



505 Nicollet Mall
PO Box 59038
Minneapolis, MN 55459-0038

September 23, 2020

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

**RE: Petition by CenterPoint Energy to Introduce a Renewable Natural Gas
Interconnection Tariff**

Docket No. G-008/M-20-434

Supplemental Comments

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, ("CenterPoint Energy" or the "Company") respectfully submits these supplemental comments in response to the September 22, 2020 Comments of the Minnesota Department of Commerce ("Department"). The Department recommends approval of the Company's Petition, subject to certain modifications and conditions. The Company agrees with the Department's conclusion and has no objection to any of the proposed modifications or conditions recommended by the Department.

The Department recommends approval of the Company's proposed tariff, as modified in the Company's July 10, 2020 Reply Comments to incorporate Department recommendations relating to (1) exit fees; (2) hazardous waste sources; and (3) the per therm rate. The Department noted that a phrase was omitted from the July 10, 2020 proposed tariff relating to exit fees. The Company has corrected that omission in the proposed tariff sheet attached as Exhibit A.

The Department also recommends that the Commission impose certain requirements related to tracking of costs and production associated with RNG Interconnect customers, affiliate transactions, use of RNG for the Company fueling station, rebates and incentives, and tracking

of costs and revenues associated with other customers added along lines built to serve RNG Interconnect Customers. The Company has no objection to any of these recommendations.

The Company thanks the Department for its review of the Company's Petition and Reply Comments and looks forward to offering RNG Interconnection service in Minnesota.

Sincerely,

/s/ Amber Lee

Amber Lee
Director, Regulatory Affairs

C: Service List

Exhibit A: RNG Interconnection Tariff

Docket No. G-008/M-20-434

September 23, 2020

RENEWABLE NATURAL GAS INTERCONNECT SERVICE**Availability:**

Available to any customer who has signed and executed an Interconnection Agreement for the delivery of renewable natural gas ("RNG") at a metered location on the customer's premises. CenterPoint Energy's acceptance of the RNG is contingent on the RNG meeting the testing and quality requirements as set forth in the Gas Quality Standards.

Customers that deliver natural gas into CenterPoint's system must do so for a minimum of one (1) year, and termination of the agreement is subject to the terms of the Interconnection Agreement.

| <u>Monthly Basic Charge</u> | <u>Charge Per Therm</u> |
|-----------------------------|-------------------------|
| <u>\$7,500.00</u> | <u>\$0.15748</u> |

Special Conditions:

Subject to conditions included in the Interconnection Agreement and Gas Quality Standards.

Nomination and Gas Delivery Specifications:

Customers must supply the volumes designated in the Interconnection Agreement, at the rate and pressure specified in the Interconnection Agreement, and per the quality requirements set forth in the Gas Quality Standards.

Due Date:

The due date printed on customer bills will not be more than five days before the next scheduled billing date. However, customers who have selected the AutoPay option may select a due date which is greater than five days before the next scheduled billing date.

Late Payment Charge:

Delinquent amounts are subject to a late payment charge of 1.5% or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Feasibility:

Consistent with the terms set forth in the Interconnect Agreement, the rendering of service to the Customer shall be economically feasible so that the cost of extending such service will not have an undue burden on other customers. All RNG Interconnection projects will be justified using the following formula:

$$\frac{\text{Allowable Investment}}{\text{Est. Annual Gas Margin}} = \text{Divided by Cost of Service Factor}$$

Estimated annual gas margin is the annualized per therm receipt charge for the RNG the Customer delivers into the Company's system and \$12,000 of the annualized basic charge, plus the estimated annualized per therm delivery charge for natural gas delivered to the Customer for use in producing RNG and the annualized basic charge for the delivered natural gas. The Cost of Service Factor is the currently effective Cost of Service Factor for Dual Fuel service as defined in Section VI, Page 5.

If in the opinion of CenterPoint Energy, RNG Interconnect Service is not economically feasible, CenterPoint Energy will make an estimate of the cost of the project and move forward with the RNG Interconnect only if the applicant pays a non-refundable contribution-in-aid-of-construction to CenterPoint Energy for the portion of the capital expenditure and annual operating costs not justified by the annual revenue.

RENEWABLE NATURAL GAS INTERCONNECT SERVICE (CONTINUED)**Exit Fee:**

If Customer suspends RNG production, Customer will pay an exit fee equal to the total cost of installing the RNG facilities, including main to connect to CenterPoint Energy's distribution system, and any costs for removal of facilities, less the initially paid contribution-in-aid-of-construction; any depreciation of facilities that has occurred between time of project inception and suspension of RNG production; and any cost for infrastructure that is utilized by other customers.

Contract:

Customer must sign a separate Interconnection Agreement for each delivery point.

Applicable Riders:

RNG Interconnection Service is subject to the Large Commercial / Industrial Credit Policy Rider and Franchise Fee Rider. The Franchise Fee applicable to Large Volume Dual Fuel customers shall be applicable to customers taking service under this tariff.

RNG Interconnection Service is not subject to the Gas Affordability Program, Decoupling, or Conservation Improvement Program Riders.

CERTIFICATE OF SERVICE

Erica Larson served the above Supplemental Comments and Exhibit of CenterPoint Energy to all persons at the addresses indicated on the attached list by having the document delivered by electronic filing.

/s/_____

Erica Larson
Regulatory Analyst
CenterPoint Energy

[illegible]

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