COMMERCE DEPARTMENT

June 25, 2020

PUBLIC DOCUMENT

Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 Saint Paul, Minnesota 55101-2147

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources** Docket No. G008/M-20-434

Dear Mr. Seuffert:

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 Interconnection tariff.

The Petition was filed on April 23, 2020 by:

Amber S. Lee Director, Regulatory Affairs CenterPoint Energy 505 Nicollet Mall, P.O. Box 59038 Minneapolis, Minnesota 55459-0038

The Department recommends **approval**, **subject to conditions as discussed herein**. The Department is available to respond to any questions the Minnesota Public Utilities Commission may have on this matter.

Sincerely,

/s/ SACHIN SHAH Rates Analyst

SS /ar Attachment

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COMMERCE DEPARTMENT

Before the Minnesota Public Utilities Commission

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

Docket No. G008/M-20-434

I. INTRODUCTION

On April 23, 2020, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CenterPoint Energy, CPE, or the Company) filed a Petition to Introduce a *Renewable Natural Gas (RNG) Interconnection Program (Petition)* with the Minnesota Public Utilities Commission (Commission). The Petition stated that the Program would allow RNG producers to interconnect to, and transport their gas via the Company's distribution system.

CenterPoint noted that "this filing sets forth the terms and conditions of the tariffed service, the process by which an RNG producer will connect to the Company's system, the gas quality standards the RNG producer must meet, and the proposed rates to be charged for the interconnection service."¹

CenterPoint indicated that its proposal would not result in increased costs for existing customers as the proposed rates for interconnect customers were designed to fully cover the Company's costs for offering the tariffed interconnection service.²

II. SUMMARY OF THE UTILITY'S PROPOSAL

CPE is requesting that it be allowed to add RNG producers as a customer class. The new proposed tariff governing service to RNG producers would allow RNG producers to interconnect to CPE's distribution system so the producers can transport and sell RNG via an interstate pipeline for delivery to a buyer who is not connected to CPE's distribution system or to a customer on CPE's system who wants to purchase RNG.

The proposed tariff would require gas quality specifications and standards to ensure that gas entering the distribution system is interchangeable with conventional natural gas supplies purchased by CPE. CPE expects that, in the near term, most if not all of the RNG will be used as vehicle fuel in order to generate credits in the national RNG credit market.³ Specifically, the Company stated:

CenterPoint Energy proposes to allow producers of RNG to interconnect to CenterPoint Energy's distribution system so that RNG can be transported and delivered in Minnesota and across the country. Once connected, the RNG will either be:

² Id.

¹ Petition, page 1.

³ Petition, pages 4-5.

> (1) Transported by the Company to an interstate pipeline for delivery to a buyer who is not connected to CenterPoint Energy's Minnesota distribution system; or
> (2) Transported to a customer on CenterPoint Energy's distribution system who has purchased the RNG.

The Company expects that, in the near term, most if not all of the RNG put into CenterPoint Energy's distribution system will be sold to buyers who will use it as vehicle fuel in order to generate credits in the national RNG credit market.⁴

As a future step, CPE expects to request Commission approval of an amended green tariff offering to deliver RNG to sales customers who opt to purchase RNG as part of their natural gas supply. The Company stated that its proposal should not result in increased costs for existing customers – the rates proposed for interconnect customers are designed to fully recover the Company's costs for offering the interconnection service.

The Company indicated that state and federal programs exist to incentivize the use of RNG in transportation fuels and that most RNG developed currently is used in the vehicle fuels market.⁵ The Company also stated that "CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market."⁶

Below are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) regarding the Company's Interconnect Tariff proposal.

III. DEPARTMENT ANALYSIS

In the Commission's August 29, 2019 Order Denying Petition Without Prejudice in Docket No. G008/M-18-547 (Docket 18-547), the Commission agreed with the Company that a key potential benefit of RNG is the repurposing of waste from landfills, livestock operations, wastewater treatment, and other facilities. The Commission further stated:⁷

⁴ Petition, page 4.

⁵ Id. The California and Oregon Low Carbon Fuel Standards (LCFS) set limits on emissions from vehicle fuels and allow 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.

⁶ Petition, pages 4-5.

⁷ See the Commission's August 29, 2019 Order Denying Petition Without Prejudice in Docket 18-547. Page 6.

> If these businesses become RNG producers, they may benefit through access to additional revenue and avoided waste-disposal costs. Local communities may also benefit through increased economic activity and reduced waste. One consideration for future RNG pilot programs is whether local producers could supply RNG for the pilot. The Commission looks forward to CenterPoint's interconnection tariff as a possible step to allow for Minnesotaproduced RNG.

The Department appreciates CenterPoint's efforts to provide an opportunity for RNG producers and/or developers 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.

Overall, the Department considers the Company's proposal to be an improvement to the proposal in Docket 18-547. Further, in balancing the public interest considerations, the Department agrees with CenterPoint's environmental protection efforts. However, the Department notes several concerns, especially related to existing ratepayer impacts, along with preliminary recommendations to address those issues, for the Commission's consideration.

A. OVERALL PROPOSED INTERCONNECTION PROCESS

CenterPoint, at pages 6 through 8 of its Petition, described the Company's Interconnection Process. For a visual representation of the interconnection process flow, the Department developed the schematic below in Figure 1.

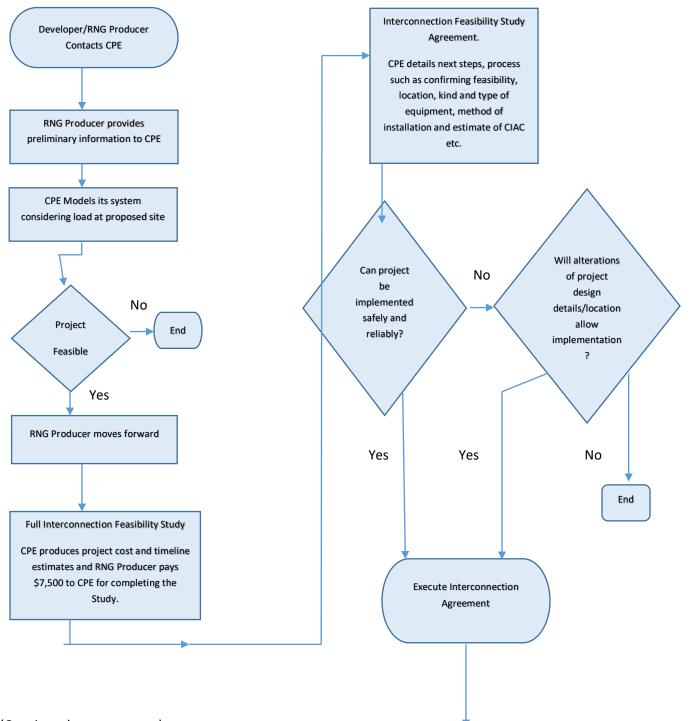
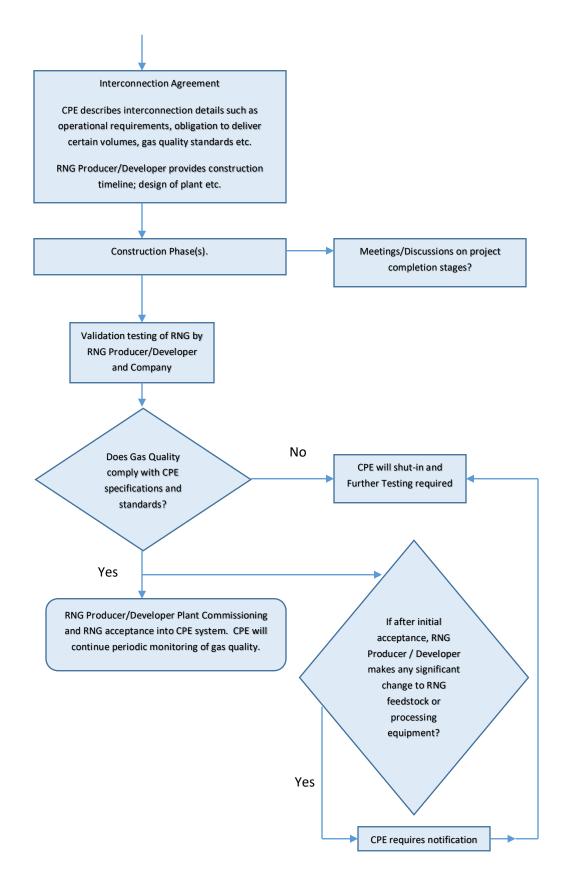


FIGURE 1: CenterPoint's Overall Interconnection Process.

(Continued on next page)



The above figure depicts what CenterPoint has proposed for its overall interconnection process.⁸ Overall, the goal of the interconnection process is to ensure feasibility and safety, along with limiting the amount of costs involved with such interconnections.

Regarding the costs of the RNG itself, in its proposed Interconnection Agreement, in Exhibit B of the Petition, the Company stated the following:

Section 9. Title

At no time under this Agreement shall CenterPoint Energy take or hold title to the RNG delivered at the Interconnect Point by the Customer. This Agreement does not prohibit CenterPoint Energy and Customer from entering into a separate agreement for the purchase of Customer's RNG.

In the Company's response to Department Information Request No. 36, the Company affirmed the above statement and referred to its response to Department IR No. 10 wherein it discussed a variety of ways in which RNG projects could be structured. The Company also acknowledged that it will not own, design, or operate RNG facilities or market RNG under the proposed interconnection terms. The responses are included as Department Attachment 1.

The Department appreciates the Company's clarification. It is also the Department's understanding that in order for the RNG producer and/or developer to qualify for credits would require not only an approved pathway, for example by the California Air Resources Board (CARB), but that developer or entity would also need an offtake agreement in order to be eligible for the credits and for the credits to be verified. Thus, the physical molecules of gas do not need to be transported or nominated to that end use point.⁹

B. CPE's PROPOSED INTERCONNECT RATES

In its Filing, CenterPoint indicated that it proposed to charge RNG producers a \$7,500 per month basic charge and a receipt charge of \$0.1500 per therm for RNG delivered into the Company's system because it expects to incur higher costs to serve interconnect customers "both upfront and on an ongoing basis", due to the need to monitor RNG supply to ensure it meets the Company's proposed RNG Quality specifications and standards.

The Company provided more detail in Exhibits E and F of its Petition for the Company's estimated incremental capital and operating and maintenance costs as well as an example for the Contribution-

⁸ The Northeast Gas Association (NGA) and the Gas Technology Institute (GTI) developed "*The Interconnect Guide for Renewable Natural Gas (RNG) in New York State*" and "*Appendix G – Overall Gas to Grid Process*"; the above figure is similar. Please see <u>https://www.northeastgas.org/pdf/nga_gti_interconnect_0919.pdf</u> and <u>https://pubs.naruc.org/pub/DDBA0AF5-155D-0A36-3139-0B242E027531</u>

⁹ See slide 30 at https://pscdocs.utah.gov/gas/18docs/18057T05/305692TechConfPres11-19-2018TechConf11-29-2018.pdf

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In-Aid of Construction (CIAC) costs. The Company currently has a general rate case pending with a 2020 test-year in Docket No. G008/GR-19-524. In its Petition, the Company stated the following:¹⁰

The Company anticipates that the soonest it will begin offering and collecting revenues under this service would be spring of 2021. After interconnecting a few customers under this tariff, the Company expects to reevaluate the pricing structure to evaluate whether the customers in the interconnect class are appropriately covering their fixed and variable costs. The Company anticipates incorporating this class of customers into the general revenue requirement calculation in its next rate case.

The Department sent CenterPoint Information Request Nos. 2, 4,5,31, and 47 (included as Department Attachment 1) wherein the Company stated, in part, the following:

Please see DOC 031 P Attachment.xlsx. Note that all costs are estimated, and actual project costs may vary. On a going forward basis, RNG Interconnection Project costs will be included in the Class Cost of Service Studies [CCOSS] within a rate case.

[IR 47]A2. The information in the Tables of Attachment E and F represent estimates for the equipment and time to install and maintain an RNG Interconnection. These amounts would not be included in any of the Company's current rate case schedules, work papers, present and/or proposed rates in Docket No. G008/GR-19-524, as the Company does not currently have any RNG Interconnection customers for which it would install such equipment.

In the Company's Petition to Introduce a Renewable Natural Gas Pilot Program in Docket 18-547, the Company had indicated that it had one RNG producer interconnected with the Company's Minnesota distribution system.¹¹ The Department requested the Company to provide all of the costs similar to calculations' contained in Exhibit E of the Company's Petition in Department IR No. 45, included as Department Attachment 2.

In its response, CenterPoint stated that the total capital cost to interconnect the RNG producer was **[TRADE SECRET DATA HAS BEEN EXCISED]**. CenterPoint requested CIAC from the customer **[TRADE SECRET DATA HAS BEEN EXCISED]**. In Exhibit E of the Petition, the Company has estimated costs of \$857,400. Thus, actual costs

¹⁰ Petition, pages 9-10.

¹¹ See the Department's January 9, 2019 Comments (<u>See eDocket ID 20191-148996-02</u>) and April 9, 2019 Response Comments in Docket No. 18-547 (<u>See eDocket ID 20194-151828-01</u>).

will vary. Additionally, actual costs will not be known until the full detailed engineering review is done when the Interconnection Feasibility Agreement is completed as shown in Figure 1 above and as explained in the Petition at pages 6-8.

However, what is known at this time is that RNG producers/developers would use CPE's distribution system. Thus, the Department recommends that the Commission require the Company to charge RNG interconnection customers the same non-gas rate as charged to interruptible transportation customers, less the Conservation Cost Recovery Charge (CCRC). This recommendation would increase the per-therm charge slightly, from \$0.15000 per therm to \$0.15748 per therm.

Further, given that the costs to connect potential RNG producers and/or developers are not in the Company's CCOSS in Docket 19-524, and that the Company intends to include them as a separate class in the Company's next CCOSS and general rate case, the Department recommends that the Commission require the Company to track all of the actual costs separately for each and all RNG producer and/or developer that the Company interconnects and the total RNG received for each RNG producer and/or developer (in Dekatherms or Dths).

The Company should track and identify all of these actual costs using the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and CPE charted accounts and/or sub-accounts from its internal accounting system that the Company identified in its responses to Department IR Nos. 2, 4, 5, 31, and 47 (included as Department Attachment 1). For example, these actual costs could include the easement and/or right-of-way costs, the installation and equipment costs et cetera. Therefore, the Department would like CPE to provide in its next general rate case a discussion along with the Company's analysis on each and all of the RNG producers and/or developers that are interconnected to CPE's distribution system at the time it files its next general rate case.

Throughout its Petition, the Company has stated that its proposal should not result in increased costs for existing customers – the rates proposed for interconnect customers are designed to fully recover from these customers the Company's costs for offering the interconnection service. 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, to ensure that existing customers are not required to pay to cover the Company's costs for offering the interconnection service, the Department recommends that the Company require the RNG producers and/or developers to pay all the costs upfront. For example, utilities in California have jointly proposed renewable gas interconnection agreements as part of the California Public Utilities Commission (CPUC) rulemaking in Docket No. 13-02-008, a performance assurance in the amount of \$1,000,000 whereby all design and construction costs are paid up front.¹²

¹² See

https://www.cpuc.ca.gov/uploadedFiles/CPUC Website/Content/Utilities and Industries/Energy/Energy Programs/Gas/N atural Gas Market/Developer%20RGIOA%20Workshop%20Slides.pdf https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M335/K832/335832750.PDF

Other options would be to require exit fees from RNG producers/developers, if they leave CPE's system before they pay for the costs of installation, operation and maintenance of the interconnection facilities.

The Department observes that an RNG producer and/or developer should not have difficulty in paying all the interconnection costs up front and/or in providing guaranteed assurances. For example, on May 27, 2020 in the current docket, Amp Americas II, LLC (Amp) submitted a letter in support of the Company's Petition. In its letter Amp stated the following:

Amp was the first developer in the country to register fuel pathways under the U.S. EPA's Renewable Fuel Standard ("RFS") and the California Air Resources Board's Low Carbon Fuel Standard ("LCFS") for its dairy manureto-RNG fuel project. The project is located at Fair Oaks Farms in northwest Indiana and began commercial operations in 2013. In 2018, Amp funded, developed, and commissioned two additional dairy biogas projects, tripling its aggregate dairy RNG fuel production. Altogether, the three projects generate approximately 600,000 MMBtus, 200,000 LCFS credits and 7 million D3 RINs per year.

As mentioned previously, RNG can qualify for both the CA LCFS credit as well as the federal RFS credit when RINs are generated. As an illustrative example, the 2019 D3 RINs were worth approximately \$21/MMBtus and the 2018 LCFS credit value were worth more than \$45/MMBtus.¹³ In this illustrative example, If all of the credits associated with the 600,000 MMBtus were sold by Amp, the revenue generated by the developer and/or RNG producer would be approximately \$39,600,000 (i.e., [600,000*21] + [600,000*45]).¹⁴

C. RNG QUALITY STANDARDS

In its Petition, the Company proposed gas quality requirements and specifications for the RNG entering its distribution system. The Company stated that the gas quality specifications had been derived from those "promulgated by the CPUC" and that it had reviewed the California proceeding and the Company was satisfied that these standards were also appropriate for its distribution system.¹⁵ Exhibit C of the Petition contains the gas quality standards the RNG producers and/or developers need to meet in order to interconnect with CPE's distribution system.

The Department notes that it is CPE's burden to ensure the integrity, safety, and reliability of its system. The Department also observes that there is no clarity in Exhibit C regarding acceptance of RNG from a hazardous source such as a hazardous waste landfill. Thus, the Department recommends that the Company add an explicit statement in its gas quality standards, such as the following:

- ¹⁴ To the Department's knowledge, the California LCFS program does not have a sunset provision/expiration date.
- ¹⁵ Petition, page 7.

¹³ See <u>https://www.mjbradley.com/sites/default/files/RNGEconomics07152019.pdf</u>

Gas from Hazardous Waste Landfills

- i. RNG sourced from Hazardous Waste Landfills will not be knowingly purchased, accepted into or transported on the pipeline system.
- ii. RNG producer/Supplier and/or developer must certify and provide documentation or other suitable proof that the biogas/RNG source feedstock was not derived or collected from a hazardous waste landfill.

The Department also inquired about the various interstate pipelines, and their requirements, specifications, and standards regarding RNG in the Department IR Nos. 21 through 30, 32 and 33, included as Department Attachment 1. In its response to Department IR No. 25, the Company stated the following:

The Company's gas quality standards along with the quality standards of Northern Natural Gas, Viking, Great Lakes, and NBPL are all substantially equivalent to one another and to the California standards in terms of the traditional measures of gas quality for pipelines (e.g. moisture, oxygen, sulfur compounds, hydrogen sulfide). Northern Natural Gas's Biomethane Guidelines, the California standards, and our proposed standards provide more detail regarding what monitoring and testing processes will be required for RNG production than is provided in Viking, Great Lakes, and NBPL's non-RNG specific tariffs. As described in CenterPoint Energy's response to Department Information Request No. 22, the operators of Viking require some specific additional gas quality monitoring for RNG, but have not spelled out these requirements in their tariff.

Gas standards are set in place to protect our customers, employees and communities. One part of ensuring the safety of our customers, employees, and communities is ensuring that RNG entering our system is interchangeable with gas already on our system. Because gas on our system is provided by interstate pipelines which are interconnected with one another at various points and all have similar concerns with respect to operating their pipelines, it makes sense that we would all arrive at substantially equivalent gas quality requirements.

The Department appreciates the Company above confirming that it is indeed CPE's burden to ensure the integrity, safety, and reliability of its system and looks forward to reviewing the Company's response in its *Reply Comments* regarding the language regarding hazardous waste.

D. OTHER TARIFF CHANGES

In Exhibit G of the Company's Petition the Company indicated that certain tariff provisions will apply to customers taking service under the RNG interconnect service tariff. The Company made the following changes:

- Modified Table of Contents in Section 1 by adding proposed new tariff pages to table of contents;
- Modified Technical terms and Abbreviations in section IV, page 1 and Clarified that terms "applicant" and "customer" may include RNG interconnect service customers;
- Modified table of Contents in Section V, page ii by adding proposed new tariff pages to table of contents; and
- Modified Credit Policy Rider Section V, page 26 by making the rider applicable to RNG interconnect service customers.

The Department concludes that the above-identified "other tariff changes" are reasonable.

E. POTENTIAL FUTURE RNG SALES PROGRAM

As mentioned previously, the Company had proposed a pilot RNG program for its customers in Docket 18-547. The Department's comments and response comments pointed out various concerns.¹⁶ On August 29, 2019 the Commission issued its *Order Denying Petition Without Prejudice*.¹⁷ In its Petition, CPE stated the following:¹⁸

The Company expects that in the near term most RNG producers seeking to interconnect with its Minnesota system will be primarily interested in selling their RNG to customers operating in the RIN and LCFS markets and not necessarily customers located on CenterPoint Energy's distribution system. Nevertheless, the Company believes that offering this interconnection tariff is a useful first step towards encouraging the development of local supply that could be used in a future green tariff proposal.

¹⁷ See (<u>eDocket ID 20198-155539-01</u>).

¹⁶ See the Department's January 9, 2019 Comments (<u>See eDocket ID 20191-148996-02</u>) and April 9, 2019 Response Comments in Docket No. 18-547 (<u>See eDocket ID 20194-151828-01</u>).

¹⁸ Petition, page 10.

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The Company indicated that it intended to file another Petition for a program similar to its Petition in Docket 18-547 when it had identified a local source of RNG supply. The Department notes that the issues in the current docket are related to the "interconnection tariff" that the Company has proposed. As such, issues on developing and introducing a "voluntary green tariff" or a future green tariff proposal would need to be decided in a future docket. Thus, the merits of the Company's future green tariff proposal and development are not ripe for discussion until the Company files its proposal.

F. OTHER CONCERNS AND/OR OBSERVATIONS

i. Affiliates as well as CNG.

In Docket 18-547, the Department noted concerns with Company's proposal in relation to enriching its affiliates at CPE customer expense. To ascertain whether there were similar concerns in the Company's Petition, the Department issued IR Nos. 12, 38 and 40 (included as Department Attachment 1). IR 38 pointed out that CPE has a compressed natural gas (CNG) fueling station in Burnsville, Minnesota and uses natural gas as a vehicle fuel for its fleet. Company Witness David Poppie discussed this fact in the Company's current rate case in Docket No. 19-524.

In its response to Department IR 12, the Company pointed out that it has two affiliates that do work related to RNG. The first affiliate is CenterPoint Energy Intrastate Pipelines (CEIP), which builds and operates interconnections, "generally between interstate pipelines and large customers, but they are also capable of building interconnections to RNG facilities for receipt of RNG supply."

The second affiliate is Energy Systems Group (ESG), which was a subsidiary of Vectren Corporation and became an affiliate of the Company after the CenterPoint Energy/Vectren merger. According to CPE, ESG builds, operates and in a few cases owns biogas facilities and has been involved in a few projects that upgrade RNG for pipeline injection. The Company stated that they will "inform the Department and Public Utilities Commission and follow all applicable affiliate-interest rules and requirements" if the Company ever does decide to contract with any of its affiliates on an RNG project.

Similarly, in its response to Department IR No. 38 regarding the CNG fueling station described above, the Company stated that it will "inform the Department and PUC if it intends to purchase RNG for its fueling station and work with the Department and the PUC to ensure that customers receive the monetary benefit of any RINs or other credits created."

The Department recommends that the Commission require the Company to seek prior approval from the Commission prior to any such transactions and explain how the above transaction(s) would comply with Minn. R.7825.1900 – 7825.2300 and Minn. Stat. §216B.48 and the relevance of these regulations to all applicable projects. Rather than "informing" this recommendation would ensure that the Company complies with Minnesota statutes and rules.

ii. REBATES/INCENTIVES?

While the Company has not mentioned in its Petition whether it would use any incentives and/or rebates to induce RNG producers and/or developers to interconnect with their distribution system, if the Company does do so, such costs should be shareholder expenses. This recommendation would ensure that its proposal would not result in increased costs for existing customers – and that the rates proposed for interconnect customers are designed to fully recover the Company's costs for offering the interconnection service. Thus, any rebates and/or incentives used by the Company in its interconnection process should not be allowed to be charged to customers.

iii. Extend Service?

In the Department's IR No. 46, included as Department Attachment 1, the Company was asked if the pipe and/or related equipment that is placed for the interconnect customer could also be used to extend service to other customers in the proximate area. The Company in its response stated the following:

For the immediate operation of the project, CenterPoint Energy does not plan on using the RNG producer interconnect and piping to extend service to other customers in the proximate area. Although it will be possible in the future, there are several operational uncertainties, so until we have more experience with the behavior of the RNG supplies and our system operations we will not be adding other customers to the immediate project piping.

Thus from the above response, while the Company does not plan to do so at this time, in the future, the Company could add other RNG producers and/or developers and it could add customers that would be considered residential, small commercial, dual fuel per the Company's tariff designations' et cetera. As a result, the Department recommends that the Company be required to track and identify all of the customers it adds and their associated costs and revenues using the FERC accounts, sub accounts and/or FERC account equivalents and CPE charted accounts and/or sub-accounts from its internal accounting system and to provide a discussion and analysis in its next general rate case.

IV. DEPARTMENT RECOMMENDATION

The Department appreciates CenterPoint's efforts to provide an opportunity for RNG producers and/or developers who are concerned about reducing greenhouse gas emissions and/or encouraging domestic energy use. The Company's proposal is innovative and a significant improvement from Docket 18-547; the Department greatly appreciates CenterPoint's efforts in that regard.

Further, the Department expects that experience with this tariff, with the recommended requirements below, will provide helpful information and opportunities for Minnesota to further its greenhouse gas reduction goals in a non-electric industry sector.

Thus, the Department recommends that the Commission approve CenterPoint's proposed interconnection tariff with these modifications:

- require the RNG producers and/or developers to pay all the costs of interconnecting to CPE's system, either by paying the entire CIAC upfront or imposing an exit fee, if the interconnection customer leaves CPE's system prior to paying fully for all of the costs of interconnection, operation and removal of such facilities;
- require CenterPoint to add an explicit statement in its gas quality standards regarding acceptance of RNG from a hazardous source such as a hazardous waste landfill, such as the following:

Gas from Hazardous Waste Landfills

RNG sourced from Hazardous Waste Landfills will not be knowingly purchased, accepted into or transported on the pipeline system.

RNG producer/Supplier and/or developer must certify and provide documentation or other suitable proof that the biogas/RNG source feedstock was not derived or collected from a hazardous waste landfill.

• charge RNG customers the same non-gas margin as charged to interruptible transportation customers, less the CCRC (\$0.15748 per therm);

In addition, the Department recommends that the Commission require the Company to:

- track all actual costs separately for each RNG producer and/or developer the Company signs and the total RNG received for each RNG producer and/or developer (in Dekatherms or Dths), identifying these actual costs using the FERC accounts, sub accounts and/or FERC account equivalents and CPE charted accounts and/or sub-accounts from its internal accounting system that the Company identified in its responses to Department IR Nos. 2, 4, 5, 31, and 47;
- seek prior approval from the Commission and explain how any transaction(s) with its affiliates would comply with Minn. R.7825.1900 – 7825.2300 and Minn. Stat. §216B.48 and the relevance of these regulations to all applicable projects;
- seek approval from the Commission prior to engaging in any RNG transaction(s) for its fueling station;
- absorb any rebates and/or incentives used by the Company in its interconnection process as a shareholder expense; and
- track and identify all of the customers it adds and their associated costs and revenues using the FERC accounts, sub accounts and/or FERC account equivalents and CPE charted accounts and/or sub-accounts from its internal accounting system and to provide a discussion and analysis in its next general rate case.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG Interconnect Date of Request: 5/14/2020 Requested From: CenterPoint Energy Minnesota Gas Response Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Telephone: 612-321-4334

Request No.	
DOC 002	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition, the Company stated the following:
	In addition, the Company's proposal should not result in increased costs for existing customers – the rates proposed for interconnect customers are designed to fully cover the Company's costs for offering the interconnection service.
	Please explain in detail how the Company designed the rates proposed for the interconnect customers. As part of your response, please identify and explain what fixed and/or variable costs were included and what fixed and/or variable costs were excluded.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify
Title: Senior	y: Erica Larson Analyst, Regulatory & Rates Mng Smr Reg Svc Rev Req Page 1 of 2

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

the specific cite(s) or Department IR number(s).

Response:

As discussed on page 9 of the initial petition, the Company calculated the monthly charge by identifying the additional costs to serve RNG Producers as shown in Table 1 of Exhibit E in the initial petition which generates a monthly cost of \$6,220, rounded up to a monthly charge of \$6,500. The Commission approved monthly charge for Large Volume Dual Fuel Transport customers of \$1,000 was then added to the \$6,500 to cover the ongoing maintenance charges, resulting in a total monthly fixed charge of \$7,500.

Additionally, as discussed on page 9 of the initial petition, the Company calculated total project costs of \$857,400 as shown on Table 3 of Exhibit E in the initial petition. The annual cost of service inclusive of the return on capital costs, depreciation expense, property tax, income tax, and O&M expense is then calculated as shown on page 4 of Exhibit E of the initial petition. This amount less the fixed charge revenue is divided by the estimated annual production to generate an annual distribution rate. As shown on page 5 of Exhibit E, the distribution charge of Large Volume Dual Fuel Transport customers exclusive of the CCRC is then added to this calculated rate to recover the fixed costs included in Customer Account Expenses, Administrative and General Expenses, Payroll Tax Expense, and Support Use Plant, and the overall rate is rounded to \$0.15000 per therm. As shown in the response to DOC 031, this calculation is based on an average main installation of three miles. Therefore, to the extent this main allowance is more than the rate supports a CIAC will be required from the producer prior to construction.

In addition to the project specific costs included in Exhibit E of the Initial filing, the inclusion of the Large Volume Dual Fuel Transport rate into the rate calculation was to account for the fixed costs previously identified. The costs that were allocated to the Large Volume Dual Fuel Transport class in the rate case Class Cost of Service Study are the fixed and variable costs included in the RNG Interconnect tariff, in addition to the incremental costs as identified in Tables 2 and 3 of Exhibit E.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG Interconnect Date of Request: 5/14/2020 Requested From: CenterPoint Energy Minnesota Gas Response Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Telephone: 612-321-4334

Request No.	
DOC 005	Topic: RNG Interconnection Service Reference(s: CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 3, the Company stated the following:
	If RNG producers connect to the Company's system, existing customers would benefit to the extent that the Company's fixed costs will be spread over additional customers. The Company submits this filing to offer a new service to meet potential customer demand for interconnection.
	A. Please explain in detail how the Company designed the rates proposed for the interconnect customers. As part of your response, please identify and explain what fixed and/or variable costs were included and what fixed and/or variable costs were excluded.
	B. Please explain, discuss, and identify the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and CPE charted accounts from its internal accounting system that the Company is referring to in its response to part (a) above.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND
Title: Senior Department:	y: Erica Larson Analyst, Regulatory & Rates Mng Smr Reg Svc Rev Req Page 1 of 2

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

also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

- A. Please see the Company's response to DOC 002.
- B. Generally speaking, the fixed costs referred to in the above mentioned statement include Customer Account Expenses in FERC Accounts 901-916, Administrative and General Expenses in FERC Accounts 920 931, Payroll Tax Expense in FERC Account 408, and Support Use Plant in FERC Accounts 302, 303, and 386-398.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 010	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 5, the Company stated the following:
	CenterPoint Energy is proposing this offering in response to demand from RNG producers to connect to our system. CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market.
	A. For the RNG source category of landfill gas, please explain in detail who would own the project? (RNG producer? Project developer? Or some other entity?)
	B. For the RNG source category of landfill gas, please explain in detail who would design, develop and operate the project? (RNG producer? Project developer? Or some other entity?
	C. For the RNG source category of landfill gas, who will market the project? Please explain in detail.
	Where applicable, please provide the requested data in a Microsoft Excel
Response By	v: Erica Larson
Title: Senior	Analyst, Regulatory & Rates
D	

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334 executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

At this point in time, CenterPoint Energy is not aware of the ownership, design, development, operation and marketing for each project. It is the Company's understanding that there are a variety of structures used for renewable natural gas projects. One entity may own the facility, another may have designed it, a third may operate the facility, and a fourth may be responsible for marketing the RNG, or an entity may have two or more of those roles. During the planning stages for a facility, multiple structures may be considered. The Company is not aware that the structure used for projects is dependent on the biomass source (e.g. landfill, wastewater, etc.).

CenterPoint Energy will not own, design, or operate RNG facilities or market RNG under the proposed interconnection service terms. And the Company is not aware what structure will ultimately be used for the projects identified in response to DOC 006. Because all of these projects are still in the planning stages, it is the Company's understanding that the structures for each of those projects have not been finalized. Even once the projects are complete the Company may not be fully aware of how the project is structured: the Company will need points of contact for each facility, but may not need to know what entity markets the RNG, for example.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 012	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	Please explain and disclose any and all affiliations that CenterPoint Energy
	has with any existing or in-progress renewable natural gas operations.
	Whenever acronyms are used in the data given in response to all the parts
	above, please provide an explanation of all acronyms used AND also
	provide a brief but complete explanation of the source of each data series
	that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify
	the specific cite(s) or Department IR number(s).
	Response:
	CenterPoint Energy Minnesota Gas has two affiliates that do work related to renewable natural gas. The Company does not currently have plans to work
	with any of these affiliates, and none of these affiliates are currently
	involved in any Minnesota RNG projects. If the Company ever does decide
	to contract with any of its affiliates on an RNG project, it will inform the
	Department and Public Utilities Commission and follow all applicable affiliate-interest rules and requirements.
	CenterPoint Energy Intrastate Pipelines ("CEIP"), builds and operates
Response Br	r: Erica Larson

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

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

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interconnections, generally between interstate pipelines and large customers, but they are also capable of building interconnections to RNG facilities for receipt of RNG supply. Their only current RNG project is for a landfill in Texas. They own and operate the interconnect for that landfill.

Energy Systems Group ("ESG") was a subsidiary of Vectren Corp. and so became CenterPoint Energy Minnesota Gas's affiliate at the close of the CenterPoint Energy/Vectren merger. Energy Systems Group builds, operates, and in a few cases owns biogas facilities. They have been involved with approximately twenty biogas or renewable natural gas facilities in their history. Most of the facilities that ESG is involved with use biogas to generate electricity, but they are also involved in a few projects that upgrade biogas to renewable natural gas for injection into the pipeline system. ESG owns and operates two biogas facilities in Wisconsin, which generate electricity from the biogas. They are not involved with any other RNG projects in any states bordering on Minnesota and do not have projects in Minnesota.

In addition, CenterPoint Energy Services ("CES") was affiliated with the Company until June 1, 2020, when CenterPoint Energy Inc. completed its sale of CES to Energy Capital Partners. CES is a gas marketer with a variety of clients. They currently market RNG for one landfill in an east coast state, and that is their only current RNG project. In CenterPoint Energy Minnesota Gas's Reply Comments in Docket No. G-008/M-18-574, footnote 41, the Company stated that CES had applied to be a Environmental Protection Agency ("EPA") certified RIN ("Renewable Identification Number") generator. CES has never applied to be a RIN generator.

While the Company has no knowledge of any such discussions, it is possible that a Minnesota-based RNG producer could contract with one of these current or former affiliates for services related to its RNG project.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 013	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 5, the Company stated the following:
	CenterPoint Energy is proposing this offering in response to demand from RNG producers to connect to our system. CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market.
	A. For the RNG source category of wastewater treatment plants (WWTP), please explain in detail who would own the project? (Town? City? Village? RNG producer? Project developer? Or some other entity?)
	B. For the RNG source category of WWTP, please explain in detail who would design, develop, and operate the project? (Town? City? Village? RNG producer? Project developer? Or some other entity?)
	C. For the RNG source category of WWTP, who will market the project? Please explain in detail.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these
1 1	y: Erica Larson Analyst, Regulatory & Rates

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334 links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

See the Company's response to DOC 010.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 014	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020
	In its petition at page 5, the Company stated the following:
	CenterPoint Energy is proposing this offering in response to demand from RNG producers to connect to our system. CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market.
	A. For the RNG source category of agricultural waste, please explain in detail who would own the project? (A farmer? Farmers? RNG producer (s)? Project developer(s)? Or some other entity?)
	B. For the RNG source category of agricultural waste, please explain in detail who would design, develop, and operate the project? (A farmer? Farmers? RNG producer(s)? Project developer(s)? Or some other entity?)
	C. For the RNG source category of agricultural waste, who will market the project? Please explain in detail.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these
	y: Erica Larson Analyst, Regulatory & Rates

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334 links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

See the Company's response to DOC 010.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 015	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 5, the Company stated the following:
	CenterPoint Energy is proposing this offering in response to demand from RNG producers to connect to our system. CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market.
	A. For the RNG source category of food waste, please explain in detail who would own the project? (A farmer? Farmers? RNG producer(s)? Project developer(s)? Or some other entity?)
	B. For the RNG source category of food waste, please explain in detail who would design, develop, and operate the project? (A farmer? Farmers? RNG producer(s)? Project developer(s)? Or some other entity?)
	C. For the RNG source category of food waste, who will market the project? Please explain in detail.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these
	y: Erica Larson Analyst, Regulatory & Rates

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334 links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

See the Company's response to DOC 010.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 016 P	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 5, the Company stated the following:
	CenterPoint Energy is proposing this offering in response to demand from RNG producers to connect to our system. CenterPoint Energy has received more than a dozen recent inquiries from RNG producers regarding interconnection with CenterPoint Energy's Minnesota distribution system. We are currently in discussions with project developers who plan to produce RNG from food waste, wastewater, or agricultural waste and wish to interconnect to our system to deliver RNG into the market.
	A. Please identify and explain if the RNG producer(s) and/or project developer(s) RNG supply will be seasonal? Provided on a daily basis? Or annual basis?
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
Response By	v: Erica Larson

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

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

Response:

Trade Secret Information has Been Excised:

CenterPoint Energy Minnesota Gas has designated information in this document 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 CenterPoint Energy Minnesota Gas, the affected organization; (2) CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the information, and (3) the protected information contains information about specific planned renewable natural gas projects 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 its disclosure or use.

Renewable natural gas ("RNG") operations generally operate continuously and are constantly providing a stream of RNG to the pipeline they interconnect with rather than providing RNG on a daily or annual basis. Depending on feedstock, ambient temperatures, and the RNG developer's equipment, an RNG operation's output may vary in terms of quantity per unit of time on a seasonal basis.

CenterPoint Energy is aware that the planned **[TRADE SECRET INFORMATION EXCISED]** may produce more RNG in the summer months. The Company is not aware of any seasonality for any of the other projects referenced in the Petition.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 017	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. Please explain if Northern Natural Gas Interstate Pipeline Company (NNG or Northern) has accepted RNG onto their system?
	B. In reference to your response to part (a) above, was the acceptance in the market area?
	C. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's secured gas transportation network to serve Minnesota-destined consumption?
	D. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's distribution network?
	E. For the Company's response to parts (a) through (d) above, please explain, discuss, and identify the RNG producer and/or developer from when the first occurrence happened to the most recent.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series
1 0	y: Erica Larson

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

that is provided.

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

Response:

CenterPoint Energy contacted NNG for answers to your questions and spoke with NNG representatives Stacy Roseman and Mike Barry on May 28, 2020. Our response is based on what NNG shared with us.

There are two RNG projects connected to NNG's system that are currently producing RNG. These RNG Producers/Developers are subject to NNG's General Tariff and Biomethane Operating Guidelines.

Neither producer is proximate to CenterPoint Energy's system. One of the projects is within NNG's market area, in South Sioux City, Nebraska. The other is in Dodge City, Kansas. NNG did not wish to disclose the identities of the RNG producers/developers.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 018	Topic: RNG Interconnection Service
	Reference(s) CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. Please explain if Viking Natural Gas Transmission Interstate Pipeline Company (VGT or Viking) has accepted RNG onto their system?
	B. In reference to your response to part (a) above, where has the acceptance been?
	C. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's secured gas transportation network to serve Minnesota-destined consumption?
	D. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's distribution network?
	E. For the Company's response to parts (a) through (d) above, please explain, discuss, and identify the RNG producer and/or developer from when the first occurrence happened to the most recent.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series
	y: Erica Larson Analyst Regulatory & Rates

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

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that is provided.

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

Response:

CenterPoint Energy contacted OneOK, the owner of Viking, for answers to your questions, and spoke with OneOK representatives Neph Boggey and Cliff Allison on June 1, 2020. Our response is based on what OneOK shared with us.

There are no RNG projects connected to the Viking system, but there are RNG projects connected to other systems owned by OneOK in Wisconsin and Oklahoma.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 019	Topic: RNG Interconnection Service
200 017	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy Introduce a Renewable Natural
	Gas Interconnection Program filed on April 23, 2020.
	A. Please explain if Great Lakes Gas Gas Transmission Interstate Pipeline
	Company (GLGT or Great Lakes) has accepted RNG onto their system?
	B. In reference to your response to part (a) above, where has the acceptance
	been?
	C. In reference to your answer to part (a) above, was the acceptance
	proximate to CenterPoint Energy's secured gas transportation network to serve Minnesota-destined consumption?
	D. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's distribution network?
	E. For the Company's response to parts (a) through (d) above, please
	explain, discuss, and identify the RNG producer and/or developer from when the first occurrence happened to the most recent.
	Where applicable, please provide the requested data in a Microsoft Excel
	executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series
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If you feel your responses are trade secret or privileged, please indicate this on your response.

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

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that is provided.

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

Response:

CenterPoint Energy does not ship on Great Lakes' pipeline and therefore does not have a working relationship with Great Lakes through which we are able to discuss these questions.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 020	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. Please explain if Northern Border Interstate Pipeline Company (NBPL or Northern Border) has accepted RNG onto their system?
	B. In reference to your response to part (a) above, where has the acceptance been?
	C. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's secured gas transportation network to serve Minnesota-destined consumption?
	D. In reference to your answer to part (a) above, was the acceptance proximate to CenterPoint Energy's distribution network?
	E. For the Company's response to parts (a) through (d) above, please explain, discuss, and identify the RNG producer and/or developer from when the first occurrence happened to the most recent.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series
	7: Erica Larson Analyst Regulatory & Rates

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

Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

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that is provided.

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

Response:

CenterPoint Energy does not ship on NBPL's pipeline and therefore does not have a working relationship through which we are able to discuss these questions.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Department: Mng Smr Reg Svc Rev Req

Telephone: 612-321-4334

Type of Inquiry: Other

Request No.	
DOC 021	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	Please briefly explain, discuss, and provide referenced materials on
	Northern Natural Gas Interstate Pipeline Company (NNG or Northern):
	a. NNG's Interconnection feasibility study agreement's for RNG;
	b. NNG's RNG Interconnection Agreements;
	c. NNG's RNG Quality Standards;
	d. NNG's RNG Interconnection Tariff;
	e. NNG's RNG Rates; and
	f. NNG's RNG Contribution-In Aid-of-Construction (CIAC) requirements.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	y: Erica Larson Analyst, Regulatory & Rates

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

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

Response:

Northern Natural Gas does not have RNG specific standards within their Tariff, please reference their existing standards available on their website: <u>https://www.northernnaturalgas.com/Pages/default.aspx</u>. RNG producers/developers are held to the same standards and operational requirements as all other Interconnect customers outlined by their Tariff. In addition to the approved Tariff, NNG has Biomethane Operating Guidelines that all RNG producers/developers are subject to.

In general, RNG producers, like other shippers, pay a 100% CIAC for interconnection, NNG then applies the same charges to the shipment of RNG that they apply to any gas on their system. Although gas quality standards for RNG are not different than for other gas, NNG takes additional precautions to ensure that RNG producers are meeting their gas quality specifications. Certain monitoring requirements, depending on the RNG source, are described in the Biomethane Operating Guidelines. Any monitoring equipment that NNG deems necessary to ensure gas quality for an RNG producer is included in the 100% CIAC. NNG's process for interconnecting any other gas producer, however NNG does have a special version of its Form 5062 (Request to Establish, Modify, or Remove Facilities) for RNG producers which includes slightly different questions.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Department: Mng Smr Reg Svc Rev Req

Telephone: 612-321-4334

Type of Inquiry: Other

Request No.	
DOC 022	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy Introduce a Renewable Natural
	Gas Interconnection Program filed on April 23, 2020.
	Please briefly explain, discuss, and provide referenced materials on Viking
	Natural Gas Transmission Interstate Pipeline Company (VGT or Viking):
	a. Viking's Interconnection feasibility study agreement's for RNG;
	b. Viking's RNG Interconnection Agreements;
	c. Viking's RNG Quality Standards;
	d. Viking's RNG Interconnection Tariff;
	e. Viking's RNG Rates; and
	f. Viking's RNG Contribution-In Aid-of-Construction (CIAC) requirements.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	Whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	y: Erica Larson Analyst, Regulatory & Rates

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

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

Response:

Viking does not have RNG specific standards within their Tariff, please reference their existing standards which all RNG producers/developers are subject to, available on their website: <u>https://www.oneok.com/vgt/-/media/ngp/vgt/informational-postings/tariff/vgt_tariff.ashx</u>. A n d a s discussed in response to Department Information Request No. 18, there are no RNG producers interconnected to the Viking system. If any producers were interconnected to the Viking system they would be subject to the same gas quality specifications and other requirements as any gas producers seeking to interconnect with Viking's system. RNG producers would be charged a 100% CIAC for interconnection and Viking would charge the same rates for RNG shipment as for any other gas.

On other systems owned by OneOK, on which there are interconnected RNG producers, OneOK has found that it necessary to install additional monitoring equipment to ensure that RNG meets the gas quality specifications, and they have found that they incur additional costs to ensure that the RNG is meeting quality standards. OneOK charges RNG producers \$1000/month for operations and maintenance ("O&M"); they do not have O&M fees for other interconnected customers. The additional monitoring equipment installed is determined on a project-specific basis and is included in the 100% CIAC.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 025	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 7, the Company stated the following:
	The quality of the renewable natural gas to be delivered to the
	Company's distribution system is an important consideration in the
	offering of this service. Historically, CenterPoint Energy has received
	natural gas delivered through the interstate pipeline system from
	suppliers located throughout the country and Canada. This
	interconnect service will provide a new avenue for deliveries, and the
	Company must ensure that accepting RNG into our system from local
	producers will not impact the Company's ability to deliver safe and
	reliable service to our customers. Therefore, CenterPoint Energy
	proposes a set of gas quality specifications for RNG that will ensure
	the RNG entering the Company's system is safe for use in customer
	appliances and in the Company's facilities. These gas quality
	specifications are derived in large part from those promulgated by the
	California Public Utilities Commission ("CPUC"). The CPUC has
	undertaken detailed investigation of the gas quality standards needed
	to protect distribution utility pipelines. ³ The Company has reviewed
	the California proceeding and is satisfied that the standards decided on
	by the CPUC are also appropriate for CenterPoint Energy's Minnesota
	distribution system. ⁴

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

The Gas Quality Standards RNG producers must meet to receive

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

Page 1 of 3

interconnect service are included in Exhibit C to this filing. In general, the specifications are meant to ensure that the RNG entering CenterPoint Energy's system will be interchangeable with the geologic natural gas that CenterPoint Energy currently distributes and will not damage CenterPoint Energy or customer equipment.

A. For the Company's proposed RNG gas quality standards and requirements referenced above, please briefly explain and discuss if they are the equivalent of OR better than Northern Natural Gas Interstate Pipeline Company (NNG or Northern) gas quality standards and requirements.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

The Company's gas quality standards along with the quality standards of Northern Natural Gas, Viking, Great Lakes, and NBPL are all substantially equivalent to one another and to the California standards in terms of the traditional measures of gas quality for pipelines (e.g. moisture, oxygen, sulfur compounds, hydrogen sulfide). Northern Natural Gas's Biomethane Guidelines, the California standards, and our proposed standards provide more detail regarding what monitoring and testing processes will be required for RNG production than is provided in Viking, Great Lakes, and NBPL's non-RNG specific tariffs. As described in CenterPoint Energy's response to Department Information Request No. 22, the operators of Viking require some specific additional gas quality monitoring for RNG, but have not spelled out these requirements in their tariff.

Gas standards are set in place to protect our customers, employees and communities. One part of ensuring the safety of our customers, employees, and communities is ensuring that RNG entering our system is

interchangeable with gas already on our system. Because gas on our system is provided by interstate pipelines which are interconnected with one another at various points and all have similar concerns with respect to operating their pipelines, it makes sense that we would all arrive at substantially equivalent gas quality requirements.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 026	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy In its petition at page 7, the Company stated the following:
	The quality of the renewable natural gas to be delivered to the Company's distribution system is an important consideration in the offering of this service. Historically, CenterPoint Energy has received natural gas delivered through the interstate pipeline system from suppliers located throughout the country and Canada. This interconnect service will provide a new avenue for deliveries, and the Company must ensure that accepting RNG into our system from local producers will not impact the Company's ability to deliver safe and reliable service to our customers. Therefore, CenterPoint Energy proposes a set of gas quality specifications for RNG that will ensure the RNG entering the Company's facilities. These gas quality specifications are derived in large part from those promulgated by the California Public Utilities Commission ("CPUC"). The CPUC has undertaken detailed investigation of the gas quality standards needed to protect distribution utility pipelines. ³ The Company has reviewed the California proceeding and is satisfied that the standards decided or by the CPUC are also appropriate for CenterPoint Energy's Minnesota distribution system. ⁴

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

The Gas Quality Standards RNG producers must meet to receive interconnect service are included in Exhibit C to this filing. In general,

the specifications are meant to ensure that the RNG entering CenterPoint Energy's system will be interchangeable with the geologic natural gas that CenterPoint Energy currently distributes and will not damage CenterPoint Energy or customer equipment.

Footnotes Omitted.

A. For the Company's proposed RNG gas quality standards and requirements referenced above, please briefly explain and discuss if they are the equivalent of OR better than Viking Natural Gas Transmission Interstate Pipeline Company (VGT or Viking) gas quality standards and requirements.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

A. Please see RFI DOC 025.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 030	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 7, the Company stated the following:
	The quality of the renewable natural gas to be delivered to the
	Company's distribution system is an important consideration in the
	offering of this service. Historically, CenterPoint Energy has received
	natural gas delivered through the interstate pipeline system from
	suppliers located throughout the country and Canada. This
	interconnect service will provide a new avenue for deliveries, and the
	Company must ensure that accepting RNG into our system from local
	producers will not impact the Company's ability to deliver safe and
	reliable service to our customers. Therefore, CenterPoint Energy
	proposes a set of gas quality specifications for RNG that will ensure
	the RNG entering the Company's system is safe for use in customer
	appliances and in the Company's facilities. These gas quality
	specifications are derived in large part from those promulgated by the
	California Public Utilities Commission ("CPUC"). The CPUC has
	undertaken detailed investigation of the gas quality standards needed
	to protect distribution utility pipelines. ³ The Company has reviewed
	the California proceeding and is satisfied that the standards decided on
	by the CPUC are also appropriate for CenterPoint Energy's Minnesota
	distribution system. ⁴

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

The Gas Quality Standards RNG producers must meet to receive

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

Page 1 of 2

interconnect service are included in Exhibit C to this filing. In general, the specifications are meant to ensure that the RNG entering CenterPoint Energy's system will be interchangeable with the geologic natural gas that CenterPoint Energy currently distributes and will not damage CenterPoint Energy or customer equipment.

Footnotes Omitted.

- A. Does the Minnesota Office of Pipeline Safety (MnOPS) have RNG gas quality standards and requirements? Please briefly explain and discuss.
- B. For the Company's proposed RNG gas quality standards and requirements referenced above, please briefly explain and discuss if they meet OR exceed MnOPS gas quality standards and requirements.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

A. As stated in the Minnesota Office of Pipeline Safety Mission Statement, "The mission of MNOPS is to protect lives, property, and the environment through the implementation of a program of gas and hazardous liquid pipeline inspections, enforcement, accident and incident investigations, and education." MNOPS is focused on the pipelines themselves, and does not have any gas quality standards and requirements.

B. N/A

Utility Information Request

Docket Number: G-008/M-20-434 - RNG Interconnect Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 5/14/2020 Response Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Telephone: 612-321-4334

Request No.	
DOC 031 P	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. For all the calculations, line items, and tables provided in Attachment E of the Petition, please separately identify and explain to what FERC (and CPE-charted) accounts and sub-accounts all of the line by line cost and revenue amounts are recorded to and eventually closed.
	B. Please identify and explain in sufficient detail (for replicating the Company's information) how the monthly O&M costs were calculated in Table 1, of Attachment E.
	C. Please identify and explain in sufficient detail how the total amount of \$857,400, in Table 3 of Attachment E of the Petition, was calculated.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
Title: Senior	7: Erica Larson Analyst, Regulatory & Rates Mng Smr Reg Svc Rev Req Page 1 of 2

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

Response:

Trade Secret Information has been Excised:

CenterPoint Energy Minnesota Gas has designated information in the attachment 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 CenterPoint Energy Minnesota Gas, the affected organization; (2) CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the information, and (3) the protected information contains operating information 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 its disclosure or use.

Please see DOC 031 P Attachment.xlsx. Note that all costs are estimated, and actual project costs may vary. On a going forward basis, RNG Interconnection Project costs will be included in the Class Cost of Service Studies within a rate case.

A. The ongoing annual Operation and Maintenance costs found in Table 1 of Exhibit E will be recorded in the following FERC Accounts.

Description	FERC Account
Chromatograph Maintenance Trip Charge	890
Helium (Cylinders)	857
Remote Terminal Unit Maintenance (Cost of Parts needed for Repairs)	890
RTU & Instrument Maintenance Mileage	890
Telemetry - DSL and Cell Service	852
Gas Quality Compliance (laboratory costs for sample testing)	857
Meter & Regulator Maintenance Mileage	890
Odorant (Gallons)	875
FTE Engineer to Support projects	857

The capital costs on Table 3 of Exhibit E will be recorded in the following FERC Plant Accounts

Description	Plant Account
Gas Chromatograph	378
CO2 Monitor	378
Moisture Monitor	378
Remote Terminal Unit Complete	378
Instrumentation - Transmitters	378
Network equipment	397
Power	378
Installation Labor, Electrical (Hrs)	378
Installation labor - Instrumentation and Controls (Hrs)	378
Startup Services (Hrs)	378
Pressure Regulator	378
Pressure Relief	378
Remote Control Valves	378
Odorizer	378
Check Valve	378
Coalescing Filter	378
Installation Labor - Piping and valves (hrs)	378
Foundations and Enclosures	375
Hydrogen Sulfide Monitoring Equipment	378
Additional Service Line Distance (ft)	376

Page 4 of Exhibit E the line items will be recorded in the following FERC Accounts

Description	FERC Account
Gross Plant	101
Depreciation Expense	403
Tax Depreciation	282
Return on Rate Base	216
Property Tax	408
Income Tax	409
Basic Charge Revenue	489

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

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Request No.	
DOC 032	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. Does the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) require an independent third party engineering review, evaluation, testing, verification, and audit when the Company is successful in executing an Interconnection Agreement? Please briefly explain and discuss.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
	The United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) does not require an independent third party engineering review, evaluation, testing, verification, or audit
Response By	z: Erica Larson

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

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

Page 1 of 2

when the Company is successful in executing an Interconnection Agreement. However, PHMSA itself would have authority to inspect the interconnect, but it is more probable that PHMSA would defer to MNOPS for actual inspections.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

-	
Request No.	
DOC 033	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. Does the Minnesota Office of Pipeline Safety (MNOPS) require an independent third party engineering review, evaluation, testing, verification, and audit when the Company is successful in executing an Interconnection Agreement? Please briefly explain and discuss.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
	The Minnesota Office of Pipeline Safety (MNOPS) does not require an independent third party engineering review, evaluation, testing, verification, or audit when the Company is successful in executing an Interconnection Agreement. However, MNOPS itself would have authority to inspect any
Response By	v: Erica Larson

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

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

Page 1 of 2

interconnect constructed by the Company just as MNOPS can inspect any utility distribution equipment through their normal course of audits and review. Nothing specifically about an RNG Interconnection would trigger an audit by MNOPS.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 034	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. In the Company's overall process for interconnection requests, does the Company evaluate the impact of the interconnection requests to its distribution system when it expects the coldest expected conditions that may occur in the winter or under a design-day? Please explain and discuss.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
	The Company will evaluate potential for design-day impacts of renewable natural gas interconnections as part of its engineering review of potential projects, however the Company does not anticipate any. The Company will
-	7: Erica Larson Analyst, Regulatory & Rates

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

not incorporate renewable natural gas volumes into its firm gas supply plan and so will not count on renewable natural gas ("RNG") supply on the coldest days. In addition, RNG interconnect service will be interruptible.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 035	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. In the Company's process for interconnection requests, does the Company's liability for the safety and reliable operation of its distribution system begin at the measuring point or where the meter is installed or at the point of interconnection? Please explain and discuss.
	B. Who is responsible for the safety and reliability of all of the equipment behind the Company's meter, for example, the anaerobic digester, gathering pipes et cetera? Please explain and discuss.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
Response By	v: Erica Larson

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

A and B. The engineering design for any interconnection will clearly indicate which equipment is owned and maintained by CenterPoint Energy and where CenterPoint Energy's system connects to customer-owned equipment. In general, CenterPoint Energy will own and maintain the volume meter and piping downstream of the volume meter. CenterPoint Energy will also own and maintain equipment upstream of the volume meter such as gas quality monitoring equipment. The Company will be responsible for all of its piping and equipment and will not be r e s p o n s i b l e f or a n y e q u i p m e n t b e l o n g i n g t o t h e producer. The RNG producer will be responsible for the anaerobic digester, gathering pipes, etc.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.
DOC 036 Topic: RNG Interconnection Service
Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
Matter of a Petition of CenterPoint Energy to Introduce a Renewable
Natural Gas Interconnection Program filed on April 23, 2020.
In its petition at page 4, the Company stated the following:
CenterPoint Energy proposes to allow producers of RNG to
interconnect to CenterPoint Energy's distribution system so that RNG
can be transported and delivered in Minnesota and across the country.
Once connected, the RNG will either be:
- · · · · · · · · · · · · · · · · · · ·
(1) Transported by the Company to an interstate pipeline for delivery
to a buyer who is not connected to CenterPoint Energy's Minnesota
distribution system; or
(2) Transported to a customer on CenterPoint Energy's distribution
system who has purchased the RNG.
The Company expects that, in the near term, most if not all of the RNG
put into CenterPoint Energy's distribution system will be sold to
buyers who will use it as vehicle fuel in order to generate credits in the
national RNG credit market.
In its petition at page 10, the Company stated the following:
The Company expects that in the near term most RNG producers
seeking to interconnect with its Minnesota system will be primarily
Response By: Erica Larson

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

interested in selling their RNG to customers operating in the RIN and LCFS markets and not necessarily customers located on CenterPoint Energy's distribution system..

- A. Assuming for example, the California Air Resources Board (CARB) approves a fuel pathway for the RNG Producer, please explain who will hold title or take title to the gas in compliance with Federal Energy Regulatory Commission (FERC) Order No. 636?
- B. Additionally, please explain who will incur and/or pay the interstate pipeline commodity and/or reservation costs for transporting the gas on the fuel pathway.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

A. and B. CenterPoint Energy does not know who will hold title to the RNG or who will incur/pay interstate pipeline costs, except that CenterPoint Energy will not hold title to the RNG or incur/pay interstate pipeline costs. As discussed in response to DOC 010, there are a variety of ways in which RNG projects may be structured. CenterPoint Energy believes that none of the projects identified in response to DOC 006 have finalized their structure. Even when the structure is finalized it may not be necessary for CenterPoint Energy to know who owns the RNG produced.

Although CenterPoint Energy does not propose to hold title to RNG under the authority requested in this proceeding, the Company may seek additional authority in the future to purchase RNG from interconnected producers. For example, the Company may want to purchase RNG from an interconnected producer for a Commission-approved green-tariff offering.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.
DOC 037 Topic: RNG Interconnection Service
Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoin
Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
Matter of a Petition of CenterPoint Energy to Introduce a Renewable
Natural Gas Interconnection Program filed on April 23, 2020.
In its petition at page 4, the Company stated the following:
CenterPoint Energy proposes to allow producers of RNG to
interconnect to CenterPoint Energy's distribution system so that RNC
can be transported and delivered in Minnesota and across the country
Once connected, the RNG will either be:
(1) Transported by the Company to an interstate pipeline for delivery
to a buyer who is not connected to CenterPoint Energy's Minnesota
distribution system; or
(2) Transported to a customer on CenterPoint Energy's distribution
system who has purchased the RNG.
The Company expects that, in the near term, most if not all of the RNC
put into CenterPoint Energy's distribution system will be sold to
buyers who will use it as vehicle fuel in order to generate credits in the
national RNG credit market.
In its petition at page 10, the Company stated the following:
The Company expects that in the near term most RNG producers
seeking to interconnect with its Minnesota system will be primarily
Response By: Erica Larson

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

interested in selling their RNG to customers operating in the RIN and LCFS markets and not necessarily customers located on CenterPoint Energy's distribution system.

- A. Assuming for example, the Environmental Protection Agency (EPA) approves the RNG Producer to become a RIN generator, please explain who will hold title or take title to the gas in compliance with Federal Energy Regulatory Commission (FERC) Order No. 636?
- B. Additionally, please explain who will incur and/or pay the interstate pipeline commodity and/or reservation costs for transporting the gas on the fuel pathway.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

A. and B. CenterPoint Energy does not know who will hold title to the RNG or who will incur/pay interstate pipeline costs, except that CenterPoint Energy will not hold title to the RNG or incur/pay interstate pipeline costs. As discussed in response to DOC 010, there are a variety of ways in which RNG projects may be structured. CenterPoint Energy believes that none of the projects identified in response to DOC 006 have finalized their structure. Even when the structure is finalized it may not be necessary for CenterPoint Energy to know who owns the RNG produced.

As described in response to DOC 036, CenterPoint Energy may wish to purchase RNG produced by an interconnected producer at some future point, but is not proposing to purchase RNG as part of this proceeding.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: 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 038	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020. In the Matter of the Company's Application for Authority to Increase Rates for natural Gas Utility Service in Minnesota in Docket No. G008/GR-19-524 and
	Direct Testimony of David A. Poppie. In the Direct Testimony of Company Witness David A. Poppie at page 12, the Company stated the following:
	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 ("EPAct") of 1992. Second, utilities have historically been allowed to pass on government-mandated costs to their ratepayers. Third, CenterPoint Energy Minnesota Gas's 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's investment in compressor equipment, the tank cascades for holding the CNG, the pumping equipment, and the card-key system for recording fueling information. As discussed above, the percentage of these fueling equipment costs relating to CenterPoint Energy Minnesota Gas's non-utility fleet usage is excluded. Specific plant account adjustment details are located in the general plant adjustment section on Exhibit ___(DAP-WP), Schedule 4, Workpaper 5, pages 13 through 22.

- A. Has the Company had any discussion with RNG Producer(s) and/or Project Developer(s) on whether it could potentially purchase the RNG for its CNG fueling station? Please explain and discuss in detail.
- B. Additionally, please explain in detail, if the Company were to purchase the RNG for its CNG fueling station, would the Company be eligible for the federal RIN Credits? Or would the RNG Producer(s) and/or Project Developer(s) be eligible for those federal RIN credits?

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

- A. No. The Company has not had any discussion with RNG Producer(s) and/or Project Developer(s) on whether it could potentially purchase the RNG for its CNG fueling station.
- B. The RNG Producer might generate RINs. The Company does not believe that it would generate RINs in the scenario posed by this question. According to the Environmental Protection Agency, RINs are generated by renewable fuel producers and importers, who can then buy, sell, or trade them. See <u>https://www.epa.gov/renewable-fuel-standard-</u>

program/renewable-identification-numbers-rins-under-renewable-fuelstandard#Participants (graphic at bottom of page). However, if CenterPoint Energy purchases RNG for its fueling station, or for any other purpose, it is our position that CenterPoint Energy customers should receive the benefit of the environmental attributes of the RNG. Accordingly, CenterPoint Energy will inform the Department and PUC if it intends to purchase RNG for its fueling station and work with the Department and the PUC to ensure that customers receive the monetary benefit of any RINs or other credits created.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 040	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020. In In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Pilot Program in Docket No. G008/M-18-547.
	In its supplemental response to Department Information (IR) request No. 6, the Company stated the following:
	The Company has subsequently learned that CenterPoint Energy Services, Inc., has applied to become a RIN generator for several RNG projects, but its applications have not yet been approved by the Environmental Protection Agency.
	A. Have CenterPoint Energy Services, Inc., applications to become a RIN generator been approved by the EPA? Please discuss and explain in detail.
	B. Please describe, discuss and explain in sufficient detail the "several RNG projects" referenced above in the Company's response.
	C. Are the "several RNG projects" referenced above operational? Please describe, discuss, and explain in sufficient detail.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
Response By: Erica Larson	

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

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

A., B. and C. As stated in response to DOC 012, it was incorrect to state that CenterPoint Energy Services ("CES") had applied to be a RIN generator. CES was considering applying to be a RIN generator, but never actually submitted an application to the EPA. CES's current involvement with RNG is described in response to DOC 012.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: 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 041	Topic: RNG Interconnection Service	
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint	
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable	
	Natural Gas Interconnection Program filed on April 23, 2020. In In the	
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable	
	Natural Gas Pilot Program in Docket No. G008/M-18-547.	
	In its Petition in Docket No. G008/M-18-547, the Company stated the following:	
	CenterPoint Energy has had discussions with several potential	
	Minnesota RNG producers about the possibility of interconnecting their production with the Company's distribution system. However,	
	interconnection directly with producers raises operational and other	
	challenges and the Company is not currently prepared to offer standard	
	interconnection terms that could be incorporated into a tariff. The Company is interested in continuing to explore options for producers	
	wishing to interconnect, and may propose an interconnection tariff in	
	the future. Such a tariff could potentially be used by producers either	
	to deliver gas for the Pilot or to bring RNG to other markets.	
	A. What were the "operational and other challenges" referenced above? Please discuss and explain in detail.	
	B. How did the Company overcome the "operational and other challenges" referenced above? Please discuss and explain in detail.	
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these	
Response By	Response By: Erica Larson	
Title: Senior	Title: Senior Analyst, Regulatory & Rates	

Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334 links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

- A. One operational challenge was determining what gas quality standards were needed. Another was learning how to safely incorporate volumes from RNG, which sometimes fluctuate, onto our system. The Company also had to think through what rates to charge for interconnection service, what to include in the proposed contracts, and the process the Company would follow when approached by a developer with a potential project.
- B. Company personnel spent time familiarizing themselves with the issues involved. For example, the Company's Gas Control group spent time considering what trace constituent standards would be acceptable, ultimately determining that the Company should adopt the California standards. In addition, the Company's experience with the single producer we have interconnected was important to our understanding of how to bring this kind of supply onto our system.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 042	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at page 8, the Company stated the following:
	The Company is also proposing a slightly modified method for calculating an RNG Producer CIAC.
	A. Please explain in detail what modifications the Company is referring to above and in relation to CIAC? Also separately provide detailed examples of the calculations that were modified by the Company.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
Response By	v: Erica Larson

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

As discussed in Exhibit F of the Initial Petition, because \$6,500 of the basic charge revenue under the proposed rate structure will be used to offset the ongoing O&M costs, and not associated with the capital investment, this \$6,500 monthly charge is removed from allowable Investment calculation on line 12 of Exhibit F. No additional changes to the CIAC calculation were made.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 043	Topic: RNG Interconnection Service
D00 045	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020.
	Has the Company had any communication with any RNG Producer(s) and/or Project Developer(s) regarding the sharing of any and all credits, for example, LCFS, RINS, and other potential state and/or regional credits? If "yes", please provide copies of all such communication.
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
	If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).
	Response:
	As discussed in response to DOC 039, the Company receives many communications from RNG producers about many potential deals and projects. The Company has received communications proposing credit
Response By	v: Erica Larson

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

Response By: Erica Larson Title: Senior Analyst, Regulatory & Rates Department: Mng Smr Reg Svc Rev Req Telephone: 612-321-4334

Page 1 of 2

sharing arrangements, but the Company has not seriously considered any credit sharing proposal related to a Minnesota RNG project. Credit sharing would not be part of the terms of any interconnection agreement the Company would enter into under the terms it has proposed in this proceeding.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/18/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/28/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 046	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	In its petition at pages 8-9, the Company stated the following:
	The Company is also expecting to incur additional costs because many potential RNG production sites are located in rural areas. The typical RNG producer looking to interconnect with the Company's system is further from the Company's pipe than the typical sales customer. Accordingly, the Company expects to incur higher costs in laying piping that it would for a typical new large sales customer.
	A. For the Company's proposed typical RNG producer interconnect and piping referenced above that will be placed, please explain and discuss if that same piping and/or related equipment, for example, mains, valves et cetera, could also be used to extend service to other customers in the proximate area?
	Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.
	In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.
Response Ba	r Frica Larson

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

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

Response:

A. For the immediate operation of the project, CenterPoint Energy does not plan on using the RNG producer interconnect and piping to extend service to other customers in the proximate area. Although it will be possible in the future, there are several operational uncertainties, so until we have more experience with the behavior of the RNG supplies and our system operations we will not be adding other customers to the immediate project piping.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/26/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 6/5/2020

nt Energy Minnesota Gas Res

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
Request No. DOC 047	Tonia: DNG Interconnection Service
DOC 047	Topic: RNG Interconnection Service Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the Matter of a Petition of CenterPoint Energy to Introduce a Renewable Natural Gas Interconnection Program filed on April 23, 2020.
	A. For the line by line described costs, shown in the Tables of Attachment E and F of the Petition:
	1. please provide their assumed unit cost amounts to support the estimated O&M expense total and the plant cost total estimate;
	 please provide support that these individual described costs and their amount(s) are truly additional costs not already included in the Company's current rate case schedules, work papers, present and/or proposed rates in Docket No. G008/GR-19-524;
	3. Please explain and identify the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and CPE charted accounts from its internal accounting system that the Company is referring to in its response to parts (1 through 2) above.
	B. For the "FTE Engineer to Support projects" described cost, please explain whether existing employees are expected to carry out the interconnection service job tasks.
	C. Please fully explain how the Company proposes to account for the use of currently existing resources that support its RNG Interconnection
Response By	v: Erica Larson

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

Service.

D. Please identify any and all revenues for RNG Interconnection Service that are already included in the Company's current rate case schedules, work papers, present and/or proposed rates in Docket No. G008/GR-19-524.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

- A. Please see the response to line items 1-3 below.
 - 1. Please see the Company's response to DOC 31.
 - 2. The information in the Tables of Attachment E and F represent estimates for the equipment and time to install and maintain an RNG Interconnection. These amounts would not be included in any of the Company's current rate case schedules, work papers, present and/or proposed rates in Docket No. G008/GR-19-524, as the Company does not currently have any RNG Interconnection customers for which it would install such equipment.
 - 3. Please see the Company's response to DOC 5.
- B. The Company anticipates that additional engineering FTEs will be needed to support the detailed engineering review and provide ongoing operation and maintenance support of the interconnection equipment, in particular, gas quality monitoring, and controls and communication of the RNG Interconnect projects. Items such as odorization, leak detection, and cathodic protection will be performed by existing employees with minimal additional effort.

- C. It is anticipated that on a going forward basis the RNG Interconnect Tariff and its customers will be a part of the overall regulated customer base. Therefore, existing resources that support RNG Interconnect costs would be allocated and shared with all regulated customers via a Class Cost of Service in future rate cases.
- D. The Company does not have any current RNG Interconnect customers and did not project any RNG customers or revenue for the 2020 test year in its current rate case. Therefore, there are no revenues for RNG Interconnection Service included in the Company's current rate case schedules, work papers, present and/or proposed rates in Docket No. G008/GR-19-524.

Utility Information Request

Docket Number: G-008/M-20-434 - RNG InterconnectDate of Request: 5/14/2020Requested From: CenterPoint Energy Minnesota GasResponse Due: 5/26/2020

Analyst Requesting Information: Sachin Shah

Type of Inquiry: Other

Request No.	
DOC 045 P	Topic: RNG Interconnection Service
	Reference(s): CenterPoint Energy Resources Corp., d/b/a CenterPoint
	Energy Minnesota Gas, (CPE, CenterPoint Energy, or Company), In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Interconnection Program filed on April 23, 2020. In In the
	Matter of a Petition of CenterPoint Energy to Introduce a Renewable
	Natural Gas Pilot Program in Docket No. G008/M-18-547.
	In its supplemental response to Department Information (IR) request No. 16 in Docket No. G008/M-18-547, the Company stated the following:
	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.
	A. Similar to the calculations, line items, and tables provided in Attachment
	E of the Petition, for the above RNG producer - please separately identify and provide all of the line by line cost and revenue amounts determined for the above RNG producer to interconnect with the Company.
	B. In addition, please explain and discuss to what FERC (and CPE-
	charted) accounts and sub-accounts all of the line by line cost and revenue amounts, determined by the Company for the above RNG producer to interconnect to the Company's distribution system, were recorded to and eventually closed?
	C. Please describe, provide, discuss, and explain what fixed and/or variable costs were included and what fixed and/or variable costs were excluded
Response By:	: Erica Larson

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

for the above RNG producer when it first obtained interconnection to the Company's distribution system.

- D. Similar to the total amount of \$857,400, in Table 3 of Attachment E of the Petition, what was the total amount for the above RNG producer when it first obtained interconnection to the Company's distribution system? Please explain and provide your calculations in sufficient detail.
- E. Did the Company request any contribution-in-aid-of construction (CIAC) from the above RNG producer? Please explain and provide your calculations in sufficient detail.
- F. What were the monthly customer charges and per therm rate that the above RNG producer paid to the company, on a monthly and annual basis? Please explain and provide your calculations in sufficient detail including the associated quantity of RNG.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulae intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used AND also provide a brief but complete explanation of the source of each data series that is provided.

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

Response:

Trade Secret Information Has been Excised:

CenterPoint Energy Minnesota Gas has designated information in this document 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 CenterPoint Energy Minnesota Gas, the affected organization; (2) CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the information, and (3) the protected information contains operating information 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 its disclosure or use.

- A. It is not possible to identify the actual O&M expense associated with an individual customer, therefore, it is not possible to provide O&M expense in the format shown in Exhibit E, Attachment 1, Table 1 Annual O&M Costs to Serve RNG Producers. There is no revenue from the RNG producer referenced above.
- B. As mentioned in part A, it is not possible to identify the O&M costs associated with interconnecting the RNG producer referenced above. The capital costs incurred to interconnect the RNG producer referenced above are shown by CenterPoint Energy general ledger account in the response to part D.
- C. As stated in the response to part A, it is not possible to identify the actual O&M expense associated with the RNG producer referenced above. The capital required to interconnect the RNG producer is discussed in response to part D.
- D. The total capital cost to interconnect the RNG producer referenced above was **[TRADE SECRET DATA].** The breakout of those capital costs is shown in Attachment 1, Table 3 Format tab.
- E. Yes. The CIAC requested was **[TRADE SECRET DATA].** The calculation of that contribution is shown in Attachment 1, GL Format tab.
- F. This customer does not pay a customer charge or a per therm rate. The customer sells the gas it produces without environmental attributes to CenterPoint Energy.

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-20-434

Dated this **25th** day of **June 2020**

/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_20-434_M-20-43
Elizabeth	Aldrich	laldrich@bluesource.com	Bluesource	15669 WATERLOO CIR TRUCKEE, CA 96161	Electronic Service	No	OFF_SL_20-434_M-20-434
Randall	Beck	RBeck3@wm.com	Waste Management Renewable Energy, L.L.C.	1021 Main St Houston, TX 77002	Electronic Service	No	OFF_SL_20-434_M-20-434
James J.	Bertrand	james.bertrand@stinson.co m	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Brenda A.	Bjorklund	brenda.bjorklund@centerp ointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Melodee	Carlson Chang	melodee.carlsonchang@ce nterpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Steven	Clay	Steven.Clay@CenterPoint Energy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-434_M-20-434
Marie	Doyle	marie.doyle@centerpointen ergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_20-434_M-20-434
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_20-434_M-20-434

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
BEAU	GRIFFEY	bgriffey@id8energy.com	iD8 Energy Group, LLC	1799 County Rd 90 N Maple Plain, MN 55395	Electronic Service	No	OFF_SL_20-434_M-20-434
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_20-434_M-20-434
Commissioner Debbie	Goettel	Debbie.Goettel@Hennepin. us	Partnership on Waste & Energy	2785 White Bear Ave N Maplewood, MN 55109	Electronic Service	No	OFF_SL_20-434_M-20-434
Robert	Harding	robert.harding@state.mn.u s	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_20-434_M-20-434
David	Kailbourne	EDK@REVLNG.COM	REV LNG, LLC	1002 Empson Rd Ulysses, PA 16948	Electronic Service	No	OFF_SL_20-434_M-20-434
D	Kalmon	dkalmon@mwmo.org	Mississippi Watershed Management Organization	2522 Marshall St NE Minneapolis, MN 55418-3329	Electronic Service	No	OFF_SL_20-434_M-20-434
Amber	Lee	Amber.Lee@centerpointen ergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-434_M-20-434
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_20-434_M-20-434
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_20-434_M-20-434
Andrew	Moratzka	andrew.moratzka@stoel.co m	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Samantha	Norris	samanthanorris@alliantene rgy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351	Electronic Service	No	OFF_SL_20-434_M-20-434
				Cedar Rapids, IA 524060351			
Audrey	Partridge	apartridge@mncee.org	Center for Energy and Environment	212 3rd Ave. N. Suite 560 Minneapolis, Minnesota 55401	Electronic Service	No	OFF_SL_20-434_M-20-434
Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_20-434_M-20-434
Elizabeth	Schmiesing	eschmiesing@winthrop.co m	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Patrick	Serfass	info@americanbiogascoun cil.org	American Biogas Council	1211 Connecticut Ave NW Ste 650 Washington, D.C. 20036	Electronic Service	No	OFF_SL_20-434_M-20-434
Patrick	Serfass	pserfass@ttcorp.com	American Biogas Council	1211 Connecticut Ave NW Ste 650 Washington, DC 20036	Electronic Service	No	OFF_SL_20-434_M-20-434
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-434_M-20-434
Janet	Shaddix Elling	jshaddix@janetshaddix.co m	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_20-434_M-20-434
Dan	Skogen	dskogen@auri.org	Agricultural Utilization Research Institute	63141 260th St Hewitt, MN 56453	Electronic Service	No	OFF_SL_20-434_M-20-434

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James M	Strommen	jstrommen@kennedy- graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-434_M-20-434
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_20-434_M-20-434
Jeffrey	Wright	jwright@bioenergydevco.co m		4402 Beard Ave S Minneapolis, MN 55410	Electronic Service	No	OFF_SL_20-434_M-20-434
Grant	Zimmerman	GZIMMERMAN@AMPAME RICAS.COM	Amp Americas	811 W Evergreen Ave Ste 201 Chicago, IL 60642	Electronic Service	No	OFF_SL_20-434_M-20-434