

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION BY SCS CARBON TRANSPORT LLC
FOR A PERMIT TO CONSTRUCT A CARBON DIOXIDE TRANSMISSION PIPELINE

SD PUC DOCKET HP22-001

PRE-FILED WATER LINE RELOCATION AGREEMENT

EXHIBIT #WEB 1

WATER LINE RELOCATION AGREEMENT

This Water Line Relocation Agreement ("Agreement") is made effective this _____ by and between Summit Carbon Transport LLC, a Delaware limited liability company having its principal place of business at 2321 N Loop Dr #221, Ames, IA, its successors and assigns ("Company") and WEB Water Development Association, Inc., having its principal place of business at 38456 W US Hwy 12, Aberdeen, SD 57401 ("WEB") (Company and WEB may collectively be referred to as "Parties" and individually as "Party"). Any reference to WEB will include WEB's contractors and agents.

Recitals

- A. Company is or will be the holder of certain rights according to easement, right-of-way, and other agreements for the purposes of constructing and maintaining a pipeline, together with all other equipment and appurtenances necessary for the transportation of carbon dioxide ("CO₂"), its naturally occurring constituents and associated substances, and all by-products thereof (collectively, "Pipeline"), on various properties located in South Dakota ("Pipeline Project").
- B. WEB is a rural water system providing water and related services via ductile iron water lines ("Mainlines") and PVC water lines ("PVC Lines"). The Mainlines and PVC Lines will be referred to collectively as "Water Lines."
- C. The Pipeline Project will cross or impact Water Lines and the Parties desire to assess any potential impacts and resolve or mitigate such impacts as outlined herein.

Agreement

The Parties hereby incorporate the recitals listed above into the following agreement:

- 1. **Affected Water Lines.** WEB has determined the Pipeline Project will affect the Water Lines crossed or in the proximity of the Pipeline Project ("Affected PVC Line" or "Affected Mainline") which are identified in **Exhibit A** attached hereto and made a part hereof.
- 2. **Pipeline Project Information.** Company must provide WEB will Pipeline plans and specifications including, without limitation, shapefiles in the vicinity of each Affected PVC Line and each Affected Mainline.
- 3. **Affected PVC Lines.** WEB will:
 - a. **Lowering.** lower each Affected PVC Line so that it is at least seven feet below the bottom of the Pipeline and maintain that depth for a minimum total horizontal distance of 75 feet on each side of the Pipeline center line.
 - b. **Encasement.** encase each Affected PVC Line a minimum of 100 feet on each side of the Pipeline center line. If the Pipeline crosses the Water Line at an angle other than 90 degrees, the casing will be extended so that Affected PVC Line will be encased until the end of the casing is at least 100 feet from the Pipeline. If the Pipeline does not cross, but runs within 100 feet of, an Affected PVC Line, then WEB will encase that portion of any Affected PVC Line that is less than 100 feet from the Pipeline or relocate the Affected PVC Line. If for any reason the Pipeline is installed other than as represented in the Shapefile, WEB will have the right to lower and encase the Affected PVC Line as necessary to meet the requirements specified in 2.a. and b. of the Agreement.

4. **Affected Mainline.** WEB will:
 - a. **Pipeline Relocation.** not relocate any Affected Mainline; therefore, Company must cross each Affected Mainline as specified in **Exhibit B** attached hereto and made a part hereof.
 - b. **Cathodic Protection.** require Company to install Cathodic Protection at each Affected Mainline as specified in **Exhibit C** attached hereto and made a part hereof.
 - c. **Mainline Leaks.** notify Company if WEB suspects a leak in the Affected Mainline. Upon receipt of such notice from WEB, Company must dispatch its personnel to the leak site so that they arrive within two hours of WEB's notice. Company's dispatched personnel must have the authority to make onsite decisions regarding Pipeline and any protective or remedial actions made necessary by the leak.
5. **Costs.** WEB will perform all the work to lower and encase each Affected PVC Line and to install the additional Cathodic Protection ("Work"). Company must pay WEB for all costs incurred in performing the Work. **Exhibit D** is an estimate of the costs ("Estimated Costs"). WEB will provide Company with a final accounting of all Work costs ("Actual Costs"). Company will pay the actual Work costs regardless of whether they are greater than or lesser than the amount on Exhibit D.
6. **Payment.** Upon Company signing this Agreement, Company will pay WEB 90 percent of the Estimated Costs ("Initial Payment"). WEB will have no obligation to perform the Work and the Pipeline may not cross any Water Lines, until Company has made the Initial Payment. WEB will submit the Actual Costs to Company upon completion of the Work. Company will pay WEB the difference between Initial Payment and the Actual Costs within 30 days of WEB delivering the Actual Costs information to Company. If the Initial Payment is more than the Actual Costs, WEB will pay Company the difference within 30 days. Company reserves the right to perform an audit on construction costs and final compensation paid to WEB.
7. **Completion.** WEB shall make a good faith effort to complete the Work no later than _____ subject to and conditioned on Company paying WEB the Initial Payment. This date may be extended for delays arising from an unforeseeable cause beyond the control and without the fault or negligence of WEB or its subcontractors or agents. WEB must deliver written notice to the Company as soon as the delay is reasonably foreseeable by the WEB.
8. **Indemnification.** Company will indemnify WEB for all costs and expenses, including lost profits, WEB incurs as a result of, or relating in any way to, Pipeline Project construction activities, use of Company's facilities, Pipeline maintenance, and Pipeline leaks or releases, including claims or legal actions for environmental damage or clean-up, except to the extent the damages are caused by the negligence, recklessness, or willful misconduct of WEB, or anyone acting on WEB's behalf.
9. **Future Crossings.** Paragraph 5.b. of Company's standard easement states: "Landowner may not use any part of the Easements in a way that may damage, destroy, injure, and/or interfere with the Company's right to use said Easement for the purposes set forth in this Agreement. Without limiting the generality of the previous statement, Landowner is not permitted to conduct any of the following activities on the Easements without the *written permission* of the Company: (1) construct or *permit the construction or installation of* any temporary or permanent building or site improvements..." (emphasis added). As written, Company has the right to prohibit a landowner from granting WEB a future easement. Company specifically agrees that it will not prohibit a landowner from granting WEB an easement provided WEB follows the crossing guidelines specified in this Agreement.
10. **Notice.** All notices and oral or written communications relating to this Agreement shall be forward to:

Company:

Summit Carbon Transport LLC
2321 N Loop Dr #221
Ames, IA

With a copy to:

WEB:
WEB Water Development Association, Inc.
38456 W US Hwy 12
Aberdeen, SD 57401

With a copy to:
Rodrick Tobin
Siegel Barnett & Schutz
PO Box 490
Aberdeen, SD 57402

11. **Miscellaneous.** The parties further agree as follows:
- a. **Time.** Time is the essence of this Agreement.
 - b. **Notice Delivery.** Any notice required by this Agreement must be in writing sent to the party at the address provided and may be delivered by:
 - i. personal delivery;
 - ii. overnight delivery service with proof of delivery;
 - iii. United States Mail, postage prepaid, registered or certified mail, return receipt requested;
 - iv. legible facsimile transmission; or
 - v. electronic mail, return receipt requested.
 - c. **Amendment.** This Agreement cannot be amended except in writing executed by Company and WEB.
 - d. **Entire Agreement.** This Agreement and any documents referenced herein constitute the entire Agreement between the Parties and there are no other agreements, understandings, warranties, or representations.
 - e. **Binding Effect.** This Agreement will inure to the benefit of and bind the respective successors and permitted assigns of the parties.
 - f. **Governing Law.** This Agreement will be construed under South Dakota law.
 - g. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will remain in full force and effect.
 - h. **No Third-Party Beneficiary.** This Agreement and the documents to be executed and delivered at Closing are for the benefit of Company and WEB only and are not for the benefit of any third party.
 - i. **Further Assurances.** Each party will without further consideration execute and deliver such other documents and take such other action as reasonably requested by the other party to better fulfill the purposes or subject matter of this Agreement.

- j. **Construction.** The Parties' counsels have reviewed this Agreement and the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.
- k. **Counterparts.** This Agreement and any Agreement or document described herein may be executed in several counterparts, or by facsimile, each of which when delivered will be deemed to be an original for all purposes, and will constitute one and the same instrument, binding on the parties, notwithstanding that all parties are not signatories of the same counterpart or facsimile. Handwritten signatures to this Agreement transmitted by facsimile, email, or other similar electronic transmission (for example, through the use of a Portable Document Format "PDF" file), will be valid and effective to bind the party so signing.
- l. **Captions.** The headings appearing in this Agreement are for reference convenience only and are not intended to limit or define the text of any section or any subsection

The Parties hereto have caused this Agreement to be executed in multiple originals with the effective date as written above.

WEB Water Development Association, Inc.

Summit Carbon Solutions, Inc.

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

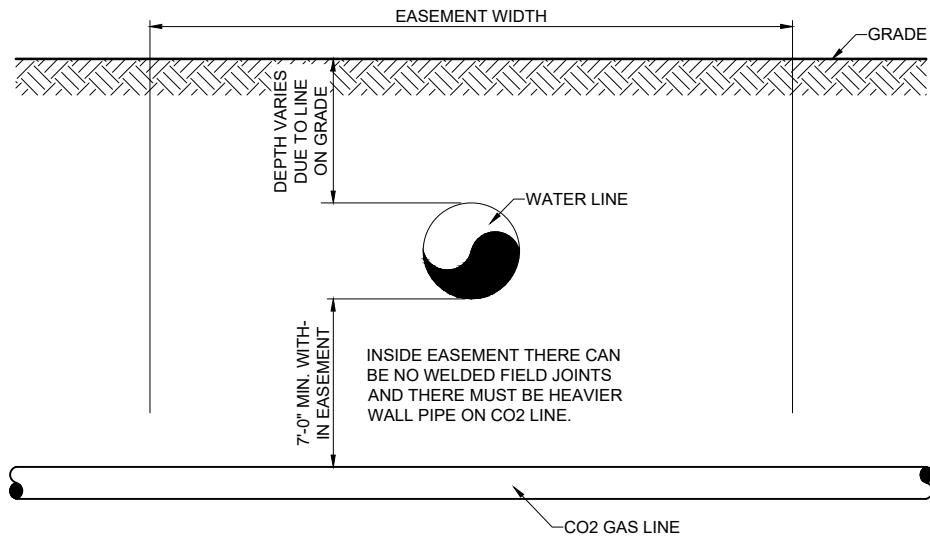
WEB Water Development Association Inc

CROSSING SUMMARY EXHIBIT A

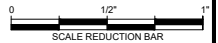
CROSSING NUMBER	LOCATION	NEAREST ROAD	SIZE	TYPE
1	128N070W28	104th	2"	pvc
2	128N070W34	347th Ave	3"	pvc
3	127N070W1	106th	6"	pvc
4	127N070W1	106th	4"	pvc
5	127N069W18	350th ave	2"	pvc
6	127N069W34	111th	3"	pvc
7	126N068W6	355th Ave	4"	pvc
8	126N068W6	355th Ave	6"	pvc
9	126N068W17	357th Ave	3"	pvc
10	127N067W19	109th	2.5"	pvc
11	127N067W8	363rd AVE	6"	pvc
12	127N067W10	365th Ave	2"	pvc
13	128N066W32	368th AVE	2"	pvc
14	128N066W27	104th	3"	pvc
15	128N066W23	371st Ave	3"	pvc
16	128N065W18	373rd Ave	2"	pvc
17	128N065W18	102nd	2"	pvc
18	128N065W6	101st	2.5"	pvc
19	128N065W6	375th Ave	2"	pvc
20	129N064W34	102nd	2"	pvc
21	129N063W26	US HWY 281	6"	pvc
22	129N063W25	90th Ave	2"	pvc
23	129N062W28	93rd AVE	2.5"	pvc
24	126N068W16	US Hwy 10	6"	pvc
25	126N068W16	US Hwy 10	10"	pvc
26	126N068W21	358th Ave	6"	pvc
27	125N067W32	124th	2"	pvc
28	124N067W9	126th	10"	pvc
29	124N067W14	127th	2"	pvc
30	123N067W1	130th	4"	pvc
31	123N066W6	131st	2"	pvc

32	123N066W9	370th Ave	14"	DI
33	123N066W10	132nd	2"	pvc
34	123N066W21	370th Ave	14"	DI
35	123N066W21	US Hwy 12	2"	pvc
36	123N066W28	US Hwy 12	20"	Di
37	123N066W22	US Hwy 12	4"	pvc
38	123N065W29	375th Ave	2.5"	pvc
39	123N065W27	377th Ave	4"	pvc
40	123N065W26	379th Ave	2.5"	pvc
41	123N064W28	134th	10"	pvc
42	123N064W21	US Hwy 12	2"	pvc
43	122N066W24	139th	20"	DI
44	122N065W30	373rd Ave	2"	pvc
45	122N065W31	141st	3"	pvc
46	122N065W32	375th Ave	3"	pvc
47	122N065W35	378TH Ave	2"	pvc
48	121N065W2	142nd	6"	pvc
49	121N065W2	143rd	2"	pvc
50	121N065W12	144th	4"	pvc
51	121N064W18	382nd Ave	3"	pvc
52	121N064W19	145th	3"	pvc
53	121N064W20	384th Ave	3"	pvc
54	121N064W27	US Hwy 281	14"	DI
55	120N064W1	148th	3"	pvc
56	120N063W6	388th Ave	2.5"	pvc
57	120N063W27	391st Ave	2.5"	pvc
58	120N063W34	US Hwy 20	10"	pvc
59	119N063W2	392nd Ave	2.5"	pvc
60	119N062W31	394th Ave	2"	pvc
61	118N062W6	161st	4"	pvc
62	118N062W8	395th Ave	3"	pvc
63	118N062W17	163rd	2.5"	pvc
64	117N062W11	168th	2"	pvc
65	116N061W21	403rd Ave	4"	pvc
66	115N061W12	179th	2.5"	pvc
67	115N060W18	406th Ave	6"	pvc
68	115N060W19	182nd	2.5"	pvc
69	114N060W4	409th Ave	2.5"	pvc
70	114N060W3	185th	3"	pvc

71	117N062W8	396th Ave	6"	pvc
72	117N064W26	171st	12"	pvc
73	117N064W26	171st	2"	pvc
74	117N064W34	US Hwy 281	12"	pvc
75	117N064W35	US Hwy 281	16"	pvc
76	117N064W31	382nd Ave	2"	pvc
77	117N065W36	US Hwy 212	6"	pvc
78	117N065W36	US Hwy 212	8"	pvc
79	116N065W6	173rd	2"	pvc
80	116N066W12	373rd Ave	3"	pvc
81	116N066W11	372nd Ave	2"	pvc
82	116N066W18	368th Ave	4"	pvc
83	116N067W22	366th Ave	4"	pvc



SECTION - WATER MAINLINE /
CO2 GAS LINE CROSSING
SCALE : NONE





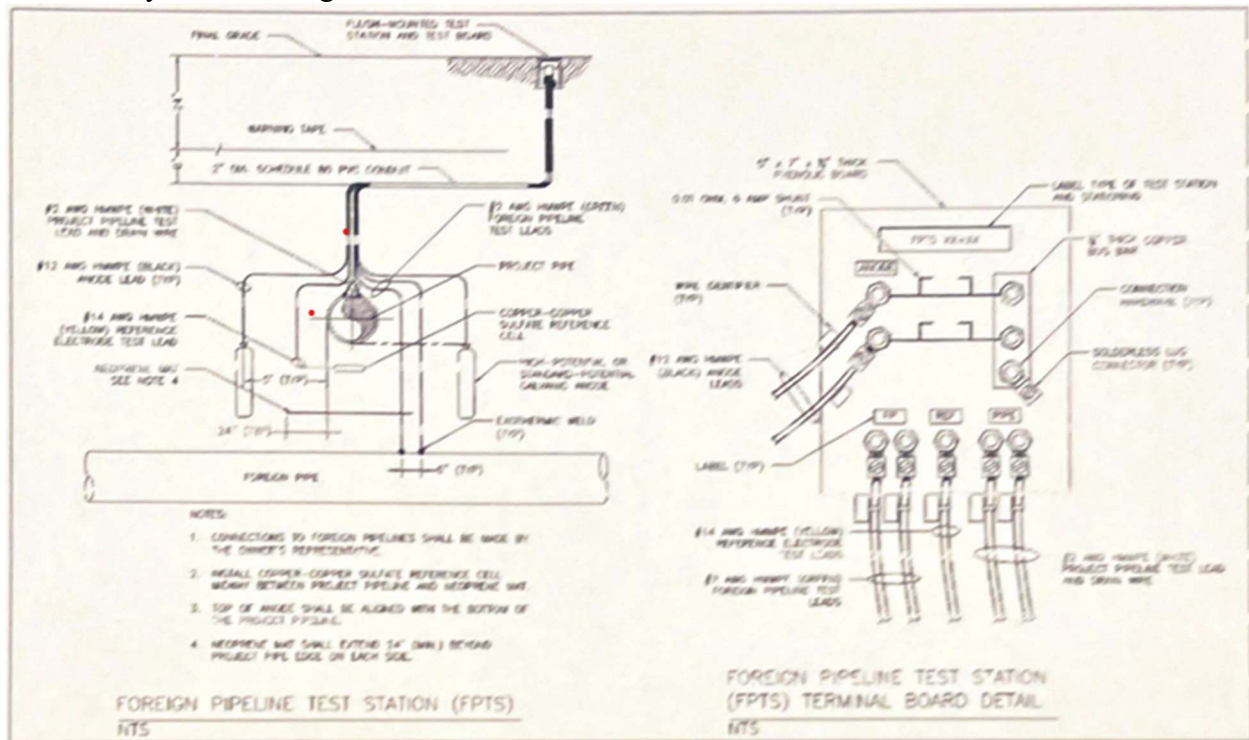
Ms: Angie Hammrich
 General Manager, WEB Water
 38456 US-12W
 Aberdeen, SD. 57401

Re: Pipeline Test Station (FPTS) Standard Specification

Foreign Pipeline Test Stations

Foreign pipeline test stations shall be installed at foreign pipeline crossings to measure the electrical interaction between the project pipeline and the foreign pipeline. If the current is discharging from the project pipeline and the foreign pipeline, then the galvanic anode test leads can be connected to the project line, so the current will discharge from the anodes instead of the project pipeline. A permanent reference cell electrode can be used to minimize IR drop while measuring the pipe-to-soil potentials.

FPTS are also used to measure the pipe-to-soil potentials of the project pipeline. The pipe-to-soil potentials are compared to the criteria for adequate corrosion control to determine effectiveness of the CP system. See figure below.



Should you have any questions, please do not hesitate to contact me.

Kindest Regards,



Gilbert Schutz

NACE Cathodic Protection Specialist #4108

GWS Corrosion Consulting, LLC



Exhibit D
Estimated Crossing Costs

To be determined for each crossing.