



August 28, 2023

Ms. Patricia Van Gerpen
South Dakota Public Utilities Commission
State Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501

via eFiling

Re: *Request for Approval of a Contract with Deviations with Global Biogas LLC*

Ms. Van Gerpen:

With this letter, NorthWestern Corporation d/b/a NorthWestern Energy (“NorthWestern”) is filing with the South Dakota Public Utilities Commission (the “Commission”) revisions to its Natural Gas Tariff. NorthWestern respectfully requests Commission approval of these proposed revisions.

Pursuant to ARSD 20:10:13:36 and ARSD 20:10:13:39 NorthWestern states:

1. *The documents submitted with this filing include:*

- The proposed revised tariff schedule, Section No. 4, 7th Revised Sheet No. 3, Summary List of Contracts with Deviations, which includes a reference to the Transportation Service Agreement (the “Agreement”) between NorthWestern and Global Biogas LLC (“Customer”) and the information required by ARSD 20:10:13:09.
- A copy of the executed proposed Agreement, for which confidential treatment is being requested, pursuant to ARSD 20:10:01:41
- Exhibit A: Request for Confidential Treatment
- Exhibit B: Confidential work papers showing the calculation of the project cost and cost recovery
- Exhibit C: A map of the NorthWestern pipelines to the Customer’s facility.

2. *The proposed effective date is November 1, 2023.*

3. *The names and addresses of those to whom this filing has been emailed:*

Global Biogas LLC
500 N. Akard Street, Suite 1500
Dallas, TX 75201
Veronika@SevanaBioenergy.com
Steve@SevanaBioenergy.com
Jeff@SevanaBioenergy.com



4. *Brief description of the proposed tariff changes:*

The Agreement is the second transportation arrangement associated with Customer's renewable natural gas production facility located at Global Dairy at 46844 SD-28, Estelline, SD. The Commission previously approved an RNG Transportation Service Agreement (the "RNG TSA") dated January 10, 2023 in docket NG23-002. The RNG TSA addresses cost recovery of a new NorthWestern pipeline and related facilities that will transport biomethane produced at Customer's renewable natural gas facility. This Agreement addresses the cost recovery of separate distribution lines that will branch off of the RNG TSA pipeline, and are required by Customer to provide natural gas for activation of the RNG process.

A map of the facilities for this Agreement and the RNG TSA are illustrated in Exhibit C. The blue line depicts the pipeline to be installed pursuant to the RNG TSA to transport the biomethane produced at Customer's facility to NorthWestern's main. Subject to approval of the Agreement, NorthWestern distribution lines (depicted in yellow) will be installed to transport gas to Customer's facility to activate the RNG process. The top yellow line identifies the distribution assets required to deliver natural gas to an anaerobic digester boiler and a smaller boiler used to warm the biogas as it is offloaded from a CNG decanting trailer. The 400' yellow line in the middle of Exhibit C will also be installed pursuant to the Agreement and will provide natural gas to Global Dairy for space and water heat.

The Agreement includes provisions to secure project costs and guarantee delivery volumes to support the project recovery over a 4-year period. Project costs and tariff delivery charges will be recovered through Tariff Rate No. 87. The annual take-or-pay volume for the Agreement is 54,866 MMBtu. Volumes transported by Global Dairy will count towards Customer's volume requirements. Customer provided the security on behalf of both entities. An annual review will be conducted to determine if volumes meet the volumetric requirement defined in the Agreement.

The deviations from Tariff requested in this filing include:

- Annual take-or-pay volume requirements
- Required letter of credit or other security from Customer
- Termination conditions as set forth in the Agreement

Except for the deviations described above, Customer will be served under Tariff Rate No. 87, and all other conditions of the general terms and conditions.

5. *Reasons for the proposed tariff changes:*

NorthWestern desires to provide the Customer with natural gas transportation service. The additional protections included in this Agreement provide security for NorthWestern and its legacy customers.



6. *Number of customers whose cost of service will be affected and annual changes in cost of service to such customers.*

Global Biogas LLC and Global Dairy will be the only customers affected by this filing.

Sincerely,

Jeff J. Decker

Regulatory Specialist

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