

RATE CASE FILING FACT SHEET



QUICK FACTS

- Revenue increase request: \$44.3 million annually or 5 percent
- Average residential customer increase request: \$4 a month
- Interim rates for all customers effective October 1, 2013

RATE CASE SCHEDULE

August 2, 2013

Rate case filed with Minnesota Public Utilities Commission (MPUC)

October 1, 2013

Interim rates begin

Followed by

Public hearings and hearings before an administrative law judge

Within a year from filing

MPUC final decision expected

Final rates implemented



Company files for new rates

On August 2, 2013, CenterPoint Energy filed with the Minnesota Public Utilities Commission (MPUC) to change its rates for utility distribution service. If approved, the proposed new rates will result in an overall revenue increase of \$44.3 million annually or 5 percent. The requested increase will add about \$4 to an average residential customer's monthly bill, and is necessary for the company to recover costs, which have increased substantially.

Rate filing basics

The MPUC is generally allowed 10 months to issue a final decision on our rate filing, which we expect to occur in fall of 2014. If approved, interim (temporary) rates will begin October 1, 2013. If the final rates are lower than interim rates, we will refund customers the difference including interest. If rates are higher than interim rates, customers will receive no additional charges for natural gas used while interim rates were in effect.

Interim rates begin October 2013

State law permits CenterPoint Energy to charge interim rates while the MPUC considers our filing for new rates. The increase is effective for service rendered on and after October 1, 2013.

Public hearings, which are opportunities for customers and others to comment on the rate filing, will be scheduled at a later date. We will notify customers about the time and location of the hearings through a news release, bill insert and on our website. An administrative law judge will oversee the hearings, and other parties (interveners) such as the Office of the Attorney General and the Department of Commerce will comment on our request.

Why the new rates are needed

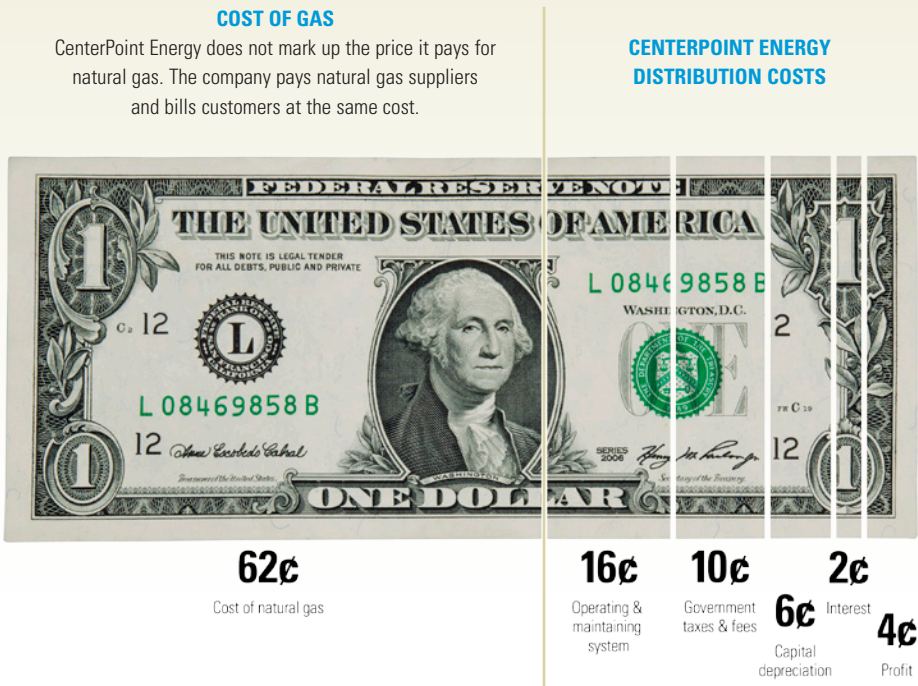
Regulated utilities are authorized by state law to recover the costs of operating a safe and reliable natural gas distribution system. This rate filing is needed to recover the significant capital expenditures CenterPoint Energy is making in Minnesota – in compliance with federal and state pipeline safety and integrity regulations. The capital expenditures are necessary in response to significant levels of public improvements and to modernize our system with technology enhancements.

Proposed revenue decoupling rate adjustments

CenterPoint Energy has proposed a Decoupling Rider that, if approved, will allow the Company to automatically adjust its rates for residential, commercial and small industrial customers each year. These annual rate adjustments, if approved, will allow CenterPoint Energy to match the actual revenue the Company receives each year from these customers to the amount of revenue allowed in this rate case. The purpose of these rate adjustments is to reduce the Company’s disincentive to promote energy conservation and energy efficiency and stabilize the Company’s revenues.

Your gas dollar

CenterPoint Energy’s proposed Basic and Delivery charges recover only the cost of utility distribution service – about 40 percent of the bill. The wholesale cost of gas – about 60 percent of the bill – is passed through to customers with no markup.

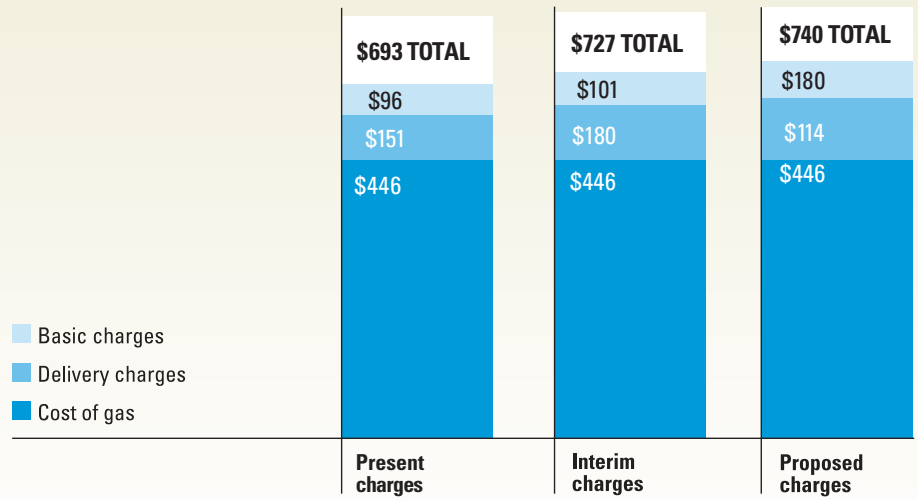


How the new rates will affect monthly bills

The proposed rate changes will affect individual monthly bills differently depending on natural gas use and customer group. Bills will also vary because the wholesale cost of natural gas changes each month. Customers’ bills contain three parts: Basic Charge, Delivery Charge and cost of gas, which is passed through directly to customers without mark-up. The proposed Basic Charges and Delivery Charges recover only the cost of providing utility distribution service to our customers – about 40 percent of the bill. They do not include wholesale gas costs – about 60 percent of the bill.

The chart illustrates changes in residential customers’ average annual bill under CenterPoint Energy’s rate filing.

Average annual bill for residential customers (897 therms)



The chart below shows the effect of both the interim and proposed rate changes on monthly bills for residential, commercial and industrial customers with average natural gas use:

Customer Type (usage in therms)	Average monthly usage in therms	Average monthly bill: current rates	Average monthly bill: interim rates	Average monthly bill: proposed rates
Residential	73	\$57.50	\$60.25	\$61.50
Commercial/Industrial				
Up to 1,500/year	60	\$51.50	\$54.00	\$55.00
1,500 to 5,000/year	226	\$166.50	\$174.75	\$167.25
5,000 or more/year	1,136	\$774.25	\$812.00	\$788.50
Small Volume Dual Fuel Sales Service				
Up to 120,000/year	3,799	\$2,114	\$2,217	\$2,161
120,000 or more/year	13,743	\$7,449	\$7,813	\$7,617
Large Volume Dual Fuel Sales Service	125,750	\$59,200	\$62,089	\$60,736

Budget Plan

Most customers will have their mid-year review in February 2014, when customer Budget Plan amounts could be adjusted up or down based on actual weather conditions and changes in wholesale gas costs. Interim rates also will affect this adjustment.

Changes proposed for residential monthly Basic Charge and Delivery Charge

Customers pay for natural gas delivery service in two ways. The first way is a monthly Basic Charge, which recovers 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 recovers the costs not recovered in the Basic Charge. The total Delivery Charge amount changes each month with the amount of natural gas used.

CenterPoint Energy is proposing to increase the monthly Basic Charge and decrease the per therm Delivery Charge for most of its customers. CenterPoint Energy proposes to increase the Basic Charge for residential customers from \$8.00 to \$15 a month and to decrease the Delivery Charge from the current \$0.17127 per therm (which includes the \$0.00490 per therm for the Gas Affordability Service Program) to \$0.12943 per therm.

This chart shows the current and proposed Basic Charge and Delivery Charge for each customer type:

Customer Type (usage in therms)	Current monthly basic charge	Proposed monthly basic charge	Current delivery charge/therm	Proposed delivery charge/therm
Residential	\$8.00	\$15.00	\$0.17127	\$0.12943
Commercial/Industrial				
Up to 1,500/year	\$12.00	\$15.00	\$0.15170	\$0.16046
1,500 to 5,000/year	\$18.00	\$21.00	\$0.14912	\$0.13997
5,000 or more/year	\$43.00	\$43.00	\$0.13852	\$0.15103
Small Volume Dual Fuel Sales Service				
Up to 120,000/year	\$60.00	\$60.00	\$0.09941	\$0.11163
120,000 or more/year	\$90.00	\$90.00	\$0.09420	\$0.10642
Large Volume Dual Fuel Sales Service	\$600.00	\$600.00	\$0.04270	\$0.05492

* The current and proposed per therm delivery charges includes the per therm charge for the Gas Affordability Service Program (residential and commercial/industrial customers) and does not include the per therm Conservation Improvement Program Adjustment Rider that is used to recover CIP costs not included in base rates.

Better for your budget

Natural gas is your best value and costs less to use for space and water heating than any other energy source. In fact, natural gas is about half the cost of other fuels, including electricity, propane and #2 heating oil.

Beneficial to the environment

With natural gas, you are using a cleaner burning fuel that has less impact on the environment. In fact, natural gas leaves about half the carbon footprint than compared to electricity. To learn more about the benefits of natural gas, visit CenterPointEnergy.com/GasIsBetter and use our online Energy Costs and Emissions calculator to see how your budget and the environment can benefit from choosing natural gas.

CenterPoint Energy helps provide best energy value

At CenterPoint Energy, we have the expertise and the experience to buy natural gas at the lowest reasonable prices in order to provide you with the best energy value:

- We have secured ample supplies and have acquired storage for the upcoming heating season.
- We work with about 20 of the largest suppliers in the United States and Canada and buy gas each month on a competitive bid basis.
- Our supply portfolio includes contracts with varying terms, conditions and lengths.

FOR MORE INFORMATION

- **RESIDENTIAL**

612-372-4727

800-245-2377

- **BUSINESS**

Call your account manager or the

Business Customer Hotline

612-321-4939

877-809-3803

CenterPointEnergy.com/RateCase

How to learn more

Public hearings will be scheduled and overseen by an administrative law judge. Customers and others are given the opportunity to comment on our rate filing at the hearings. Other regulatory agencies that generally comment include the Office of the Attorney General and the Office of Energy Security. Public notice of the hearing dates and locations will be published in local newspapers in the company's service area, in a bill insert and on our website at CenterPointEnergy.com/RateCase.

Interested persons may contact the Minnesota Department of Commerce, 85 Seventh Place East, Suite 500, St. Paul, telephone 651-539-1815 or TTY 800-627-3529 or visit the website at edockets.state.mn.us/EFiling/search.jsp (Select 13 in the year field, enter 316 in the number field, click on search, and the list of documents will appear on the next page), to examine the filing.



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