

Final Rates Fact Sheet

New natural gas distribution rates approved in 2016

Changes begin in December

In August 2015, CenterPoint Energy (the Company) asked the Minnesota Public Utilities Commission (MPUC) to change its rates for utility distribution service. The filing, known as a rate case, sought to increase the Company's annual revenues by \$54.1 million or about 6.4 percent.

MPUC approved new rates

The MPUC approved an annual revenue increase of approximately \$27.5 million, or 3.5 percent. Under the final order, the monthly Basic Charge for residential customers remains at \$9.50, and the per therm Delivery Charge increases from \$0.18458 to \$0.20648.

Your gas dollar

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 45 percent of the bill. They do not include wholesale gas costs – about 55 percent of the bill.



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 was 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.

How the new rates will affect monthly bills

Rate changes will affect individual monthly bills differently depending on natural gas use and customer class. The effect on an average residential customer's bill (who uses approximately 923 therms in a year) will be an increase of about \$2 per month, or \$24 per year. Bills will also vary because the wholesale cost of natural gas changes each month.

Customer Class (usage in therms)	Monthly Basic Charge Current	Monthly Basic Charge New
Residential	\$9.50	\$9.50
Commercial/Industrial		
Up to 1,500/year	\$15.00	\$15.00
1,500 to 5,000/year	\$21.00	\$21.00
5,000 or more/year	\$43.00	\$43.00
Small Volume Dual Fuel Sales Service		
Up to 120,000/year	\$50.00	\$50.00
120,000 or more/year	\$80.00	\$80.00
Large Volume Dual Fuel Sales Service	\$800.00	\$800.00

Customer Class (usage in therms)	Delivery Charges (/therm) Current	Delivery Charges (/therm) New
Residential	\$0.18458	\$0.20648
Commercial/Industrial		
Up to 1,500/year	\$0.14129	\$0.20658
1,500 to 5,000/year	\$0.13349	\$0.16740
5,000 or more/year	\$0.13969	\$0.15429
Small Volume Dual Fuel Sales Service		
Up to 120,000/year	\$0.11409	\$0.12455
120,000 or more/year	\$0.10697	\$0.11453
Large Volume Dual Fuel Sales Service	\$0.05034	\$0.07257

Note: The current and new per therm delivery charges do not include the per therm charge for the Conservation Improvement Program Adjustment Rider (\$0.01021 per therm) that recovers conservation costs not included in base rates.

Customer Class (usage in therms)	Average Monthly (usage in therms)	Average Monthly Bill: Current Rates	Average Monthly Bill: New Rates
Residential	77	\$52	\$54
Commercial/Industrial			
Up to 1,500/year	64	\$48	\$52
1,500 to 5,000/year	251	\$148	\$156
5,000 or more/year	1,274	\$693	\$711
Small Volume Dual Fuel Sales Service			
Up to 120,000/year	3,694	\$1,592	\$1,630
120,000 or more/year	12,632	\$5,262	\$5,357
Large Volume Dual Fuel Sales Service			
	43,750	\$15,662	\$16,634

*Figures are rounded to the nearest whole number



Refunds on interim rates

State law allowed the Company to collect interim (temporary) rates while the MPUC considered its rate case. The Company began collecting annual interim rates of \$47.8 million on October 2, 2015. Since the final rate increase is less than the interim rate increase, the Company refunds the difference, with interest, as well as other adjustments starting with December 2016 bills. A typical residential customer's refund is about \$16.

Reduce energy use and lower monthly bills

Customers can save money, natural resources and reduce their carbon footprint by pursuing these projects:

- Install energy-saving showerheads and faucet aerators to save up to 10 percent on annual water heating costs.
- Earn cash rebates by taking advantage of CenterPoint Energy's Conservation Improvement Program (CIP) rebate programs.
- Schedule a low-cost energy audit through CenterPoint Energy's Home Performance Audit program.
- Have your furnace checked annually, change filter once a month and clean ducts and vents to improve efficiency.
- Set your water heater temperature to 120 F to save energy and prevent scalding.
- Set thermostat to 68 F and add layers before adjusting the thermostat. For every one-degree reduction in the thermostat setting, customers can save up to 5 percent on heating bills.
- Install a programmable thermostat that can lower the heating temperature while away from home.
- Get your home air sealed and improve your home's insulation and receive air sealing and insulation rebates through CenterPoint Energy's CIP program.

Analyze your energy use

Free energy tools to help you calculate better savings

My Energy Analyzer is a free energy analysis tool for our residential customers. In less than 10 minutes, this tool can help you better understand your household energy use and identify ways to save energy and money.

- Receive customized energy efficiency tips for your home
- Learn about cost-effective solutions for lowering your bill
- Understand where your home's energy dollars are being spent
- Learn about other factors that may affect your bill such as weather and energy efficient appliances

It's easy to use! Simply sign into My Account and click 'My Energy Analyzer'. Then, complete your home energy profile to review a customized report about your home energy use.

QUICK FACTS

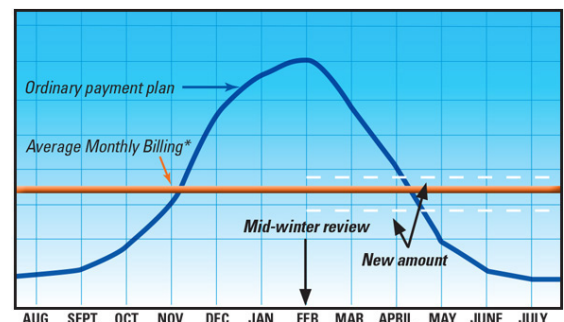
- Revenue increase: \$27.5 million annually or 3.5 percent
- Average residential customer increase: \$2 per month
- Final rates for all customers effective December 1, 2016



Join CenterPoint Energy's *Average Monthly Billing* plan

Average Monthly Billing is a great tool to help you manage winter payment peaks and to even out your projected natural gas charges. The program balances out your payments and you still only pay for the amount of natural gas you use. Plus, you'll enjoy the predictability of knowing your bill amount for six months at a time.

This graph shows at a glance how Average Monthly Billing works. The solid orange line shows how Average Monthly Billing evens out payment peaks. *Your Average Monthly Billing amount will be recalculated every six months.



How to learn more

Residential customers

612-372-4727 • 800-245-2377

Business customers

Call your account manager or the Business Customer Hotline

612-321-4939 • 877-809-3803

Website: CenterPointEnergy.com/RateCase

To learn how you can save energy and money, visit CenterPointEnergy.com/SaveEnergy.

