

Dominion Energy Ohio  
1201 East 55th Street, Cleveland, OH 44103  
DominionEnergy.com



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

Re: *In re The East Ohio Gas Company d/b/a Dominion Energy Ohio*, Case No. 19-1470-GA-EDP

Dear Ms. McNeal:

On December 20, 2017, The East Ohio Gas Company d/b/a Dominion Energy Ohio (DEO) filed an application in Case Nos. 17-2514-GA-ATA and 17-2515-GA-IDR requesting authority to establish an Infrastructure Development Rider (IDR). The IDR application sought to establish the rider, but did not request recovery of any amounts. The IDR application was approved on May 2, 2018.

Through this Economic Development Project Notice (the Notice), DEO requests authority to incur and defer infrastructure development costs for recovery through the IDR. DEO files this Notice in accordance with R.C. 4929.163 and Ohio Admin. Code 4901:1-43-03(A).

DEO has filed this Notice prior to beginning construction on the Project, and advises the Commission of the following information required by rule:

**(A) This notice shall contain the following information:**

**(1) The name and location of the project.**

The project to which this Notice pertains involves an approximate 3,900-foot extension of a 12-inch mainline from an existing pipeline at Navarre Road to the Stark County Farm Development (Stark County Farm), located at 4500 Sterilite St. NE, Navarre, OH 44662, located in the Village of Navarre within Stark County. Stark County Farm is also referred to as Navarre Prospect Park.

The extension is necessary to serve a manufacturing facility being constructed by Hendrickson USA LLC or an affiliate thereof at Stark County Farm. The development currently lacks any natural gas utility infrastructure.

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

Stark County Farm is a 327-acre commercial/industrial development located in the Village of Navarre, Ohio. Hendrickson USA LLC has purchased 35 acres of this development in order to build a new facility that will produce suspension systems and components for tractor-trailers. According to its website, Hendrickson is a "leading global manufacturer and supplier of medium- and heavy-duty mechanical, elastomeric and air suspensions; integrated and non-integrated axle and brake systems; tire pressure

control systems; auxiliary lift axle systems; parabolic and multi-leaf springs; stabilizers; bumpers; and components to the global commercial transportation industry.”

**(3) The level of total investment and capital expenditure by the subject company and the economic development impact. This description shall contain the following information:**

**(a) Estimated state and local taxable base increase.**

According to Hendrickson, new payroll associated with its facility is expected to be \$13 million (exclusive of benefits) and its expected total investment is \$50.6 million, comprising \$32.6 million in machinery and equipment, \$17.25 million in building costs, and \$750,000 in land costs. DEO does not have an estimate for any other state and local taxable base increases or tax impacts that may result from this Project.

**(b) Anticipated number of new jobs created and jobs retained by the project.**

Hendrickson expects to create up to 300 new jobs at its new facility.

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

Canton (near the Village of Navarre) is located in Stark County, Ohio, and has a population of approximately 71,000. The Village of Navarre’s population is approximately 1,900. According to the Bureau of Labor Statistics for April 2019 Canton’s unemployment rate of 4.6% was slightly higher than Ohio’s unemployment rate of 4.3%. As discussed above, the Canton area will welcome 300 new employees by Hendrickson opening a new facility in Stark County Farm and will enjoy the resulting increase in payroll and property taxes. The utilization of the new development by Hendrickson, and the extension of natural gas service to the development, may also contribute to attracting other new employers to this development.

**(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.**

DEO’s understanding is that Hendrickson selected this development because of its proximity to highways and railroads. Based on information provided to DEO, Ohio was in competition with the states of Indiana, Kentucky, Oklahoma, and Texas for the proposed investment.

**(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 infrastructure development cost of the Project is [REDACTED] DEO’s investment in the Project will be [REDACTED] To meet DEO’s authorized rate of



return, a deposit of \$1.543 million, including the associated income tax impacts and financing costs, is required through IDR funding. Without the IDR funding, this Project will earn less than DEO's authorized return and, accordingly, is not financially viable.

As noted in DEO's Motion for a Protective Order filed in this docket, details regarding Project cost and responsibility are highly confidential and proprietary. Due to its confidential nature, DEO will meet with Commission Staff to discuss this information.

**(b) A description of how the utility will not exceed the one dollar and fifty cents recovery cap on a monthly basis from any single customer in this state.**

In Case Nos. 17-2514-GA-ATA and 17-2515-GA-IDR, DEO obtained approval to establish its IDR rate at \$0. The \$1.543 million request in this Notice, in addition to any other pending or planned economic development projects, may be spread over DEO's approximately 1.2 million customers without exceeding the \$1.50 per customer monthly cap.

**(6) The support for the project by an economic development entity or chamber of commerce.**

In accordance with R.C. 4929.163(C)(4), DEO has attached as Exhibit A the support for the Project by Senator Kirk Schuring, the Stark Community Foundation, Stark Economic Development Board, and the mayor of the Village of Navarre.

Respectfully submitted,

/s/ Andrew J. Campbell

Andrew J. Campbell

DOMINION ENERGY, INC.

21 East State Street, Suite 911

Columbus, Ohio 43215

Telephone: (614) 601-1777

andrew.j.campbell@dominionenergy.com

(Counsel is willing to accept service by email)

ATTORNEY FOR THE EAST OHIO GAS  
COMPANY D/B/A DOMINION ENERGY OHIO

# EXHIBIT A



**Ohio Senate**  
Senate Building  
1 Capitol Square  
Columbus, Ohio 43215  
Phone: (614) 466-0626  
Fax: (614) 466-8261  
SD29@ohiosenate.gov

**Committees:**

General Government and Agency Review – Chair  
Finance  
Health, Human Services and Medicaid  
Ways and Means  
Ohio Retirement Study Council – Chair

**Kirk Schuring**  
State Senator  
29th District

June 6, 2019

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

Chairman Sam Randazzo  
Commissioner M. Beth Trombold  
Commissioner Lawrence K. Friedeman  
Commissioner Dennis P. Deters  
Commissioner Daniel R. Conway

Dear Commissioners,

I am writing to you to express my strong support for the funding to extend the Dominion Energy gas lines to facilitate the new Hendrickson Manufacturing Facility Project in Stark County.

Hendrickson is a leading global manufacturer in the commercial transportation industry and has selected Prospect Industrial Park in Stark County for their new industrial facility. It promises to be a tremendous economic boost to our area with the creation of over 300 new jobs and in excess of \$50 million dollars in capital investments.

The extension of the gas lines are critically important to this new development and moreover will open more opportunities for the 342-acre Class A industrial park.

In closing, I was the Speaker Pro Tempore of the Ohio House when the provisions to create this process were included in the transportation budget (HB 26) during the 132<sup>nd</sup> session of the Ohio General Assembly. In my opinion, the Hendrickson project exemplifies the legislative intent for which this process was created and accordingly I strongly support the Dominion Energy request.

Sincerely,

A handwritten signature in black ink that reads "Kirk Schuring".



June 10, 2019

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

Chairman Sam Randazzo  
Commissioner M. Beth Trombold  
Commissioner Lawrence K. Friedeman  
Commissioner Dennis P. Deters  
Commissioner Daniel R. Conway

Dear Commissioners,

Please accept this letter as an endorsement of Dominion Energy Ohio's request to the Public Utilities Commission of Ohio for reimbursement of their cost to extend gas supply to the Stark County Farm under HB26. The farm, located in Navarre, Ohio, is an investment in economic development in Stark County by six community-based foundations. As President and CEO of Stark Community Foundation (SCF), I represent one of the largest investors in the property, all of which are nonprofit entities. SCF has three major focus areas: economic development, education and neighborhood revitalization. Our investment in the purchase of the Stark County Farm is at the heart of our strategy to create well-paying jobs in Stark County that will spur the growth of our local economy.

The extension of gas lines for the Hendrickson Manufacturing Facility Project is a critical step in the future development of the Industrial Park. The Hendrickson facility will add 300 well-paying jobs and includes a \$50 million investment in their new facility. Completion of the project will literally "pave the way" for future industrial development at the site. And, it is important to note that as community-based foundations all of the future profits from this development project will be reinvested in economic development projects to further strengthen our local Stark County economy and that of Northeast Ohio.

Thank you for your consideration.

Sincerely,

Mark J. Samolczyk  
President

*Stark Community Foundation is the community's trusted partner in giving for over 750 individuals, families, businesses and organizations that have created charitable funds to impact the lives of others through the most effective philanthropy possible. Ranked in the top 10 percent of community foundations in the United States today, Stark Community Foundation is committed to serving donor needs and strategically addressing local issues. The Foundation and its family of donors have granted more than \$170 million to nonprofits since 1963. Learn how you can simplify your giving and amplify your impact through our Center for Partners in Philanthropy at [www.starkcf.org](http://www.starkcf.org).*

400 Market Avenue N, Suite 200, Canton, Ohio 44702  
Phone 330-454-3426 • Fax 330-454-5855 • [starkcf.org](http://starkcf.org)



Community Foundation Accredited  
by the National Standards for  
U.S. Community Foundations



June 5, 2019

Wendy Kraft  
Business Development Consultant  
Dominion Energy Ohio  
1201 East 55<sup>th</sup> Street  
Cleveland, OH 44103

Dear Ms. Kraft,

My name is Ray Hexamer and I am the CEO and President of the Stark Economic Development Board. I am a lifelong resident of Canton, Ohio and the vitality of my community is why I took this position. I am writing today to ask for funding for extending gas lines for Hendrickson Manufacturing Facility Project on our 327-acre County Farm site.

Hendrickson announced they will add 300 jobs and will spend \$50 Million dollars on this facility. This represents \$13 Million in additional payroll to our community.

This project becomes the "model home" for this industrial park with an additional 280 acres our community can use for economic development.

This Industrial Park is unique because six community foundations own it. The sole purpose is to utilize this park to bring jobs to Stark County. Because a group of nonprofits owns this funding not only helps us extent gas service to Hendrickson but also gives us the infrastructure to attract other prospects.

I want to commend Dominion for their efforts to help us with this project. I am asking you to approve the funding for extending the gas lines. This is truly an economic development opportunity for Ohio and my community.

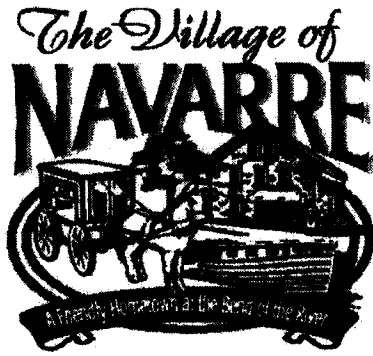
Thank you for your consideration. Please feel free to call me if you need any information or details.

Much Appreciated,

A handwritten signature in black ink, appearing to read "Ray Hexamer".

Ray Hexamer  
CEO/President  
Stark Economic Development Board  
C: 330.323.1220

ROBERT L. BENSON  
*Mayor*  
(330) 879-5421



ANNE L. JOHNSON  
*Clerk-Treasurer*  
(330) 879-5508

27 CANAL STREET WEST  
NAVARRE, OHIO 44662

June 11, 2019

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

Chairman Sam Randazzo  
Commissioner M. Beth Trombold  
Commissioner Lawrence K. Friedeman  
Commissioner Dennis P. Deters  
Commissioner Daniel R. Conway

Dear Commissioners,

Please accept this letter as an endorsement of Dominion Energy Ohio's request to the Public Utilities Commission of Ohio for reimbursement of their cost to extend gas supply to the Stark County Farm under HB26. The farm, located in Navarre, is an investment in economic development in Stark County by six community-based foundations. As Mayor of the Village of Navarre, the development of this previous Stark County Farm land is not only of great economic benefit for Navarre and Stark County, but it is a benefit to all of the northeast part of the State.

The Hendrickson Manufacturing \$50 million Facility is the first company to build their new factory in Prospect Industrial Park but this Gas supply that is being installed will also supply gas for future industrial development that will follow Hendrickson. The six community-based foundations have committed to reinvesting all future profits back into the development of other project to continue the strengthening of our local and Northeast Ohio economy.

I am respectfully submitting this endorsement of the Dominion Energy's request for reimbursement of their cost.

Sincerely,

Mayor Robert L. Benson



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

**Commission of Ohio Docketing Information System on**

**7/22/2019 4:40:49 PM**

**in**

**Case No(s). 19-1470-GA-EDP**

Summary: Text In the Matter of the Application for Approval of an Economic Development Project: Stark County Farm electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio