

STATE OF MINNESOTA
Before the Public Utilities Commission

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

**In the Matter of the Application of
CenterPoint Energy Resources Corp., d/b/a
CenterPoint Energy Minnesota Gas, for
Authority to Increase Natural Gas Rates in
Minnesota.**

DOCKET NO. G-008/GR-15-424

**REPLY COMMENTS OF THE OFFICE OF
THE ATTORNEY GENERAL**

I. INTRODUCTION

The Office of the Attorney General – Residential Utilities and Antitrust Division (“OAG”) submits the following Reply Comments in response to the Comments filed by the Department of Commerce, Division of Energy Resources (“the Department”) on August 13, 2015, and pursuant to the Public Utilities Commission’s (“the Commission”) August 4, 2015 Notice of Comment Period on Completeness and Procedures. Specifically, the OAG is responding to the Commission’s inquiries as to whether CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas’ (“CenterPoint”) Application to Increase Natural Gas Rates filed on August 3, 2015 (“Petition”) complies with applicable filing requirements and Commission Orders, and whether this matter should be sent to the Office of Administrative Hearings for a contested case hearing.

II. CENTERPOINT’S PETITION FAILS TO COMPLY WITH PAST COMMISSION ORDERS.

The OAG concurs with the Department’s conclusions regarding CenterPoint’s Petition’s failure to comply with past Commission Orders. Specifically, CenterPoint failed to comply with

Commission Orders by failing to explain and justify the methodology for classifying and allocating its sales expenses and regulatory commission expenses as part of its class cost of service study as ordered in its 2013 Rate Case.¹ The Commission should not find that CenterPoint's Petition is complete unless and until CenterPoint identifies where it has explained and justified its classification and allocation of sales expenses and regulatory commission expenses or provides additional testimony to bring its Petition into compliance with the Commission's previous Order. At that time, the Commission should revise the completeness date of the rate application.

III. IF AND WHEN THE COMMISSION FINDS THAT CENTERPOINT'S PETITION IS COMPLETE, IT SHOULD REFER THE MATTER TO THE OFFICE OF ADMINISTRATIVE HEARINGS FOR A CONTESTED CASE HEARING.

CenterPoint's Petition includes thousands of pages of testimony and supporting documentation addressing a wide range of topics, including debt and equity costs, capital structure, numerous categories of expenses, weather patterns, and rate design. The complexity and breadth of the filing ensure that the discovery process and analysis by the OAG and Department staff will identify contested issues of material fact² which could most efficiently and effectively be resolved in a contested case hearing. Therefore, if and when the Commission

¹ Findings of Fact, Conclusions, and Order, *In the Matter of an Application by CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas For Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/CI-13-316, (June 9, 2014), at 40-41.

² Minn. Rule 7829.1000.

finds that CenterPoint's filing is complete, the Commission should refer the matter to the Office of Administrative Hearings for a contested case hearing.

Dated: August 18, 2015

Respectfully submitted,

LORI SWANSON
Attorney General
State of Minnesota

s/ Joseph C. Meyer

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August 18, 2015

Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
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**RE: In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a
CenterPoint Energy Minnesota Gas, for Authority to Increase Natural Gas Rates in
Minnesota
Docket No. G-008/GR-15-424**

Dear Mr. Wolf:

Enclosed and e-filed in the above-referenced matter please find Reply Comments of the Office of the Attorney General.

By copy of this letter all parties have been served. An affidavit of service is enclosed

Sincerely,

s/ Joseph C. Meyer

JOSEPH C. MEYER
Assistant Attorney General

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Enclosures

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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