

OAG Initial Comment Attachments
In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structure to Meet State Greenhouse Gas Reduction Goals
MPUC Docket No. G999/CI-21-565

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OAG No. 006

**State of Minnesota
Office of the Attorney General
Utility Information Request**

In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals **MPUC Docket No. G-999/CI-21-565**

Requested from: Great Plains Natural Gas Co.

Requested by: OAG-RUD

Date of Request:

June 5, 2025

Due Date:

June 17, 2025

Reference: Great Plains Gas Rate Schedule, General Terms and Conditions, Section No. 6, Original Sheet No. 6-11, 6-12, 6-13.

Request:

- A. Confirm that Great Plains' firm residential and firm commercial and industrial customers have the same service main and service line extension policy.
 1. If the answer to part A is a confirmation, explain why it is appropriate for different classes of customers to have the same service main and service line policy.
 2. If the answer to part B is not a confirmation, list the service main and service line extension policy for each firm customer class separately.
- B. Describe the basis for Great Plains' free footage allowance policy. Provide any calculations that justify Great Plains' free footage allowance policy.
- C. Describe the circumstances under which Great Plains would not charge a contribution in aid of construction (CIAC) when a main extension is longer than 100 feet.
- D. Explain how Great Plains calculates CIAC for main extensions that are greater than 100 feet.
- E. Provide a calculation of Great Plains current Levelized Annual Revenue Requirement Factor.
- F. Provide an explanation for why the Levelized Annual Revenue Requirement Factor is the annual rate required to recover the present value of a project over the life of a project.

Response by Travis Jacobson

Title Vice President of Regulatory Affairs

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- G. In the event that a main extension greater than 100 feet is not cost justified, explain how Great Plains calculates the CIAC or any other fee or monetary amount it charges the customer.
- H. In the event that a service line extension greater than 75 feet is not cost justified, explain how Great Plains calculates the CIAC or any other fee or monetary amount it charges the customer.
- I. Explain how Great Plains calculates refunds its pays to customers that contribute to a main extension.
- J. From 2020-2024, list how many customers received a refund from Great Plains for a contribution to a main extension.
- K. Explain the circumstances under which any portion of a main extension that is greater than 100 feet would become part of Great Plains' rate base.
- L. Explain the circumstances under which Great Plains would not require a CIAC from a customer whose service line extension is greater than 75 feet.
- M. Explain how Great Plains calculates CIAC for a service line extension greater than 75 feet.

Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

Response:

- A. Yes, Great Plains has the same extension policy for all firm service customers as outlined in the Company's General Terms and Conditions tariff, Sheet Nos. 6-11 through 6-15.
 - 1. Under the Company's Firm Gas Service Main and Service Line Extension Policies, Great Plains will extend a main extension up to 100 feet and a service line up to 75 feet where natural gas is the primary fuel used for space heating. If the extension exceeds the allowance or where natural gas is not the primary fuel for space heating, cost participation may be required if the estimated capital expenditure is not cost justified. Projects are determined to be cost justified if the calculated Maximum Allowable Investment (MAI) equals or exceeds the estimated capital expenditures. The MAI is determined as follows:

$$\text{Annual Basic Service Charge Revenue} + ((3^{\text{rd}} \text{ Year Estimated Dk} \times \text{Distribution Delivery Charge Revenue}) + \text{GUIC Revenue} + \text{MSC Revenue})$$

Levelized Annual Revenue Requirement (LARR)

The Company's firm extension policy ensures that the extension of gas service is not unreasonably subsidized by the Company's other customers and that a

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customer's MAI is calculated using a specific project costs and customer's rate classification and revenue resulting from the project. If a customer's project cost exceeds the MAI, a contribution may be required of the customer. There is no preference given to the type of customer under the Company's extension policy, i.e. residential versus commercial versus industrial.

2. Not applicable.
-
- B. Footage allowances have long been provided for under Great Plains' firm extension policy. They continue to be administratively efficient, easy for customers to understand and can assist customers by not having to pay costs upfront for receiving gas service. Adding customers to the Company's system is a benefit to all customers and the Company's extension policies ensures longer extensions are cost justified or borne by the cost causer and not all other customers. Please see Clean Energy Response No. 2 Exhibit 1 for the free footage allowance review done at the time of Great Plains' 2019 rate case.
 - C. Limited or no cost participation may occur when the potential benefits from an extension also improve the Company's system or the potential long-term margins show a benefit to all customers. Examples may include the alleviation of pressure issues in the area of an extension or the Company choosing to increase the size or length of extension in order to loop existing mains together.
 - D. Please see the Company's General Terms and Conditions tariff, Sheet Nos. 6-11, Section V Paragraph 4.c.ii and Response No. OAG-006A.1 above.
 - E. Please see Response No. OAG-006 Attachment A for the file supporting the currently authorized LARR of 13.917 percent included on General Terms and Conditions, Sheet No. 6-11, Section V Paragraph 4.c.ii.
 - F. The Levelized Annual Revenue Requirement (LARR) rate of 13.917 percent was authorized in the Company's 2019 rate case, Docket No. G004/GR-19-511 and represents the percentage of the total cost of the extension that Great Plains needs to collect in revenue each year in order to fully recover the cost of the extension and ensure that the Company's other customers do not subsidize the extension. As shown in Response No. OAG-006 Attachment A, the rate is reflective of the return, depreciation, O&M, taxes other than income taxes, and income tax rates from the 2019 rate case. Assuming a project cost of \$1,000, Great Plains may require a customer contribution if the Company expects to collect less than \$139.17 in annual revenue collected through the customer's Basic Service Charge, Distribution Charge, GUIC, and MSC.

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- G. Please see Response No. OAG-006D above.
- H. The determination regarding cost participation for firm service lines is the same as for a firm gas main extension and is outlined in Company's General Terms and Conditions tariff, Sheet Nos. 6-11, Section V Paragraph 4.i.4.
- I. Please see Response No. OAG-006 Attachment B for a hypothetical example of where a refund would be provided to a customer.
- J. 72 firm customers received a refund.
- K. Great Plains would only include in rate base the portion of an extension project determined to be system betterment, such as that provided for in Response No. OAG-006C above.
- L. Great Plains may not require cost participation for service lines extending beyond 75 feet if the extension provides potential long-term margins that benefit all customers as demonstrated through the results of the MAI calculations.
- M. Please see Response No. OAG-006H.

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**State of Minnesota
Office of the Attorney General**

Utility Information Request

Docket Number: G-999/CI-21-565 - Evaluation of Changes to
Natural Gas Utility Regulatory and Policy Structures
Requested From: CENTERPOINT ENERGY MINNESOTA
GAS

Date of Request: 6/5/2025

Response Due: 6/17/2025

Analyst Requesting Information: OAG-RUD

Type of Inquiry: Financial

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
OAG 003	<p>Reference: CenterPoint Minnesota Gas Rate book Section VI, Third Revised Page 11-12: “CenterPoint Energy may install gas service lines without charge to service applicants where the anticipated revenues are sufficient to warrant such instillation or in other cases where CenterPoint Energy determines the conditions justify such installation.” “Service line extensions beyond 75 feet will require a CIAC, which shall be determined based on the incremental cost of the additional footage, not to exceed \$4.00 per foot.”</p> <p>Request:</p> <p>A. Are there circumstances when CenterPoint would not charge a CIAC for a service line extension longer than 75 feet?</p> <ol style="list-style-type: none">1. If the answer to part A is affirmative, provide all factors that would be considered in making such a determination.2. If the answer to part A is affirmative, list the number of customers, or developers, that were not charged a CIAC for a service line extension longer than 75 feet from 2020 through 2024.3. If the answer to part A is affirmative, provide the cost for all unassessed CIAC for a service line extension longer than 75 feet from 2020 through 2024. <p>B. Explain how CenterPoint calculates the “incremental cost of the additional footage.”</p> <p>C. Explain why the incremental costs do not exceed \$4.00 per foot in CenterPoint’s CIAC calculation. Provide any calculations that justify this decision.</p>

Response By: Seth DeMerritt
Title: Manager, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4423

Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

Response:

A. Yes, there are circumstances when CenterPoint Energy would not charge a CIAC for a service line extension longer than 75 feet.

1. As addressed on Page 11 of Section VI in CenterPoint Energy's tariff book,

5.09 Economic Feasibility

"CenterPoint Energy may install gas service lines without charge to service applicants where the anticipated revenues are sufficient to warrant such installation or in other cases where CenterPoint Energy determines the conditions justify such installation."

Therefore, in situations where a potential new customer has specific facts related to their gas usage that cause the Company to believe a new customer will use a larger amount of gas than a typical customer in the Residential class, the Company will perform an economic feasibility to determine the CIAC payment outside of the \$4.00 per foot for services greater than 75 feet. For Residential customers, these facts could include such things as, but not limited to, a large home, heated garage, heated pool, etc.

2. 376

3. When an economic feasibility calculation was used for a service line request was for footage greater than 75 feet, and the model showed that a CIAC was still necessary then a CIAC was assessed to the project. From 2020 - 2024 there were 170 projects that were done with an economic feasibility calculation, required greater than 75 feet of service line, and required a CIAC payment.

B. When analyzing potential projects for new customers CenterPoint Energy does not calculate the "incremental cost of the additional footage". Instead, projects that involve customers that are deemed to be typical customers, any amount of footage in excess of 75 feet measured from the property line or 105 feet from the center of the publicly dedicated street, alley, or public or private utility easement, whichever is greater, the \$4.00 per foot is charged. When customers have different factors, and the Company determines that a new customer's natural gas load will exceed a

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typical customer, the Company will perform an economic feasibility calculation and review the total costs of the project. Please see the Company's non-public response to OAG information request 004 for a copy of the feasibility model.

C. In reviewing the 2024 service line costs divided by the total amount of service line footage installed in 2024, the actual cost per foot of service line is closer to \$18.07.

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GAS

Date of Request: 6/5/2025

Response Due: 6/17/2025

Analyst Requesting Information: OAG-RUD

Type of Inquiry: Financial

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
OAG 004-P	<p>Reference: Docket No. 21-435 Settlement at 19 (eDocket No: 20223-183756-06):</p> <p>“For the purposes of this Settlement, the Settling Parties agree to reduce the free main footage allowance to 100 feet....”</p> <p>CenterPoint Gas Rate Book, Section VI, Fifth Revised Page 6:</p> <p>“If the installation of a gas main is expected to be supported by future annual revenues, CenterPoint Energy shall require the applicant to make a refundable cash advance or provide a Letter of Credit for construction of main extension from the gas main in excess of 100 ft. of gas main allowance per residential structure using gas main in excess of the allowance.”</p> <p>CenterPoint Gas Rate Book, Section VI, Fourth Revised Page 7:</p> <p>“Advances for residential gas main extensions are refundable without interest for a period of up to five (5) years from the date of completion of the main extension as additional customers are connected to the particular main extension for which the advance was made. For each such additional customer connected to the main extension within the five year period, CenterPoint Energy will refund semi-annually based upon the customer footage allowance and the cost per foot of main effective the year the main extension was installed.”</p> <p>Request:</p> <p>A. Are there circumstances when CenterPoint would not charge CIAC for a residential main extension that is longer than 100 feet?</p> <ol style="list-style-type: none">1. If the answer to part A is affirmative, provide all factors that would be considered in making such a determination.2. If the answer to part A is affirmative, provide any calculations that

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justify why CenterPoint would not charge a CIAC for a residential main extension longer than 100 feet.

3. If the answer to part A is affirmative, list the number of customers, or developers, that were not charged a CIAC for a service line extension longer than 75 feet in 2020 throughout 2024.

4. If the answer to part A is affirmative, provide the cost for all unaccessed CIAC for a service line extension longer than 75 feet in 2020 through 2024.

B. Explain how CenterPoint calculates the CIAC that a customer would be required to pay to CenterPoint for a residential main extension.

1. Provide a copy of this calculation in Excel spreadsheet format with links and formulae intact.

C. Explain the circumstances under which any portion of a main extension greater than 100 feet is added to CenterPoint's rate base.

D. Explain how CenterPoint calculates the size and dollar amount of the refund paid back to a customer that makes a contribution to a main extension.

E. From 2020-2024 provide the number of customers, or developers, that have received a refund for a contribution on a gas main extension.

F. Does CenterPoint issue refunds for gas main extensions for its commercial and industrial customers?

1. If the answer to part F is in the affirmative, provide CenterPoint's refund policy.

Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

Response:

A. Yes, there are circumstances when CenterPoint would not charge a CIAC for a main line extension longer than 100 feet.

1. As addressed on Page 4 of Section VI in CenterPoint Energy's tariff book,

4.04 Economic Feasibility

"CenterPoint Energy will apply the general principle that the rendering of gas service to the applicant shall be economically feasible so that the cost of extending such service will not have an undue burden on other customers. In determining whether the expenditure for gas service is economically feasible, CenterPoint Energy shall take into consideration the total cost of serving the applicant and the expected revenue from the applicant."

Response By: Seth DeMerritt
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Therefore, in situations where a potential new customer has specific facts related to their gas usage that cause the Company to believe a new customer will use a larger amount of gas than a typical customer in the same customer class, the Company will perform an economic feasibility to determine the CIAC payment which may result in main footage allowance of greater than 100 feet.

2. Each project is analyzed on its own facts. A copy of the economic feasibility model is attached as OAG_004_Attachment_1_NONPUBLIC.xlsx. An annual audit of sample projects is performed each year to ensure projects are economically feasible, and the results of those audits are reported in the Company's rate base witness in rate cases. The 2024 audit is currently underway.
3. 11 projects from 2020 - 2024 that were over 100 feet of main were not required to pay a CIAC.
4. There were \$0 of unassessed CIAC for main extension longer than 100 feet in 2020 through 2024.

B. Please see OAG_004_Attachment_1_NONPUBLIC.xlsx. This attachment is considered trade secret in its entirety.

C. Any project costs that are incurred, less any CIAC required, are added to rate base. Therefore, if a project had main requirements greater than 100 feet, but was deemed to be economically feasible with no CIAC due to the load requirements of the new customer, the additional footage of main would be in rate base.

D. As addressed on Page 6 of Section VI in CenterPoint Energy's tariff book,

4.06 Advance for Construction Requirements

"If the installation of a gas main is expected to be supported by future annual revenues, CenterPoint Energy shall require the applicant to make a refundable cash advance or provide a Letter of Credit for construction of main extension from the gas main in excess of 100 ft. of gas main allowance per residential structure using gas for primary space heating, calculated at \$3.00 per foot for each foot of gas main in excess of the allowance. The advance must be received before construction begins.

Advances for residential gas main extensions are refundable without interest for a period of up to five (5) years from the date of completion of the main extension as additional customers are connected to the particular main extension for which the advance was made. For each such additional customer connected to the main extension within the five year period, CenterPoint Energy will refund semi-annually based upon the customer footage allowance and the cost per foot of main effective the year the main extension was installed. Each additional customer within the five year period will pay an advance if necessary to CenterPoint Energy as determined by CenterPoint Energy's customer extension model.

The total amount refunded shall not exceed the amount of the original advance and any remaining balance at the end of five (5) years becomes a non refundable contribution in aid of construction."

E. From 2020 through 2024, CenterPoint Energy has refunded portions of 8 advances for construction payments.

F. CenterPoint Energy does not issue refunds for gas main extensions for its commercial and industrial customers.

1. N/A

State of Minnesota Clean Energy Organizations

Utility Information Request

Docket Number: G-008/GR-21-435 - 2021 MN Rate Case Date of Request: 1/12/2022
Requested From: CenterPoint Energy Minnesota Gas Response Due: 2/1/2022

Analyst Requesting Information: Amelia Vohs

Type of Inquiry: Financial

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEO 012	<p>Please provide all workpapers submitted in Witness David A. Poppie's Schedule 17 ("Extension Free Footage Justification") as live, unlocked Excel spreadsheets with all formulas and links intact.</p> <p>Response:</p> <p>As part of this response, the Company provides a correction to Schedule 17, line 1 through line 12, columns (B) and (C) (and to 'Note' on line 21). The Year Placed in Service was inadvertently pulling information from WP1 and WP2 starting with the first Year after Extension made, instead of Year Placed in Service. This correction changes the presentation of the proposed revenue excess by year as shown in the table on Schedule 17 from "within 5 years" to "within 6 years." This recovery time period remains consistent with the intended extension tariff structure discussed by Mr. Poppie on page 25 of his Direct and does not change amounts originally filed in Exhibit ___(DAP-WP), Sch. 17 Workpaper 2, pages 1 through 5.</p>

Response By: David Poppie
Title: Manager, FP&A Minn Gas
Department: Fin & Asset Mgmt Minnesota
Telephone: Drew Sudbury: 612-321-4480

Schedule 17
Extension Justification Summary

This schedule shows a summary of the revenue recovery period of an average residential extension for main and service lines based on the current 150' free feet of main and 75' free feet of service lines compared to the proposed 125' free feet of main and 75' free feet of service lines. The inputs used assume 2019 fiscal year costs as consistent with the Cost of Service filing, G-008/M-21-368.

Line No.	(A) Year	(B) Current Revenue Excess (Deficiency)	(C) Proposed Revenue Excess (Deficiency)
1	Year Placed in Service	(\$38)	(\$25)
2	1st Year after Extension made	(\$70)	(\$45)
3	2nd Year after Extension made	(\$58)	(\$33)
4	3rd Year after Extension made	(\$46)	(\$23)
5	4th Year after Extension made	(\$35)	(\$12)
6	5th Year after Extension made	(\$25)	(\$3)
7	6th Year after Extension made	(\$15)	\$7
8	7th Year after Extension made	(\$5)	\$16
9	8th Year after Extension made	\$5	\$26
10	9th Year after Extension made	\$15	\$35
11	10th Year after Extension made	\$25	\$44
12	11th thru end of Life	\$35	\$54
13			
14		Assumptions:	
15		\$17.73	2019 Average Cost per Foot, Service Line
16		\$7.08	2019 Average Cost per Foot, Main Line
17		(B) Shows the recovery period with the existing free footage allowance using 2019 average costs.	
18		(C) Shows the recovery period with the proposed free footage allowance using 2019 average costs.	
19			
20			
21	*Note on line 7, recovery is now within a reasonable 6 year recovery threshold		
22			

	Rate	Year Placed in Service	1st Year after Extension made	2nd Year after Extension made	3rd Year after Extension made
REVENUE REQUIREMENTS ANALYSIS:					
1 Total Cost of main based on allowed footage (150 feet)		\$1,062			
2 Total Cost of service based on allowed footage (75 feet)		\$1,330			
3 Average Cost of Meter (incl. Install)		\$392			
4 Total main and service cost at allowed footage:		\$2,783			
5 Beginning Balance		\$0	\$2,754	\$2,695	\$2,637
6 Depreciation expense (excl. salvage)		\$29	\$58	\$58	\$58
7 Ending Balance - Net Plant		\$2,754	\$2,695	\$2,637	\$2,579
8 Average Net Plant		\$1,377	\$2,725	\$2,666	\$2,608
9 Tax Depreciation rate (15 year MACRS)		5.000%	9.500%	8.550%	7.700%
10 Tax Depreciation amount		\$139	\$264	\$238	\$214
11 Book - Tax Depr difference		(\$110)	(\$206)	(\$179)	(\$156)
12 Cumulative difference		(\$110)	(\$316)	(\$495)	(\$651)
13 Accum Def tax	28.74%	(\$32)	(\$91)	(\$142)	(\$187)
14 Average ADIT		(\$16)	(\$61)	(\$117)	(\$165)
15 Rate Base		\$1,361	\$2,664	\$2,550	\$2,443
16 Return Requirement @ 8.73% (pre-tax cost of capital)		\$119	\$233	\$223	\$213
17 Distribution costs:					
18 Depreciation Expense		\$29	\$58	\$58	\$58
19 Property Taxes	3.75%	\$52	\$102	\$100	\$98
20 Total Revenue Requirement		\$200	\$393	\$381	\$370
21 Non-Gas Revenues per Customer under proposed rates		\$162	\$324	\$324	\$324
22 Revenue Excess (Deficiency)		(\$38)	(\$70)	(\$58)	(\$46)
22a NPV of annual revenue excess (deficiency) @ 8.73% pre-tax		(38)	(64)	(49)	(36)
22b Cumulative npv		(\$38)	(\$102)	(\$151)	(\$186)

TRADITIONAL CASH FLOW ANALYSIS:

Extension Free Footage Justification
Current

23	Capital Outlay		(\$2,783)	\$0	\$0	\$0
24	Non-Gas Revenues per Customer under proposed rates		\$162	\$324	\$324	\$324
25	less Property Taxes		\$52	\$102	\$100	\$98
26	less Income Taxes	28.74%	\$32	\$64	\$64	\$65
27	plus tax impact of tax depreciation	28.74%	\$40	\$76	\$68	\$62
28	Annual cash flow		(\$2,665)	\$234	\$228	\$222
29	NPV of annual After-tax Cash flow @ 4.89% (after tax)		(\$2,665)	\$223	\$207	\$193
30	Cumulative npv		(\$2,665)	(\$2,442)	(\$2,235)	(\$2,042)

Extension Free Footage Justification

Current

4th Year after Extension made	5th Year after Extension made	6th Year after Extension made	7th Year after Extension made	8th Year after Extension made	9th Year after Extension made	10th Year after Extension made	11th Year after Extension made	12th Year after Extension made	13th Year after Extension made	14th Year after Extension made
\$2,579	\$2,520	\$2,462	\$2,403	\$2,345	\$2,286	\$2,228	\$2,169	\$2,111	\$2,052	\$1,994
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$2,520	\$2,462	\$2,403	\$2,345	\$2,286	\$2,228	\$2,169	\$2,111	\$2,052	\$1,994	\$1,935
\$2,549	\$2,491	\$2,432	\$2,374	\$2,315	\$2,257	\$2,198	\$2,140	\$2,081	\$2,023	\$1,964
6.930%	6.230%	5.900%	5.900%	5.910%	5.900%	5.910%	5.900%	5.910%	5.900%	5.910%
\$193	\$173	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164	\$164
(\$134)	(\$115)	(\$106)	(\$106)	(\$106)	(\$106)	(\$106)	(\$106)	(\$106)	(\$106)	(\$106)
(\$786)	(\$900)	(\$1,006)	(\$1,112)	(\$1,218)	(\$1,324)	(\$1,430)	(\$1,535)	(\$1,641)	(\$1,747)	(\$1,853)
(\$226)	(\$259)	(\$289)	(\$320)	(\$350)	(\$380)	(\$411)	(\$441)	(\$472)	(\$502)	(\$533)
(\$206)	(\$242)	(\$274)	(\$304)	(\$335)	(\$365)	(\$396)	(\$426)	(\$456)	(\$487)	(\$517)
\$2,343	\$2,249	\$2,158	\$2,069	\$1,981	\$1,892	\$1,803	\$1,714	\$1,625	\$1,536	\$1,447
\$205	\$196	\$188	\$181	\$173	\$165	\$157	\$150	\$142	\$134	\$126
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$96	\$93	\$91	\$89	\$87	\$85	\$82	\$80	\$78	\$76	\$74
\$359	\$348	\$338	\$328	\$318	\$308	\$298	\$288	\$278	\$268	\$258
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
(\$35)	(\$25)	(\$15)	(\$5)	\$5	\$15	\$25	\$35	\$45	\$55	\$65
(25)	(16)	(9)	(3)	3	7	11	14	17	19	20
(\$212)	(\$228)	(\$237)	(\$239)	(\$236)	(\$229)	(\$218)	(\$204)	(\$188)	(\$169)	(\$149)

Extension Free Footage Justification
Current

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$96	\$93	\$91	\$89	\$87	\$85	\$82	\$80	\$78	\$76	\$74
\$66	\$66	\$67	\$67	\$68	\$69	\$69	\$70	\$71	\$71	\$72
\$55	\$50	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47	\$47
\$218	\$214	\$213	\$214	\$216	\$217	\$219	\$221	\$222	\$224	\$225
\$180	\$168	\$160	\$153	\$147	\$141	\$136	\$130	\$125	\$120	\$115
(\$1,862)	(\$1,694)	(\$1,534)	(\$1,381)	(\$1,233)	(\$1,092)	(\$956)	(\$825)	(\$700)	(\$580)	(\$464)

Extension Free Footage Justification
Current

15th Year after Extension made	16th Year after Extension made	17th Year after Extension made	18th Year after Extension made	19th Year after Extension made	20th Year after Extension made	21st Year after Extension made	22nd Year after Extension made	23rd Year after Extension made	24th Year after Extension made	25th Year after Extension made	26th Year after Extension made
\$1,935	\$1,877	\$1,818	\$1,760	\$1,701	\$1,643	\$1,584	\$1,526	\$1,467	\$1,409	\$1,350	\$1,292
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$1,877	\$1,818	\$1,760	\$1,701	\$1,643	\$1,584	\$1,526	\$1,467	\$1,409	\$1,350	\$1,292	\$1,233
\$1,906	\$1,847	\$1,789	\$1,730	\$1,672	\$1,613	\$1,555	\$1,496	\$1,438	\$1,379	\$1,321	\$1,262
2.950%											
\$82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$24)	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
(\$1,877)	(\$1,818)	(\$1,760)	(\$1,701)	(\$1,643)	(\$1,584)	(\$1,526)	(\$1,467)	(\$1,409)	(\$1,350)	(\$1,292)	(\$1,233)
(\$539)	(\$523)	(\$506)	(\$489)	(\$472)	(\$455)	(\$438)	(\$422)	(\$405)	(\$388)	(\$371)	(\$354)
(\$536)	(\$531)	(\$514)	(\$497)	(\$481)	(\$464)	(\$447)	(\$430)	(\$413)	(\$396)	(\$380)	(\$363)
\$1,370	\$1,316	\$1,275	\$1,233	\$1,191	\$1,150	\$1,108	\$1,066	\$1,025	\$983	\$941	\$900
\$120	\$115	\$111	\$108	\$104	\$100	\$97	\$93	\$89	\$86	\$82	\$79
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$71	\$69	\$67	\$65	\$63	\$61	\$58	\$56	\$54	\$52	\$50	\$47
\$250	\$243	\$237	\$231	\$225	\$219	\$214	\$208	\$202	\$196	\$190	\$184
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$74	\$81	\$87	\$93	\$98	\$104	\$110	\$116	\$122	\$128	\$133	\$139
21	21	21	21	20	20	19	18	18	17	16	16
(\$128)	(\$107)	(\$86)	(\$65)	(\$45)	(\$26)	(\$7)	\$12	\$29	\$46	\$63	\$79

Extension Free Footage Justification
 Current

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$71	\$69	\$67	\$65	\$63	\$61	\$58	\$56	\$54	\$52	\$50	\$47
\$72	\$73	\$74	\$74	\$75	\$76	\$76	\$77	\$77	\$78	\$79	\$79
\$24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$203	\$181	\$183	\$184	\$186	\$187	\$189	\$191	\$192	\$194	\$195	\$197
\$99	\$84	\$81	\$78	\$75	\$72	\$69	\$67	\$64	\$62	\$59	\$57
(\$365)	(\$281)	(\$199)	(\$121)	(\$46)	\$26	\$95	\$162	\$226	\$288	\$347	\$404

Extension Free Footage Justification

Current

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27th Year after Extension made	28th Year after Extension made	29th Year after Extension made	30th Year after Extension made	31st Year after Extension made	32nd Year after Extension made	33rd Year after Extension made	34th Year after Extension made	35th Year after Extension made	36th Year after Extension made	37th Year after Extension made
\$1,233	\$1,175	\$1,116	\$1,058	\$999	\$941	\$882	\$824	\$765	\$707	\$648
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$1,175	\$1,116	\$1,058	\$999	\$941	\$882	\$824	\$765	\$707	\$648	\$590
\$1,204	\$1,145	\$1,087	\$1,029	\$970	\$912	\$853	\$795	\$736	\$678	\$619
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
(\$1,175)	(\$1,116)	(\$1,058)	(\$999)	(\$941)	(\$882)	(\$824)	(\$765)	(\$707)	(\$648)	(\$590)
(\$338)	(\$321)	(\$304)	(\$287)	(\$270)	(\$254)	(\$237)	(\$220)	(\$203)	(\$186)	(\$170)
(\$346)	(\$329)	(\$312)	(\$296)	(\$279)	(\$262)	(\$245)	(\$228)	(\$212)	(\$195)	(\$178)
\$858	\$816	\$775	\$733	\$691	\$650	\$608	\$566	\$525	\$483	\$441
\$75	\$71	\$68	\$64	\$60	\$57	\$53	\$49	\$46	\$42	\$39
\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58
\$45	\$43	\$41	\$39	\$36	\$34	\$32	\$30	\$28	\$25	\$23
\$179	\$173	\$167	\$161	\$155	\$149	\$144	\$138	\$132	\$126	\$120
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$145	\$151	\$157	\$162	\$168	\$174	\$180	\$186	\$192	\$197	\$203
15	14	14	13	13	12	11	11	10	10	9
\$94	\$108	\$122	\$135	\$148	\$160	\$171	\$182	\$192	\$202	\$211

Extension Free Footage Justification
Current

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$45	\$43	\$41	\$39	\$36	\$34	\$32	\$30	\$28	\$25	\$23
\$80	\$81	\$81	\$82	\$83	\$83	\$84	\$84	\$85	\$86	\$86
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$198	\$200	\$202	\$203	\$205	\$206	\$208	\$209	\$211	\$212	\$214
\$55	\$53	\$50	\$48	\$47	\$45	\$43	\$41	\$40	\$38	\$37
\$458	\$511	\$561	\$610	\$656	\$701	\$744	\$785	\$825	\$863	\$900

Extension Free Footage Justification
 Current

38th Year after Extension made	39th Year after Extension made
\$590	\$531
\$58	\$531
\$531	\$0
\$561	\$266
\$0	\$0
\$58	\$531
(\$531)	(\$0)
(\$153)	(\$0)
(\$161)	(\$76)
\$399	\$189
\$35	\$17
\$58	\$531
\$21	\$10
\$114	\$558
\$324	\$324
\$209	(\$234)
9	(9)
\$220	\$211

Extension Free Footage Justification
Current

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\$0	\$0
\$324	\$324
\$21	\$10
\$87	\$90
\$0	\$0
\$216	\$223
\$35	\$35
\$935	\$970

Extension Free Footage Justification

Current

Notes:

- 1 Based on 2019 average cost of residential mains
- 2 Based on 2019 average cost of residential services
- 3 Based on 2019 average of a small meter and installation
- 4 sum of lines 1+2+3 - see below
- 5 Prior year ending balance for net plant. \$0 for the year extension made
- 6 Average depreciation rate for distribution plant applied to investment for extension
- 7 Line 5 minus line 6
- 8 2 year average of line 7
- 9 annual tax depreciation rate
- 10 line 9 applied to investment for extension
- 11 line 6 minus line 10
- 12 cumulative amount of line 11
- 13 line 12 times tax rate of 28.74%
- 14 average amount of line 13
- 15 line 8 plus line 14
- 16 line 15 times pre-tax cost of capital

- 18 line 6
- 19 property tax rate (3.75%) times average net plant
- 20 line 16 + line 18 + line 19
- 21 non-gas revenue per customer @ 94.9 dt/customer
- 22 line 21 minus line 20
- 22a net present value of line 22 at 8.73% pre-tax cost of capita
- 22b cumulative impact of line 22a
- 23 line 4
- 24 line 21
- 25 line 19
- 26 income tax rate (28.74%) applied to non gas revenue less
- 27 income tax rate 28.74%) applied to line 10
- 28 line 23 plus line 24 less line 25 less line 26 plus line 27
- 29 net present value of line 28 at 4.89%: after tax cost of capi
- 30 cumulative impact of line 29

Average cost/Foot of Residential Main installed
 allowed footage under tariffed free footage allowance
 total cost based on allowed footage

\$7.08 2019 Avg Main cost for Res Customer
150
\$1,062 A

Annual Residential Revenue Calcula
 Filed Use-Per-Customer
 Average Delivery Charge
 Annual Basic Charge
 Total Non-Gas Revenue

Average cost/Foot of Residential Service installed
 allowed footage under tariffed free footage allowance

\$17.73 2019 Avg Service Cost for Res Customer
 75

Extension Free Footage Justification
Current

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I

property taxes (41.37% x line 24 minus lines 25)

total

Calculation:

DTs		94.9	1
\$	0.22080	\$ 2.21	2
\$	9.50	\$ 114.00	3
		\$ 323.54	=(1 x 2) + 3

	Rate	Year Placed in Service	1st Year after Extension made	2nd Year after Extension made	3rd Year after Extension made
REVENUE REQUIREMENTS ANALYSIS:					
1 Total Cost of main based on allowed footage (125 feet)		\$885			
2 Total Cost of service based on allowed footage (75 feet)		\$1,330			
3 Average Cost of Meter (incl. Install)		\$392			
4 Total main and service cost at allowed footage:		\$2,606			
5 Beginning Balance		\$0	\$2,579	\$2,524	\$2,469
6 Depreciation expense (excl. salvage)		\$27	\$55	\$55	\$55
7 Ending Balance - Net Plant		\$2,579	\$2,524	\$2,469	\$2,415
8 Average Net Plant		\$1,289	\$2,552	\$2,497	\$2,442
9 Tax Depreciation rate (15 year MACRS)		5.000%	9.500%	8.550%	7.700%
10 Tax Depreciation amount		\$130	\$248	\$223	\$201
11 Book - Tax Depr difference		(\$103)	(\$193)	(\$168)	(\$146)
12 Cumulative difference		(\$103)	(\$296)	(\$464)	(\$610)
13 Accum Def tax	28.74%	(\$30)	(\$85)	(\$133)	(\$175)
14 Average ADIT		(\$15)	(\$57)	(\$109)	(\$154)
15 Rate Base		\$1,275	\$2,494	\$2,388	\$2,288
16 Return Requirement @ 8.73% (pre-tax cost of capital)		\$111	\$218	\$208	\$200
17 Distribution costs:					
18 Depreciation Expense		\$27	\$55	\$55	\$55
19 Property Taxes	3.75%	\$48	\$96	\$94	\$92
20 Total Revenue Requirement		\$187	\$368	\$357	\$346
21 Non-Gas Revenues per Customer under proposed rates		\$162	\$324	\$324	\$324
22 Revenue Excess (Deficiency)		(\$25)	(\$45)	(\$33)	(\$23)
22a NPV of annual revenue excess (deficiency) @ 8.73% pre-tax		(25)	(41)	(28)	(18)
22b Cumulative npv		(\$25)	(\$66)	(\$94)	(\$112)

TRADITIONAL CASH FLOW ANALYSIS:

Extension Free Footage Justification
Proposed

23	Capital Outlay		(\$2,606)	\$0	\$0	\$0
24	Non-Gas Revenues per Customer under proposed rates		\$162	\$324	\$324	\$324
25	less Property Taxes		\$48	\$96	\$94	\$92
26	less Income Taxes	28.74%	\$33	\$65	\$66	\$67
27	plus tax impact of tax depreciation	28.74%	\$37	\$71	\$64	\$58
28	Annual cash flow		(\$2,488)	\$234	\$228	\$223
29	NPV of annual After-tax Cash flow @ 4.89% (after tax)		(\$2,488)	\$223	\$207	\$193
30	Cumulative npv		(\$2,488)	(\$2,265)	(\$2,058)	(\$1,865)

Extension Free Footage Justification
Proposed

4th Year after Extension made	5th Year after Extension made	6th Year after Extension made	7th Year after Extension made	8th Year after Extension made	9th Year after Extension made	10th Year after Extension made	11th Year after Extension made	12th Year after Extension made	13th Year after Extension made	14th Year after Extension made
\$2,415	\$2,360	\$2,305	\$2,250	\$2,195	\$2,141	\$2,086	\$2,031	\$1,976	\$1,922	\$1,867
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$2,360	\$2,305	\$2,250	\$2,195	\$2,141	\$2,086	\$2,031	\$1,976	\$1,922	\$1,867	\$1,812
\$2,387	\$2,332	\$2,278	\$2,223	\$2,168	\$2,113	\$2,059	\$2,004	\$1,949	\$1,894	\$1,839
6.930%	6.230%	5.900%	5.900%	5.910%	5.900%	5.910%	5.900%	5.910%	5.900%	5.910%
\$181	\$162	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154	\$154
(\$126)	(\$108)	(\$99)	(\$99)	(\$99)	(\$99)	(\$99)	(\$99)	(\$99)	(\$99)	(\$99)
(\$736)	(\$843)	(\$942)	(\$1,041)	(\$1,140)	(\$1,239)	(\$1,339)	(\$1,438)	(\$1,537)	(\$1,636)	(\$1,735)
(\$211)	(\$242)	(\$271)	(\$299)	(\$328)	(\$356)	(\$385)	(\$413)	(\$442)	(\$470)	(\$499)
(\$193)	(\$227)	(\$257)	(\$285)	(\$313)	(\$342)	(\$370)	(\$399)	(\$427)	(\$456)	(\$484)
\$2,194	\$2,106	\$2,021	\$1,938	\$1,855	\$1,771	\$1,688	\$1,605	\$1,522	\$1,438	\$1,355
\$192	\$184	\$176	\$169	\$162	\$155	\$147	\$140	\$133	\$126	\$118
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$90	\$87	\$85	\$83	\$81	\$79	\$77	\$75	\$73	\$71	\$69
\$336	\$326	\$317	\$307	\$298	\$289	\$279	\$270	\$261	\$251	\$242
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
(\$12)	(\$3)	\$7	\$16	\$26	\$35	\$44	\$54	\$63	\$72	\$81
(9)	(2)	4	9	13	16	19	21	23	24	25
(\$121)	(\$122)	(\$118)	(\$109)	(\$96)	(\$80)	(\$61)	(\$39)	(\$16)	\$8	\$33

Extension Free Footage Justification
 Proposed

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$90	\$87	\$85	\$83	\$81	\$79	\$77	\$75	\$73	\$71	\$69
\$67	\$68	\$68	\$69	\$70	\$70	\$71	\$71	\$72	\$73	\$73
\$52	\$47	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$44	\$44
\$219	\$215	\$214	\$215	\$217	\$218	\$220	\$221	\$223	\$224	\$226
\$181	\$169	\$161	\$154	\$148	\$142	\$136	\$131	\$126	\$120	\$116
(\$1,684)	(\$1,515)	(\$1,354)	(\$1,200)	(\$1,052)	(\$910)	(\$774)	(\$643)	(\$517)	(\$397)	(\$281)

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15th Year after Extension made	16th Year after Extension made	17th Year after Extension made	18th Year after Extension made	19th Year after Extension made	20th Year after Extension made	21st Year after Extension made	22nd Year after Extension made	23rd Year after Extension made	24th Year after Extension made	25th Year after Extension made	26th Year after Extension made
\$1,812	\$1,757	\$1,703	\$1,648	\$1,593	\$1,538	\$1,483	\$1,429	\$1,374	\$1,319	\$1,264	\$1,210
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$1,757	\$1,703	\$1,648	\$1,593	\$1,538	\$1,483	\$1,429	\$1,374	\$1,319	\$1,264	\$1,210	\$1,155
\$1,785	\$1,730	\$1,675	\$1,620	\$1,566	\$1,511	\$1,456	\$1,401	\$1,347	\$1,292	\$1,237	\$1,182
2.950%											
\$77	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$22)	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
(\$1,757)	(\$1,703)	(\$1,648)	(\$1,593)	(\$1,538)	(\$1,483)	(\$1,429)	(\$1,374)	(\$1,319)	(\$1,264)	(\$1,210)	(\$1,155)
(\$505)	(\$489)	(\$474)	(\$458)	(\$442)	(\$426)	(\$411)	(\$395)	(\$379)	(\$363)	(\$348)	(\$332)
(\$502)	(\$497)	(\$481)	(\$466)	(\$450)	(\$434)	(\$418)	(\$403)	(\$387)	(\$371)	(\$356)	(\$340)
\$1,283	\$1,233	\$1,194	\$1,155	\$1,116	\$1,077	\$1,038	\$999	\$960	\$921	\$881	\$842
\$112	\$108	\$104	\$101	\$97	\$94	\$91	\$87	\$84	\$80	\$77	\$74
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$67	\$65	\$63	\$61	\$59	\$57	\$55	\$53	\$50	\$48	\$46	\$44
\$234	\$227	\$222	\$216	\$211	\$205	\$200	\$194	\$189	\$184	\$178	\$173
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$90	\$96	\$102	\$107	\$113	\$118	\$124	\$129	\$135	\$140	\$145	\$151
26	25	25	24	23	22	21	20	20	19	18	17
\$59	\$84	\$109	\$132	\$155	\$178	\$199	\$219	\$239	\$258	\$276	\$293

Extension Free Footage Justification
 Proposed

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$67	\$65	\$63	\$61	\$59	\$57	\$55	\$53	\$50	\$48	\$46	\$44
\$74	\$74	\$75	\$76	\$76	\$77	\$77	\$78	\$78	\$79	\$80	\$80
\$22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$205	\$184	\$186	\$187	\$189	\$190	\$192	\$193	\$195	\$196	\$197	\$199
\$100	\$86	\$83	\$79	\$76	\$73	\$70	\$68	\$65	\$62	\$60	\$58
(\$181)	(\$95)	(\$13)	\$67	\$143	\$216	\$286	\$354	\$419	\$481	\$541	\$598

Extension Free Footage Justification
Proposed

27th Year after Extension made	28th Year after Extension made	29th Year after Extension made	30th Year after Extension made	31st Year after Extension made	32nd Year after Extension made	33rd Year after Extension made	34th Year after Extension made	35th Year after Extension made	36th Year after Extension made	37th Year after Extension made
\$1,155	\$1,100	\$1,045	\$991	\$936	\$881	\$826	\$771	\$717	\$662	\$607
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$1,100	\$1,045	\$991	\$936	\$881	\$826	\$771	\$717	\$662	\$607	\$552
\$1,127	\$1,073	\$1,018	\$963	\$908	\$854	\$799	\$744	\$689	\$634	\$580
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
(\$1,100)	(\$1,045)	(\$991)	(\$936)	(\$881)	(\$826)	(\$771)	(\$717)	(\$662)	(\$607)	(\$552)
(\$316)	(\$300)	(\$285)	(\$269)	(\$253)	(\$237)	(\$222)	(\$206)	(\$190)	(\$174)	(\$159)
(\$324)	(\$308)	(\$293)	(\$277)	(\$261)	(\$245)	(\$230)	(\$214)	(\$198)	(\$182)	(\$167)
\$803	\$764	\$725	\$686	\$647	\$608	\$569	\$530	\$491	\$452	\$413
\$70	\$67	\$63	\$60	\$57	\$53	\$50	\$46	\$43	\$39	\$36
\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55	\$55
\$42	\$40	\$38	\$36	\$34	\$32	\$30	\$28	\$26	\$24	\$22
\$167	\$162	\$156	\$151	\$145	\$140	\$134	\$129	\$123	\$118	\$113
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$156	\$162	\$167	\$173	\$178	\$184	\$189	\$195	\$200	\$206	\$211
16	16	15	14	13	13	12	11	11	10	10
\$309	\$325	\$339	\$353	\$367	\$379	\$391	\$403	\$413	\$423	\$433

Extension Free Footage Justification
Proposed

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324	\$324
\$42	\$40	\$38	\$36	\$34	\$32	\$30	\$28	\$26	\$24	\$22
\$81	\$81	\$82	\$83	\$83	\$84	\$84	\$85	\$86	\$86	\$87
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$200	\$202	\$203	\$205	\$206	\$208	\$209	\$211	\$212	\$214	\$215
\$55	\$53	\$51	\$49	\$47	\$45	\$43	\$42	\$40	\$38	\$37
\$654	\$707	\$758	\$806	\$853	\$899	\$942	\$983	\$1,023	\$1,062	\$1,098

Extension Free Footage Justification
 Proposed

38th Year after Extension made	39th Year after Extension made
\$552	\$498
\$55	\$498
\$498	\$0
\$525	\$249
\$0	\$0
\$55	\$498
(\$498)	\$0
(\$143)	\$0
(\$151)	(\$71)
\$374	\$177
\$33	\$15
\$55	\$498
\$20	\$9
\$107	\$522
\$324	\$324
\$216	(\$199)
9	(8)
\$442	\$434

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\$0	\$0
\$324	\$324
\$20	\$9
\$87	\$90
\$0	\$0
\$217	\$224
\$35	\$35
\$1,134	\$1,168

Extension Free Footage Justification
Proposed

Notes:

- 1 Based on 2019 average cost of residential mains
- 2 Based on 2019 average cost of residential services
- 3 Based on 2019 average of a small meter and installation
- 4 sum of lines 1+2+3 - see below
- 5 Prior year ending balance for net plant. \$0 for the year extension made
- 6 Average depreciation rate for distribution plant applied to investment for extension
- 7 Line 5 minus line 6
- 8 2 year average of line 7
- 9 annual tax depreciation rate
- 10 line 9 applied to investment for extension
- 11 line 6 minus line 10
- 12 cumulative amount of line 11
- 13 line 12 times tax rate of 28.74%
- 14 average amount of line 13
- 15 line 8 plus line 14
- 16 line 15 times pre-tax cost of capital

- 18 line 6
- 19 property tax rate (3.75%) times average net plant
- 20 line 16 + line 18 + line 19
- 21 non-gas revenue per customer @ 94.9 dt/customer
- 22 line 21 minus line 20
- 22a net present value of line 22 at 8.73% pre-tax cost of capita
- 22b cumulative impact of line 22a
- 23 line 4
- 24 line 21
- 25 line 19
- 26 income tax rate (28.74%) applied to non gas revenue less
- 27 income tax rate 28.74%) applied to line 10
- 28 line 23 plus line 24 less line 25 less line 26 plus line 27
- 29 net present value of line 28 at 4.89%: after tax cost of capi
- 30 cumulative impact of line 29

Average cost/Foot of Residential Main installed
allowed footage under tariffed free footage allowance
total cost based on allowed footage

\$7.08 2019 Avg Main cost for Res Customer
125
\$885 A

Annual Residential Revenue Calcula
Filed Use-Per-Customer
Average Delivery Charge
Annual Basic Charge
Total Non-Gas Revenue

Average cost/Foot of Residential Service installed
allowed footage under tariffed free footage allowance

\$17.73 2019 Avg Service Cost for Res Customer
75

Extension Free Footage Justification
Proposed

Docket No. G-008/GR-21-435
CenterPoint Energy Minnesota Gas Response to RFI CEO 12
Attachment 1
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I

property taxes (41.37% x line 24 minus lines 25)

total

Calculation:

DTs		94.9	1
\$	0.22080	\$ 2.21	2
\$	9.50	\$ 114.00	3
		\$ 323.54	=(1 x 2) + 3

CenterPoint Energy
Average Service Cost for a Residential Customer
Based on 2019 Information

2020 Service Line Costs:	
Contractor Costs	\$7,003,987
No. of New Res. Svcs	6,230
	<u>\$1,124</u>
Material Costs	\$947,497
Other Costs	\$10
	<u>\$947,507</u>
No. of New Res. Svcs	6,230
	<u>\$ 152.09</u>
Construction OH	2,460,082
Labor	25,178
AFUDC Debt	-
Materials, Other Costs	947,507
	<u>3,432,767</u>
	6,230
	<u>\$ 551.01</u>
Average Length of Service:	
No. of Feet	448,511
No. of New Res. Svcs	6,230
No. of feet/New Service	<u>72</u>
Total Service Line Cost	\$1,276
Divided by No. of feet/New Service	72
Total Cost per foot	<u><u>\$17.73</u></u> To Sch. 17, WP 1

Incremental Service Line Extension Costs

<u>Contractor Cost of Residential Service Installation</u>	\$1,124
(50% reduction for incremental labor beyond initial 75 feet) /1/	50%
Total Incremental Contractor Cost	\$562.12
Divided by No. of feet/New Service	72
Total Incremental Contractor Cost per foot	<u>\$7.81</u>
<u>Cost of Materials and Misc.</u>	\$152.09
Divided by No. of feet/New Service	72
Total Materials and Misc. Cost per foot	<u>\$2.11</u>
Total Cost Per Foot	\$9.92
Tax Gross-Up Factor	<u>1.1277</u>

2019 Cost Summary, Service Lines

Incremental Service Line Cost Per Foot \$11.19

/1/ 50% is used because there is significant time associated with travel to the site, unloading and loading equipment, etc. that is not associated with the installation of incremental footage.

CenterPoint Energy
Average Main Cost for a Residential Customer
Based on 2019 Information

2020 Main Costs:	
Contractor Costs	\$2,317,065
Total Main Footage for Residential Projects	429,519
	<u>\$5.39</u>
Material Costs	\$722,402
Other Costs	\$548
	<u>\$722,950</u>
Total Main Footage for Residential Projects	429,519
	<u>\$1.68</u>
Construction OH	\$711,279
Labor	-
AFUDC Debt	\$5,852
Materials, Other Costs	\$722,950
	<u>\$1,440,081</u>
	429,519
	<u>\$3.35</u>
Average Main Footage Per Service:	
Total Main Footage for Residential Projects	429,519
Res Service lines connected to the Main WO /1/	3,689
Average Main Footage	<u>116</u>
Average Main Cost	<u><u>\$7.08</u></u> To Sch. 17, WP 1

Incremental Main Extension Costs

Cost per main foot for construction	\$5.39
(50% reduction for incremental labor beyond initial 150 feet) /2/	50%
Construction cost per foot	\$2.70
Cost of Materials and Misc.	\$722,950
Main Footage	429,519
Materials and Misc. cost per foot	<u>\$1.68</u>
Total Cost Per Foot	\$4.38
Tax Gross-Up Factor	<u>1.1277</u>
Incremental Main Cost Per Foot	<u><u>\$4.94</u></u>

- /1/ SAP pull of all service WO that are associated with the new Main WOs for 2019.
- /2/ 50% is used because there is significant time associated with travel to the site, unloading and loading equipment, etc. that is not associated with the installation of incremental footage.

2019 Cost Summary, Main Extensions

State of Minnesota Clean Energy Organizations

Utility Information Request

Docket Number: G-008/GR-21-435 - 2021 MN Rate Case
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 1/12/2022
Response Due: 2/1/2022

Analyst Requesting Information: Amelia Vohs

Type of Inquiry: Financial

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEO 013	<p>Witness Poppie states that "the Company's extension tariff is structured to provide recovery of extension costs, via revenue from new customers, within a five-year period" (Poppie Direct, p. 25, lines 15-17). However, Witness Poppie's workpapers (Schedule 17, Workpaper #2) show that, while the Company's non-gas revenues per customer (line 21) would exceed its revenue requirement (line 20) after five years, the Company would not recover its line extension costs until Year 18 (line 30). Please explain this discrepancy between the testimony and workpapers, and clarify the length of time for full recovery of line extension costs under the Company's proposed tariff.</p> <p>Response:</p> <p>The statement referenced was not intended to equate the estimates regarding the length of time for full recovery of line extension costs (i.e., pay back period), rather to point to the period of time when non-gas revenues are greater than the revenue requirement. The structure of the extension tariff is intended to highlight that the revenue requirement^[1] from extending service is not recovered in the year the investment is made, but rather recovered in a relatively short period of time. The results of the analysis in Schedule 17, Workpaper 2 are consistent with these statements and the current Commission approved extension tariff.</p> <p>Under the proposed tariff, the length of time for full recovery of the capital expenditure is most appropriately identified through a traditional cash flow analysis reflected in lines 23 through 30 in Schedule 17, Workpapers 1 and 2. This analysis evaluates the net present value of cash flows^[2] of the line extension beginning with the initial capital outlay in the year assets are placed into service. Based on this analysis and when the cumulative net</p>

Response By: David Poppie
Title: Manager, FP&A Minn Gas
Department: Fin & Asset Mgmt Minnesota
Telephone: Drew Sudbury: 612-321-4480

present shown on line 30 value turns positive, the Company concurs it does not recover the full cost of the investment in its proposed scenario until Year 18.

[1] Includes a return on rate base, depreciation expense, and property taxes.

[2] Annual cash flows are defined as non-gas revenues per customer under present rates, less property taxes, less income taxes, plus tax impact of tax depreciation.

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Year (EOY)	Number residential cu	Number of Docket
2018	791413	6494 19-04
2019	801170	6543 20-04
2020	812670	6579 21-04
2021	823221	6648 22-04
2022	832508	6770 23-04
2023	842137	6772 24-04
2024	852288	6777 25-04

Growth

18-19	1.23%
19-20	1.44%
20-21	1.30%
21-22	1.13%
22-23	1.16%
23-24	1.21%

Customer additions

18-19	9757
19-20	11500
20-21	10551
21-22	9287
22-23	9629
23-24	10151
average cu	10145.83333

average rev \$	14,965,104.17
average rat \$	2,022,804,000.00
percent of i	0.74%

	Rate Base	return on equity	return on debt	depreciation	combined tax rate	O&M	Yearly approximate co	present value cash
1	\$ 17,195,775.00	\$ 846,805.94	\$ 368,832.87	\$ 429,894.38	\$ 380,449.05	\$ 557,975.00	\$ 2,583,957.23	\$ 2,583,957.23
2	\$ 33,961,655.63	\$ 1,672,441.73	\$ 728,444.91	\$ 859,788.75	\$ 751,386.86	\$ 1,115,950.00	\$ 5,128,012.26	\$ 4,789,401.57
3	\$ 50,727,536.25	\$ 2,498,077.52	\$ 1,088,056.95	\$ 1,289,683.13	\$ 1,122,324.68	\$ 1,673,925.00	\$ 7,672,067.29	\$ 6,692,321.52
4	\$ 67,493,416.88	\$ 3,323,713.31	\$ 1,447,669.00	\$ 1,719,577.50	\$ 1,493,262.50	\$ 2,231,900.00	\$ 10,216,122.32	\$ 8,323,053.30
5	\$ 84,259,297.50	\$ 4,149,349.11	\$ 1,807,281.04	\$ 2,149,471.88	\$ 1,864,200.32	\$ 2,789,875.00	\$ 12,760,177.35	\$ 9,709,245.89
6	\$ 101,025,178.13	\$ 4,974,984.90	\$ 2,166,893.09	\$ 2,579,366.25	\$ 2,235,138.14	\$ 3,347,850.00	\$ 15,304,232.38	\$ 10,876,083.62
7	\$ 117,791,058.75	\$ 5,800,620.69	\$ 2,526,505.13	\$ 3,009,260.63	\$ 2,606,075.96	\$ 3,905,825.00	\$ 17,848,287.41	\$ 11,846,491.16
8	\$ 134,556,939.38	\$ 6,626,256.48	\$ 2,886,117.17	\$ 3,439,155.00	\$ 2,977,013.78	\$ 4,463,800.00	\$ 20,392,342.44	\$ 12,641,322.08
9	\$ 151,322,820.00	\$ 7,451,892.27	\$ 3,245,729.22	\$ 3,869,049.38	\$ 3,347,951.60	\$ 5,021,775.00	\$ 22,936,397.46	\$ 13,279,532.45
10	\$ 168,088,700.63	\$ 8,277,528.06	\$ 3,605,341.26	\$ 4,298,943.75	\$ 3,718,889.42	\$ 5,579,750.00	\$ 25,480,452.49	\$ 13,778,340.47
11	\$ 184,854,581.25	\$ 9,103,163.85	\$ 3,964,953.31	\$ 4,728,838.13	\$ 4,089,827.24	\$ 6,137,725.00	\$ 28,024,507.52	\$ 14,153,373.34
12	\$ 201,620,461.88	\$ 9,928,799.65	\$ 4,324,565.35	\$ 5,158,732.50	\$ 4,460,765.06	\$ 6,695,700.00	\$ 30,568,562.55	\$ 14,418,802.32
13	\$ 218,386,342.50	\$ 10,754,435.44	\$ 4,684,177.40	\$ 5,588,626.88	\$ 4,831,702.88	\$ 7,253,675.00	\$ 33,112,617.58	\$ 14,587,466.83
14	\$ 235,152,223.13	\$ 11,580,071.23	\$ 5,043,789.44	\$ 6,018,521.25	\$ 5,202,640.70	\$ 7,811,650.00	\$ 35,656,672.61	\$ 14,670,988.57
15	\$ 251,918,103.75	\$ 12,405,707.02	\$ 5,403,401.48	\$ 6,448,415.63	\$ 5,573,578.52	\$ 8,369,625.00	\$ 38,200,727.64	\$ 14,679,876.37
16	\$ 268,683,984.38	\$ 13,231,342.81	\$ 5,763,013.53	\$ 6,878,310.00	\$ 5,944,516.34	\$ 8,927,600.00	\$ 40,744,782.67	\$ 14,623,622.44
17	\$ 285,449,865.00	\$ 14,056,978.60	\$ 6,122,625.57	\$ 7,308,204.38	\$ 6,315,454.15	\$ 9,485,575.00	\$ 43,288,837.70	\$ 14,510,790.85
18	\$ 302,215,745.63	\$ 14,882,614.39	\$ 6,482,237.62	\$ 7,738,098.75	\$ 6,686,391.97	\$ 10,043,550.00	\$ 45,832,892.73	\$ 14,349,098.70
19	\$ 318,981,626.25	\$ 15,708,250.18	\$ 6,841,849.66	\$ 8,167,993.13	\$ 7,057,329.79	\$ 10,601,525.00	\$ 48,376,947.76	\$ 14,145,490.65
20	\$ 335,747,506.88	\$ 16,533,885.98	\$ 7,201,461.70	\$ 8,597,887.50	\$ 7,428,267.61	\$ 11,159,500.00	\$ 50,921,002.79	\$ 13,906,207.23
21	\$ 352,513,387.50	\$ 17,359,521.77	\$ 7,561,073.75	\$ 9,027,781.88	\$ 7,799,205.43	\$ 11,717,475.00	\$ 53,465,057.82	\$ 13,636,847.61
22	\$ 369,279,268.13	\$ 18,185,157.56	\$ 7,920,685.79	\$ 9,457,676.25	\$ 8,170,143.25	\$ 12,275,450.00	\$ 56,009,112.85	\$ 13,342,427.07
23	\$ 386,045,148.75	\$ 19,010,793.35	\$ 8,280,297.84	\$ 9,887,570.63	\$ 8,541,081.07	\$ 12,833,425.00	\$ 58,553,167.88	\$ 13,027,429.68
24	\$ 402,811,029.38	\$ 19,836,429.14	\$ 8,639,909.88	\$ 10,317,465.00	\$ 8,912,018.89	\$ 13,391,400.00	\$ 61,097,222.91	\$ 12,695,856.62
25	\$ 419,576,910.00	\$ 20,662,064.93	\$ 8,999,521.93	\$ 10,747,359.38	\$ 9,282,956.71	\$ 13,949,375.00	\$ 63,641,277.94	\$ 12,351,270.34
26	\$ 436,342,790.63	\$ 21,487,700.72	\$ 9,359,133.97	\$ 11,177,253.75	\$ 9,653,894.53	\$ 14,507,350.00	\$ 66,185,332.97	\$ 11,996,835.15
27	\$ 453,108,671.25	\$ 22,313,336.52	\$ 9,718,746.01	\$ 11,607,148.13	\$ 10,024,832.35	\$ 15,065,325.00	\$ 68,729,388.00	\$ 11,635,354.17
28	\$ 469,874,551.88	\$ 23,138,972.31	\$ 10,078,358.06	\$ 12,037,042.50	\$ 10,395,770.17	\$ 15,623,300.00	\$ 71,273,443.03	\$ 11,269,303.28
29	\$ 486,640,432.50	\$ 23,964,608.10	\$ 10,437,970.10	\$ 12,466,936.88	\$ 10,766,707.99	\$ 16,181,275.00	\$ 73,817,498.06	\$ 10,900,862.12
30	\$ 503,406,313.13	\$ 24,790,243.89	\$ 10,797,582.15	\$ 12,896,831.25	\$ 11,137,645.81	\$ 16,739,250.00	\$ 76,361,553.09	\$ 10,531,942.40
31	\$ 520,172,193.75	\$ 25,615,879.68	\$ 11,157,194.19	\$ 13,326,725.63	\$ 11,508,583.62	\$ 17,297,225.00	\$ 78,905,608.12	\$ 10,164,213.78
32	\$ 536,938,074.38	\$ 26,441,515.47	\$ 11,516,806.23	\$ 13,756,620.00	\$ 11,879,521.44	\$ 17,855,200.00	\$ 81,449,663.15	\$ 9,799,127.53
33	\$ 553,703,955.00	\$ 27,267,151.26	\$ 11,876,418.28	\$ 14,186,514.38	\$ 12,250,459.26	\$ 18,413,175.00	\$ 83,993,718.18	\$ 9,437,938.02
34	\$ 570,469,835.63	\$ 28,092,787.06	\$ 12,236,030.32	\$ 14,616,408.75	\$ 12,621,397.08	\$ 18,971,150.00	\$ 86,537,773.21	\$ 9,081,722.50
35	\$ 587,235,716.25	\$ 28,918,422.85	\$ 12,595,642.37	\$ 15,046,303.13	\$ 12,992,334.90	\$ 19,529,125.00	\$ 89,081,828.24	\$ 8,731,398.92
36	\$ 604,001,596.88	\$ 29,744,058.64	\$ 12,955,254.41	\$ 15,476,197.50	\$ 13,363,272.72	\$ 20,087,100.00	\$ 91,625,883.27	\$ 8,387,742.33
37	\$ 620,767,477.50	\$ 30,569,694.43	\$ 13,314,866.46	\$ 15,906,091.88	\$ 13,734,210.54	\$ 20,645,075.00	\$ 94,169,938.30	\$ 8,051,399.75
38	\$ 637,533,358.13	\$ 31,395,330.22	\$ 13,674,478.50	\$ 16,335,986.25	\$ 14,105,148.36	\$ 21,203,050.00	\$ 96,713,993.33	\$ 7,722,903.65
39	\$ 654,299,238.75	\$ 32,220,966.01	\$ 14,034,090.54	\$ 16,765,880.63	\$ 14,476,086.18	\$ 21,761,025.00	\$ 99,258,048.36	\$ 7,402,684.33
40	\$ 671,065,119.38	\$ 33,046,601.80	\$ 14,393,702.59	\$ 17,195,775.00	\$ 14,847,024.00	\$ 22,319,000.00	\$ 101,802,103.39	\$ 7,091,081.01
							\$ 2,087,721,212.33	

present value 30 Yr	present value for utility	Present value 30 YR	Present Value 1 year average cost of service	number of customers	free footage each year	return on equity	percent equity	return on long term investment	percent long term investment	return on short term investment	
\$ 2,583,957.23	\$445,823,806.80	\$ 675,209,172.02	\$808,713,820.21	\$1,695.00	10,145.00	\$ 17,195,775.00	0.0938	0.525	0.0449	0.4544	0.0508
\$ 4,889,176.01						20,290.00	\$ 17,195,775.00				
\$ 6,974,059.33						30,435.00	\$ 17,195,775.00				
\$ 8,854,130.86						40,580.00	\$ 17,195,775.00				
\$ 10,543,946.17						50,725.00	\$ 17,195,775.00				
\$ 12,057,149.30						60,870.00	\$ 17,195,775.00				
\$ 13,406,526.02						71,015.00	\$ 17,195,775.00				
\$ 14,604,054.25						81,160.00	\$ 17,195,775.00				
\$ 15,660,951.53						91,305.00	\$ 17,195,775.00				
\$ 16,587,719.90						101,450.00	\$ 17,195,775.00				
\$ 17,394,188.17						111,595.00	\$ 17,195,775.00				
\$ 18,089,551.91						121,740.00	\$ 17,195,775.00				
\$ 18,682,411.04						131,885.00	\$ 17,195,775.00				
\$ 19,180,805.46						142,030.00	\$ 17,195,775.00				
\$ 19,592,248.47						152,175.00	\$ 17,195,775.00				
\$ 19,923,758.44						162,320.00	\$ 17,195,775.00				
\$ 20,181,888.60						172,465.00	\$ 17,195,775.00				
\$ 20,372,755.14						182,610.00	\$ 17,195,775.00				
\$ 20,502,063.69						192,755.00	\$ 17,195,775.00				
\$ 20,575,134.34						202,900.00	\$ 17,195,775.00				
\$ 20,596,925.12						213,045.00	\$ 17,195,775.00				
\$ 20,572,054.23						223,190.00	\$ 17,195,775.00				
\$ 20,504,820.92						233,335.00	\$ 17,195,775.00				
\$ 20,399,225.18						243,480.00	\$ 17,195,775.00				
\$ 20,258,986.31						253,625.00	\$ 17,195,775.00				
\$ 20,087,560.35						263,770.00	\$ 17,195,775.00				
\$ 19,888,156.59						273,915.00	\$ 17,195,775.00				
\$ 19,663,753.00						284,060.00	\$ 17,195,775.00				
\$ 19,417,110.86						294,205.00	\$ 17,195,775.00				
\$ 19,150,788.46						304,350.00	\$ 17,195,775.00				
\$ 18,867,154.03						314,495.00	\$ 17,195,775.00				
\$ 18,568,397.89						324,640.00	\$ 17,195,775.00				
\$ 18,256,543.89						334,785.00	\$ 17,195,775.00				
\$ 17,933,460.14						344,930.00	\$ 17,195,775.00				
\$ 17,600,869.19						355,075.00	\$ 17,195,775.00				
\$ 17,260,357.45						365,220.00	\$ 17,195,775.00				
\$ 16,913,384.20						375,365.00	\$ 17,195,775.00				
\$ 16,561,289.99						385,510.00	\$ 17,195,775.00				
\$ 16,205,304.47						395,655.00	\$ 17,195,775.00				
\$ 15,846,553.90						405,800.00	\$ 17,195,775.00				

percent share	rate of return	property tax	combined	IO&M	US 30 year	US 1 year treasury
0.0206	0.0707	0.03	0.31	55	0.04885	0.04015

	Rate Base	return on equity	return on debt	depreciation	combined tax rate	O&M	Yearly revenue	present value cash
1	\$ 17,195,775.00	\$ 846,805.94	\$ 368,832.87	\$ 429,894.38	\$ 380,449.05	\$ 557,975.00	\$ 2,583,957.23	\$ 2,583,957.23
2	\$ 33,101,866.88	\$ 1,630,101.43	\$ 710,003.27	\$ 838,294.03	\$ 732,364.41	\$ 1,088,051.25	\$ 4,998,814.39	\$ 4,668,734.84
3	\$ 47,782,759.78	\$ 2,353,062.01	\$ 1,024,894.33	\$ 1,226,273.70	\$ 1,057,172.79	\$ 1,591,623.69	\$ 7,253,026.51	\$ 6,326,793.49
4	\$ 61,299,713.67	\$ 3,018,704.40	\$ 1,314,820.01	\$ 1,594,854.39	\$ 1,356,229.51	\$ 2,070,017.50	\$ 9,354,625.82	\$ 7,621,193.93
5	\$ 73,710,925.48	\$ 3,629,894.53	\$ 1,581,028.59	\$ 1,945,006.05	\$ 1,630,822.18	\$ 2,524,491.63	\$ 11,311,242.97	\$ 8,606,748.66
6	\$ 85,071,682.33	\$ 4,189,355.00	\$ 1,824,705.92	\$ 2,277,650.12	\$ 1,882,173.98	\$ 2,956,242.05	\$ 13,130,127.07	\$ 9,331,037.09
7	\$ 95,434,506.97	\$ 4,699,672.30	\$ 2,046,978.56	\$ 2,593,661.99	\$ 2,111,446.97	\$ 3,366,404.94	\$ 14,818,164.76	\$ 9,835,299.81
8	\$ 104,849,295.99	\$ 5,163,303.58	\$ 2,248,916.74	\$ 2,893,873.27	\$ 2,319,745.09	\$ 3,756,059.70	\$ 16,381,898.38	\$ 10,155,226.37
9	\$ 113,363,451.19	\$ 5,582,583.15	\$ 2,431,537.20	\$ 3,179,073.98	\$ 2,508,117.07	\$ 4,126,231.71	\$ 17,827,543.11	\$ 10,321,648.71
10	\$ 121,022,004.26	\$ 5,959,728.60	\$ 2,595,805.81	\$ 3,450,014.65	\$ 2,677,559.23	\$ 4,477,895.13	\$ 19,161,003.42	\$ 10,361,151.51
11	\$ 127,867,735.30	\$ 6,296,846.62	\$ 2,742,640.17	\$ 3,707,408.30	\$ 2,829,018.05	\$ 4,811,975.37	\$ 20,387,888.51	\$ 10,296,609.05
12	\$ 133,941,285.41	\$ 6,595,938.60	\$ 2,872,911.99	\$ 3,951,932.26	\$ 2,963,392.70	\$ 5,129,351.60	\$ 21,513,527.15	\$ 10,147,657.24
13	\$ 139,281,263.64	\$ 6,858,905.83	\$ 2,987,449.39	\$ 4,184,230.02	\$ 3,081,537.40	\$ 5,430,859.02	\$ 22,542,981.66	\$ 9,931,108.48
14	\$ 143,924,348.58	\$ 7,087,554.55	\$ 3,087,039.11	\$ 4,404,912.89	\$ 3,184,263.64	\$ 5,717,291.07	\$ 23,481,061.26	\$ 9,661,315.99
15	\$ 147,905,384.90	\$ 7,283,600.68	\$ 3,172,428.52	\$ 4,614,561.62	\$ 3,272,342.33	\$ 5,989,401.52	\$ 24,332,334.67	\$ 9,350,493.74
16	\$ 151,257,475.03	\$ 7,448,674.36	\$ 3,244,327.63	\$ 4,813,727.92	\$ 3,346,505.87	\$ 6,247,906.44	\$ 25,101,142.22	\$ 9,008,997.04
17	\$ 154,012,066.28	\$ 7,584,324.20	\$ 3,303,410.97	\$ 5,002,935.90	\$ 3,407,450.00	\$ 6,493,486.12	\$ 25,791,607.19	\$ 8,645,568.64
18	\$ 156,199,033.59	\$ 7,692,021.41	\$ 3,350,319.32	\$ 5,182,683.48	\$ 3,455,835.71	\$ 6,726,786.81	\$ 26,407,646.72	\$ 8,267,554.30
19	\$ 157,846,758.16	\$ 7,773,163.61	\$ 3,385,661.43	\$ 5,353,443.68	\$ 3,492,290.90	\$ 6,948,422.47	\$ 26,952,982.08	\$ 7,881,091.59
20	\$ 158,982,202.13	\$ 7,829,078.54	\$ 3,410,015.61	\$ 5,515,665.87	\$ 3,517,412.10	\$ 7,158,976.35	\$ 27,431,148.47	\$ 7,491,275.00
21	\$ 159,630,979.52	\$ 7,861,027.59	\$ 3,423,931.26	\$ 5,669,776.95	\$ 3,531,766.02	\$ 7,359,002.53	\$ 27,845,504.35	\$ 7,102,300.36
22	\$ 159,817,423.67	\$ 7,870,209.03	\$ 3,427,930.31	\$ 5,816,182.48	\$ 3,535,891.01	\$ 7,549,027.40	\$ 28,199,240.24	\$ 6,717,590.89
23	\$ 159,564,651.24	\$ 7,857,761.25	\$ 3,422,508.59	\$ 5,955,267.73	\$ 3,530,298.53	\$ 7,729,551.03	\$ 28,495,387.13	\$ 6,339,907.23
24	\$ 158,894,623.05	\$ 7,824,765.71	\$ 3,408,137.13	\$ 6,087,398.72	\$ 3,515,474.45	\$ 7,901,048.48	\$ 28,736,824.49	\$ 5,971,443.31
25	\$ 157,828,201.90	\$ 7,772,249.80	\$ 3,385,263.42	\$ 6,212,923.16	\$ 3,491,880.35	\$ 8,063,971.06	\$ 28,926,287.78	\$ 5,613,909.90
26	\$ 156,385,207.43	\$ 7,701,189.54	\$ 3,354,312.57	\$ 6,332,171.37	\$ 3,459,954.72	\$ 8,218,747.51	\$ 29,066,375.71	\$ 5,268,607.14
27	\$ 154,584,468.31	\$ 7,612,512.14	\$ 3,315,688.44	\$ 6,445,457.18	\$ 3,420,114.15	\$ 8,365,785.13	\$ 29,159,557.05	\$ 4,936,487.63
28	\$ 152,443,871.77	\$ 7,507,098.47	\$ 3,269,774.70	\$ 6,553,078.70	\$ 3,372,754.38	\$ 8,505,470.87	\$ 29,208,177.12	\$ 4,618,211.11
29	\$ 149,980,410.68	\$ 7,385,785.32	\$ 3,216,935.83	\$ 6,655,319.14	\$ 3,318,251.38	\$ 8,638,172.33	\$ 29,214,464.00	\$ 4,314,191.79
30	\$ 147,210,228.27	\$ 7,249,367.69	\$ 3,157,518.07	\$ 6,752,447.55	\$ 3,256,962.30	\$ 8,764,238.71	\$ 29,180,534.33	\$ 4,024,639.29
31	\$ 144,148,660.61	\$ 7,098,600.79	\$ 3,091,850.39	\$ 6,844,719.55	\$ 3,189,226.44	\$ 8,884,001.78	\$ 29,108,398.95	\$ 3,749,593.94
32	\$ 140,810,276.95	\$ 6,934,202.09	\$ 3,020,245.26	\$ 6,932,377.95	\$ 3,115,366.16	\$ 8,997,776.69	\$ 28,999,968.15	\$ 3,488,957.17
33	\$ 137,208,918.10	\$ 6,756,853.17	\$ 2,942,999.57	\$ 7,015,653.43	\$ 3,035,687.66	\$ 9,105,862.85	\$ 28,857,056.68	\$ 3,242,517.64
34	\$ 133,357,732.82	\$ 6,567,201.55	\$ 2,860,395.35	\$ 7,094,765.13	\$ 2,950,481.86	\$ 9,208,544.71	\$ 28,681,388.60	\$ 3,009,973.59
35	\$ 129,269,212.43	\$ 6,365,862.37	\$ 2,772,700.51	\$ 7,169,921.25	\$ 2,860,025.12	\$ 9,306,092.48	\$ 28,474,601.72	\$ 2,790,952.00
36	\$ 124,955,223.68	\$ 6,153,419.99	\$ 2,680,169.59	\$ 7,241,319.56	\$ 2,764,580.00	\$ 9,398,762.85	\$ 28,238,251.99	\$ 2,585,024.81
37	\$ 120,427,040.00	\$ 5,930,429.58	\$ 2,583,044.40	\$ 7,309,147.96	\$ 2,664,395.90	\$ 9,486,799.71	\$ 27,973,817.55	\$ 2,391,722.79
38	\$ 115,695,371.13	\$ 5,697,418.55	\$ 2,481,554.64	\$ 7,373,584.94	\$ 2,559,709.78	\$ 9,570,434.72	\$ 27,682,702.64	\$ 2,210,547.18
39	\$ 110,770,391.32	\$ 5,454,887.92	\$ 2,375,918.55	\$ 7,434,800.06	\$ 2,450,746.75	\$ 9,649,887.99	\$ 27,366,241.27	\$ 2,040,979.53
40	\$ 105,661,766.13	\$ 5,203,313.67	\$ 2,266,343.45	\$ 7,492,954.44	\$ 2,337,720.64	\$ 9,725,368.59	\$ 27,025,700.78	\$ 1,882,489.92
							\$ 931,203,204.12	

Net present value (Net Present Value) Net Present Value 1 YR
\$252,793,509.90 \$356,368,116.36 \$414,327,810.95

average cost of	sen number of customers added	free footage each y	depreciation
\$1,695.00	10145	10145	\$ 17,195,775.00 \$ 429,894.38
\$1,695.00	9637.75	19782.75	\$ 16,335,986.25 \$ 408,399.66
\$1,695.00	9155.8625	28938.6125	\$ 15,519,186.94 \$ 387,979.67
\$1,695.00	8698.069375	37636.68188	\$ 14,743,227.59 \$ 368,580.69
\$1,695.00	8263.165906	45899.84778	\$ 14,006,066.21 \$ 350,151.66
\$1,695.00	7850.007611	53749.85539	\$ 13,305,762.90 \$ 332,644.07
\$1,695.00	7457.50723	61207.36262	\$ 12,640,474.76 \$ 316,011.87
\$1,695.00	7084.631869	68291.99449	\$ 12,008,451.02 \$ 300,211.28
\$1,695.00	6730.400275	75022.39477	\$ 11,408,028.47 \$ 285,200.71
\$1,695.00	6393.880262	81416.27503	\$ 10,837,627.04 \$ 270,940.68
\$1,695.00	6074.186249	87490.46128	\$ 10,295,745.69 \$ 257,393.64
\$1,695.00	5770.476936	93260.93821	\$ 9,780,958.41 \$ 244,523.96
\$1,695.00	5481.953089	98742.8913	\$ 9,291,910.49 \$ 232,297.76
\$1,695.00	5207.855435	103950.7467	\$ 8,827,314.96 \$ 220,682.87
\$1,695.00	4947.462663	108898.2094	\$ 8,385,949.21 \$ 209,648.73
\$1,695.00	4700.08953	113598.2989	\$ 7,966,651.75 \$ 199,166.29
\$1,695.00	4465.085053	118063.384	\$ 7,568,319.17 \$ 189,207.98
\$1,695.00	4241.830801	122305.2148	\$ 7,189,903.21 \$ 179,747.58
\$1,695.00	4029.739261	126334.954	\$ 6,830,408.05 \$ 170,760.20
\$1,695.00	3828.252298	130163.2063	\$ 6,488,887.64 \$ 162,222.19
\$1,695.00	3636.839683	133800.046	\$ 6,164,443.26 \$ 154,111.08
\$1,695.00	3454.997699	137255.0437	\$ 5,856,221.10 \$ 146,405.53
\$1,695.00	3282.247814	140537.2915	\$ 5,563,410.04 \$ 139,085.25
\$1,695.00	3118.135423	143655.427	\$ 5,285,239.54 \$ 132,130.99
\$1,695.00	2962.228652	146617.6556	\$ 5,020,977.56 \$ 125,524.44
\$1,695.00	2814.117219	149431.7728	\$ 4,769,928.69 \$ 119,248.22
\$1,695.00	2673.411358	152105.1842	\$ 4,531,432.25 \$ 113,285.81
\$1,695.00	2539.74079	154644.925	\$ 4,304,860.64 \$ 107,621.52
\$1,695.00	2412.753751	157057.6787	\$ 4,089,617.61 \$ 102,240.44
\$1,695.00	2292.116063	159349.7948	\$ 3,885,136.73 \$ 97,128.42
\$1,695.00	2177.51026	161527.3051	\$ 3,690,879.89 \$ 92,272.00
\$1,695.00	2068.634747	163595.9398	\$ 3,506,335.90 \$ 87,658.40
\$1,695.00	1965.20301	165561.1428	\$ 3,331,019.10 \$ 83,275.48
\$1,695.00	1866.942859	167428.0857	\$ 3,164,468.15 \$ 79,111.70
\$1,695.00	1773.595716	169201.6814	\$ 3,006,244.74 \$ 75,156.12
\$1,695.00	1684.915931	170886.5973	\$ 2,855,932.50 \$ 71,398.31
\$1,695.00	1600.670134	172487.2675	\$ 2,713,135.88 \$ 67,828.40
\$1,695.00	1520.636627	174007.9041	\$ 2,577,479.08 \$ 64,436.98
\$1,695.00	1444.604796	175452.5089	\$ 2,448,605.13 \$ 61,215.13
\$1,695.00	1372.374556	176824.8834	\$ 2,326,174.87 \$ 58,154.37

return on e percent eq	return on lc percent de	return on s percent of	rate of retu property ta	combined O&M	rate of dec	US 30 year	US 1 year treasury					
0.0938	0.525	0.0449	0.4544	0.0508	0.0206	0.0707	0.03	0.31	55	0.05	0.04885	0.04015

State of Minnesota Clean Energy Organization

Utility Information Request

Docket Number: G-999/CI-21-565 - Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures
 Date of Request: 5/27/2025
 Requested From: CENTERPOINT ENERGY MINNESOTA GAS
 Response Due: 6/6/2025

Analyst Requesting Information: Amelia Vohs

Type of Inquiry: Financial

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.																																																	
CEO 003	<p>Complete the following table detailing costs for new Residential customers in the company’s Minnesota service area over the last three years. Installation costs should include all associated materials and labor costs.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th></th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> <th style="text-align: center;">2024</th> </tr> </thead> <tbody> <tr> <td>Number of meters installed</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total meter installation costs</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Number of service lines installed</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Feet of service lines installed</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total service line installation costs</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Response:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> <th style="text-align: center;">2024</th> </tr> </thead> <tbody> <tr> <td>Number of meters installed</td> <td style="text-align: right;">10,329</td> <td style="text-align: right;">10,628</td> <td style="text-align: right;">8,147</td> </tr> <tr> <td>Total meter installation costs</td> <td style="text-align: right;">\$3,252,630</td> <td style="text-align: right;">\$4,173,414</td> <td style="text-align: right;">\$3,320,114</td> </tr> <tr> <td>Number of service lines installed</td> <td style="text-align: right;">7,243</td> <td style="text-align: right;">5,869</td> <td style="text-align: right;">6,264</td> </tr> <tr> <td>Feet of service lines installed</td> <td style="text-align: right;">690,194</td> <td style="text-align: right;">515,886</td> <td style="text-align: right;">539,183</td> </tr> <tr> <td>Total service line installation costs</td> <td style="text-align: right;">\$9,691,387</td> <td style="text-align: right;">\$9,261,412</td> <td style="text-align: right;">\$9,745,132</td> </tr> </tbody> </table>		2022	2023	2024	Number of meters installed				Total meter installation costs				Number of service lines installed				Feet of service lines installed				Total service line installation costs					2022	2023	2024	Number of meters installed	10,329	10,628	8,147	Total meter installation costs	\$3,252,630	\$4,173,414	\$3,320,114	Number of service lines installed	7,243	5,869	6,264	Feet of service lines installed	690,194	515,886	539,183	Total service line installation costs	\$9,691,387	\$9,261,412	\$9,745,132
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Response By: Seth DeMerritt
 Title: Manager, Regulatory & Rates
 Department: Regulatory Portfolio Management MN
 Telephone: 612-321-4423

Northern States Power Company

Docket No. G999/CI-21-565
CEO IR No. 2
Attachment B - Page 1 of 1

Current Residential Free Footage Allotment for Gas Service Extensions
75 Feet Per Home

Cost: \$683.18 Incremental Cost Per Service
 \$9.10 Incremental Cost Per Foot
 75 allowance feet per home for service line extensions
 \$ 682.50 Allowance cost for 75' based on incremental cost per foot

Revenue: \$ 9.00 Customer Charge/mo.
 12 Months
 \$ 108.00 Customer Charge/year
 \$ 0.274927 Distribution Charge/Therm
 840.56 average Therm usage/year
 \$ 231.09 average Distribution Charge revenue
 \$ 339.09 average annual revenue

 0.14398 LARR Factor
 \$ 2,355.13 average Justifiable Expense

 \$ 1,671.95 Available for main justification

OAG No. 009

**State of Minnesota
Office of the Attorney General
Utility Information Request**

In the Matter of a Commission Evaluation of Changes to Natural Gas Utility Regulatory and Policy Structures to Meet State Greenhouse Gas Reduction Goals **MPUC Docket No. G-999/CI-21-565**

Requested from: Great Plains Natural Gas Co.

Requested by: OAG-RUD

Date of Request:

June 20, 2025

Due Date:

July 2, 2025

Reference: Clean Energy Information Response No. 2 Exhibit 1

Request:

Confirm that Great Plains included the capital cost and installation costs of a meter in its total estimated costs calculation of \$1707.55 in the “Service Line” tab.

1. If the answer to part A is a confirmation, provide the capital costs of a meter and service line separately. Provide actual costs if available. If an estimate is necessary, provide the estimate along with any calculations in Excel spreadsheet format.
2. If the answer to part A is not a confirmation, explain why Great Plains does not include the cost of a meter in its estimated cost calculation of \$1,707.55.
3. If the answer to part A is not a confirmation, provide the actual capital cost of a new meter. If an estimate is necessary, provide the estimate along with any calculations in Excel spreadsheet format.

Any responsive documents must be provided in their unlocked native format with all formulas and links intact.

Response:

The \$1,707.55 included in Clean Energy Response No. 2 does not include the installed cost of a meter.

1. Not applicable.

Response by Travis Jacobson
Title Vice President of Regulatory Affairs
Department Regulatory Affairs
Telephone (701) 222-7855
Email travis.jacobson@mdu.com

2. Great Plains' firm extension policy, as noted in the Company's General Term and Conditions Sections V.4d and V.4.i(1) and (2) does not include any meter costs in the cost of an extension.
3. Please see Response No. OAG-009 Attachment A.

Response by Travis Jacobson
Title Vice President of Regulatory Affairs
Department Regulatory Affairs
Telephone (701) 222-7855
Email travis.jacobson@mdu.com

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

Date of Request: May 27, 2025

Requested By: Amelia Vohs
Minnesota Center for Environmental Advocacy
1919 University Ave. W, Suite 515
St. Paul, MN 55104
avohs@mncenter.org

Attorney for Clean Energy Organizations

Requested From: Minnesota Energy Resources Corporation

Request Due: June 6, 2025

**In the Matter of a Commission Evaluation of
Changes to Natural Gas Utility Regulatory
and Policy Structures to Meet State
Greenhouse Gas Reduction Goals**

PUC Docket No. G9999/CI-21-565

CLEAN ENERGY ORGANIZATIONS INFORMATION REQUEST NOs. 3-6
TO MINNESOTA ENERGY RESOURCES CORPORATION

3. Complete the following table detailing costs for ***new Residential customers*** in the company's Minnesota service area over the last three years. Installation costs should include all associated materials and labor costs.

	2022	2023	2024
Number of meters installed			
Total meter installation costs			
Number of service lines installed			
Feet of service lines installed			
Total service line installation costs			

MERC Response:

MERC does not maintain records for meters at the detailed level of installations for new customers, nor at the detailed level of customer class. As such that data is not available for production.

Note that the total service line installation costs provided below includes overhead cost adders and includes contributions in aid of construction (“CIAC”), inclusive of excess footage charges, winter construction charges, and abnormal construction charges.

	2022	2023	2024
Number of meters installed			
Total meter installation costs			
Number of service lines installed	2,208	1,926	1,996
Feet of service lines installed	160,272	128,350	119,565
Total service line installation costs	\$4,212,702	\$3,869,511	\$3,663,369