

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of North)
Coast Gas Transmission LLC and Suburban)
Natural Gas Company for Approval of a Natural) Case No. 06-1100-PL-AEC
Gas Transportation Service Agreement.)

ENTRY

The Commission finds:

- (1) On March 30, 2004, the Commission approved tariffs authorizing North Coast Gas Transmission LLC ("North Coast") to operate as an intrastate pipeline company in Ohio subject to the Commission's jurisdiction. Recognizing the wholesale nature of its transportation business, the approved tariffs provided for the rates and terms for transportation services to be individually approved by the Commission pursuant to Section 4905.31, Revised Code.
- (2) Suburban Natural Gas Company (Suburban) is a public utility and a natural gas company providing service to customers in Ohio and is subject to the jurisdiction of this Commission under Sections 4905.02 and 4905.03, Revised Code.
- (3) On September 6, 2006, North Coast and Suburban jointly filed an application seeking approval of a natural gas transportation service agreement.
- (4) According to the Application, North Coast owns the rights to certain pipelines know as Buckeye 10-inch or 25 Pipeline, the Buckeye 10-inch pipeline, and the Ashland 8-inch Pipeline. In addition, North Coast states that it has acquired, or about to acquire, an additional natural gas pipeline that connects to its line and extends north to Toledo and south to Marion. The North Coast explains that this acquisition enables it to operate across the northern tier of Ohio with interconnections into the Dominion East Ohio, Columbia Gas of Ohio, KNG Energy Service and Suburban territories.
- (5) Suburban desires to utilize North Coast's Marion-to-Toledo pipeline for transportation of natural gas within the State of Ohio in order to supplement and diversify its available supplies and suppliers of natural gas to better fulfill its supply obligations to customers.

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- (6) North Coast has agreed to provide transportation service to Suburban and the parties have entered into a Natural Gas Transportation Service Agreement (agreement), subject to approval by the Commission. This agreement has an initial ten-year term beginning on November 1, 2008 and ending on October 31, 2018, with Suburban having the right to extend the term of the agreement for an additional ten years after providing at least one year's advanced notice before the end of the primary term. The agreement contains terms and conditions addressing quantity and price, points of receipt and delivery, measurement and quality of gas, billing and payment, and additional items.
- (7) North Coast and Suburban submit that the agreement is a reasonable arrangement between public utilities and is practicable and advantageous to the parties. Further, the joint applicants assert that this agreement will enable them to operate their lines in connection with each other in order that Suburban may be able to serve its end use customers more reliably.
- (8) Confidential and proprietary information consisting of rates, volumes and shrinkage factors have been redacted from the filed contract. A motion for a protective order, seeking protection of the price, volumes and shrinkage information in this agreement, was filed simultaneously with their application.
- (9) The Commission has reviewed the application and finds it to be reasonable and in the public interest. The agreement between the parties should be approved. Regarding the motion for protective order, we understand that negotiated price and quantity terms can be sensitive information in a competitive environment. This protective order shall not be construed as limiting the Commission's review of this agreement for future rate making or cost recovery purposes.
- (10) In accordance with Rule 4901-1-24, Ohio Administrative Code, a protective order prohibiting disclosure of the confidential information provided under seal is granted. This protective order will automatically expire 18 months after the date of this Entry. Any party wishing to extend this confidential treatment should file an appropriate motion at least 45 days in advance of the expiration date.

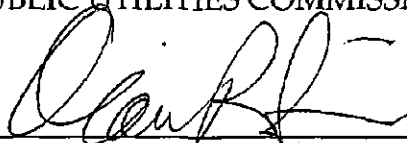
It is, therefore,

ORDERED, That the application of North Coast and Suburban for approval of a Natural Gas Transportation Service Agreement be approved. It is, further

ORDERED, That, for 18 months from the date of this Entry, the Docketing Division of the Commission should maintain under seal the confidential information filed on September 6, 2006, in connection with the application discussed in this Entry. It is, further,

ORDERED, That a copy of this Entry be served upon North Coast and Suburban.

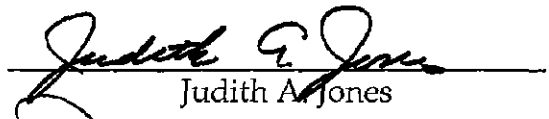
THE PUBLIC UTILITIES COMMISSION OF OHIO



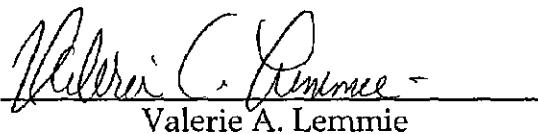
Alan R. Schriber, Chairman



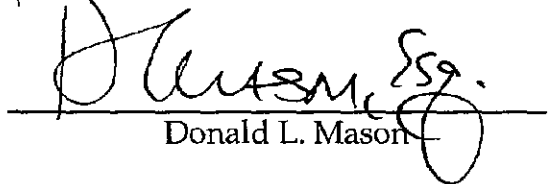
Ronda Hartman Fergus



Judith A. Jones



Valerie A. Lemmie



Donald L. Mason

JR:sm

Entered in the Journal

FEB 07 2007



Renee J. Jenkins
Secretary