

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 764

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Align RNG North Carolina,)	
LLC, d/b/a Align Renewable Natural Gas,)	ORDER APPROVING
for Approval to Participate in Piedmont)	AGREEMENT WITH
Natural Gas Company, Inc.'s Appendix F)	CONDITIONS
Pilot Program)	

BY THE COMMISSION: On June 19, 2018, in Docket No. G-9, Sub 698, the Commission issued an Order Approving Appendix F and Establishing Pilot Program (Appendix F Order). 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). Appendix F sets guidelines for Piedmont's receipt of Alternative Gas for delivery and redelivery on Piedmont's distribution system. With regard to participants in the pilot program, the Appendix F Order provides that "Piedmont and/or other Alternative Gas suppliers may apply to the Commission to participate in the pilot program; however, it must be demonstrated to the Commission that such additions will be useful in gathering information and data sought by the Commission." Appendix F Order, p. 5.

On January 17, 2020, in Docket No. G-9, Sub 764, Align RNG North Carolina, LLC, d/b/a Align Renewable Natural Gas (Align RNG) filed an application requesting to participate in the Appendix F pilot program. In summary, the application stated that Align RNG is a wholly owned subsidiary of Align RNG, LLC, a multi-state joint venture between Dominion Energy, Inc. and Smithfield Foods, Inc. with its principal place of business in Virginia, and that Dominion RNG Holdings, Inc., a Virginia corporation and unregulated subsidiary of Dominion Energy, Inc., and Murphy-Brown LLC, d/b/a Smithfield Hog Production, a subsidiary of Smithfield Foods, Inc., are equal owners of Align RNG, LLC.

Align RNG stated that it plans to construct Alternative Gas gathering facilities on 19 farms in Duplin and Sampson Counties to supply methane generated from swine manure for the production of Alternative Gas. Further, Align RNG stated that it will construct a centralized Alternative Gas upgrading facility located near the intersection of Old Courthouse Road and NC Hwy 24 between the Towns of Warsaw and Turkey, and approximately 30 miles of gathering pipeline to interconnect each participating farm to the centralized gas upgrading facility. The centralized gas upgrading facility will clean and convert the blended methane from each farm into Alternative Gas, which will be injected into Piedmont's transmission line. Align RNG stated that its Alternative Gas will not impact the quality of service provided by Piedmont to its customers. According to Align RNG, it

has completed the design and financing of the facilities, and is in the final stages of the permitting required for commencement of construction. Align RNG stated that when the facilities are completed it plans to sell Alternative Gas to Duke Energy Carolinas, LLC (DEC) for DEC's use, and as an agent on behalf of Duke Energy Progress, LLC (DEP). Align RNG further stated that its project will generate enough energy to power more than 3,500 homes annually, making it the largest Alternative Gas project in North Carolina. In addition, Align RNG stated that it will interconnect its centralized Alternative Gas upgrading facility with Piedmont's natural gas pipeline facilities to transport the Alternative Gas to DEC and DEP, and that DEC, DEP, and Piedmont have been informed of Align RNG's intent to file this application and have no objection to the application.

On January 30, 2020, the Commission issued an Order Requesting Additional Information from Applicant and Public Staff Comments (Information Order), requiring Align RNG to provide information on or before February 28, 2020, in response to eight questions. In addition, the Information Order required the Public Staff to file by the same date its comments and recommendation as to whether Align RNG should be allowed to participate in the Piedmont Appendix F pilot program.

On February 13, 2020, Piedmont filed under seal as proprietary information its responses to the Commission's questions in the Information Order concerning the size and operating pressure of Piedmont's pipeline, and the current winter and summer volumes on Piedmont's pipeline at the proposed interconnection point.

On February 17, 2020, the Public Staff filed a letter stating that it reviewed Align RNG's application and has no objection to Align RNG participating in the Appendix F pilot program, subject to the Commission's approval of a receipt interconnect agreement between Align RNG and Piedmont.

On February 26, 2020, Align RNG filed its responses to the Commission's questions in the Information Order.

On April 3, 2020, the Commission issued an Order approving Align RNG's participation in the Appendix F pilot program subject to several conditions, one of which is that Align RNG and Piedmont enter into a receipt interconnect agreement and obtain Commission approval of the agreement.

On May 1, 2020, Piedmont filed a redacted public version and non-redacted confidential version of the Receipt Interconnect Agreement between Piedmont and Align RNG, and Align RNG filed a letter requesting expedited approval of the agreement. On May 4, 2020, Piedmont filed an amended version of the Receipt Interconnect Agreement (RIA).

The RIA relates to the renewable natural gas project being constructed by Align RNG to sell Alternative Gas to one or more prospective customers via an interconnection to Piedmont's system at a point of interconnection with Piedmont as described above. In the RIA, Piedmont and Align RNG set forth their understanding regarding the design,

construction, installation, ownership, operation and maintenance of certain interconnecting facilities to connect Align RNG' facilities to Piedmont's natural gas transmission system, and the terms and conditions upon which Piedmont is willing to receive and accept Align RNG's Alternative Gas into its transmission system. In addition, the RIA provides that Align RNG will abide by the Alternative Gas guidelines of Piedmont's Appendix F, and any amendments thereto.

Based on the foregoing and the record, the Commission concludes that the Receipt Interconnect Agreement between Piedmont and Align RNG 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 between Piedmont Natural Gas Company, Inc., and Align RNG;
2. That in implementing and operating under the Agreement, Piedmont and Align RNG 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 Align RNG 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; and
4. That the Commission's approval of the Agreement between Piedmont and Align RNG 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 4th day of June, 2020.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Janice H. Fulmore", is written over a light blue horizontal line.

Janice H. Fulmore, Deputy Clerk