

January 9, 2019

PUBLIC DOCUMENT

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-18-547

Dear Mr. Wolf:

Attached are the **PUBLIC** comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Petition of CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy) to Introduce a Renewable Natural Gas Pilot Program.

The Petition was filed on August 23, 2018 by:

Nick Mark
Manager, Conservation and Renewable Energy Policy
CenterPoint Energy
505 Nicollet Mall, P.O. Box 59038
Minneapolis, MN, 55402

The Department requests additional information from CenterPoint Energy to be provided in *Reply Comments*. The Department will offer additional comments and recommendations in subsequent response comments, and is available to respond to any questions the Minnesota Public Utilities Commission may have on this matter.

Sincerely,

/s/ Dorothy Morrissey
Financial Analyst

/s/ SACHIN SHAH
Rates Analyst

DM/SS/ja
Attachments



Before the Minnesota Public Utilities Commission

Public Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. G008/M-18-547

I. INTRODUCTION

On August 23, 2018, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CenterPoint Energy, CPE, or the Company) filed a *Petition to Introduce a Five-Year Renewable Natural Gas Pilot Program (Petition)* with the Minnesota Public Utilities Commission (Commission). The Petition stated that the Pilot Program would be a voluntary green tariff offering that allows customers to purchase all or a portion of their natural gas from renewable natural gas (RNG) sources.

CenterPoint noted that “RNG is typically produced by diverting an existing waste stream; common sources include animal manure, wastewater treatment plants, food processor waste, and landfills.”¹ The Company also indicated that, while credit programs exist for use of RNG as a vehicle fuel² CenterPoint is not aware of any analogous environmental certification standard similar, for instance, to that provided by M-RETS (Midwest Renewable Energy Tracking System), for non-vehicle-fuel RNG, nor is the Company “aware of any policies, either at the state or federal level, to promote RNG use in the residential, commercial, or industrial sectors.”³

The Company indicated that one RNG producer **[TRADE SECRET DATA HAS BEEN EXCISED]** is currently interconnected with CenterPoint’s distribution system, as discussed further below.

II. SUMMARY OF THE UTILITY’S PROPOSAL

The *Petition* stated that:

¹ Petition, page 8.

² The California Low Carbon Fuel Standard (LCFS) sets limits on emissions from vehicle fuels and allows RNG producers to create emission reduction credits that are used for compliance. The federal Renewable Fuel Standard (RFS) also creates a system of credits, referred to as Renewable Identification Numbers (RIN). The same unit of fuel can qualify for both the LCFS and the RFS.

³ Petition, page 10.

- The RNG Pilot program (Pilot) participants would pay a Pilot Charge consisting of a Program Charge (for administration and marketing costs and a shareholder incentive) and the cost of the RNG (commodity price of RNG and the cost of the renewable attributes) to purchase a portion or all of their gas from RNG sources See Table 1 below;

Table 1: Illustrative Pilot Costs

RNG		RNG	Program Charge			Total
Commodity Price	Credits	Total	Admin & Mktg Costs	Shareholder Incentive	Total	Pilot Charge
(a)	(b)	(a) + (b) = (c)	(d)	(e)	(d) + (e) = (f)	(c) + (f) = (g)
		\$ 35.00000	\$ 2.88889	\$ 1.00000	\$ 3.88889	\$ 38.88889

- Administrative and marketing costs for the program would be recovered, in part, from Pilot participants and would be, in part, deferred until the conclusion of the five-year Pilot;
- The Pilot program would further Minnesota policy goals to increase the proportion of the state's energy derived from renewable resources; and
- Pilot implementation would fulfill customer demand for renewable energy options.

The Company proposed to purchase "a small amount of RNG for its general portfolio," the cost of which the Company proposed to recover from all of its sales customers through the commodity portion of gas costs. The Company stated that the "purchase of RNG for CenterPoint Energy's general portfolio is intended to enable the Pilot offering by ensuring that the overall quantity of RNG purchased is sufficient to attract the interest of suppliers." The Company also stated that it understood from potential RNG suppliers that contracts for the purchase of RNG below certain volumes are "likely to be less favorable in terms of cost, if indeed they can be negotiated at all."

The Company explained that RNG was significantly more expensive than conventional natural gas and that by aggregating the demand of interested customers the Company hoped to contribute to the growth of the RNG industry, “in the same way that voluntary renewable electric programs helped support the early development of the renewable electricity market.”

CenterPoint indicated that, unlike traditional green pricing programs, such as Xcel Energy’s Windsource program, participants would be asked to specify a maximum dollar amount per therm they would be willing to pay, rather than define their participation level in terms of number of therms or percentage of use. CenterPoint estimated that the portion of the Pilot Charge reflecting the cost of RNG, including environmental attributes, would be \$3.50 per therm, but clarified that the exact price would not be determined until after Commission approval of the Pilot. The Company proposed that the RNG Commodity Price would be limited to 90 percent of the total Pilot Charge, and thus estimated that the Program Charge (Pilot Charge minus the RNG Commodity Price) would be \$0.38889 per therm.

Below are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) regarding the Company’s Pilot proposal.

III. DEPARTMENT ANALYSIS

The Department appreciates CenterPoint’s efforts to provide an opportunity for its customers who are concerned about reducing greenhouse gas emissions and/or encouraging domestic energy use. The Company’s proposal is innovative, and provides stakeholders an opportunity to provide valuable input regarding how Minnesota can further its greenhouse gas reduction goals in a non-electric industry sector.

In balancing the public interest considerations, the Department agrees with CenterPoint’s customer choice and environmental protection efforts; however, the Department notes several concerns, especially related to non-participating ratepayer impacts, for the Commission’s consideration.

A. RNG COST RECOVERY

1. Mandatory vs. Voluntary

Throughout its *Petition*, the Company stated that this is a voluntary green tariff offering that allows customers to purchase all or a portion of their natural gas from RNG sources, noting that RNG costs are much higher than conventional natural gas. However, CPE would not allow participants to designate how much of their natural gas would come from RNG sources;

instead, that amount would be determined by a less-than-transparent combination of a dollar amount identified by each participant, whatever amount of RNG CenterPoint purchases, and whatever amount of RNG each participant is allocated.

In addition, CenterPoint proposed to purchase a small amount of RNG for its general portfolio, the cost of which the Company **proposed to recover from all customers** through ordinary gas commodity charges. Such recovery from all customers would make this amount of the “voluntary green tariff” a “mandatory” (though for some, diluted) green tariff offering and would result in non-participants subsidizing the RNG costs of the voluntary participants.

Because CenterPoint proposes to require non-participants to pay for part of the costs of the Proposal, the Department asked several questions. In its response to OAG IR No. 11, included as Department Attachment 15, the Company provided materials that it had published “to answer questions customers may have about the filing and Pilot proposal.” In those materials, the Company stated in part, the following:

Was CenterPoint Energy required to develop a renewable natural gas program?

No. No law, regulation, or other legal requirement is forcing CenterPoint Energy to propose a renewable natural gas program. CenterPoint Energy is choosing to offer this program because of its corporate commitment to sustainability and its belief that many of its customers will appreciate having a renewable natural gas option.

While making RNG available to customers who are willing to participate in the Pilot may be acceptable if consistent with Minnesota statutes, making non-participants pay is a concern. Minnesota Statutes § 216B.03 states in part:

Every rate made, demanded, or received by any public utility, or by any two or more public utilities jointly, shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers.

Similarly, Minnesota Statutes § 216B.07 states “No public utility shall, as to rates or service, make or grant any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage.” Thus, subjecting non-participating customers to potentially extremely higher costs than would be the case but for the choice of a subset of

customers to participate in the Pilot is inconsistent not only with the “voluntary green pricing idea” but also with Minnesota Statutes §§ 216B.03 and 216B.07.

2. Environmental Attributes of RNG Purchases

According to the Company, RNG is methane produced from biomass sources and processed to remove impurities in order to meet pipeline quality standards. Once the impurities are removed, RNG can then be transported on natural gas interstate pipelines, as long as the specification and conditions, if any, for the injection and transportation of the particular source of RNG on the interstate pipeline(s) are met, and ultimately delivered to the Company’s distribution network.

According to the Company, RNG:

... is typically produced by diverting an existing waste stream; common sources include animal manure, wastewater treatment plants, food processor waste, and landfills. While the greenhouse gas (GHG) reductions associated with RNG vary depending on the source, substituting RNG for natural gas represents a significant (40 percent or more) carbon emissions reduction and, in some cases, results in net negative emissions.³

³ The main factor driving the variation in emissions is what would happen to the methane were it not processed for use as RNG. Gas that would otherwise be flared (as is common with landfill gas) represents a smaller reduction in emissions, while gas that would have been released to the atmosphere as methane (e.g. from a manure lagoon) represents a dramatic reduction due to the greater climate impact of methane as compared to carbon dioxide.

According to the Company, no centralized database exists currently to track RNG production by source and type. Only RNG purchased and used as vehicle fuel is eligible for the LCFS and RIN credits.

In response to information requests, the Company stated the following:⁴

One RNG producer is currently interconnected with the Company's Minnesota distribution system. The Company purchases the RNG, without the associated environmental attributes, from the producer. Because the purchase agreement is only for the gas commodity and does not include the transfer of associated environmental attributes to the Company, this RNG would not be eligible to supply the proposed program without a modification to the terms of the purchase agreement. [Emphasis added.]

The Company indicated, as mentioned herein, that it expects to purchase approximately 14,842 Dth of RNG in the first year and 29,685 Dth of RNG in each subsequent year of its pilot program.⁵ The Company's recent RNG purchases referenced above are shown below, in Table 2.

Table 2: Historical Fiscal Year RNG Purchases.

[TRADE SECRET DATA HAS BEEN EXCISED]

In the Department's AAA Report in Docket 17-493, the non-weighted average commodity costs are shown partially below in Table 3.

Table 3: Non-Weighted Average Commodity Costs

Reporting Period	Rate (\$/Mcf)
FYE15	\$4.15740
FYE16	\$2.90510
FYE17	\$3.40530

The Company's **[TRADE SECRET DATA HAS BEEN EXCISED]**. CenterPoint has not identified the basis upon which its current, or any other, RNG supplier would charge CPE more for environmental attributes associated with non-vehicle-fuel-use RNG, given that there is not a non-vehicle-fuel-use credit market or tracking system for non-vehicle-fuel-use of RNG. Nor has

⁴ See the Company's response to Department IR Nos. 5 and 6, included as Attachment 4.

⁵ DOC Attachment 2

CPE shown that it would be reasonable for the Company's ratepayers to pay significantly more for the environmental attributes of RNG.

Thus, given that only the RNG purchased and used as vehicle fuel is eligible for the LCFS and RIN credits, and there is no credit program or tracking system in place to form the basis for the value of renewable attributes of non-vehicle-use RNG, it is unclear whether any RNG contract entered into for the purposes of the proposed Pilot would be at a reasonable price. Arguably, if the Pilot were completely voluntary the price may not be a material matter; however as proposed, all of CenterPoint's ratepayers are at risk for paying the contract price.

The Department notes that the intent of traditional green pricing programs is to support the growth of renewable energy, and thus require that the renewable energy developed for the purposes of the program is in addition to what the market would otherwise produce. Therefore, without a credit or tracking system for RNG used for the purposes of the Pilot, it does not appear that the Pilot could be considered a "voluntary green tariff" if the environmental attributes are not specifically identified or defined in terms of value or tracked for purposes of determining additionality.

The Company proposed to establish procedures for the tracking and reporting of the RNG it purchases. The Department agrees that such tracking and reporting would be necessary, but questions whether tracking in isolation of the RNG market as a whole or on a regional basis (similar to M-RETS) would be adequate to ensure that the Pilot results in an expansion of the RNG market. Such a mechanism would also be necessary to ensure that the RNG is not double-counted. Such a mechanism could be developed in a manner similar to the establishment of M-RETS in light of the provisions in Minnesota Statute §216B.169.

B. ADMINISTRATIVE AND MARKETING COSTS

CenterPoint estimated that administrative and marketing costs for its RNG pilot program would total approximately \$390,150 in its first year, then lower to approximately \$236,200 annually thereafter. A breakdown of these costs are shown in Table 4 below:⁶

Table 4: Administrative and Marketing Costs

Administrative and Marketing				
Expense	Annual cost Year 1	Annual cost Years 2 – 5	passage of time	5-year Cumulative Total
Technical Operations	\$98,550			\$98,550
Marketing	\$226,600	\$171,200		\$911,400
Administrator	\$65,000	\$65,000		\$325,000
Total	\$390,150	\$236,200		\$1,334,950

The Department recommends that the Commission disallow the inclusion of CPE's proposed administrative and marketing costs in the Pilot Charge for several reasons.

First, the Company has not provided any verifiable support to show that these estimated costs are not being recovered through representative costs reflected in rates currently being charged to ratepayers. To the extent that these costs include any internal costs (for example, employee labor-related costs, overhead or use of existing resources, such as writers, graphic design software or technical employees to create materials and interfaces, or otherwise add job duties to existing personnel), they should be disallowed. The Commission has a history of and reasonable basis for denying inclusion of internal costs in rate mechanisms established outside of rate case.⁷ Moreover, CenterPoint has not shown that this RNG Pilot would cause an increase to its employee compliment above what has already been included in base rates.

⁶ CPE response to Department IR No. 44, included as Department Attachment 6.

⁷ The following is a non-exhaustive list of proceedings in which the Commission has denied recovery of internal costs outside of a rate case or in which the Department has recommended such denial:

- Docket No. E002/M-06-1315. In the Matter of Northern States Power Company d/b/a Xcel Energy Petition for Approval of Deferred Accounting Treatment of Costs Related to the Mercury Emissions Reduction Act of 2006; specifically Department comments dated November 15, 2006 and incorporated in the January 31, 2007 Commission Order.

Second, the Department concludes that CPE's annual budget for administering and marketing (A&M) this pilot is extremely high and has not been justified. The Department compared CenterPoint's estimated costs to two other utilities with RNG programs. A Michigan-based natural gas distribution utility, DTE Gas, estimated its marketing and information technology costs to be approximately \$100,000 (whereas CPE's estimate for these two cost items totals \$325,150). Moreover, DTE Gas voluntarily chose to absorb its costs.⁸ A Vermont-based utility, Vermont Gas Systems, Inc., estimated its 2018 marketing budget to be \$50,000 for its first year of its program, as compared to CPE's \$226,600 estimate in Year 1. Further, it is the Department's understanding that unlike DTE Gas and CenterPoint, the Vermont utility was ordered by the Vermont Public Utility Commission (VPUC) to develop an RNG program as a condition for VPUC's approval of a pipeline.⁹

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- Docket No. E015/PA-09-526. In the Matter of Minnesota Power's Petition to Purchase Square Butte Cooperative's Transmission Assets and Restructure Power Purchase Agreements from Milton R. Young Unit 2 Generating Station. The Department recommended and MP agreed to remove any internal costs associated with its purchase of the transmission assets and the renegotiation of its purchase power agreements.
 - Docket No. E017/M-09-1484. In the Matter of Otter Tail Power Company's Request for Approval of its 2010 Renewable Resource Cost Recovery Adjustment Factor. In its Order dated August 27, 2010, the Commission denied Otter Tail Power Company's request to include capitalized labor and internal costs, subject to future true-up if the Commission determines in Otter Tail's then-pending rate case, Docket No. E-017/GR-10-239, that the amount should be included.
 - Docket No. E015/M-10-799. In the Matter of Minnesota Power's Petition for Approval of its Transmission Cost Recovery Rider; the Commission's May 11, 2011 Order required Minnesota Power to exclude internal costs from the rider.
 - Docket No. E015/M-11-695. In the Matter of Minnesota Power's Petition for Approval of its 2011 Transmission Cost Recovery Rider Factor; the Commission's May 11, 2011 Order required Minnesota Power to exclude internal costs from the rider. The Commission's November 12, 2013 Order required Minnesota Power to "continue to exclude internal capitalized costs" from riders.
 - Docket No. E002/M-12-50. In the Matter of Xcel Energy's Petition for Approval of 2012 Transmission Cost Recovery (TCR), Project Eligibility, TCR Rate Factors, and 2011 True-up; the Commission's February 7, 2014 Order required Xcel to removed capitalized costs from the rider.
 - Docket No. E017/M-13-103. In the Matter of Otter Tail Power Company's Request for Approval of a Transmission Cost Recovery Rider Including the Proposed Transmission Factor for the Recovery Period from May 2, 2013 to April 30, 2014; the Commission's March 10, 2014 Order required Otter Tail Power to exclude internal costs.

⁸ Department Attachment 7, p. 9. (MI Dkt U-16975)

⁹ In Vermont Docket 7970, the Vermont Public Utility Commission (VPUC) considered the petition of Vermont Gas Systems, Inc. (VGS) for a certificate of public good ("CPG"), pursuant to 30 V.S.A § 248, authorizing the construction of the "Addison Natural Gas Pipeline." In a VPUC Order issued on December 23, 2013, the VPUC granted the CPG. As a condition of approval, the Vermont Commission required VGS, in consultation with the Department [Vermont Department of Public Service], to "file a petition with the [Commission] proposing a program to promote biomethane project development." Vermont Docket 7970, VPUC Order of 12/23/13 at 147.

Third, it is possible that RNG purchase activity could be considered to be eligible for inclusion in a Conservation Improvement Program (CIP) under Minn. Stat. 216B.241 Subd. 5b. The Department notes that the primary CPE-employee contact for this pilot proposal is the Company's manager of its CIP. If CIP-eligible, it may be appropriate that the administrative and/or promotional costs fall under the CIP program budget. If use of RNG qualifies for CIP activity, then any costs recoverable through CIP should not be included in calculating a rate (such as the pilot charge) to ensure double recovery does not occur.

Fourth, the Department notes that, if CenterPoint has overestimated its participation level, investing in a complex program design without realizing the expected number of voluntary customer-commitments would be a waste of resources. CenterPoint conducted two surveys in order to ascertain customer interest in RNG. In its response to Department IR No. 3, included as Department Attachment 8, the Company stated the following, in part:

The first survey was conducted from December 6, 2017 to December 26, 2017. The second survey was conducted between April 11, 2018 and April 19, 2018.

The first survey was sent to the CenterPoint Energy Feedback Forum. The Feedback Forum is an online consumer research community of customers who volunteer to participate in market research surveys throughout the year. The Company recruits customers for the Feedback Forum on its website and in other customer surveys. The second survey was sent to a random sample of active residential Minnesota gas customers as well as residential Feedback Forum customers.

Customers were contacted by email for both surveys.

Table 5: First Company Survey^[10]

Customers	No. of Customers Contacted	No. of Customers That Responded	Response Rate of those contacted (%)	No. of Customers That Indicated Willingness to Pay Extra
Residential	2,122	605	28.51%	296
Commercial / Industrial	2,333	79	3.39%	39
Total	4,455	684	15.35%	335

Table 6: Second Company Survey

Customers	No. of Customers Contacted	No. of Customers That Responded	Response Rate of those contacted (%)	No. of Customers That Indicated Willingness to Pay Extra
Residential	8,589	945	11.00%	529
Total	8,589	945	11.00%	529

As reported by the Company in its 2017 Gas Jurisdictional Annual Report (JAR) filed on May 1, 2018 in Docket No. PR-18-4, the 2017 total residential customers were approximately 782,021. The total commercial/industrial customers were approximately 67,485. Therefore, the first survey was emailed to 0.27 percent of residential customers and 3.46 percent of

¹⁰ Petition, p.11 states that, "In both surveys, roughly half of the respondents indicated that they would probably or definitely be willing to pay an extra charge for RNG.¹⁸" Footnote 18 reads: "49 percent of respondents to the first survey, and 56 percent of respondents to the second survey, stated that they would probably or definitely be willing to add an extra charge to their monthly bills for RNG."

commercial/industrial customers. The second survey was emailed to 1.10 percent of residential customers. .

In addition to the small sample size of the surveys, it is not clear that the survey responses received reflect a thorough understanding of the premium that participating customers would be paying for RNG, nor whether customers would accept CenterPoint's approach of identifying the amount of money they wish to spend on RNG rather than the amount of their gas use they would like to come from RNG. In its response to OAG IR No. 11, included as Department Attachment 15, the Company provided materials that it had published "to answer questions customers may have about the filing and Pilot proposal." In those materials, the Company stated in part, the following:

How much will renewable natural gas cost?

Though the final rate will be determined after Minnesota Public Utility Commission approval, CenterPoint Energy estimates that the cost of renewable natural gas would be slightly less than \$4.00 per therm.

Prior to the first survey the Company conducted, in the Company's December 2017 Purchased Gas Adjustment (PGA) filing in Docket No. G008/AA-17-844, the Company estimated that its commodity gas costs were approximately \$0.32308 per therm. Prior to the second survey, in the Company's April 2018 PGA filing in Docket No. G008/AA-18-237, the Company estimated that its commodity gas costs were approximately \$0.24237 per therm. Thus, it is not clear if the respondents to both of the surveys would have responded differently had they been given information in the surveys regarding the cost of RNG compared to the cost of conventional natural gas.

CenterPoint estimated that 0.5% of residential customers would participate in Year 1, increasing to 1.0% of this population in Year 2.¹¹ It is noteworthy that, similar to the results of CenterPoint's surveys, Michigan utility DTE Gas conducted a preliminary survey of its customers and found that 40 percent of those surveyed would be interested in an RNG program, however in reality only 0.2 percent of its eligible customers participate.¹² DTE Gas's program has no commitment period (unlike CPE's proposal, which appeared to be unfavorable according to CPE-customer survey feedback) and limits the monthly residential RNG charge to \$2.50.

¹¹ CPE reported its 2017 average residential customer count was approximately 782,000 (Docket No. 18-04); CPE projected 3,910 residential customers to participate during Year 1 of the RNG pilot, increasing to 7,820 residential customers in Year 2. See Department Attachment 11 for CPE's response in DOC IR No. 42. Also See Department Attachment 3 for CPE's response to OAG IR No. 7.

¹² DOC Attachment 7, p. 3 and DOC Attachment 13. (Michigan filing and data). The Michigan filing does not indicate how many of DTE Gas's customers were surveyed.

Despite DTE Gas's seemingly more appealing terms, participation levels have remained relatively static since it was piloted (2013) and made permanent in 2014.¹³ Vermont Gas Systems, Inc. began its commission-ordered program in April 2018, and has less than 0.1 percent enrolled as of December 4, 2018; that is, only 53 customers of the company's total 51,000 retail customer base participates.

Notwithstanding the Department's concerns about the reasonableness of including administrative and marketing costs at the level proposed, if the Commission were to allow CPE to include administrative and marketing costs in the Program Charge, the Department concludes that, consistent with our position on socializing any portion of the RNG costs used for the Pilot, the administrative and marketing costs of this voluntary program should be borne only by those who choose to buy the product. As mentioned in these comments, the program is not mandated; therefore, CenterPoint's non-participant customers should not be required to pay for marketing costs of this pilot program.¹⁴

C. *CENTERPOINT'S DEFERRED ACCOUNTING REQUEST*

1. *Summary of CPE's Deferred Accounting Request*

CenterPoint proposed that annual administrative and marketing costs for the pilot program that exceed what is recovered through the pilot charge from the program's participants be deferred until the conclusion of the pilot, at which point the Company will propose a plan for recovery. Notwithstanding the possibility that all administrative and marketing cost may be eligible CIP expenses or that they are fully or partially represented in current rates, the Department offers the following comments.

CPE requested permission to defer over the proposed 5-year pilot term, a cumulative maximum of \$1.5 million for administrative and marketing costs. The Company estimated that the administrative and marketing costs for the pilot program would be approximately \$390,000 in the first year, and approximately \$236,000 annually in subsequent years.¹⁵ Without regard to annual recovery amounts, the 5-year sum of these estimated annual administrative and marketing costs totals \$1.334 million, which is less than the cumulative \$1.5 million cap proposed by the Company. As an initial matter, the Department concludes that CPE's proposed

¹³ DTE Gas's pilot program limited participation to 2,000 customers, but this cap was removed once the program was made permanent. 1,900 customers currently participate. See DOC Attachment 7 (Order) and DOC Attachment 13 (Email), respectively.

¹⁴ Similarly, CenterPoint incurs marketing costs for its Home Service Plus (HSP) program and repeatedly includes its natural gas service customers as an audience for its HSP marketing campaign, but only those who subscribe to the HSP program financially support the program's marketing efforts.

¹⁵ *Petition*, p.20.

\$1.5 million cap limit should be reduced to the \$1.334 million in administrative and marketing costs estimated by the Company.

Deferring expenses incurred in one accounting period to be recognized in another accounting reporting period is atypical. However, Minn. Stat. §216B.10 grants the Commission authority over the accounting practices of public utilities subject to its jurisdiction. Minn. Rule 7825.0300, subp. 4, allows for exceptions to a provision of the system of accounts to be granted for good cause shown.

2. Description of Deferred Accounting

It is important to consider some of the reasons regulatory assets are very limited and only granted under unique, limited circumstances. First, a deferral request is a request to change normal accounting principles. Second, creating a regulatory asset raises concerns about single-item ratemaking, by directing one's focus on the particular cost at issue, rather than encouraging balanced consideration for the possibility of reduced costs elsewhere or higher revenue experiences/opportunities, as are availed in a comprehensive general rate case.

Commission Staff provided the following description of deferred accounting in Staff Briefing Papers dated January 22, 2004 in Docket No. E002/M-03-1462:

Generally, deferred accounting is sought when a significant cost is incurred outside of a rate case test year. Such costs would be recorded as expense for the year in the Company's financial statements, and when occurring outside of a rate case test year, recovery for the costs from ratepayers is not likely. With proper approvals, deferred accounting basically permits the recording of the costs that would normally be recorded as expense as a regulatory asset. The Commission may recall discussion in the recent Enron case, and other cases, where the practice of recording expenses as assets was not favorably looked upon. While granting deferred accounting is acceptable practice in regulated utility accounting, the practice should be employed only in unique cases where there is a strong showing that the costs at issue are material to the utility's financial results for the period and there may be reason that the costs should be allowed an opportunity for review for recovery in a later proceeding. Recognizing the implications of recording expenses as assets and also recognizing the impact on ratepayers of deferring costs into rate case test years, the

Commission has historically maintained rigorous standards for the granting of deferred accounting.

In Commission Staff Briefing Papers in Docket No. E,G-001/M-08-728, Staff described the purpose of deferred accounting as follows:

The intent of the deferral is not to match costs with benefits, but to preserve the possibility for the utility to recover costs in a future rate case that have been incurred outside the test year used to establish rates. Because the use of deferred accounting for such a purpose is an exception to normal utility ratemaking concepts and general business accounting principles, it should be used with caution.

3. *Standard of Review for Deferred Accounting*

In prior proceedings, the Commission described the standard of review for deferred accounting:

Deferred accounting is a valuable regulatory tool used primarily to hold utilities harmless when they incur out-of-test-year expenses related to utility operations for which ratepayers have incurred costs or received benefits that, because they are unforeseen, unusual and large enough to have a significant impact on the utility's financial condition, should be eligible for rate recovery in the next rate case. Expenses for which deferral is requested must also be subject to review for reasonableness and prudence.¹⁶

Thus, to receive deferred accounting treatment, costs must be:

- related to utility operations for which ratepayers have incurred costs or received benefits;
- significant in amount;
- unforeseen, unusual or extraordinary items; and
- subject to review for reasonableness and prudence.

¹⁶ *In the Matter of a Petition for Approval of Deferred Accounting Treatment of Costs Related to the 2016 Storm Response and Recovery*, Docket No. E015/M-16-648, ORDER DENYING PETITION FOR DEFERRED ACCOUNTING TREATMENT at 2 (Jan. 10, 2017).

The Company believes their proposed administrative and marketing costs expected to be incurred for the Pilot satisfy this four-part test. Below, the Department addresses each of these criteria with respect to CPE's request for deferred accounting treatment.

a) Related to Utility Operations

The first threshold criterion evaluates whether the costs requested for deferred accounting treatment are related to the utility's operation. CenterPoint stated that the expenses are related to the operation of a proposed voluntary utility program which will benefit CPE's customers by satisfying their demand for an RNG option.¹⁷ The Department generally does not disagree with CPE's statement, however it is important to distinguish that the proposed Pilot is not essential to the provision of safe and reliable natural gas service to its customers, nor is it mandated; rather it is an elective expansion of customer options. Because the proposed administrative and marketing costs are tied to an elective operation, the Department concludes that these costs are not related to necessary utility operations, thus are not eligible for deferral.

b) Significant in Amount

The Company stated that the expenses may be significant in amount, are incremental, and that the Company will not recover the costs through current rates. CenterPoint further concluded that, if wholly included in the pilot charge, the administrative and marketing costs may be costly on a per-participant basis.¹⁸

In CenterPoint's most recent general rate case, Docket G008/GR-17-285, with a test-year ending September 30, 2018, the total approved operating and maintenance (O&M) expense amount was \$257,738,000 (excluding gas costs and taxes).¹⁹ CPE's estimated annual administrative and marketing costs for the pilot program, if truly incremental, when compared to the Company's last approved O&M expense amount of \$257,738,000, reflects an annual expense change of 0.09% to 0.15% to its O&M costs.²⁰ The Department concludes that, even if such costs were incremental, a change of 0.15% in annual O&M expense is not significant; therefore, CPE's request does not pass this criterion test to justify use of deferred accounting.

¹⁷ *Petition*, p. 21.

¹⁸ *Petition*, pp. 21-22.

¹⁹ [See Settlement filed March 7, 2018 in Docket G008/GR-17-285 Settlement, PDF page 40.](#)

²⁰ Year 1 annual estimated cost of \$390,150 results in a 0.15% change in annual O&M costs, and the subsequent Years 2 through 5 annual estimated cost of \$236,200 results in a 0.09% change in annual O&M costs.

For comparative purposes, in a different utility's request for deferred accounting treatment of storm costs, in which those estimated costs ranged from 0.58% to 0.91% of the utility's total O&M expenses for the Minnesota jurisdiction,²¹ the Commission found that the costs were not significant enough to impact the utility's financial condition, and ultimately denied deferred accounting treatment.²² CPE's projected 5-year cumulative cost amount of \$1,334,950 for administrative and marketing, if the costs were incurred in one year's time, would equal 0.52% of its annual approved O&M expense amount (excluding gas costs and taxes). The Department concludes that, even if CPE incurred all five years' worth of these projected costs in a one-year period, the measure of change to annual O&M would be less than the above-noted measured impact in Minnesota Power's deferred accounting request, which was found to be not significant.

c) Unforeseen, Unusual or Extraordinary Items

Another criteria considered when evaluating a request for deferred accounting treatment is whether the expenses being incurred are unforeseen, unusual or extraordinary. CPE stated that the costs are unforeseen in a sense because the program was not considered in its last rate case and that they are extraordinary by nature of their association with this innovative proposal.²³

The Department disagrees. First, the potential that the Company may expend resources to support an RNG Pilot was not unforeseen at the time of the last rate case; the Company was actively conducting two separate customer interest surveys during the test-year of its last rate case to gain information in order to develop an RNG program.²⁴ Second, administrative and marketing costs are neither extraordinary, nor unusual; costs to advertise and support a special program are typical and ordinary, not unlike CPE's ongoing efforts to promote its conservation programs.

Considering these facts, the Department concludes that these costs do not meet the unforeseen, unusual or extraordinary criteria for deferred accounting treatment.

²¹ [Docket No. E015/M-16-648, Department Comments, p. 11 \(September 29, 2016\).](#)

²² *In the Matter of a Petition for Approval of Deferred Accounting Treatment of Costs Related to the 2016 Storm Response and Recovery*, Docket No. E015/M-16-648, [ORDER DENYING PETITION FOR DEFERRED ACCOUNTING TREATMENT](#) at 5 (Jan. 10, 2017).

²³ *Petition*, p. 22.

²⁴ CPE's last rate case test year was October 1, 2017 – September 30, 2018. CPE conducted its first survey in December 2017 and its second survey in April 2018. See Department IR 3, included as Attachment 8.

d) Subject to Review for Reasonableness and Prudence

CPE proposed that its administrative and marketing expenses for operation of the pilot be reviewed by the Commission as part of the proposed annual program review. Although the Department recommends that the Commission deny CPE's deferral request, should the Commission grant deferred accounting, the Department does not oppose CenterPoint's suggested annual review.

4. Conclusion and Recommendation

Based on the Department's application of the four tests for deferred accounting to CPE's request, the Department concludes that facts herein do not support use of deferred accounting. Therefore, the Department recommends that the Commission deny CPE's request for deferred accounting of the Pilot's administrative and marketing costs.

D. PROPOSED INCLUSION OF RNG PILOT PROGRAM IN THE PGA

The Company proposed that the Commission allow the cost of unsubscribed RNG supply it procures and its associated environmental attributes, to be included in the general gas supply portfolio and recover its cost from all customers through the PGA.²⁵ CPE proposed to limit the unsubscribed RNG gas plus environmental attributes included in the PGA to \$1 million per year. The Company estimated that a \$1 million RNG inclusion in its gas supply portfolio would impact the average residential customer bill \$0.70 annually. The Company stated that allowing some RNG gas in its general gas portfolio would enable CPE to enter into purchase agreements to ensure supply for the pilot program, provide flexibility to meet variable demand and likely obtain more favorable pricing for RNG purchases.

For several reasons the Department opposes CPE's proposal to include unsubscribed RNG purchases in the PGA.

First, the proposed pilot program is voluntary, not mandated, and its costs should be fully borne by those who affirmatively agree to pay a premium to support it. Notwithstanding the Department's discussion above regarding the lack of any crediting or tracking system for the environmental attributes of RNG not used as a vehicle fuel, and thus, any "premium" paid for RNG with non-vehicle-fuel environmental attributes cannot be assessed for reasonableness, for the purposes of discussion, it may be assumed that the RNG acquired for the purposes of the Pilot would be more expensive than non-renewable or conventional natural gas. Although CPE presented that the costs proposed to be recovered from non-participants is small, when

²⁵ *Petition*, pp. 16-17.

examined on a unit basis, the estimated price for RNG with environmental attributes is excessive, (at \$35 per Dth) nearly 10 times the cost of conventional natural gas. Therefore, the proposed inclusion of avoidable premium gas costs in the general gas portfolio would not be prudent,²⁶ and therefore should be disallowed.

Second, there are expected bill increases for all CPE customers on the horizon. For reference, in CenterPoint's most recent rate case, the Company indicated it will continue to incur large capital investments (\$200 million per year) to ensure safety and reliability and estimated that its revenue requirement will increase \$20 - \$30 million per year through 2021.²⁷ Accordingly, all CPE customers face the risks of rate increases in the near-future; therefore the Department recommends that the Commission not allow any costs for RNG gas arising from an "*optional voluntary program*" to be recovered from customers electing not to participate in the RNG pilot. Shielding non-participating customers from these costs would allow them to exercise control over their bills where possible.

Third, the PGA, a cost adjustment rate mechanism used between general rate cases, is to include only direct commodity-delivered and demand-delivered natural gas costs per Minnesota statute and rules.²⁸ CenterPoint currently purchases and includes in its gas portfolio RNG without any "environmental attributes."²⁹ It is unclear that any environmental attributes for RNG could be charged to non-participants through the PGA, particularly since Minnesota Statutes do not define RNG as a renewable energy source. The Department points out that for the volunteer RNG program offered by the Michigan utility, DTE Gas, the premium paid for RNG is recorded in a unique subaccount to Account 813, *Other Gas Supply Expenses*, which is not included in the Michigan gas cost rates;³⁰ nor is Account 813 listed as an account allowed to be included in Minnesota gas cost rates per Minn. Rule 7825.2400, subp. 12. The Department requests that CenterPoint, in its *Reply Comments*, discuss the accounts, in terms of the Company's internal SAP accounting system and the mapped FERC account equivalents, it proposes to use to record RNG Pilot program revenues and expense activity.

Fourth, the pilot as proposed places full cost risk on non-participating ratepayers. CPE suggested that a more favorable purchase agreement may call for a minimum of 2,500 Dths of RNG per month.³¹ If the cost of RNG inclusive of environmental attributes was \$35 per Dth,³² a

²⁶ Minn. Stat. § 216B.03 requires that "[e]very rate made, demanded, or received by any public utility, ..., shall be just and reasonable. Rates shall not be unreasonably preferential, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers."

²⁷ [Docket No. G008/GR-17-285, Ex. CPE-5, pp. 7-8, 12-13 \(Tutunjian Direct Testimony\)](#).

²⁸ Minn. Stat. §216B.16, subd. 7, Minn. Rules 7825.2700, 7825.2500, and 7825.2400.

²⁹ DOC Attachment 4.

³⁰ DOC Attachment 9, p. 5.

³¹ *Petition*, p.16.

³² *Petition*, p.9.

2,500 Dth per month contract for a one-year term, would result in a purchase commitment of \$1,050,000. The Company's \$1 million suggested annual limit of RNG cost inclusion in PGA essentially covers the entire cost of such a contract. Thus if no customer were to enroll in the program, the entire cost of such a contract would be borne by those customers who chose not to participate.

Fifth, CenterPoint could design its pilot in a manner that would avoid use of the PGA rider. DTE Gas's voluntary RNG program protects non-participating customers, ensuring that only customers who actively enroll bear the cost for the premium paid for RNG environmental attributes. DTE Gas does not use its PGA-equivalent rider to manage RNG gas supply needs. CenterPoint could look to and consider this Michigan utility's model for its own RNG Program. The Department included in Department Attachment 7 and 9, DTE Gas's filings and the Michigan commission orders that explain its design. The Department asked CPE in an information request, to compare the following attributes of its proposed design to DTE Gas's model:

1. administrative and operational complexity;
2. administrative and operational costs;
3. educational ease of program to potential participants;
4. customer service representative training ease;
5. ease in consumer understanding of related-billing changes;
6. minimum program pilot period;
7. complexity of periodic regulatory filings and review;
8. impact on other rate mechanisms;
9. financial impact to non-participants; and
10. tariffs and provide the referenced tariff sheets.

CPE's response was that it had not done those comparisons.³³ The Department concludes that there would be value gained or lessons learned by evaluating a voluntary RNG Program model that has been in place since 2013 and, by design, protects non-participants from bearing the voluntary program's costs.

E. PROPOSED CHARGE FOR SHAREHOLDER RETURN

CenterPoint requested a shareholder incentive of \$0.10 per therm of RNG sold to participants enrolled in the pilot program.³⁴ If the Commission approves an RNG Pilot, the Department opposes the inclusion of a shareholder return. Natural gas costs and operating expenses are

³³ Department IR No. 18 included as DOC Attachment 10.

³⁴ *Petition*, pp. 10, 19.

traditionally treated as pass-through costs when establishing rates charged to customers. Not only is this a voluntary program, but customarily no shareholder return is granted on pass-through expenses. Rather, the Company may benefit from providing an RNG program by improving its corporate image and building a positive reputation, consequently increasing the value of its goodwill. CenterPoint would also gain the opportunity to promote its environmental-friendly activity to the investment community, which may broaden its range of potential investors.³⁵ In fact, the Michigan utility DTE Gas recognized similar benefits within its voluntary RNG program petition to the Michigan Public Service Commission, stating that the program would build a positive corporate reputation, and therefore willingly absorbed certain costs to attain it.³⁶

CenterPoint suggested that this \$0.10 per therm is a modest incentive. The Department disagrees; CPE's incentive proposal is lucrative (on a per-therm basis) and as proposed, would be granted risk-free (shareholders would receive the incentive even in the event Pilot Charge revenues are insufficient to cover the Pilot's operating costs). To compare the measure of this incentive request to other rates/costs, the Department looked at CPE's current cost of conventional gas and also asked CenterPoint to express the recent rate case shareholder return approved for capital investments, volumetrically:

- CenterPoint's residential cost of gas is \$0.44624 per therm (effective December 1, 2018);³⁷ the requested incentive can be likened to a 22% $((\$0.10 + \$0.44624) - \$0.44624) \div \0.44624 return on the cost of conventional natural gas, for which shareholders bear no risk;
- In CenterPoint's most recent rate case,³⁸ the shareholder return approved for capital investments, expressed volumetrically, would be \$0.03862 per therm using only non-transport sales (\$48,259,000/124,958,040 Dth);³⁹ or if the total throughput was used, since all sales and transportation customers bear the cost of the shareholder return, the approved return would calculate volumetrically to \$0.02710 per therm (\$48,259,000/178,062,736 Dth). The proposed \$0.10 per RNG-therm-sold incentive can be likened to a 159% or 269% increase, respectively, to the Commission-approved shareholder return.

³⁵ As previously mentioned in these comments, the Company stated that it "... is choosing to offer this program because of its corporate commitment to sustainability..."

³⁶ Department Attachment 9, p. 13.

³⁷ [See Docket No. G008/AA-18-666, Schedule C.](#)

³⁸ Docket No. G008/GR-17-285.

³⁹ See response to Department IR 42.E included in Department Attachment 11.

As the relative measures above have shown, CPE's proposed \$0.10 per therm incentive is very lucrative.

As proposed by CPE, the shareholder incentive would be risk-free. The construct of CPE's rate proposal is that participants would pay a Pilot Charge rate per therm, which would be comprised of the cost of RNG gas plus a Program Charge for administrative, marketing and incentive costs. See Table 8 below.

Table 8: Illustrative Pilot RNG Costs.

RNG		RNG	Program Charge			Total
Commodity Price	Credits	Total	Admin & Mktg Costs	Shareholder Incentive	Total	Pilot Charge
(a)	(b)	(a) + (b) = (c)	(d)	(e)	(d) + (e) = (f)	(c) + (f) = (g)
		\$ 35.00000	\$ 2.88889	\$ 1.00000	\$ 3.88889	\$ 38.88889

CPE's proposed mechanics in terms of calculating the maximum Program Charge are that the proposed incentive dollars would be carved out first and the residual revenue would be applied toward the operating costs of the program.⁴⁰ In addition, as discussed above, CPE has also proposed to defer administrative and marketing costs that are not sufficiently recovered by the Program Charge. The Department concludes that CenterPoint's proposed calculation of the Program Charge reflects an expectation that Pilot administration and viability could be sacrificed while shareholders continue to receive their incentive.

F. CREDITS (ENVIRONMENTAL ATTRIBUTES) FOR USING RNG AS TRANSPORTATION FUEL

The Department asked CPE to identify any and all benefits that the Company would be eligible for as a result of RNG use, purchases or credit acquisitions; CPE stated it was not aware of any.⁴¹ CPE explained that, to qualify for the federal renewable fuel standard, RNG must be

⁴⁰ *Petition*, p. 12, "...the Company is proposing a shareholder incentive of \$0.10 per therm of RNG sold through the Pilot. [Assuming a maximum Program Charge of \$0.38889 per therm] Subtracting the shareholder incentive from the maximum Program Charge leaves \$0.28889 per therm to put toward marketing and administrative costs.[...] the revenue collected through the Program Charge will be less than the administrative and marketing expenses incurred."

⁴¹ Department IR No. 13 included as Department Attachment 12.

used as vehicle fuel and stated that it did not expect it would be awarded the LCFS and RIN credits unless the RNG purchased would be used as vehicle fuel.⁴²

However, in CenterPoint's last rate case, Witness David Poppie discussed the fact that the Company has a natural gas fueling station in Minnesota and its fleet uses natural gas as a vehicle fuel.⁴³ Further, as noted above, CenterPoint stated that one RNG producer, **[TRADE SECRET DATA HAS BEEN EXCISED]** is currently interconnected with CenterPoint's distribution system and that the Company's affiliate, CenterPoint Energy Services, Inc. is a certified RIN generator.⁴⁴ The Company also stated that other entities have expressed interest in interconnecting to CenterPoint's system and that "the primary interest of these producers has been to access the Company's distribution system in order to transport their RNG for sale as a vehicle fuel (in order to generate RINS and/or LCFS or other credits) rather than to see the RNG to LDCs."⁴⁵ In response to an information request, CenterPoint stated that RINs are only created when the fuel is delivered into a vehicle, and not at the point of generation.⁴⁶

The Department requests that CenterPoint's *Reply Comments* fully discuss the realized and the potential credit awards and benefits that have been or may be granted to it or any of its affiliates in prior, current and future years; and if none, explain why no credits or benefits have been received, especially given that the Company has been actively acquiring RNG without the environmental attributes.⁴⁷ In addition, since CPE's affiliate is an RIN generator, the Company should fully explain how it complies with Minn. R. 7825.1900 – 7825.2300 and Minnesota Statute §216B.48 in the context of the proposed Pilot.

IV. DEPARTMENT CONCLUSIONS AND REQUESTS FOR FURTHER INFORMATION

The Department appreciates CenterPoint's efforts to provide an opportunity for its customers who are concerned about reducing greenhouse gas emissions and/or encouraging domestic energy use. The Company's proposal is innovative, and provides stakeholders an opportunity to provide valuable input regarding how Minnesota can further its greenhouse gas reduction goals in a non-electric industry sector.

⁴² Department IR No. 15, parts B & C, included as DOC Attachment 1. See also Department IR No. 20, included as Department Attachment 1.

⁴³ Department Attachment 14 for Docket No. G008/GR-17-285, excerpt of Ex. CPE-25 (Poppie Direct Testimony).

⁴⁴ See Department Attachment 4 for response to Department IR No. 6, p. 2.

⁴⁵ *Id.* as to Company's response to Department IR No. 5, p. 2.

⁴⁶ Department IR No. 15.C, included as Department Attachment 1.

⁴⁷ Department IR No. 6 included as Department Attachment 4.

However, the Department concludes that the proposed Pilot, while admirable in terms of enhancing customer choice and environmental protection efforts, may be premature given the absence of an RNG tracking system and the lack of a credit system for non-vehicle-use RNG, given the need to consider ratepayer impacts. In the interest of furthering the conversation on RNG Pilot development, the Department requests that CenterPoint provide the following information in Reply Comments:

- identify and discuss both its internal SAP accounting and FERC accounts proposed to be used for RNG Pilot Program revenues and expense activity.
- fully discuss the realized and the potential credit awards and benefits that have been or may be granted to it, or any of its affiliates, in prior, current and future years, from the use of natural gas as vehicle fuel issued from its Minnesota located CNG fueling station; and if none, fully explain why.
- address whether all or any portion of the administrative and marketing costs are internal costs.
- in the absence of a tracking and credit market, address how to assess the reasonableness of the renewable attributes associated with RNG.
- a comparison of the proposed pilot to similar existing voluntary and required RNG programs, including:
 - administrative and operational complexity;
 - administrative and operational costs;
 - educational ease of program to potential participants;
 - customer service representative training ease;
 - ease in consumer understanding of related-billing changes;
 - minimum program pilot period;
 - complexity of periodic regulatory filings and review;
 - impact on other rate mechanisms;
 - financial impact to non-participants; and
 - tariffs and provide the referenced tariff sheets.

/ja

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 009	<p>Topic: RNG Production and Supply</p> <p>A. Please identify and explain any and all known cyclical nature of renewable natural gas production.</p> <p>B. Please identify and explain any and all known cyclical nature of renewable natural gas supply.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, is not aware of a cyclical or seasonal nature of RNG production or supply.</p>

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Title: CIP Regulatory Analyst
Department: Regulatory
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**State of Minnesota
Department of Commerce**

Utility Information Request

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Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 015	<p>Topic: California Low Carbon Fuel Standard (LCFS) and federal Renewable Fuel Standard (RFS)</p> <p>A. Please explain the criteria that must be met in order for a unit of renewable natural gas (RNG) to qualify for the California Low Carbon Fuel Standard (LCFS) credit.</p> <p>B. Please explain the criteria that must be met in order for a unit of RNG to qualify for the federal Renewable Fuel Standard (RFS).</p> <p>C. Please explain the likelihood that units of RNG procured for consumption in Minnesota by CenterPoint would be both LCFS and RNG eligible.</p> <p>D. Please identify any and all other state, regional, or global credit that CPE may qualify for and attain for RNG purchases and use.</p> <p>Response:</p> <p>A. To qualify for the LCFS, a unit of RNG (or other qualifying fuel) must be used as a vehicle fuel in California and be produced pursuant to a fuel pathway certified by the California Air Resources Board. Certification of pathways includes a lifecycle greenhouse gas assessment that results in a carbon intensity for the specific fuel pathway. CARB LCFS regulations are available here: https://www.arb.ca.gov/regact/2015/lcfs2015/lcfsfinalregorder.pdf and guidance documents are available here: https://www.arb.ca.gov/fuels/lcfs/guidance/guidance.htm#guidance.</p>

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- B. To qualify for the RFS, a unit of RNG must be used as a vehicle fuel and be produced pursuant to a fuel pathway approved by the Environmental Protection Agency. Approval of a fuel pathway includes a lifecycle greenhouse gas assessment. Depending on the source, RNG can potentially qualify as either an Advanced Biofuel or a Cellulosic Biofuel. An Advanced Biofuel pathway must (in addition to feedstock requirements) result in at least a 50% reduction in lifecycle greenhouse gas emissions (relative to petroleum fuel baseline); a Cellulosic Biofuel must result in at least a 60% reduction in lifecycle greenhouse gas emissions. EPA regulations for the RFS are included in 40 C.F.R. Part 80, Subparts K and M.
- C. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") interprets this question to be about the LCFS and RFS (which, in turn, created the RIN credit system). The Company does not expect that LCFS credits or RINs will be generated for RNG sold to the Company, because neither system will award credits for RNG production unless the RNG is used as vehicle fuel. Unlike RECs for renewable electricity, RINs and LCFS credits are not created at the point of generation, but only when the fuel is delivered into a vehicle.
- D. CenterPoint Energy is not aware of any state, regional, or global credit system, for which RNG purchased for the Pilot would be eligible.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 020	<p>Topic: RNG Credits Reference(s): Petition p. 15, FN 28</p> <p>Will CPE sell the Low Carbon Fuel Standard credits (LCFS) or Renewable Identification Numbers (RIN) associated with the renewable natural gas (RNG) purchased by its Minnesota customers? Please explain why or why not.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("Company") does not expect that LCFS credits or RINs will be generated for RNG sold to the Company, because neither system will award credits for RNG production unless the RNG is used as vehicle fuel. (See response to Department of Commerce Information Request No. 15).</p>

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**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 029	<p>Topic: RNG Price</p> <p>Provide a breakdown of estimated RNG cost per therm between the actual natural gas commodity and the renewable attributes/credits.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, ("CenterPoint Energy" or the "Company") does not expect that LCFS credits, RINs, or other renewable attributes or credits will be generated for RNG sold to the Company (see response to Department of Commerce Information Request Nos. 15 and 20).</p> <p>Although the Company does not expect that the RNG it purchases will include any LCFS credits or RINs, it does expect that the price it will pay for RNG will be higher due to the existence of those credit markets. Producers that sell RNG (directly or indirectly) to the Company likely could choose instead to sell their RNG into the vehicle fuels market, generating and selling LCFS credits and/or RINs. The Company therefore expects that it will have to pay prices that compensate producers for foregoing the opportunity to generate and sell LCFS credits and/or RINs.</p> <p>As stated in the <i>Petition</i>, p. 9, the approximate cost of RNG is \$35 per MMBTU. The difference between the commodity cost of conventional natural gas and RNG is driven primarily by the LCFS and RIN markets. A single unit of RNG may be eligible for both LCFS credits and RINs. LCFS credit prices are reported by the California Air Resources Board; the July 2018 report indicated an average credit price of \$169/metric ton CO2 (https://www.arb.ca.gov/fuels/lcfs/credit/20180814_julcreditreport.pdf); this</p>

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is roughly twice the value on which the M.J. Bradley & Associates (“MJB&A”) cited in the *Petition*, footnote 5, based its estimate of “\$24/Mcf based on 2016 values” (MJB&A study, pp. 9-10), suggesting a price of \$10-\$50/Mcf of RNG might be realistic. Timely pricing of cellulosic RINs is not available from EPA, but the MJB&A study reported that in 2016 RINs represented a value of \$24/Mcf of RNG. The Company understands that the LCFS and RIN markets are volatile and prices are inelastic, so it is difficult to predict the cost the Company may pay for RNG outside of an actual bidding process. Prices may become more elastic and predictable over time as production increases and the market becomes more developed.

In addition, the Company understands that the cost of producing RNG is somewhat higher than the cost of producing conventional natural gas and that the cost of production depends on the RNG source. However, the effect of higher production costs on the price of RNG is dwarfed by the effect of LCFS and RIN markets.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 035	<p>Topic: Renewable Natural Gas</p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition.</p> <p>On pages 8-9 of its Petition, the Company stated the following:</p> <p>Because RNG is interchangeable with conventional natural gas, it represents an opportunity to reduce fossil fuel consumption in natural gas end uses like space heating while leveraging existing natural gas transmission, storage, and distribution infrastructure.</p> <p>... Currently there are two primary policy tools driving the production of RNG, both of which focus on increasing the use of RNG as a vehicle fuel. The California Low Carbon Fuel Standard (LCFS) sets limits on emissions from vehicle fuels and allows RNG producers to create emission reduction credits used for compliance. Depending on the source of RNG, the value of these credits can range between \$5 and \$25 per thousand cubic feet (MCF); this value is in addition to the commodity value of the gas itself.</p> <p>(a) Please explain if there are any policy tools (for example, credits) driving the production of renewable natural gas (RNG) that focus on increasing the use of RNG that results in the reduction of fossil fuel consumption as mentioned in the above Petition excerpt.</p> <p>(b) For each and all sources of RNG, please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm,</p>

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basis) of the emission reduction credits referenced in the above Petition excerpt.

(c) For each and all sources of RNG, please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm basis) of any and all credits identified in your response to part (a).

(d) Please explain if there are any policy tools (for example, credits) driving the production of RNG that focus on increasing the use of RNG for electric generation.

(e) For each and all sources of RNG, please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm basis) of any and all credits identified in your response to part (d).

(f) For each and all of the Company's responses to parts (a) through (e) above,

(i) please explain if the credits are transferable.

(ii) please explain if the credits expire.

(iii) please explain if the credits can be sold or purchased.

(iv) please explain if the credits are trackable.

(g) For each and all of the Company's responses to part (f), items (i) through (iv), please explain if the actions in question are done on an established platform (for example, a trading platform, market et cetera) or transacted between parties.

Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

A & C. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") interprets this question as requesting information on policy tools that aim to increase the

use of RNG for non-transportation uses such as space heating. CenterPoint Energy is not aware of any such policy tools.

B. LCFS credits are awarded per metric ton of avoided CO₂ emissions. It is not possible to precisely relate LCFS credit prices to MCF, MMBTU, Dth, or therm quantities because the carbon intensity associated with a given quantity of RNG varies depending on the pathway approved for each specific RNG producer. The M.J. Bradley & Associates (“MJB&A”) study cited in the *Petition* footnote 5, and referred to in the Company’s response to Department Information Request No. 29, estimates that, in January 2017, the average LCFS credit value per MCF of RNG was \$5 for non-California landfills and \$24 for RNG generated by dairy operations, with the per MCF values of other RNG sources falling in between. See Pye Russell, Dana Lowell, and Brian Jones, *Renewable Natural Gas: The RNG Opportunity for Natural Gas Utilities*, M.J. Bradley & Associates, Figure 4, (April 2017) available at <https://www.mjbradley.com/reports/renewable-natural-gas-rng-opportunity-natural-gas-utilities>. (This translates to an LCFS credit value range of about \$5 to about \$24 per MMBTU or Dth, and about \$0.50 to about \$2.40 per therm.) However, the MJB&A study based its analysis on the then-current LCFS credit value of \$89 per avoided metric ton of CO₂. According to the weekly LCFS Credit Transfer Activity Reports, the cost of an LCFS credit per avoided ton of CO₂ emissions has ranged from \$107.50 to \$191.50 during the week of October 1, 2018 to October 7, 2018 and averaged \$172.33 during that time. See <https://www.arb.ca.gov/fuels/lcfs/credit/lrtweeklycreditreports.htm>.

D. CenterPoint Energy is not aware of any policy tools that focus specifically on increasing the use of RNG for electric generation. Minnesota allows the use of landfill gas and other biogenic methane to qualify for the state’s renewable electricity standard (Minn. Stat. § 216B.1691) along with other generation technologies including wind and solar. The Company believes other states with renewable portfolio standards may have similar provisions. Minnesota’s Renewable Energy Production Incentive (Minn. Stat. § 216C.41) supported on-farm biogas recovery facilities, but defined those facilities such that only biogas used to generate electricity would qualify; the incentives authorized under that statute expired at the end of 2017. It is also important to note that biogas does not need to be refined to pipeline quality RNG to be burned for electricity generation.

While it would likely be possible under many states’ laws (including Minnesota’s) to claim renewable credits for using pipeline quality RNG for electricity generation, CenterPoint Energy’s understanding is that, in the United States, little pipeline quality RNG is used to generate electricity

because of high credit values for use of RNG as a vehicle fuel and the availability of less expensive sources of renewable electric generation. *See generally* Rebecca Gasper and Tim Searchinger, *The Production and Use of Renewable Natural Gas as a Climate Strategy in the United States*, *World Resources Institute*, p. 15 (April 2018) available at <http://www.wri.org/publication/renewablenatural-gas>.

E. As stated in response to part D, CenterPoint Energy is not aware of any policy tools that focus specifically on increasing the use of RNG for electric generation.

F&G. (i) LCFS credits are transferable and transfers must be registered in the LCFS Reporting Tool and Credit Bank & Transfer System (“LRT-CBTS”). *See* Title 17 of the Cal. Code Regs. tit. 17, § 95487(c). (ii) LCFS credits do not expire. *See* California Air Resources Board, Low Carbon Fuel Standard Regulatory Guidance 16-05 (May 2016) https://www.arb.ca.gov/fuels/lcfs/guidance/regguidance_16-05.pdf. (iii) LCFS credits may be sold or purchased and sales or purchases must be registered in the LRT-CBTS. *See* Title 17 of the Cal. Code Regs. tit. 17, § 95487(c). (iv) LCFS credits are tracked in the LRT-CBTS. *See* <https://www.arb.ca.gov/fuels/lcfs/reportingtool/datamanagementsystem.htm>.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 036	<p>Topic: Renewable Natural Gas</p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>On pages 8-9 of its Petition, the Company stated the following:</p> <p style="padding-left: 40px;">Because RNG is interchangeable with conventional natural gas, it represents an opportunity to reduce fossil fuel consumption in natural gas end uses like space heating while leveraging existing natural gas transmission, storage, and distribution infrastructure.</p> <p style="padding-left: 40px;">... Currently there are two primary policy tools driving the production of RNG, both of which focus on increasing the use of RNG as a vehicle fuel.</p> <p style="padding-left: 40px;">... The federal Renewable Fuel Standard (RFS) also creates a system of credits, Renewable Identification Numbers (known as RINs) for which RNG can be eligible; as with the LCFS, the source of the RNG can affect the resulting RIN value. Importantly, the same unit of RNG can qualify for both the LCFS and the RFS, significantly increasing its value. Combined, these two policies result in a total value for RNG that is currently averaging around \$35 per MMBTU, of which only around \$4 is represented by the commodity value of the gas.</p> <p>(a) Please explain if there are any policy tools (for example, credits) driving the production of renewable natural gas (RNG) that focus on increasing the use of RNG that results in the reduction of fossil fuel</p>

Response By: Erica Larson

Title: CIP Regulatory Analyst

Department: Regulatory

Telephone: 612-321-4334

consumption as mentioned in the above Petition excerpt.

(b) For each and all sources of RNG please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm, basis) of the Renewable Identification Numbers (RINs) credits referenced in the above Petition excerpt.

(c) For each and all sources of RNG please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm basis) of any and all credits identified in your response to part (a).

(d) Please explain if there are any policy tools (for example, credits) driving the production of RNG that focus on increasing the use of RNG for electric generation.

(e) For each and all sources of RNG please separately provide the associated value (on per MCF, per MMBTU, per Dth, and per therm basis) of any and all credits identified in your response to part (d).

(f) For each and all of the Company's responses to parts (a) through (e) above,

(i) please explain if the credits are transferable.

(ii) please explain if the credits expire.

(iii) please explain if the credits can be sold or purchased.

(iv) please explain if the credits are trackable.

(g) For each and all of the Company's responses to part (f), items (i) through (iv) above, please explain if the actions in question are done on an established platform (for example, a trading platform, market et cetera) or transacted between parties.

Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

A & C. See CenterPoint Energy Resources Corp.'s , d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") Response to Department Information Request 35, Parts A&C.

B. One MMBTU of RNG, if used as a vehicle fuel, can create approximately 12 RINs. 40 C.F.R. § 80.1415(b)(5). Depending on source and lifecycle GHG emissions, RNG may qualify for cellulosic (D-3) or advanced biofuel (D-5) RINs. In 2018, the weekly volume-weighted average value of D-3 cellulosic RINs traded in the EPA Moderated Transaction System has ranged from \$1.05 to \$2.80 per RIN, while the value of D-5 advanced biofuel RINs has ranged from \$0.21 to \$0.99 per RIN. See <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information#regulatory-categories> (data is only updated through August as of October 15, 2018). Accordingly, the weekly volume-weighted average value of D-3 RINs has ranged from about \$12.60 to \$33.60 per MCF, about \$12.60 to about \$33.60 per MMBTU or Dth, and about \$1.26 to about \$3.36 per therm; the value of D-5 RINs has ranged from \$2.52 to \$11.88 per MCF, about \$2.52 to about \$11.88 per MMBTU or Dth, and about \$0.25 to about \$1.18 per therm.

D & E. See the Company's Response to Department Information Request 35, Parts D&E.

F & G. (i) RINs are transferable, and transactions must be recorded in the EPA moderated transaction system ("EMTS"). (ii) RINs may only be used in the year they are generated or the following compliance year. (iii) RINs can be sold or purchased and transactions must be recorded in EMTS. (iv) RINs are tracked in EMTS. *See* Renewable Identification Numbers (RINs) under the Renewable Fuel Standard Program, <https://www.epa.gov/renewable-fuel-standard-program/renewable-identification-numbers-rins-under-renewable-fuel-standard>.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 037	<p>Topic: RNG</p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>A. Please separately provide commodity and demand portion of the “general portfolio” costs, on a monthly and annual basis for the last five years. The respective year herein refers to the Company’s typical fiscal year ending on June 30.</p> <p>B. As part of your response to part (a) above, please provide the cost and quantity in therms, MCF, MMBTU and Dth.</p> <p>C. Please separately provide the value of the Low Carbon Fuel Standard (LCFS) emission credits referenced in the Company’s Petition, on a monthly and annual basis for the last five years. The respective year herein refers to the Company’s typical fiscal year ending on June 30.</p> <p>D. As part of your response to part (c) above, please provide the value in therms, MCF, MMBTU and Dth.</p> <p>E. Please separately provide the value of the Renewable Identification Numbers (RINs) credits referenced in the Company’s Petition, on a monthly and annual basis for the last five years. The respective year herein refers to the Company’s typical fiscal year ending on June 30.</p> <p>F. As part of your response to part (E) above, please provide the value in</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

therms, MCF, MMBTU and Dth.

Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

A & B. See CenterPoint Energy Resources Corp.'s, d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") response to Department Information Request No. 32. Note that 1 Dth equals 10 therms and 1 Dth approximately equals 1 MMBTU and 1 MCF.

C&D. The Company does not maintain this data and did not rely on it in preparation of the *Petition*. However, the Company is aware that monthly LCFS credit transfer activity reports are available at <https://www.arb.ca.gov/fuels/lcfs/credit/lrtmonthlycreditreports.htm>. As described in the Company's response to Department Information Request No. 35, Part B, LCFS credit values cannot be quantified in terms of therms, MCFs, MMBTUs, or Dths unless a particular RNG producer is specified.

E&F. The Company does not maintain this data and did not rely on it in preparation of the *Petition*. However, the Company is aware that EPA provides data on average volume-weighted weekly pricing at <https://www.epa.gov/fuels-registration-reporting-and-compliance-help/rin-trades-and-price-information>. See CenterPoint Energy's Response to Department Information Request No. 36, Part B, for a description of the relationship between RIN pricing and price per therms, MCF, MMBTU and Dth.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 039	<p>Topic: <i>[blank]</i></p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>On page12 of its Petition, the Company stated the following:</p> <p style="padding-left: 40px;">... The Company has received indicative pricing from potential suppliers suggesting that \$3.50 per therm is a reasonable estimate for current RNG commodity prices; the Company has used this figure in estimating the total Pilot Charge.</p> <ol style="list-style-type: none"> a. Please separately provide the RNG commodity prices (net of any credits) on a monthly and annual basis for the last five years. The respective year herein refers to the Company’s typical fiscal year ending on June 30. b. As part of your response to part (a) above, please provide the commodity prices in therms, MCF, MMBTU, and Dth. c. Please separately provide the RNG commodity prices (inclusive of any and all credits) on a monthly and annual basis for the last five years. The respective year herein refers to the Company’s typical fiscal year ending on June 30. d. As part of your response to part (c) above, please separately identify, and provide, the commodity and “credits” values in therms, MCF, MMBTU, and Dth.

Response By: Erica Larson

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Department: Regulatory

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Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

CenterPoint Energy Resources Corp.'s, d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") does not have monthly or annual information on RNG commodity prices, with or without credit values. See CenterPoint Energy's Response to Department Information Request No. 29 for general information on RNG pricing and the relationship between RNG prices and credit values.

State of Minnesota
Department of Commerce

DOC Attachment 1
Page 18 of 19
IR 40 p. 1 of 2

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 040	<p>Topic: <i>[blank]</i></p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>A. For each and all of the credits (other than RIN and LCFS) identified by the Company in its responses, please separately provide their respective values on a monthly basis from July 2018 to the most recent month available.</p> <p>B. As part of your response to part (a) above, please provide the value in therms, MCF, MMBTU, and Dth.</p> <p>C. For both the RIN and LCFS credits, please separately provide their respective value on a monthly basis from July 2018 to the most recent month available.</p> <p>D. As part of your response to part (C) above, please provide the value in therms, MCF, MMBTU, and Dth</p> <p>Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.</p> <p>If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).</p>

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Response:

A&B. CenterPoint Energy Resources Corp.'s, d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") has not identified any credits for RNG other than RINs and LCFS credits.

C&D. CenterPoint Energy does not maintain information on the monthly value of RIN and LCFS credits. See CenterPoint Energy's Response to Department Information Request No. 37, Parts C-F, for some possible sources for the requested information.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/12/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/22/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 033	<p>Topic: Renewable Natural Gas</p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>On the first page of its Petition, the Company stated the following:</p> <p style="padding-left: 40px;">It would further Minnesota policy goals to increase the proportion of the state’s energy derived from renewable resources, and it would answer customer demand for renewable energy options.</p> <p>(a) Please explain and quantify the “increase [in] the proportion of the state’s energy derived from renewable resources” the Company is referring to, as mentioned above.</p> <p>Please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.</p> <p>If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or the “Company”) estimates that it will sell approximately 14,842 Dth of RNG through the voluntary program in the first year and 29,685 Dth of RNG in each subsequent year. (As described in</p>

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the Company's response to OAG Information Request No. 7, these estimates assume 1 percent of residential customers will participate at \$10 per month, modest commercial or industrial customer participation, and lower participation for both residential and commercial or industrial customers in the first year of the program.) In both cases, the estimated quantity for RNG sold would be less than 1 percent of CenterPoint Energy's total 2017 natural gas sales. Accordingly, the quantity of RNG sold through the Pilot will not represent a substantial part of the state's total energy.

However, as the Company stated in the *Petition*, page 6, the Company believes that voluntary RNG programs, such as the proposed Pilot, are a logical first step toward developing a stronger RNG market. By aggregating the demand of interested customers the Company aims to help grow the RNG market, in the same way that voluntary renewable electric programs helped support the early development of the renewable electricity market. As described in the Company's response to Department Information Request No. 5, RNG has the potential to supply a substantial portion of the nation's total natural gas deliveries. If the RNG market reaches its potential, it may represent a substantial portion of the state's total energy.

**State of Minnesota
Office of the Attorney General**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 8/31/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 9/13/2018

Analyst Requesting Information: Joseph Dammel

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
OAG 007	<p>Reference: Petition at 16</p> <p>Provide the Company's projections for the number of participants enrolled and the amount of RNG purchased for each reporting period of the five-year pilot (Initial Enrollment – Program Year 5). Break down each program year by customer class.</p> <p>Response:</p> <p>The requested estimates are provided in the attachment. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") does not have estimates broken down by customer class except that it has estimates for residential and commercial/industrial (C/I) customers. The Company also does not have estimates for enrollment in the initial enrollment period separated from enrollment during the first program year. Note that, due to rounding, the total RNG purchased may not equal the sum of the C/I and residential quantities.</p> <p>The estimated enrollment and RNG purchases were based on an assumption of one percent of residential customers participating in the Pilot and a subscription level of \$10 of RNG per month. The Company also assumed that only a small number of commercial or industrial customers will participate and that those customers subscribe for \$300 of RNG per month. For these estimates, the Company assumed that participation will be halved in the first program year and that it will not increase beyond one percent of residential customers.</p>

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**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 005	<p>Topic: Renewable Natural Gas Production Development</p> <p>Please briefly explain, discuss, and provide recent reference material on the current outlook for the development and construction of renewable natural gas production a) nation-wide, and b) proximate to CenterPoint's secured gas transportation network to serve Minnesota-destined consumption.</p> <p>Response:</p> <p>Nationwide the production of RNG for transportation fuel has been increasing dramatically and is expected to continue to increase. The Coalition for Renewable Natural Gas reports that RINs were issued for 32.5 million gallons of RNG in 2014 and for 240 million gallons in 2017 and expects that production of RNG for transportation fuel will increase by more than a factor of ten in the next five years. Anne Steckel, <i>Challenges and Opportunities for Increased Development and Utilization of Renewable Natural Gas</i>, The Coalition for Renewable Natural Gas, p. 3 (2018), available at: https://static1.squarespace.com/static/53a09c47e4b050b5ad5bf4f5/t/5b3508571ae6cf6de3873d7d/1530202200732/Challenges+26+Opportunities+for+Increased+Development+and+Utilization+of+Renewable+Natural+Gas+.pdf.</p> <p>The total potential for RNG from anaerobic digestion has been estimated at 2.4 TCF, which is equal to almost ten percent of U.S. natural gas deliveries. Pye Russell, <i>et al.</i>, <i>Renewable Natural Gas: The RNG Opportunity for Natural Gas Utilities</i>, M.J. Bradley & Associates, p. 5 (April 2017), available at https://www.mjbradley.com/sites/default/files/MJB%26A_RNG_Final.pdf ("MJB&A Report"). RNG produced via gasification</p>

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Department: Regulatory

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technology may also be an important source of RNG going forward. A recent Oregon Department of Energy study estimated that RNG produced in Oregon using anaerobic digestion could satisfy 4.6 percent of Oregon's total yearly natural gas use, but that RNG produced in Oregon using thermal gasification could satisfy 17.5 percent of Oregon's total natural gas use. Oregon Department of Energy, Biogas and Renewable Natural Gas Inventory, Report to the Oregon Legislature, p. ii (September 2018), available at <https://www.oregon.gov/energy/Data-and-Reports/Documents/2018-RNG-Inventory-Report.pdf>. Other methods of creating renewable natural gas, such as power-to-gas and artificial photosynthesis could also increase available supply. MJB&A Report at 2.

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") is aware of at least one active and several potential RNG producers in Minnesota. A few producers or potential producers have expressed interest in interconnecting to the Company's distribution system. However, the primary interest of these producers has been to access the Company's distribution system in order to transport their RNG for sale as a vehicle fuel (in order to generate RINs and/or LCFS or other credits) rather than to sell the RNG to LDCs. The Company is also aware that the California Air Resource Board has approved several fuel pathways for Minnesota RNG producers; fuel pathway approval is necessary for the generation of LCFS credits. Approved pathways are listed at <https://www.arb.ca.gov/fuels/lcfs/fuelpathways/pathwaytable.htm>. Note that the existence of an approved pathway does not necessarily indicate that a given facility is currently producing RNG. Also note that not all projects in Minnesota will be located proximately to CenterPoint Energy's distribution system.

One RNG producer is currently interconnected with the Company's Minnesota distribution system. The Company purchases the RNG, without the associated environmental attributes, from the producer. Because the purchase agreement is only for the gas commodity and does not include the transfer of associated environmental attributes to the Company, this RNG would not be eligible to supply the proposed program without a modification to the terms of the purchase agreement.

The Company expects that additional information about the outlook for sources of RNG may also exist.

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 006 P	<p>Topic: RNG Affiliation</p> <p>Please explain and disclose any and all affiliations that CenterPoint Energy has with any existing or in-progress renewable natural gas operations.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp.'s, d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") has designated selected information in this response as trade secret. The information meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the information was supplied by the Company, the affected organization; (2) the Company has taken all reasonable efforts to maintain the secrecy of the information, including protecting it from disclosure in this proceeding; and (3) the information includes the name of a CenterPoint Energy gas supplier, which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from their disclosure or use.</p> <p>One RNG producer, [Trade Secret Information Begins Here] ... [Trade Secret Information Ends Here], is currently interconnected with CenterPoint Energy's distribution system. The Company purchases the RNG, without the associated environmental attributes, from the producer. Because the purchase agreement is only for the gas commodity and does not include the transfer of associated environmental attributes to the Company, this RNG would not be eligible to supply the proposed program without a modification to the terms of the purchase agreement. A few other producers or potential producers have expressed interest in interconnecting with the</p>

Response By: Erica Larson
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Company's distribution system.

CenterPoint Energy Services, Inc., an unregulated affiliate of the Company, is a provider of competitive energy services. It is the Company's understanding that CenterPoint Energy Services, Inc. has made various arrangements with renewable natural gas producers and is a certified RIN generator.

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: 0

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 016	<p>Topic: Minnesota RNG Producers</p> <p>Please explain and identify any and all of the existing and/or near-completed RNG producing facilities located in Minnesota.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, ("CenterPoint Energy" or the "Company") does not have the information necessary to identify all existing and/or near-completed RNG producing facilities located in Minnesota. The Company is aware of at least one active and several potential RNG producers in Minnesota. A few producers or potential producers have expressed interest in interconnecting to the Company's distribution system. The Company is also aware that the California Air Resource Board has approved several fuel pathways for Minnesota RNG producers; fuel pathway approval is necessary for the generation of LCFS credits. Approved pathways are listed at https://www.arb.ca.gov/fuels/lcfs/fuelpathways/pathwaytable.htm. Note that the existence of an approved pathway does not necessarily indicate that a given facility is currently producing RNG.</p> <p>One RNG producer is currently interconnected with the Company's Minnesota distribution system. The Company purchases the RNG, without the associated environmental attributes, from the producer. Because the purchase agreement is only for the gas commodity and does not include the transfer of associated environmental attributes to the Company, this RNG would not be eligible to supply the proposed program without a modification to the terms of the purchase agreement.</p>

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**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/17/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/29/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 044	<p>Topic: <i>[blank]</i></p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>On page 12 of its Petition, the Company stated the following:</p> <p style="padding-left: 40px;">The Company estimates it will incur approximately \$390,000 in marketing and administrative costs before and during the first year of program operation and approximately \$236,000 annually thereafter in continuing administrative and marketing costs. To the extent that revenues are insufficient to cover marketing and administrative expenses, the Company seeks to defer those expenses until the conclusion of the Pilot, at which point it will propose a plan for recovery of remaining marketing and administrative expenses.</p> <p>a. Please explain and separately provide all of the Company’s assumptions for its statement that “it will incur approximately \$390,000 in marketing and administrative costs before and during the first year of program operation”.</p> <p>b. As part of your response to part (a) above, please provide all the assumptions including but not limited to, for example, the number of participant(s), the customer class of the participant(s), the actual monthly and annual usage per participant, the actual monthly and annual weather normalized usage per participant, et cetera, in sufficient detail to fully replicate the Company’s statement referenced in part (a) above.</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

- c. Please explain and separately provide all of the Company's assumptions for its statement that "it will incur approximately \$236,000 annually thereafter in continuing administrative and marketing costs".
- d. As part of your response to part (c) above, please provide all the assumptions including but not limited to, for example, the number of participant(s), the customer class of the participant(s), the actual monthly and annual usage per participant, the actual monthly and annual weather normalized usage per participant, et cetera, in sufficient detail to fully replicate the Company's statement referenced in part (c) above.

Where applicable, please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

The attached spreadsheet itemizes the CenterPoint Energy Resources Corp's., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") estimates for marketing and technical operations expenses. Marketing expenses total \$226,600 for the first year and \$171,200 in subsequent years. Technical operations expenses total \$98,550 and are included only in the Company's first year cost estimate. In addition to the expenses itemized in the spreadsheet, the Company estimated \$65,000 in annual costs for the employment of a half-time program administrator for the Pilot. The Company's estimates for administrative and marketing expense were not calculated using estimates of the number of participants, customer class of participants, or participant usage.

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas
 RESPONSE TO DOC IR 44 DOCKET NO. G008/M-18-547

Technical Operations Costs

Processes	Requirements	Detail	Estimate (Hours)	Estimate at \$135/hour	Assumptions
Anaylsis	user requirements gathering		40	\$5,400	
Proof of Concept	TO		40	\$5,400	
Web	Design/development/test		170	\$22,950	changes to the following will not occur:
CSR tool	Enrollment		60	\$8,100	CSRs will be able to make changes to customer's accounts.
Rate Structure	rate		110	\$14,850	
Billing periods	Start date		50	\$6,750	
	End date			\$0	
	GCOM - initial program is for 24 months, then renwal is 12 months (annually)	Commercial - Signs up for initial 24 months. After that they can renew for an additional 12 months. At the end of that 12 months, they can renew again for 12 months.		\$0	
	GRES - initial program is for 12 months and then renewal is month by month	Residential - Signs up for initial 12 months. Then they have the option of staying on the program month by month. Sign up can be any month and runs for 12 months from then.		\$0	
Billing Calculations	Quantity X Set Price		120	\$16,200	
Invoice processing and display	New line items/table updates/development/testing/		80	\$10,800	
Testing/regression testing			60	\$8,100	
Total			730	\$98,550	

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas
RESPONSE TO DOC IR 44 DOCKET NO. G008/M-18-547
First Year Marketing Costs

Activity	Estimated Cost
Bill insert #1 new creative	\$9,100
Bill insert #2 reprint of #1	\$8,000
Bill insert #3 refresh creative	\$8,500
Bill insert #4 reprint of #3	\$8,500
Bill insert #5 refresh creative	\$8,500
Onsert #1 new creative	\$1,500
Onsert #2 pick-up of #1	\$500
Onsert #3 new creative	\$1,500
Onsert #4 pick-up of #3	\$500
Email Campaign #1 ALL	\$4,000
Email Campaign #2 SEG	\$4,000
Email Campaign #3 TO RNG sign-ups	\$5,000
Email Campaign #4 ALL second message	\$2,000
Direct Mail	\$30,000
Website - landing pages, ads, feature articles	\$10,000
Digital Media Campaign	\$35,000
Production/Creative (video, fact sheets, etc.)	\$20,000
C&I (enewsletters, emails, direct mail, signage at events, etc.)	\$50,000
PR/Communications Expenses	\$10,000
Trademark expenses	\$10,000
	\$226,600

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas
RESPONSE TO DOC IR 44 DOCKET NO. G008/M-18-547
Subsequent Year Marketing Costs

Activity	Estimated Cost
Bill insert #1	\$9,100
Bill insert #2	\$8,500
Bill insert #3	\$9,100
Bill insert #3	\$8,500
Onsert #1	\$1,500
Onsert #2	\$500
Onsert #3	\$1,500
Onsert #4	\$500
Email Campaign #1	\$2,500
Email Campaign #2	\$1,500
Email Campaign #3	\$2,500
Email Campaign #4	\$1,500
Direct Mail or new tactic depending on how DM performed	\$30,000
Website - ads, feature articles	\$4,000
Digital Media Campaign or new media tactic depending on performance	\$35,000
Creative production	\$5,000
C&I (enewsletters, emails, direct mail, signage at events, etc.)	\$45,000
PR/Communications Expenses	\$5,000
	\$171,200



David S. Maquera
Attorney
(313) 235-3724

February 21, 2012

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, Suite 15
Lansing, MI 48909-7721

Re: In the matter of the request of **Michigan Consolidated Gas Company** seeking
authority to implement a BioGreen Gas Pilot Program
Case No. U-16975

Dear Ms. Kunkle:

Attached for electronic filing in the above-captioned matter, please find Ex-Parte Application of Michigan Consolidated Gas Company Seeking Authority to Implement a Green Gas Program with Supporting Affidavits. Also attached is a Proof of Service.

Very truly yours,

David S. Maquera

DSM/lah
Attachments
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of **Michigan**)
Consolidated Gas Company seeking authority)
to implement a BioGreen Gas Pilot Program)
_____)

Case No. U-16975
(Paperless e-file)

**EX PARTE APPLICATION OF MICHIGAN CONSOLIDATED GAS COMPANY
SEEKING AUTHORITY TO IMPLEMENT A GREEN GAS PROGRAM**

Michigan Consolidated Gas Company (hereinafter “Applicant”, “Company” or “MichCon”), files this Application requesting authority from the Michigan Public Service Commission (hereinafter “Commission” or “MPSC”) to implement a Natural Gas Renewable Resource Pilot Program (“BioGreenGas”). MichCon intends at this time to offer the BioGreenGas program as a voluntary pilot program, where only customers making an affirmative choice to participate would be assessed a surcharge to recover the cost of the landfill gas premium. In support thereof, Applicant states as follows:

1. MichCon is a subsidiary of DTE Energy Company, a Michigan corporation with its principal offices located at One Energy Plaza Detroit, Michigan, 48226. MichCon is a public utility subject to the jurisdiction of the Michigan Public Service Commission and is engaged in the acquisition, storage, transportation, distribution and sale of natural gas and other related services to approximately 1.2 million residential, commercial and industrial customers within the State of Michigan.

2. MichCon is currently providing service to its retail natural gas transportation, storage and distribution customers under rates, terms and conditions established in the

Commission's June 3, 2010 Order in Case No. U-15985. MichCon implemented the rates approved in Case No. U-15985 for all services rendered on and after June 4, 2010.

3. Recently, MichCon conducted product feasibility studies to, (a) assess the general attitude toward renewable natural gas, (b) gauge the level of customer interest in a renewable natural gas product, and (c) understand customer expectations, preferences, and aversions to a renewable natural gas product offering. Forty percent (40%) of research participants expressed interest in subscribing to a renewable natural gas product offering from the Company.

MichCon's customers' described values and reasons to participate included: (a) help sustain the environment, (b) use a resource already produced, (c) support alternative energy initiatives, (d) reduce emissions, pollutants and greenhouse gases, (e) support alternative energy initiatives to help lower costs in the long-term.

4. Based on its research result, MichCon is seeking in this Application, as supported by the attached Affidavits, the Commission's *Ex Parte* approval to implement the BioGreenGas pilot program. BioGreenGas will be marketed as a voluntary program to residential customers (Gas Cost Recovery) where they elect to pay a renewable resource premium to support the consumption and development of natural gas generated from renewable biogas resources.

5. MichCon proposes to market BioGreenGas as a pilot program for a period of up to 18 months. If customer acceptance of BioGreenGas is determined favorable, then MichCon may file a revised *Ex Parte* Application for Commission approval to expand BioGreenGas and extend the program's duration and or scope. If the Company determines that a revised filing is necessary, then MichCon expects to make such a filing during the pilot period so that pilot subscribers will not experience an interruption between the end of the pilot and the beginning of the modified program. If BioGreenGas is undersubscribed during the 18-month period, then the

program will be capped at month 19. If capped, then current subscribers participating in the pilot at month 19 can remain on the program until the revenue receipts equal the landfill gas premium, which will not exceed a 24-month period. Under this scenario at month 25, MichCon would officially close the program and subscribers would be notified of the termination.

6. The cost of the gas for this program will not be included in the GCR cost of gas sold, and therefore this program will have no effect on MichCon's GCR customers who do not elect to enroll in the pilot.

7. MichCon will ensure that it is clear in the Company's GCR filings that none of the BioGreenGas costs are included in the booked cost of gas sold. Specifically, when landfill gas is purchased for this pilot program, the costs of the purchase will be recorded to account 813, Other Gas Supply Expenses. When that gas is sold, as described in the affidavit of Eric W. Clinton, the dollars received from that sale will be credited to account 813. A unique sub-account within account 813 will be established to capture the costs from the BioGreenGas program to ensure they are excluded from costs included in the GCR. The difference between the original purchase and the re-sale into the market represents the premium paid for the environmental benefits of the landfill gas. The revenue received from customers participating in the BioGreenGas program will be credited to account 495, Other Gas Revenues. The program is designed such that the revenue billed will cover the landfill gas premium, with no profit or loss, the total revenue accumulated in account 495 for the life of the pilot program is expected to equal the net expense booked to account 813. Any income or loss resulting from actual results differing from the plan design, are expected to be immaterial.

8. Additional details and support for the BioGreenGas pilot program are provided by the accompanying affidavits of Ms. Marca M. Brown, Mr. James A. Brunell, Mr. Eric W. Clinton, and Mr. Peter M. Rynearson attached to this Application.

9. The BioGreenGas pilot program details are contained in a proposed tariff sheet, Standard Contract Rider No. 1 “Pilot BioGreenGas Program, attached to the affidavit of James A. Brunell as Exhibit JAB-1.

10. At this time, MichCon is not requesting any change in the rates or cost of service to any customers other than those that voluntarily choose to participate in the BioGreenGas pilot program. Further, the accounting authority requested in this Application does not preclude parties in future general rate cases from challenging the recovery resulting from such accounting authority. Thus, the approval of the voluntary BioGreenGas pilot program tariff, may be authorized by the Commission without notice or hearing as provided by MCL 460.6a; MSA 22.13(6a).

WHEREFORE, Applicant requests that this Commission and enter an ex parte final order that:

- A. Accepts for filing this *Ex Parte* Application and the accompanying Standard Contract Rider No. 1 “Pilot BioGreenGas Program.”;
- B. Approves Applicant’s BioGreenGas pilot program proposal as described in this Application and the attached affidavits of Ms. Marca M. Brown, Mr. James A. Brunell, Mr. Eric W. Clinton, and Mr. Peter M. Rynearson;
- C. Approves MichCon’s attached Standard Contract Rider No. 1 “Pilot BioGreenGas Program”;

- D. Authorize Applicant to amend its Schedule of Rates to include the attached Standard Contract Rider No. 1 "Pilot BioGreenGas Program"; and
- E. Grant Applicant such further additional relief and authority, as the Commission may deem necessary, suitable and appropriate.

Respectfully submitted,

MICHIGAN CONSOLIDATED GAS COMPANY

By: _____
Richard P. Middleton (P41278)
David S. Maquera (P66228)
One Energy Plaza, 688 WCB
Detroit, Michigan 48226
(313) 235-3724

Dated: February 21, 2012

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
MICHIGAN CONSOLIDATED GAS COMPANY)
for authority to implement a BioGreenGas pilot)
program)
)
)
_____)

Case No. U-16975
(Paperless e-file)

AFFIDAVIT OF Marca M. Brown

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

1. I am a Marketing Program Manager in Gas Sales & Marketing for Michigan Consolidated Gas Company (MichCon or Company). I graduated from Michigan State University with a Bachelor of Science in Engineering Arts. I also graduated with a Master of Business Administration (MBA) from the University of Michigan Business (Ross School of Business). Upon earning my MBA, I worked for Masco Corporation in various marketing capacities (including management) for 9 years. Following Masco Corporation I joined Visteon Corporation, where I held various customer-facing marketing positions, including Customer Marketing Manager and Senior Manager of Market Development. In July 2011, I joined MichCon as a Marketing Program Manager responsible for

creating the framework, formal structure and strategic planning process for the Gas Sales & Marketing organization. In January 2012, my role expanded and I assumed marketing responsibility for the residential market.

2. As Marketing Program Manager for MichCon, I am responsible for developing value-added programs and services for the residential market segment.
3. With this Filing, MichCon is seeking the Michigan Public Service Commission's (Commission) Ex Parte approval to implement a Natural Gas Renewable Resource Pilot Program (BioGreenGas). BioGreenGas will be marketed as a voluntary program to residential customers (Gas Cost Recovery) where they elect to pay a renewable resource premium to support the consumption and development of natural gas generated from renewable biogas resources.
4. MichCon conducted product feasibility studies to (a) assess the general attitude toward renewable natural gas, (b) gauge the level of customer interest in a renewable natural gas product, (c) understand customer expectations, preferences, and aversions of a renewable natural gas product offering. The research concluded that 40% of research participants expressed interest in subscribing to a renewable natural gas product offering from the Company. Customer described value and reasons to participate include (a) help sustain the environment, (b) use a resource already produced, (c) support alternative energy initiatives, (d) reduce emissions, pollutants and greenhouse gases, (e) support alternative energy initiatives to help lower costs in the long-term.

5. Customers enrolled in the BioGreenGas pilot program will pay a fixed price of \$2.50/month and can withdraw from the program following one complete billing period. The pilot will be limited to the first 2,000 customers that elect to participate. Incoming revenue from customer payments will be utilized to recover the cost of the landfill gas premium. The landfill gas premium represents the cost of the environmental attributes associated with landfill gas which does not include the cost of the actual natural gas commodity. All additional costs to administer the pilot program including Marketing, and Information Technology development estimated at \$100,000, will be absorbed by the Company. Therefore, the pilot, as designed, is financially unfavorable and will lose money.
6. Favoring Michigan-based facilities, MichCon will seek the procurement of the renewable landfill gas from a local source.
7. It is expected that the pilot program will be marketed for a period up to 18 months. If customer acceptance of BioGreenGas is determined favorable, then MichCon may file a revised Ex Parte Application for Commission approval to appropriately modify the BioGreenGas program. The potential filing would occur during the pilot period so that pilot subscribers will not experience an interruption between the pilot and modified program. If BioGreenGas is undersubscribed during the 18-month period, then the program will be capped at month 19. If capped, then current subscribers participating in the pilot at month 19 can remain on the program until the revenue receipts equal the landfill gas premium,

which will not exceed a 24-month period. At month 25, the program will officially close and subscribers will be notified of the program termination.

8. The above representations are true and accurate to the best of my knowledge and belief. Commission approval of the BioGreenGas pilot program that I have described above will not cause alteration or amendment to MichCon's rates or rate schedules for any non-participating MichCon customers.

Marca M. Brown

Subscribed and sworn to before me
this 21st day of February, 2012.

Marilyn Y. Oliver, Notary Public
Wayne County, Michigan
My Commission Expires: 3-26-2015

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
MICHIGAN CONSOLIDATED GAS COMPANY)
for authority to implement a BioGreenGas pilot)
program)
_____)

Case No. U-16975
(Paperless e-file)

AFFIDAVIT OF James A. Brunell

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

James A. Brunell, being first duly sworn, deposes and says:

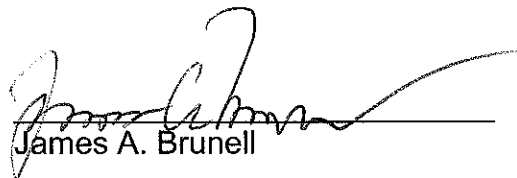
1. I am a consultant in Regulatory Affairs department at DTE Energy Corporate Services, LLC. I graduated from the University of Massachusetts. I began my career at DTE Energy in 2000 as a Senior Regulatory Strategist in the Regulatory Policy and Operations Department. In 2001, I began working as a Consultant in the Federal Regulatory group, which is a subset of the Regulatory Policy and Operations department, where my focus was transmission rates and transmission rate design. I also managed the Company's Market Based Rates (MBR) filings before the Federal Energy Regulatory Commission (FERC). In 2008, I began the transition from working on predominantly

Federal electric issues to working on cases for Michigan Consolidated Gas Company (MichCon) before the Michigan Public Service Commission (Commission).

2. In my current role, I manage MichCon's Gas Cost Recovery (GCR) cases before the MPSC.
3. With this filing, MichCon is seeking the Commission's ex parte approval of its request to implement the BioGreenGas pilot program, which is described in the affidavit of Marca M. Brown.
4. Participation in the BioGreenGas pilot program will be voluntary. Customers will have to make an affirmative election in order to be enrolled. Upon enrollment, each participating customer will be charged two dollars and fifty cents per month. Enrolled customers will be able to cancel their participation following one complete billing period. This pilot program's enrollment will be capped at 2,000 customers. If the program is successful, a new application may be made with the Commission to expand and or extend the pilot. If the program is not expanded, it will either be terminated at the earlier of full recovery of BioGreenGas pilot program's landfill gas purchase premium or at the end of the twenty-fourth month operation. The BioGreenGas pilot program details are contained in a proposed tariff sheet, attached to this affidavit as exhibit JAB-1
5. The cost of the gas for this program will not be included in the GCR cost of gas sold, and therefore this program will have no effect on MichCon's

GCR customers who do not elect to enroll in the pilot. The accounting for the gas costs of this project are described in the affidavit of Peter M. Ryneerson. The Company will submit an informational filing after each twelve months of program operation and upon program termination detailing customer count, and program revenue by month.

6. The above representations are true and accurate to the best of my knowledge and belief. Commission approval of the BioGreenGas pilot program described in this Application and attached affidavits will not cause alteration or amendment to MichCon's rates or rate schedules for any non-participating MichCon customers.



James A. Brunell

Subscribed and sworn to before me
this 21st day of February, 2012.

Marilyn Y. Oliver, Notary Public
Wayne County, Michigan
My Commission Expires: 3-26-15

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of
MICHIGAN CONSOLIDATED GAS COMPANY
for authority to implement a BioGreenGas pilot
program

Case No. U-16975
(Paperless e-file)

AFFIDAVIT OF ERIC W. CLINTON

STATE OF MICHIGAN)
COUNTY OF WAYNE)ss.

Eric W. Clinton, being first duly sworn, deposes and says:

1. I am employed by Michigan Consolidated Gas Company ("MichCon" or "the Company") as a Principal Analyst in the Gas Supply and Planning Organization. I received a Bachelor of Business Administration degree in Finance in May 1999 from the University of Michigan - Flint. In addition, I have completed several courses and seminars related to utility accounting, economics, finance, and ratemaking.
2. As a Principal Analyst, my primary responsibilities include analyzing North American and global natural gas markets to develop appropriate gas supply strategies, administering MichCon's fixed price program, and developing long and short-term supply and interstate pipeline

transportation strategies. I am also responsible for the preparation of testimony and exhibits in Gas Cost Recovery ("GCR") plan and reconciliation proceedings for MichCon. In addition, I am directly involved in executing spot and term purchases of physical fixed price and indexed natural gas supply. Finally, I will be responsible for securing gas supply for the BioGreenGas pilot program.

3. The source of the natural gas supply for MichCon's BioGreenGas program will be a landfill located in the State of Michigan. MichCon plans to purchase 10,000 dekatherms (Dth) of natural gas from the landfill gas producer (LPG) at a price of \$10 per Dth totaling \$100,000.
4. Landfill gas requires a premium to the market price of natural gas as it is a renewable energy source with environmental attributes.
5. MichCon will immediately sell the 10,000 Dth of landfill gas purchased from the LPG into the market, but the sale will not include the environmental attributes, which will be retained by MichCon. For illustrative purposes only, assuming a market price of natural gas at \$3 per Dth, the resulting market sale will generate \$30,000. Therefore, the landfill gas purchase cost of \$100,000 less the amount resulting from the subsequent market sale of \$30,000 equals \$70,000 which is the realized landfill gas premium. The \$70,000 landfill gas premium represents the cost of the environmental attributes associated with landfill gas which excludes the cost of the actual natural gas commodity.
6. Based on the \$3 per Dth market price, the estimated landfill gas premium of \$70,000 will be recovered as MichCon collects revenue from

customers who are enrolled in the BioGreenGas Pilot Program.

7. The above representations are true and accurate to the best of my knowledge and belief.


ERIC W. CLINTON

Subscribed and sworn to before me
this 21st day of February, 2012.

Marilyn Y. Oliver, Notary Public
Wayne County, Michigan
My Commission Expires: 3-26-2015

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of **Michigan**)
Consolidated Gas Company seeking authority)
to implement a BioGreenGas Pilot Program)
_____)

Case No. U-16975
(Paperless e-file)

AFFIDAVIT OF PETER M. RYNEARSON

STATE OF MICHIGAN)
)ss.
COUNTY OF WAYNE)

Peter M. Rynearson, being first duly sworn, deposes and says:

1. I am Controller of Michigan Consolidated Gas Company (MichCon or Company) and other energy gas subsidiaries of DTE Energy. I graduated from Wayne State University in 1986 with a Bachelor of Arts in Business Administration and a major in accounting. I also graduated with a Master of Business Administration from the University of Michigan Business School (Ross School of Business) in 2010.
2. As Controller of MichCon, I am responsible for all areas of accounting and financial reporting including budgeting, forecasting, financial planning, project analysis, regulatory support and accuracy of financial statements.
3. With this Filing, and as is more fully described in the affidavit of Marca M. Brown, MichCon is seeking the Michigan Public Service

Commission's (Commission) ex parte approval of its request to implement the BioGreenGas pilot program.

4. The Company proposes to record the revenues and related cost of purchased gas for the pilot program in accounts that are not included in the GCR. As a result, the BioGreenGas pilot program will have no affect on the GCR cost of gas sold. Costs to administer the pilot are expected to be immaterial and will be expensed to Operations and Maintenance as incurred.
5. When landfill gas is purchased for this pilot program, the costs of the purchase will be recorded to account 813, Other Gas Supply Expenses. When that gas is sold, as described in the affidavit of Eric W. Clinton, the dollars received from that sale will be credited to account 813. A unique sub-account within account 813 will be established to capture the costs from the BioGreenGas program to ensure they are excluded from costs included in the GCR. The difference between the original purchase and the re-sale into the market represents the premium paid for the environmental benefits of the landfill gas.
6. As explained in the affidavit of Marca M. Brown, based on the results of the pilot, MichCon may choose to expand the program. Should an expansion occur, MichCon could request accounting authority to defer the landfill gas premium and amortize it over the related revenue collection period.
7. The revenue received from customers participating in the BioGreenGas

program will be credited to account 495, Other Gas Revenues. The program is designed such that the revenue billed will cover the landfill gas premium, with no profit or loss, the total revenue accumulated in account 495 for the life of the pilot program is expected to equal the net expense booked to account 813. Any income or loss resulting from actual results differing from the plan design, are expected to be immaterial.

8. The above representations are true and accurate to the best of my knowledge and belief. Commission approval of a BioGreenGas pilot program as described in this application and attached affidavits will not cause alteration or amendment to MichCon's rates or rate schedules for any non-participating MichCon customers.


PETER M. RYNEARSON

Subscribed and sworn to before me
this 21st day of February, 2012.

Marilyn Y. Oliver, Notary Public
Wayne County, Michigan
My Commission Expires: 3-26-2015

M.P.S.C. No. 5 – Gas
Michigan Consolidated Gas Company

Original Sheet No. D-21.00

Standard Contract Rider No. 1

Pilot BioGreenGas Program

Availability:

Participation in the pilot BioGreenGas program is voluntary. Rider No. 1 is available on a first come first served basis to GCR customers taking service under Rates A or AS. Customers who elect Rider No 1. (will pay a monthly premium to promote the consumption of landfill gas that might otherwise be vented into the atmosphere. This program's enrollment will be capped at 2,000 customers at any one time. Participation in this pilot will be available for a period of up to twenty-four months from the effective date of this sheet. Customers must make an active election to participate in Rider No. 1. Individual Rider No. 1 customers will be able to terminate their participation at any time, effective with their next customer bill if notification is made more than fifteen days prior to the beginning of the next month.

Rate:

Rider Surcharge: \$2.50 per Customer per month

Minimum Term:

The minimum term available to residential customers is one complete billing month extending thereafter from month to month until terminated by the customer or termination of the BioGreenGas program, whichever occurs earlier.

Issued _____, 2012
D. G. Brudzynski
Vice President
Regulatory Affairs

Detroit, Michigan

Effective for service rendered on
and after _____, 2012

Issued under authority of the
Michigan Public Service Commission
Dated _____, 2007
In Case No. U-116975

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of **Michigan**)
Consolidated Gas Company seeking authority)
to Implement a BioGreen Gas Pilot Program)
_____)

Case No. U-16975
(Paperless e-file)

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

Marilyn Y. Oliver, being duly sworn, deposes and says that on the 21st day of February, 2012, a copy of the Ex-Parte Application of Michigan Consolidated Gas Company Seeking Authority to Implement a Green Gas Program with Supporting Affidavits in the above captioned matter was served upon the persons on the attached service list via e-mail.

Marilyn Y. Oliver

Subscribed and sworn to before
me this 21st day of February 2012

Lorri A. Hanner, Notary Public
Wayne County, Michigan
My Commission Expires: 4-20-13
Acting in Wayne County

MPSC Case No. U-16975
SERVICE LIST

DOC Attachment 7
Page 22 of 26

Steve Hughey
Assistant Attorney General
Michigan Public Service Commission
6545 Mercantile Way, Suite 15
Lansing, MI 48911
hugheys@michigan.gov

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
MICHIGAN CONSOLIDATED GAS COMPANY)	
seeking <i>ex parte</i> approval for authority to implement)	Case No. U-16975
a BioGreenGas Pilot Program.)	
_____)	

At the April 17, 2012 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Orjiakor N. Isiogu, Commissioner
Hon. Greg R. White, Commissioner

ORDER

On February 21, 2012 Michigan Consolidated Gas Company (Mich Con) filed an application seeking approval to implement an experimental natural gas renewable resource pilot program (BioGreenGas) rider (Rider).

Mich Con's application describes the pilot program Rider as a voluntary option for up to 2,000 Gas Cost Recovery (GCR) customers to obtain their natural gas from renewable natural gas sources.

Mich Con's BioGreenGas pilot program will be marketed as a voluntary program to residential customers who may elect to pay a renewable resource premium of \$2.50 per month to support the consumption and development of natural gas generated from renewable biogas resources. Participation in this pilot will be available for a period of up to twenty-four months from

the effective date of the approved tariff. Customers will be able to terminate their participation in the program at any time.

The Commission has reviewed the application and concludes that approval is reasonable and in the public interest. Because the BioGreenGas program will not result in a rate increase for any other customer, *ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED that:

A. Michigan Consolidated Gas Company's application is approved.

B. Michigan Consolidated Gas Company shall file with the Commission, within 30 days of the date of this order a tariff sheet substantially similar to that attached to this order as Exhibit A.

C. Michigan Consolidated Gas Company shall file with the Commission in this docket, within 12 months of the date of this order, a report on participation levels and cost of marketing its BioGreenGas program.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

John D. Quackenbush, Chairman

Orjiakor N. Isiogu, Commissioner

Greg R. White, Commissioner

By its action of April 17, 2012.

Mary Jo Kunkle, Executive Secretary

Standard Contract Rider No. 1**Pilot BioGreenGas Program****Availability:**

Participation in the pilot BioGreenGas program is voluntary. Rider No. 1 is available on a first come first served basis to GCR customers taking service under Rates A or AS. Customers who elect Rider No 1. (will pay a monthly premium to promote the consumption of landfill gas that might otherwise be vented into the atmosphere. This program's enrollment will be capped at 2,000 customers at any one time. Participation in this pilot will be available for a period of up to twenty-four months from the effective date of this sheet. Customers must make an active election to participate in Rider No. 1. Individual Rider No. 1 customers will be able to terminate their participation at any time, effective with their next customer bill if notification is made more than fifteen days prior to the beginning of the next month.

Rate:

Rider Surcharge: \$2.50 per Customer per month

Minimum Term:

The minimum term available to residential customers is one complete billing month extending thereafter from month to month until terminated by the customer or termination of the BioGreenGas program, whichever occurs earlier.

Issued _____, 2012
D. G. Brudzynski
Vice President
Regulatory Affairs

Detroit, Michigan

Effective for service rendered on
and after _____, 2012

Issued under authority of the
Michigan Public Service Commission
Dated _____, 2007
In Case No. U-116975

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 003	<p>Topic: Renewal Natural Gas Surveys</p> <p>For each and every survey CenterPoint conducted to assess its Minnesota customers about renewable natural gas, please provide:</p> <ul style="list-style-type: none">1 a copy of all the survey material issued/presented;1 the number of customers contacted and the associated customer class (e.g. residential, Small Volume Dual Fuel A, et cetera);1 the number of responses received and the associated customer class (e.g. residential, Small Volume Dual Fuel A, et cetera);1 the statistical results for each and all questions asked in each and every survey;1 the date span survey was conducted;1 all the parameters used to select customers surveyed; and1 the customer contact methods used to execute the survey. <p>Response:</p> <p>Copies of the surveys are attached.</p> <p>For the first survey, 2,122 residential customers and 2,333 commercial/industrial customers were contacted. 605 residential customers and 79 commercial/industrial customers completed the survey. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") has not associated tariff-level designations of customer class (e.g., Small Volume Dual Fuel A or B, etc.) within the commercial/industrial recipients of the survey, and did not rely on the tariff-level designations of customer classes of commercial/industrial</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

survey participants in developing the *Petition*. While it might be possible to determine the tariff-level customer class of participating commercial/industrial customer surveyed by using organization names, the results would be approximate and inexact because one commercial/industrial survey recipient might take service at multiple locations under different tariff-level customer class designations. All participants in the second survey were residential; 8,589 customers were contacted and 945 completed the second survey.

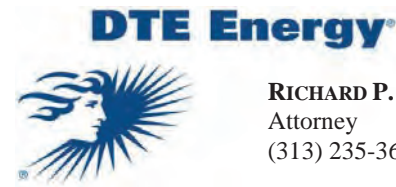
Results for each survey question are attached.

The first survey was conducted from December 6, 2017 to December 26, 2017. The second survey was conducted between April 11, 2018 and April 19, 2018.

The first survey was sent to the CenterPoint Energy Feedback Forum. The Feedback Forum is an online consumer research community of customers who volunteer to participate in market research surveys throughout the year. The Company recruits customers for the Feedback Forum on its website and in other customer surveys. The second survey was sent to a random sample of active residential Minnesota gas customers as well as residential Feedback Forum customers.

Customers were contacted by email for both surveys.

DTE Gas Company
One Energy Plaza, 688 WCB
Detroit, MI 48226-1279



RICHARD P. MIDDLETON
Attorney
(313) 235-3647

September 11, 2014

Ms. Sally L. Wallace
Executive Secretary
Michigan Public Service Commission
4300 W. Saginaw Highway
PO Box 30221
Lansing, MI 48909

Re: In the matter of the request of DTE Gas Company seeking authority to implement
a Permanent BioGreenGas Program and associated accounting practices
Case No. U-17628

Dear Ms. Wallace:

Attached for electronic filing in the above-captioned matter is DTE Gas Company's Ex Parte Application along with supporting testimony and exhibits. Also attached is a Proof of Service.

Very truly yours,

Richard P. Middleton
Digitally signed by Richard P. Middleton
DN: cn=Richard P. Middleton, o=DTE
Energy, ou=General Counsel
Organization - Regulatory Affairs,
email=rmiddleton@dteenergy.com, c=US
Date: 2014.09.11 10:35:48 -04'00'

Richard P. Middleton

RPM/kbk
Attachments
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)	
DTE Gas Company seeking authority)	Case No. U-17628
to implement a Permanent BioGreenGas)	paperless e-file
<u>Program and associated accounting practices</u>)	

**EX PARTE APPLICATION OF DTE GAS COMPANY SEEKING AUTHORITY TO
IMPLEMENT A PERMANENT GREEN GAS PROGRAM**

DTE Gas Company (hereinafter “Applicant”, “Company” or “DTE Gas”), files this Application requesting authority from the Michigan Public Service Commission (hereinafter “Commission” or “MPSC”) to implement a permanent Natural Gas Renewable Resource Pilot Program (“BioGreenGas”). DTE Gas intends at this time to offer the BioGreenGas program as a voluntary permanent program, where only customers making an affirmative choice to participate would be assessed a surcharge to recover the cost of the landfill gas premium. In support thereof, Applicant states as follows:

1. DTE Gas Company is a subsidiary of DTE Energy Company, a Michigan corporation with its principal offices located at One Energy Plaza Detroit, Michigan, 48226. DTE Gas is a public utility subject to the jurisdiction of the Michigan Public Service Commission and is engaged in the acquisition, storage, transportation, distribution and sale of natural gas and other related services to approximately 1.2 million residential, commercial and industrial customers within the State of Michigan.

2. DTE Gas is currently providing service to its retail natural gas transportation, storage and distribution customers under rates, terms and conditions established in the Commission’s December 20, 2012 and April 16, 2013 Orders in Case No. U-16999. DTE Gas

implemented the rates approved in Case No. U-15985 for all services rendered on and after January 1, 2013 and May 1, 2013 respectively.

3. On March 31, 2014 in Case No. U-17590 DTE Gas Company sought Commission approval to extend its current pilot BioGreenGas program for up to 12 months while the Company developed its permanent BioGreenGas program. On April 15, 2014 the Commission issued its order approving the extension of the pilot program. With this application, DTE Gas seeks Commission approval of a permanent BioGreenGas program as described further in this application and the attached testimony and exhibits.

4. As explained in the testimony supporting this application the BioGreenGas pilot program met all pre-defined key indicator targets defined as (a) reach target participation level of 2,000 customers, (b) customers hold a high opinion of the program offering, and (c) program offering helps enhance the perception of DTE Energy. Additionally, after being marketed for approximately 130 days, the program successfully obtained over 3,000 applications and has over 100 people on a waitlist.

5. DTE Gas proposes to retain the original pilot program design. This means DTE Gas will market the permanent program as a voluntary program to residential and small-medium business customers. Customers will elect to pay a renewable resource premium to support the development and consumption of natural gas generated from renewable biogas resources. Customers that have an affinity toward environmental causes will be initially targeted, followed by customers that are neutral toward the environment.

6. Under the permanent BioGreenGas program customers will be charged a fixed monthly price of \$2.50. Specifically, GCR residential customers taking service under rates A or AS, and small to medium business customers taking service under rates GS-1 or GS-2 will be

eligible to participate. The cost of the gas for this program will not be included in the GCR cost of gas sold, and therefore this program will have no effect on DTE Gas's GCR customers who do not elect to enroll in the program. The pilot was capped at 2,000 participants, and the Company is requesting that this cap be removed as part of the permanent program.

7. Based on customer participation during the pilot program and telepanels conducted by the Company across its service territory, it is apparent certain customers within the eligible customers classes find the BioGreenGas program beneficial because among other things it recovers methane that is currently released without benefit and applying it to good use, and reduces greenhouse gas emissions. In addition, the fixed price provides a limited and predictable expense for business customers who already have an environmental focus that is easier to manage than a cost structure tied to their actual business' monthly usage.

8. The source of the natural gas supply for DTE Gas's BioGreenGas Program will be a landfill located in the State of Michigan. DTE plans to purchase this pipeline quality biomethane from the landfill gas producer and then sell the commodity back into the market. Landfill gas requires a premium to the market price of natural gas as it is a renewable energy source with environmental attributes. Currently, DTE has purchased 10,000 Dth for the period April 2014 through March 2015 to meet program gas supply requirements.

9. To insure that the costs of the BioGreenGas program remain separate from GCR DTE Gas the Company proposes to record the revenues and related cost of purchased gas for this program in accounts that are not included in the GCR. As a result, the BioGreenGas program will have no effect on the GCR cost of gas sold. Furthermore, the costs to administer the program are expected to be immaterial and will be expensed to Operations and Maintenance as incurred. To accomplish these goals DTE Gas proposes to implement the following accounting

procedures. When landfill gas is purchased for this program, the costs of the purchase will be recorded to account 813, Other Gas Supply Expenses. When that gas is sold, the dollars received from that sale will be credited to account 813. A unique sub-account within account 813 will be established to capture the costs from the BioGreenGas program to ensure they are excluded from costs included in the GCR. The difference between the original purchase and the re-sale into the market represents the premium paid for the environmental benefits of the landfill gas.

10. Additional details and support for the BioGreenGas pilot program are provided by the testimony of Ms. Marca M. Brown, Ms. Dawn M. Levitt, Ms. Barbara J. Tuckfield, and the testimony and exhibit of Ms. Deborah C. Hayes, that are attached to this Application.

11. The BioGreenGas program details are contained in a proposed tariff sheet, Standard Contract Rider No. 1 “Pilot BioGreenGas Program”, attached to the testimony of Ms. Deborah C. Hayes as Exhibit A-1.

12. At this time, DTE Gas is not requesting any change in the rates or cost of service to any customers other than those that voluntarily choose to participate in the BioGreenGas program. Further, the accounting authority requested in this Application does not preclude parties in future general rate cases from challenging the recovery resulting from such accounting authority. Thus, the approval of the voluntary BioGreenGas program tariff, may be authorized by the Commission without notice or hearing as provided by MCL 460.6a(1).

WHEREFORE, Applicant requests that this Commission enter an ex parte final order that:

- A. Accepts for filing this *Ex Parte* Application and the accompanying Standard Contract Rider No. 1 “BioGreenGas Program”;
- B. Approves Applicant’s BioGreenGas permanent program proposal as described in this Application and the attached testimony and exhibit;
- C. Approves DTE Gas’s attached Standard Contract Rider No. 1 “BioGreenGas Program”;
- D. Authorize Applicant to amend its Schedule of Rates to include the attached Standard Contract Rider No. 1 “BioGreenGas Program”;
- E. Approves DTE Gas proposed accounting practices associated with the BioGreenGas program; and,
- F. Grant Applicant such further additional relief and authority, as the Commission may deem necessary, suitable and appropriate.

Respectfully submitted,

DTE GAS COMPANY

By: **Richard P. Middleton**
Richard P. Middleton (P41278)
One Energy Plaza, 688 WCB
Detroit, Michigan 48226
(313) 235-3647

Digitally signed by Richard P. Middleton
DN: cn=Richard P. Middleton, o=DTE
Energy, ou=General Counsel Organization -
Regulatory Affairs,
email=middletonr@dteenergy.com, c=US
Date: 2014.09.11 10:36:26 -04'00'

Dated: September 11, 2014

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
DTE Gas Company seeking authority)
to implement a Permanent BioGreenGas)
Program and associated accounting practices)

Case No. U-17628

QUALIFICATIONS
AND
DIRECT TESTIMONY
OF
MARCA M. BROWN

DTE GAS COMPANY
QUALIFICATIONS OF MARCA M. BROWN

Line
No.

1 **Q. What is your name, business address and by whom are you employed?**

2 A. My name is Marca M. Brown. My business address is: One Energy Plaza, Detroit,
3 Michigan 48226. I am employed by DTE Gas within Gas Sales & Marketing,
4 currently serving as Marketing Program Manager supporting the residential market.

5

6 **Q. On whose behalf are you testifying?**

7 A. I am testifying on behalf of DTE Gas Company.

8

9 **Q. What is your educational background?**

10 A. I graduated from Michigan State University with a Bachelor of Science in
11 Engineering Arts. I also graduated with a Master of Business Administration
12 (MBA) from the University of Michigan, Ross School of Business.

13

14 **Q. What work experience do you have?**

15 A. I worked for Masco Corporation in various marketing capacities, including
16 management, from 1992-2001. My career started as an Administrator for the
17 Remodeler Market, responsible for establishing an industry network and developing
18 a contractor program. Additional positions held included Senior Analyst, Project
19 Manager and Category Manager where I was responsible for increasing
20 productivity and improving sales and profitability for the decorative plumbing
21 business unit. My final career promotion at Masco was Manager, Project Marketing
22 and I was responsible for developing business strategies to drive integrated product
23 planning across 23 divisions. Following Masco I joined Visteon Corporation,
24 where I held various customer-facing marketing positions from 2002-2008.
25 Starting as a Customer Marketing Manager supporting the Ford Customer Business

Line
No.

M. M. BROWN

U-17628

1 Unit, I was responsible for leading internal and external marketing activities
2 required for pursuing business. I was promoted to Market Development Manager,
3 supporting the DaimlerChrysler Customer Business Unit, where I devised global
4 strategies to secure new business. Soon thereafter I was promoted to Senior
5 Manager, Market Development where I managed the department responsible for
6 generating upstream business opportunities for the Chrysler, Ford, General Motors
7 and Nissan Customer Business Units.

8
9 **Q. What is your DTE Energy work experience?**

10 A. In July 2010, I joined DTE Gas as a Marketing Program Manager responsible for
11 creating the framework, formal structure and strategic planning process for the Gas
12 Sales & Marketing organization. In January 2012 my role expanded and I assumed
13 marketing responsibility for the residential market.

14
15 **Q. What is your current position?**

16 A. I am the Marketing Program Manager for the residential market segment and have
17 held that position since January 2012. My current duties include designing viable
18 products and services that deliver incremental throughput in addition to enhancing
19 the customer experience through various customer satisfaction initiatives for the
20 residential retail market. Developing and enhancing formal business processes, and
21 implementing process improvements also fall within the realm of my
22 responsibilities.

23
24 **Q. Have you previously been involved in DTE Electric/Gas Company filings?**

25 A. I have developed marketing affidavits to support the following: a) February 21,

Line
No.

M. M. BROWN
U-17628

- 1 2012 filing to implement the experimental Natural Gas renewable resource pilot
- 2 program entitled BioGreenGas, and b) March 31, 2014 filing to extend the
- 3 experimental Natural Gas renewable resource pilot program, BioGreenGas.

DTE GAS COMPANY
DIRECT TESTIMONY OF MARCA M. BROWN

Line
No.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to seek the Michigan Public Service Commission's
3 (Commission) approval to grant an expansion of the BioGreenGas pilot program
4 and to establish BioGreenGas as a permanent program offering within the DTE Gas
5 renewable energy product portfolio.

6

7 **Q. What are the measures of success from the pilot program that would warrant an**
8 **expansion of BioGreenGas?**

9 A. The BioGreenGas pilot program was determined successful as it met all pre-defined
10 key indicator targets defined as (a) reach target participation level of 2,000 customers,
11 (b) customers hold a high opinion of the program offering, and (c) program offering
12 helps enhance the perception of DTE Energy. Additionally, after being marketed for
13 approximately 130 days, the program successfully obtained over 3,000 applications
14 and has over 100 people on a waitlist.

15

16 **Q. How will the permanent program offer be structured?**

17 A. The program will retain the original design elements of the pilot program. Positioned
18 as voluntary, customers must actively elect to participate. Customers will be charged
19 a fixed price of \$2.50 per month and they can withdraw from the program following
20 one complete billing period. Similar to the pilot program, the cost of the gas for the
21 permanent program will not be included in the GCR cost of gas sold, and therefore the
22 program will not have an effect on DTE Gas GCR customers who do not elect to
23 enroll in the program.

24

25 **Q. Excluding the cost of the renewable natural gas, does the \$2.50 monthly**

M. M. BROWN

U-17628

Line
No.

1 **customer charge cover any additional Company expenses?**

2 A. Incoming revenue from customer payments will be utilized to recover the cost of
3 the landfill gas premium. The landfill gas premium represents the cost of the
4 environmental attributes associated with landfill gas which does not include the cost
5 of the actual natural gas commodity. All additional costs to administer the
6 permanent program including Marketing and Information Technology will be
7 absorbed by DTE Gas. Therefore, the program, as designed, is financially
8 unfavorable and will lose money.

9

10 **Q. What customers will be eligible to participate in the permanent program?**

11 A. GCR residential customers taking service under rates A or AS, and small to
12 medium business customers taking service under rates GS-1 or GS-2.

13

14 **Q. Were product feasibility studies conducted to support the expansion of a
15 permanent program offering to include small-medium business customers?**

16 A. Yes, telepanels were conducted across the state with members of DTE Gas business
17 customer Internet panel. The product feasibility studies were conducted to (a)
18 assess the general attitude toward renewable natural gas, (b) gauge the level of
19 customer interest in a renewable natural gas product, and (c) understand customer
20 expectations, preferences, and aversions of a renewable natural gas product
21 offering. Customer described value and reasons to participate include (a)
22 recovering methane that is currently released without benefit and applying it to
23 good use is appealing, (b) reducing greenhouse gas emission is significantly
24 appealing to business customers who already have an environmental focus, (c)
25 anticipated goodwill generated among their customer base could lead to increased

M. M. BROWN

U-17628

Line
No.

1 sales – demonstrates a clear potential for a return on investment (ROI), (d) offering
2 a fixed price scenario provides a limited and predictable expense that would be
3 easier to manage than a cost structure tied to their actual business' monthly usage,
4 and (e) administering a monthly program charge below \$5 is appealing and would
5 generate the greatest number of interested subscribers.

6
7 **Q. How will the permanent program be marketed?**

8 A. BioGreenGas will be marketed as a voluntary program to residential and small-
9 medium business customers. Customers will elect to pay a renewable resource
10 premium to support the development and consumption of natural gas generated
11 from renewable biogas resources. Customers that have an affinity toward
12 environmental causes will be initially targeted, followed by customers that are
13 neutral toward the environment. The benefits of subscribing in the BioGreenGas
14 program will be that it (a) supports the preservation of the environment by
15 preventing harmful methane from escaping into the atmosphere, (b) replaces some
16 of the non-renewable natural gas that is consumed daily, and (c) supports local
17 landfill gas production with its development of renewable natural gas generated
18 from biogas resources. Various marketing channels will be utilized to promote and
19 communicate the value of the program including direct mail, email, targeted social
20 media campaigns, website, print media, eNewsletters and marketing events.

21
22 **Q. Why does DTE Gas want to make BioGreenGas a permanent product offering**
23 **within its renewable energy product portfolio?**

24 A. Supporting renewable energy development contributes to the sustainability of
25 communities in which DTE Gas serves and to the betterment of Michigan's

Line
No.

M. M. BROWN

U-17628

1 environment. Establishing BioGreenGas as a permanent program offering will
2 reinforce positive goodwill in the community and support customer expectations of
3 the role DTE should play as a good corporate citizen.

4

5 **Q. Does this complete your direct testimony?**

6 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
DTE Gas Company seeking authority)
to implement a Permanent BioGreenGas)
Program and associated accounting practices)

Case No. U-17628

QUALIFICATIONS
AND
DIRECT TESTIMONY
OF
DAWN M. LEVITT

DTE GAS COMPANY
QUALIFICATIONS OF DAWN M. LEVITT

Line
No.

1 **Q. What is your name and business address?**

2 A. My name is Dawn M. Levitt. My business address is One Energy Plaza, Detroit,
3 Michigan 48226.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by DTE Gas Company as Senior Gas Supply & Planning Analyst in
7 the Gas Supply and Planning Organization.

8

9 **Q. What is your educational background?**

10 A. I received a Bachelor of Business Leadership degree in December 1998 from the
11 Baker College – Port Huron. In addition, I have completed several courses and
12 seminars related to utility accounting, economics, finance, and ratemaking.

13

14 **Q. What is your business experience?**

15 A. In 1994, I joined SEMCO Energy Services, Inc., (Energy Services) the former
16 unregulated marketing division of SEMCO Energy Inc., (SEMCO). While with
17 Energy Services, I moved through a series of positions of increasing responsibility
18 within the Marketing and Transportation areas, ending as Senior Transportation
19 Analyst. During that time, I was responsible for the delivery of gas to all utilities in
20 the State of Michigan and several other utilities in the states of Wisconsin, Illinois,
21 Indiana, Ohio, Pennsylvania, New Jersey, New York and Massachusetts, as well as
22 importing and exporting gas to and from several Canadian provinces.

23

24 In 1998, I became the Supervisor of Gas Control with SEMCO Gas Company. In
25 this position, I reported directly to the Manager of Gas Supply and was involved in

D. M. LEVITT

U-17628

Line
No.

1 operational portions of system supply planning. It was in this position that I was
2 responsible for the day to day balancing of the system, load forecasting, system
3 requirements, and storage monitoring and maintenance among other activities.
4 After several years in this position, I moved into the position of Rates Analyst.
5 While acting as a Rate Analyst, I filed testimony in GCR plan cases and the general
6 rate case as well as assisting in the creation of SEMCO's Gas Customer Choice
7 Tariff.

8
9 After leaving SEMCO, I was employed by Alternative Gas Suppliers who supplied
10 gas for the Gas Customer Choice (GCC) programs operated in the States of
11 Michigan in Ohio. While employed by both Lakeshore Energy Services and
12 Foster/MyChoice Energy, I became very familiar with the GCC programs currently
13 in operation in both Michigan and Ohio.

14
15 In August 2013, I assumed my current position as Senior Gas Supply & Planning
16 Analyst in the Gas Supply and Planning organization at DTE Gas.

17
18 **Q. What are your responsibilities as Senior Gas Supply & Planning Analyst for**
19 **DTE Gas?**

20 A. As Senior Gas Supply & Planning Analyst, my primary responsibilities include
21 analyzing North American and global natural gas markets to develop appropriate
22 gas supply strategies, administering DTE Gas's fixed price program, and
23 developing long and short-term supply and interstate pipeline transportation
24 strategies. I am also responsible for the preparation of testimony and exhibits in
25 Gas Cost Recovery (GCR) plan and reconciliation proceedings for DTE Gas.

D. M. LEVITT

U-17628

Line
No.

1 Lastly, I am directly involved in executing spot and term purchases of physical
2 fixed price and indexed natural gas supply.

3

4 **Q. Have you previously testified or submitted testimony in any regulatory**
5 **proceedings?**

6 A. Yes. I sponsored testimony in several cases with SEMCO Energy Gas Company.
7 These included U-13622 and U-13960, which were both GCR filings, and U-13575
8 which was a general Rate Case filing. Additionally, while I was in the employ of
9 Lakeshore Energy Services, I testified on behalf of the Michigan Gas Customer
10 Choice Association (MGCCA) via intervention in the Michigan Gas Utilities
11 (MGU) GCR filing U-16481 in regards to the Reservation Charge proposed for
12 implementation in that plan case.

DTE GAS COMPANY
DIRECT TESTIMONY OF DAWN M. LEVITT

Line
No.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony in this proceeding is to present the existing
3 BioGreenGas Program to become a permanent program.

4

5 **Q. Are you sponsoring any exhibits in this proceeding?**

6 A. No, I am not.

7

8 **Q. What is the purpose of the BioGreenGas Program?**

9 A. The purpose of the BioGreenGas Program is to purchase biomethane manufactured
10 from the decomposition of organic matter in landfills, sell that commodity back into
11 the market while retaining the environmental credits from the purchase.

12

13 **Q. How does the BioGreenGas Program operate?**

14 A. The source of the natural gas supply for DTE's BioGreenGas Program will be a
15 landfill located in the State of Michigan. DTE plans to purchase this pipeline
16 quality biomethane from the landfill gas producer and then sell the commodity back
17 into the market. Landfill gas requires a premium to the market price of natural gas
18 as it is a renewable energy source with environmental attributes. The difference
19 between the market price for natural gas and the price for landfill gas is the value of
20 the environmental credits associated with landfill gas. For example, if DTE
21 purchases the landfill gas for \$10 per Dth and sells the commodity for \$4 per Dth,
22 the landfill gas then has environmental credits worth \$6 per Dth.

23

24 Upon approval of this program being made permanent, DTE Gas will proceed to
25 market the BioGreenGas Program to DTE Gas Customers. DTE Gas will then

Line
No.

D. M. LEVITT

U-17628

1 purchase the landfill gas volumes to cover the projected consumption of the
2 program participants for the coming plan year. DTE Gas will then immediately sell
3 the corresponding volume of gas on the open market, retaining the environmental
4 attributes which is the realized landfill gas premium. This landfill gas premium
5 represents the cost of the environmental attributes associated with the landfill gas
6 which excludes the cost of the actual natural gas commodity.

7

8 **Q. How much gas has DTE Gas purchased under the BioGreenGas Program for**
9 **delivery in the April 2014-March 2015 GCR Period?**

10 A. Currently, DTE Gas has purchased 10,000 Dth for the April 2014 through March
11 2015 requirements.

12

13 **Q. Does this complete your direct testimony?**

14 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
DTE Gas Company seeking authority)
to implement a Permanent BioGreenGas)
Program and associated accounting practices)

Case No. U-17628

QUALIFICATIONS
AND
DIRECT TESTIMONY
OF
BARBARA J. TUCKFIELD

DTE GAS COMPANY
QUALIFICATIONS OF BARBARA J. TUCKFIELD

Line
No.

1 **Q. Will you please state your name and business address?**

2 A. My name is Barbara J. Tuckfield. My business address is One Energy Plaza,
3 Detroit, MI 48226-1221

4
5 **Q. What is your present position with DTE?**

6 A. I am Controller of DTE Gas.
7

8 **Q. What is your educational background and business experience?**

9 A. I received a Bachelor of Arts Degree in Economics from the University of
10 Michigan, a Bachelor of Science Degree in Accounting from Lawrence
11 Technological University and a Master of Business Administration from Lawrence
12 Technological University. After graduating, I worked outside of the energy
13 industry from 1990-1996. From 1996 until 2001, I was employed by ANR Pipeline
14 Company (ANR) in the Rates and Regulatory Affairs department. While with
15 ANR, I worked on numerous rate proceedings and filings before the Federal Energy
16 Regulatory Commission (FERC). My responsibilities included writing tariff
17 language and designing rates for new services. In 2001, I joined CMS Generation
18 (a subsidiary of CMS Energy). My responsibilities included accounting,
19 forecasting, financial modeling and strategic planning for the Controller of the
20 Generation Business Unit. In 2003 I was hired by DTE Gas, a subsidiary of DTE
21 Energy, as a Principal Energy Analyst. I worked in positions of increasing
22 responsibility which included accounting and the creation and maintenance of the
23 short and long-term forecasts. I have also provided regulatory accounting support
24 for cases filed at the MPSC. Currently, working as Controller of DTE Gas, I am
25 responsible for all areas of accounting and financial reporting including budgeting,

Line
No.

B. J. TUCKFIELD
U-17628

1 forecasting, financial planning, project analysis, regulatory support and accuracy of
2 financial statements.

3

4 **Q. Have you previously testified or sponsored testimony in any regulatory**
5 **proceedings?**

6 A. Yes. I sponsored testimony in the following Detroit Edison cases:

7 U-15159 Reconciliation and True-up of the Regulatory Asset Recovery
8 Surcharge (RARS) (2007)

9 U-15002-R Reconciliation of the 2007 Pension Equalization Mechanism

10 U-14838 Reconciliation of the Choice Incentive Mechanism (2007-2008)

11 U-15806 Renewable Energy Plan (2009)

12 U-16780 Revenue Decoupling Mechanism (RDM) Reconciliation (2011)

13 U-16813 Choice Implementation Surcharge Reconciliation (2011)

DTE GAS COMPANY
DIRECT TESTIMONY OF BARBARA J. TUCKFIELD

Line
No.

1 **Q. What is the purpose of your testimony?**

2 A. The purpose of this testimony is to support the accounting for the BioGreenGas
3 program.

5 **Q. What affect will this program have on the Gas Cost Recovery Mechanism?**

6 A. The Company proposes to record the revenues and related cost of purchased gas for
7 this program in accounts that are not included in the GCR. As a result, the
8 BioGreenGas program will have no effect on the GCR cost of gas sold. Costs to
9 administer the program are expected to be immaterial and will be expensed to
10 Operations and Maintenance as incurred.

12 **Q. What affect will this program have on non-participating customers?**

13 A. This program will not cause alteration or amendment to DTE Gas customer rates or
14 rate schedules for any non-participating customers.

16 **Q. Please explain the accounting for the purchase and sale of BioGreenGas for
17 this program?**

18 A. When landfill gas is purchased for this program, the costs of the purchase will be
19 recorded to account 813, Other Gas Supply Expenses. When that gas is sold, the
20 dollars received from that sale will be credited to account 813. A unique sub-
21 account within account 813 will be established to capture the costs from the
22 BioGreenGas program to ensure they are excluded from costs included in the GCR.
23 The difference between the original purchase and the re-sale into the market
24 represents the premium paid for the environmental benefits of the landfill gas.

25

Line
No.

B. J. TUCKFIELD
U-17628

1 **Q. Please explain the accounting for the revenue associated with the BioGreen for**
2 **this program?**

3 A. The revenue received from customers participating in the BioGreenGas program
4 will be credited to account 495, Other Gas Revenues. The program is designed
5 such that the revenue billed will cover the landfill gas premium, with no profit or
6 loss, the total revenue accumulated in account 495 for the life of the program is
7 expected to equal the net expense booked to account 813.

8

9 **Q. Does this complete your direct testimony?**

10 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
DTE Gas Company seeking authority)
to implement a Permanent BioGreenGas)
Program and associated accounting practices)

Case No. U-17628

QUALIFICATIONS
AND
DIRECT TESTIMONY
OF
DEBORAH C. HAYES

THE DETROIT EDISON COMPANY
QUALIFICATIONS OF DEBORAH C. HAYES

Line
No.

1 **Q. Will you please state your name and business address?**

2 A. My name is Deborah C. Hayes. My business address is One Energy Plaza, Detroit,
3 MI 48226-1221

4

5 **Q. What is your present position with DTE?**

6 A. I am a Senior Business Financial Analyst in Regulatory Affairs.

7

8 **Q. What is your educational background and business experience?**

9 A. I received a Bachelor of Science degree from the University of Minnesota. I began
10 my career in 1998 at DTE Energy as an Administrative Assistant in the Electric
11 Choice Implementation Team at Detroit Edison and since then, have assumed roles
12 of increasing responsibility. I joined Regulatory Affairs in 2004 as a Case
13 Coordinator and was promoted to the Load Research group in 2006 as an Associate
14 Analyst, then Analyst in 2008. In that capacity I performed usage data analysis for
15 applications as varied as individual customer inquiries to class profile development
16 and analysis for use in Allocation Schedules, Cost of Service Calculations and Rate
17 Design. I moved to the Case Litigation area in 2012 as a Senior Project Manager
18 and in 2013 transitioned to my current position. I have a broad knowledge of the
19 utility industry including regulatory structure, deregulation, pricing, rate schedules,
20 customer usage patterns, tariff interpretation and case management.

DTE GAS COMPANY
DIRECT TESTIMONY OF DEBORAH C. HAYES

DOC Attachment 9
Page 28 of 39

Line
No.

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to describe the BioGreenGas program in broad
3 detail, attest that the cost of gas will not be included in the GCR cost of gas sold
4 and submit the proposed tariff sheet.

5

6 **Q. Are you sponsoring any exhibits in this proceeding?**

7 A. Yes. I am sponsoring the following exhibit:

<u>Exhibit</u>	<u>Description</u>
A-1	Proposed Tariff Sheet

10

11 **Q. Was this exhibit prepared by you or under your direction?**

12 A. Yes, it was.

13

14 **Q. Why is the Company submitting this Application?**

15 A. With this filing, DTE Gas is seeking the Commission's approval to make the
16 BioGreenGas program permanent, which is described in the testimony of Company
17 Witness Ms. Marca M. Brown.

18

19 **Q. Is participation in the program voluntary?**

20 A. Yes. Participation in the BioGreenGas program is voluntary. Customers have to
21 make an affirmative election in order to be enrolled. Upon enrollment, each
22 participating customer is charged two dollars and fifty cents per month. Enrolled
23 customers are able to cancel their participation, effective following one complete
24 billing period, subsequent to their request. The BioGreenGas program details are
25 contained in a proposed revised tariff sheet, Exhibit A-1.

Line
No.

D. C. HAYES

U-17628

1

2 **Q. Will this program affect the GCR cost of gas sold?**

3 A. No. The cost of the gas for this program will not be included in the GCR cost of gas
4 sold, and therefore this program will have no effect on DTE Gas's GCR customers
5 who do not elect to enroll in the program.

6

7 **Q. Will this program affect DTE Gas's rates or rate schedules for any non-**
8 **participating DTE Gas customers?**

9 A. No. The program described in this Application and the attached exhibits will not
10 cause alteration or amendment to DTE Gas's rates or rate schedules for any non-
11 participating DTE Gas customers.

12

13 **Q. Does this complete your direct testimony?**

14 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)
DTE Gas Company seeking authority)
to implement a Permanent BioGreenGas)
Program and associated accounting practices)

Case No. U-17628

EXHIBIT

OF

DEBORAH C. HAYES

M.P.S.C. No. 1 – Gas
DTE Gas Company
(To Establish Permanent Program)

Second Revised Sheet No. D-21.00
Replaces First Revised Sheet No. D-21.00

STANDARD CONTRACT RIDER NO. 1**Pilot BioGreenGas Program****Availability:**

Participation in the pilot BioGreenGas program is voluntary. Rider No. 1 is available on a first come first served basis to GCR customers taking service under Rates A; AS; GS-1; AND GS-2. Customers who elect Rider No 1. will pay a monthly premium to promote the consumption of landfill gas that might otherwise be vented into the atmosphere. Participation in this ~~pilot~~ **program** will be available from the effective date of this sheet. ~~until such time as the Commission approves this program on a permanent basis.~~ Customers must make an active election to participate in Rider No. 1. Individual Rider No. 1 customers will be able to terminate their participation at any time, effective with their next customer bill, if notification is made more than fifteen days prior to the beginning of the next month.

Rate:

Rider Surcharge: \$2.50 per Customer per month

Minimum Term:

The minimum term available to customers is one complete billing month extending thereafter from month to month until terminated by the customer or termination of the BioGreenGas program, whichever occurs earlier.

Issued _____
D.M. Stanczak
Vice President
Regulatory Affairs
Detroit, Michigan

Effective for service rendered on
and after _____

Issued under authority of the
Michigan Public Service Commission
dated _____ in Case No. **U-17628**


STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the request of)	
DTE Gas Company seeking authority)	Case No. U-17628
to implement a Permanent BioGreenGas)	paperless e-file
<u>Program and associated accounting practices</u>)	

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

Tamika Turner, being duly sworn, deposes and says that on the 11th day of September, 2014, she served a copy of DTE Gas Company's Ex Parte Application along with supporting testimony and exhibits and Proof of Service upon the person on the attached service list via electronic mail.

Tamika Turner	 <small>Digitally signed by Tamika Turner DN: cn=Tamika Turner, o=Regulatory Affairs, ou=Regulatory Affairs, email=turnerta@dteenergy.com, c=US Date: 2014.09.11 10:08:58 -04'00'</small>
<hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> TAMIKA TURNER	

Subscribed and sworn to before
me this 11th day of September, 2014.

Karyn B. Kazyaka Digitally signed by Karyn B. Kazyaka
DN: cn=Karyn B. Kazyaka, o=DTE Energy, ou=Legal -
Regulatory Affairs, email=kazyakak@dteenergy.com,
c=US
Date: 2014.09.11 10:38:42 -04'00'

Karyn B. Kazyaka, Notary Public
Macomb County, Michigan
My Commission Expires: 7-21-2017
Acting in Wayne County

SERVICE LIST U-17628

Steven D. Hughey
Assistant Attorney General
Michigan Public Service Commission
6520 Mercantile Way, Suite 1
Lansing, MI 48911
hugheys@michigan.gov

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of)	
DTE GAS COMPANY seeking authority to implement)	
a permanent BioGreenGas Program and associated)	Case No. U-17628
accounting practices.)	
_____)	

At the April 23, 2015 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER

On September 11, 2014, DTE Gas Company (DTE Gas) filed an application seeking *ex parte* approval for authority to implement a permanent BioGreenGas program. After a successful pilot program, DTE Gas plans to offer the BioGreenGas program as a voluntary permanent program. The natural gas renewable resource program would allow DTE Gas to purchase biomethane processed from the decomposition of organic matter in a Michigan landfill and permit it to sell that commodity to its customers while retaining the environmental credits from the purchase. The program would be available to residential and small-to-medium business customers who choose to participate. Program participants will be assessed a surcharge to recover the cost of the landfill gas premium.

In its April 17, 2012 order in Case No. U-16975, the Commission authorized DTE Gas (then Michigan Consolidated Gas Company) to initiate a BioGreenGas pilot program for up to 2,000 residential customers. DTE Gas filed a report in the docket on April 17, 2013, detailing participation levels and the cost of marketing the program.

In its April 15, 2014 order in Case No. U-17590, the Commission approved DTE Gas' application requesting authority to extend the pilot program for up to 12 months while the company developed its permanent program.

DTE Gas states in its pending application that it plans to retain the original pilot program design and market it as a voluntary program. The pilot was capped at 2,000 customers and DTE Gas is requesting elimination of the program cap and expansion of the eligible customer class to include small-to-medium business customers as well as residential customers. DTE Gas is also requesting approval of accounting treatment for the program.

DTE Gas is not requesting any change in the rates or cost of service to any customers including the customers currently participating in the BioGreenGas pilot program.

The Commission has reviewed the application and concludes that approval is reasonable and in the public interest. Further, because the BioGreenGas program will not result in a rate increase for non-participating customers, *ex parte* approval is appropriate.

THEREFORE, IT IS ORDERED, that:

A. DTE Gas Company's application is approved.

B. DTE Gas Company shall file with the Commission, within 30 days of the date of this order, a tariff sheet substantially similar to that attached to this order as Exhibit A-1.

The Commission reserves jurisdiction and may issue further orders as necessary.

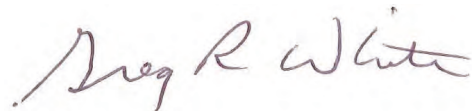
Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 West Saginaw Hwy, Lansing, MI 48917.

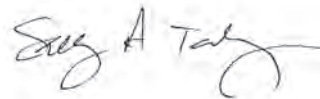
MICHIGAN PUBLIC SERVICE COMMISSION



John D. Quackenbush, Chairman



Greg R. White, Commissioner



Sally A. Talberg, Commissioner

By its action of April 23, 2015.



Mary Jo Kunkle, Executive Secretary

M.P.S.C. No. 1 – Gas
DTE Gas Company
(To Establish Permanent Program)

Second Revised Sheet No. D-21.00
Replaces First Revised Sheet No. D-21.00

STANDARD CONTRACT RIDER NO. 1**Pilot BioGreenGas Program****Availability:**

Participation in the ~~pilot~~ BioGreenGas program is voluntary. Rider No. 1 is available ~~on a first come first served basis~~ to GCR customers taking service under Rates A; AS; GS-1; AND GS-2. Customers who elect Rider No 1. will pay a monthly premium to promote the consumption of landfill gas that might otherwise be vented into the atmosphere. Participation in this ~~pilot~~ **program** will be available from the effective date of this sheet. ~~until such time as the Commission approves this program on a permanent basis.~~ Customers must make an active election to participate in Rider No. 1. Individual Rider No. 1 customers will be able to terminate their participation at any time, effective with their next customer bill, if notification is made more than fifteen days prior to the beginning of the next month.

Rate:

Rider Surcharge: \$2.50 per Customer per month

Minimum Term:

The minimum term available to customers is one complete billing month extending thereafter from month to month until terminated by the customer or termination of the BioGreenGas program, whichever occurs earlier.

Issued _____
D.M. Stanczak
Vice President
Regulatory Affairs
Detroit, Michigan

Effective for service rendered on
and after _____

Issued under authority of the
Michigan Public Service Commission
dated _____ in Case No. **U-17628**

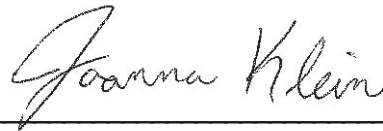
PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-17628

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on April 23, 2015 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



Joanna Klein

Subscribed and sworn to before me
This 23rd day of April 2015



Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

DTE Gas Company
Lisa A. Muschong
One Energy Plaza, 2459 WCB
Detroit MI 48226

Mr. Richard P. Middleton
DTE Electric Company
DTE Gas Company
2000 Second Avenue
Detroit MI 48226-1279

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 018	<p>Topic: Voluntary RNG Program Designs Reference(s): Petition Attachment C</p> <p>Please explain and provide a comparison of CPE's proposed voluntary RNG program to DTE Energy's piloted voluntary RNG program approved by Michigan Public Service Commission. Include in this comparison the differences in:</p> <ol style="list-style-type: none">1) administrative and operational complexity;2) administrative and operational costs;3) educational ease of program to potential participants;4) customer service representative training ease;5) ease in consumer understanding of related-billing changes;6) minimum program pilot period;7) complexity of periodic regulatory filings and review;8) impact on other rate mechanisms;9) financial impact to non-participants; and10) tariffs and provide the referenced tariff sheets. <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, has not performed this analysis and did not rely on a detailed understanding of DTE Energy's RNG program in its preparation of the <i>Petition</i>.</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 10/17/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/29/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 042	<p>Topic: RNG</p> <p>Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) August 23, 2018 Petition</p> <p>On page 12 of its Petition, the Company stated the following:</p> <p style="padding-left: 40px;">The Company will set the Program Charge such that the RNG Commodity price is at least 90 percent of the customer’s total Pilot Charge.²⁰ Thus, the Program Charge will depend on the final RNG Commodity Price. If the RNG Commodity Price is \$3.50 per therm, the Program Charge could be no more than \$0.38889 per therm. As discussed more fully in Section X, the Company is proposing a shareholder incentive of \$0.10 per therm of RNG sold through the Pilot. Subtracting the shareholder incentive from the maximum Program Charge leaves \$0.28889 per therm to put toward marketing and administrative costs. Based on initial participation estimates, the Company estimates that the Program Charge will provide approximately \$40,000 for marketing and administrative expenses in the first year of program operation, increasing to approximately \$85,000 per year as the program matures and participation grows.</p> <p>a. Please explain and separately provide all of the Company’s assumptions for its statement that “the Program Charge will provide approximately \$40,000 for marketing and administrative expenses in the first year of program operation”.</p> <p>b. As part of your response to part (a) above, please provide all the</p>

Response By: Erica Larson

Title: CIP Regulatory Analyst

Department: Regulatory

Telephone: 612-321-4334

assumptions including but not limited to, for example, the number of participant(s), the customer class of the participant(s), the actual monthly and annual usage per participant, the actual monthly and annual weather normalized usage per participant, et cetera, in sufficient detail to fully replicate the Company's statement referenced in part (a) above.

- c. Please explain and separately provide all of the Company's assumptions for its statement that "marketing and administrative expenses in the first year of program operation, increasing to approximately \$85,000 per year as the program matures and participation grows".
- d. As part of your response to part (c) above, please provide all the assumptions including but not limited to, for example, the number of participant(s), the customer class of the participant(s), the actual monthly and annual usage per participant, the actual monthly and annual weather normalized usage per participant, et cetera, in sufficient detail to fully replicate the Company's statement referenced in part (c) above.
- e. Please quantify and express the shareholder return approved in the Company's most recent base rate case on a per therm basis, using the approved weather-normalized sales forecast. Please include all calculations.

Where applicable, please provide all the data used in your response in Microsoft Excel format with all links and formulae intact.

If this information has already been provided in the Petition or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR numbers(s).

Response:

a. & b. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") made the following assumptions regarding participation and costs in the first year (first twelve months) of program operation:

- 1 The RNG Commodity Price was assumed to be \$35 per Dth based on conversations between the Company and RNG suppliers about current RNG commodity prices. *See Petition* at 11.
- 1 3,910 residential customers subscribe for \$10 of RNG per month. 3,910 is 0.5 percent of the Company's total residential customer count. *See*

CenterPoint Energy's 2017 Annual Gas Jurisdiction Report, Docket No. 18-4, p. G-38 (May 1, 2018). A \$10 subscription amount is reasonable based on responses to customer surveys. *See* CenterPoint Energy's Response to Department Information Request No. 3.

- 1. 30 commercial or industrial customers subscribe for \$300 of RNG per month.
- 1. The Company will set the Program Charge such that the RNG Commodity price is 90 percent of the customer's total Pilot Charge. *See Petition* at 12. Accordingly, the Program Charge is assumed to be \$3.89 per Dth resulting in a Pilot Charge of \$38.89 per Dth.

At the subscription amounts and prices described above, the Company will collect \$577,200 in revenue through the voluntary program in the first year of program operation. 90 percent of that revenue (\$519,480) will be used to purchase RNG at the RNG Commodity Price of \$35 per Dth on behalf of participating customers. Thus, the Company will purchase 14,842 Dth of RNG on behalf of participating customers and earn a shareholder financial incentive of \$14,842, which is \$1 per Dth. Ten percent of voluntary program revenue (\$57,720) will go toward the shareholder financial incentive and administrative and marketing expenses. Accordingly, subtracting the assumed financial incentive of \$14,842 from \$57,720 leaves \$42,878 for marketing and administrative expenses. The Company has also provided a representation of this calculation in the attached spreadsheet. The assumptions described above were not developed using estimates of customer conventional natural gas usage.

The Company notes that estimated recovery for Pilot marketing and administrative expenses, described in response to this Information Request, are less than estimated marketing and administrative expenses, discussed in response to Department Information Request No. 44. This difference between estimated recovery and estimated expenses is what led the Company to request expense deferral in the *Petition*, pp. 20-22.

c & d. The assumptions and method used to calculate the \$85,000 figure are the same as those described in response to Parts A&B, except that participation for both residential and commercial or industrial customers is assumed to double, increasing to 7,820 and 60, respectively. The Company has provided a representation of this calculation in the attached spreadsheet.

e. The Company does not use a calculated return-per-therm figure for any purpose, but has calculated a return-per-therm figure for this Information Request as follows. CenterPoint Energy's required operating income approved in the Company's most recent rate case is \$71,584,000, which includes \$23,325,000 in interest expense. Settlement Agreement, Docket

No. G-008/GR-17-285, Revenue Requirements Summary line 3, DOC Interest Synchronization Adjustment, line 3 (Mar. 7, 2018). Accordingly, allowed shareholder return is \$48,259,000 million. Forecasted sales volumes are 124,958,040 Dth. Errata Schedule E-2, Docket No. G-008/GR-17-285 (Mar. 9, 2018) (volumes sold not transported). Accordingly, shareholder return divided by forecasted sales volumes equals \$0.39 per Dth or \$0.04 per therm.

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas**RESPONSE TO DOC IR 42 DOCKET NO. G008/M-18-547****Calculation of Marketing and Administrative Expense in First Twelve Months of Program Operation**

RNG Commodity Price:	\$35 per Dth
Residential Participants:	3910
Residential Monthly Subscription:	\$10 per participant
C/I Participants:	30
C/I Monthly Subscription:	\$300 per participant
Percent of Voluntary Program Revenue	
Used for Commodity:	90%
Program Charge:	\$38.89 per Dth
Shareholder Financial Incentive	\$1.00 per Dth

Voluntary Program Revenue:	\$577,200
Voluntary Program Revenue to Be Used	
for Commodity Charges:	\$519,480
Dths Purchased for Voluntary Program:	14,842
Shareholder Financial Incentive Earned:	\$14,842

Voluntary Program Revenue to be Used	
for Incentive, Admin, & Marketing:	\$57,720
Voluntary Program Revenue to be Used	
for Admin & Marketing:	\$42,878

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas
RESPONSE TO DOC IR 42 DOCKET NO. G008/M-18-547

Calculation of Marketing and Administrative Expense after First Year

RNG Commodity Price:	\$35 per Dth
Residential Participants:	7820
Residential Monthly Subscription:	\$10 per participant
C/I Participants:	60
C/I Monthly Subscription:	\$300 per participant
Percent of Voluntary Program Revenue	
Used for Commodity:	90%
Program Charge:	\$38.89 per Dth
Shareholder Financial Incentive	\$1.00 per Dth

Voluntary Program Revenue:	\$1,154,400
Voluntary Program Revenue to Be Used	
for Commodity Charges:	\$1,038,960
Dths Purchased for Voluntary Program:	29,685
Shareholder Financial Incentive Earned:	\$29,685

Voluntary Program Revenue to be Used	
for Incentive, Admin, & Marketing:	\$115,440
Voluntary Program Revenue to be Used	
for Admin & Marketing:	\$85,755

**State of Minnesota
Department of Commerce**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 9/21/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 10/1/2018

Analyst Requesting Information: Dorothy Morrissey/Sachin Shah

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 013	<p>Topic: Business Operations Benefits</p> <p>A. Please explain and identify any and all existing or proposed tax-related or other incentives, benefits, or cost savings that CPE may be eligible or qualify for as result of renewable gas (RNG) use.</p> <p>B. Please explain and identify any and all existing or proposed tax-related or other incentives, benefits, or cost savings that CPE may be eligible or qualify for as result of renewable gas (RNG) purchases.</p> <p>C. Please explain and identify any and all existing or proposed tax-related or other incentives, benefits, or cost savings that CPE may be eligible or qualify for as result of renewable gas (RNG) credit acquisitions.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, is not aware of any existing or proposed tax or other incentives, benefits, or cost savings that would result from RNG use, purchases, or credit acquisitions for purposes of the proposed program.</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

From: [Rosana A Laurain](#)
To: [Morrissey, Dorothy \(COMM\)](#)
Subject: FW: BioGreenGas program
Date: Wednesday, December 12, 2018 11:55:27 AM
Attachments: [image003.png](#)
[DTE BioGreenGas.pptx](#)

Hi Dorothy,

We have about 1900 customers on our program, the majority are residential only about 50 are businesses. Please let me know if you have any additional questions.

Thank You,
Rosana Laurain

Marketing Program Manager
DTE Energy
Gas Sales & Marketing
313-235-8831
rosana.laurain@dteenergy.com

From: Katherine Ferguson
Sent: Monday, December 03, 2018 8:44 AM
To: Rosana A Laurain <rosana.laurain@dteenergy.com>
Subject: FW: BioGreenGas program

Rosana,
When you return to the office, would you please contact Ms. Morrissey regarding BioGreenGas?

Thank you,
Kathy

Katherine Ferguson
DTE Energy
Gas Marketing
Manager, Market Strategy & Support
Phone: 313-235-1096
Cell: 313-530-6287

From: Morrissey, Dorothy (COMM) [<mailto:dorothy.morrissey@state.mn.us>]
Sent: Friday, November 30, 2018 1:09 PM
To: Katherine Ferguson <katherine.ferguson@dteenergy.com>
Subject: [EXTERNAL] BioGreenGas program

Good afternoon, Ms. Ferguson,

I was viewing an October 2017 DTE power point on its BioGreenGas program (attached) which noted your name as the presenter.

I wanted to learn the number of customers enrolled in this program (residential count & business-commercial count). If you are not the correct contact person, I would appreciate it if you would let me know who is the appropriate person to contact. Thank you.

Best Regards,

Dorothy Morrissey

Public Utilities Financial Analyst

651-539-1797

mn.gov/commerce

Minnesota Department of Commerce

85 7th Place East, Suite 280 | Saint Paul, MN 55101



CONFIDENTIALITY NOTICE: This message is intended only for the use of the individual(s) named above. Information in this e-mail or any attachment may be confidential or otherwise protected from disclosure by state or federal law. Any unauthorized use, dissemination, or copying of this message is prohibited. If you are not the intended recipient, please refrain from reading this e-mail or any attachments and notify the sender immediately. Please destroy all copies of this communication.

From: [Hadala, Merideth \(LARA\)](#)
To: [Morrissey, Dorothy \(COMM\)](#)
Subject: FW: Question about DTE Energy
Date: Tuesday, December 11, 2018 10:33:05 AM
Attachments: [image001.png](#)

Dorothy,

The BioGas Program has had around 2,000 participants for a few years.

Merideth Hadala

Michigan Public Service Commission
Renewable Energy Section
hadalam@michigan.gov
(517) 284 - 8199

From: Morrissey, Dorothy (COMM) <dorothy.morrissey@state.mn.us>
Sent: Friday, December 7, 2018 2:49 PM
To: Baldwin, Julie (LARA) <baldwinj2@michigan.gov>
Cc: Creisher, Cynthia (LARA) <CreisherC@michigan.gov>; Revere, Nicholas (LARA) <RevereN@michigan.gov>
Subject: RE: Question about DTE Energy

Julie, the provided link was very helpful. Thank you!

Do you happen to know what the current customer participation count is in DTE's BioGas program?

From: Baldwin, Julie (LARA) <baldwinj2@michigan.gov>
Sent: Monday, December 03, 2018 10:36 AM
To: Morrissey, Dorothy (COMM) <dorothy.morrissey@state.mn.us>
Cc: Creisher, Cynthia (LARA) <CreisherC@michigan.gov>; Revere, Nicholas (LARA) <RevereN@michigan.gov>
Subject: FW: Question about DTE Energy

Hi Dorothy – We have utility statistics on our website at this link:
https://www.michigan.gov/documents/mpsc/gasdata_613278_7.pdf

Please let me know if you don't find what you need.

Julie Baldwin, Manager
Renewable Energy Section
Michigan Public Service Commission

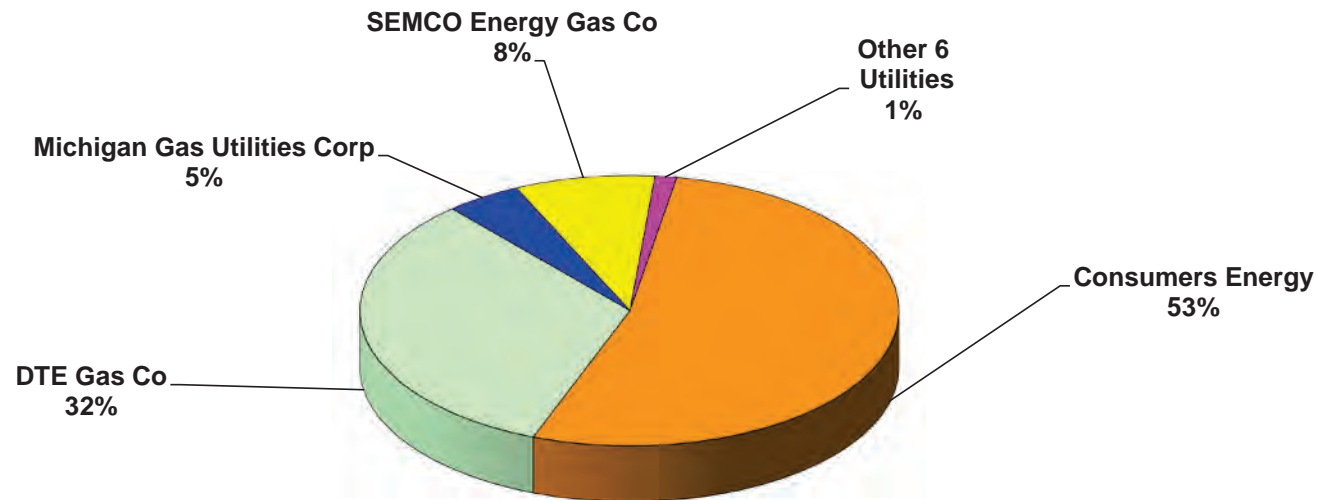
STATISTICAL DATA OF RETAIL SALES

GAS UTILITIES IN MICHIGAN YEAR ENDED DECEMBER 31, 2017

Utility	Michigan Customers	Deliveries		Revenues
Consumers Energy	1,763,801	287,094,795	\$	1,660,814,565
DTE Gas	1,088,310	252,703,352	\$	1,049,229,079
Michigan Gas Utilities Corp	150,704	27,769,788	\$	124,248,074
SEMCO Energy Gas Co	279,230	58,558,034	\$	259,489,990
Other 6 Utilities	43,141	6,384,581	\$	40,351,482
TOTALS	3,325,186	632,510,550	\$	3,134,133,190

Source: Annual Report From P-522-B Page 5, 305 or 312

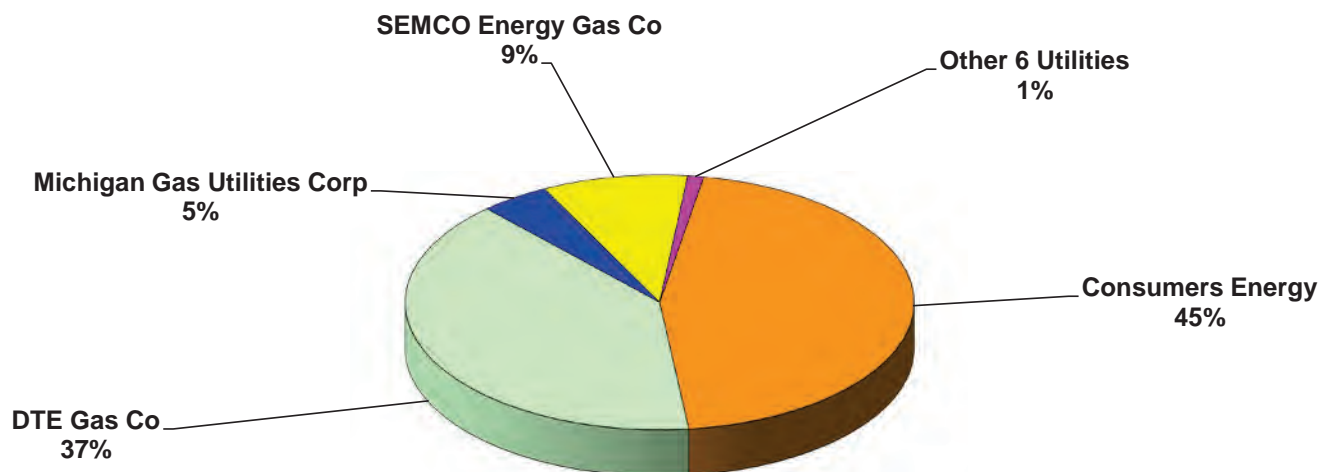
2017 Michigan Gas Utility Customers



Utility	Number of customers per Form P-522 MPSC Annual Report (average customers per month), Utility Contacts							Total Customers
	Residential A	Residential SH B	Commercial C	Commercial SH D	Industrial E	Others F-I	Transportation	
Aurora Gas Company	0	2,682	0	153	0	5	0	2,840
Citizens Gas Fuel Company	157	16,078	53	1,167	20	0	1	17,476
Consumers Energy Company	12,564	1,618,084	124,544	0	5,020	57	3,532	1,763,801
DTE Gas Company	17,134	1,002,089	3,512	63,939	304	0	1,332	1,088,310
Michigan Gas Utilities Corp	4,973	134,748	0	10,816	38	0	129	150,704
Presque Isle Electric & Gas CO-OP	0	8,917	0	285	4	102	0	9,308
SEMCO Energy Gas Company	2,459	253,188	787	22,101	443	0	252	279,230
Superior Energy Company	2,240	0	147	0	0	73	0	2,460
UMERC	93	4,765	11	389	44	1	17	5,320
Xcel Energy (Northern States Power)	5,064	0	669	0	2	2	0	5,737
Total	44,684	3,040,551	129,723	98,850	5,875	240	5,263	3,325,186

Sources: MPSC Annual Report form P-522 pages 305 & 312, utilities; Transportation includes aggregates

2017 Michigan Gas Utility Deliveries

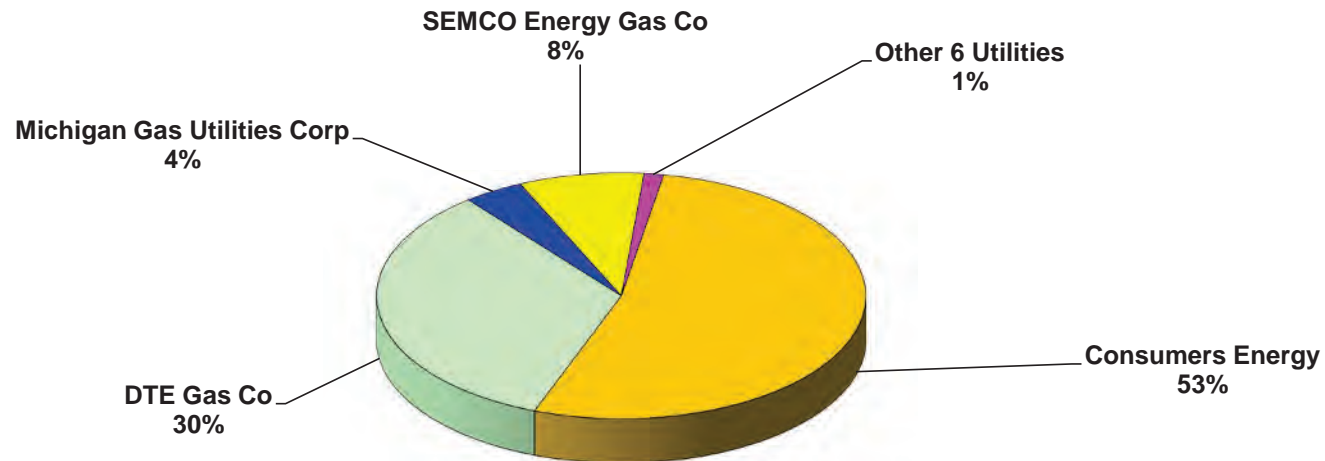


Utility	Mcf Sold per Form P-522 MPSC Annual Report							Transportation	Gas Sold Mcf Total Mcf Sold
	Residential A	Residential SH B	Commercial C	Commercial SH D	Industrial E	Others F-I			
Aurora Gas Company	0	177,203	0	61,214	0	7,245	0	0	245,662
Citizens Gas Fuel Company	9,785	1,349,753	25,876	459,575	771,395	0	30,504	0	2,646,888
Consumers Energy Company	864,329	150,571,049	51,287,683	0	8,587,663	169,405	75,614,666	0	287,094,795
DTE Gas Company	975,131	91,460,300	1,294,466	21,848,874	559,110	14,947	136,550,524	0	252,703,352
Michigan Gas Utilities Corp	311,275	10,532,162	0	4,330,810	667,520	3,849	11,924,172	0	27,769,788
Presque Isle Electric & Gas CO-OP	0	598,278	0	68,230	19,307	31,231	0	0	717,046
SEMCO Energy Gas Company	194,635	23,518,389	484,675	11,765,070	1,345,143	0	21,250,122	0	58,558,034
Superior Energy Company	168,167	0	26,847	0	0	25,553	0	0	220,567
UMERC (1)	5,872	419,877	4,732	69,651	110,450	1,651	1,078,928	0	1,691,162
Xcel Energy (Northern States Power) (1)	466,910	0	283,072	0	112,844	430	0	0	863,256
Total	2,996,103	278,627,011	53,407,351	38,603,424	12,173,432	254,312	246,448,916	0	632,510,550

Sources: MPSC Annual Report form P-522 pages 305 & 312, utilities; Transportation includes aggregates

(1) Therms converted to Mcf using a factor of 0.097561

2017 Michigan Gas Utility Sales Revenue



Utility	Revenue per Form P-522 MPSC Annual Report							\$ Revenue Total Revenue
	Residential A	Residential SH B	Commercial C	Commercial SH D	Industrial E	Others F-I	Transportation	
Aurora Gas Company	0	1,710,444	0	602,209	0	70,276	0	2,382,929
Citizens Gas Fuel Company	84,023	10,785,028	186,322	3,453,724	4,242,102	0	51,487	18,802,686
Consumers Energy Company	7,051,660	1,190,245,175	338,413,370	0	51,632,449	886,744	72,585,167	1,660,814,565
DTE Gas Company	9,126,671	765,690,326	9,806,099	166,976,555	3,646,769	-61,877	94,044,536	1,049,229,079
Michigan Gas Utilities Corp	2,561,234	80,132,206	0	28,757,758	3,655,899	32,782	9,108,195	124,248,074
Presque Isle Electric & Gas CO-OP	0	6,477,997	0	566,980	139,529	251,742	0	7,436,248
SEMCO Energy Gas Company	1,443,907	167,368,044	2,725,719	66,845,014	6,909,799	0	14,197,507	259,489,990
Superior Energy Company	1,592,264		249,782	0	0	327,256	0	2,169,302
UMERC	35,584	2,410,769	24,629	389,036	589,316	8,733	413,777	3,871,844
Xcel Energy (Northern States Power)	3,474,374	0	1,777,522	0	433,868	2,709	0	5,688,473
Total	25,369,717	2,224,819,989	353,183,443	267,591,276	71,249,731	1,518,365	190,400,669	3,134,133,190

Sources: MPSC Annual Report form P-522 pages 305 & 312, utilities; Transportation includes aggregates

**Direct Testimony
Mr. David A. Poppie**

**Before The Public Utilities Commission of
The State of Minnesota**

**In the Matter of the Application of
CenterPoint Energy Resources Corp. d/b/a
CenterPoint Energy Minnesota Gas
For Authority to Increase Rates for Natural Gas Utility
Service in Minnesota**

**Docket No. G-008/GR-17-285
Exhibit__(DAP-D)**

Net Rate Base

August 2, 2017

Mr. David A. Poppie
Net Rate Base

Direct Testimony
Docket No. G-008/GR-17-285

1 A. We removed the plant associated with the former Midwest Gas peak-shaving
2 facilities located in Blaine, Lexington, Buffalo, Ramsey and Coon Rapids.

3
4 Q. Why did you remove these peak-shaving plants from rate base?

5 A. These plants are not deemed used and useful. CenterPoint Energy Minnesota
6 Gas provided detailed information concerning the Blaine, Lexington, Buffalo, and
7 Ramsey plants in its 1993 rate case proceeding, Docket No. G-008/GR-93-1090.
8 The Commission approved the removal of these plants from cost of service in that
9 case. The Company discussed the retirement of the Coon Rapids Propane
10 Peaking Plant because it was no longer needed to meet peak winter demand in
11 its 2013 Demand Entitlement Filing (Docket No. G-008/M-13-578). The
12 Company also provided detailed information concerning the Coon Rapids plant in
13 its 2015 rate case. Specific plant account adjustment details are located on
14 Exhibit ____ (DAP-WP), Sch. 4, Workpaper 5, pages 1 through 2.

15
16 Compressed Natural Gas ("CNG") Plant

17 Q. Has CenterPoint Energy Minnesota Gas excluded any of its CNG equipment from
18 gross plant?

19 A. Yes. The Company has removed the following CNG-related capital from rate
20 base:

- 21 • The percentage of the Company's public fueling station used by the
22 Company's non-utility fleet, and

Mr. David A. Poppie
Net Rate Base

Direct Testimony
Docket No. G-008/GR-17-285

- The percentage of the Company's public fueling station used by external (non-CenterPoint Energy) customers.

Q. Please explain why the above items were removed from rate base.

A. The Company must remove a percentage of the capital assets associated with the fueling station because it is partially used by CenterPoint Energy Minnesota Gas' non-utility businesses and external customers.

Q. Please explain why the capital costs associated with CenterPoint Energy Minnesota Gas' utility fleet usage of CNG have been left in rate base.

A. The Company uses alternative fuel vehicles ("AFVs"), specifically natural gas vehicles ("NGVs"), for utility purposes. The related fueling capital costs should be included in rate base for the following reasons. First, utilities are required to use AFVs by the National Energy Policy Act ("EPAAct") of 1992. Utilities have historically been allowed to pass on government-mandated costs to their ratepayers. CenterPoint Energy Minnesota Gas' use of NGVs as AFVs is an environmentally and socially responsible method of complying with the law and these costs simply represent part of the cost of providing utility service.

Q. Specifically, what types of fueling equipment costs are included in rate base?

A. Rate base includes CenterPoint Energy Minnesota Gas' investment in compressor equipment, the tank cascades for holding the CNG, the pumping

Mr. David A. Poppie
Net Rate Base

Direct Testimony
Docket No. G-008/GR-17-285

1 equipment, and the card-key system for recording fueling information. The
2 percentage of these fueling equipment costs relating to CenterPoint Energy
3 Minnesota Gas' non-utility fleet usage is also excluded. Specific plant account
4 adjustment details are located in the general plant adjustment section on Exhibit
5 ____ (DAP-WP), Sch. 4, Workpaper 5, pages 13 through 22.

6
7 Meet Minneapolis Plant

8 Q. Has CenterPoint Energy Minnesota Gas excluded "Meet Minneapolis" from rate
9 base?

10 A. Yes. CenterPoint Energy Minnesota Gas has removed plant 389.0 (land) and
11 390.1 (structures and improvements) related capital from rate base.

12
13 Q. Please explain why the Company removed "Meet Minneapolis" from rate base.

14 A. Meet Minneapolis is a tenant at the Nicollet Mall Headquarters Building.
15 CenterPoint Energy Minnesota Gas removed the value of the portion of the
16 headquarters building occupied by "Meet Minneapolis" because that portion of
17 the building is not used for utility purposes. Specific plant account adjustment
18 details are located in the general plant adjustment section on Exhibit ____ (DAP-
19 WP), Sch. 4, Workpaper 5, pages 13 through 22.

**State of Minnesota
Office of the Attorney General**

Utility Information Request

Docket Number: G-008/M-18-547

Date of Request: 8/31/2018

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 9/13/2018

Analyst Requesting Information: Joseph Dammel

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
OAG 011	<p>Reference: Petition</p> <p>Provide all draft marketing material and other forms of communication about the specific RNG Pilot Program the CenterPoint plans to distribute to customers.</p> <p>Response:</p> <p>CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") has not prepared any marketing materials in anticipation of Pilot approval by the Public Utilities Commission, but the Company published some materials to answer questions customers may have about the filing and Pilot proposal. These documents are included as attachments.</p>

Response By: Erica Larson
Title: CIP Regulatory Analyst
Department: Regulatory
Telephone: 612-321-4334

[Sign In / Register](#)

Frequently Asked Questions

CenterPoint Energy Minnesota's Renewable Natural Gas Program

The answers below describe the renewable natural gas program CenterPoint Energy Minnesota Gas has proposed for Minnesota Public Utilities Commission (Commission) approval. The Commission may approve the program as proposed, approve a modified program, or reject the proposal. A printable PDF with this information is available.

What is CenterPoint Energy's renewable natural gas program?

On August 23, 2018, CenterPoint Energy filed a proposal for a five-year pilot program with the Minnesota Public Utilities Commission to offer its customers the option to purchase natural gas from renewable sources.

Questions About Renewable Natural Gas

What is renewable natural gas?

Renewable natural gas, also known as "green gas" or biomethane, is methane obtained through three primary means:

- Landfills – methane emissions from decomposed landfill waste, which is collected through a system of pipes.
- Digesters – a process that involves micro-organisms consuming biomass, such as manure and corn stalks, which produces methane and carbon dioxide.
- Gasifiers – a process whereby biomass like wood and crop residue is subjected to heat and pressure in a low oxygen environment, which converts biomass into combustible gas.

Learn more about the benefits of Renewable Natural Gas from the [American Gas Association](#).

Where will CenterPoint Energy get renewable natural gas?

If the Minnesota Public Utilities Commission approves the proposed program, CenterPoint Energy will request bids from suppliers of renewable natural gas. CenterPoint Energy expects that the renewable natural gas it will obtain will come from various producers across the country.

How can I be sure that I am receiving renewable natural gas if I enroll?

When producers put their renewable natural gas into the pipeline it intermingles with the other natural gas in the pipeline system. Just as it isn't possible to isolate electric power generated from wind once it is put into the electric grid, it is impossible to isolate molecules of renewable natural gas in the pipelines. However, CenterPoint Energy will use program revenues to make sure that renewable natural gas is being added to the pipeline system that serves CenterPoint Energy customers in Minnesota.

Do I need to update any of my appliances to use renewable natural gas?

No. Renewable natural gas is chemically identical to conventional natural gas. Any natural gas appliances in your home or business will not be damaged or experience performance changes by using renewable natural gas.

Does renewable natural gas burn like conventional natural gas?

Yes. Natural gas from a renewable source is refined just like conventional natural gas and functions identically. Customers purchasing renewable natural gas will experience no difference in the operation of natural gas equipment because of their purchase.

Why should I consider buying renewable natural gas?

Renewable natural gas has considerable environmental benefits. Using renewable natural gas, instead of conventional natural gas, results in a 40 to 100 percent or more decrease in greenhouse gas emissions, depending on the source of the renewable natural gas. Learn how renewable natural gas decreases greenhouse gas emissions (PDF).

Questions about participating in the program

Who will be eligible to sign up for the program?

The proposed program would be open to CenterPoint Energy utility customers in Minnesota. Customers who are not current on utility payments owed to CenterPoint Energy would not be eligible to participate under the proposed program. Specifically, the program is open to:

- Residential customers;
- Commercial and industrial customers receiving firm sales service; and
- Commercial and industrial customers receiving interruptible sales service.

When will I be able to sign up?

If the proposed program is approved by the Minnesota Public Utilities Commission by the end of January 2019, CenterPoint Energy plans to start initial enrollment in spring 2019 and to start providing renewable natural gas service in fall 2019.

What are the details of the enrollment process?

DOC Attachment 15

Page 4 of 6

At the time of sign-up, customers would specify how much extra they want to pay per month for renewable natural gas. CenterPoint Energy would buy as much renewable natural gas possible for the specified amount the customer selected. As wholesale prices fluctuate, the quantity of renewable natural gas CenterPoint Energy can buy for customers might change, but customers' contributions would never go higher than what they specified.

How much will renewable natural gas cost?

Though the final rate will be determined after Minnesota Public Utility Commission approval, CenterPoint Energy estimates that the cost of renewable natural gas would be slightly less than \$4.00 per therm.

Why is renewable natural gas more expensive than conventional natural gas?

Renewable natural gas is more expensive to produce than conventional natural gas. While both conventional natural gas and renewable natural gas must be processed to satisfy pipeline safety and quality standards, the processing is somewhat different and costlier for renewable natural gas. In addition, the federal government and the state of California have enacted policies meant to encourage use of renewable natural gas as vehicle fuel. These policies have also created demand for renewable natural gas and increased its price.

Will the price of renewable natural gas decrease?

It's hard to say. In many ways, renewable natural gas is like renewable electricity twenty or more years ago. When renewable electricity first became available, it was more expensive than electricity from non-renewable sources. Voluntary green tariff programs helped develop the early renewable electricity industry so that renewable electricity became less expensive.

If I sign up, what will my program fee pay for?

Under the proposed program, ninety percent or more of program fees would go toward covering the cost of renewable natural gas that CenterPoint Energy would purchase on your behalf. Up to ten percent of program fees would go toward administrative and marketing costs for the program and a small utility shareholder incentive.

If I sign up, how will I be billed for renewable natural gas?

The charges customers agree to pay for renewable natural gas would appear on their monthly gas bills.

If I sign up, how long am I committing to be in the program?

CenterPoint Energy believes that it will be able to buy renewable natural gas for a lower price if it can commit to longer-term agreements with suppliers. To secure lower prices for customers, CenterPoint

Energy is proposing to require certain minimum commitment periods for new participants. New residential customers will need to commit to the program for twelve months from the time that they sign up. New commercial and industrial participants will need to commit for two program years, which run from July to June, plus any time until the next program years starts. For example, if a residential customer signs up for the program in September 2019, they would be committed until September 2020. If a business signs up in September 2019, they would be committed until July 2022. After the initial commitment period has ended, residential customers may remain in the program or choose to terminate their subscription at any time with changes appearing on bills they receive 30 or more days after a change is requested. Commercial and industrial customers may discontinue their program subscriptions at the beginning of the next program year.

Can I participate if I rent my home?

Yes. All residential customers that are current on utility payments owed to CenterPoint Energy are eligible to participate.

Other questions

If I don't want to sign up, will the renewable natural gas program affect my bill?

If you choose not to participate, the effects of the proposed program on your gas bill would be minimal. The Company estimates that an average residential customer would pay less than \$5 total in support of the program and that cost would be spread out over five or more years. Some support by non-participating customers is needed in order to launch this program, but CenterPoint Energy designed the program to minimize the effect on non-participants.

What is the regulatory process for CenterPoint Energy's proposed renewable natural gas program?

On August 23, CenterPoint Energy petitioned the Minnesota Public Utilities Commission for permission to provide the proposed renewable natural gas program. Interested persons will have until September 24 to comment on the proposal and until October 4 to reply to other parties' comments. The Commission may choose to extend those deadlines. After interested parties have had the opportunity to weigh in, the Commission will consider the petition at a public hearing. If the program is approved, CenterPoint Energy will file annual status reports with the Commission describing program operation. The proposed program is a five-year pilot program. In the last year of the pilot, the Company plans to file a program evaluation report with the Commission. At that time, the Company may request to continue the program, terminate, or make changes to the program.

Is this program comparable to any other programs offered by other utilities in Minnesota or elsewhere?

If approved, this program will be one of the first green tariff programs offered by an American natural gas utility. The proposed program is comparable to electric green tariff offerings provided by electric

utilities in Minnesota and across the United States. However, only a few other natural gas utilities are providing green tariff options for their customers.

DOC Attachment 15**Page 6 of 6****Was CenterPoint Energy required to develop a renewable natural gas program?**

No. No law, regulation, or other legal requirement is forcing CenterPoint Energy to propose a renewable natural gas program. CenterPoint Energy is choosing to offer this program because of its corporate commitment to sustainability and its belief that many of its customers will appreciate having a renewable natural gas option.

[Downloadable PDF about Renewable Natural Gas](#)

[Infographic: How Renewable Natural Gas reduces greenhouse gas emissions \(PDF\)](#)

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Public Comments**

Docket No. G008/M-18-547

Dated this 9th day of January 2019

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-547_M-18-547
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Steven	Clay	Steven.Clay@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-547_M-18-547
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-547_M-18-547
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_18-547_M-18-547
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_18-547_M-18-547
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_18-547_M-18-547

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Erica	Larson	erica.larson@centerpointenergy.com	CenterPoint Energy	505 Nicollet Avenue P.O. Box 59038 Minneapolis, Minnesota 55459-0038	Electronic Service	No	OFF_SL_18-547_M-18-547
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_18-547_M-18-547
Nick	Mark	nick.mark@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_18-547_M-18-547
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_18-547_M-18-547
David	Moeller	dmoeller@allte.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_18-547_M-18-547
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_18-547_M-18-547
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_18-547_M-18-547
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-547_M-18-547
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-547_M-18-547
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-547_M-18-547