

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. G-9, SUB 739

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application of Foothills Renewables,)	ORDER APPROVING
LLC, for Approval to Participate in)	AGREEMENT WITH
Alternative 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 January 4, 2019, Foothills Renewables, LLC (Foothills) filed an Application for Approval to Participate in Pilot Program (Application) in Docket No. G-9, Sub 739 requesting to participate in the pilot program created by the Appendix F Order. In summary, Foothills stated that it plans to interconnect with Piedmont and to sell the Alternative Gas to one or more credit-worthy counterparties with direct experience in the transportation, storage, and utilization of Alternative Gas, and who are also customers receiving service from Piedmont. Further, Foothills stated that its Alternative Gas will be derived only from municipal solid waste. Foothills stated that the Foothills Alternative Gas production facility (Foothills Facility) will be located at the Foothills Regional Municipal Solid Waste Landfill in Lenoir, Caldwell County, North Carolina, and that Foothills expects to begin construction of the facility imminently. Further, Foothills stated that the Foothills Facility will operate as a 2,750 standard cubic feet per minute landfill gas-fueled renewable natural gas project which will supply 100% of the gas feedstock used by Foothills, and will be one of the largest Alternative Gas projects operating in North Carolina. In addition, Foothills stated that it had informed Piedmont of its Application to participate in the pilot program, and that it had received no objections from Piedmont.

On January 28, 2019, the Public Staff filed a letter stating that it reviewed Foothills' application and has no objection to Foothills participating in the Appendix F pilot program, subject to the Commission's approval of a receipt interconnect agreement between Foothills and Piedmont.

On February 8, 2019, the Commission issued an Order Requesting Additional Information that required Foothills to provide information in response to ten questions.

On April 2, 2019, Foothills filed a Response to Request for Additional Information in response to most of the Commission questions. In summary, Foothills' responses provided the address and number of acres of the project site, details of the landfill gas collection system, and the location and details of the proposed injection point of Foothills' Alternative Gas into Piedmont's pipeline. With respect to several Commission questions, Foothills stated that Piedmont considered the response to those questions to be confidential, and that Piedmont would file a separate response.

On April 2, 2019, Piedmont filed under seal as proprietary information its responses to Commission questions concerning the equipment and security measures, the size and operating pressure of Piedmont's pipeline, and the current winter and summer volumes and direction of flow on Piedmont's pipeline at the proposed injection point.

On April 16, 2019, the Commission issued an Order Approving Participation in Pilot Program with Conditions, which approved the participation of Foothills in the Piedmont Appendix F Alternative Gas pilot program, subject to Foothills and Piedmont entering into an interconnect agreement to be approved by the Commission, and other conditions.

On April 26, 2019, Piedmont filed a redacted public version and non-redacted confidential version of the Receipt Interconnect Agreement (RIA) between Piedmont and Foothills. The RIA relates to the landfill gas renewable natural gas project constructed to sell Alternative Gas to one or more prospective customers via an interconnection to Piedmont's system at a new point of interconnection with Piedmont in the vicinity of Connelly Springs, Burke County, North Carolina, in order to facilitate the delivery of the Alternative Gas through Foothills' facilities into the transmission facilities of Piedmont. In the RIA, Piedmont and Foothills set forth their understanding regarding the design, construction, installation, ownership, operation and maintenance of certain interconnecting facilities to connect Foothills' facilities to Piedmont's natural gas transmission system, and the terms and conditions upon which Piedmont is willing to receive and accept Alternative Gas into its transmission system.

Based on the foregoing and the record, the Commission concludes that the Receipt Interconnect Agreement between Piedmont and Foothills 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 Foothills Renewables, LLC.
2. That in implementing and operating under the Agreement, Piedmont and Foothills 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 Foothills 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 Foothills 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 13th day of May, 2019.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in dark ink, appearing to read "Jan H. Ful", is positioned above the printed name of the Deputy Clerk.

Janice H. Fulmore, Deputy Clerk