

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Generation)	
Pipeline LLC for Approval of an Amendment)	Case No. 20-1297-GA-AEC
to a Natural Gas Transportation Service)	
Agreement.)	

APPLICATION FOR APPROVAL OF AN AMENDMENT TO
A NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

Pursuant to R.C. 4905.31, Generation Pipeline LLC (“Generation Pipeline”) respectfully requests approval of an amendment to a natural gas transportation service agreement. Specifically, Generation Pipeline recently entered into Amendment No. 1 to the IronUnits LLC Natural Gas Transportation Service Agreement to modify the contract commodity rate, the commencement date for the contract rates and the force majeure provision including limiting the scope of allowable force majeure events (the “Amendment”).

In support of this application, Generation Pipeline states as follows:

1. The Public Utilities Commission of Ohio (the “Commission”) previously authorized Generation Pipeline to operate as an Ohio natural gas company in Case No. 15-1104-GA-ACE. Generation Pipeline holds Certificate No. 89-8042 and owns and operates natural gas facilities in Ohio.

2. On February 16, 2018, Generation Pipeline and IronUnits LLC (“IronUnits”) entered into a natural gas transportation service agreement for an iron production facility in Toledo, Ohio (the “IronUnits Agreement”). The IronUnits Agreement was approved by the Commission’s Finding and Order dated December 18, 2019 in Case No. 19-1976-GA-AEC.

3. On June 30, 2020, Generation Pipeline and IronUnits executed an amendment to the IronUnits Agreement. Generation Pipeline and IronUnits agreed to amend the IronUnits Agreement to modify the contract commodity rate for the first five years of service, the

commencement date for the contract rates and the force majeure provision including limiting the scope of allowable force majeure events. The IronUnits Amendment is attached hereto as Attachment A.

4. The attached IronUnits Amendment is between Generation Pipeline and a shipper who needs transport and natural gas services. The IronUnits Amendment contains information that is proprietary and should not be disclosed to the public. Although the rates in the IronUnits Amendment have been redacted, they have been submitted under seal to the Commission and its Staff for review in accordance with Ohio Adm.Code Rule 4901-1-24(D).

5. A motion for a protective order seeking protection of the IronUnits Amendment's rates was filed simultaneously with this Application.

6. Generation Pipeline submits that the IronUnits Amendment attached hereto as Attachment A is a reasonable arrangement, is in the public interest, and should be approved pursuant to R.C. 4905.31.

WHEREFORE, pursuant to R.C. 4905.31, Generation Pipeline respectfully requests that the Commission approve the IronUnits Amendment attached as Attachment A to this application.

Respectfully submitted,
/s/ Michael J. Settineri
Michael J. Settineri (0073369), Counsel of Record
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(Both are willing to accept service via email)

Attorneys for Generation Pipeline LLC

ATTACHMENT A

AMENDMENT NO. 1 TO
NATURAL GAS TRANSPORTATION SERVICE AGREEMENT

THIS AMENDMENT NO. 1 TO NATURAL GAS TRANSPORTATION SERVICE AGREEMENT (this “Amendment”) is made and entered into effective as of June 30, 2020 (the “Amendment Effective Date”) by and between Generation Pipeline LLC, an Ohio limited liability company (together with its successors and assigns, “GPL”), and IronUnits LLC, a Delaware limited liability company (together with its successors and assigns, “Shipper”). Additionally, Cleveland-Cliffs Inc., an Ohio corporation, consents to this Amendment in accordance with the Consent of Guarantor provision on the signature page hereof. This Amendment shall not be effective until (i) it is executed and delivered by each of GPL and Shipper and (ii) Cleveland-Cliffs Inc. has executed and delivered the Consent of Guarantor included herein.

WHEREAS, GPL and Shipper entered into that certain Natural Gas Transportation Service Agreement executed and effective on February 16, 2018 (along with all exhibits thereto, the “Agreement”); and

WHEREAS, GPL and Shipper desire to amend the Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Amendment, and for other good and valuable consideration, the receipt and the sufficiency of which are hereby acknowledged, GPL and Shipper hereby agree as follows:

A. Definitions. All capitalized terms used but not defined or modified herein shall have the meanings ascribed thereto in the Agreement.

B. Amendments. The Agreement is hereby amended as follows:

1. In the **DEFINITIONS** section of the Agreement, the definition of “**Commercial Operation Date**” is hereby deleted in its entirety and replaced with the following definition:

“**Commercial Operation Date**” means October 1, 2020.

2. The last sentence in Section 4.1(a) of the Agreement is hereby deleted in its entirety and replaced with the following sentence:

The Parties acknowledge and agree that the Commercial Operation Date shall occur on October 1, 2020 and shall not be delayed or postponed for any reason, including, but not limited to, an event of Force Majeure.

3. Section 7.1 of the Agreement is hereby deleted in its entirety and replaced with the following new section 7.1:

7.1 Subject to Section 7.3 and except with regards to a Party's obligation to make payments due hereunder that accrued prior to the occurrence of an applicable Force Majeure and the payment of Demand Charges, neither Party shall be liable to the other for failure to perform any obligation hereunder to the extent that such failure was caused by Force Majeure. The term "**Force Majeure**" as employed herein means any cause, except as limited below, not reasonably within the control of the Party claiming suspension, as further defined below.

4. Section 7.2 of the Agreement is hereby deleted in its entirety and replaced with the following new Section 7.2:

7.2 "**Force Majeure**" means and includes, except as limited below, any matter outside of the reasonable control of the Party claiming relief from any obligation hereunder by reason of such Force Majeure.

A "Force Majeure" includes, but is not limited to the following:

- (i) acts of God, landslides, lightning, earthquakes, fires, storm or storm warnings such as hurricanes which result in the evacuation of the affected areas, floods, washouts, or explosions;
- (ii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorism, insurrections or wars; and
- (iii) governmental actions such as necessity for compliance with any court order, law, statute or ordinance, or regulations promulgated by a governmental authority having jurisdiction in each case other than with respect to such matters arising out of the action of the Party seeking relief from its performance hereunder by reason of such Force Majeure event.

The Parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

For purposes of this Agreement, the term "Force Majeure" expressly excludes the following:

- (i) any change in, lack of or unfavorable market conditions for hot briquetted iron, Gas or Gas

transportation services;

- (ii) any failure by a Party to apply for or maintain any governmental approval necessary under applicable law for the performance of its obligations hereunder; and
- (iii) the inability of the Party claiming Force Majeure to economically perform its obligations under this Agreement.

Each Party hereto will notify the other Party in writing promptly upon such Party's becoming aware of any event or condition that could establish a claim of Force Majeure by the notifying Party (which notice shall include a summary of the event or occurrence that could establish such claim for Force Majeure, the notifying Party's best estimate of how long such Force Majeure could continue to exist, and the steps the notifying Party is taking, or expects to take, to avoid or mitigate the adverse impacts of such Force Majeure and to resolve such event or occurrence in order to resume performance).

The Parties agree that Shipper may claim Force Majeure and seek relief from its obligations to the extent that, by reason of such Force Majeure,

- (a) Shipper is unable to tender Gas at a Receipt Point with the exception of an inability to tender Gas as a result of an interruption due to taking interruptible service,
- (b) Shipper is unable to accept delivery of Gas at the Delivery Point, or
- (c) the Force Majeure results in a material adverse impact on the ability of Shipper to operate the HBI Facility.

Notwithstanding anything to the contrary contained in this Article VII (Force Majeure), a Party seeking relief from any obligation by reason of Force Majeure shall not be entitled to relief with respect to any payment obligation under this Agreement that accrued prior to the occurrence of such Force Majeure or the payment of Demand Charges (so long as the New Pipeline is capable of operation).

5. In Exhibit B of the Agreement, item (e) **Base Rate Table** under the section titled **Rates** is hereby deleted in its entirety and replaced with the following table:

(e) **Base Rate Table**

Period	Base Demand Rate	Base Commodity Rate
Commercial Operation Date through the day immediately prior to the fifth anniversary of the Commercial Operation Date:		
From the fifth anniversary of the Commercial Operation Date through the day immediately prior to the tenth anniversary of the Commercial Operation Date:		
For each subsequent five-year Renewal Term:		The Base Commodity Rate in effect immediately prior to the applicable Renewal Term <u>plus</u> the product of such Base Commodity Rate multiplied by the applicable percentage change in CPI-U (as defined below).
CPI-U means the Consumer Price Index, US City Average, All Items Less Food and Energy (1982-1984=100) as reported by the United States Department of Labor, Bureau of Labor Statistics. For purposes of calculating the Base Commodity Rate for any Renewal Term, the percentage change in the CPI-U shall be based upon the then most recently available CPI-U reports for a twelve calendar month period. (For exemplary purposes only, if a Renewal Term commences on July 1, 2030, and CPI-U reports are only available for the twelve calendar month period ending May 31, 2030, the percentage change in CPI-U to be used for calculating the Base Commodity Rate for such Renewal Term would be the percentage change in CPI-U for the twelve calendar month period from June 1, 2029 and ending May 31, 2030.)		

C. **Shipper Force Majeure.** Shipper hereby agrees that it will not claim Force Majeure under the Agreement prior to the Commercial Operation Date for any reason. Additionally, Shipper permanently waives any and all of its rights to claim Force Majeure under the Agreement for any period from and after the Commercial Operation Date based on any event or circumstance existing prior to the Commercial Operation Date, including, without limitation, the COVID-19 pandemic, and/or any governmental action taken prior to the Commercial Operation Date.

D. **Continuing Effect of the Agreement; Amendment Effective Date.** Except as expressly amended hereby, all of the provisions of the Agreement shall remain in full force and effect and are hereby in all respects ratified and confirmed. This Amendment is effective as of the Amendment Effective Date.

E. **One Agreement; Counterparts; Signatures.** The Agreement, as amended by this Amendment, will be construed as one agreement. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original and all of which, collectively, shall be one and the same instrument. This Amendment may be signed by facsimile signatures or other electronic delivery of an image file (such as a .pdf file) reflecting the execution hereof, and, if so signed: (a) may be relied on by each party as if the document were a manually signed original and (b) will be binding on each party for all purposes.

F. **Captions.** The headings to the sections of this Amendment have been inserted for convenience of reference only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.

G. Governing Law. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Ohio (without regard to conflicts of law principles).

H. Severability. If any provision of this Amendment is held to be invalid, illegal, or otherwise unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision, and the provision so held to be invalid, illegal, or unenforceable shall be reformed to the extent (and only to the extent) necessary to make it enforceable, valid, and legal, with the remainder remaining in full force and effect.

I. Authority. Each of GPL and Shipper hereby represents and warrants that it has all necessary power and authority to enter into this Amendment and be bound by the terms hereof. Cleveland-Cliffs Inc. hereby represents and warrants that it has all necessary power and authority to enter into the Consent of Guarantor with respect to this Amendment and be bound by the terms thereof.

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IN WITNESS WHEREOF, GPL and Shipper have executed this Amendment as of the Amendment Effective Date, each party representing that the undersigned individuals are fully authorized to act on behalf of the respective party.

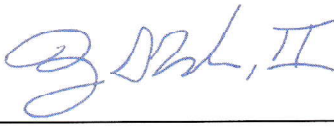
GENERATION PIPELINE LLC

By: 

Name (print): David Shammo

Title: President

IRONUNITS LLC

By: 

Name (print): Terry G. Fedor

Title: Vice President

CONSENT OF GUARANTOR

Cleveland-Cliffs Inc., as Guarantor under the certain Limited Guaranty entered into and effective as of February 16, 2018 (the "Limited Guaranty") in favor of Generation Pipeline LLC, hereby consents to this Amendment, including the agreements by IronUnits LLC contained in this Amendment. Cleveland-Cliffs Inc. hereby affirms and agrees that the Limited Guaranty is and shall remain in full force and effect after giving effect to this Amendment and acknowledges the continuing validity of the Limited Guaranty. The definition of "NGTSA" as used in the Limited Guaranty shall mean the Agreement (as defined above in this Amendment) as modified by this Amendment.

CLEVELAND-CLIFFS INC.

By: 

Name (print): Terry G. Fedor

Title: EVP, COO, Steel Mills

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in

Case No(s). 20-1297-GA-AEC

Summary: Application for Approval of an Amendment to a Natural Gas Transportation Service Agreement electronically filed by Mr. Michael J. Settineri on behalf of Generation Pipeline LLC