



July 23, 2024

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 Five Shot RNG, LLC*

Dear Ms. Van Gerpen:

With this letter, NorthWestern Energy Public Service 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, Original Sheet No. 4, Summary List of Contracts with Deviations, which includes a reference to the Renewable Natural Gas Transportation Service Agreement (the “Agreement”) between NorthWestern and Five Shot RNG, 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.

2. *The proposed effective date is September 1, 2024.*

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

Five Shots RNG, LLC
435 Joe Hall Drive
Ypsilanti, MI 48197
Mark@novillarng.com
jared@novillarng.com



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

Customer intends to build a biogas facility in Lincoln County at 29440 482nd Avenue, Hudson, South Dakota. Customer intends to deliver renewable natural gas (“RNG”) produced from this facility to NorthWestern for the purpose of transportation. The location of the project and a diagram of the facilities are illustrated in Exhibit C of the agreement.

The Customer will own and operate the facility and is responsible for the production and refinement of RNG at the facility. Customer will pressurize the RNG in order to deliver the RNG to NorthWestern. NorthWestern will tap the Customer piping to sample and test the RNG in an automated quality assurance building. This will ensure the RNG meets pipeline-quality specifications before it enters NorthWestern’s pipeline. Rejected RNG will be rerouted back to the Customer’s facility for reconditioning. Once accepted into NorthWestern’s facilities, the RNG will be transported on 2.04 miles of newly constructed 2” steel pipeline, then injected into NorthWestern’s existing pipeline.

The Agreement includes provisions to secure project costs and guarantee delivery volumes to support the project recovery over a 15-year period. Project costs and tariff delivery charges will be recovered through Tariff Rate No. 87 and a fixed monthly surcharge. The annual take-or-pay volume for this Agreement is 99,000 MMBtu. An annual review will be conducted to determine if volumes met the volumetric requirement defined in the Agreement.

The deviations from Tariff requested in this filing include:

- Monthly billing that includes a fixed surcharge rate;
- Annual take-or-pay volumetric requirements;
- Required letter of credit or other security from Customer;
- Renewable natural gas quality requirements; and
- 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 renewable 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.*

Five Shots RNG, LLC will be the only customer affected by this filing.



Sincerely,

Jeff J. Decker

Lead Regulatory Specialist

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