
**Rate 81
General Renewable Gas Interconnection Service Pilot**

***Description.**

This tariff is designed to encourage the development and operation of Renewable Gas Production (“RGP”) facilities in the Nicor Gas service territory through the provision of an interconnection service between an RGP facility and existing Nicor Gas transmission or distribution facilities.

*** Availability/Eligibility.**

This interconnection service is available on a first come, first served basis to any party who enters into a Renewable Gas Interconnection Service Agreement with the Company for an interconnection to deliver Renewable Gas to the Company’s system. In order to be eligible to receive service under this tariff, the following criterion must be met:

- 1) The RGP Production Facility is located in the Company’s service territory where the physical components of Renewable Gas produced from the facility is sold to a third party, for resale to a Nicor Gas customer(s).
- 2) The Renewable Gas must meet the Company’s Renewable Gas Quality criteria.
- 3) The Renewable Gas Producer will enter into a Renewable Gas Interconnection Service Agreement that includes, among other things, operational requirements, gas quality and pressure requirements, a Facilities Fee, and a level of Environmental Attribute Offtake equivalent to the RGP Production Facility Interconnection Allowance.
- 4) The Company shall ultimately receive an RGP Production Facility’s Renewable Gas from the point of interconnection and deliver to a customer(s) of the Company. The Renewable Gas Service Interconnect shall be established as a receipt point for nominations.
- 5) The Renewable Gas Producer shall provide the Company with data needed to comply with the program implementation and reporting requirements associated with Rate 81.

Nicor Gas’ investment toward this Renewable Gas Interconnection Service is limited to, in aggregate, up to \$16 million, with each qualifying RGP Production Facility project limited to an RGP Production Facility Interconnection Allowance of no more than \$3.2 million in capital investment from Nicor Gas. Such capital investment must be dedicated solely to those facilities necessary to interconnect the RGP facility to existing Nicor Gas facilities.

The provisions of this tariff shall be applicable only to those Renewable Gas Producers who execute a Renewable Gas Interconnection Service Agreement within two years from the effective date of this tariff, and subject to the requirements above.

*** Definitions.**

In addition to the Definitions contained in the Company’s Tariff, the following Definitions shall apply to the Company’s General Renewable Gas Service:

- (a) Renewable Gas Producer: A Person or entity who owns an RGP production facility or acts on behalf of a Person or entity who owns an RGP production facility, and who signs a Renewable Gas Interconnection Service Agreement with the Company.

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- (b) **Facilities Fee:** A fee established for an eligible Renewable Gas Producer that shall recover the cost of service associated with the facilities required to interconnect an RGP facility to an existing Nicor Gas facility. The Facilities Fee is unique to each RGP facility and shall be computed using the actual cost of required facilities, such as, but not limited to, pipeline labor and material, regulator station labor, materials, and equipment, and labor and material costs associated with metering, measurement, system control and data acquisition equipment, valves, and any other facilities required to make the service available. The Company will apply the rate of return and depreciation rates authorized in its most recent general rate case or as otherwise established by the Illinois Commerce Commission. Additionally, the Facilities Fee shall include the operating and maintenance expense related to the facilities as well as the estimated program administrative costs. The Facilities Fee shall be included in the Renewable Gas Interconnection Service Agreement.
- (c) **RGP Production Facility Interconnection Allowance:** Under this tariff, the Company will invest up to \$3.2 million per RGP facility, in capital costs necessary to interconnect the RGP facility to Nicor Gas' facilities and, thereby, reduce the Facilities Fee as result of that investment.
- (d) **Renewable Gas:** Gas produced from a landfill, digester, or other renewable source of gas production within the Company's service territory with the physical gas delivered to a customer within the Company's service territory; provided that all Renewable Gas shall meet or exceed the Company's Renewable Gas Quality.
- (e) **Renewable Gas Quality:** Renewable Gas Quality shall meet or exceed the Company's standards.
- (f) **Renewable Gas Interconnection Service Agreement:** The contract under which the rates, terms, and conditions of service, and obligations of Nicor Gas and the Renewable Gas Producer will be specified related to the provision of Renewable Gas Interconnection Service under this Pilot tariff. Contracts entered into hereunder shall be submitted to the Illinois Commerce Commission for informational purposes. Such contracts shall be treated as confidential and proprietary.
- (g) **Environmental Attributes:** A bundle of "non-energy" attributes of the RNG, including all avoided emissions, environmental benefits, and other aspects associated with the production, combustion, use and transport of the RNG when compared to geologic natural gas.
- (h) **Environmental Attribute Offtake:** Commensurate with the RGP Production Facility Interconnection Allowance, the Renewable Gas Supplier will supply to the Company, on an annual basis, a negotiated and contracted amount of Environmental Attributes from the Renewable Gas Supplier. Additionally, the Company will receive first right of refusal of any Environmental Attributes in excess of the negotiated amount at each opportunity.

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*** Charges.**

Charges shall be the sum of a Monthly charge of one twelfth (1/12th) of the annual Facilities Fee, as defined in Subpart (b) of the Definitions Section of this Tariff, plus applicable taxes, during the term of the Renewable Gas Service Agreement.

*** Billing.**

The Company shall issue a bill to the Renewable Gas Supplier monthly, which shall be due and payable upon receipt, in compliance with Nicor Gas' general terms and conditions.

*** General Terms and Conditions.**

- (a) Service is subject to all applicable laws and orders, and to the Company's Tariff.
- (b) All service under this Schedule shall require the execution of a Renewable Gas Service Agreement by the Renewable Gas Supplier and the Company. Agreements entered hereunder shall be submitted to the Illinois Commerce Commission for informational purposes. Such contracts shall be treated on a proprietary basis.
- (c) A deposit may be required to be paid by a Renewable Gas Supplier at the time the Renewable Gas Service Agreement is executed equal to the total estimated charges for the first two (2) full months of Renewable Gas Service. The terms of the deposit arrangements shall be included in the Renewable Gas Service Agreement. Additionally, the Company at the Company's discretion may require a Renewable Gas Service Agreement to include an obligation that a Renewable Gas Supplier provide adequate assurance of payment to the Company in the form of a letter of credit, cash deposit, or parental guaranty, all in an amount, form, and by an issuer acceptable to the Company.

*** General.**

The Schedule of which this rate is a part includes certain general Terms and Conditions and Riders. Service hereunder is subject to these Terms and conditions and the Riders that are listed as applicable to this rate.