

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

| | | |
|-------------------------------------|---|-------------------------|
| In the Matter of the Application of |) | |
| North Coast Gas Transmission LLC |) | Case No. 17-2431-PL-AEC |
| for Approval of a Natural Gas |) | |
| Transportation Service Agreement |) | |
| Amendment. |) | |

**APPLICATION FOR APPROVAL OF A NATURAL GAS
TRANSPORTATION SERVICE AGREEMENT AMENDMENT**

Pursuant to Section 4905.31, Revised Code, North Coast Gas Transmission LLC (“North Coast”) respectfully requests approval of a certain natural gas transportation service agreement amendment. In support of this Application, North Coast states as follows:

1. North Coast Gas Transmission LLC (“North Coast” or the “Company”) is a pipeline company as defined in Section 4905.03, Revised Code and a public utility as defined in Section 4905.02, Revised Code and, as such, is subject to the jurisdiction of this Commission.

2. Section 4905.31, Revised Code authorizes the Commission to approve schedules or reasonable arrangements between one public utility and another public utility or with one or more of its customers. The statute provides that every such schedule or reasonable arrangement shall be under the supervision and regulation of the Commission, and is subject to change, alteration, or modification by the Commission.

3. On March 31, 2004, the Commission approved tariffs authorizing North Coast to operate as an intrastate pipeline company in Ohio subject to the Commission’s jurisdiction. See *In Re North Coast Gas Transmission, LLC*, Case No. 04-265-PL-ATA, Finding and Order (March 30, 2004). 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.

4. By its Finding and Order of February 28, 2007 in Case No. 07-70-PL-AEC, the Commission approved an agreement between North Coast and Marion Ethanol, LLC d/b/a POET Biorefining-Marion. The shipper is now known as POET Biorefining-Marion, LLC.

5. By its Finding and Order of June 1, 2016 in Case No. 15-1997-PL-AEC, the Commission approved a restatement of the agreement between North Coast and POET Biorefining-Marion, LLC. This restated agreement was substantially similar to previous ones, except that the new agreement had a different method of calculating the commodity rate for volumes beyond the maximum daily quantity.

6. On September 28, 2017, North Coast and POET Biorefining-Marion, LLC entered into another amendment which contemplated that the shipper would be proceeding with construction of expansion of its facilities that would be completed by approximately June 1, 2018. North Coast and POET Biorefining-Marion, LLC seek approval of an amendment to the original agreement which would address the primary receipt point, the primary delivery point, shrinkage factor, the Maximum Daily Quantity, the rates, character of service, the term, the reimbursement of construction costs, the recovery of damages and stranded costs, and the meter site easement.

The agreed upon terms of the amendment between North Coast and POET Biorefining-Marion, LLC will allow North Coast to provide transportation service to the shipper under reasonable rates and conditions.

7. The term will begin on the earlier of the date on which the expansion is complete (scheduled to be June 1, 2018) or January 1, 2019. The filing of this Application is well before the effective date of this amendment.


8. The attached amendment contains information that is proprietary and should not be disclosed to the public. The shrinkage factor, rates and all references to volumes in Exhibit B have been redacted and they have been submitted under seal to the Commission and its staff for its review in accordance with Rule 4901-1-24(D) of the Ohio Administrative Code.

9. A motion for a protective order seeking protection of the amendment's shrinkage factors, rates, and volume, were filed simultaneously with this Application.

10. North Coast submits that the attached amendment is a reasonable arrangement, in the public interest, and should be approved pursuant to Section 4905.31, Revised Code.

WHEREFORE, pursuant to Section 4905.31 of the Revised Code, North Coast respectfully requests that the Commission approve the amendment attached to this Application.

Respectfully submitted,



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September 28, 2017

Mr. Rob Anderson
POET Ethanol Products
3939 North Webb Road
Wichita, KS 67226

Dear Rob:

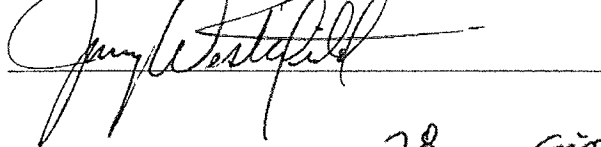
North Coast Gas Transmission, LLC ("North Coast") and POET Biorefining – Marion, LLC formerly known as, Marion Ethanol, LLC d/b/a POET Biorefining – Marion ("Shipper") are parties to a Natural Gas Transportation Service Agreement dated August 7, 2014 whereby North Coast transports natural gas for Shipper. The Parties desire to amend the Agreement under the terms as offered below:

1. Exhibit B is deleted in its entirety and is replaced with the attached Exhibit B to this letter agreement.

Should the attached Exhibit B reflect terms acceptable to POET Biorefining – Marion, LLC please execute duplicate originals in the space provided below and return one original to my attention. If this amendment is not executed within 30 days of the date set forth above, the terms of the offer contained in Exhibit B shall expire.

Sincerely,

NORTH COAST GAS TRANSMISSION, LLC.



Accepted and Agreed to this 28 day of Sept, 2017.

POET BIOPREFINING – MARION, LLC

BY:



Regional Vice President - PPM

Exhibit B

North Coast Gas Transmission, LLC

Primary Receipt Point

Interconnection between North Coast and Crossroads Pipeline located in Wood County, OH commonly known as Cygnet.

Primary Delivery Point(s)

Interconnections between North Coast and the ethanol plant in Marion County, OH commonly known as POET Biorefining – Marion, LLC.

Shrinkage

| % of Quantities Received at the Receipt Point.

Maximum Daily Quantity (MDQ)

| Dth

Rates

Demand Rate:

| per Dth times MDQ times the number of days in the month – Years 1 – 5
| per Dth times MDQ times the number of days in the month – Years 6 – 7

Commodity Rate:

| per Dth flowed up to
| per Dth between and flowed – Years 1 – 5
| per Dth between and flowed – Years 6 – 7

Character of Service

Firm Transportation for volumes up to Dth per day
Interruptible Transportation for all volumes above Dth per day

Term

The term will begin on the earlier of the date on which the expansion is complete and capable of taking gas or January 1, 2019 (Commencement Date) and end seven (7) years thereafter. In the event the plant expansion is not completed by the Shipper by the Commencement Date, due to regulatory or permitting delays, Shipper shall nevertheless commence paying demand charges on the full Contract MDQ. However, this Agreement will be extended for the same period of the delay occurred (Extension Period) and Shipper shall only be charged a Demand Charge for the Extension Period based upon a Contract MDQ of Dth.

Additional Terms:

Reimbursement of Construction Costs.

In the event of termination by POET of the Transportation Service Agreement by breach or otherwise prior to the Commencement Date, POET agrees to reimburse NCGT for all of its reasonable costs incurred to prepare for and install the Expansion Facilities, including but not limited to, conducting any environmental or socioeconomic reviews of the proposed expansion, obtaining right-of-way agreements, work undertaken to determine the constructability of the expansion, engineering costs, permitting costs, material costs and construction costs up to an amount not to exceed \$1,050,000. NCGT shall present to POET all invoices for any costs to be reimbursed, and POET shall reimburse NCGT for the invoiced amounts within thirty (30) days of each invoice submittal. Additionally, should POET not proceed with the Expansion Facilities for any reason the Transportation Service Agreement shall revert to the terms and conditions set forth in the current Exhibit B in effect.

Recovery of Damages and Stranded Costs.

Subject to Section 8.7 of the Transportation Service Agreement, in the event of termination of the Transportation Service Agreement by POET by breach or otherwise prior to the end of the Primary Term. POET agrees to reimburse NCGT for all of its damages as a result of POET's termination, including, but not limited to, NCGT's stranded and reasonable costs incurred to prepare for and install the Expansion Facilities, including but not limited to, conducting any environmental or socioeconomic reviews of the proposed expansion, obtaining right-of-way agreements, work undertaken to determine the constructability of the expansion, engineering costs, permitting costs, material costs and construction costs. POET agrees that NCGT shall recover any damages or reimbursable costs permitted under this paragraph, and that NCGT shall not be limited or precluded from asserting any additional claim for damages or reimbursement against POET resulting from the termination of the Transportation Service Agreement.

Meter Site Easement.

Shipper agrees to provide North Coast with a fully executed meter site easement located at Shipper's Marion plant site. The meter site easement shall measure 75ft. x 75ft. adjacent to the existing station with acceptable ingress and egress access, and shall contain terms and conditions that are usual and customary in the natural gas industry and acceptable to North Coast. North Coast shall construct, own, operate, and maintain the meter station which shall consist of but not be limited to the following equipment, meter and regulator setting, SCADA, filter separator, heater, inlet piping and other appurtenances. This easement shall be provided by Shipper to North Coast at no additional cost. The Parties agree that the consideration for this easement is included in the rates, terms and conditions of this Agreement.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/1/2017 11:41:19 AM

in

Case No(s). 17-2431-PL-AEC

Summary: Application Application for Approval of a Natural Gas Transportation Service Agreement Amendment electronically filed by Mr. Stephen M Howard on behalf of North Coast Gas Transmission LLC