BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

Application **Not** for an Increase in Rates, Pursuant to R.C. 4909.18

In the Matter of the Application of Northeast Ohio Natural Gas Corp. for Approval to Amend Transportation Imbalance Procedures	))))	Case No. 22-0960-GA-ATA

APPLICATION OF NORTHEAST OHIO NATURAL GAS CORP.

1. APPLICANT RESPECTFULLY PROPOSES: (Check applicable proposals)

___ New Service

___New Classification

___Change in Classification

_X_ Other, not involving increase in rates

___Change in Rule or Regulation

___Reduction in Rates

___Correction of Error

__Various related and unrelated textual revision, without change in intent

2. DESCRIPTION OF PROPOSAL:

Recently in Case No. 21-803-GA-ATR and Case No. 21-1186-PL-ATA the Commission approved an application filed by Northern Industrial Energy Development, Inc. ("NIED") to purchase assets formerly owned by Cobra Pipeline Company, Ltd. As part of that transaction NIED adopted new tariffs under which it serves Northeast Ohio Natural Gas Corp. ("NEO").

NIED's new tariffs made significant revisions to the process by which imbalances are handled. Relevant here, NIED has instituted a new system of dealing with imbalances which would make NEO responsible for imbalances caused by NEO's customers (including suppliers operating on NEO's system).

NEO's proposed tariffs match the new imbalance rules established by NIED in all material respects. Standardizing the imbalance rules between NEO and NIED will ensure that end-users of gas have only one set of rules to comply with. It will also ensure that any imbalance costs are properly allocated to the cost-causer.

The justification for the proposal is discussed in more detail in Exhibit C-2.

3. **TARIFF SHEET(S) AFFECTED:** Tariff Sheets 34, 35, and 36.

4. **ATTACHED HERETO AND MADE A PART HEREOF ARE:**

_X_ Exhibit A – existing schedule sheets (to be superseded) if application is approved.

_X_ Exhibit B – proposed schedule sheets.

_X_ Exhibit B-1 – redline tariff sheets showing changes made to existing tariffs.

___ Exhibit C-1

a. if new service is proposed, describe;

b. if new equipment is involved, describe (preferably with a picture, brochure, etc.) and where appropriate, a statement distinguishing proposed service from existing services;

c. if proposed service results from customer requests, so state, giving, if available, the number and type of customers requesting proposed service.

X___ Exhibit C-2 – if a change of classification, rule or regulation is proposed, a statement explaining the reason for the change.

_____Exhibit C-3 – statement explaining the reason for any proposal not covered by Exhibit C-1 or Exhibit C-2.

5. This Application will not result in an increase in any rate, joint rate, toll classification, charge or rental.

6. NEO respectfully requests that the Commission expeditiously approve this Application and the proposed tariffs attached hereto.

Respectfully submitted by,

/s/ N. Trevor Alexander
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42. Unaccounted for Gas

Company will retain a percentage of all volumes delivered to it for the account of Customer to offset unaccounted-for gas as a result of transporting these volumes to Customer. This percentage will be calculated annually for the period of July 1 through June 30 of each year and will, upon notification to customers and marketers, be effective on September 1 of each year.

43. Operational Flow Orders

Customers without daily measuring devices are subject to Company's issuance of OFOs which will direct Customers to adjust scheduled volumes to match their estimated usage. An OFO may include the scheduling of supply quantities in excess of daily contract quantities when operating conditions exceed design criteria. Failure to comply with an OFO will result in the billing of the following charges to the OFO shortfall which is defined as the difference between the daily OFO volume and actual daily deliveries:

(1) The payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;

(2) One month of demand charges on the OFO shortfall, except in instances where OFOs require scheduling of volumes in excess of daily contracted quantities. This charge shall not be imposed more frequently than once in any thirty-day period; and

(3) The payment of all other charges incurred by Company on the date of the OFO shortfall.

If a Customer complies with an OFO it shall not be subject to any penalty or additional cost under this section.

44. Deficiencies in Deliveries to Company

Any volumes of gas that are delivered by Company to Customer in any monthly Billing Cycle that are in excess of any volumes delivered to Company by Customer for that Billing Cycle shall be considered a deficiency in deliveries.

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42. Unaccounted for Gas (UFG)

Company will retain a percentage of all volumes delivered to it for the account of Customer to offset unaccounted-for gas as a result of transporting these volumes to Customer. This percentage will be calculated annually for the period of July 1 through June 30 of each year and will, upon notification to customers and marketers, be effective on September 1 of each year.

43. Imbalances

Unless otherwise agreed by the Company in writing, monthly consumption at the Customer's facility shall equal the monthly amount of gas Customer deliveries to the Company at the Point(s) of Receipt, less UFG, plus or minus ten percent (10%). For each Mcf of positive or negative imbalance in excess of that ten percent (10%) variance (hereinafter referred to as "Excess Imbalance"), the customer shall pay to the Company an Imbalance fee as specified below.

If a negative Excess Imbalance exists, Company may require Customer to pay to the Company a charge for that Excess Imbalance determined by the following schedule:

Percentage Negative Imbalance	Rate to be Paid by Transporter
0 - 10%	No Sale
10 - 20%	Negative Volume Balance in Mcf times 1.10 times Index
> 20%	Negative Volume Balance in Mcf times 1.25 times Index

This charge does not entitle Customer to rely upon the Company to secure a supply of gas or provide "back-up" or supplemental gas service but merely represents a means of eliminating the imbalance condition to the extent the Company has gas available to it to do so without imposing additional costs or operational issues.

If a positive Excess Imbalance exists, and is not eliminated in the month following its creation, the Company has the right, but not the obligation, to purchase the Excess Imbalance according to the following schedule:

Percentage Positive Imbalance	Rate to be Paid by Transporter
0 - 10%	No Purchase
10 - 20%	Positive Volume Balance in Mcf times 0.90 times Index
> 20%	Positive Volume Balance in Mcf times 0.75 times Index

Any imbalance charges will be paid within ten (10) days of delivery of a written invoice to Customer listing such charges.

44. Operational Flow Orders

Customers without daily measuring devices are subject to Company's issuance of OFOs which will direct Customers to adjust scheduled volumes to match their estimated usage. An OFO may include the scheduling of supply quantities in excess of the customer's daily transportation volumes when operating conditions exceed design criteria. Failure to comply with an OFO will result in the billing of the following charges to the OFO shortfall which is defined as the difference between the daily OFO volume and actual daily deliveries:

(1) The payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;

(2) One month of demand charges on the OFO shortfall of volumes in excess of daily transportation volumes. This charge shall not be imposed more frequently than once in any thirty-day period; and

(3) The payment of all other charges incurred by Company on the date of the OFO shortfall.

If a Customer complies with an OFO it shall not be subject to any penalty or additional cost under this section.

45. Charges for Third Party Services

If furnishing service to Customer pursuant to this tariff requires Company to use transportation service provided by another entity, any cost incurred by, or billed to Company with regard thereto, shall be billed to Customer by Company and paid by Customer. Such costs shall include, without limitation, transportation or delivery charges, retainage for company use and unaccounted-for gas, filing fees, and penalties incurred as a result of gas volume imbalances or other factors set forth in the applicable rate schedule or contract of such other entity. Customer shall also reimburse Company for any filing fees paid by Company to another entity when necessary to commence or continue gas transportation service to Customer. Company shall obtain service provided by another entity or the occurrence of additional filing fees.

46. Interruptions

Notwithstanding the provisions of the Authorized Daily Volumes hereof, all deliveries by Company to Customer, including Customer's Authorized Daily Volumes, are subject to partial or complete interruption during force majeure situations, herein defined to mean acts of God, strikes, lockouts, or other labor disturbances, acts of a public enemy, war, blockages, insurrections, riots, epidemics, fire, storms, floods, washouts, civil disturbances, explosions, breakage or accidents to machinery or pipelines, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause not otherwise provided for herein, whether of the kind herein enumerated or otherwise, not reasonably within the control of Company. All deliveries are also subject to complete or partial interruption whenever service to residential and other high priority Customers in the same local market area is threatened.

When Company interrupts deliveries pursuant to this section, Customer shall be liable to Company for all fines and penalties incurred by Company as a result of any failure by Customer to interrupt its usage when directed to do so.

47. Addition and Replacement of Facilities

Where it is necessary, and if Customer and Company agree in writing that it should be done, Company will construct additions, replacements or betterments of its facilities located at the point(s) of receipt in order to accommodate the volumes of Customer-owned gas to be delivered to Company pursuant to the Application for Transportation Service. Customer shall pay Company the estimated cost of such additions, replacements or betterments, including an adjustment for federal income tax, prior to the installation thereof.

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If a negative Excess Imbalance exists, Company may require Customer to pay to the Company a charge for that Excess Imbalance determined by the following schedule:

Percentage Negative Imbalance	Rate to be Paid by Transporter
0 - 10%	No Sale
10 - 20%	Negative Volume Balance in Mcf times 1.10 times Index
> 20%	Negative Volume Balance in Mcf times 1.25 times Index

This charge does not entitle Customer to rely upon the Company to secure a supply of gas or provide "back-up" or supplemental gas service but merely represents a means of eliminating the imbalance condition to the extent the Company has gas available to it to do so without imposing additional costs or operational issues.

If a positive Excess Imbalance exists, and is not eliminated in the month following its creation, the Company has the right, but not the obligation, to purchase the Excess Imbalance according to the following schedule:

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> 20%	Positive Volume Balance in Mcf times 0.75 times Index

Any imbalance charges will be paid within ten (10) days of delivery of a written invoice to Customer listing such charges.

~~43.~~44. Operational Flow Orders

Customers without daily measuring devices are subject to Company's issuance of OFOs which will direct Customers to adjust scheduled volumes to match their estimated usage. An OFO may include the scheduling of supply quantities in excess of the customer's daily transportation volumes ~~contract quantities~~ when operating conditions exceed design criteria. Failure to comply with an OFO will result in the billing of the following charges to the OFO shortfall which is defined as the difference between the daily OFO volume and actual daily deliveries:

(1) The payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance;

(2) One month of demand charges on the OFO shortfall of volumes ~~, except in instances where OFOs require scheduling of volumes~~ in excess of daily transportation volumes. ~~contracted quantities.~~ This charge shall not be imposed more frequently than once in any thirty-day period; and

(3) The payment of all other charges incurred by Company on the date of the OFO shortfall.

If a Customer complies with an OFO it shall not be subject to any penalty or additional cost under this section.

~~**44. Deficiencies in Deliveries to Company**~~

~~Any volumes of gas that are delivered by Company to Customer in any monthly Billing Cycle that are in excess of any volumes delivered to Company by Customer for that Billing Cycle shall be considered a deficiency in deliveries.~~

EXHIBIT C-2

Exhibit C-2
Statement Explaining the Reason for the Proposal

In Case No. 21-803-GA-ATR and Case No. 21-1186-PL-ATA the Commission approved an application filed by Northern Industrial Energy Development, Inc. ("NIED") to purchase assets formerly owned by Cobra Pipeline Company, Ltd. ("Cobra"). As part of that transaction NIED adopted new tariffs under which it serves Northeast Ohio Natural Gas Corp. ("NEO"). Relevant here, the new tariffs completely changed the way in which NEO would be charged for customer imbalances.

Under service as provided by Cobra, NEO was not financially responsible for imbalances caused by customers. Therefore, there was no need for NIED to include specific tariff language addressing that issue.

The new NIED tariffs make NEO responsible for imbalances caused by NEO's customers (including suppliers operating on NEO's system). At Original Sheet 12, the NIED tariffs state:

8. Imbalances

Unless otherwise agreed by the Company in writing, Customer's monthly gas utilization at the Delivery Point(s) shall equal the monthly amount of gas Customer provides to the Company at the Point(s) of Receipt (subject to adjustment for Shrinkage) plus or minus ten percent (10%). For each Dth of positive or negative imbalance in excess of that ten percent (10%) variance (hereinafter referred to as "Excess Imbalance"), the customer shall pay to the Company an Imbalance fee as specified below.

If a negative Excess Imbalance exists, Company may require Customer to pay to the Company a charge for that Excess Imbalance determined by the following schedule:

Percentage Negative Excess Imbalance *(the percentage by which the actual monthly receipts, adjusted for Shrinkage, are less than the actual monthly deliveries)*	***Charge Paid by Customer***
0 - 10%	*No charge*
10 - 20%	*Volume of Negative Imbalance in Dth x (1.10 x Index)*
>20%	*Volume of Negative Imbalance in Dth x (1.25 x Index)*

This charge does not entitle Customer to rely upon the Company to secure a supply of gas or provide "back-up" or supplemental gas service but merely represents a means of eliminating the imbalance condition to the extent the Company has gas available to it to do so without imposing additional costs or operational issues.

If a positive Excess Imbalance exists, and is not eliminated in the month following its creation, the Company has the right, but not the obligation, to purchase the Excess Imbalance according to the following schedule:

Percentage Positive Excess Imbalance *(the percentage by which the actual monthly receipts, adjusted for Shrinkage, are more than the actual monthly deliveries)*	***Sales Price Paid by Company***
0 - 10%	*No sale*
10 - 20%	*Volume of Positive Imbalance in Dth x (0.90 x Index)*
>20%	*Volume of Positive Imbalance in Dth x (0.75 x Index)*

Any imbalance charges will be paid within ten (10) days of delivery of a written invoice to Customer listing such charges.

As shown in Exhibit B, NEO's proposed tariffs match the new imbalance rules established by NIED in all material respects. Standardizing the imbalance rules between NEO and NIED will ensure that end-users of gas have only one set of rules to comply with. It will also ensure that any imbalance costs are properly allocated to the cost-causer and are not improperly being subsidized by GCR customers who are not the cause of the imbalance. Accordingly, NEO respectfully requests its Application be approved.