

NEW INTERIM RATES EFFECTIVE JANUARY 1, 2020

CenterPoint Energy Minnesota Gas has asked the Minnesota Public Utilities Commission (MPUC) for approval to increase rates for natural gas distribution service. The requested increase is about 6.8 percent or \$62.0 million per year. The requested increase would add about \$4.79 to a typical residential customer's monthly bill.

State law allows CenterPoint Energy Minnesota Gas to collect higher rates on a temporary basis while the MPUC reviews CenterPoint Energy Minnesota Gas' request. The temporary rate increase is about 5.8 percent or \$52.7 million more than current rates. The increase shows on your bill as Interim Rate Adjustment.

The MPUC will likely decide on our requested rate increase by early 2021. If final rates are lower than interim rates, we will refund customers the difference with interest. If final rates are higher than interim rates, we will not charge customers the difference.

Why is CenterPoint Energy Minnesota Gas asking for an increase?

We continue to make significant investments to maintain the safety and integrity of our natural gas distribution system to benefit our customers and communities. These ongoing investments include infrastructure projects to replace or upgrade existing pipelines in order to prevent leaks, ensure safe and reliable service, and comply with federal pipeline regulations. We are requesting this rate increase for increased operating, maintenance and distribution expenses, and to allow an opportunity for a higher rate of return on our investments.

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

Customers' 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 to our customers and is about 50 percent of the bill, while the Cost of Gas itself is the other 50 percent of the bill. The Cost of Gas is passed through directly to customers without mark-up. The proposed rate changes will affect individual monthly bills differently depending on natural gas use and customer type. Bills will also vary because the wholesale cost of natural gas changes each month. This rate increase does not affect the Cost of Gas.

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

Customer Type (usage in therms)	Avg monthly usage in therms	Avg monthly bill: current rates	Avg monthly bill: interim rates	Avg monthly bill: proposed rates
Residential	75	\$55	\$59	\$60
Commercial/Industrial				
up to 1,500/year	69	\$57	\$61	\$63
1,500 to 5,000/year	249	\$164	\$172	\$174
5,000 or more/year	1,519	\$891	\$929	\$919
Small Volume Dual Fuel Sales Service				
up to 120,000/year	3,896	\$1,709	\$1,783	\$1,752
120,000 or more/year	13,901	\$5,861	\$6,092	\$6,092
Large Volume Dual Fuel Sales Service				
	38,836	\$15,298	\$15,796	\$15,968
Large General Firm Sales Service				
	53,808	\$24,796	\$25,644	\$25,804
Demand charge (per Peak Day)	3,490			

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

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.

CenterPoint Energy Minnesota Gas is asking to increase the Basic Charge and the Delivery Charge for most of its customers. CenterPoint Energy proposes to increase the residential Basic Charge from \$9.50 to \$12.00 per month and to increase the Delivery Charge from \$0.21036 per therm to \$0.24101 per therm.

This chart 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 monthly basic charge	Current delivery charge/therm	Proposed delivery charge/therm
Residential	\$9.50	\$12.00	\$0.21036	\$0.24101
Commercial/Industrial				
up to 1,500/year	\$15.00	\$20.00	\$0.21208	\$0.22558
1,500 to 5,000/year	\$21.00	\$26.00	\$0.17088	\$0.19213
5,000 or more/year	\$47.50	\$55.00	\$0.15354	\$0.16721
Small Volume Dual Fuel Sales Service				
up to 120,000/year	\$55.50	\$60.00	\$0.12421	\$0.13399
120,000 or more/year	\$88.50	\$95.00	\$0.11497	\$0.12396
Large Volume Dual Fuel Sales Service				
	\$900.00	\$1,050.00	\$0.07048	\$0.08386
Large General Firm Sales Service				
	\$900.00	\$1,050.00	\$0.07048	\$0.08386
Demand charge (per Peak Day)	\$0.42990	\$0.46951		

*The Gas Affordability Service Program surcharge for residential and commercial/industrial customers was reduced to \$0.00000 as of September 1, 2019 as approved in Docket No. G008/M-19-255. The current and proposed delivery charges do not include the per therm Conservation Improvement Program Adjustment Rider.

What is the process for reviewing CenterPoint Energy Minnesota Gas' request?

The MPUC, the Minnesota Department of Commerce, the Office of the Attorney General – Residential Utilities and Antitrust Division, public interest groups and customers have the opportunity to review and comment on our proposal.

The MPUC will hold public hearings for customers to speak and will ask for written comments about our rate increase request. You may add verbal comments or written comments, or both, into the record. When scheduled, notice of the public hearing dates and locations will be published in local newspapers, in bill inserts and at 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

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 19 in the year field, type 524 in the number field, select Search, and the list of documents will appear on the next page.

Questions about the Minnesota Public Utilities Commission's review process?

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.

