



New natural gas rates approved in 2018

Changes begin with the enclosed bill

In August 2017, CenterPoint Energy (the Company) asked the Minnesota Public Utilities Commission (MPUC) to change its rates for utility distribution service. The Company requested to increase rates by about 6.4 percent and annual revenues by about \$56.5 million.

MPUC has approved new rates

A settlement agreement between all parties was filed with the Commission by the company in March 2018. The MPUC approved the settlement, resulting in an annual revenue increase of approximately \$3.9 million, or 0.5 percent. Under the final order, the monthly Basic Charge for residential customers will remain at \$9.50 and the per therm Delivery Charge will increase from \$0.20648 to \$0.21036. The settlement also makes decoupling a permanent part of the tariff, incorporates the impact of a decrease in federal income tax rates and amortization of Excess Deferred Income Taxes (EDIT) balances (approximately \$20 million), and establishes tracker recovery mechanisms that account for approximately \$13.3 million in the initial filing.

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Rates vary by customer

Rate changes will affect individual monthly bills differently depending on the residential customer’s bill (use of approximately 890 therms per year) because the wholesale cost of natural gas changes each month.

Customer bills contain three parts: Basic Charge, Delivery Charge and the cost of providing utility distribution service to our customers. This is 40 percent of gas costs, which make up about 50 to 60 percent of the bill. The Cost of Gas

Updated calculations

Customer class (usage in therms)	Monthly basic charges	
	Current	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	\$47.50
Small Volume Dual Fuel Sales Service		
- up to 120,000/year	\$50.00	\$55.50
- 120,000 or more/year	\$80.00	\$88.50
Large Volume Dual Fuel Sales Service		
	\$800.00	\$900.00
Large General Firm Sales Service	\$800.00	\$900.00



g on natural gas use and customer class. The effect on an average
) will increase about \$0.27 per month, or \$3 per year. Bills will vary

d Cost of Gas. The Basic Charge and Delivery Charge recovers the
0 to 50 percent of the bill. The bill does not include wholesale natural
t of Gas is passed through directly to customers without mark-up.

Customer class (usage in therms)	Delivery charges (therms)	
	Current	New
Residential	\$0.20648	\$0.21036
Commercial/Industrial		
- up to 1,500/year	\$0.20658	\$0.21208
- 1,500 to 5,000/year	\$0.16740	\$0.17088
- 5,000 or more/year	\$0.15429	\$0.15354
Small Volume Dual Fuel Sales Service		
- up to 120,000/year	\$0.12455	\$0.12421
- 120,000 or more/year	\$0.11453	\$0.11497
Large Volume Dual Fuel Sales Service	\$0.07257	\$0.07048
Large General Firm Sales Service	\$0.07257	\$0.07048
Demand charge (per peak day)	\$0.42539	\$0.42990

Note: The current and new per therm delivery charges do not include the per therm charge for the Conservation Improvement Program (CIP) Adjustment Rider (\$0.00441 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	Average monthly bill: New
Residential	74	\$55	\$55
Commercial/Industrial			
- up to 1,500/year	68	\$57	\$57
- 1,500 to 5,000/year	245	\$162	\$163
- 5,000 or more/year	1,437	\$852	\$855
Small Volume Dual Fuel Sales Service			
- up to 120,000/year	3,669	\$1,697	\$1,701
- 120,000 or more/year	14,752	\$6,553	\$6,568
Large Volume Dual Fuel Sales Service	59,616	\$24,457	\$24,433
Large General Firm Sales Service	38,061	\$53,619	\$53,803
Demand charge (per peak day)	3,575		

**Figures are rounded to the nearest whole number.*

Refunds on interim rates

State law allowed the Company to collect interim rates while the MPUC considered its rate case. The Company began collecting annual interim rates of \$47.8 million on October 1, 2017. Because the final rate increase is less than the interim rate increase, the Company will refund the difference with interest. A typical residential customer's refund will be about \$38. Bills will be adjusted beginning in November 2018.

How to learn more

Website

[**CenterPointEnergy.com/RateCase**](http://CenterPointEnergy.com/RateCase)

To learn how you can save energy and money, visit

[**CenterPointEnergy.com/SaveEnergy**](http://CenterPointEnergy.com/SaveEnergy).

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

Notice to customers

To make sure we can send you any refund owed, please provide a forwarding address if you stop service. If you move before a refund is issued and we cannot find you, your refund may be treated as abandoned property and sent to the Minnesota Department of Commerce, Unclaimed Property Unit. You can check for unclaimed property at [**www.missingmoney.com**](http://www.missingmoney.com).

