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November 19, 2019

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

*RE: New Base Gas Cost Filing (PGA Zero-Out) for Interim Rates in CenterPoint Energy's General Rate Filing (G-008/GR-19-524) **Docket No. G-008/MR-19-525***

Reply to November 12, 2019 Department of Commerce Comments

Dear Mr. Wolf:

On October 28, 2019 CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy Minnesota Gas" or "Company") filed with the Minnesota Public Utilities Commission ("Commission") an Application for Authority to Increase Natural Gas Rates in Minnesota, and concurrently adjust Base Cost of Gas Rates.

On November 12, 2019, the Minnesota Department of Commerce ("Department") filed Comments concluding the Company complied with the requirements of Minnesota Rules part 7825.2700, subpart 2 and recommended the Commission withhold a decision on CenterPoint Energy's base cost of gas filing until the Company provides additional information as detailed in the Department's *Comments* and provided below.

Demand Gas Costs: Rate Case v. November 2019 PGA

CenterPoint Energy appreciates the Department's finding that the information provided is generally consistent between the rate case and base cost of gas filings. The Company confirms minor differences between rate case and base cost of gas filings and its November 2019 PGA filing results from using updated information:

1. Seasonal Swing Reservation fees in the G-0008/GR-19-524 Rate Case reflect the costs for the 2018-2019 heating season while updated Reservation fees were included in the November 2019 PGA and Supplemental Demand filing made on November 1, 2019 in Docket No. G-008/M-19-278. These Reservation fees were not contracted for at the time of the rate case preparation.
2. Propane cost estimates used were updated to reflect 2019 Rate Case test-year cost estimates, while the November 2019 PGA reflects the value from the 2017 final estimate.
3. Firm Sales Volumes used to determine demand cost recovery rate in the rate case are the expected Firm Sales predicted for the test-year while the November 2019 PGA used final settlement firm sales volumes from the Company's 2017 Rate Case.
4. In addition, estimated annual costs shown for the demand-assigned portion of the Natural Gas Pipeline ("NGPL") storage cost differ between the 2019 Rate Case and the November 2019 PGA. The value in the rate case reflects a reduction in the annual cost due to a portion of the expense ending effective early in the test period.

Overall – the November 2019 PGA cost estimate was \$121,011,159¹, while the estimate established for rate case purposes was \$120,142,541². The Company agrees these discrepancies are similar to those noted in prior rate cases and should not require changing the rate case estimated cost.

Demand Gas Costs: Cost Incurred v. Cost Recovery.

The Department observed a difference in costs between the estimated incurred demand cost of \$120,142,541³ and the Company's estimated demand cost recovery of \$120,142,770⁴. The difference, as noted by the Department and agreed to by CenterPoint Energy results from demand cost recovery using a per-unit rate in the billing system that is rounded to the fourth decimal place per dekatherm, whereas demand costs are incurred as a total amount. This difference does not materially affect the base demand cost of gas included in the rate case.

¹ Docket No. G-008/AA-19-679, Schedule D and G-008/M-19-278 on 11/1/2019, Exhibit A, Page 1 of 2.

² Docket No. G-008/GR-19-524, Exh____(MAK-WP), Sch 38, Workpaper 2.

³ Ibid.

⁴ Docket No. G-008/GR-19-524, Exh____(MAK-WP), Schedule 38, page 6 of 7, sum of lines 20+23.

Commodity Gas Cost:

When setting the \$3.0026/dekatherm commodity cost for the rate case, the Company used the same general process in estimating commodity costs as used in prior rate cases. The Company historically used publicly available data from the CME Group to track basis costs at Northern Natural Gas' (NNG) Ventura delivery point. In estimating costs delivered to its customers, the estimate assumes a price estimate for gas delivered to Henry Hub, the nationally recognized central trading point, and adjusts the cost for delivery to Ventura, Iowa to better match our market price. The Company notes this is for forecasting purposes only, as on an actual basis the Company contracts for gas delivery at a number of NNG and Viking delivery points, but Ventura is its single largest delivery point which the Company then uses at the best price estimate for commodity cost forecasting purposes.

Data for the CME group did not extend into the test year when the price estimate was set, so the established estimate of \$3.0026 per dekatherm used in the rate case reflects only the NYMEX estimates from April 2019 for the test year. After receiving the Department's comments, the Company was able to obtain Ventura basis data from another source⁵ which would result in an estimated commodity cost of \$3.2161 per dekatherm, as shown on Attachment A to these reply comments.⁶ The Company does not propose increasing the base cost of gas based on the updated Ventura basis estimates; however, if the base cost of gas were increased, corresponding updates impact and flow through Mary Kirk's Schedule 38, pages 1 through 7. The resulting impact to these schedules are included in Attachment A of these reply comments for illustrative purposes and increase the rate case revenue requirement. The Company agrees with the Department's analysis that the NYMEX estimates used appear to be appropriate.

Commodity Gas Costs: Incurred v. Recovered

Similar to the estimates for demand costs, there are noted minor discrepancies in the total costs depending on whether rounded sales and/or rounded per-unit rates are used in estimates provided. The Company provides Attachment 3 from the base cost of gas filing without rounding, as requested.

Conclusion

While CenterPoint Energy is providing the requested Ventura pricing updates using the alternate sourced Ventura Basis data, it is not requesting updates to the base

⁵ Historical data provided by Risked Revenue Energy Associates, a company that provides CNP with Hedging purchase advice as noted in its Gas Supply Plan – Docket No. G-008/M-15-912 on July 22, 2019 beginning on page 37.

⁶ See Attachment A, which illustrates updates to Exhibit__(MAK-WP), Sch 38, Workpapers 1 and 3 which detail the commodity cost calculation that incorporates the Ventura basis estimate. Also included are illustrative updates to Mary Kirk's Schedule 38; (Exhibit__(MAK-D) Schedule 38, pages 1 through 7.

commodity cost of gas proposed for implementation at the start of the rate case test year. Several revenue items used in the case would also be impacted by this update. For example, the change would increase the costs of certain items such as bad debt expense and working capital, also increasing the overall revenue requirement. In previous rate cases, the Company has provided updated information related to gas costs during the rate case process and can provide similar updates during this rate case, as well.

Please contact me at (612) 321-5078, or via email at marie.doyle@centerpointenergy.com with any questions.

Sincerely,

/s/ Marie M. Doyle

Marie M. Doyle
Regulatory Analyst

cc: Service List

Test Year Commodity Cost-of-Gas

Docket No. G-008/GR-19-524
 Exhibit__(MAK), Sch. 38
 Workpaper 3, Page 1 of 1

Commodity Cost of Gas Calculation - Minnesota

	(1)	(2)	(3) = (1) + (2)	(4) = (3) * 2.88%	(5) = (3) + (4)	
	Gas Supply Forecast	Ventura	Base	Fuel/LUFG	Total	
Month	Henry Hub \$/MCF	Basis	Price	2.88%	Rate	
1	Jan-19		\$4.69	\$0.135	4.8251	
2	Feb-19		\$3.29	\$0.095	3.3848	
3	Mar-19		\$2.83	\$0.082	2.9115	
4	Apr-19		\$2.48	\$0.071	2.5514	
5	May-19		\$2.17	\$0.062	2.2325	
6	Jun-19	\$2.72	(0.335)	\$2.385	\$0.069	2.4537
7	Jul-19	\$2.76	(0.293)	\$2.467	\$0.071	2.5380
8	Aug-19	\$2.76	(0.293)	\$2.467	\$0.071	2.5380
9	Sep-19	\$2.75	(0.345)	\$2.405	\$0.069	2.4743
10	Oct-19	\$2.81	(0.320)	\$2.490	\$0.072	2.5617
11	Nov-19	\$2.99	0.044	\$3.034	\$0.087	3.1214
12	Dec-19	\$3.11	0.444	\$3.554	\$0.102	3.6564
13	Jan-20	\$3.18	0.640	\$3.820	\$0.110	3.9300
14	Feb-20	\$3.12	0.633	\$3.753	\$0.108	3.8611
15	Mar-20	\$2.95	0.073	\$3.023	\$0.087	3.1101
16	Apr-20	\$2.69	(0.224)	\$2.466	\$0.071	2.5370
17	May-20	\$2.62	(0.293)	\$2.327	\$0.067	2.3940
18	Jun-20	\$2.62	(0.327)	\$2.293	\$0.066	2.3590
19	Jul-20	\$2.66	(0.252)	\$2.408	\$0.069	2.4774
20	Aug-20	\$2.65	(0.250)	\$2.400	\$0.069	2.4691
21	Sep-20	\$2.63	(0.292)	\$2.338	\$0.067	2.4053
22	Oct-20	\$2.67	(0.276)	\$2.394	\$0.069	2.4629
23	Nov-20	\$2.78	0.068	\$2.848	\$0.082	2.9300
24	Dec-20	\$2.95	0.385	\$3.335	\$0.096	3.4310

(1) Gas Price forecast is provided by Gas Supply Group for 2019 Forecast (May 2019 Update)

(2) Ventura Basis - Latest 10 week average (through 04/13/19)

(4) Fuel: 1.38%, LUFG: 1.50%

Test Year Commodity Cost-of-Gas

Docket No. G-008/GR-19-524
 Exhibit __ (MAK-WP), Schedule 38
 Workpaper 1, Page 1 of 1

Total Commodity Cost-of-Gas Estimate: Forecast of monthly sales volumes (G. Fitzpatrick) multiplied by projected monthly gas delivered at Ventura.(In Dth)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J) (A) through (I)	(K)	(L= J x K)
SALES SERVICE ONLY												
	Month	Res	ComA	ComInd B	ComIndC (S)	LV-Firm (S)	SVDF A-S	SVDF B-S	LVDF-Sales [2]	Sales Total	COG COM\$/Dth [1]	Total Commodity Amount
1	Jan-20	13,881,879	495,448	1,218,250	6,342,639	176,963	737,077	409,173	712,140	23,973,569	\$3.9300	\$94,216,126
2	Feb-20	12,925,200	478,632	1,149,975	6,163,049	160,610	628,095	364,988	730,554	22,601,103	\$3.8611	\$87,265,120
3	Mar-20	10,914,075	384,939	959,045	5,421,475	142,196	500,188	296,894	700,041	19,318,853	\$3.1101	\$60,083,565
4	Apr-20	6,953,616	228,208	596,966	3,817,383	131,978	318,933	206,540	620,172	12,873,796	\$2.5370	\$32,660,820
5	May-20	4,117,689	125,567	327,618	2,438,034	89,699	159,247	128,300	438,694	7,824,848	\$2.3940	\$18,732,686
6	Jun-20	2,097,620	51,431	156,739	1,387,752	86,194	113,471	100,075	392,644	4,385,926	\$2.3590	\$10,346,399
7	Jul-20	1,533,380	37,166	118,604	1,030,141	84,220	101,939	90,611	407,600	3,403,661	\$2.4774	\$8,432,230
8	Aug-20	1,371,444	37,190	100,543	897,199	95,471	98,594	101,953	443,267	3,145,661	\$2.4691	\$7,766,952
9	Sep-20	1,535,208	40,118	122,663	989,850	90,608	119,281	99,727	454,956	3,452,411	\$2.4053	\$8,304,084
10	Oct-20	2,272,928	57,370	135,316	1,397,555	123,468	305,377	188,097	699,887	5,179,998	\$2.4629	\$12,757,817
11	Nov-20	5,129,076	129,218	352,913	2,645,594	149,621	476,772	272,394	754,433	9,910,021	\$2.9300	\$29,036,362
12	Dec-20	9,718,040	307,539	772,838	4,529,775	154,062	658,466	376,920	641,425	17,159,065	\$3.4310	\$58,872,752
13												
14	TY 2020	72,450,155	2,372,826	6,011,470	37,060,446	1,485,090	4,217,440	2,635,672	6,995,813	133,228,912	\$3.2161	\$428,474,913

[1] - Estimate from Gas Supply - 5/2019 - Revised to include indicated Ventura Basis estimate

[2] - sales after curtailments are removed

CenterPoint Energy Minnesota Gas
 Base Cost of Gas - Change from Current

Docket No. G-008/GR-19-524
 Exhibit__ (MAK-D) Schedule 38,
 page 1 of 7

Workpaper summarizes proposed changes from currently approved rates to proposed Interim Rates

ADJUSTMENT OF BASE YEAR COST OF GAS RATE TO TEST YEAR COST OF GAS RATE				
Line No.	Description (a)	Current Base Rate (b)	Adjustment (c)	Test Year Base Rate (d)
1	SALES SERVICE:			
2	<u>Firm</u>			
3	<u>Residential</u>			
4	Basic Charge	\$9.50	\$0.00	\$9.50
5	Delivery Charge 1/	0.21036	0.00000	0.21036
6	GAP Charge	0.00000	0.00000	0.00000
7	Cost of Gas	0.40410	0.01884	0.42294
8	Total Rate	\$0.61446	0.01884	\$0.63330
9				
10	<u>Commercial A</u>			
11	Basic Charge	15.00	\$0.00	15.00
12	Delivery Charge 1/	0.21208	0.00000	0.21208
13	GAP Charge	0.00000	0.00000	0.00000
14	Cost of Gas	0.40410	0.01884	0.42294
15	Total Rate	0.61618	0.01884	0.63502
16				
17	<u>Commercial/Industrial B</u>			
18	Basic Charge	\$21.00	\$0.00	\$21.00
19	Delivery Charge 1/	0.17088	0.00000	0.17088
20	GAP Charge	0.00000	0.00000	0.00000
21	Cost of Gas	0.40410	0.01884	0.42294
22	Total Rate	0.57498	0.01884	\$0.59382
23				
24	<u>Commercial/Industrial C</u>			
25	Basic Charge	\$47.50	\$0.00	\$47.50
26	Delivery Charge 1/	0.15354	0.00000	0.15354
27	GAP Charge	0.00000	0.00000	0.00000
28	Cost of Gas	0.40410	0.01884	0.42294
29	Total Rate	0.55764	0.01884	\$0.57648
30				
31	<u>Large General Service (FLGS)</u>			
32	Basic Charge	\$900.00	\$0.00	\$900.00
33	Demand Charge (per unit of Peak Day Demand)			
34	Demand Delivery Charge 1/	0.42990	0.00000	0.42990
35	Cost of Gas	0.56090	0.14014	0.70104
36	Total Demand	0.99080	0.14014	1.13094
37	Commodity Delivery Charge (Per Therm usage)			
38	Delivery Charge	0.07048	0.00000	0.07048
39	GAP Charge	0.00000	0.00000	0.00000
40	Cost of Gas	0.32426	(0.00265)	0.32161
41	Total Commodity	0.39474	(0.00265)	0.39209
42				

CenterPoint Energy Minnesota Gas
 Base Cost of Gas - Change from Current

Docket No. G-008/GR-19-524
 Exhibit__ (MAK-D)
 Schedule 38, page 2 of 7

1	SALES SERVICE (Continued):			
2	<u>Firm / Interruptible</u>			
3	<u>Firm-C / Small Volume Dual Fuel-A</u>			
4	Basic Charge	\$55.50	\$0.00	\$55.50
5	Firm C: Delivery Charge 1/	0.15354	0.00000	0.15354
6	SVDF-A: Delivery Charge 1/	0.12421	0.00000	0.12421
7	Firm: GAP Charge	0.00000	0.00000	0.00000
8	Firm C: Cost of Gas	0.40410	0.01884	0.42294
9	SVDF-A: Cost of Gas	0.32426	(0.00265)	0.32161
10	Firm C: Total Rate	0.55764	0.01884	0.57648
11	SVDF-A: Total Rate	0.44847	(0.00265)	0.44582
12				
13	<u>Firm-C / Small Volume Dual Fuel-B</u>			
14	Basic Charge	\$88.50	\$0.00	\$88.50
15	Firm C: Delivery Charge 1/	0.15354	0.00000	0.15354
16	SVDF-B: Delivery Charge 1/	0.11497	0.00000	0.11497
17	Firm: GAP Charge	0.00000	0.00000	0.00000
18	Firm C: Cost of Gas	0.40410	0.01884	0.42294
19	SVDF-B: Cost of Gas	0.32426	(0.00265)	0.32161
20	Firm C: Total Rate	0.55764	0.01884	0.57648
21	SVDF-B: Total Rate	0.43923	(0.00265)	0.43658
22				
23	<u>Large General Firm/ Large Volume Dual Fuel</u>			
24	Basic Charge	\$900.00	\$0.00	\$900.00
25	LG Firm: Demand Charge (per unit of Peak Day Demand)			
26	LG Firm: Demand Delivery Charge 1/	0.42990	0.00000	0.42990
27	LG Demand Cost of Gas	0.56090	0.14014	0.70104
28	LG Firm Total Demand	0.99080	0.14014	1.13094
29				
30	LG Firm: Delivery Charge 1/	0.07048	0.00000	0.07048
31	LVDF - Delivery Charge 1/	0.07048	0.00000	0.07048
32	Firm: GAP Charge	0.00000	0.00000	0.00000
33	Large Firm: Commodity Cost of Gas	0.32426	(0.00265)	0.32161
34	LVDF: Commodity Cost of Gas	0.32426	(0.00265)	0.32161
35	Large General Firm: Commodity Rate	0.39474	(0.00265)	0.39209
36	LVDF: Commodity Rate	0.39474	(0.00265)	0.39209
37				
38	<u>Dual Fuel</u>			
39	<u>Small Volume Dual Fuel-A (SVDF-A)</u>			
40	Basic Charge	\$55.50	\$0.00	\$55.50
41	Delivery Charge 1/	0.12421	0.00000	0.12421
42	Cost of Gas	0.32426	(0.00265)	0.32161
43	Total Rate	0.44847	(0.00265)	0.44582
44				
45	<u>Small Volume Dual Fuel-B (SVDF-B)</u>			
46	Basic Charge	\$88.50	\$0.00	\$88.50
47	Delivery Charge 1/	0.11497	0.00000	0.11497
48	Cost of Gas	0.32426	(0.00265)	0.32161
49	Total Rate	0.43923	(0.00265)	0.43658
50				
51	<u>Large Volume Dual Fuel (LVDF)</u>			
52	Basic Charge	\$900.00	\$0.00	\$900.00
53	Delivery Charge 1/	0.07048	0.00000	0.07048
54	Cost of Gas	0.32426	(0.00265)	0.32161
55	Total Rate	0.39474	(0.00265)	0.39209

CenterPoint Energy Minnesota Gas
 Base Cost of Gas - Change from Current

Docket No. G-008/GR-19-524
 Exhibit__ (MAK-D)
 Schedule 38, page 3 of 7

1	TRANSPORTATION SERVICE			
2	<u>Firm</u>			
3	<u>Commercial/Industrial - C - Transport</u>			
4	Basic Charge	\$147.50	\$0.00	\$147.50
5	Delivery Charge 1/	0.15354	0.00000	0.15354
6	GAP Charge	0.00000	0.00000	0.00000
7	Total Rate	0.15354	0.00000	0.15354
8				
9	<u>Large Volume Firm Transport</u>			
10	Basic Charge	\$1,000.00	\$0.00	\$1,000.00
11				
12	LG Firm: Demand Delivery Charge 1/	0.42990	0.00000	0.42990
13				
14	Commodity Delivery(Per Therm usage)	0.07048	0.00000	0.07048
15	GAP Charge	0.00000	0.00000	0.00000
16	Total Commodity Delivery 1 /	0.07048	0.00000	0.07048
17				
18	<u>Firm / Interruptible</u>			
19	<u>Firm-C / Small Volume Dual Fuel-A - Transport</u>			
20	Basic Charge	\$155.50	\$0.00	\$155.50
21	Firm C: Delivery Charge 1/	0.15354	0.00000	0.15354
22	SVDF-A: Delivery Charge 1/	0.12421	0.00000	0.12421
23	Firm: GAP Charge	0.00000	0.00000	0.00000
24				
25	<u>Firm-C / Small Volume Dual Fuel-B - Transport</u>			
26	Basic Charge	\$188.50	\$0.00	\$188.50
27	Firm C: Delivery Charge 1/	0.15354	0.00000	0.15354
28	SVDF-B: Delivery Charge 1/	0.11497	0.00000	0.11497
29	Firm: GAP Charge	0.00000	0.00000	0.00000
30				
31	<u>Large General Firm/ Large Volume Dual Fuel - Transport</u>			
32	Basic Charge	\$1,000.00	\$0.00	\$1,000.00
33	LG Firm: Demand Charge (per unit of Peak Day Demand)			
34	LG Firm: Demand Delivery Charge 1/	0.42990	0.00000	0.42990
35				
36	LG Firm: Delivery Charge 1/	0.07048	0.00000	0.07048
37	LVDF - Delivery Charge 1/	0.07048	0.00000	0.07048
38	Firm: GAP Charge	0.00000	0.00000	0.00000
39				
40	<u>Dual Fuel</u>			
41	<u>Small Volume Dual Fuel-A</u>			
42	Basic Charge	\$155.50	\$0.00	\$155.50
43	Delivery Charge 1/	0.12421	0.00000	0.12421
44				
45	<u>Small Volume Dual Fuel-B</u>			
46	Basic Charge	\$188.50	\$0.00	\$188.50
47	Delivery Charge 1/	0.11497	0.00000	0.11497
48				
49	<u>Large Volume Dual Fuel</u>			
50	Basic Charge	\$1,000.00	\$0.00	\$1,000.00
51	Delivery Charge 1/	0.07048	0.00000	0.07048
52				
53	1/ Delivery charge Includes CCRC, does not include CCRA			

Base Cost of Gas - Change of COG Components

Docket No. G-008/GR-19-tbd
 Exhibit__(MAK-D)
 Schedule 38, Page 4 of 7

Workpaper summarizes the Cost-of-Gas values approved in G-008/MR-18-533 (and made effective on November 1, 2018) and details the final settlement values in the present docket.

EFFECTIVE JANUARY 1, 2020

COST OF GAS RECOVERY RATE-PER THERM							
Line No.	Description (a)	Commodity (b)	Demand (c)	Subtotal (b + c) (d)	GCR Factor (e)	Total Rate (d + e) (f)	
1	FIRM:						
2							
3	<u>Residential</u>						
4	11/1/2018	Base Rate	0.32426	0.07984	0.40410	0.00000	0.40410
5		Adjustment	(0.00265)	0.02149	0.01884	0.00000	0.01884
6	NEW	Base Recovery rate	0.32161	0.10133	0.42294	0.00000	0.42294
7							
8							
9	<u>Commercial/Industrial A and B</u>						
10		Base Rate	0.32426	0.07984	0.40410	0.00000	0.40410
11		PGA	(0.00265)	0.02149	0.01884	0.00000	0.01884
12		Test Year Recovery Rate	0.32161	0.10133	0.42294	0.00000	0.42294
13							
14							
15	<u>Commercial/Industrial C</u>						
16		Base Rate	0.32426	0.07984	0.40410	0.00000	0.40410
17		PGA	(0.00265)	0.02149	0.01884	0.00000	0.01884
18		Test Year Recovery Rate	0.32161	0.10133	0.42294	0.00000	0.42294
19							
20							
21	<u>Large General Service</u>						
22		Base Rate	0.32426	0.56090	0.32426	0.00000	0.32426
23		PGA	(0.00265)	0.14014	(0.00265)	0.00000	(0.00265)
24		Test Year Recovery Rate	0.32161	0.70104	0.32161	0.00000	0.32161
25		1/ Demand cost is based on Peak Day. Total Rate reflects only Commodity costs					
26							
27							
28							
29	<u>Large Volume Dual Fuel</u>						
30		Base Rate	0.32426	0.00000	0.32426	0.00000	0.32426
31		PGA	(0.00265)	0.00000	(0.00265)	0.00000	(0.00265)
32		Test Year Recovery Rate	0.32161	0.00000	0.32161	0.00000	0.32161

NOTE: values shown here will be duplicated in a companion filing - G-008/MR-19-525 to reset the Base Cost of Gas

Cost of Gas Summary

Docket No. G-008/GR-19-524
 Exhibit __ (MAK-D)
 Schedule 38, Page 5 of 7

This schedule pertains only to Minnesota regulated operations. Page 1 shows the adjustment to base year actual gas costs required to yield projected test year estimated costs. Figures are in thousands. Page 2 details demand costs recovery, which is charged to LV Firm by peak day, and by sales to small volume firm customers. Page 3 estimates total projected test year commodity costs.

	(A)	(B)	(C)	(D)
	Description	Actual Base Year 1/	Adjustments	Test Year Cost of Gas
1	Total Company			
2	Demand	86,790	33,352	120,142 2/
3	Commodity	508,615	(80,140)	428,475
4	Gas Cost Adjustment	(57)	57	0
5	Total Cost of Gas	<u>\$ 595,347</u>	<u>\$ (46,731)</u>	<u>\$ 548,615</u>

1/ - Exhibit __ (MAK-WP), Sch. 21, Workpaper 2, pages 5 and 6

2/ - includes propane costs of \$215,989.

Demand of Gas Recovery Rate

Docket No. G-008/GR-19-524
 Exhibit__ (MAK_D)
 Schedule 38, Page 6 of 7

This page shows the Demand Cost-of Gas: Total and calculation of per-unit rates. Small Volume based on annual sales, Large volume base on Peak Demand. Final Settlement did not change demand charges from initial filing.

1	Total Company	
2		
3	Small Volume Firm: Recovery Rate Calculation	
4		
5	Annual Demand Costs	\$120,142,541
6	Less LGS Assigned Demand Costs	\$675,770
7	Small Firm Demand Cost	<u>\$119,466,771</u>
8		
9	Total Small Firm Sales Service - Volumes (DTH)	117,894,897
10	Small Volume Recovery Rate (/DT)	<u>\$1.0133</u>
11		
12		
13		
14		
15		
16	Test Year Demand Costs: RECOVERY	
17		
18	Annual Small Volume Firm Sales	117,894,897
19	Small Volume Recovery Rate	\$1.0133
20	Test Year Small Volume Demand Costs	\$119,467,000 rounded
21		
22	Annual Large Firm Demand Cost	
23	Large General Service: Demand (line 6)	\$675,770
24	Large General Service - Peak Demand	8,033
25	Twelve months	12
26	Large General Service Recovery Rate (line 23/ (line 24*12))	\$7.0104
27		
28		
29	Total Demand Recovery (lines 20 + 23)	\$120,142,770

Cost of Gas Summary

Docket No. G-008/GR-19-524
 Exhibit __ (MAK-D)
 Schedule 38, Page 7 of 7

This page summarizes the estimated commodity cost of gas for Sales Service over the test year ending September 30, 2018. Figures are in thousands.

	(A)	(B)	(C)	(D)
	Description	Test Year Sales ^(a)	Recovery Rate ^(b)	Commodity Costs
1	Total Company			
2	Residential	72,450,155	\$3.2161	\$233,006,943
3	Comm Firm A	2,372,826	\$3.2161	\$7,631,246
4	Comm/Ind Firm B	6,011,470	\$3.2161	\$19,333,489
5	Comm/Ind Firm C	37,060,446	\$3.2161	\$119,190,100
6	Large General Firm	1,485,090	\$3.2161	\$4,776,198
7	Small Dual Fuel A - Sales Service	4,217,440	\$3.2161	\$13,563,709
8	Small Dual Fuel B - Sales Service	2,635,672	\$3.2161	\$8,476,585
9	Large Volume Dual Fuel Sales Service	6,995,813	\$3.2161	\$22,499,234
10	Total	<u>133,228,912</u>		<u>\$428,477,504</u>

a - Original values were rounded to nearest thousand. Revised to show actual forecast.

b - Illustrative updated price - includes indicated Ventura Basis projection

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

Marie M. Doyle, being first duly sworn on oath, deposes and says that she is an employee in the office of CenterPoint Energy, Minneapolis, Minnesota 55402, and that on the 19th day of November 2019, she delivered the enclosed notice of filing to those individuals and agencies listed on the attached pages, by:

 x placing such notice in envelopes, properly addressed with postage paid, and depositing the same in the United States Mail at Minneapolis, Minnesota, for delivery by the United States Post Office,

 personal service,

 express mail,

 delivery service,

 x electronic filing.

 /s/ Marie Doyle
Marie Doyle

Subscribed and sworn to before me
The 19th day of November, 2019.

 /s/ Melodee Sue Carlson Chang
Melodee Sue Carlson Chang
Notary Public (Commission Expires January 31, 2024)

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-525_MR-19-525
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_19-525_MR-19-525
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_19-525_MR-19-525
Kenneth	Baker	Ken.Baker@walmart.com	Wal-Mart Stores, Inc.	2001 SE 10th St. Bentonville, AR 72716-5530	Electronic Service	No	OFF_SL_19-525_MR-19-525
Carolyn	Berninger	cberninger@mncenter.org	Minnesota Center for Environmental Advocacy	26 E. Exchange St., Suite 206 St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-525_MR-19-525
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
C. Ian	Brown	office@gasworkerslocal340.com	United Association	Gas Workers Local 340 312 Central Ave SW Minneapolis, MN 55414	Electronic Service	No	OFF_SL_19-525_MR-19-525
James	Canaday	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Steve W.	Chriss	Stephen.chriss@walmart.com	Wal-Mart	2001 SE 10th St. Bentonville, AR 72716-5530	Electronic Service	No	OFF_SL_19-525_MR-19-525

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_19-525_MR-19-525
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-525_MR-19-525
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_19-525_MR-19-525
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_19-525_MR-19-525
Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St Suite 1800 St. Paul, MN 55101-2134	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Bruce L.	Hoffarber	bhoffarber@kinectenergy.com	Kinect Energy Group	605 North Highway 169 Ste 1200 Plymouth, MN 55441	Electronic Service	No	OFF_SL_19-525_MR-19-525
Mary	Holly	mholly@winthrop.com	Winthrop & Weinstine, P.A.	225 S Sixth St Ste 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_19-525_MR-19-525

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_19-525_MR-19-525
Daniel	LeFevers	dlefevers@gti.energy	GTI	1700 S Mount Prospect Rd Des Plains, IL 60018	Electronic Service	No	OFF_SL_19-525_MR-19-525
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Roger	Leider	roger@mnpropane.org	Minnesota Propane Association	PO Box 220 209 N Run River Dr Princeton, MN 55371	Electronic Service	No	OFF_SL_19-525_MR-19-525
Eric	Lindberg	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 Saint Paul, MN 55104-3435	Electronic Service	No	OFF_SL_19-525_MR-19-525
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	No	OFF_SL_19-525_MR-19-525
Michael	Loeffler	mike.loeffler@nngco.com	Northern Natural Gas Co.	CORP HQ, 714 1111 So. 103rd Street Omaha, NE 681241000	Electronic Service	No	OFF_SL_19-525_MR-19-525
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_19-525_MR-19-525
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_19-525_MR-19-525
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_19-525_MR-19-525

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_19-525_MR-19-525
Mike	OConnor	moconnor@ibewlocal949.org	Local 949 IBEW	12908 Nicollet Ave S Burnsville, MN 55337	Electronic Service	No	OFF_SL_19-525_MR-19-525
Jeff	Oxley	jeff.oxley@state.mn.us	Office of Administrative Hearings	600 North Robert Street St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-525_MR-19-525
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_19-525_MR-19-525
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206 St. Paul, MN 551011667	Electronic Service	No	OFF_SL_19-525_MR-19-525
LauraSue	Schlatter	LauraSue.Schlatter@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 55164-0620	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_19-525_MR-19-525
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-525_MR-19-525
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_19-525_MR-19-525
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-525_MR-19-525
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_19-525_MR-19-525
Jonathan	Wolfgram	Jonathan.Wolfgram@state.mn.us	Office of Pipeline Safety	Minnesota Department of Public Safety 445 Minnesota Street Suite 147 St. Paul, MN 55101-1547	Electronic Service	No	OFF_SL_19-525_MR-19-525
Scott	Zemke	szemke@capsh.org	Community Action Partnership	of Suburban Hennepin 8800 Highway 7, Ste. 401 St. Louis Park, MN 55426	Electronic Service	No	OFF_SL_19-525_MR-19-525