Piedmont Natural Gas inks agreement to connect to swine-gas project with Duke Energy contract

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Piedmont Natural Gas has reached an interconnection agreement with Optima KV for construction of natural gas lines to put swine-waste gas on Piedmont's system for use by **Duke Energy** at two of its plants.

The details of the contract between Piedmont and Optima, filed with the N.C. Utilities Commission Tuesday, are confidential. Optima KV, a subsidiary of Optima BioEnergy, contracted with Duke last May to produce 80,000 dekatherms of natural-gas quality methane a year from swine waste for use at Duke's H.F. Lee and Sutton combined-cycle natural gas plants in Wayne and New Hanover Counties.

The gas will be produced through anaerobic digestion from swine waste at three hog farms in the Kenansville area, where the plant will be located.

Optima KV was formed last year as a limited liability company by William "Gus" Simmons, director of bioenergy at Winston-Salem based Cavanaugh & Associates and Mark Maloney, a vice president with the consulting and infrastructure investment company Vieste Group, based in Chicago.

The cover letter Piedmont filed says the agreement involves "proprietary trade secrets" and it is filed confidentially.

"This Agreement relates to the construction of new natural gas distribution lines and facilities in order to receive Alternative Gas supplies from (Optima)," Piedmont says in the letter.

Optima BioEnergy is based in Wilmington at 1904 Eastwood Drive in Wilmington, which is the address of one Cavanaugh's North Carolina offices.

Construction has begun at the swine-gas project site and is expected to be finished this summer.

Duke has also contracted to purchase 1 million dekatherms a year from a much larger project near Warsaw in Eastern North Carolina. That project, being built by Carbon Cycle Energy of Colorado, will produce 2.4 million dekatherms of gas from swine, poultry and other waste materials.