

**July 1, 2015**

Mr. Randy Watts

Iowa Weights and Measures Bureau: Iowa Department of Agriculture and Land Stewardship: Wallace State Office Building  
502 E 9th Street  
Des Moines, IA 50319

[randy.watts@iowaagriculture.gov](mailto:randy.watts@iowaagriculture.gov)

Dear Mr. Watts:

**RE: NCWM Publication 16 - Proposed DGE Standard for Natural Gas (Items 232-4, 237-1, and 337-1)**

I am writing to urge you to support for adoption of the proposed diesel gallon equivalent standard for natural gas. Black Hills Energy supports the adoption of domestic, alternative fuel vehicles, such as natural gas resulting in fuel diversity and reducing our country's dependence on foreign sources of energy. Black Hills Energy supports measures that promote natural gas vehicles.

The National Conference on Weights and Measures (NCWM) will hold its 2015 Annual Meeting this month in Philadelphia, Pennsylvania. Members will vote to determine how natural gas used as a motor vehicle fuel is sold. NCWM has considered this issue several times over the past several years. Since the DGE proposal was first put forward, ten states have enacted legislation or approved regulations recognizing the DGE as a standard for dispensing natural gas. In addition, several states are currently conducting rulemakings that are expected to lead to recognition of the DGE standard in those states, and a handful of state legislatures have introduced new bills in 2015 to recognize the DGE standard. Thus, there is significant momentum toward adoption of this standard. For it to truly become a national standards, however, the DGE proposal before NCWM needs to be approved.

The natural gas industry continues to support the adoption of a DGE standard for natural gas sales. Like the gasoline gallon equivalent (GGE) standard, which has been in place for more than twenty-years, the DGE standard will benefit consumers and

industry alike because it provides an efficient way to compare the value of CNG and LNG purchases with diesel fuel. Today, all retail CNG dispensing pumps used in the U.S. dispense CNG in GGE units and all retail stations display the price of CNG in GGE units.

The natural gas industry has requested that NCWM adopt a diesel gallon equivalent (DGE) for CNG and liquefied natural gas (LNG) that is sold to truckers and other users who typically use diesel fuel. The DGE standard has been proposed for two primary reasons: 1) there is no nationally recognized standard in place for selling liquefied natural gas; and 2) the DGE unit is more appropriate in the case of CNG and LNG that is sold for use in heavy-duty trucks since the natural gas will displace diesel fuel.

The adoption of the DGE proposal contained in Publication 16 preserves the continued use of the GGE standard, while also providing a standard for natural gas that is intended to displace diesel fuel. Recognizing the DGE as a legally acceptable method of sale would embrace the commercial practice already being used by industry and the statutory provisions adopted by a number of states. More than twenty states now recognize the DGE unit for LNG taxation. Alternative approaches will not lead to a national standard or uniformity because so many states have already moved to recognize the gallon equivalent units for natural gas sales. Therefore, adoption of the proposals now before NCWM and contained in Publication 16 provide the best opportunity for adoption of a truly uniform standard for selling natural gas as a diesel replacement.

For these reasons, Black Hills Energy supports the NCWM adoption of the proposed DGE standard for CNG and LNG, and urges you to do so as well.

Sincerely,

Susan Walter  
Manager – Government Affairs  
Black Hills Energy  
1205 S.W. 37<sup>th</sup> Street  
Grimes, Iowa 50111  
o. 515.343.2011 c. 515.250.6270

Cc:

**Don Onwiler**

Executive Director

National Conference of Weights and Measures

1135 M Street, Suite 110

Lincoln, Nebraska 68508

[don.onwiler@ncwm.net](mailto:don.onwiler@ncwm.net)

**July 1, 2015**

Mr. Ivan Hankins

Iowa Weights and Measures Bureau: Iowa Department of Agriculture and Land  
Stewardship: Wallace State Office Building  
502 E 9th Street  
Des Moines, IA 50319

[ivan.hankins@iowaagriculture.gov](mailto:ivan.hankins@iowaagriculture.gov)

Dear Mr. Hankins:

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I am writing to urge you to support for adoption of the proposed diesel gallon equivalent standard for natural gas. Black Hills Energy supports the adoption of domestic, alternative fuel vehicles, such as natural gas resulting in fuel diversity and reducing our country's dependence on foreign sources of energy. Black Hills Energy supports measures that promote natural gas vehicles.

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