignment of these pipeline systems to NIED, and concurrently with this filing, NIED has filed an application for Commission approval of an amended transportation tariff in Case No. 21-1186-PL-ATA.

The Commission should approve the proposed transfers described in this amended Joint Application because they will result in adequate and uninterrupted service, and are therefore reasonable and in the public interest.

II. SUPPLEMENTAL FACTS

The legal standard, background and relevant facts pertaining to the proposed transfers involving UPL, Knox, and Cobra were included in the Joint Application. As described in this supplement to the Joint Application, the joint applicants seek approval to assign the Holmesville, North Trumbull, and Churchtown Systems to NIED instead of Knox.

NIED is a public utility as defined in R.C. 4905.02. NIED was formed in 1986 and began sales service in February 1987, providing service to many areas throughout the eastern half of Ohio. On November 10, 1987, the Commission approved a revised transportation tariff for NIED, and on March 7, 1996, the Commission approved a further amended transportation tariff for NIED. *See In the Matter of Application of Northern Industrial Energy Development Inc. for Tariff Approval to Revise Transportation Tariff to Establish Price*, Case No. 87-1753-GA-ATA, Finding and Order (Nov. 10, 1987); *In the Matter of the Application of Northern Industrial Energy Development, Inc. for Tariff Approval to Revise Transportation Tariff per Commission Order of November 8, 1988*, Case No. 88-1930-GA-ATA, Finding and Order (March 7, 1996).

In 1990, NIED also made available interruptible natural gas service to certain customers pursuant to its Local Supply Gas Service Tariff approved by the Commission on July 19, 1990. *In the Matter of the Application of Northern Industrial Energy Development, Inc. for a Tariff Approval to establish a New Local Supply Gas Service*, Case No. 90-0923-GA-ATA, Finding and Order (Jul. 19, 1990). Under this tariff, NIED offered interruptible service to customers located near local production wells, with service reliability dependent on local well production, pressures, impurities, and equipment. As described below, NIED no longer offers natural gas services.

On January 1, 2002, UPL, a privately-owned corporation involved in pipeline construction and utility support services in Ohio and surrounding states, purchased NIED and began operating it as a stand-alone natural gas utility. (NIED Testimony, A4.) Effective January 1, 2006, NIED sold all of its residential pipeline systems and customers to Knox Energy Cooperative Association, Inc. in a transaction that was approved by the Commission in Case No. 05-1267-GA-ATR. Following that transaction, the only remaining customers served by NIED were approximately ten commercial transportation customers. As approved by the Commission in Case No. 07-0633-GA-ATR, three of those commercial customers were transferred to Dominion East Ohio (“DEO”) on November 15, 2007.

NIED continues to provide transportation services to commercial customers through pipelines in Wyandot, Stark, and Medina Counties. (NIED Testimony, A5.) NIED has operated its natural gas pipeline systems safely and reliably for over thirty-five years without any formal complaint to the Commission by any customer of NIED. Concurrently with the filing of this supplement, and in support of the proposed transfer to NIED of most of Cobra’s pipeline

systems, NIED has filed an application for authority to convert to a pipeline company and for approval of an amended transportation tariff in Case No. 21-1186-PL-ATA.

III. NIED HAS THE RELEVANT MANAGERIAL, TECHNICAL AND FINANCIAL CAPABILITIES TO OPERATE THE COBRA PIPELINE SYSTEMS.

A. Managerial Capabilities

NIED's management team has decades of experience in the transportation of natural gas, scheduling with customers, and safe operation of natural gas pipelines and facilities. NIED's management team is well respected in the industry and has extensive experience and capabilities. As set forth in the testimony filed concurrently with this application, and the biographies attached to that testimony, NIED's management team has the requisite experience to operate the Cobra pipeline systems proposed for assignment to NIED. (NIED Testimony, A6.)

B. Technical Capabilities

NIED operational personnel have decades of combined pipeline experience in gas transportation and related services. Field staff provided by NIED's parent company operates and maintains pipeline systems, maintains meters and regulators, actively prevents corrosion, and provides line-location services for multiple natural gas systems in multiple states. Additionally, this field staff is experienced with Commission safety inspections and will provide all necessary technical services in order to permit NIED to continue to safely operate as a pipeline company. NIED has an excellent history of safety and responsiveness with zero loss-time accidents, pipeline failures, or unscheduled outages. Thus, NIED is well positioned to continue its technical excellence as a pipeline company. (NIED Testimony, A7.)

C. Financial Capabilities

NIED is a wholly owned subsidiary of UPL. NIED has the financial capability to continue to operate as a pipeline company in Ohio. UPL has more than ample financial

resources to continue to operate subsidiaries that are regulated as public utilities in Ohio. While NIED and UPL are distinct corporate entities, UPL will ensure the continued financial health of NIED, and UPL will continue to ensure that NIED has the financial capability to own and operate its pipeline systems. (NIED Testimony, A8.)

D. Amended Transportation Tariff

NIED's current transportation tariff was approved over twenty-five years ago. To address necessary updates to the tariff, and also accommodate the expanded transportation service that is anticipated upon the assignment to NIED of the Cobra systems, NIED has submitted for Commission approval an amended transportation tariff in Case No. 21-1186-PL-ATA.

V. CONCLUSION

The Joint Application, as supplemented and amended by this filing, will permit the sale and transfer of the Holmesville, North Trumbull, and Churchtown Systems, currently owned and operated by a bankrupt public utility, to a public utility with a long track record of safe and reliable transportation service. The transfers proposed in the Joint Application as amended by this supplement will result in adequate and uninterrupted service, and are therefore reasonable. *See, e.g., In the Matter of the Joint Application of Northern Industrial Energy Development, Inc., Knox Energy Cooperative Association, Inc., and The East Ohio Gas Company d/b/a Dominion East Ohio to Substitute Natural Gas Delivery Service, Approve an Asset Exchange, and Transfer Assets and Customers*, Case No. 07-0633-GA-ATR, Joint Application, ¶ 13 n.3 (May 24, 2007) (collecting cases); *In the Matter of the Joint Application of Utility Pipeline Ltd., Ludlow Natural Gas Company, LLC and Knox Energy Cooperative Association for Approval of the Transfer of Assets and Substitution of Service*, Case No. 17-1785-GA-ATR, Finding and Order at ¶¶ 17-18 (Oct. 4, 2017).

Accordingly, the Commission should approve (1) the sale of the regulated assets at issue in the Joint Application by Cobra to UPL, (2) the assignment of the Churchtown, North Trumbull, and Holmesville Systems from UPL to NIED, and (3) the assignment of the natural gas service taps for the Grain Dryer Farm/Nursery Customers from UPL to Knox.

Dated: November 18, 2021

Respectfully submitted,

/s/ David F. Proaño

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CERTIFICATE OF SERVICE

I certify that the foregoing document was served via email on the following parties on

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Summary: Amended Application - Supplement to Joint Application to Add Northern Industrial Energy Development, Inc. as a Joint Applicant and to Amend the Joint Application to Substitute Natural Gas Service and Transfer Assets and Customers electronically filed by Mr. David F. Proano on behalf of Utility Pipeline, Ltd. and Knox Energy Cooperative Association, Inc. and Northern Industrial Energy Development, Inc. and Cobra Pipeline Company, Ltd.