

NEW INTERIM RATES EFFECTIVE JAN. 1, 2024



CenterPoint Energy Minnesota Gas has requested approval from the Minnesota Public Utilities Commission (MPUC) to increase natural gas distribution service rates in 2024 and 2025. The requested increase is approximately 6.5% or \$84.6 million for 2024 and approximately 3.7% or \$51.8 million for 2025. The requested increase would add about \$5.91 to a standard bill of a residential customer in 2024 and an additional \$2.58 to a standard bill of a residential customer in 2025.

While the MPUC reviews this request, state law allows CenterPoint to collect higher rates on a temporary basis. The temporary rate increase will be about 5.1% or \$51.8 million more than current rates. The increase shows on a customer's bill as an Interim Rate Adjustment and will start with the January 2024 billing cycle. It's expected that 2025 interim rates would be addressed in 2024, if needed, with the MPUC.

The MPUC will likely decide on our requested rate increase by early 2025. If final rates are higher than interim rates, customers will not be charged for the difference during the time the customer is billed for the interim rate. The customer may be

charged for the difference between a lower interim rate and a final higher rate beginning on the date that final rates are ordered by the MPUC.

Why is the rate increase being requested?

CenterPoint is requesting this rate change to accommodate the increased expense to operate, maintain and deliver natural gas and our distribution system. In addition, CenterPoint continues to make significant investments to maintain the safety and integrity of its natural gas distribution system that benefits its customers and communities. These investments include infrastructure projects to replace or upgrade existing pipelines to prevent leaks, provide safe and reliable service and comply with federal pipeline regulations.

Here's how the rate change will affect monthly bills:

Customer bills contain three parts: Basic Charge, Delivery Charge and Cost of Gas. The proposed Basic Charges and Delivery Charges cover the cost of delivering natural gas service and is about 50% of the bill, while the Cost of Gas is the other 50% of the bill.

The chart below shows an example of the current and proposed rates for each customer type.

Customer Type (usage in therms)	Average monthly usage in therms	Average monthly bill: current rates	Average monthly bill: 2024 interim rates	Average monthly bill: 2024 proposed rates	Average monthly bill: 2025 interim rates	Average monthly bill: 2025 proposed rates
Residential	74	\$75	\$79	\$81	\$81	\$83
Commercial/Industrial						
• up to 1,499/year	66	\$80	\$85	\$87	\$89	\$92
• 1,500 to 4,999/year	244	\$231	\$242	\$249	\$249	\$259
• 5,000 or more/year	1,526	\$1,263	\$1,311	\$1,307	\$1,312	\$1,339
Small Volume Dual Fuel Sales Service						
• up to 120,000/year	3,757	\$2,459	\$2,558	\$2,562	\$2,598	\$2,653
• 120,000 or more/year	14,944	\$9,411	\$9,752	\$9,770	\$9,992	\$10,226
Large Volume Dual Fuel Sales Service	37,597	\$22,216	\$22,870	\$23,038	\$23,437	\$24,131
Large General Firm Sales Service	39,084	\$38,825	\$40,246	\$40,051	\$40,970	\$41,349

* Figures above are rounded (to the nearest whole number).

Residential customers are billed for the delivery of natural gas in two ways:

1. **Basic Charge:** This pays for a portion of the fixed costs that do not change with the amount of natural gas used by the customer.
2. **Delivery Charge:** This is a per therm charge which pays for the costs not recovered in the Basic Charge. The total Delivery Charge amount changes each month based on the amount of natural gas used by the customer.

CenterPoint Energy Minnesota Gas is asking to increase the Delivery Charge for customers. We propose to increase the residential Delivery Charge from \$0.28093 per therm to \$0.36075 per therm in 2024 and \$0.39558 per therm in 2025.

Proposed changes for residential monthly service:

Basic Charge and Delivery Charge Customers are billed for natural gas delivery service in two ways. The first way is a monthly Basic Charge, which pays for a portion of fixed costs that do not change with the amount of natural gas used. The second way is the Delivery Charge, a per therm charge which pays for the costs not recovered in the Basic Charge. The total Delivery Charge amount changes each month based on the amount of natural gas used.

The chart below shows an example of the current and proposed Basic Charge and Delivery Charge for each customer type:

Customer Type (usage in therms)	Current monthly basic charge	Proposed 2024 & 2025 monthly basic charge	Current delivery charge/ therm*	Proposed 2024 delivery charge/therm*	Proposed 2025 delivery charge/therm*
Residential	\$9.50	\$9.50	\$0.28093	\$0.36075	\$0.39558
Commercial/Industrial					
• up to 1,499/year	\$15.00	\$20.00	\$0.37992	\$0.42202	\$0.47298
• 1,500 to 4,999/year	\$26.00	\$28.00	\$0.23786	\$0.30479	\$0.34160
• 5,000 or more/year	\$65.00	\$65.00	\$0.18420	\$0.21309	\$0.24900
Small Volume Dual Fuel Sales Service					
• up to 120,000/year	\$80.00	\$80.00	\$0.16672	\$0.19396	\$2,598
• 120,000 or more/year	\$125.00	\$155.00	\$0.15477	\$0.17677	\$9,992
Large Volume Dual Fuel Sales Service	\$1,250.00	\$1,550.00	\$0.09103	\$0.10492	\$23,437
Large General Firm Sales Service	\$1,250.00	\$1,550.00	\$0.09103	\$0.11474	\$40,051
Demand charge (per Peak Day)			\$0.63303	\$0.6330	\$0.6330

*The Gas Affordability Service Program surcharge for residential and commercial/industrial customers was increased to \$0.00709 as of Oct. 1, 2023, as approved in Docket No. G008/M 23-84. The current and proposed delivery charges do not include the per therm Conservation Improvement Program Adjustment Rider.

What is the process to review the request by CenterPoint Energy Minnesota Gas?

The MPUC, the Minnesota Department of Commerce, the Office of the Attorney General – Residential Utilities and Antitrust Division, public interest groups and customers can review and comment on the rate case proposal. The MPUC will hold public hearings to collect verbal comments in-person and will also accept customers' written comments through mail or email about our rate increase request. When scheduled, a notice of the public hearing will give the dates and locations. The notice will be published in local newspapers, bill inserts and at [CenterPointEnergy.com/RateCase](https://www.centerpointenergy.com/RateCase).

HOW TO LEARN MORE

Current and proposed rate schedules for CenterPoint Energy Minnesota Gas are available at:



CenterPoint Energy

505 Nicollet Mall

Minneapolis, MN 55402

Phone: 612-372-4727 or 800-245-2377

Web: [CenterPointEnergy.com/RateCase](https://www.CenterPointEnergy.com/RateCase)

Minnesota Department of Commerce

85 7th Place East, Suite 500

St. Paul, MN 55101

Phone: 651-539-1534

Web: <https://www.edockets.state.mn.us/EFiling/search.jsp>

Select 23 in the year field, type 173 in the number field, select Search, and the list of documents will appear on the next page.

The MPUC is asking customers to comment on CenterPoint Energy's request for a rate increase. Send comments to the MPUC's Consumer Affairs Office (CAO) or contact the CAO for assistance with submitting comments:

Minnesota Public Utilities Commission

121 7th Place East, Suite 350

St. Paul, MN 55101

Phone: 651-296-0406 or 800-657-3782

Email: consumer.puc@state.mn.us

Persons with hearing or speech disabilities may call through their preferred Telecommunications Relay Service.