

290 W. Nationwide Blvd.  
Columbus, Ohio 43215  
  
Direct: (614) 460-6988  
JosephClark@nisource.com



August 16, 2018

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

**RE: Case No. 18-1296-GA-EDP**  
Columbia Gas of Ohio, Inc.  
Application for Approval of an Economic Development Project:  
COMTEX Laundry Project

Dear Ms. McNeal:

Columbia Gas of Ohio, Inc. ("Columbia") submits this Application for Approval of an Economic Development Project pursuant to R.C. § 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 COMTEX Laundry Project (the "Project").

The Project is located in Ashland County on US Route 250. As required by R.C. § 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.**

COMTEX Laundry is a commercial laundry and linen service provider, currently located in Columbus, Ohio. COMTEX Laundry is planning to expand by constructing a second plant in Ashland, Ohio.

To serve the Project, Columbia is required to install Columbia-owned distribution facilities. This includes the installation of 4,885 feet of new 6-inch mainline and the installation of 350 feet of new 6-inch service line.

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

COMTEX Laundry is an Ohio not-for-profit corporation owned by the OhioHealth and Mount Carmel Health systems, but servicing the laundry and linen needs of 28 hospitals and approximately 250 ambulatory and ancillary sites. Currently, it processes 50 million pounds annually and employs over 300 staff in Columbus, Ohio, serving a radius of 75 miles around Columbus.

After fifteen (15) years of service, volume and resiliency requirements have reached a point where a duplicate plant is necessary. The COMTEX Laundry Board has approved the development of a second plant to commence operations in 2019. Initial start-up volume will be 20 to 25 million pounds annually. The nature of the work is very stable and the new plant will be constructed to provide 50 million pounds of laundry service annually with a corresponding growth in production, technical, transportation and administrative staff. The existing average hourly pay is \$14.75/ hour.

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

The COMTEX Laundry expansion reflects a total capital investment of \$20,740,000 made by the subject company. New jobs, temporary jobs and a top tier light manufacturing facility, are a direct result of the COMTEX Laundry expansion.

The required contribution for Project investment and capital expenditure for the new Columbia distribution facilities is \$ [REDACTED], which is comprised of the following funding:

\$ [REDACTED] from COMTEX Laundry  
\$182,884.00 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.**

COMTEX Laundry estimates the plant will create 75-100 new full-time jobs.

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

The City of Ashland has a population of 20,489; it is situated in Ashland County which has a population of 50,213. Ashland is positioned halfway between Cleveland and Columbus which makes accessibility ideal for manufacturers and distribution centers alike.

Ashland County has 90 manufacturers currently and is home to the only Barbasol plant in the country. Companies such as Mansfield Plumbing Products, Step2, Cowen Truck Line, Lippert Enterprises, Packaging Corporation of America, Ashland Conveyor, McGraw-Hill, Bookmasters, Ohio Carbon Industries, Ashland Performance Materials, Hedstrom Plastics, and Ohio Electric Control are just a few that have chosen Ashland due in most part for the logistics, the availability of a qualified workforce, and accessibility to product materials.

COMTEX Laundry will be a benefit to the community by providing 75 to 100 new jobs, a capital investment of an estimated \$20,740,000 in the construction of a 70,000 sq. ft., state-of-the-art light manufacturing facility, and new equipment. The temporary job creation will be in the areas of construction including general contractors and subcontractors; professionals such as architects, surveyors, and civil engineers; and utility/infrastructure expansions.

The City of Ashland will benefit greatly in the expected consumption of City Water and Sewer of approximately \$500,000 annually when the facility is operating 8 hours a day, 6 days a week.

In addition, COMTEX Laundry is reflective of a regional expansion of medical facilities due to Ashland's central location to Cleveland and Akron. These facilities not only provide customer care, they also support an increase of local professional medical staff and payroll.

**(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, the Project also considered another potential location in Mansfield, Ohio.

**(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 COMTEX Laundry, there is a \$182,884.00 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 previously met with Staff of the Public Utilities Commission of Ohio to discuss Columbia's methodology for calculating customer contributions.

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

With the application for COMTEX Laundry, Columbia is filing its second application in calendar year 2018 for approval pursuant to R.C. § 4929.163 and Ohio Admin. Code 4901:1-43-03(A). With Columbia's approximately 1.4 million customers, the application's request, including the total dollars approved in Columbia's previous application filed in 2018, proposes approval of dollars well below the annual recovery limitation of \$1.50 per month, per customer set forth in Revised Code § 4929.162(A).

Finally, pursuant to R.C. § 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)

Stephen B. Seiple, Asst. General Counsel  
(0003809)

Joseph M. Clark, Senior Counsel  
(0080711)

P.O. Box 117

290 W. Nationwide Blvd.,

Columbus, Ohio 43216-0117

Telephone: (614) 460-6988

E-mail: josephclark@nisource.com

sseiple@nisource.com

Attorneys for

**COLUMBIA GAS OF OHIO, INC.**



**Ashland Area Economic Development, Inc.**

1483 Sandusky Street, Ashland, Ohio 44805 • 419-289-3200 • 419-289-3233  
kgoon@growashland.com • www.growashland.com

Re: Project Tide Economic Development Support Letter

This project has the full support of the economic development office. Ashland Area Economic Development was contacted on August 23, 2017 by the Myles Noel, the CEO for Central Ohio Medical Textiles (COMTEX). Our office has worked with the company officials during the process of selecting a site to the actual purchase agreement that has been drafted.

Economic Development supports the project for several reasons: industry, job creation, capital investment in new construction and fixed assets, utilities, and the location of the site.

Industry - Ashland is quickly becoming a medical corridor since the merger of Samaritan Regional Health Systems with University Hospitals. We have seen an influx of ancillary businesses that are seeking our community.

Job Creation & Capital Investment - economic development is extremely supportive of the number of jobs at 75 to 100 in the first 12 months along with the in investment of \$20,740,000.

COMTEX is a solid company with an industry that is fitting for our small Ashland community. Economic Development will be proud showcase this company.

Kathryn A. Goon

Executive Director  
Ashland Area Economic Development, Inc.

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

**Commission of Ohio Docketing Information System on**

**8/16/2018 1:00:31 PM**

**in**

**Case No(s). 18-1296-GA-EDP**

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