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February 21, 2018

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

**RE: Case No. 18-0295-GA-EDP**  
Columbia Gas of Ohio, Inc.  
Application for Approval of an Economic Development Project:  
CertainTeed Expansion Project

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 and Ohio Admin. Code 4901:1-43-03(A). The project which is the subject of this Application is a proposed project known as the CertainTeed Expansion Project (the "Project").

The Project is located in Erie County, Ohio, near the village of Avery, Ohio. As required by Revised Code § 4929.163 and Ohio Admin. Code 4901:1-43-03(A), Columbia is filing this application prior to beginning construction on the Project, and advises the Commission of the following:

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

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

The CertainTeed Expansion Project involves an existing customer, CertainTeed Corp, that is planning to expand an existing facility and build a new facility at its Avery Plant. The Avery Plant, which has been in operation since 1971, manufactures fiberglass roofing shingles for the residential market.

To serve the Project with a greater need for capacity, Columbia is required to install new Columbia distribution facilities, including a new point of delivery

and an extension of new main pipeline to both CertainTeed's meter settings and to tie into Columbia's distribution system. Columbia will also be retiring facilities that could not serve the Project, but that currently serve CertainTeed and the City of Avery. CertainTeed is expected to invest approximately \$44,000,000 in the Project, which includes \$33,000,000 in machinery and equipment costs, \$10,000,000 in building costs, and \$1,000,000 in land costs.

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

CertainTeed, a subsidiary of Saint-Gobain, one of the world's largest and oldest building products companies, produces and manufactures building products. These exterior and interior building products include roofing, siding, fence, decking, railing, trim, insulation, gypsum and ceilings. CertainTeed and its affiliates have more than 5,700 employees and more than 60 manufacturing facilities throughout the United States and Canada.

CertainTeed was founded in 1904 as the General Roofing Manufacturing Company in 1904, but changed its name in 1917 to CertainTeed from its slogan "Quality made *certain*, Satisfaction *Guaranteed*." The company continued to grow as the premier asphalt shingle manufacturer. In the 1960's, the company acquired both a fiberglass insulation business and PVC pipe businesses, which led to the introduction of solid vinyl siding. The addition of both gypsum and ceilings in 2007 rounded out the scope of building materials currently manufactured by CertainTeed.

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

The required contribution for Project investment and capital expenditure for the new Columbia distribution facilities, including a new point of delivery and new main pipeline to both CertainTeed's meter settings and Columbia's distribution system, is \$ [REDACTED], which is comprised of the following funding:

\$ [REDACTED] from CertainTeed  
\$719,333.00 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.**

CertainTeed estimates that the expanded facility will create 10 new jobs and retain 196 existing jobs at the Avery plant.

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

The Avery Plant is located in Avery (Erie County), Ohio. The Plant provides jobs to Erie County's most common industry, manufacturing. The greatest benefit of CertainTeed continuing to invest in Erie County is the job creation anticipated from it and the economic growth and development. The CertainTeed Expansion Project is important to the long-term sustainability of CertainTeed's facilities at this location. As of December 2017, the unemployment rate of Erie County was 6.2%,<sup>1</sup> which is higher than Ohio's statewide average of 4.5% and the national unemployment rate of 3.9%.<sup>2</sup>

**(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 the expansion, CertainTeed also considered another potential location in Missouri.

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<sup>1</sup> <http://www.lmi.state.oh.us/LAUS/Ranking.pdf> (as of December 2017, not seasonally adjusted) (last visited on February 18, 2018).

<sup>2</sup> <http://ohiolmi.com/laus/current.htm> (unemployment rates as of December 2017, not seasonally adjusted) (last visited on February 18, 2018).

**(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]. With Columbia's authorized rate of return, Columbia required a contribution of \$[REDACTED]. With the total dollars invested by Columbia and CertainTeed, there is a \$719,333.00 gap in funding. Without this additional funding, the Project may not be financially viable.

As noted in Columbia's Motion for a Protective Order filed in this docket, the total project cost, the required contribution and the calculations to determine that contribution are highly confidential and proprietary. Due to its confidential nature, Columbia has met with Staff of the Public Utilities Commission of Ohio to discuss this information.

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

In 2018, Columbia has not applied for any projects receiving Infrastructure Development Rider-eligible funding. Here, and with the application for CertainTeed, Columbia is filing its first application in calendar year 2018 for approval pursuant to Revised Code § 4929.163 and Ohio Admin. Code 4901:1-43-03(A). The application proposes approval of dollars well below the annual recovery limitation of \$1.50 per month, per customer provide in Revised Code § 4929.162(A) with Columbia's approximately 1.4 million customers.

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

Joseph M. Clark, (Counsel of Record)

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Attorneys for

**COLUMBIA GAS OF OHIO, INC.**



January 22<sup>nd</sup>, 2018

Mr. Tommy Young, Economic Development Manager  
Columbia Gas of Ohio, Inc.  
P.O. Box 2318  
Columbus, Ohio 43216

Dear Mr. Young,

On behalf of the Erie County Economic Development Corporation, I am pleased to submit this letter of support for an Infrastructure Development Rider to be dedicated to support CertainTeed Roofing Saint-Gobain, a growing Erie County company.

Being a member of the Erie County community since 1968, CertainTeed has long demonstrated its ability to advance product development and the production of home materials. This success has contributed greatly to our regional economy over the last forty years through employment, capital investment and innovation.

With significant investment in infrastructure, equipment and human capital, CertainTeed Milan is again poised for growth. Assistance from Columbia Gas & the Public Utilities Commission will play a key part in ensuring this growth and prosperity is brought to Erie County & the State of Ohio.

Sincerely,

A handwritten signature in black ink, appearing to read "Abbey Bemis", is positioned below the "Sincerely," text.

Abbey Bemis, Executive Director  
Erie County Economic Development Corporation

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

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**in**

**Case No(s). 18-0295-GA-EDP**

Summary: Application for Approval of an Economic Development Project: CertainTeed  
Expansion Project  
electronically filed by Cheryl A MacDonald on behalf of Columbia Gas of Ohio, Inc.