



Public Utilities Commission

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April 23, 2021

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

RE: *In the Matter of the Application of Generation Pipeline LLC for Approval of a Partial Change in Ultimate Ownership Interest, Case No. 21-0155-GA-UNC*

Dear Docketing Division:

Enclosed please find Staff's Review and Recommendation in regard to the application of Generation Pipeline LLC for approval of a partial change in ultimate ownership interest, Case No. 21-0155-GA-UNC.

A handwritten signature in black ink, appearing to read "DL", is positioned above a horizontal line.

David Lipthrott
Chief, Accounting and Finance Division
Rates and Analysis Department
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Generation Pipeline LLC for Approval of a)	Case No. 21-0155-GA-UNC
Partial Change in Ultimate Ownership)	
Interest)	

Staff Review and Recommendation

APPLICATION DESCRIPTION AND BACKGROUND

On February 18, 2021, Generation Pipeline LLC (“Generation Pipeline”) filed an application with an attachment (collectively, “Application”) with the Public Utilities Commission of Ohio (“Commission”) requesting approval for a partial change in its ultimate ownership interests. Generation Pipeline is a public utility and a natural gas company as defined in sections 4905.02 and 4905.03(E) of the Ohio Revised Code.

Generation Pipeline is a wholly owned subsidiary of NEXUS Gas Transmission, LLC (“NEXUS”). NEXUS is a jointly owned entity with 50 percent interest held by an indirect wholly owned subsidiary of Enbridge Inc. (“Enbridge”), and the other 50 percent interest held by an indirect wholly owned subsidiary of DTE Energy Company (“DTE Energy”). DTE Energy is the current ultimate parent of its indirect wholly owned subsidiary DTE NEXUS, LLC (“DTE NEXUS”), which holds the 50 percent interest in NEXUS. DT Midstream, Inc. (“DT Midstream”) is the current intermediate indirect parent of DTE NEXUS and is a wholly owned subsidiary of DTE Energy.

Through its Application, Generation Pipeline is seeking approval of a transaction in connection with (1) the distribution of all of DT Midstream’s common stock to DTE Energy by DT Midstream’s direct parent, DTE Enterprises, Inc., and (2) the spin-off of DT Midstream’s common stock to the existing shareholders of DTE Energy (“Proposed Transaction”). The Proposed Transaction will result in replacing DTE Energy with DT Midstream as the ultimate parent of DTE NEXUS, which holds a 50 percent interest in Generation Pipeline. At the conclusion of the Proposed Transaction, DT Midstream will be a separate publicly traded company.

The legal entity and regulatory status of Generation Pipeline shall not change as a result of the Proposed Transaction. Upon closing of the Proposed Transaction, Generation Pipeline will remain a separate public utility subject to the Commission’s jurisdiction. Generation Pipeline will continue to provide public utility service, and will continue to own, operate and maintain the facilities necessary to provide such service. The partial change in the ultimate ownership of

Generation Pipeline will not affect its day-to-day operations or its managerial and technical ability to provide adequate service. The current employees of Generation Pipeline will not be affected by the Proposed Transaction. Management will not change upon the Proposed Transaction's completion and the same team will continue to handle management responsibilities. The partial change in Generation Pipeline's ultimate ownership will not adversely affect its existing financial ability to provide adequate service.

STAFF REVIEW AND RECOMMENDATION

According to the Application, Generation Pipeline currently has three large industrial customers that are served under terms of contracts approved by the Commission. The Application also affirmatively states that Generation Pipeline will maintain the necessary managerial and technical expertise to operate as a natural gas company and public utility with the capability to provide adequate service by committing to ensure current employees of Generation Pipeline will not be effected by the Proposed Transaction and the existing management team will continue to handle management responsibilities after the completion of the Proposed Transaction. Generation Pipeline cash flows from operations are currently adequate to meet ongoing working capital needs with sufficient room for unexpected costs. Generation Pipeline expects to maintain its financial capability to provide adequate utility service as it does not anticipate any changes to the rates, terms, or conditions of utility services as a result of the Proposed Transaction. Generation Pipeline additionally states that it should also benefit from the strong sponsorship from DT Midstream and Enbridge as they are both believed to be highly respected and well capitalized owners.

Therefore, based upon Staff's review of Generation Pipeline's Application, Staff concludes the Proposed Transaction does not appear to harm the public interest at this time. Therefore, Staff recommends to the Commission that the Application be approved.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 21-0155-GA-UNC

Summary: Staff Review and Recommendation in regard to the application of Generation Pipeline LLC for approval of a partial change in ultimate ownership interest electronically filed by Zee Molter on behalf of PUCO Staff