

September 14, 2016

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

Re: *NEXUS Gas Transmission, LLC*, Docket No. CP16-22-000
Executed Precedent Agreement

Dear Ms. Bose:

On November 20, 2015, NEXUS Gas Transmission, LLC (“NEXUS”) filed an application with the Federal Energy Regulatory Commission (“Commission”) in Docket No. CP16-22-000 pursuant to Section 7(c) of the Natural Gas Act (“NGA”) seeking a Certificate of Public Convenience and Necessity to construct, own, and operate a new natural gas pipeline system in Ohio and Michigan (“NEXUS Project”) (such application, the “NEXUS Certificate Application”).¹ The NEXUS Certificate Application included a description of the precedent agreements that NEXUS had then executed with shippers committing to firm transportation service on the NEXUS Project, and included Exhibit I, Market Data, which contained privileged and confidential copies of each of those precedent agreements.² This letter updates the record to reflect another precedent agreement, further demonstrating the continuing demand for the NEXUS Project and the market significance of the proposed route.

Specifically, on September 9, 2016, NEXUS entered into a precedent agreement (the “Precedent Agreement”) with Columbia Gas of Ohio, Inc. (“COH”) for firm transportation service to be provided to COH by NEXUS on the NEXUS Project. NEXUS is hereby submitting this executed Precedent Agreement as a supplement to the NEXUS Certificate Application, submitted as Attachment A hereto, which supplements Exhibit I to the NEXUS Certificate Application.

The Precedent Agreement with COH provides for a commitment by COH to execute a service agreement for firm transportation service for a maximum daily quantity of 50,000 Dth/day for a primary term of fifteen years, from receipt points at two planned NEXUS interconnections with the Texas Eastern Transmission pipeline system in Ohio and Pennsylvania, respectively, to a planned interconnection in Sandusky County, OH with the facilities of Columbia Gas Transmission, LLC. In connection with the Precedent Agreement, NEXUS and COH have also agreed upon a form of negotiated rate statement that provides for a negotiated rate applicable to service using the primary points described above, and for service to certain secondary delivery points to be located in Medina County, OH. NEXUS will file the negotiated rate agreement with COH, along with its other firm transportation customers who execute negotiated rate agreements

¹ *NEXUS Gas Transmission, LLC*, Abbreviated Application for Certificates of Public Convenience and Necessity, Docket No. CP16-22-000 (filed November 20, 2015).

² *Id.* at 6-7, fn 2; Exhibit I.

for NEXUS Project service, at the appropriate time prior to the in-service date for the NEXUS Project.

The Precedent Agreement with COH confirms the market's sustained and growing interest in the NEXUS Project as proposed. In October 2015, COH filed a comment letter in the NEXUS pre-filing docket stating that "[t]he strategic routing and design of the NEXUS Project will provide Columbia Gas access to affordable supplies of Appalachian natural gas that will operationally support the expansion of its existing distribution infrastructure to meet the growing demand of Columbia Gas's customers in Medina, Sandusky and other Ohio counties."³ NEXUS and COH signed a memorandum of understanding in which COH expressed an interest in taking up to 50,000 Dth/day of firm capacity on the NEXUS Project. This expression of interest was noted in the NEXUS Certificate Application among several tap interconnection counterparties for the NEXUS Project.⁴ Now, as reflected in today's filing, the parties have entered into an agreement for a binding commitment for firm transportation capacity.

More broadly, the execution of the COH Precedent Agreement demonstrates that tap agreements and expressions of interest in firm service from tap counterparties like COH are important indicators of the NEXUS Project's purpose and need. As such they are record evidence of market needs that must be considered under the Commission's Certificate Policy Statement and when considering reasonable alternatives under the National Environmental Policy Act.⁵

* * *

Attachment A contains privileged information and is marked "**CONTAINS PRIVILEGED INFORMATION—DO NOT RELEASE**".⁶ Privileged information should be treated as confidential and is for use by Commission Staff only and not to be released to the public. Questions pertaining to confidential information may be submitted to:

Steven E. Hellman
NEXUS Gas Transmission, LLC
5400 Westheimer Court
Houston, TX 77056
Email: shellman@SpectraEnergy.com
Tel. 713-627-5215

³ Comments of Columbia Gas of Ohio, PF15-10-000 (Submittal 20151002-5099) (Filed October 2, 2015).

⁴ NEXUS Certificate Applicate at 7, fn 3.

⁵ See *Responses to the Draft Environmental Impact Statement for the NEXUS Gas Transmission Project*, NEXUS Gas Transmission, LLC, CP16-22-000 (Submittal 20160826-5230) (Filed August 26, 2016) (the "NEXUS DEIS Response") at 2 (citing *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227, at p. 61,747 (1999), order on clarification, 90 FERC ¶ 61,128, order on clarification, 92 FERC ¶ 61,094 (2000)).

⁶ 18 C.F.R. §§ 380.12, 388.112 (2016).

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Pursuant to Section 385.2010 of the Commission's regulations,⁷ NEXUS is contemporaneously serving copies of this response to persons whose names appear on the Official Service List in this proceeding.

Should you have any questions concerning this request, please contact me at (713) 627-4515.

NEXUS Gas Transmission, LLC

By: Spectra Energy NEXUS Management, LLC
in its capacity as operator

/s/ Leanne Sidorkewicz

Leanne Sidorkewicz

Project Director, Rates and Certificates

Attachments

cc: Official Service List, Docket No. CP16-22
Joanne Wachholder (FERC)
Ashley Watkins-Butler (FERC)

⁷ 18 C.F.R. § 385.2010 (2016).

Certificate of Service

In accordance with the requirements of Section 385.2010 of the Commission's Rules of Practice and Procedures, I hereby certify that I have this day caused a copy of the foregoing document to be served upon each person designated on the official service list compiled by the Commission's Secretary in this proceeding.

/s/ Caitlin E. Tweed
Bracewell LLP
Counsel to NEXUS Gas Transmission, LLC

NEXUS Gas Transmission, LLC
NEXUS Gas Transmission Project
Docket No. CP16-22-000

ATTACHMENT A

Precedent Agreement between NEXUS Gas Transmission, LLC and Columbia Gas
of Ohio, Inc.

CONTAINS PRIVILEGED INFORMATION—DO NOT RELEASE

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