

November 15, 2021

VIA E-FILING AND E-SERVICE

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350 St. Paul, MN 55101

Re: ***In the Matter of the Petition by CenterPoint Energy for Approval of a Rate Stabilization Plan***
MPUC Docket No. G-008/M-21-755

Dear Mr. Seuffert:

Pursuant to Minn. R. 7829.1400, subp.4, the City of Minneapolis (“the City”) respectfully files this letter in response to the comments made regarding CenterPoint Energy (“CenterPoint” or “the Company”) proposed “Rate Stabilization Plan.”

On November 1, 2021, the Company filed a general rate case with the Minnesota Public Utilities Commission (“Commission”) to increase rates for natural gas utility service in Docket No. G008/GR-21-435 (the “2021 Rate Case”). In its 2021 Rate Case, the Company is seeking an increase in base revenue of \$67.1 million per year (or 6.5 percent), as well as an interim rate increase of \$51.8 million (5.1 percent).¹ That same day, the Company filed a proposal to resolve its 2021 Rate Case in exchange for Commission approval of its “Rate Stabilization Plan,” comprising, in part, of a base revenue increase of \$39.7 million.²

Various stakeholders have since responded, including the Office of Attorney General (OAG), the Department of Commerce (COMM), the Suburban Rate Authority (SRA), and the Energy Cents Coalition (ECC). The City, as a CenterPoint Minnesota-based customer, appreciates the opportunity to weigh in on these petitions. Having reviewed these comments and engaged in additional discussions with the Company, the City respectfully notes the following concerns:

¹ See Docket No. G008/GR-21-435, Schedules A-1 and IR-1, respectively.

² Petition for Approval of Rate Stabilization Plan at 1.

(1) Further analysis of the Rate Stabilization Plan is required.

The City has concerns about the Rate Stabilization Plan. Unlike the COMM, the City is not requesting the outright rejection of the Plan.³ However, Minnesota Statute 216B.16, subd. 6, requires that the Commission:

in the exercise of its powers under [Minnesota Statute 216B.16,] to determine just and reasonable rates for public utilities, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property.

Here, the Rate Stabilization Plan does not provide sufficient proof for the requested base rate. *See id.*, subd. 4 (“The burden of proof to show that the rate change is just and reasonable shall be upon the public utility seeking the change.”). It also is not subject to a prudence review for two years, something that the COMM and OAG both point out is unprecedented and distinguishable from the earlier Xcel Energy stay-outs and true-ups cited by the Company in its Petition. This (rather significant) part of the Plan appears to defeat the purpose of established ratepayer-protection measures currently codified by law. For these reasons, the City cannot support the Plan as currently structured.

However, the City agrees with the other parties that an extended rate case is likely not necessary for either of these proceedings. Therefore, the City respectfully requests the Commission consider requiring the Company to prove-up its requested expenses in an informal or expedited proceeding pursuant to Minn. R. 7829.1200.

(2) The interim rate should be set at or below the Rate Stabilization Plan level.

Minnesota Statute 216B.16, subd. 3, permits the Commission to calculate a different interim rate than the one statutorily required if “exigent circumstances exist.” Here, all parties have acknowledged such a fact. The Company itself proposed the Rate Stabilization Plan in recognition of the “burdens [its] customers face – due to both the ongoing COVID-19 pandemic and rising gas costs.”⁴ The OAG argued that exigent circumstances existed in its initial comment.⁵ The City notes that ECC, in particular, appears to support the Rate Stabilization Plan due to its concern about the 2021 Rate Case interim rates being imposed on January 1, 2022, which could have a significant impact on lower-income consumers.⁶

The City shares this concern and finds the calculations done by COMM and OAG persuasive, particularly given the volatility in the natural gas market and the upcoming winter. It would be a hardship for many Minneapolis residents to afford a 5-6 percent rate increase in

³ See DOC Initial Comment at 13-14.

⁴ Petition for Approval of Rate Stabilization Plan at 1.

⁵ OAG Initial Comment at 3.

⁶ ECC Initial Comment at 2-3.

addition to higher natural gas costs come January 1st. For this reason, the City respectfully requests the Commission consider setting the interim rate at or below the \$39.659 million requested by the Company to recover its costs.

(3) The proposed environmental commitments require additional review.

The City applauds the Company for its ongoing efforts to become more environmentally responsible. The proposal to reduce methane is timely given recent worldwide efforts to combat climate change.⁷ However, the City would like to see additional detail regarding these proposals – especially in terms of the solar installations on company facilities, the timeline to repair leaks, and a plan to increase electric vehicles before the Rate Stabilization Plan moves forward.⁸

For the reasons set forth above, the Commission should not approve the Company’s Rate Stabilization Plan without additional review and proceedings. Instead, the City respectfully recommends that the Commission find exigent circumstances exist such that a departure from the statutory interim-rate formula is appropriate and set interim rates at or below the Rate Stabilization Plan’s level.

Respectfully submitted,

/s/ Jocelyn E. Bremer

JOCELYN E. BREMER (#0396393)
Assistant City Attorney

cc: Service List

⁷ Petition for Approval of Rate Stabilization Plan at 10-11.

⁸ *Id.*

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

**In the Matter of the Petition by
CenterPoint Energy for Approval
of a Rate Stabilization Plan**

MPUC Docket No. G-008/M-21-755

CERTIFICATE OF SERVICE

I, Jocelyn E. Bremer, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at Minneapolis, Minnesota.

City of Minneapolis Reply Comments
Docket No. G008/M21-755

Dated this **15th** day of **November, 2021**.

/s/ Jocelyn E. Bremer

[Print](#)[Close](#)**Service List Member Information****Electronic Service Member(s)**

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Aberle	Tamie A.	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	Electronic Service	No
Anderson	Kristine	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.& Greater MN Transmission, LLC	Electronic Service	No
Berninger	Carolyn	cberninger@mncenter.org	Minnesota Center for Environmental Advocacy	Electronic Service	No
Bertrand	James J.	james.bertrand@stinson.com	STINSON LLP	Electronic Service	No
Bjorklund	Brenda A.	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	Electronic Service	Yes
Bremer	Jocelyn	jocelyn.bremer@minneapolismn.gov	City of Minneapolis	Electronic Service	No
Brown	C. Ian	office@gasworkerslocal340.com	United Association	Electronic Service	No
Canaday	James	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Carlson Chang	Melodee	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	Electronic Service	Yes
Chriss	Steve W.	Stephen.chriss@walmart.com	Wal-Mart	Electronic Service	No
Commerce Attorneys	Generic Notice	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Dalzell	Dean	ddalzell@caphennepin.org	Community Action Partnership of Hennepin County	Electronic Service	No
Dornfeld	Richard	Richard.Dornfeld@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	No
Doyle	Marie	marie.doyle@centerpointenergy.com	CenterPoint Energy	Electronic Service	Yes
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Garvey	Edward	garveyed@aol.com	Residence	Electronic Service	No
Henkel	Annete	mui@mutilityinvestors.org	Minnesota Utility Investors	Electronic Service	No
Hinderlie	Katherine	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Hoffarber	Bruce L.	bhoffarber@kinectenergy.com	Kinect Energy Group	Electronic Service	No
Holly	Mary	mholly@winthrop.com	Winthrop & Weinstine, P.A.	Electronic Service	No
Kieley	Max	max.kieley@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Kupser	Nicolle	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
LeFevers	Daniel	dlefevers@gti.energy	GTI	Electronic Service	No
Lee	Amber	Amber.Lee@centerpointenergy.com	CenterPoint Energy	Electronic Service	Yes
Leider	Roger	roger@mnpropane.org	Minnesota Propane Association	Electronic Service	No
Lindberg	Eric	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy	Electronic Service	No
Loeffler	Michael	mike.loeffler@nngco.com	Northern Natural Gas Co.	Electronic Service	No
Marshall	Pam	pam@energycents.org	Energy CENTS Coalition	Electronic Service	No
Meyer	Joseph	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Moeller	David	dmoeller@allete.com	Minnesota Power	Electronic Service	No
Moratzka	Andrew	andrew.moratzka@stoel.com	Stoel Rives LLP	Electronic Service	No
Norris	Samantha	samanthanorris@alliantenergy.com	Interstate Power and Light Company	Electronic Service	No

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
OConnor	Mike	moconnor@ibewlocal949.org	Local 949 IBEW	Electronic Service	No
Palmer	Greg	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	Electronic Service	No
Residential Utilities Division	Generic Notice	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Reuther	Kevin	kreuther@mncenter.org	MN Center for Environmental Advocacy	Electronic Service	No
Sathe	Joseph L	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	Electronic Service	No
Schmiesing	Elizabeth	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	Electronic Service	No
Scholtz	Peter	peter.scholtz@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	No
Seuffert	Will	Will.Seuffert@state.mn.us	Public Utilities Commission	Electronic Service	Yes
Sorum	Peggy	peggy.sorum@centerpointenergy.com	CenterPoint Energy	Electronic Service	Yes
Strommen	James M	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	Electronic Service	No
Sudbury	Andrew	Andrew.Sudbury@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	Electronic Service	Yes
Swanson	Eric	eswanson@winthrop.com	Winthrop & Weinstine	Electronic Service	No
Vohs	Amelia	avohs@mncenter.org	Minnesota Center for Environmental Advocacy	Electronic Service	No
Williams	Samantha	swilliams@nrdc.org	Natural Resources Defense Council	Electronic Service	No
Windler	Joseph	jwindler@winthrop.com	Winthrop & Weinstine	Electronic Service	No
Wolfgram	Jonathan	Jonathan.Wolfgram@state.mn.us	Office of Pipeline Safety	Electronic Service	No
Xiong	Cha	cha.xiong@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	No