



**Public Utilities
Commission**

Asim Z. Haque, Chairman

Commissioners

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FILE

March 24, 2017

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RECEIVED-REGULATORY DIV.
2017 MAR 24 AM 8:10
PUCO

RE: *In the Matter of the Application of Generation Pipeline LLC with Interstate Chemical Company for Approval of a Reasonable Arrangement for Transporting Natural Gas in Case No 17-524-GA-AEC.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Generation Pipeline seeking approval for a reasonable arrangement for transporting gas to Interstate Chemical Company in Case No. 17-524-GA-AEC.

Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio

David Lipthrott
Chief, Research and Policy Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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Generation Pipeline LLC

Case No. 17-524-GA-AEC

SUMMARY

On February 24, 2017, in Case No. 17-524-GA-AEC, Generation Pipeline LLC (Generation) filed an application requesting approval of a transportation service agreement (TSA) with Interstate Chemical Company (Interstate). The TSA defines the terms of the agreement as the Startup Phase and Year 1. The Startup Phase of the TSA will last for a period of 180 days and will commence upon Generation's completion of its facilities at its delivery point to Interstate. Year 1 will commence immediately following the end of the Startup Phase, but not later than January 1, 2018. The TSA has an initial term of ten years, starting with Year 1, and changes to a month to month contract thereafter. The TSA will be for firm service, with demand and commodity rates, and a maximum daily quantity (MDQ) that can be adjusted up or down by 20% at the end of Year 1 and Year 7. The TSA requires two installment payments to be made; the first payment is due within 30 days of the execution of the agreement and the second payment is due within 10 days of written notice of the start of construction.

Due to the competitive, sensitive and proprietary nature of the agreement, Generation requests confidential treatment of the transportation rates, MDQ, volumes, excise tax rates and shrinkage factor. These portions of the TSA have been redacted from the public version.

STAFF REVIEW

Staff reviewed the application filed in the above case and finds the TSA to be reasonable and in the public interest.

STAFF RECOMMENDATION

Staff recommends to the Commission that the application filed by Generation for a TSA with Interstate be approved.