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September 1, 2017

Ms. Barcy F. McNeal  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

**RE: Case No. 17-1906-GA-EDP**  
Columbia Gas of Ohio, Inc.  
Application for Approval of an Economic Development Project:  
Nucor Steel Marion, Inc.

Dear Ms. McNeal:

Columbia Gas of Ohio, Inc. ("Columbia") submits this Application for Approval of an Economic Development Project pursuant to Revised Code § 4929.163(A) and Ohio Admin. Code 4901:1-43-03(A). The project which is the subject of this Application is a proposed pipeline project known as the Nucor Steel Marion ("Nucor") Project (the "Project").

The Project is located in Marion County, Ohio, and crosses a portion of the City of Marion. As required by Ohio Admin. Code 4901:1-43-03(A), please be advised of the following:

**(A) The notice shall contain the following information:**

**(1) The name and location of the project.**

The Project is the installation of new infrastructure, including an 1,100 foot, 8-inch diameter, plastic, medium pressure gas main, to serve Nucor's new \$85 million investment in a new reheat furnace and rolling mill in Marion, Ohio.

**(2) A background of the subject company of the economic development project.**

Nucor, an American corporation, is a subsidiary of Nucor Corporation, a domestic company based in Charlotte, North Carolina. Nucor Corporation is the largest steel producer in the United States and produces over 400,000 tons of steel bars, beams, sheets and plates annually. The existing Nucor Marion Steel facility employs nearly 265 full time employees with an annual payroll of approximately \$23 million.

**(3) The level of total investment and capital expenditure by the subject company and the economic development impact.**

The Project investment and capital expenditure attributable to Nucor is \$ [REDACTED] which is comprised of the following funding:

\$ [REDACTED] from Nucor  
\$100,000 from this Application

**This description shall contain the following information:**

**(a) Estimated state and local taxable base increase.**

Columbia currently does not have an estimate for state and local taxable base increase because this information is not available to Columbia.

**(b) Anticipated number of new jobs created and jobs retained by the project.**

Nucor estimates that the new facility will create around 15 new jobs in the Marion area. Because Nucor currently operates in Marion County, 265 existing jobs are being retained.<sup>1</sup>

**(c) Description of the community served and the benefits to that community.**

The United States Census Bureau estimates that Marion County's population was 65,096 as of July, 2016 and the city of Marion had an estimated population of 36,310

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<sup>1</sup> See <http://www.nucor.com/investor/news/?rid=2255876>

as of July, 2016. The Ohio Development Services Agency has determined that between 2011 and 2015 18.8% of Marion County's population was in poverty, while 29.8% of the population was determined to be under 150% of the poverty level.<sup>2</sup> With Nucor remaining in Marion County, it continues to be a significant employer in Marion County.<sup>3</sup>

The Project features Nucor adding full time employees while retaining current jobs, positioning Nucor for future growth at its facility. The jobs retained and created with the plant will provide economic growth and development for Marion County.

**(4) To the maximum extent practicable, a description of other potential locations that may compete with the proposed location, including the type, location, and time frame of potentially competing projects.**

When considering investing in the Nucor Marion Steel Facility, Nucor Corporation chose the Marion facility over an existing facility and several Greenfield sites. The Nucor Steel Kankakee facility located in Bourbonnais, Illinois, was the primary internal competitor for the expansion, while there were various Greenfield sites under consideration throughout Ohio, Indiana, and Illinois.

**(5) The level of infrastructure investment anticipated by the natural gas company. This description shall contain the following information:**

**(a) A description of how the infrastructure development costs are projected to generate a return less than the most recently authorized rate of return.**

The total cost of the project is \$[REDACTED]. Because Nucor is an existing Columbia customer and Nucor is increasing existing production and making the facility more efficient, Columbia anticipates minimal new revenue from the Project. With Columbia's authorized rate of return, Columbia required a contribution of \$[REDACTED]. With the total dollars invested by Columbia and Nucor, there is a \$100,000 gap in funding. Without this additional funding, the Project may not be financially viable.

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<sup>2</sup> See The Ohio Poverty Report, February 2017, available at <https://development.ohio.gov/files/research/P7005.pdf>

<sup>3</sup> See [http://www.marionareachamber.org/web\\_pages/area\\_largest\\_employers.htm](http://www.marionareachamber.org/web_pages/area_largest_employers.htm)

**(b) A description of how the utility will not exceed the \$1.50 per month rate limitation.**

In Case No. 17-521-GA-IDR, Columbia requested authority to recover \$2.51 million of Infrastructure Development Costs approved and fully incurred in 2016. Here, Columbia is filing its first application in calendar year 2017 for approval pursuant to Revised Code § 4929.163 and Ohio Admin. Code 4901:1-43-03(A). This application proposes approval of funding well below the annual recovery limitation provide in Revised Code § 4929.162(A).

Finally, pursuant to Revised Code § 4929.163(C)(4), attached hereto as Appendix A is the support for the project by an economic development entity or chamber of commerce.

Should the Commission desire further information or discussion of this application, please do not hesitate to reach out to me at the information listed above.

Respectfully submitted,

**COLUMBIA GAS OF OHIO, INC.**

/s/ Joseph M. Clark

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Attorneys for

**COLUMBIA GAS OF OHIO, INC.**



August 14, 2017

Chris Strayer  
Senior Project Manager  
Columbus2020

Dear Chris,

In reference to Nucor Steel's recently announced \$85 million modernization, Marion CAN DO! is solidly behind this project.

We have been working closely with their new plant manager, Mike Hess, and project manager, Eric Young.

Nucor Steel Marion is a mini-mill that manufactures a full line of specialty steel products specifically for the highway, construction and agricultural industries. With a local history that reaches back 100 years, what is now known as Nucor has, through the years, been Pollak, Armco, and Marion Steel.

Nucor acquired the facility in 2005.

Locally, the city is financially participating in JobsOhio and ODOT roadway improvement grants to make improvements to Cheney Avenue and Barks Road. Cheney Avenue is the main entrance to Nucor and needs significant repairs.

And a hearty thank you to Columbia Gas for considering an incentive.

Marion is very proud to claim the title as America's Workforce Development Capital. Nucor is one example of a best-in-class employer that draws on Marion's talent and educational training resources.

With best regards,

A handwritten signature in blue ink, appearing to read "Gus Comstock", is written over the typed name.

Gus Comstock, CECD  
Director

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 17-1906-GA-EDP**

Summary: Application for Approval of an Economic Development Project: Nucor Steel Marion Project electronically filed by Ms. Melissa L. Thompson on behalf of Columbia Gas of Ohio, Inc.