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PO Box 59038
Minneapolis, MN 55459-0038

January 29, 2020

Mr. Ryan Barlow
Acting Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

VIA E-FILING

**RE: In the Matter of the Petition of CenterPoint Energy Resources Corp., d/b/a
CenterPoint Energy Minnesota Gas, for Approval of an Affiliated Interest Agreement
Between CenterPoint Energy Minnesota Gas and Minnesota**

Compliance Filing – 2019 Minnesota Limited Contract

Docket Nos. G-008/AI-19-292 and G-008/GR-19-524

Dear Mr. Barlow:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or the “Company”), submits this Compliance Filing in response to the Minnesota Public Utilities Commission (“Commission”) Order Approving 2019 Construction Services Contract with Conditions, issued December 30, 2019.

CenterPoint Energy Minnesota Gas has designated certain information in this filing as TRADE SECRET, including components of Exhibit A, and Exhibits B, C, and D in their entirety. The identified trade secret information meets the definition of trade secret information in Minn. Stat. § 13.37, subd.1(b), as follows:

1. the information was supplied by CenterPoint Energy Minnesota Gas, the affected organization;
2. CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the information, including protecting it from disclosure in this proceeding; and
3. the protected information contains contractual details that have not been previously released to the public which derive independent economic value, actual or potential, from

not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use.

Please contact me at if you have any questions regarding this filing.

Sincerely,

/s/

Amber S. Lee
Director Regulatory Affairs
612-321-4625
amber.lee@centerpointenergy.com

C: Service List

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Katie Sieben	Chair
Valerie Means	Commissioner
Matt Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of the Petition of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for Approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited

Docket No. G-008/AI-19-292
Docket No. G-008/GR-19-524

COMPLIANCE FILING

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or the “Company”), submits this Compliance Filing in response to the Minnesota Public Utilities Commission (“Commission”) Order Approving 2019 Construction Services Contract with Conditions, issued December 30, 2019.

In its Order, the Commission Ordered CenterPoint Gas to file the following information in this docket and in the Company’s rate case docket (G-008/GR-19-524) within 30 days of the date of this order:

- a description of any changes in CenterPoint Gas’s relationship with Minnesota Limited, its affiliated vendor;
- detail of the actual costs of the scope of work described on pages 4-10 of the 2019 Affiliated Interest Agreement and a comparison of the actual cost of the work to the estimated cost of the work as reported in Exhibit D of the Petition, with an explanation of any significant differences;
- detail of any changes to the scope of work to be performed under the 2019 AIA (e.g. additions via change orders), including:
 - an explanation of what the changes are and why they were necessary;
 - the additional costs associated with the changes, and a demonstration that those additional costs are reasonable.

The Company complies with the Order below.

I. Changes in Relationship Between CenterPoint Gas and Minnesota Limited

At the time of this filing there are no changes in the relationship between CenterPoint Energy and Minnesota Limited from what was filed in the initial petition in this docket.

II. Actuals Costs for the Scope of Work

Regarding the actual costs for the scope of work in the 2019 AIA as compared to the estimated cost reported in Exhibit D of the Petition please see Exhibit A as attached to this compliance filing. Page 1 of Exhibit A includes a summary comparison of estimated and actual units and costs of the work. Actual costs were greater than the estimate primarily as a result of a greater amount of non-contaminated pipe removal, sand padding (backfill soil around pipe), Class V (backfill soil), non-contaminated backfill removal, and blacktop removal. When estimating project costs CenterPoint Energy had anticipated using the soil on site as backfill. However, the material was not acceptable and did not meet compaction requirements, and thus had to be trucked off site and acceptable material had to be brought in to backfill the excavation.

Exhibit A also includes the following pages regarding the actual 2019 costs:

1. Pages 2 - 20 contain line item details for each of the individual work orders used in 2019 Beltline Project for work done by Minnesota Limited.
2. Pages 21 - 25 summarize the additional Time and Equipment Materials identified in each of the individual work orders.
3. Pages 26 - 31 summarize the Time and Equipment Labor charges identified in each of the individual work orders.

III. Changes to the Scope of Work

CenterPoint Energy did not award any additional projects to Minnesota Limited beyond the projects bid by Minnesota Limited and described in the 2019 AIA. However, there were three Change Orders implemented as a portion of the work performed under the 2019 AIA, as further described below. These Change Orders provided pricing for additional services needed to complete construction on the identified 2019 Beltline Projects already awarded to Minnesota Limited, based on conditions in the field that were not anticipated at the time of the bidding process. There was no additional work outside of the Beltline Project awarded to Minnesota Limited in 2019.

Change Order Number 19-02, is attached as Exhibit B and addresses an amendment to the contract needed to utilize ground water de-watering operations because of excessive rain fall during the weeks of May 13th and May 20th, and to secure gravel and granular borrow to meet

the City of Minneapolis specifications. The specifications, unit pricing and reasons for the Change Order are discussed further in the exhibit.

Change Order Number 19-03, is attached as Exhibit C and addresses an amendment to the contract due to a change in concrete underground regulator vault build and placement. The original contract called for the vaults to be pre-cast concrete with regulator piping built by CenterPoint Energy, but due to actual field location of a crane needed to place a precast concrete vault the two regulator vaults were built in place by Minnesota Limited. The specifications, unit pricing and reasons for the Change Order are discussed further in the exhibit.

Change Order Number 19-05, is attached as Exhibit D and addresses an amendment due to obstacles in the underground pathway related to auger bore operations. These obstacles were beyond the boundary within which subsurface engineering was able to identify for obstructions. The specifications, unit pricing and reasons for the Change Order are discussed further in the exhibit.

The total cost for these change orders is identified in Exhibit A. All pricing was negotiated with Minnesota Limited, and based on costs of subcontractors as passed through by Minnesota Limited, costs contained in previous contracts, and a reduction in overhead cost amounts.

CONCLUSION

With this filing CenterPoint Energy complies with the Commission December 30, 2019 Order in this docket.