

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 726

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Optima TH, LLC, for)	ORDER APPROVING
Approval to Participate in Alternative)	AGREEMENT WITH
Gas Pilot Program)	CONDITIONS

BY THE COMMISSION: On June 19, 2018, the Commission issued an Order Approving Appendix F and Establishing Pilot Program (Appendix F Order) in Docket No. G-9, Sub 698 (Sub 698). In summary, the Appendix F Order approved a three-year pilot program to implement Appendix F to the Service Regulations of Piedmont Natural Gas Company, Inc. (Piedmont), subject to the requirement that Piedmont provide the Commission additional information within 60 days. Appendix F sets guidelines for Piedmont's receipt of Alternative Gas for delivery and redelivery on Piedmont's distribution system.

On July 12, 2018, Optima TH, LLC (Optima TH) filed an Application for Approval to Participate in Pilot Program (Application). In summary, Optima TH stated that it plans to provide Alternative Gas to Piedmont from Optima TH's biogas facility located in Bladen County, North Carolina. Letters supporting the Application were filed by Smithfield Foods, Duke Energy Carolinas, LLC, and Duke Energy Progress, LLC. The Public Staff stated that it has no objection to Optima TH participating in the pilot program.

On August 17, 2018, Optima TH filed its Supplemental Information, Request for Approval of Receipt Interconnect Agreement, and the Receipt Interconnect Agreement (Agreement) in Docket No. G-9, Sub 726. In the Agreement, Optima TH and Piedmont set forth the terms under which Optima TH will deliver Alternative Gas to Piedmont, and made provisions for future changes to Appendix F, the pilot program, and the Appendix F Order. Optima TH stated that the Agreement was confidential in nature, was a proprietary trade secret under N.C. Gen. Stat. § 132-1.2, and was filed separately under seal. Optima TH requested that the Commission approve both its Application and the proposed Agreement at the Commission's earliest convenience.

On August 24, 2018, Piedmont filed a letter stating that if the Commission approved Optima TH's request to include the Bladen County project in the pilot program, Piedmont supported and sought Commission approval of the Agreement and authorization to act in accordance with its terms.

On August 27, 2018, the Commission issued an Order Approving Application with Conditions, which approved the participation of Optima TH in the Piedmont Appendix F

Alternative Gas pilot program, subject to the approval of the Agreement by the Commission.

On September 10, 2018, the Commission issued an Order Requesting Additional Information Concerning Receipt Interconnect Agreement. In addition to directing Optima TH and Piedmont to answer several Commission questions within 30 days, the Commission directed Optima TH and Piedmont to review the Agreement and refile it as a public document, redacting only those portions that comply with the trade secret guidelines of the Public Records Act, N.C. Gen. Stat. § 132-1.2.

On September 21, 2018, Piedmont filed its Supplemental Filing in response to the Commission's questions. In summary, Piedmont explained why the Agreement included the original version of Appendix F, detailed the facilities and appurtenances included under "tap facilities," and explained the use of a more restrictive initial testing requirement. In addition, Piedmont stated that it was working on a revised and redacted version of the Agreement, and would file it separately.

Also on September 21, 2018, Optima TH filed a letter stating that it "concurs with and supports the positions set forth by Piedmont in its Supplemental Filing along with its representations of Optima TH's reasons for agreeing to the use of the version of Appendix F attached to the Optima Agreement and a more restrictive initial testing requirement."

On October 5, 2018, consistent with the Commission's September 10, 2018 Order directing Piedmont to review and refile the Optima TH Receipt Interconnect Agreement as a public document, Piedmont filed the redacted Agreement reflecting the redaction of those portions that Piedmont asserts comply with the trade secret guidelines of the Public Records Act.

Based on the foregoing and the record, the Commission concludes that the Agreement between Piedmont and Optima TH, LLC is in the public interest and should be approved.

IT IS, THEREFORE, ORDERED as follows:

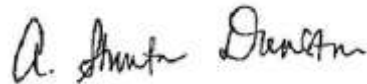
1. That the Commission hereby approves the Receipt Interconnect Agreement, as amended, between Piedmont Natural Gas Company, Inc., and Optima TH, LLC.
2. That in implementing and operating under the Agreement, Piedmont and Optima TH shall comply with the Appendix F Order and Alternative Gas guidelines that have been approved by the Commission in Docket No. G-9, Sub 698.
3. That the Agreement between Piedmont and Optima TH shall be subject to any revisions to Piedmont's Alternative Gas guidelines that may be made by the Commission, and applicable amendments to the Commission's Rules.

4. That the Commission's approval of the Agreement between Piedmont and Optima TH is without prejudice to the right of any party to take issue with the ratemaking treatment of revenues and costs under the Agreement in an appropriate proceeding.

ISSUED BY ORDER OF THE COMMISSION.

This the 15th day of October, 2018.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, appearing to read "A. Shonta Dunston".

A. Shonta Dunston, Acting Deputy Clerk

Commissioner Jerry C. Dockham did not participate in this decision.