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May 1, 2020

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Mr. Steve Kelley
Commissioner, Division of Energy Resources
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-2198

RE: Natural Gas Conservation Improvement Program 2019 Status Report & Associated
Compliance Filings
Docket No. G-008/CI-10-111
Docket No. G-008/CIP-16-119
Docket No. G-008/M-20-____

Dear Mr. Seuffert and Commissioner Kelly:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) respectfully submits to the Minnesota Public Utilities Commission (“Commission”) and the Minnesota Department of Commerce, Division of Energy Resources (“Department”), its aggregated compliance filing, which includes its *2019 Conservation Improvement Program Status Report; 2019 Demand-Side Management Financial Incentive Report; Conservation Improvement Program Tracker Report* for the period of January 1, 2019 through December 31, 2019; and its request to increase the Conservation Cost Recovery Adjustment (“CCRA”) to 0.0591 per dekatherm (“Dth”), to become effective October 1, 2020. This filing complies with the Commission’s Orders in *In the Matter of the Commission Review of Utility Performance Incentives for Energy Conservation*,¹ Conservation Improvement Program (“CIP”) regulations requiring CenterPoint Energy to submit an annual CIP Status Report,² and the Commission’s requirement that CenterPoint Energy submit its CIP Adjustment filing annually in conjunction with its CIP Tracker Report and DSM Financial Incentive filing.³

¹ Docket No. E, G-999/CI-08-133.

² Minn. R. § 7690.0550.

³ *In the Matter of a Petition by CenterPoint Energy, A Division of CenterPoint Energy Resources Corp., for Approval of its 2009 CIP Tracker Account and DSM Financial Incentive*, Docket No. G-008/M-10-416, G-008/M-10-634, Ordering Point 4 (PUC, Oct. 11, 2010).

For the eleventh consecutive year, CenterPoint Energy has surpassed its energy savings goals. The Company achieved 2,020,149 Dth of first-year energy savings, representing 1.43 percent of its average retail sales and 111 percent of its approved goal for 2019. Program expenditures were \$37,252,502 or 107 percent of the approved 2019 budget. Under the mechanism approved by the Commission,⁴ this level of performance qualifies the Company for a financial incentive of \$8,758,401.

CenterPoint Energy was assessed a total of \$434,366 under Minnesota Statute § 216B.241. These assessments are recoverable under Minnesota Statute § 216B.241 through the CIP Tracker mechanism. Combining total assessments and alternative CIP expenditures in 2019 combined with 2019 program expenditures results in total deferred expenses on the CIP Tracker account of \$38,032,193. The Company also requests approval of its 2019 CIP carrying charges. Because the Company's 2019 CIP Tracker account was over-recovered for most of the year, total annual carrying charges accrued in favor of ratepayers. The carrying charges were credited to the CIP Tracker account, reducing the total year-end under-recovered balance. Total annual carrying charges of \$208,700 were credited to the 2019 CIP Tracker account, resulting in a year-end, over-recovered CIP Tracker balance of \$2,715,768.

The Commission has ordered CenterPoint Energy to file its CIP Adjustment with its annual CIP Tracker and DSM Financial Incentive filings.⁵ The Company requests approval to increase the CCRA to 0.0591 per Dth, to go into effect on October 1, 2020. The Company projects that this increased CCRA will achieve a near-zero CIP Tracker balance by the end of 2021. Section 4 of this filing describes the Company's CCRA proposal in more detail.

Please address requests to receive a copy of the filing, as well as comments or questions regarding the Status Report, to Ethan Warner at ethan.warner@centerpointenergy.com or (612) 321-4324.

Sincerely,

/s/ Ethan S. Warner

Ethan S. Warner
Senior Regulatory Analyst, Conservation Improvement Program

CC: Service List

⁴ *In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c*, Docket No. E,G-999/CI-08-133, Order Adopting Modifications to Shared Savings Demand-Side Management Financial Incentive Plan (PUC, Aug. 5, 2016).

⁵ *In the Matter of a Petition by CenterPoint Energy, A Division of CenterPoint Energy Resources Corp., for Approval of its 2009 CIP Tracker Account and DSM financial incentive*, Docket No. G-008/M-10-416, G-008/M-10-634, Ordering Point 4 (PUC, Oct. 11, 2010).

CERTIFICATE OF SERVICE

Becky Billings served the above Petition and Exhibits of CenterPoint Energy to all persons at the addresses indicated on the attached list by having the document delivered by electronic filing.

/s/

Becky Billings
Regulatory Analyst
CenterPoint Energy

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Bill	Poppert	info@technologycos.com	Technology North	2433 Highwood Ave St. Paul, MN 55119	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Kathleen A	Prestidge	Kathy.Prestidge@stoel.com	Stoel Rives LLP	33 S 6th St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Dave	Reinke	dreinke@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024-9583	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
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	No	SPL_SL_CIP SPECIAL SERVICE LIST
Chris	Rustad	crustad@mnchamber.com	Minnesota Chamber of Commerce	400 Robert St N Ste 1500 Saint Paul, MN 55101	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Christopher	Schoenherr	cp.schoenherr@smmpa.org	SMMPA	500 First Ave SW Rochester, MN 55902-3303	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST

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Laurn	Schothorst	lschothorst@mchamber.com		400 Robert St N Ste 1500 Saint Paul, MN 55101	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Anna	Sommer	ASommer@energyfuturesgroup.com	Energy Futures Group	PO Box 692 Canton, NY 13617	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Russ	Stark	Russ.Stark@ci.stpaul.mn.us	City of St. Paul	390 City Hall 15 West Kellogg Boulevard Saint Paul, MN 55102	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Kodi	Verhalen	kverhalen@taftlaw.com	Taft Stettinius & Hollister LLP	80 S 8th St Ste 2200 Minneapolis, MN 55402	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Michael	Volker	mvolker@eastriver.coop	East River Electric Power Coop	211 S. Harth Ave Madison, SD 57042	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Sharon N.	Walsh	swalsh@shakopecutilities.com	Shakopee Public Utilities	255 Sarazin St Shakopee, MN 55379	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST
Ethan	Warner	ethan.warner@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, Minnesota 55402	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST

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Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE Cedar Rapids, IA 52401	Electronic Service	No	SPL_SL_CIP SPECIAL SERVICE LIST

**CENTERPOINT ENERGY
SUMMARY OF FILING
Rule 7829.1300, Subp. 1**

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (the “Company”) submits its *2019 Conservation Improvement Program Status Report* and associated filings. In addition to the Status Report, this filing includes a request for approval of the Company’s December 31, 2019 Conservation Improvement Program (“CIP”) Tracker over-recovered balance of \$2,715,768; a request for approval of a 2019 CIP Financial Incentive in the amount of \$8,758,401 (to be credited to the CIP Tracker account upon receipt of approval from the Minnesota Public Utilities Commission); and a request for approval of updates to the Company’s tariff book to incorporate the requested Conservation Cost Recovery Adjustment factor of \$0.00591 per therm.

CENTERPOINT ENERGY
SUMMARY OF FILING
Rule 7829.1300, Subp. 3

A. The name, address, and telephone number of the utility:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas,
a Delaware Corporation
505 Nicollet Mall
PO Box 59038
Minneapolis, Minnesota 55402
(612) 372-4664

B. The name, address, and telephone number of the attorney for the utility:

Steven C. Clay, Senior Counsel
505 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 321-4606

C. The date of the filing and the date the proposed rate or service change will take effect:

Date Filed: May 1, 2020
Effective Dates: October 1, 2020 (Conservation Cost Recovery Adjustment)
Upon receipt of Commission approval (Financial Incentive)

D. The statute the utility believes controls the timeframe for processing the filing:

CenterPoint Energy is unaware of any statute or rule that controls the time frame
for processing this filing.

E. The signature and title of the utility employee responsible for this filing:

/s/
Ethan Warner
Regulatory Analyst, Conservation Improvement Program
(612) 321-4324

AGGREGATED COMPLIANCE REPORTS OVERVIEW

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) submits its *2019 Conservation Improvement Program Status Report* and associated compliance reports. The purpose of the filing is to report 2019 Conservation Improvement Program (“CIP”) project activity, to request approval to allocate the 2019 Financial Incentive to CenterPoint Energy’s CIP Tracker, to update CIP Tracker activity from January 1, 2019 through December 31, 2019, to request approval of the CIP Tracker balance, and to request approval of the Company’s proposed Conservation Cost Recovery Adjustment.

This filing is an aggregation of four compliance reports. The filing is divided into five sections consisting of the following compliance reports and their corresponding attachments:

- Section 1. 2019 Conservation Improvement Program Status Report;
- Section 2. 2019 Demand-Side Management Financial Incentive Report;
- Section 3. Conservation Improvement Program Tracker Report;
- Section 4. Conservation Cost Recovery Adjustment Proposal; and
- Section 5. Attachments.

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SECTION 1: 2019 CONSERVATION IMPROVEMENT PROGRAM **STATUS REPORT**

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) submits this Status Report on its Conservation Improvement Program (“CIP”) in compliance with Minnesota Department of Commerce (“Department”) Rules and the Commissioner’s Decisions. This report covers the 2019 CIP year, January 1 through December 31. The report is divided into five sections:

- I. Summary of Accomplishments
- II. Minority and Women Business Enterprise Vendors
- III. Update of Program Modifications
- IV. Compliance Overview
- V. 2019 CIP Results

Summary of Accomplishments

CenterPoint Energy's strong CIP performance in 2019 demonstrates the Company's ongoing commitment to helping its customers achieve cost-effective energy conservation. For the eleventh consecutive year, the Company has surpassed its energy savings goals by achieving 2,020,149 Dth of first-year energy savings which is 11 percent above goal. 2019 energy savings represent 1.43 percent of CenterPoint Energy's average retail sales. To achieve these energy savings, 2019 program expenditures were \$37,252,502 or 107 percent of the approved budget. Overall, the cost per Dth of first year energy savings was \$18.44 as compared to the planned \$19.09 (3.4 percent more cost effective). When lifetime savings are considered, the Company calculates the average per Dth program cost is \$1.61.

CenterPoint Energy exceeded its energy savings goals in both the Residential and Commercial & Industrial ("C&I") Segments. The Company's Residential Segment performed particularly well, surpassing the energy savings goal by 94,515 Dth or about 15 percent while the C&I segment exceeded its energy savings goal by 111,351 Dth or about 10 percent. The overall CIP portfolio, as well as the Residential and C&I Segments, were cost effective from the utility, societal, and participant perspectives.

In the Residential and C&I Segments, several projects performed especially well. For residential, Home Efficiency Rebates exceeded its energy savings goal by 53,866 Dth, Home Insulation Rebates exceeded its energy savings goal by 19,475 Dth, and High-Efficiency Home exceeded its energy savings goal by 21,156 Dth. For C&I, Heating and Water Heating Rebates achieved energy savings of 91,294 Dth above goal. Recommissioning Study & Rebates continues to achieve over four times the approved energy savings goal. Natural Gas Energy Analysis has a relatively small energy savings goal, but it also continues to significantly exceed the goal – by 634 percent in 2019 – through continued collaborations with school districts.

Minnesota statutes require gas utilities to spend at least 0.4 percent of gross operating revenue ("GOR") from residential customers on conservation programs that directly serve the needs of low-income customers. The Company spent \$4,054,697 on dedicated low-income CIP programs, or 0.66 percent of its GOR from residential customers. Total portfolio spending for the benefit of CenterPoint Energy's low-income customers exceeded five million dollars (or 13.7% of total CIP spending) and was equivalent to 0.83 percent of GOR from residential customers.

CenterPoint Energy is proud of its 2019 CIP accomplishments for all its customers. The energy savings achieved in the Residential and C&I Segments in 2019 demonstrate the efficacy of the Company's nationally recognized program design and implementation.⁶ The Company also continues to demonstrate its commitment to helping its customers achieve cost-effective energy savings and contributing to Minnesota's highly effective natural gas energy efficiency

⁶ American Council for an Energy Efficient Economy. Fourth National Review of Exemplary Energy Efficiency Programs, available at <https://aceee.org/press/2019/01/aceee-honors-outstanding-utility> (last visited Mar. 26, 2020).

programs.⁷ As the Company prepares to file its 2021-2023 Triennial Plan on June 1, 2020, the Company looks forward to further developing and implementing innovative approaches for delivering energy efficiency to its customers.

⁷ American Council for an Energy Efficient Economy. The 2019 State Energy Efficiency Scorecard, available at <https://www.aceee.org/research-report/u1908> (last visited Mar. 26, 2020).

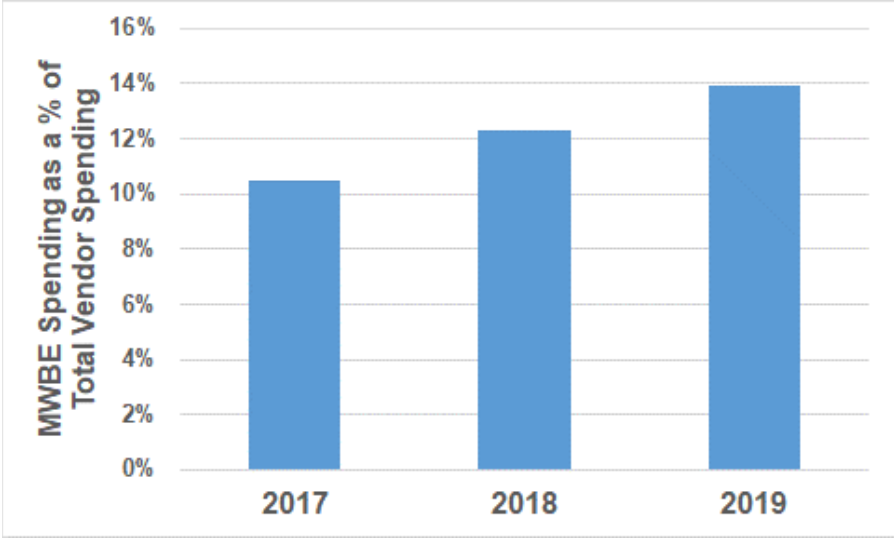
Minority and Women Business Enterprise Vendors

CenterPoint Energy supports efforts to promote diversity in the energy and energy efficiency workforces. The Company recognizes the economic importance of diverse suppliers such as minority-owned and women-owned business enterprises (“MWBE”)⁸ to the Company’s business, to the economies of the nation and of the states where CenterPoint Energy operates, and to the communities the Company serves. To increase awareness of the importance of diversity and transparency about the businesses that support CenterPoint Energy’s CIP, the Company provides the following information about the diversity of its CIP vendors.

Total 2019 CIP Spend	\$37,252,502
Vendor Spend ⁹	\$12,399,854
MWBE Vendor Spend	\$1,725,763
MWBE Spend as Percent of Vendor Spend¹⁰	13.9%

Since 2017, MWBE spending has increased from about 10% to 14%.

2017-2019 Minority and Women Business Enterprise Spending



⁸ CenterPoint Energy defines minority-owned and women-owned business enterprises per the guidelines of the National Minority Supplier Development Council and the Women’s Business Enterprise National Council.

⁹ The Company included in “vendor expenses” all CIP expenses made to business entities in return for services. Vendor spending includes, for example, payments to external project implementers and various marketing and advertisement firms CenterPoint Energy contracts with for energy efficiency promotions. Vendor spending does not include such things as customer or trade ally incentives, fees for membership in energy efficiency organizations (e.g. the Midwest Energy Efficiency Alliance), or various small expenses (e.g. business meals) that the Company does not track by vendor.

¹⁰ The Company notes that \$5,886,116 or 47 percent of its vendor spend goes to non-profit entities; non-profit entities cannot qualify as MWBEs under the definition CenterPoint Energy uses. If non-profit entities are excluded from the calculation, 26 percent of the Company’s remaining vendor spend went to MWBEs.

Update of Program Modifications

CenterPoint Energy provides the following information regarding the formal and informal modifications to *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Program Triennial Plan* that were made or approved in 2019 or went into effect in 2019.¹¹

Formal Modifications

Low-Income Weatherization – New Measure

On July 1, 2019 the Deputy Commissioner approved CenterPoint Energy's May 1, 2019 request to modify its Low-Income Weatherization ("LIW") Project.¹² LIW provides major weatherization services to low-income residential customers, is designed to leverage Weatherization Assistance Project ("WAP") funding, and is delivered by WAP service providers throughout CenterPoint Energy's Minnesota service area. In its May modification request, the Company proposed to modify the LIW to (1) fund combination units ("combi units") for residential space heating/domestic hot water; and (2) use the same technical assumptions for the measure in LIW as it uses for the measure in its Residential Segment projects.¹³ Key information on the approved measure is included in the table below:

Key Information for New Measure

Measure	Energy Savings (Dth) per Unit	Estimated 2019 Participation	Measure Life	Estimated Unit Cost¹⁴
Combi Units	16.52	5	20	\$7,500

As a part of the Company's May 1, 2019 modification, it requested the LIW project's budget and goals be updated to reflect the new incentives and new anticipated levels of participation and energy savings.

¹¹ The Deputy Commissioner requires that utilities include, in their annual status reports, a description of all program modifications and changes not requiring Deputy Commissioner approval in order to keep the Department and other interested parties informed of their activities. *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, *et al.*, Deputy Commissioner Decision, pp. 49-50 (DOC, Nov. 3, 2016). In this section, CenterPoint Energy also describes modifications requiring Deputy Commissioner approval.

¹² *In the Matter of CenterPoint Energy's 2017-2019 CIP Plan Program Modification Request*, Docket No. G-008/CIP-16-119, Deputy Commissioner Decision (DOC, July 1, 2019).

¹³ The Company will use the deemed savings for combi units from the Home Efficiency Rebates project rather than the New Home Construction Rebates project, because like Home Efficiency Rebates, LIW focuses on retrofits rather than new construction. Note that the Company modified the deemed energy savings for combi units via informal modification on October 24, 2017. Complete details on the informal modification are included in the Company's 2017 Status Report. *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, *et al.*, Corrected 2017 Conservation Improvement Program Status Report, pp. 7-8 (May 18, 2018).

¹⁴ Estimated unit cost provided by the Company's vendor for the project. This figure represents the estimated full measure cost, not the incremental cost. The Company will pay actual costs for the measure.

Original and Revised Participation, Energy, and Demand Savings Goals

	Original 2019 Goals	Revised 2019 Goals
Participants	870	875
Energy Savings (Dth)	18,431	18,514
Demand Savings	184	185

Original and Revised Budget

	Original 2019 Budget	Revised 2019 Budget
Project Delivery	\$2,389,000	\$2,426,500
Utility Administration	\$10,000	\$10,000
Advertising & promotions	\$30,000	\$30,000
Evaluation	\$0	\$0
Research	\$0	\$0
Incentives	\$0	\$0
Total budget	\$2,429,000	\$2,466,500

High-Efficiency Home and Non-Profit Affordable Housing Rebates – Heat Recovery Ventilator

On July 2, 2019, the Deputy Commissioner approved CenterPoint Energy's April 10, 2019 request to modify its CIP projects with performance-based rebates for residential new construction: High-Efficiency Home ("HEH") and Non-Profit Affordable Housing ("NPAH").¹⁵ HEH and NPAH offer performance-based rebates to organizations that build homes achieving high levels of energy savings above the Minnesota Residential Energy Building Code.¹⁶ Project participants work with a Rater of their choosing to evaluate the performance of the home.¹⁷

CenterPoint Energy proposed to modify its reference home design to require the mechanical ventilation rate be set to that of the proposed home design as required by performance-based code rather than using the continuous ventilation rate specified by prescriptive-based code. CenterPoint Energy requires Raters to evaluate energy savings through modeling of the participating home and compare them to a reference home design using RESNET approved software (e.g., REM/Rate or Ekotrope). There are two ways a new home can demonstrate compliance with the Minnesota building code: the prescriptive pathway or the performance pathway. While the prescriptive code pathway requires a specific continuous mechanical ventilation rate, the building code for the performance pathway states the mechanical ventilation

¹⁵ *In the Matter of CenterPoint Energy's 2017-2019 CIP Plan Program Modification Request*, G-008/CIP-16-119, Deputy Commissioner Decision (DOC, July 2, 2019).

¹⁶ *In the Matter of CenterPoint Energy's 2017-2019 CIP Plan Program Modification Request*, G-008/CIP-16-119, Deputy Commissioner Decision (DOC, Mar. 29, 2018). The Department approved the Company's formal modification to NPAH to include a performance-based incentive option.

¹⁷ A Certified Home Energy Rater or "Rater" is a person trained and certified by an accredited Home Energy Rating Provider to inspect and evaluate a home's energy features, prepare a home energy rating and make recommendations for improvements that will save the homeowner energy and money.

rate for the reference home design should be the same as the proposed home design. The performance code pathway aligns with the Company's performance-based rebates for the NPAH and HEH projects and therefore it was prudent for the Company to align its software assumptions for NPAH and HEH with code assumptions for the performance path.

CenterPoint Energy does not expect this modification to result in any changes to project spending, participation, or energy savings realized.

The modification went into effect on August 1, 2019.

Modifications Not Requiring Formal Approval

Home Insulation Rebates – Installer Certification Requirements

In 2019, CenterPoint Energy modified one of the Home Insulation Rebates project's quality assurance criteria for participating insulation installers. As documented in the *2017-2019 Triennial Plan*, a requirement for installers is: "each installer crew leader must obtain the Whole House Air Leakage Control Installer certification through the Building Performance Institute (BPI)". However, the Whole House Air Leakage Control Installer training is no longer offered in Minnesota on a regular basis; therefore, the Company revised its certification requirement to assure the person responsible for each home insulation installation project has earned one of the following BPI certifications: Whole House Air Leakage Control Installer, Envelope Professional, or Building Analyst. The Company's change allows existing installers to continue to participate in the project while allowing new installers obtainable certification pathways for demonstrating competency.

CenterPoint Energy does not expect this modification to result in any changes to project spending, participation, or energy savings realized. Therefore, the Company is not requesting any changes to budgets or project goals.

CenterPoint Energy provided a Courtesy Notification describing the modification to the Department on January 21, 2019.

Commercial Foodservice Equipment Rebates – Approved Equipment Website

CenterPoint Energy's Commercial Foodservice Rebates project provides rebates for foodservice equipment that meets minimum efficiency criteria. In general, the Food Service Technology Center (FSTC) and ENERGY STAR use the same criteria as the Company, and the project accepts certification by these entities as adequate verification of an equipment model's energy efficiency performance. Therefore, the Company points project participants to the full listings of equipment on the FSTC and the ENERGY STAR websites in the *2017-2019 Triennial Plan*.

However, the FSTC no longer maintains a full list of qualifying foodservice equipment on its website, and, instead, the list of certified equipment is housed at the dedicated California Energy Wise website. The Company now uses the California Energy Wise website on public-facing marketing materials and rebate forms.

CenterPoint Energy provided a Courtesy Notification describing the modification to the Department on November 8, 2019.

Home Energy Reports – Selected Vendor and Program Design

In the 2020 CIP Plan,¹⁸ the Company indicated it would notify the Department regarding final program design for Home Energy Reports (“HER”) once the request for proposal (“RFP”) process was completed.

CenterPoint Energy completed its RFP process and selected Opower (an Oracle Company) to continue delivering the HER project. Opower’s proposal provided the most complete vision of the “next generation” of reports, while also achieving the most cost-effective energy savings. Opower’s approach to delivering the next generation of the HER project focuses on increasing the influence of the project through deepening customer engagement with more targeted and customized messaging and expanded digital platforms, improving overall customer experience/satisfaction, and marketing other CenterPoint Energy programs within CIP to achieve behavioral energy savings. The Company does not expect any changes to HER program design in 2020 only enhancement to existing services.

CenterPoint Energy does not expect this modification to result in any changes to project spending, participation, or energy savings realized in 2019 or 2020. Therefore, the Company did not request any changes to budgets or project goals.

CenterPoint Energy provided a Courtesy Notification describing the modification to the Department on December 2, 2019.

¹⁸ *In the Matter of CenterPoint Energy’s 2020 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, *et al.*, 2020 Conservation Improvement Plan, pp.4 (CNP, July 1, 2020).

Compliance Overview

Energy Savings Goals (Minn. Stat. § 216B.241, subd. 1c)

CenterPoint Energy's approved 2019 energy savings goal represents 1.29 percent of the Company's three-year average gross annual retail energy sales.¹⁹ The Company surpassed the approved 2019 energy savings goal by 196,809 Dth, achieving energy savings equivalent to 1.43 percent of CenterPoint Energy's approved three-year-averaged weather-normalized energy sales excluding energy sales to CIP-exempt customers.

Table 1. Compliance with Annual Energy Savings Goal

Average Weather-Normalized Energy Sales (2013-2015)	141,120,375 Dth
2019 Energy Savings Goal	1,823,339 Dth
2019 CIP Energy Savings Goal - Percent of Average Weather-Normalized Energy Sales	1.29%
2019 Actual Energy Savings	2,020,149 Dth
2019 CIP Energy Savings - Percent of Average Weather-Normalized Energy Sales	1.43%

Minimum Spending Requirements (Minn. Stat. § 216B.241, subd. 1a; Minn. R. 7690.1200, subp. 1(A))

Minnesota Statutes § 216B.241, subd. 1a, requires gas utilities to spend 0.5 percent of their GOR on CIP; Minnesota Rules § 7690.1200, subp. 1(A)(2), establishes the *Gas Jurisdictional Annual Report* as the source of data to be used for calculating GOR. In 2019, CenterPoint Energy spent a total of \$37,252,502 on CIP, which represents 4.56 percent of the Company's approved GOR, excluding sales to CIP exempt customers.

Table 2. Compliance with Minimum Spending Requirement

2015 Total GOR*	\$831,903,100
Revenue from Exempt Customers**	\$14,635,716
2015 Net GOR***	\$817,267,385
Statutory Spending Factor	0.5%
Statutory Minimum CIP Spending	\$4,086,337
2019 Program Spending	\$37,252,502
2019 Program Spending as a Percent of Net GOR	4.56 %

* CenterPoint Energy's 2015 Gas Jurisdictional Report, Page G-39 (Total Revenue Corresponding to Sales).

** Minn. Stat. § 216B.241, subd. 1a states that GOR does not include sales to customers exempt from CIP.

*** *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, et al., Deputy Commissioner Decision, pp. 5 (DOC, Nov. 3, 2016).

¹⁹ See Minn. Stat. § 216B.241, subd. 1c(d).

Low-Income Spending Requirement (Minn. Stat. § 216B.241, subd. 7)

Minnesota Statutes § 216B.241, subd. 7, requires each gas utility to annually spend at least 0.4 percent of its most recent three-year-average residential GOR on conservation programs that directly serve the needs of low-income customers. In 2019, CenterPoint Energy spent a total of \$5,112,191 on low-income customers participating in CIP, representing 0.83 percent of the Company's three-year-average GOR from residential customers.²⁰

Table 3. Compliance with Low-Income Spending Requirement

2013 GOR from Residential Customers	\$584,498,400
2014 GOR from Residential Customers	\$734,583,700
2015 GOR from Residential Customers	\$523,138,400
2013-2015 Average GOR from Residential Customers*	\$614,073,500
Statutory Spending Factor	0.40%
Statutory Minimum Low-Income Spending	\$2,456,294
2019 Spending in the Dedicated Low-Income Segment	\$4,054,697
2019 Low-Income Spending in the Residential Market Segment	\$423,435
2019 Low-Income Spending in the Multi-Family Building Efficiency Project (C&I Market Segment)	\$264,743
2019 Low-Income Spending in the Energy Design Assistance Project (C&I Market Segment)	\$369,317
2019 Total Actual Low-Income Spending	\$5,112,191
Low-Income Spending as Percent of Residential GOR	0.83%

* Annual GOR from residential customers figures come from the Company's 2013-2015 Gas Jurisdictional Annual Reports, Page G-38 (Revenue Corresponding to Sales for Residential With Heating and Residential Without Heating).

Research and Development Spending Cap (Minn. Stat. § 216B.241, subd. 2(c))

Minnesota Statutes § 216B.241, subd. 2(c), establishes the maximum utilities may spend on research and development through CIP. This cap is set at ten percent of the minimum spending requirement. The table below demonstrates CenterPoint Energy's compliance with the research and development spending cap. For descriptions of the Company's 2019 research and development activities, refer to the description of the Analysis, Evaluation, & Project Development project included in the 2019 CIP Results section of this Status Report.

²⁰ Consistent with how CIP energy savings goals are calculated for Triennial Plan filings, the Company calculated its three-year average GOR from residential customers using the three most recent years prior to filing *CenterPoint Energy's 2017-2019 Conservation Improvement Program Triennial Plan*. See CenterPoint Energy's Approved 2017-2019 Conservation Improvement Triennial Plan, Docket No. G-008/CIP-16-119, pp. 7 (revised version filed June 5, 2017). The Company calculated applicable minimum low-income spending amounts using the methodology approved by the Deputy Commissioner in 2015. See *In the Matter of CenterPoint Energy's Conservation Improvement Program 2013 Status Report*, Docket No. G-008/CIP-12-564.02, Deputy Commissioner Decision, Ordering Point 3 (DOC, Jan. 9, 2015).

Table 4. Compliance with Research and Development Spending Cap

Statutory Minimum CIP Spending	\$4,086,337
R&D Spending Cap	\$408,634
2019 R&D Spending in Project Development Project	\$279,402
2019 Total R&D Spending	\$279,402

Distributed and Renewable Generation Cap (Minn. Stat. § 216B.2411, subd. 1(a))

Minnesota Statutes § 216B.2411, subd. 1(a), allows utilities to spend up to five percent of their minimum annual spending requirements on distributed and renewable generation projects.

CenterPoint Energy did not expend funds on any such projects in 2019.

2019 CIP Results²¹

The information provided in the following tables satisfies the requirements of Minnesota Rules § 7690.0550.

2019 Program Summary

Summary	Budget	Participation	Energy Saved (Dth)	Demand Energy Saved (Dth)
Residential Market Segment				
2019 Goal	\$18,329,941	284,660	644,864	6,449
2019 Actual	\$21,150,161	306,397	739,378	7,394
Variance	\$2,820,220	21,737	94,515	945
Low-Income Market Segment				
2019 Goal	\$3,504,877	2,800	31,213	312
2019 Actual	\$4,054,697	2,868	22,157	222
Variance	\$549,820	68	-9,056	-91
C&I Market Segment				
2019 Goal	\$9,918,473	9,705	1,147,262	11,473
2019 Actual	\$9,191,970	9,987	1,258,613	12,586
Variance	(\$726,503)	282	111,351	1,114
Other Projects				
2019 Goal	\$3,052,000	500	0	0
2019 Actual	\$2,855,674	0	0	0
Variance	(\$196,326)	(500)	0	0
Total				
2019 Goal	\$34,805,291	297,665	1,823,339	18,233
2019 Actual	\$37,252,502	319,252	2,020,149	20,201
Variance	\$2,447,211	21,587	196,809	1,968

²¹ Tables included in this section may not sum to the exact totals provided due to rounding.

2019 Budget Summary

Project	Budget	Actual Spending	Difference	Percent Difference
Residential Market Segment Projects				
Home Efficiency Rebates	\$9,094,250	\$9,990,176	\$895,926	9.9%
DIY Home Efficiency	\$641,500	\$624,296	(\$17,204)	-2.7%
Home Insulation Rebates	\$967,000	\$1,211,637	\$244,637	25.3%
Home Energy Reports	\$1,725,650	\$1,704,670	(\$20,980)	-1.2%
Home Energy Squad	\$1,997,641	\$2,327,821	\$330,180	16.5%
High-Efficiency Home	\$3,195,750	\$4,657,694	\$1,461,944	45.7%
New Home Construction Rebates	\$708,150	\$633,866	(\$74,284)	-10.5%
Subtotal:	\$18,329,941	\$21,150,161	\$2,820,220	15.4%
Low-Income Market Segment Projects				
Low-Income Weatherization	\$2,466,500	\$2,974,601	\$508,101	20.6%
Low-Income Rental Efficiency	\$280,000	\$252,287	(\$27,713)	-9.9%
Low-Income Free Heating System Tune-Up	\$192,500	\$118,401	(\$74,099)	-38.5%
Non-Profit Affordable Housing Rebates	\$480,305	\$628,635	\$148,330	30.9%
Low-Income Multi-Family Housing Rebates	\$85,572	\$80,772	(\$4,800)	-5.6%
Subtotal:	\$3,504,877	\$4,054,697	\$549,820	15.7%
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	\$710,655	\$689,688	(\$20,967)	-3.0%
C&I Heating and Water Heating Rebates	\$3,734,134	\$3,606,991	(\$127,143)	-3.4%
C&I Custom Rebates	\$1,528,568	\$1,594,692	\$66,125	4.3%
Natural Gas Energy Analysis	\$443,353	\$383,724	(\$59,629)	-13.4%
Energy Design Assistance	\$1,620,820	\$1,458,020	(\$162,800)	-10.0%
Industrial Process Efficiency	\$229,500	\$251,807	\$22,307	9.7%
C&I Training and Education	\$161,700	\$67,214	(\$94,486)	-58.4%
Engineering & Certification Assistance	\$155,500	\$105,629	(\$49,871)	-32.1%
Recommissioning Study & Rebates	\$110,061	\$125,444	\$15,382	14.0%
Multi-Family Building Efficiency	\$1,174,982	\$891,268	(\$283,714)	-24.1%
Industrial Process Steam Trap Audit	\$49,200	\$17,494	(\$31,706)	-64.4%
Subtotal:	\$9,918,473	\$9,191,970	(\$726,503)	-7.3%
Other Projects				
Analysis, Evaluation, & Project Development	\$1,500,000	\$1,448,355	(\$51,645)	-3.4%
Energy Efficiency Marketing & Awareness	\$752,000	\$675,956	(\$76,044)	-10.1%
Planning & Regulatory Affairs	\$150,000	\$121,605	(\$28,395)	-18.9%
On-Bill Loan Repayment	\$650,000	\$609,759	(\$40,241)	-6.2%
Subtotal:	\$3,052,000	\$2,855,674	(\$196,326)	-6.4%
Total	\$34,805,291	\$37,252,502	\$2,447,211	7.0%

2019 Energy Savings Summary

Project	Goal Energy Savings (Dth)	Actual Energy Savings (Dth)	Difference	Percent Difference
Residential Market Segment Projects				
Home Efficiency Rebates	362,535	416,401	53,866	14.9%
DIY Home Efficiency	61,475	40,877	(20,598)	-33.5%
Home Insulation Rebates	14,378	33,853	19,475	135.4%
Home Energy Reports	82,400	108,304	25,904	31.4%
Home Energy Squad	25,970	19,614	(6,356)	-24.5%
High-Efficiency Home	80,801	101,957	21,156	26.2%
New Home Construction Rebates	17,304	18,373	1,069	6.2%
Subtotal:	644,864	739,378	94,515	14.7%
Low-Income Market Segment Projects				
Low-Income Weatherization	18,514	13,898	(4,616)	-24.9%
Low-Income Rental Efficiency	1,828	1,297	(531)	-29.1%
Low-Income Free Heating System Tune-Up	2,653	2,642	(11)	-0.4%
Non-Profit Affordable Housing Rebates	2,758	2,511	(247)	-9.0%
Low-Income Multi-Family Housing Rebates	5,460	1,809	(3,651)	-66.9%
Subtotal:	31,213	22,157	(9,056)	-29.0%
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	63,651	60,229	(3,422)	-5.4%
C&I Heating and Water Heating Rebates	733,381	824,676	91,294	12.4%
C&I Custom Rebates	141,590	193,409	51,819	36.6%
Natural Gas Energy Analysis	1,223	7,756	6,533	533.9%
Energy Design Assistance	150,000	129,517	(20,483)	-13.7%
Industrial Process Efficiency	21,000	11,281	(9,719)	-46.3%
C&I Training and Education	0	0	0	N/A
Engineering & Certification Assistance	0	0	0	N/A
Recommissioning Study & Rebates	3,774	17,567	13,793	365.5%
Multi-Family Building Efficiency	24,266	11,747	(12,519)	-51.6%
Industrial Process Steam Trap Audit	8,376	2,431	(5,945)	-71.0%
Subtotal:	1,147,262	1,258,613	111,351	9.7%
Other Projects				
Analysis, Evaluation, & Project Development	0	0	0	N/A
Energy Efficiency Marketing & Awareness	0	0	0	N/A
Planning & Regulatory Affairs	0	0	0	N/A
On-Bill Loan Repayment	0	0	0	N/A
Subtotal:	0	0	0	N/A
Total	1,823,339	2,020,149	196,809	10.8%

2019 Demand Savings Summary

Project	Goal Demand Savings (Dth)	Actual Demand Savings (Dth)	Difference	Percent Difference
Residential Market Segment Projects				
Home Efficiency Rebates	3,625	4,164	539	14.9%
DIY Home Efficiency	615	409	(206)	-33.5%
Home Insulation Rebates	144	339	195	135.4%
Home Energy Reports	824	1,083	259	31.4%
Home Energy Squad	260	196	(64)	-24.5%
High-Efficiency Home	808	1,020	212	26.2%
New Home Construction Rebates	173	184	11	6.2%
Subtotal:	6,449	7,394	945	14.7%
Low-Income Market Segment Projects				
Low-Income Weatherization	185	139	(46)	-24.9%
Low-Income Rental Efficiency	18	13	(5)	-29.1%
Low-Income Free Heating System Tune-Up	27	26	(0)	-0.4%
Non-Profit Affordable Housing Rebates	28	25	(2)	-9.0%
Low-Income Multi-Family Housing Rebates	55	18	(37)	-66.9%
Subtotal:	312	222	(91)	-29.0%
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	637	602	(34)	-5.4%
C&I Heating and Water Heating Rebates	7,334	8,247	913	12.4%
C&I Custom Rebates	1,416	1,934	518	36.6%
Natural Gas Energy Analysis	12	78	65	533.9%
Energy Design Assistance	1,500	1,295	(205)	-13.7%
Industrial Process Efficiency	210	113	(97)	-46.3%
C&I Training and Education	0	0	N/A	N/A
Engineering & Certification Assistance	0	0	N/A	N/A
Recommissioning Study & Rebates	38	176	138	365.5%
Multi-Family Building Efficiency	243	117	(125)	-51.6%
Industrial Process Steam Trap Audit	84	24	(59)	-71.0%
Subtotal:	11,473	12,586	1,114	9.7%
Other Projects				
Analysis, Evaluation, & Project Development	0	0	N/A	N/A
Energy Efficiency Marketing & Awareness	0	0	N/A	N/A
Planning & Regulatory Affairs	0	0	N/A	N/A
On-Bill Loan Repayment	0	0	N/A	N/A
Subtotal:	0	0	N/A	N/A
Total	18,233	20,201	1,968	10.8%

2019 Participation Summary

Project	Participation Goal	Actual Participation	Low-Income Participation Estimate	Actual Low-Income Participation
Residential Market Segment Projects				
Home Efficiency Rebates	59,150	54,160	1,006	847
DIY Home Efficiency	12,000	16,254	540	780
Home Insulation Rebates	1,350	2,059	5	10
Home Energy Reports	200,000	221,160	6,200	5,352
Home Energy Squad	5,000	4,662	500	247
High-Efficiency Home	2,500	3,847	0	7
New Home Construction Rebates	4,660	4,255	0	6
Subtotal:	284,660	306,397	8,251	7,249
Low-Income Market Segment Projects				
Low-Income Weatherization	875	1,016	875	1,016
Low-Income Rental Efficiency	60	78	60	78
Low-Income Free Heating System Tune-Up	1,200	1,204	1,200	1,204
Non-Profit Affordable Housing Rebates	565	561	565	561
Low-Income Multi-Family Housing Rebates	100	9	100	9
Subtotal:	2,800	2,868	2,800	2,868
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	544	502	0	0
C&I Heating and Water Heating Rebates	7,539	7,993	0	0
C&I Custom Rebates	52	41	0	0
Natural Gas Energy Analysis	225	164	0	0
Energy Design Assistance	60	48	0	8
Industrial Process Efficiency	7	11	0	0
C&I Training and Education	1,000	899	0	0
Engineering & Certification Assistance	35	46	0	0
Recommissioning Study & Rebates	13	22	0	0
Multi-Family Building Efficiency	225	258	79	92
Industrial Process Steam Trap Audit	5	3	0	0
Subtotal:	9,705	9,987	79	100
Other Projects				
Analysis, Evaluation, & Project Development	0	0	0	0
Energy Efficiency Marketing & Awareness	0	0	0	0
Planning & Regulatory Affairs	0	0	0	0
On-Bill Loan Repayment	500	0	8	0
Subtotal:	500	0	8	0
Total	297,665	319,252	11,138	10,217

The methods used to determine low-income customer participation rates for applicable projects are described in the individual market Segment summaries below.

2019 Spending Summary

Project	Total Spending	Low-Income Spending	Percent of Total
Residential Market Segment Projects			
Home Efficiency Rebates	\$9,990,176	\$219,815	2.2%
DIY Home Efficiency	\$624,296	\$29,959	4.8%
Home Insulation Rebates	\$1,211,637	\$1,242	0.1%
Home Energy Reports	\$1,704,670	\$41,252	2.4%
Home Energy Squad	\$2,327,821	\$123,332	5.3%
High-Efficiency Home	\$4,657,694	\$6,650	0.1%
New Home Construction Rebates	\$633,866	\$1,185	0.2%
Subtotal:	\$21,150,161	\$423,435	2.0%
Low-Income Market Segment Projects			
Low-Income Weatherization	\$2,974,601	\$2,974,601	100.0%
Low-Income Rental Efficiency	\$252,287	\$252,287	100.0%
Low-Income Free Heating System Tune-Up	\$118,401	\$118,401	100.0%
Non-Profit Affordable Housing Rebates	\$628,635	\$628,635	100.0%
Low-Income Multi-Family Housing Rebates	\$80,772	\$80,772	100.0%
Subtotal:	\$4,054,697	\$4,054,697	100.0%
C&I Market Segment Projects			
Commercial Foodservice Equipment Rebates	\$689,688	\$0	0%
C&I Heating and Water Heating Rebates	\$3,606,991	\$0	0%
C&I Custom Rebates	\$1,594,692	\$0	0%
Natural Gas Energy Analysis	\$383,724	\$0	0%
Energy Design Assistance	\$1,458,020	\$264,743	18.2%
Industrial Process Efficiency	\$251,807	\$0	0%
C&I Training and Education	\$67,214	\$0	0%
Engineering & Certification Assistance	\$105,629	\$0	0%
Recommissioning Study & Rebates	\$125,444	\$0	0%
Multi-Family Building Efficiency	\$891,268	\$369,317	41.4%
Industrial Process Steam Trap Audit	\$17,494	\$0	0.0%
Subtotal:	\$9,191,970	\$634,060	6.9%
Other Projects			
Analysis, Evaluation, & Project Development	\$1,448,355	\$0	0%
Energy Efficiency Marketing & Awareness	\$675,956	\$0	0%
Planning & Regulatory Affairs	\$121,605	\$0	0%
On-Bill Loan Repayment	\$609,759	\$0	0%
Subtotal:	\$2,855,674	\$0	0%
Total	\$37,252,502	\$5,112,191	13.7%

2019 Renter Participation Summary

Project	Participation Goal	Actual Participation	Renter Participation Estimate	Actual Renter Participation
Residential Market Segment Projects				
Home Efficiency Rebates	59,150	54,160	3,222	3,140
DIY Home Efficiency	12,000	16,254	1,661	1,787
Home Insulation Rebates	1,350	2,059	73	121
Home Energy Reports	200,000	221,160	6,017	6,857
Home Energy Squad	5,000	4,662	973	687
High-Efficiency Home	2,500	3,847	-	27
New Home Construction Rebates	4,660	4,255	-	66
Subtotal:	284,660	306,397	11,946	12,685
Low-Income Market Segment Projects				
Low-Income Weatherization	875	1,016	44	98
Low-Income Rental Efficiency	60	78	60	78
Low-Income Free Heating System Tune-Up	1,200	1,204	4	-
Non-Profit Affordable Housing Rebates	565	561	117	80
Low-Income Multi-Family Housing Rebates	100	9	100	9
Subtotal:	2,800	2,868	325	265
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	544	502	-	12
C&I Heating and Water Heating Rebates	7,539	7,993	-	1,189
C&I Custom Rebates	52	41	-	1
Natural Gas Energy Analysis	225	164	-	4
Energy Design Assistance	60	48	-	34
Industrial Process Efficiency	7	11	-	-
C&I Training and Education	1,000	899	-	-
Engineering & Certification Assistance	35	46	-	1
Recommissioning Study & Rebates	13	22	-	-
Multi-Family Building Efficiency	225	258	225	258
Industrial Process Steam Trap Audit	5	3	-	-
Subtotal:	9,705	9,987	225	1,499
Other Projects				
Analysis, Evaluation, & Project Development	0	0	-	-
Energy Efficiency Marketing & Awareness	0	0	-	-
Planning & Regulatory Affairs	0	0	-	-
On-Bill Loan Repayment	500	0	-	-
Subtotal:	500	0	-	-
Total	297,665	319,252	12,496	14,449

The methods used to determine renter participation rates for applicable projects are described in the individual Market Segment summaries below.

2019 Cost-Benefit Analyses

Project	Ratepayer Impact Test	Utility Cost Test	Societal Test	Participant Test
Residential Market Segment Projects				
Home Efficiency Rebates	0.64	3.61	1.68	2.45
DIY Home Efficiency	0.64	3.60	4.51	N/A
Home Insulation Rebates	0.61	2.75	0.96	1.42
Home Energy Reports	0.47	1.16	1.24	N/A
Home Energy Squad	0.29	0.46	0.53	6.94
High-Efficiency Home	0.57	2.16	0.93	1.46
New Home Construction Rebates	0.59	2.39	1.57	2.60
Subtotal:	0.62	2.92	1.38	2.21
Low-Income Market Segment Projects				
Low-Income Weatherization	0.29	0.46	0.69	N/A
Low-Income Rental Efficiency	0.31	0.51	0.52	2.05
Low-Income Free Heating System Tune-Up	0.20	0.27	0.29	N/A
Non-Profit Affordable Housing Rebates	0.25	0.36	0.60	1.92
Low-Income Multi-Family Housing Rebates	0.60	2.12	1.52	1.89
Subtotal:	0.30	0.50	0.69	4.16
C&I Market Segment Projects				
Commercial Foodservice Equipment Rebates	0.74	6.04	3.00	3.41
C&I Heating and Water Heating Rebates	0.80	9.10	4.89	6.24
C&I Custom Rebates	0.96	8.93	3.23	2.81
Natural Gas Energy Analysis	0.51	1.21	1.40	13.65
Energy Design Assistance	0.77	8.75	2.07	1.89
Industrial Process Efficiency	0.79	3.88	1.89	1.91
C&I Training and Education	N/A	N/A	N/A	N/A
Engineering & Certification Assistance	N/A	N/A	N/A	N/A
Recommissioning Study & Rebates	0.80	5.57	1.34	1.44
Multi-Family Building Efficiency	0.41	0.79	0.94	6.70
Industrial Process Steam Trap Audit	0.92	4.79	3.80	6.57
Subtotal:	0.78	7.53	3.09	3.67
Other Projects				
Analysis, Evaluation, & Project Development	N/A	N/A	N/A	N/A
Energy Efficiency Marketing & Awareness	N/A	N/A	N/A	N/A
Planning & Regulatory Affairs	N/A	N/A	N/A	N/A
On-Bill Loan Repayment	N/A	N/A	N/A	N/A
Subtotal:	N/A	N/A	N/A	N/A
Total	0.64	3.59	1.83	2.57

2019 Cost per Dth Saved Comparison

Project	Approved Cost per Dth Saved	Actual Cost per Dth Saved	Percent Difference
Residential Market Segment Projects			
Home Efficiency Rebates	\$25.09	\$23.99	-4.4%
DIY Home Efficiency	\$10.44	\$15.27	46.4%
Home Insulation Rebates	\$67.26	\$35.79	-46.8%
Home Energy Reports	\$20.94	\$15.74	-24.8%
Home Energy Squad	\$76.92	\$118.68	54.3%
High-Efficiency Home	\$39.55	\$45.68	15.5%
New Home Construction Rebates	\$40.92	\$34.50	-15.7%
Subtotal:	\$28.42	\$28.61	0.6%
Low-Income Market Segment Projects			
Low-Income Weatherization	\$133.22	\$214.03	60.7%
Low-Income Rental Efficiency	\$153.16	\$194.52	27.0%
Low-Income Free Heating System Tune-Up	\$72.56	\$44.81	-38.2%
Non-Profit Affordable Housing Rebates	\$174.15	\$250.40	43.8%
Low-Income Multi-Family Housing Rebates	\$15.67	\$44.64	184.8%
Subtotal:	\$112.29	\$183.00	63.0%
C&I Market Segment Projects			
Commercial Foodservice Equipment Rebates	\$11.16	\$11.45	2.6%
C&I Heating and Water Heating Rebates	\$5.09	\$4.37	-14.1%
C&I Custom Rebates	\$10.80	\$8.25	-23.6%
Natural Gas Energy Analysis	\$362.37	\$49.47	-86.3%
Energy Design Assistance	\$10.81	\$11.26	4.2%
Industrial Process Efficiency	\$10.93	\$22.32	104.2%
C&I Training and Education	N/A	N/A	N/A
Engineering & Certification Assistance	N/A	N/A	N/A
Recommissioning Study & Rebates	\$29.17	\$7.14	-75.5%
Multi-Family Building Efficiency	\$48.42	\$75.87	56.7%
Industrial Process Steam Trap Audit	\$5.87	\$7.20	22.5%
Subtotal:	\$8.65	\$7.30	-15.5%
Other Projects			
Analysis, Evaluation, & Project Development	N/A	N/A	N/A
Energy Efficiency Marketing & Awareness	N/A	N/A	N/A
Planning & Regulatory Affairs	N/A	N/A	N/A
On-Bill Loan Repayment	N/A	N/A	N/A
Subtotal:	N/A	N/A	N/A
Total	\$19.09	\$18.44	-3.4%

Residential Market Segment Projects

CenterPoint Energy’s Residential Market Segment achieved 108 percent of the Segment’s participation goal and 115 percent of the energy savings goal, while spending was 115 percent of budget.

CenterPoint Energy submits 2019 year-end information on the following residential projects:

- Home Efficiency Rebates;
- DIY Home Efficiency;
- Home Insulation Rebates;
- Home Energy Reports;
- Home Energy Squad;
- High-Efficiency Home; and
- New Home Construction Rebates.

Residential Market Segment	Project Spending	Project Participation	Energy Savings (Dth)	\$/Dth	BenCost Results (Societal Test)
Home Efficiency Rebates	\$9,990,176	54,160	416,401	\$23.99	1.68
DIY Home Efficiency	\$624,296	16,254	40,877	\$15.27	4.51
Home Insulation Rebates	\$1,211,637	2,059	33,853	\$35.79	0.96
Home Energy Reports	\$1,704,670	221,160	108,304	\$15.74	1.24
Home Energy Squad	\$2,327,821	4,662	19,614	\$118.68	0.53
High-Efficiency Home	\$4,657,694	3,847	101,957	\$45.68	0.93
New Home Construction Rebates	\$633,866	4,255	18,373	\$34.50	1.57
Residential Total	\$21,150,161	306,397	739,378	\$28.61	1.38

Detailed descriptions of Residential Market Segment projects can be found in *CenterPoint Energy’s Approved 2017-2019 Conservation Improvement Program Triennial Plan*.²²

Method Used to Determine Achievement of Low-Income and Renter Goals for the Residential Market Segment

The figures regarding low-income participation were established through a cross-check between CenterPoint Energy’s CIP participation and Low-Income Home Energy Assistance Program (“LIHEAP”) recipient records. Renter participation was established through a cross-check of rental data in CenterPoint Energy’s customer information system.

²² *CenterPoint Energy’s Approved 2017-2019 Conservation Improvement Program Triennial Plan*. Docket No. G-008/CIP-16-119, (CNP revised version filed June 5, 2017).

Home Efficiency Rebates

The project achieved 92 percent of its participation goal and 115 percent of its energy savings goal, while project spending was 110 percent of budget. The following table shows the quantities of each type of measure rebated through the project:

Home Efficiency Rebates: Quantity of Measures Rebated

Measure Type	Quantity Rebated
Heating Equipment	16,069
Water Heaters	3,016
Combo Unit (tankless water heater + air handling unit)	0
Thermostats	10,566
ENERGY STAR Laundry Equipment	1,691
Furnace or Boiler Tune-Ups	21,201
Hearth with Electronic Ignition	1,617
Total	54,160

DIY Home Efficiency

The project achieved 135 percent of its participation goal and 66 percent of its energy savings goal, while project spending was 97 percent of budget.

Home Insulation Rebates

The project achieved 153 percent of its participation goal and 235 percent of its energy savings goal,²³ while project spending was 125 percent of budget. The following table shows the quantities of each type of measure rebated through the project:

²³ In CenterPoint Energy's 2017-2019 CIP Triennial Plan, the Company stated that it would calculate energy savings for conservation measures consistent with the State of Minnesota Technical Reference Manual for Energy Conservation Improvement Programs ("TRM") version 2.0. See CenterPoint Energy's Approved 2017-2019 CIP Triennial Plan, Docket No. G-008/CIP-16-119, pp. A-5 (revised version filed June 5, 2017). However, in 2019 the Company deviated slightly from the TRM method when determining the 2019 energy savings for attic sealing measures. For attic sealing, the TRM includes a factor for converting leakage at 50 pascals to leakage at natural conditions. TRM, Version 2.0, Docket No. E, G-999/CIP-15-896, pp. 427-429, (Jan. 14, 2016). The information for determining this factor was not submitted for some rebates in 2019. As discussed with the Department in 2017, the Company assumed an average conversion factor for these rebates based on 2019 rebates for which the Company had complete information on the rebated home.

Home Insulation Rebates: Quantity of Measures Rebated

Measure Type	Quantity Rebated
Wall Insulation	208
Attic Sealing (alone)	25
Attic Insulation + Air Sealing	1,826
Total	2,059

Home Energy Reports

The project achieved 111 percent of its participation goal and 131 percent of its energy savings goal, while project spending was 99 percent of budget.

Home Energy Squad

The project achieved 93 percent of its participation goal and 76 percent of its energy savings goal, while project spending was 117 percent of budget. There were 4,796 squad visits, 643 of which were provided to self-identified low-income customers for no fee. In 2019, some municipalities chose to encourage participation in the Home Energy Squad project by paying a portion of project fees for their citizens. In total, local units of government and neighborhood associations provided \$180,555 in funding.

High-Efficiency Home

The project achieved 154 percent of its participation goal and 126 percent of its energy savings goal, while project spending was 146 percent of budget. The following table shows how many participating homes achieved the energy savings required for each rebate tier:

High-Efficiency Home: Quantity of Participating Homes by Rebate Tier

Percent Gas Savings Above Code	Quantity of Homes Achieving
10-14%	307
15-19%	921
20-24%	1,597
25-29%	902
30-34%	110
35-39%	9
40-44%	0
45-49%	1
50% or above	0
Total	3,847

In 2019, no Passive House certification incentives were paid through the High-Efficiency Home project.

New Home Construction Rebates

The project achieved 91 percent of its participation goal and 106 percent of its energy savings goal, while project spending was 90 percent of budget. The following table shows the quantities of each type of measure rebated through the project:

New Home Construction Rebates: Quantity of Measures Rebated

Measure Type	Quantity Rebated
Heating Equipment	662
Water Heaters	60
Combo Unit (tankless water heater + air handling unit)	0
Thermostats	173
ENERGY STAR Laundry Equipment	116
Hearth with Electronic Ignition	3,244
Total	4,255

Low-Income Market Segment Projects

CenterPoint Energy's Low-Income Market Segment achieved 102 percent of the Segment's participation goal and 71 percent of the energy savings goal, while spending was 116 percent of budget.

CenterPoint Energy's spending on the Low-Income Market Segment projects represents 0.66 percent of the Company's three-year average GOR from residential customers.²⁴ As summarized in Table 3 of the Compliance Overview section of this Status Report, when low-income CIP spending in the Residential and C&I Segments are included, the Company spent 0.83 percent of its three-year average GOR from residential customers to directly serve low-income customers.

CenterPoint Energy submits 2019 year-end information on the following dedicated low-income projects:

- Low-Income Weatherization;
- Low-Income Rental Efficiency;
- Low-Income Free Heating System Tune-Up;
- Non-Profit Affordable Housing Rebates; and
- Low-Income Multi-Family Housing Rebate.

Low-Income Market Segment	Project Spending	Project Participation	Energy Savings (Dth)	\$/Dth	BenCost Results (Societal Test)
Low-Income Weatherization	\$2,974,601	1,016	13,898	\$214.03	0.69
Low-Income Rental Efficiency	\$252,287	78	1,297	\$194.52	0.52
Low-Income Free Heating System Tune-Up	\$118,401	1,204	2,642	\$44.81	0.29
Non-Profit Affordable Housing Rebates	\$628,635	561	2,511	\$250.40	0.60
Low-Income Multi-Family Housing Rebates	\$80,772	9	1,809	\$44.64	1.52
Low-Income Total	\$4,054,697	2,868	22,157	\$183.00	0.69

²⁴ Consistent with how CIP energy savings goals are calculated for Triennial Plan filings, the Company calculated its three-year average GOR from residential customers using the three most recent years prior to filing *CenterPoint Energy's 2017-2019 Conservation Improvement Program Triennial Plan*. See CenterPoint Energy's Approved 2017-2019 Conservation Improvement Triennial Plan, Docket No. G-008/CIP-16-119, pp. 7 (CNP revised version filed June 5, 2017). The Company calculated applicable minimum low-income spending amounts using the methodology approved by the Deputy Commissioner in 2015. See *In the Matter of CenterPoint Energy's Conservation Improvement Program 2013 Status Report*, Docket No. G-008/CIP-12-564.02, Deputy Commissioner Decision, Ordering Point 3 (DOC, Jan. 9, 2015).

Detailed descriptions of Low-income Market Segment projects can be found in *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Program Triennial Plan*.²⁵

Method Used to Determine Achievement of Low-Income and Renter Goals for the Low-Income Market Segment

Low-income status of residential customer participants in the Low-Income Market Segment was verified by third party agencies such as Community Action and non-profit affordable housing agencies. Low-income multi-family housing customers provided documentation to CenterPoint Energy showing pre-qualification in the Department of Energy WAP, certification for Minnesota Low Income Rental Classification (“LIRC”), or other documentation including (but not limited to) participation in the project-based Section 8 voucher program. Renter participation was established either through a cross-check of rental data in CenterPoint Energy’s customer information system or, when available, through third-party agency verification systems.

Low-Income Weatherization

The project achieved 116 percent of its participation goal and 75 percent of its energy savings goal, while project spending was 121 percent of budget. The following table shows the quantity and average cost of measures installed through the project:

Low-Income Weatherization: Quantity and Average Cost of Measures

Measure Type	Quantity	Average Cost of Measure
Weatherization Jobs	454	\$3,911
Furnaces	179	\$2,316
Boilers	4	\$7,207
Combi Units	3	\$3,463
Thermostats	143	N/A*
Water Heaters	119	\$2,669
Furnace or Boiler Tune-Ups/Repairs	114	\$566
Total	1,016	\$2,570

* In the Low-Income Weatherization project, thermostats are typically installed in conjunction with other measures such as furnaces and boilers. CenterPoint Energy does not track the cost of thermostats separately, but their costs are included as part of the cost of the larger measures with which they are installed.

²⁵ *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Triennial Plan*. Docket No. G-008/CIP-16-119, (CNP revised version filed June 5, 2017).

Low-Income Rental Efficiency

The project achieved 130 percent of its participation goal and 71 percent of its energy savings goal, while project spending was 90 percent of budget. Of the 47 audits conducted through the project in 2019, 31 were for buildings that went on to install energy efficiency measures in 2019, and 22 were for buildings expected to install efficiency measures in future years.²⁶ The following tables show certain key project statistics, the quantity and total cost of measures installed, and the number of units in participating buildings:

Low-Income Rental Efficiency: Key Project Statistics

Number of Properties	Total Dth Savings	Total Landlord Contribution	Total Cost*	Landlord Contribution %
78	1,297	\$113,165	\$248,952	45%

* Includes only the cost of the measures installed. Does not include the cost of the audit.

Low-Income Rental Efficiency: Quantity and Total Cost of Measures Installed

Type of Measure	Quantity	Total Cost
Weatherization Jobs	37	\$90,071.67
Furnaces	17	\$48,130.00
Boilers	10	\$48,350.00
Thermostats*	22	\$0.00
Water Heaters	27	\$47,250.00
Health & Safety	16	\$15,150.00
Furnace or Boiler Tune-Ups/Repairs	0	\$0.00
Total	129	\$248,951.67

* In the Low-Income Rental Efficiency project, thermostats are typically installed in conjunction with other measures such as furnaces and boilers. CenterPoint Energy does not track the cost of thermostats separately, but their costs are included as part of the cost of the larger measures with which they are installed.

²⁶ Six of the audits for buildings that installed measures through LIRE were completed through the city of Minneapolis's 4D program. <http://www.minneapolismn.gov/cped/housing/WCMSP-214366>

Low-Income Rental Efficiency: Number of Units in Participating Buildings

Building Type	Quantity Participating
Single-Family	29
Duplex	47
Three-Unit	2
Four-Unit	0
Total	78

Low-Income Free Heating System Tune-Up Project

The project achieved 100 percent of its participation goal and 100 percent of its energy savings goal, while project spending was 62 percent of budget.

Non-Profit Affordable Housing Rebates

The project achieved 99 percent of its participation goal and 91 percent of its energy savings goal, while project spending was 131 percent of budget. 93 buildings or 105 residences participated in the project. The following table shows the quantities of each type of measure installed through the project:

Non-Profit Affordable Housing Rebates: Quantity of Measures Installed

Type of Measure	Quantity
Heating Equipment	42
Thermostats	54
Water Heaters	35
Heat Recovery Ventilators	24
Weatherization	104
Low-flow Showerheads and Aerators	193
Laundry Equipment	58
Total	510

In 2019, 51 homes participated in the Non-Profit Affordable Housing Rebates project performance path, and no passive house certification rebates were paid through the Non-Profit Affordable Housing Rebates project.

Non-Profit Affordable Housing Rebates: Performance Path

Percent Gas Savings Above Code	Quantity of Homes Achieving
10-14%	1
15-19%	8
20-24%	22
25-29%	15
30-34%	3
35-39%	0
40% or above	2
Total	51

Low-Income Multi-Family Housing Rebates

The project achieved 9.0 percent of its participation goal and 33 percent of its energy savings goal, while project spending was 94 percent of budget. The following table shows the quantities of each type of measure rebated through the project:

Low-Income Multi-Family Housing Rebates: Quantity of Measures Installed

Type of Measure	Quantity
Furnaces	6
Boilers	5
Boiler Controls	1
Single Package Vertical Units	171
Boiler Tune-Ups	6
Water Heaters	6
Total	195

The 9 participating buildings had a total of 429 units, all of which were low-income occupied units.

Commercial and Industrial Market Segment Projects

CenterPoint Energy's C&I Market Segment achieved 103 percent of the segment's participation goal and 110 percent of its energy savings goal, while spending 93 percent of budget.

CenterPoint Energy submits 2019 year-end information on the following C&I projects:

- Commercial Foodservice Equipment Rebates;
- C&I Heating and Water Heating Rebates;
- C&I Custom Rebates;
- Natural Gas Energy Analysis;
- Energy Design Assistance;
- Industrial Process Efficiency;
- C&I Training and Education;
- Engineering and Certification Assistance;
- Recommissioning Study & Rebates;
- Multi-Family Building Efficiency; and
- Industrial Process Steam Trap Audit.

C&I Market Segment	Project Spending	Project Participation	Energy Savings (Dth)	\$/Dth	BenCost Results (Societal Test)
Commercial Foodservice Equipment Rebates	\$689,688	502	60,229	\$11.45	3.00
C&I Heating and Water Heating Rebates	\$3,606,991	7,993	824,676	\$4.37	4.89
C&I Custom Rebates	\$1,594,692	41	193,409	\$8.25	3.23
Natural Gas Energy Analysis	\$383,724	164	7,756	\$49.47	1.40
Energy Design Assistance	\$1,458,020	48	129,517	\$11.26	2.07
Industrial Process Efficiency	\$251,807	11	11,281	\$22.32	1.89
C&I Training and Education	\$67,214	899	0	N/A	N/A
Engineering & Certification Assistance	\$105,629	46	0	N/A	N/A
Recommissioning Study & Rebates	\$125,444	22	17,567	\$7.14	1.34
Multi-Family Building Efficiency	\$891,268	258	11,747	\$75.87	0.94
Industrial Process Steam Trap Audit	\$17,494	3	2,431	\$7.20	3.80
C&I Total	\$9,191,970	9,987	1,258,613	\$7.30	3.09

Detailed descriptions of C&I Market Segment projects can be found in *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Program Triennial Plan*.²⁷

²⁷ *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Program Triennial Plan*. Docket No. G-008/CIP-16-119, (revised version filed June 5, 2017).

Measurement and Verification Expenses

The Company provides the following information regarding expenses related to energy savings measurement and verification (“M&V”) spending included in the C&I Market Segment spending total:²⁸

2019 M&V Expenses	
Labor	\$12,000
Equipment	\$0
Contracting Expenses	\$0
Total	\$12,000

Two customer projects requiring M&V were completed in 2019 in the C&I Custom Rebates project (the two projects were awarded three rebates).

Method Used to Determine Achievement of Low-Income and Renter Goals in the C&I Market Segment

Low-income participation in the C&I Market Segment is defined as verified low-income multi-family housing participants. Low-income multi-family housing customers provided documentation to CenterPoint Energy showing pre-qualification in WAP, certification for LIRC, or other documentation including (but not limited to) participation in the project-based Section 8 voucher program. Renter participation was established through a cross-check of Standard Industrial Classification (“SIC”) codes in CenterPoint Energy’s customer information system. Participants with SIC codes representing multi-family housing are considered “renter participants” in the C&I market.

Commercial Foodservice Equipment Rebates

The project achieved 92 percent of its participation goal and 95 percent of its energy savings goal, while project spending was 97 percent of budget. The 217 participating customers installed 502 energy conservation measures through the project.

C&I Heating and Water Heating Rebates

The project achieved 106 percent of its participation goal and 112 percent of its energy savings goal, while project spending was 97 percent of budget. The 1,565 participating customers installed 7,993 energy conservation measures through the project.

²⁸ In *CenterPoint Energy’s Request for Modification to its Commercial/Industrial Project for its 2008 CIP Program Year*, Docket No. G-008/CIP-06-789, Commissioner Ordering Point 2 (DOC, Aug. 25, 2008), the Company was ordered to “track all labor, equipment, and third-party contracting expenses associated with its Measurement and Verification activities and to report these expenses as separate line items in its annual CIP status reports.”

C&I Custom Rebates

The project achieved 79 percent of its participation goal and 137 percent of its energy savings goal, while project spending was 104 percent of budget. 41 custom projects were completed in 2019.

Natural Gas Energy Analysis

The project achieved 73 percent of its participation goal and 634 percent of its energy savings goal, while project spending was 87 percent of budget. Participating customers completed 164 audits and installed 2,805 energy conservation measures through the project. In 2019, CenterPoint Energy collaborated with 4 municipal electric utility programs to provide audits identifying both gas and electric savings opportunities to 14 building participants. Continuation of collaborations with school districts in 2019 helped Natural Gas Energy Analysis achieve very high energy savings.

Energy Design Assistance

The project achieved 80 percent of its participation goal and 86 percent of its energy savings goal, while project spending was 90 percent of budget. There were 232 enrolled participants in the project; however, only 48 participants completed energy efficiency projects in 2019. Of the 48 projects that were completed in 2019, 8 qualified as low-income multi-family housing participants and were accordingly provided a higher rebate than they would have otherwise received. One of the completed projects did not qualify for a rebate; however, the Company claims 17 Dth of influenced savings for this project. In 2019, no Passive House certification incentives were paid through the Energy Design Assistance project.

Industrial Process Efficiency Project

The project achieved 157 percent of its participation goal and 54 percent of its energy savings goal, while project spending was 110 percent of budget. There were 11 enrolled participants in the project and the project paid rebates for 24 pieces of equipment in 2019.²⁹ Each of the customers enrolled in the Process Efficiency project received either an analysis to identify potential energy savings or a rebate through the project in 2019.

C&I Training and Education

The project achieved 90 percent of its participation goal, while project spending was 42 percent of budget. Of the 899 participants, 628 participated in high-efficiency foodservice equipment

²⁹ *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Program Triennial Plan* states regarding the Industrial Process Efficiency project that "[p]articipants in this project are defined as 'rebates processed.'" However, the numerical participation goal stated in the Triennial Plan represented the Company's expectation about how many customers would be enrolled, and it was the Company's intention to use enrolled customers as the participation count for this project. *CenterPoint Energy's Approved 2017-2019 Conservation Improvement Triennial Plan*, Docket No. G-008/CIP-16-119, pp. 101 (revised version filed June 5, 2017).

training, 90 in the Seasonal Energy Management Seminar, 115 in the Energy Efficiency and Technology Conference, 35 in the Trade Ally Kick Off, and 31 in the High-Efficiency Boiler Training Seminar.

Engineering & Certification Assistance

The project achieved 131 percent of its participation goal, while project spending was 68 percent of budget. Of the 46 rebates paid through this project, 11 rebates were for up-front engineering assistance, 8 rebates were awarded after the installation of qualifying energy efficiency improvements, and 27 were for ENERGY STAR certification. 0 rebates were paid for LEED certification in 2019.

Recommissioning Study & Rebates

The project achieved 169 percent of its participation goal and 466 percent of its energy savings goal, while project spending was 114 percent of budget. 9 of the 22 rebates awarded in 2019 were for completed energy efficiency projects, and the remainder were for study funding. One recommissioning project that implemented energy efficiency measures did not receive a rebate but the Company claims influenced savings of 720 Dth for that project.

Multi-Family Building Efficiency

The project achieved 115 percent of its participation goal and 48 percent of its energy savings goal, while project spending was 76 percent of budget. 258 buildings with 8,342 total dwelling units participated. Of the participating buildings, 92 qualified as low-income. The participating low-income buildings contained 3,367 units. 4 performance-based rebates were awarded in 2019.

On November 26, 2019, the Department issued a Decision on CenterPoint Energy's *2020 Conservation Improvement Plan* that included an order that the Company report additional Multi-Family Building Efficiency project performance metrics for the 2020 CIP Status Report.³⁰ Because this information was available for 2019, the Company decided to begin reporting the requested information in this Status Report rather than the *2020 CIP Status Report*.

³⁰ *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, et al. Deputy Commissioner Decision, Ordering Point 3 (Nov. 26, 2019).

Multi-Family Building Efficiency: Completed Program Steps*

Building Type	Completed Program Step	Buildings*	Units*	Energy Savings	Rebates
Market Rate	Assessment	159	4,551	n/a	n/a
Market Rate	Direct Installation	125	3,923	11,096	n/a
Market Rate	Performance Incentives	1	24	229	\$2,246
Low-Income	Assessment	84	3,117	n/a	n/a
Low-Income	Direct Installation	68	2,861	0	n/a
Low-Income	Performance Incentives	3	64	422	\$71,546

* Building and unit participation listed in this table may appear to differ from total program participation because the MFBE project counts a building as participating if it received at least one of the following: assessment, direct installation, or performance incentives.

Industrial Steam Trap Audit Project

The project achieved 60 percent of its participation goal and 29 percent of its energy savings goal, while project spending was 36 percent of budget.

In CenterPoint Energy's 2020 CIP Plan, the Company included changes to this project to increase participation.³¹ In 2020, eligibility has been expanded to commercial customers (and commercial steam traps) and the Company began offering trade ally incentives of \$15 per facility audit to help offset paperwork burden for project participation.

³¹ *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, et al. 2020 Conservation Improvement Program Plan, pp. 51-52 (July 1, 2019).

Other Projects

CenterPoint Energy's Other Project spending was 94 percent of budget.

CenterPoint Energy submits 2019 year-end information on the following CIP projects:

- Analysis, Evaluation, & Project Development;
- Energy Efficiency Marketing & Awareness;
- Planning and Regulatory Affairs; and
- On-Bill Loan Repayment.

In addition, two Alternative CIPs, EnerChange and EnergySmart, have been approved for inclusion in the Company's CIP. This section includes budgetary information regarding each Alternative CIP, but, as neither Alternative CIP is administered by CenterPoint Energy, the Company asks that any requests for information regarding project activities be directed to the respective program administrators.

Other Projects Total	Project Spending	Project Participation	Energy Savings (Dth)	\$/Dth	BenCost Results (Societal Test)
Analysis, Evaluation, & Project Development	\$1,448,355	0	0	N/A	N/A
Energy Efficiency Marketing & Awareness	\$675,956	0	0	N/A	N/A
Planning & Regulatory Affairs	\$121,605	0	0	N/A	N/A
On-Bill Loan Repayment	\$609,759	0	0	N/A	N/A
Other Projects Total	\$2,855,674	0	0	N/A	N/A

Method Used to Determine Achievement of Low-Income and Renter Goals in the Other Projects Segment

Low-income and renter participation is not applicable to projects in this Segment.

Analysis, Evaluation, & Project Development

Project spending was 97 percent of budget.

Activities supporting the development of CIP projects included membership in the Gas Technology Institute's ("GTI") Emerging Technology Program; membership in the Midwest Energy Efficiency Alliance ("MEEA"); and attendance at various energy efficiency conferences. Company employee time spent working to develop new CIP offerings is also included in the total spending for this project, as are costs related to evaluation of existing CIP offerings by external consultants.

Spending on development of an online portal for energy data aggregation is included in this project. The portal helps customers comply with benchmarking ordinances, apply for green

certification, and better understand their energy use. The Energy Data Aggregation Tool was made publicly available in early 2019 and information about it can be found at the Company's website.³²

In the *2017-2019 CIP Triennial Plan*, CenterPoint Energy requested an increase in the budget for this project, including increases in both evaluation and research and development ("R&D") spending. The Company requested that only its true R&D spending be counted against the statutory cap on R&D, rather than the full project budget as had been the case in previous Triennial Plans. The Deputy Commissioner approved the request and directed the Company to include a narrative summary of its R&D activities, and the corresponding dollar amounts for each R&D activity, as part of the Company's annual status reports.³³

Accordingly, the Company provides the following information regarding its 2019 R&D spending and activities. 2019 R&D spending totaled \$279,402 and included:

- \$50,000 in support of research by the American Council for an Energy-Efficiency Economy ("ACEEE"). Funds were used to support four research projects (\$12,000 each). These reports were titled:
 - Next Generation of Energy Efficiency Resource Standards (Report U1905)
 - Innovative Nonresidential Efficiency Programs Serving Low-to-Moderate Income Communities (U1910)
 - Quantifying the Dollar Value of Health Benefits for Building Occupants
 - Braiding, Blending, and Layering Healthcare Dollars to Expand Energy Efficiency Programs
- The first two of these research projects have produced reports which are available on the ACEEE website while the others have reports pending publication in 2020.³⁴
- \$85,140 in support of field testing conducted by GTI on residential natural gas heat pumps. This work was also supported by the US Department of Energy, among others.
- \$144,262 for a field pilot of a technology to capture carbon from natural gas appliance flue gases. The pilot is intended to evaluate performance of the technology and assess energy savings benefits to establish whether it is appropriate to include the technology in future CIP programming. Activity in 2019 included contacting and planning with the manufacturer and an M&V consultant, identification of customer host sites, purchase of the initial units, discussions of the technology with local permitting officials, and delivery of the first unit to a host site in Minnesota. Installation of the first unit and delivery and installation of additional units is expected in 2020 following the approval of permit applications.

³² <https://www.centerpointenergy.com/en-us/business/save-energy-money/analyze-your-energy-use/energy-use-data?sa=mn>

³³ *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, *et. al*, Deputy Commissioner Order, pp. 7 (Nov. 3, 2016).

³⁴ <http://aceee.org/resources> (The reports can be found by searching for the report numbers shown. Note that final report titles may differ from the project titles listed here).

In addition to the activities enumerated above, the Company participated in a Midwest Utility R&D Collaborative coordinated by MEEA. This effort began in 2018 with several midwestern utilities (including CenterPoint Energy, ComEd, Nicor Gas, Xcel Energy, DTE, and others) to share energy-efficiency related R&D results and progress in order to identify opportunities to collaborate, avoid duplication of effort, and learn from each other's work. There were no incremental costs associated with participation in the Collaborative 2019.

Energy Efficiency Marketing & Awareness

Project spending was 90 percent of budget.

General awareness marketing and promotion of the entire energy efficiency portfolio of programs and services activities, directed at residential and business mass markets, focusing on the benefits of energy efficiency and natural gas conservation included: network and cable television, Minnesota Public Radio and other local radio stations; outdoor, digital (display/social), web, search engine marketing (paid search and search engine optimization), events, email, print (bill insert) and sports sponsorships with the University of Minnesota Gophers and the National Sports Center. The Energy Efficiency Marketing and Awareness project budget paid for these promotions.

Planning and Regulatory Affairs

Project spending was 81 percent of budget.

Planning and Regulatory Affairs project expenditures include staff salaries; benefits; and expenses (such as computers, printing, phones, and postage) associated with managing, tracking, and administering CIP.

On-Bill Loan Repayment

Project spending was 94 percent of budget.

The Project should launch as a limited-access release beginning in the third quarter with a full launch set for the fourth quarter of 2020. In 2019, CenterPoint Energy and the implementation partner completed all key external system interfaces and continued to implement internal billing interfaces, other platform development and comprehensive system testing. In 2018 and 2019, unexpected complexity and system and resource constraints were encountered that delayed development and deployment of this project.³⁵

EnerChange

Project spending was 96 percent of budget.

³⁵ For example, constraints led to the Project utilizing just 45 percent of its 2018 planned budget spending.

The EnerChange project was proposed for inclusion in the Company's CIP by the National Initiative by Consumers of Energy d/b/a EnerChange ("EnerChange"). The Deputy Commissioner approved the EnerChange project with a total budget of \$285,000 for each year of the 2017-2019 Triennial.³⁶ The project is an indirect-impact conservation project for which no energy savings are claimed. EnerChange filed its Annual Program Status Report for 2019 on February 28, 2020 in Docket No. G-008/CIP-16-119.02. Because this project is an Alternative CIP proposed and managed by EnerChange, CenterPoint Energy asks that any requests for additional information regarding project activity be directed to EnerChange.

EnergySmart

Project spending was 99 percent of budget.

The EnergySmart project was proposed for inclusion in the Company's CIP by the Minnesota Waste Wise Foundation ("MWWF"). The Deputy Commissioner approved the EnergySmart project with a total budget of \$73,075 for the 2019 program year.³⁷ As of May 1, 2020 EnergySmart has not filed its Annual Program Status Report for 2019. Because EnergySmart is an Alternative CIP proposed and managed by MWWF, CenterPoint Energy asks that any requests for additional information regarding project activity be directed to MWWF.

³⁶ *In the Matter of CenterPoint Energy's 2017-2019 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-16-119, *et al.*, Deputy Commissioner Decision, pp. 40 (DOC, Nov. 3, 2016).

³⁷ *Id.* at 36.

Total Program Cost-Benefit Analysis

The BenCosts provided below include the cost-benefit analyses for the Company's total 2019 CIP goals and actual results.³⁸

Input Data		First Year	Second Year	Third	Year	
Conservation Improvement Program (CIP) BENEFIT COST FOR GAS CIPS— Cost-Effectiveness Analysis Company: CenterPoint Energy Project: Total CenterPoint Energy CIP 2019 Goal (Full Behavioral Savings)						
1) Retail Rate (\$/MCF) =	\$6.93					
Escalation Rate =	4.00%					
2) Non-Gas Fuel Retail Rate (\$/Fuel Unit) =	\$0.000					
Escalation Rate =	3.22%					
Non-Gas Fuel Units (ie. kWh, Gallons, etc) =	kWh					
3) Commodity Cost (\$/MCF) =	\$4.27					
Escalation Rate =	4.00%					
4) Demand Cost (\$/UnitYr) =	\$109.11					
Escalation Rate =	4.00%					
5) Peak Reduction Factor =	1.00%					
6) Variable O&M (\$/MCF) =	\$0.0500					
Escalation Rate =	4.00%					
7) Non-Gas Fuel Cost (\$/Fuel Unit) =	\$0.022					
Escalation Rate =	3.22%					
8) Non-Gas Fuel Loss Factor	5.28%					
9) Gas Environmental Damage Factor =	\$0.3800					
Escalation Rate =	2.16%					
10) Non Gas Fuel Enviro. Damage Factor (\$/Un	\$0.0213					
Escalation Rate =	2.16%					
11) Participant Discount Rate =	6.44%					
12) Utility Discount Rate =	6.44%					
13) Societal Discount Rate =	2.55%					
14) General Input Data Year =	2016					
15a) Project Analysis Year 1 =	2017					
15b) Project Analysis Year 2 =	2018					
15c) Project Analysis Year 3 =	2019					
16 Utility Project Costs						
16 a) Administrative & Operating Costs =	\$	-	\$	-	\$ 19,432,657	
16 b) Incentive Costs =	\$	-	\$	-	\$ 15,372,634	
16 c) Total Utility Project Costs =	\$	-	\$	-	\$ 34,805,291	
17) Direct Participant Costs (\$/Part) =		-	-		191.55	
18) Participant Non-Energy Costs (Annual \$/Part) =		-	-		-	
Escalation Rate =		2.16%	2.16%		2.16%	
19) Participant Non-Energy Savings (Annual \$/Part) =		-	-		-	
Escalation Rate =		2.16%	2.16%		2.16%	
20) Project Life (Years) =		-	-		10.831	
21) Avg. MCF/Part. Saved =		-	-		6.69	
22) Avg Non-Gas Fuel Units/Part. Saved =		0 kWh	0 kWh		0 kWh	
22a) Avg Additional Non-Gas Fuel Units/ Part. Used =		0 kWh	0 kWh		0 kWh	
23) Number of Participants =		-	-		297,165	
24) Total Annual MCF Saved =		-	-		1,988,139	
25) Incentive/Participant =		-	-		\$51.73	
Cost Summary	1st Yr	2nd Yr	3rd Yr	Test Results	Triennial NPV	Triennial B/C
Utility Cost per Participant =			117.12	Ratepayer Impact Measure Test	(\$60,193,107)	0.64
Cost per Participant per MCF =			46.14	Utility Cost Test	\$74,190,915	3.41
Lifetime Energy Reduction (MCF)			21,869,531	Societal Test	\$71,576,991	1.99
Societal Cost per MCF			\$3.32	Participant Test	\$97,709,104	2.94

³⁸ Behavioral energy savings are reported consistent with *In the Matter of Inclusion of Behavioral Project Savings in Energy Conservation Improvement Programs and Shared Savings Demand-Side Management Financial Incentive Calculations*, Docket No. E,G-999/CI-08-133, et al., Deputy Commissioner Decision (DOC, Apr. 26, 2012). In accordance with the Average Savings Method, the full savings for behavioral programs are used for BenCost analyses; reduced savings are used elsewhere in the report. Alternative CIP project and CIP assessments are excluded from spending used in all BENCOST modeling.

Conservation Improvement Program (CIP)

BENEFIT COST FOR GAS CIPS– Cost-Effectiveness Analysis

Company: **CenterPoint Energy**
 Project: **CenterPoint Energy CIP 2019 Total Actual (Full Behavioral Savings)**

Input Data		First Year	Second Year	Third Year
1) Retail Rate (\$/MCF) =	\$6.92			
Escalation Rate =	4.00%			
2) Non-Gas Fuel Retail Rate (\$/Fuel Unit) =	\$0.000			
Escalation Rate =	3.22%			
Non-Gas Fuel Units (ie. kWh,Gallons, etc) =	kWh			
3) Commodity Cost (\$/MCF) =	\$4.27			
Escalation Rate =	4.00%			
4) Demand Cost (\$/Unit/Yr) =	\$109.11			
Escalation Rate =	4.00%			
5) Peak Reduction Factor =	1.00%			
6) Variable O&M (\$/MCF) =	\$0.0500			
Escalation Rate =	4.00%			
7) Non-Gas Fuel Cost (\$/Fuel Unit) =	\$0.022			
Escalation Rate =	3.22%			
8) Non-Gas Fuel Loss Factor	5.28%			
9) Gas Environmental Damage Factor =	\$0.3800			
Escalation Rate =	2.16%			
10) Non Gas Fuel Enviro. Damage Factor (\$/Unit)	\$0.0232			
Escalation Rate =	2.16%			
11) Participant Discount Rate =	6.44%			
12) Utility Discount Rate =	6.44%			
13) Societal Discount Rate =	2.55%			
14) General Input Data Year =	2016			
15a) Project Analysis Year 1 =	2017			
15b) Project Analysis Year 2 =	2018			
15c) Project Analysis Year 3 =	2019			
16) Utility Project Costs				
16 a) Administrative & Operating Costs =			\$	19,969,243
16 b) Incentive Costs =			\$	17,283,259
16 c) Total Utility Project Costs =		\$ -	\$ -	\$ 37,252,502
17) Direct Participant Costs (\$/Part) =				229.04
18) Participant Non-Energy Costs (Annual \$/Part) =		-	-	-
Escalation Rate =		2.16%	2.16%	2.16%
19) Participant Non-Energy Savings (Annual \$/Part) =		-	-	-
Escalation Rate =		2.16%	2.16%	2.16%
20) Project Life (Years) =				10.326
21) Avg. MCF/Part. Saved =		-	-	7.006
22) Avg Non-Gas Fuel Units/Part. Saved =		0 kWh	0 kWh	0 kWh
22a) Avg Additional Non-Gas Fuel Units/ Part. Used =		0 kWh	0 kWh	0 kWh
23) Number of Participants =				319,252
24) Total Annual MCF Saved =				2,236,756
25) Incentive/Participant =		-	-	\$54.14

Cost Summary	1st Yr	2nd Yr	3rd Yr	Test Results	Triennial NPV	Triennial B/C
Utility Cost per Participant =	#DIV/0!	#DIV/0!	116.69	Ratepayer Impact Measure Test	(\$65,756,162)	0.64
Cost per Participant per MCF =	#DIV/0!	#DIV/0!	49.3449619	Utility Cost Test	\$85,150,130	3.59
Lifetime Energy Reduction (MCF)	24,604,320			Societal Test	\$73,695,568	1.83
Societal Cost per MCF	3.597638544			Participant Test	\$101,621,658	2.57

SECTION 2: 2019 DEMAND-SIDE MANAGEMENT FINANCIAL INCENTIVE REPORT

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) submits this report in compliance with the Minnesota Public Utilities Commission’s (“Commission”) *Order Establishing Utility Performance Incentives for Energy Conservation* and the Commission’s Rules of Practice and Procedure.^{39 40}

CenterPoint Energy used the financial incentive mechanism approved by the Commission to calculate the requested financial incentive amount.⁴¹ Details of the calculation of the financial incentive are included in Attachment A of this filing. The calculations also rely on the results of the BenCost cost-effectiveness analysis of the Company’s 2019 Conservation Improvement Program (“CIP”). In 2019, the Company elected to exclude cost-ineffective low-income projects for its cost-effectiveness testing used in the calculation of the financial incentive as permitted by statute.⁴² The low-income segment is not cost-effective based on the societal or utility test, and the only low-income project that is cost-effective is Low-Income Multi-Family Housing Rebates (Section 1). Attachment B shows 2019 CIP cost-effectiveness testing without the low-income projects that are cost-ineffective which results in total net benefits of \$87,584,011.⁴³ The following table summarizes how removing the low-income segment changes the assessment of net benefits using the utility cost test:

Adjustment to Conservation Improvement Program Net Benefits	
Utility Cost Test Net Benefits with the Cost-Ineffective Low-Income Projects	\$85,150,130
Utility Cost Test Net Benefits without the Cost-Ineffective Low-Income Projects	\$87,584,011

As permitted by Commission Order, CenterPoint Energy excluded the third-party EnerChange and EnergySmart projects from its financial incentive calculations;⁴⁴ the figures given here and in Attachments A and B reflect that election. Assessments under Minnesota Statute § 216B.241

³⁹ *In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c*, Docket No. E, G-999/CI-08-133, Order Adopting Modifications to Shared Savings Demand-Side Management Financial Incentive Plan (PUC, Aug. 5, 2016).

⁴⁰ Minn. R. Ch. 7829.

⁴¹ *In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c*, Docket No. E, G-999/CI-08-133, Order Adopting Modifications to Shared Savings Demand-Side Management Financial Incentive Plan (PUC, Aug. 5, 2016).

⁴² Minn. Stat. § 216B.241, Subd. 7e permits, at the discretion of the utility, the exclusion of low-income costs and benefits associated with any approved low-income gas CIP from the calculation of net economic benefits for the purposes of calculating the financial incentive calculation when these programs are not cost-effective.

⁴³ Low-Income Weatherization, Low-Income Rental Efficiency, Low-Income Heating System Tune-ups, Non-Profit Affordable Housing Rebates.

⁴⁴ See *id.* at Ordering Point 2(B)-(C).

and the Next Generation Energy Act of 2007 (“NGEA”) are also excluded from the calculation of the incentive in accordance with Commission Order.⁴⁵ The following table summarizes these adjustments to the Company’s 2019 CIP spending:

Adjustments to Post-Year Spending	
Total Spending (from CIP Tracker Report)	\$38,032,193
Exclude NGEA Assessments	(\$434,366)
Exclude EnerChange and EnergySmart	(\$345,325)
Total Post-Year Spending	\$37,252,502

As detailed in the *2019 Conservation Improvement Program Status Report* section of this filing, the Company’s total energy savings in 2019 were 2,020,149 dekatherms (“Dth”), or 1.43 percent of retail sales.⁴⁶ As shown in the worksheets in Attachment A, this level of performance qualifies the Company for a financial incentive award of up to 10 percent of the benefits achieved with a cap limiting the incentive to no more than 30 percent of 2019 CIP expenditures. Ten percent of 2019 net benefits is \$8,758,401, and 30 percent of 2019 spending is \$11,175,750. The tables below illustrate the calculation of Company’s CIP financial incentive of \$8,758,401 based on the net benefits.

CenterPoint Energy’s 2019 Financial Incentive as a Percent of Net Benefits without Regard to Expenditure Cap	
2019 Energy Savings	2,020,149 Dth
Energy Savings as Percent of Retail Sales	1.43%
2019 Net Benefits Achieved	\$87,584,011
Percent of Net Benefits Awarded at Percent of Retail Sales Avoided	10%
2019 Financial Incentive Eligibility Calculated as a Percent of Net Benefits	\$8,758,401

CenterPoint Energy’s 2019 Financial Incentive Cap on CIP Program Expenditures	
2019 CIP Spending	\$37,252,502
Commission-approved Cap on Incentive as a Percent of Expenditures	30%
2019 Financial Incentive Eligibility Calculated as a Percent of CIP Expenditures	\$11,175,750

CenterPoint Energy’s 2019 CIP efforts will result in approximately \$78,825,961 in net benefits after the incentive.

⁴⁵ See *id.* at Ordering Point 2(E).

⁴⁶ The Company’s 2013-2015 three-year-average weather-normalized sales to non-CIP-exempt customers are 141,120,375 Dth.

Summary of CenterPoint Energy's 2019 Requested Financial Incentive	
Requested 2019 Financial Incentive	\$8,758,401
Requested Incentive as a Percent of Net Benefits Achieved	10%
2019 Total Net Benefits Achieved	\$87,584,011
2019 CIP Net Benefits After Requested Incentive	\$78,825,961

The Company respectfully requests the Commission approve CenterPoint Energy's 2019 CIP financial incentive in the amount of \$8,758,401, to be entered in the Company's CIP Tracker as of the issue date of the Commission's Order.

SECTION 3: CONSERVATION IMPROVEMENT PROGRAM

TRACKER REPORT

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) presents its Conservation Improvement Program (“CIP”) Tracker activity in the table at the end of this discussion.

The 2019 CIP Tracker beginning balance was an over-recovery of \$6,096,809.⁴⁷ The ending balance on December 31, 2019 is an over-recovery of \$2,715,768. The 2019 CIP Tracker Report reflects recovery of \$0.2362 per dekatherm (“Dth”) using the approved Conservation Cost Recovery Charge (“CCRC”) from the 2017 rate case settlement.⁴⁸ The amount recovered via the CCRC is reflected in line 9. The interim CCRA rate from the current rate case went into effect January 1, 2020.⁴⁹

On August 16, 2018 the Commission approved a Conservation Cost Recovery Adjustment (“CCRA”) of 0.0441 per Dth and issued an order on September 5, 2018 approving the rate.⁵⁰ On September 5, 2019 the Commission approved a CCRA of 0.0576 per Dth and issued an order on September 11, 2019 approving the rate.⁵¹ The new CCRA rate went into effect October 1, 2019 and remained in effect. The amount recovered via the CCRA is reflected in line 13 and line 15 of the table at the end of this section. The total amount recovered via the CCRC and CCRA is reflected in line 16. See Section 4 of this filing for more discussion of the CCRA.

Monthly CIP expenses are shown in the table as a single total (line 2). These deferred expense totals include assessments made by the Department of Commerce under Minnesota Statutes § 216B.241 and the Next Generation Energy Act of 2007 (“NGEA”). These assessments have not been included in the total CIP spending reported in Section 1 of this filing but are included in the CIP Tracker because the NGEA provides for utilities to recover the assessments through the CIP Tracker mechanism.⁵² Spending on alternative third-party CIPs is also excluded from total spend reported in Section 1 of this filing but included in the CIP Tracker. As described in Section 1, total CIP spending in 2019 was \$37,252,502; the assessments totaled \$434,366 and spending on alternative third-party CIPs totaled \$345,325, resulting in total recoverable CIP

⁴⁷ The 2018 CIP Tracker ending balance was approved in *In the Matter of CenterPoint Energy’s 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 2 (PUC, Sept. 11, 2019).

⁴⁸ *In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CPE) for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-17-285, Ordering Point 1 (PUC, Oct. 16, 2018).

⁴⁹ *In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-19-524, (Sept. 26, 2019).

⁵⁰ *In the Matter of CenterPoint Energy’s 2017 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-18-120, Ordering Point 4 (PUC, Sept. 5, 2018).

⁵¹ *In the Matter of CenterPoint Energy’s 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 3 (PUC, Sept. 11, 2019).

⁵² Minn. Stat. § 216B.241, subd. 2b.

expenses of \$38,032,193 in 2019. Assessments and alternative third-party CIP spending were also excluded from the calculation of the financial incentive requested in Section 2 of this filing.

Miscellaneous Expenses

Included in the 2019 CIP expenses are various meals, travel, and miscellaneous CIP-related expenses.⁵³

CenterPoint Energy believes it is necessary and reasonable to spend a modest amount of ratepayer funds on meals, travel, and miscellaneous expenses to encourage participation in the Company's CIP projects and to educate staff on new energy efficiency technologies and best practices for program design and delivery. Examples of reasonable and necessary expenses supporting CIP include dues for Company membership in energy efficiency-related organizations, employee participation in energy efficiency workshops and conferences, employee training, and a variety of miscellaneous expenses such as program related mileage and parking expenses for employees involved in delivering and promoting CIP.

These expenses (\$137,934) are 0.37 percent of the total non-assessment, non-third party-alternative CIP, expenses included for recovery in this docket (\$37,252,502). The total amount of 2019 spending in each miscellaneous expense category is as follows:

Category	Expense
Meals	\$9,170
Entertainment	\$0
Miscellaneous (Subtotal)	\$92,556
<i>In Town Parking and Mileage</i>	\$4,469
<i>Employee Training</i>	\$1,288
<i>Conference Registration Fees</i>	\$8,590
<i>Membership Dues</i>	\$64,431
<i>Employee Professional Dues/Licenses</i>	\$584
<i>Awards and Gifts</i>	\$13,131
<i>Other Miscellaneous Expenses</i>	\$62
Employee Travel	\$36,209
Total	\$137,934

The various categories listed above are generally defined as follows:

“Meals” includes expenses for meals taken with customers, vendors, or other employees at which specific Company business discussions take place or meals taken by the employee while away from his or her normal work location on a business day trip.

⁵³ See Minn. Stat. § 216B.16, Subd. 17.

“Entertainment” includes expenses for outings with customers, clients, vendors, or others who are seeking to do business with the Company to clubs, theaters, or sporting events, *etc.* when a business discussion takes place immediately before, during, or immediately after the event.

“Miscellaneous Total” includes other business-related expenses not specifically covered under another expense category. CenterPoint Energy has further divided this expense category into the following subcategories: in-town parking and mileage expenses, employee training expenses, conference registration fees, fees for membership in various organizations,⁵⁴ employee professional dues and license fees, awards and gifts,⁵⁵ and other miscellaneous expenses.

“Employee Travel” includes expenses incurred while on a business trip requiring an overnight stay, including items such as airfare, lodging, and travel meals for the employee.

CenterPoint Energy tracks CIP-related spending separately from other utility spending, using Federal Energy Regulatory Commission account numbers to ensure that conservation-related expenses are not recorded in non-conservation accounts and vice-versa. This in turn ensures ratepayers are not charged twice for a single expense; conservation expenses are approved through the annual CIP Tracker filings while non-conservation expenses are addressed in other proceedings (*e.g.*, utility rate cases). The CIP-related expenses are incorporated into the Company’s CIP BenCost analysis through their inclusion in the Company’s total CIP spending for 2019.

⁵⁴ In 2019, most expenses included in this subcategory represent fees for Company membership in the Association of Energy Services Professionals, the Gas Technology Institute Emerging Technologies Program, and the Midwest Energy Efficiency Alliance.

⁵⁵ CenterPoint Energy incents its customer service representatives to promote CIP by providing gift cards to call center employees who refer commercial and industrial customers to CIP offerings. The majority of expenses included in the 2019 awards and gifts subcategory are gift cards provided through this incentive program.

CenterPoint Energy Minnesota Gas

CIP Tracker and Balance

2019 Actuals

CCRC rate (Nov-Dec) approved in the 2017 rate case (Docket No. G-008/GR-17-285)

Approved CCRA rate (Jan-Sept) of \$0.0441/Dth

Approved CCRA rate (Oct-Dec) of \$0.0576/Dth

	Jan 19 Actual	Feb 19 Actual	Mar 19 Actual	Apr 19 Actual	May 19 Actual	June 19 Actual	July 19 Actual	Aug 19 Actual	Sept 19 Actual	Oct 19 Actual	Nov 19 Actual	Dec 19 Actual	Annual Summary	
Expenses														
1	Beginning Tracker Balance (\$) - Under / (Over) Recovered	(6,096,809)	(12,925,903)	(18,202,578)	(21,703,206)	(22,919,200)	(23,528,999)	(22,767,677)	(21,468,120)	(20,519,925)	(8,341,451)	(6,539,942)	(6,967,618)	(6,096,809)
2	CIP Program Expenditures	(204,996)	2,180,418	3,598,163	3,322,932	2,407,417	2,538,563	2,576,406	2,206,431	2,102,618	3,620,818	3,387,049	10,296,373	38,032,193
3	Performance Incentive									11,317,175				11,317,175
4	Total Expenses & Incentive (Line 1 + Line 2 + Line 3)	(6,301,805)	(10,745,485)	(14,604,414)	(18,380,274)	(20,511,783)	(20,990,436)	(20,191,271)	(19,261,688)	(7,100,132)	(4,720,633)	(3,152,893)	3,328,755	43,252,559
Recovery														
5	Total Volumes (Dt)	26,161,818	30,063,216	29,551,141	19,818,237	14,148,088	9,830,044	8,457,675	8,336,990	8,543,785	9,606,370	16,099,981	23,273,544	203,890,888
6	Exemptions (Dt)	2,581,386	3,531,267	4,310,901	3,715,203	3,476,194	3,578,877	3,986,608	3,928,581	4,148,623	3,327,642	3,142,477	2,710,763	42,438,522
7	Volumes less Exemptions (Dt) (Line 5 - Line 6)	23,580,432	26,531,949	25,240,240	16,103,034	10,671,894	6,251,168	4,471,067	4,408,409	4,395,162	6,278,728	12,957,505	20,562,781	161,452,366
8	Base Rate Recovery (CCRC) (per Dt)	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	0.2362	
9	Base Rate Cost Recovery (\$) (Line 7 x Line 8)	(5,569,698)	(6,266,846)	(5,961,745)	(3,803,537)	(2,520,701)	(1,476,526)	(1,056,066)	(1,041,266)	(1,038,137)	(1,483,036)	(3,060,563)	(4,856,929)	(38,135,049)
10	Interim CCRC	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
11	Interim Rate Recovery (Line 7 x Line 10)	-	-	-	-	-	-	-	-	-	-	-	-	-
12	CCRA (per Dt)	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0576	0.0576	0.0576	
13	CCRA Recovery (\$) (Line 7 x Line 12)	(1,039,897)	(1,170,059)	(1,113,095)	(710,144)	(470,631)	(275,676)	(197,174)	(194,411)	(193,827)	(361,655)	(746,352)	(1,184,416)	(7,657,336)
14	Adjustment for final CCRC rate implementation													-
15	Adjustment for CCRA rate implementation									32,758				32,758
16	Total Recovery (Line 9 + Lines 11 + Lines 13 through 15)	(6,609,595)	(7,436,905)	(7,074,839)	(4,513,680)	(2,991,332)	(1,752,202)	(1,253,240)	(1,235,677)	(1,231,964)	(1,811,932)	(3,806,915)	(6,041,345)	(45,759,626)
Carrying Charges														
17	Sub-Balance (\$) (Line 4 + Line 16)	(12,911,400)	(18,182,390)	(21,679,254)	(22,893,954)	(23,503,115)	(22,742,639)	(21,444,511)	(20,497,365)	(8,332,096)	(6,532,565)	(6,959,808)	(2,712,590)	(2,507,068)
18	Deferred Income Tax (Line 17 x 28.742% x -1)	1,958,650	1,510,819	999,266	342,245	167,829	(226,016)	(380,304)	(279,014)	(3,503,026)	(519,910)	120,678	(1,222,980)	
19	ADIT (Line 18 + Line 19 prior month)	3,613,025	5,123,844	6,123,110	6,465,355	6,633,184	6,407,168	6,026,864	5,747,850	2,244,824	1,724,914	1,845,592	622,612	
20	EDIT (Starts 1/2018 and Ends 12/2019)	(239,705)	(217,914)	(196,122)	(174,331)	(152,540)	(130,748)	(108,957)	(87,165)	(65,374)	(43,583)	(21,791)	0	
21	Net Investment (Line 17 + Line 19 + Line 20)	(9,538,080)	(13,276,459)	(15,752,266)	(16,602,930)	(17,022,471)	(16,466,219)	(15,526,603)	(14,836,681)	(6,152,646)	(4,851,234)	(5,136,007)	(2,089,978)	
22	Carrying Charge Rate	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	
23	Carrying Charge (Line 21 x Line 22)	(14,503)	(20,188)	(23,952)	(25,246)	(25,884)	(25,038)	(23,609)	(22,560)	(9,355)	(7,377)	(7,810)	(3,178)	(208,700)
24	Ending Tracker Balance - Under / (Over) Recovered (Line 17 + Line 23)	(12,925,903)	(18,202,578)	(21,703,206)	(22,919,200)	(23,528,999)	(22,767,677)	(21,468,120)	(20,519,925)	(8,341,451)	(6,539,942)	(6,967,618)	(2,715,768)	(2,715,768)

Notes on the CIP Tracker Report:

1. Line 1: January beginning balance is equal to the December 31, 2018 ending balance of -\$6,096,809, approved in *In the Matter of CenterPoint Energy's 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 2 (PUC, Sept. 11, 2019).
2. Line 2: CIP expenditures include all program expenses as well as all assessments made by the Department of Commerce under Minnesota Statute § 216B.241 and the NGEA.
3. Line 3: The Company's 2018 CIP Financial Incentive, approved in *In the Matter of CenterPoint Energy's 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 1 (PUC, Sept. 11, 2018).
4. Line 8: The CCRC in the amount of \$0.2362 per Dth was approved in *In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CPE) for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-17-285, Ordering Point 1 (PUC, Oct. 16, 2018) and went into effect November 1, 2018.
5. Line 12: The CCRA in the amount of \$0.0441 per Dth was implemented September 1, 2018 pursuant to *In the Matter of CenterPoint Energy's 2017 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-18-120, Ordering Point 4 (PUC, Sept. 5, 2018). During the August 16, 2018 hearing the Commission approved a CCRA of 0.0441 per Dth and the Order was issued on Sept. 5, 2018. The CCRA in the amount of \$0.0576 per Dth was implemented October 1, 2019 pursuant to *In the Matter of CenterPoint Energy's 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 3 (PUC, Sept. 11, 2019).
6. Line 15: Upon implementation of the current CCRA, the Company's CIP Tracker account was adjusted to account for the misalignment of the Company's billing cycle with the October 1, 2019 effective date of the new CCRA.
7. Line 19: Accumulated deferred income tax ("ADIT") in 2018 was affected by the Federal Tax Cuts and Jobs Act of 2017 ("TCJA"). Pub. L. No. 115-97, 131 Stat. 2054. ADIT in each month is calculated based on monthly deferred income tax and the previous months ADIT. The ending balance of ADIT in 2018 was \$1,654,375.
8. Line 20: At the beginning of 2018 the federal TCJA created excess accumulated deferred income tax ("EDIT"). Pub. L. No. 115-97, 131 Stat. 2054 EDIT at the beginning of 2019 was -\$261,496. EDIT was spread over two years and was equal to zero at the end of December 2019.
9. Line 23: From January through December the interest factor used to calculate carrying charges is a monthly factor calculated from the annual rates specified in *In the Matter of the Application of CenterPoint Energy Resource Corp. d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Rates for Natural Gas Utility Service in Minnesota*, PUC Docket No. G-008/GR-17-285, Findings of Fact, Conclusions of Law, and Recommendation to Approve the Settlement (OAH, Mar. 23, 2018). The approved short-term debt interest factor of 1.84% from the 2017 rate case is used to calculate CIP tracker carrying charges.

Carrying Charges

The calculation of carrying charges in the 2019 CIP Tracker for January through December is based on the short-term debt interest factor used in the 2017 rate case settlement.⁵⁶

The 2019 year-end CIP Tracker over-recovered balance of -\$2,715,768 includes \$208,700 in 2019 carrying charges in the customers' favor. The calculation of the monthly interest factors is shown below.

From November Through December:

$$\begin{aligned}\text{Annual Interest Factor} &= \text{Cost of Short Term Debt} \\ &= 1.84\%\end{aligned}$$

$$\begin{aligned}\text{Monthly Interest Factor} &= ((1 + \text{Annual Interest Factor})^{(1/12)}) - 1 \\ &= ((1 + 0.0184)^{(1/12)}) - 1 \\ &= 0.0015 \\ &= 0.15\%\end{aligned}$$

⁵⁶ *In the Matter of the Application of CenterPoint Energy Resource Corp. d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Rates for Natural Gas Utility Service in Minnesota*, PUC Docket No. G-008/GR-17-285, Findings of Fact, Conclusions of Law, and Recommendation to Approve the Settlement (OAH, Mar. 23, 2018).

SECTION 4: CONSERVATION COST RECOVERY ADJUSTMENT PROPOSAL

Overview

On September 11, 2019, the Minnesota Public Utilities Commission (“Commission”) approved the request of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, (“CenterPoint Energy” or the “Company”) to implement the Conservation Cost Recovery Adjustment (“CCRA”) in the amount of \$0.0576 per dekatherm (“Dth”), which went into effect on October 1, 2019.⁵⁷ The purpose of the CCRA is to allow the Company to recover approved Conservation Improvement Program (“CIP”) expenses not recovered through the Conservation Cost Recovery Charge (“CCRC”), which is included in base rates. The Commission has required CenterPoint Energy to file its requests to modify the CCRA along with its CIP Tracker and Financial Incentive filings on May 1 of each year.⁵⁸

With this filing, CenterPoint Energy proposes to increase the CCRA to \$0.0591 per Dth beginning October 1, 2020. This rate is designed to reduce the CIP Tracker balance as close to zero as possible by the end of 2021. In the event that Commission approval of the proposed adjustment is delayed beyond September 21, 2020 (in order to implement the rate change by October 1), the Company will continue to apply the current CIP Adjustment of \$0.0576 per Dth up to the first of the month following Commission approval of a revised factor. In this case, the Company may recalculate the CCRA.

Projection Assumptions

To evaluate options for the CCRA, the CenterPoint Energy projected CIP spending and recovery for 2020 and 2021. Projections for 2020 and 2021 can be found in Attachments C-1 and C-2. On November 26, 2019 the Department approved the Company’s 2020 Conservation Improvement Plan which is an extension of the *2017-2019 Triennial Plan* for 2020.⁵⁹ Therefore for 2020, CIP spending was based on the currently approved CIP budget for 2020, except for January through March, which reflect actual spending. Because the *2021-2023 CIP Triennial Plan* has not been filed yet, CIP Spending for 2021 was assumed to be the same as 2020

⁵⁷ *In the Matter of CenterPoint Energy’s 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 3 (PUC, Sept. 11, 2019). The PUC ordered that the effective date of the CCRA retroactively be September 1, 2019. The Company discussed the effective date of the CCRA with PUC Staff and agreed that the intent of the Order was for the Company’s new CCRA to be effective on October 1 and not September 1.

⁵⁸ *In the Matter of a Petition by CenterPoint Energy for Approval of its 2009 CIP Tracker Account and DSM Financial Incentive*, Docket No. G-008/M-10-416, G-008/M-10-634, Ordering Point 4 (PUC, Oct. 11, 2010).

⁵⁹ *In the Matter of Extending the 2017-2019 CIP Triennial Plans Through 2020*, Docket No. G-008/GR-16-119 et al., Depute Commission Decision (DOC, Nov. 26, 2019).

spending. Sales volumes are taken from the 2019 rate case,⁶⁰ again, except for January through March of 2020, which reflect actual volumes. The projections use the interim CCRC (\$0.2382 per Dth), which is in effect as of January 1, 2020 from the 2019 rate case.⁶¹ Upon implementation of the interim CCRC, the Company's CIP Tracker account was adjusted (see Line 10 of attachment C-1) to account for the misalignment of the Company's billing cycle with the January 1, 2020 effective date of the interim CCRC.⁶² The Company calculated carrying charges using the settlement short-term debt interest factor from the Company's 2017 rate case for 2020 and 2021.⁶³

On February 14, 2020, CenterPoint Energy identified an issue with customer billing of the CCRA of \$0.0576 per Dth. When the interim CCRC (\$0.2382 per Dth) was implemented on January 1, 2020 as part of the rate case filed in 2019 (Docket No. G-008/19-524) the CCRA was mistakenly zeroed out. On February 14, when this issue was identified the correct CCRA was set in the billing system, and all bills generated after that date had the correct CCRA amounts calculated.

When the Company became aware of this issue, it notified Commission and Department staff. Due to the misalignment of the Company's billing cycle, the Company proposed to refund CCRA amounts billed from February 14 to February 29 to ensure the effect of not billing the CCRA was equitable to all customers in January and February. In this way, the reinstatement of the CCRA would effectively occur on March 1. Commission and Department staff indicated that this approach was reasonable.

As a result of the above approach, recovery from customers (and resulting carrying charges) in the CIP Tracker needed to be adjusted in January, February, and March in order to reflect that the CCRA was not charged to any customers who used gas in January and February.⁶⁴

- Attachment C-1 line 13 shows base CCRA recovery if there had not been a billing issue.
- Line 14 shows adjustments to CCRA recovery in 2020 to reflect that the CCRA was not billed or was refunded in January and February.
- Line 15 shows the net CCRA recovery as the sum of lines 13 and 14.

⁶⁰ *In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-19-524, (CNP, Sept. 26, 2019)

⁶¹ *Id.* 60

⁶² The adjustment to the CCRC is a credit to the customer based on 6,936,041.3 Dth used in December but billed in January and the difference between the 2017 Rate Case CCRA and interim CCRA rate: $(\$0.2382/\text{Dth} - \$0.2362/\text{Dth}) \times 6,936,041.3 \text{ Dth} = \$13,872$

⁶³ *In the Matter of the Application of CenterPoint Energy Resource Corp. d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Rates for Natural Gas Utility Service in Minnesota*, Docket No. G-008/GR-17-285, Findings of Fact, Conclusions of Law, and Recommendation to Approve the Settlement (OAH, Mar. 23, 2018). As approved by the Commission *In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CPE) for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-17-285, Order (PUC, Oct. 16, 2018).

⁶⁴ Due to the misalignment of the Company's billing cycle, gas used in February that is billed in March will appear as an adjustment to March.

The following table summarizes these adjustments in greater detail by showing how the Company accounted for the misalignment of the Company's billing cycle.

Detailed CCRA Recovery Adjustments (See Attachment C-1)

Billing Month (Columns D-O)	Month When Gas was Used	Gas Volumes Excluding CIP Exempt Customers (Dth) (Line 7)	CCRA Recovery w/o Billing Issue (\$0.0576 per Dth) (Line 13)	Actual CCRA Recovery (\$0.0576 per Dth) (Line 15)	Adjustments to Recovery in the Billing Month (Line 14)
January	December	6,936,041.3	\$399,516	\$399,516	\$0
	January	18,015,064.2	\$1,037,668	\$0	\$1,037,668
	Dec.-Jan.	24,951,105.5	\$1,437,184	\$399,516	\$1,037,668
February	January	4,776,336.9	\$275,117	\$0	\$275,117
	February	18,464,922.6	\$1,063,580	\$0	\$1,063,580
	Jan.-Feb.	23,241,259.5	\$1,338,697	\$0	\$1,338,697
March	February	4,175,793.7	\$240,526	\$0	\$240,526
	March	17,016,172.9	\$980,132	\$980,132	\$0
	Feb.-Mar.	21,191,966.6	\$1,220,657	\$980,132	\$240,526

In the Company's projections for 2020, it is assumed the Company will receive the Financial Incentive requested in this filing, which is determined by CenterPoint Energy's 2019 performance and the 2019 mechanism approved by the Commission for the *2017-2019 Triennial Conservation Improvement Program Plan*.⁶⁵ The financial incentive mechanism approved by the Commission for the *2020 Conservation Improvement Plan* is the same as for 2019.⁶⁶ Therefore, projections for estimating the Financial Incentive for 2020 (booked in 2021) assume the same financial incentive requested for 2019 is requested again in 2020. The Company realizes the incentives may differ from these estimates depending on the performance of the Company's CIP in 2020, but the Company believes that assuming the same financial incentive is the best approach to developing the necessary projections.⁶⁷

Projection Results and Proposal

Projections for 2020 and 2021 (Attachments C-1 and C-2) show that an increase in the CCRA to 0.0591 per Dth taking effect on October 1, 2020 and remaining in effect through 2021 would achieve a near-zero CIP Tracker balance by the end of 2021.

⁶⁵ *In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c*, Docket No. E, G-999/CI-08-133, Compliance Filing - Interim Rate Tariffs and Customer Notices, pp. 11 (CNP, Dec. 27, 2019).

⁶⁶ *In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c*, Docket No. E, G-999/CI-08-133, Order Extending Existing Incentive Formula and Encouraging Discussions for Future Revisions (PUC, Feb. 20, 2020).

⁶⁷ The projections show the financial incentives for each year in October. On an actual basis, the CIP Tracker will incorporate the incentive when it is approved by Commission Order.

CenterPoint Energy often proposes to make modifications to the CCRA on January 1 of the year following the proposal. However, in recent years the Commission's review of the Company's status reports has been early enough to potentially allow for an earlier CCRA modification, and in prior years the Commission approved a CCRA modification for October 1.⁶⁸ The Company proposes to increase the CCRA to 0.0591 per Dth effective October 1, 2020 because an earlier increase to the CCRA will result in a smaller change in the CCRA for customers.

A revised proposed tariff page is included as Attachment E to this filing, and the Company proposes the following bill message:

The PUC has approved a Conservation Cost Recovery Adjustment (CCRA) factor of \$0.00591 per therm. This charge will be used to fund energy conservation activities and has been added to your delivery charge. For more information, please call or visit our website.

As approved in 2019,⁶⁹ a phone number and website address are not included in this bill message. The phone number and website address that a customer should contact with questions already appears near the bill message on the customer's bill.

⁶⁸ *In the Matter of CenterPoint Energy's 2018 Conservation Improvement Program (CIP) Cost Recovery*, Docket No. G-008/M-19-298, Ordering Point 3 (PUC, Sept. 11, 2019).

⁶⁹ *Id* 68, Ordering Point 4

SECTION 5: ATTACHMENTS

Attachment A: DSM Financial Incentive Mechanism – 2019 Financial Incentive Calculations

Attachment B: Total Program Cost-Benefit Analysis without the Low-Income Segment

Attachment C-1: CIP Tracker and Balance Projections for 2020 with New CCRA Starting in October 2020

Attachment C-2: CIP Tracker and Balance Projections for 2021 with New CCRA Starting in October 2020

Attachment D: Detailed Energy Savings Information for Projects with Deemed Savings Measures

Attachment E: Revised Tariff Page

Attachment A: DSM Financial Incentive Mechanism – 2019 Financial Incentive Calculations

The following pages contain the worksheet used to calculate the requested 2019 Financial Incentive taken from the spreadsheet provided by the Minnesota Department of Commerce.

2019

CenterPoint Energy

Inputs		Location:
2013 Weather-Normalized Sales (Dth)	142,750,402	From Utility 2017-2019 Triennial CIP Filing, non-exmpt customers
2014 Weather-Normalized Sales (Dth)	141,647,963	From Utility 2017-2019 Triennial CIP Filing, non-exmpt customers
2015 Weather-Normalized Sales (Dth)	138,962,760	From Utility 2017-2019 Triennial CIP Filing, non-exmpt customers
3-year Weather-Normalized Sales Average (Dth)	141,120,375	
1.0% Energy Savings	1,411,204	
Increase Energy Savings per 0.1% Increase in Achievement Level	141,120	
Approved CIP Budget	\$34,805,291	From Commissioner's Order approving 2017-2019 Triennial CIP Filing
Approved CIP Energy Savings Goal (Dth)	1,823,339	From 2019 Status Report
Estimated Net Benefits at Energy Savings Goal	\$74,190,915	From Utility 2017-2019 Triennial CIP Filing.
Energy savings at 1.5% (Dth)	2,116,806	
Incentive Calibration		
Max Percent of Net Benefits Awarded	10.0%	maximum net benefits awarded
Max Percent of Expenditures Awarded	30.0%	
Earning Threshold	0.7%	
Achievement Level Where Net Benefits Cap Begins	1.2%	
Increase in Net Benefits Awarded Per 0.1% Increase in Achievement Level	7.5	% Points
Actual 2019 Achievements		
Expenditures	\$37,252,502	From 2019 Status Report
Energy Saved (first year Dth saved)	2,020,149	From 2019 Status Report
Net Benefits Achieved	\$87,584,011	From 2019 Status Report
Shared Savings Incentive Results		
Achievement Level	1.43%	
Percent of Net Benefits Awarded	10.0000%	
Financial Incentive Award	\$8,758,401	
Incentive/First Year Dth Saved \$	\$4.3355	
Incentive/Net Benefits	10.00%	
Incentive/CIP Expenditures	23.51%	

Estimated Incentive Levels by Achievement Level

Achievement Level (% of sales)	Energy Saved	Percent of Net Benefits Awarded	Estimated Net Benefits Achieved	Incentive Award	Average Incentive per unit Saved	Incremental Incentive Units Saved
0.0%	0	0.00%	\$0	\$0	\$0.000	-
0.1%	141,120	0.00%	\$5,742,129	\$0	\$0.000	\$0.000
0.2%	282,241	0.00%	\$11,484,259	\$0	\$0.000	\$0.000
0.3%	423,361	0.00%	\$17,226,388	\$0	\$0.000	\$0.000
0.4%	564,482	0.00%	\$22,968,518	\$0	\$0.000	\$0.000
0.5%	705,602	0.00%	\$28,710,647	\$0	\$0.000	\$0.000
0.6%	846,722	0.00%	\$34,452,777	\$0	\$0.000	\$0.000
0.7%	987,843	6.25%	\$40,194,906	\$2,512,182	\$2.543	\$17,802
0.8%	1,128,963	7.00%	\$45,937,036	\$3,215,593	\$2.848	\$4,984
0.9%	1,270,083	7.75%	\$51,679,165	\$4,005,135	\$3.153	\$5,595
1.0%	1,411,204	8.50%	\$57,421,295	\$4,880,810	\$3.459	\$6,205
1.1%	1,552,324	9.25%	\$63,163,424	\$5,842,617	\$3.764	\$6,816
1.2%	1,693,445	10.00%	\$68,905,554	\$6,890,555	\$4.069	\$7,426
1.3%	1,834,565	10.00%	\$74,647,683	\$7,464,768	\$4.069	\$4.069
1.4%	1,975,685	10.00%	\$80,389,813	\$8,038,981	\$4.069	\$4.069
1.5%	2,116,806	10.00%	\$86,131,942	\$8,613,194	\$4.069	\$4.069
1.6%	2,257,926	10.00%	\$91,874,072	\$9,187,407	\$4.069	\$4.069
1.7%	2,399,046	10.00%	\$97,616,201	\$9,761,620	\$4.069	\$4.069
1.8%	2,540,167	10.00%	\$103,358,331	\$10,335,833	\$4.069	\$4.069
1.9%	2,681,287	10.00%	\$109,100,460	\$10,910,046	\$4.069	\$4.069
2.0%	2,822,408	10.00%	\$114,842,590	\$11,484,259	\$4.069	\$4.069
2.1%	2,963,528	10.00%	\$120,584,719	\$12,058,472	\$4.069	\$4.069
2.2%	3,104,648	10.00%	\$126,326,849	\$12,632,685	\$4.069	\$4.069
2.3%	3,245,769	10.00%	\$132,068,978	\$13,206,898	\$4.069	\$4.069
2.4%	3,386,889	10.00%	\$137,811,108	\$13,781,111	\$4.069	\$4.069
2.5%	3,528,009	10.00%	\$143,553,237	\$14,355,324	\$4.069	\$4.069
2.6%	3,669,130	10.00%	\$149,295,367	\$14,929,537	\$4.069	\$4.069
2.7%	3,810,250	10.00%	\$155,037,496	\$15,503,750	\$4.069	\$4.069
2.8%	3,951,371	10.00%	\$160,779,625	\$16,077,963	\$4.069	\$4.069
2.9%	4,092,491	10.00%	\$166,521,755	\$16,652,175	\$4.069	\$4.069
3.0%	4,233,611	10.00%	\$172,263,884	\$17,226,388	\$4.069	\$4.069

Attachment B: Total Program Cost-Benefit Analysis without the Low-Income Segment

The BenCosts provided below include the cost-benefit analyses for the Company's total 2019 CIP goals and actual results.¹

Conservation Improvement Program (CIP)		BENEFIT COST FOR GAS CIPS– Cost-Effectiveness Analysis				
Company: CenterPoint Energy Project: CenterPoint Energy CIP 2019 Total Actual (Full Behavioral Savings)						
Input Data		First Year	Second Year	Third Year		
1) Retail Rate (\$/MCF) =	\$6.92					
Escalation Rate =	4.00%					
2) Non-Gas Fuel Retail Rate (\$/Fuel Unit) =	\$0.000					
Escalation Rate =	3.22%					
Non-Gas Fuel Units (ie. kWh,Gallons, etc) =	kWh					
3) Commodity Cost (\$/MCF) =	\$4.27					
Escalation Rate =	4.00%					
4) Demand Cost (\$/Unit/Yr) =	\$109.11					
Escalation Rate =	4.00%					
5) Peak Reduction Factor =	1.00%					
6) Variable O&M (\$/MCF) =	\$0.0500					
Escalation Rate =	4.00%					
7) Non-Gas Fuel Cost (\$/Fuel Unit) =	\$0.022					
Escalation Rate =	3.22%					
8) Non-Gas Fuel Loss Factor	5.28%					
9) Gas Environmental Damage Factor =	\$0.3800					
Escalation Rate =	2.16%					
10) Non Gas Fuel Enviro. Damage Factor (\$/Unit)	\$0.0232					
Escalation Rate =	2.16%					
11) Participant Discount Rate =	6.44%					
12) Utility Discount Rate =	6.44%					
13) Societal Discount Rate =	2.55%					
14) General Input Data Year =	2016					
15a) Project Analysis Year 1 =	2017					
15b) Project Analysis Year 2 =	2018					
15c) Project Analysis Year 3 =	2019					
16 Utility Project Costs						
16 a) Administrative & Operating Costs =			\$	16,590,223		
16 b) Incentive Costs =			\$	16,688,354		
16 c) Total Utility Project Costs =		\$ -	\$ -	\$ 33,278,577		
17) Direct Participant Costs (\$/Part) =				229.11		
18) Participant Non-Energy Costs (Annual \$/Part) =		-	-	-		
Escalation Rate =		2.16%	2.16%	2.16%		
19) Participant Non-Energy Savings (Annual \$/Part) =		-	-	-		
Escalation Rate =		2.16%	2.16%	2.16%		
20) Project Life (Years) =				10.265		
21) Avg. MCF/Part. Saved =		-	-	7.005		
22) Avg Non-Gas Fuel Units/Part. Saved =		0 kWh	0 kWh	0 kWh		
22a) Avg Additional Non-Gas Fuel Units/ Part. Used =		0 kWh	0 kWh	0 kWh		
23) Number of Participants =			-	316,394		
24) Total Annual MCF Saved =			-	2,216,409		
25) Incentive/Participant =		-	-	\$52.75		
Cost Summary	1st Yr	2nd Yr	3rd Yr	Test Results	Triennial NPV	Triennial B/C
Utility Cost per Participant =	#DIV/0!	#DIV/0!	105.18	Ratepayer Impact Measure Test	(\$61,962,586)	0.65
Cost per Participant per MCF =	#DIV/0!	#DIV/0!	47.7203433	Utility Cost Test	\$87,584,011	3.98
Lifetime Energy Reduction (MCF)	24,380,497			Societal Test	\$76,032,952	1.90
Societal Cost per MCF	3.474270054			Participant Test	\$100,293,773	2.57

¹ Behavioral energy savings are reported consistent with *In the Matter of Inclusion of Behavioral Project Savings in Energy Conservation Improvement Programs and Shared Savings Demand-Side Management Financial Incentive Calculations*, Docket No. E,G-999/CI-08-133, *et al.*, Deputy Commissioner Decision (DOC, Apr. 26, 2012). In accordance with the Average Savings Method, the full savings for behavioral programs are used for BenCost analyses; reduced savings are used elsewhere in the report. Alternative CIP project and CIP assessments are excluded from spending used in all BENCOST modeling.

Attachment C-1: CIP Tracker and Balance Projection for 2020 with New CCRA Starting in October 2020

CenterPoint Energy Minnesota Gas

CIP Tracker and Balance

2020 Forecast with New CCRA starting Oct 2020

2020 Forecast using 2019 rate case settlement volumes (Apr-Dec). Actuals for Jan-Mar.

CCRC interim rate approved in the 2019 rate case (Docket No. G-008/GR-19-524)

Approved CCRA rate (Jan-Oct) of \$0.0576/Dth

CCRA (Oct-Dec) determined by 2020 year-end goal-seek to zero

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	June 20	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Annual Summary
<u>Expenses</u>	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
1 Beginning Tracker Balance (\$) - Under / (Over) Recovered	(2,715,768)	(10,056,600)	(12,677,926)	(15,200,211)	(16,486,791)	(16,821,244)	(16,469,331)	(15,618,955)	(14,483,984)	(13,687,251)	(3,279,666)	(3,422,430)	(2,715,768)
2 CIP Program Expenditures	(986,838)	2,928,709	3,522,477	2,951,976	2,317,353	1,976,119	2,185,776	2,420,181	2,165,282	3,589,069	3,253,157	9,151,942	35,475,202
3 Performance Incentive	-	-	-	-	-	-	-	-	-	8,758,401	-	-	8,758,401
4 Total Expenses & Incentive (Line 1 + Line 2 + Line 3)	(3,702,606)	(7,127,891)	(9,155,450)	(12,248,235)	(14,169,438)	(14,845,125)	(14,283,556)	(13,198,774)	(12,318,702)	(1,339,780)	(26,510)	5,729,512	41,517,835
<u>Recovery</u>													
5 Total Volumes (Dt)	28,411,538	26,976,259	24,451,232	17,849,931	11,815,796	9,135,638	8,780,980	8,421,188	8,362,551	9,145,823	14,397,337	21,144,974	188,893,246
6 Exemptions (Dt)	3,460,432	3,735,000	3,259,265	3,582,001	2,913,383	3,705,933	4,324,548	4,130,300	3,787,036	2,633,771	2,988,287	2,573,176	41,093,133
7 Volumes less Exemptions (Dt) (Line 5 - Line 6)	24,951,106	23,241,259	21,191,967	14,267,930	8,902,413	5,429,705	4,456,432	4,290,888	4,575,515	6,512,052	11,409,050	18,571,798	147,800,113
8 Base Interim Rate Recovery (CCRC) (per Dt)	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	
9 Base CCRA Recovery (\$) (Line 7 x Line 8)	(5,943,353)	(5,536,068)	(5,047,926)	(3,398,621)	(2,120,555)	(1,293,356)	(1,061,522)	(1,022,089)	(1,089,888)	(1,551,171)	(2,717,636)	(4,423,802)	(35,205,987)
10 Adjustment for interim CCRC rate implementation	13,872	-	-	-	-	-	-	-	-	-	-	-	13,872
11 Net CCRC Recovery (Line 9 + Line 10)	(5,929,481)	(5,536,068)	(5,047,926)	(3,398,621)	(2,120,555)	(1,293,356)	(1,061,522)	(1,022,089)	(1,089,888)	(1,551,171)	(2,717,636)	(4,423,802)	(35,192,115)
12 CCRA (per Dt)	0.0576	0.0576	0.0576	0.0576	0.0576	0.0576	0.0576	0.0576	0.0576	0.0591	0.0591	0.0591	
13 Base CCRA Recovery (\$) (Line 7 x Line 12)	(1,437,184)	(1,338,697)	(1,220,657)	(821,833)	(512,779)	(312,751)	(256,690)	(247,155)	(263,550)	(384,862)	(674,275)	(1,097,593)	(8,568,026)
14 Adjustments to CCRA Recovery (see table in Section 4)	1,037,668	1,338,697	240,526	-	-	-	-	-	-	-	-	-	2,616,890
15 Net CCRA Recovery (Line 13 + Line 14)	(399,516)	(0)	(980,132)	(821,833)	(512,779)	(312,751)	(256,690)	(247,155)	(263,550)	(384,862)	(674,275)	(1,097,593)	(5,951,136)
16 Total Recovery (Line 11 + Line 15)	(6,342,869)	(5,536,068)	(6,028,058)	(4,220,454)	(2,633,334)	(1,606,107)	(1,318,212)	(1,269,245)	(1,353,437)	(1,936,033)	(3,391,911)	(5,521,396)	(41,157,123)
<u>Carrying Charges</u>													
17 Sub-Balance (\$) (Line 4 + Line 16)	(10,045,475)	(12,663,959)	(15,183,508)	(16,468,688)	(16,802,772)	(16,451,231)	(15,601,768)	(14,468,018)	(13,672,140)	(3,275,813)	(3,418,421)	208,116	360,712
18 Deferred Income Tax (Line 17 x 28.742% x -1)	2,106,705	749,407	720,154	364,586	90,819	(106,349)	(249,355)	(330,802)	(233,340)	(2,992,455)	39,881	(1,043,492)	
19 ADIT (Line 18 + Line 19 prior month)	2,729,316	3,478,723	4,198,877	4,563,463	4,654,282	4,547,933	4,298,578	3,967,776	3,734,436	741,980	781,861	(261,630)	
20 EDIT (Ended 12/2019)	0	0	0	0	0	0	0	0	0	0	0	0	
21 Net Investment (Line 17 + Line 19 + Line 20)	(7,316,159)	(9,185,236)	(10,984,630)	(11,905,225)	(12,148,489)	(11,903,298)	(11,303,190)	(10,500,242)	(9,937,704)	(2,533,833)	(2,636,559)	(53,514)	
22 Carrying Charge Rate	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	
23 Carrying Charge (Line 21 x Line 22)	(11,125)	(13,967)	(16,703)	(18,103)	(18,472)	(18,100)	(17,187)	(15,966)	(15,111)	(3,853)	(4,009)	(81)	(152,677)
24 Ending Tracker Balance - Under / (Over) Recovered (Line 17 + Line 23)	(10,056,600)	(12,677,926)	(15,200,211)	(16,486,791)	(16,821,244)	(16,469,331)	(15,618,955)	(14,483,984)	(13,687,251)	(3,279,666)	(3,422,430)	208,035	208,035

**Attachment C-2: CIP Tracker and Balance Projection for 2021 with New
CCRA Starting in October 2020**

CenterPoint Energy Minnesota Gas

CIP Tracker and Balance

2020 Forecast with New CCRA starting Oct 2020

2021 Forecast using 2019 rate case settlement volumes

CCRC Interim rate approved in the 2019 rate case (Docket No. G-008/GR-19-524)

CCRA determined by 2020 year-end goal-seek to zero

	Jan 21 Forecast	Feb 21 Forecast	Mar 21 Forecast	Apr 21 Forecast	May 21 Forecast	June 21 Forecast	July 21 Forecast	Aug 21 Forecast	Sept 21 Forecast	Oct 21 Forecast	Nov 21 Forecast	Dec 21 Forecast	Annual Summary	
Expenses														
1	Beginning Tracker Balance (\$) - Under / (Over) Recovered	208,035	(8,351,528)	(12,633,879)	(15,338,899)	(16,647,121)	(16,995,183)	(16,651,679)	(15,808,258)	(14,680,002)	(13,890,418)	(3,483,121)	(3,626,171)	208,035
2	CIP Program Expenditures	(986,838)	2,928,709	3,522,477	2,951,976	2,317,353	1,976,119	2,185,776	2,420,181	2,165,282	3,589,069	3,253,157	9,151,942	35,475,202
3	Performance Incentive	-	-	-	-	-	-	-	-	-	8,758,401	-	-	8,758,401
4	Total Expenses & Incentive (Line 1 + Line 2 + Line 3)	(778,803)	(5,422,819)	(9,111,402)	(12,386,923)	(14,329,768)	(15,019,064)	(14,465,903)	(13,388,077)	(12,514,720)	(1,542,948)	(229,964)	5,525,771	44,441,639
Recovery														
5	Total Volumes (Dt)	28,604,901	27,474,707	24,868,366	17,849,931	11,815,796	9,135,638	8,780,980	8,421,188	8,362,551	9,145,823	14,397,337	21,144,974	190,002,192
6	Exemptions (Dt)	3,164,675	3,266,584	3,978,430	3,582,001	2,913,383	3,705,933	4,324,548	4,130,300	3,787,036	2,633,771	2,988,287	2,573,176	41,048,125
7	Volumes less Exemptions (Dt) (Line 5 - Line 6)	25,440,226	24,208,123	20,889,936	14,267,930	8,902,413	5,429,705	4,456,432	4,290,888	4,575,515	6,512,052	11,409,050	18,571,798	148,954,067
8	Base Interim Rate Recovery (CCRC) (per Dt)	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	0.2382	
9	Base Rate Cost Recovery (\$) (Line 7 x Line 8)	(6,059,862)	(5,766,375)	(4,975,983)	(3,398,621)	(2,120,555)	(1,293,356)	(1,061,522)	(1,022,089)	(1,089,888)	(1,551,171)	(2,717,636)	(4,423,802)	(35,480,860)
10	CCRA (per Dt)	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	0.0591	
11	CCRA Recovery (\$) (Line 7 x Line 10)	(1,503,517)	(1,430,700)	(1,234,595)	(843,235)	(526,133)	(320,896)	(263,375)	(253,591)	(270,413)	(384,862)	(674,275)	(1,097,593)	(8,803,185)
12	Total Recovery (Line 9 + Line 11)	(7,563,379)	(7,197,075)	(6,210,578)	(4,241,856)	(2,646,688)	(1,614,252)	(1,324,897)	(1,275,680)	(1,360,301)	(1,936,033)	(3,391,911)	(5,521,395)	(44,284,045)
Carrying Charges														
13	Sub-Balance (\$) (Line 4 + Line 12)	(8,342,182)	(12,619,894)	(15,321,980)	(16,628,779)	(16,976,456)	(16,633,316)	(15,790,800)	(14,663,757)	(13,875,021)	(3,478,981)	(3,621,875)	4,376	157,594
14	Deferred Income Tax (Line 18 x 28.742% x -1)	2,457,503	1,226,814	772,614	370,737	94,657	(104,008)	(247,434)	(328,953)	(231,368)	(2,992,455)	39,881	(1,043,492)	
15	ADIT (Line 14 + Line 15 prior month)	2,195,873	3,422,687	4,195,301	4,566,038	4,660,696	4,556,688	4,309,254	3,980,301	3,748,934	756,479	796,359	(247,132)	
16	EDIT (Ended 12/2019)	0	0	0	0	0	0	0	0	0	0	0	0	
17	Net Investment (Line 13 + Line 15 + Line 16)	(6,146,309)	(9,197,207)	(11,126,679)	(12,062,741)	(12,315,760)	(12,076,628)	(11,481,546)	(10,683,455)	(10,126,087)	(2,722,502)	(2,825,516)	(242,757)	
18	Carrying Charge Rate	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	
19	Carrying Charge (Line 17 x Line 18)	(9,346)	(13,985)	(16,919)	(18,342)	(18,727)	(18,363)	(17,458)	(16,245)	(15,397)	(4,140)	(4,296)	(369)	(153,587)
20	Ending Tracker Balance - Under / (Over) Recovered (Line 13 + Line 19)	(8,351,528)	(12,633,879)	(15,338,899)	(16,647,121)	(16,995,183)	(16,651,679)	(15,808,258)	(14,680,002)	(13,890,418)	(3,483,121)	(3,626,171)	4,007	4,007

Attachment D: Detailed Energy Savings Information for Projects with Deemed Savings Measures

This attachment provides additional information about certain measures rebated in 2019. Where the savings Dth/unit for a measure is listed as N/A, the Company does not claim a deemed savings amount for that measure. For example, for residential insulation measures, such as air sealing, the Company claims energy savings on the basis of the change in R-value observed at the participating home. Similarly, the Company claims “deemed calculated” energy savings for many commercial measures; This means that the Company uses a formula to calculate energy savings on the basis of certain customer-provided inputs. For example, the energy savings claimed for a process boiler depends on the boiler’s efficiency and British thermal unit (Btu) per hour input as provided by the customer.

Project and Measure Name	Quantity	Measure Life	Participant Cost	Savings Dth/Unit	Total Dth Savings
Residential Market Segment					
Home Efficiency Rebates					
92% AFUE furnace	295	20	\$802	14.52	4,282
94% AFUE furnace	1,179	20	\$1,438	17.23	20,311
96% AFUE furnace	13,373	20	\$1,438	19.94	266,615
83.5% efficient boiler	817	20	\$934	6.83	5,583
91% efficient boiler	405	20	\$1,480	21.48	8,699
Tier 1 thermostat	3,551	10	\$30	2.48	8,821
Tier 2 thermostat	496	10	\$110	3.73	1,848
Tier 3 thermostat	6,519	10	\$200	6.14	40,033
Furnace tune-up	19,741	2	\$120	2.14	42,289
Boiler tune-up	1,460	2	\$120	3.12	4,561
Hearth with electronic ignition	1,617	15	\$193	4.38	7,087
.64 UEF tank water heater (atmospheric)	194	15	\$209	1.81	352
.64 UEF tank water heater (power vent)	2,322	15	\$544	1.81	4,213
.68 UEF tank water heater (>55 Gallons, <75,000 Btu/hr)	0	15	\$814	0.71	0
88% thermal efficiency water heater (>75,000 Btu/hr, commercial water heater in residential application)	8	11	\$1,350	1.11	9
Indirect water heater	23	15	\$617	2.00	46
.87 UEF tankless water heater	469	20	\$400	2.00	940
Combo unit (.87 UEF tankless water heater + air handling unit)	0	20	\$1,202	16.52	0

ENERGY STAR clothes washer	1,135	14	\$65	0.41	465
ENERGY STAR clothes dryer	556	14	\$152	0.44	247
DIY Home Efficiency					
Low-flow showerhead	15,704	10	N/A	1.63	25,573
Low-flow kitchen aerator	4,539	10	N/A	0.45	2,056
Low-flow bathroom aerator	5,427	10	N/A	0.34	1,843
6' feet of R-2 (at least) DHW pipe insulation	7,125	13	N/A	1.03	7,339
Rope caulk	8,999	1	N/A	0.09	793
EDPM weatherstripping	10,381	1	N/A	0.09	915
Outlet and switch gaskets	5,379	1	N/A	0.09	474
Window film	9,787	1	N/A	0.09	863
Water heater temperature card	4,758	2	N/A	0.21	1,021
Home Energy Squad					
Low-flow showerhead	3,828	10	N/A	1.63	6,234
Low-flow kitchen aerator	903	10	N/A	0.45	409
1.0 GPM bathroom aerator	0	10	N/A	0.34	0
0.5 GPM bathroom aerator	4,160	10	N/A	0.45	1,884
Weatherstripping on doors	3,825	2	N/A	0.70	2,676
Weatherstripping on attic hatches	85	20	N/A	1.40	119
Tier 1 thermostat replacing manual	1,192	10	N/A	2.48	2,961
Tier 2 thermostat replacing manual	0	10	N/A	3.73	0
Tier 3 thermostat replacing manual	113	10	N/A	6.14	694
Tier 2 thermostat replacing Tier 1	0	10	N/A	1.24	0
Tier 3 thermostat replacing Tier 1	83	10	N/A	3.66	304
Tier 3 thermostat replacing Tier 2	0	10	N/A	2.42	0
Insulation blanket for water heater	413	13	N/A	1.06	436
Water heater setback	1,135	2	N/A	0.86	975
6' feet of R-2 (at least) DHW pipe insulation	1,987	13	N/A	1.47	2,924
New Home Construction Rebates					

92% AFUE furnace (new construction)	184	20	\$172	1.09	201
95% AFUE furnace (new construction)	428	20	\$808	5.11	2,187
83.5% efficient boiler	1	20	\$934	6.83	7
91% efficient boiler	49	20	\$1,480	21.48	1,052
Tier 2 thermostat	33	10	\$80	1.24	41
Tier 3 thermostat	140	10	\$170	3.66	512
Hearth with electronic ignition	3,244	15	\$193	4.38	14,218
.64 UEF tank water heater (atmospheric)	0	15	\$209	1.81	0
.64 UEF tank water heater (power vent)	35	15	\$544	1.81	64
.68 UEF tank water heater (>55 Gallons, <75,000 Btu/hr)	0	15	\$814	0.71	0
88% thermal efficiency water heater (>75,000 Btu/hr, commercial water heater in residential application)	12	11	\$1,350	1.26	15
Indirect water heater	4	15	\$617	2.00	8
.87 UEF tankless water heater	9	20	\$400	2.00	18
Combo unit (.87 UEF tankless water heater + air handling unit)	0	20	\$572	3.10	0
ENERGY STAR clothes washer	77	14	\$65	0.41	32
ENERGY STAR clothes dryer	39	14	\$152	0.44	17
Low Income Market Segment					
Low Income Weatherization					
Weatherization	454	20	N/A	N/A*	9,397
92% AFUE furnace	0	20	N/A	14.52	0
94% AFUE furnace	5	20	N/A	17.23	86
96% AFUE furnace	174	20	N/A	19.94	3,469
83.5% efficient boiler	1	20	N/A	6.83	7
91% efficient boiler	3	20	N/A	21.48	64
Tier 1 thermostat	143	10	N/A	2.48	355
.64 UEF tank water heater (atmospheric)	0	15	N/A	1.81	0

.64 UEF tank water heater (power vent)	118	15	N/A	1.81	214
Indirect water heater	0	15	N/A	2.00	0
.87 UEF tankless water heater	1	20	N/A	2.00	2
Combo unit (.87 UEF tankless water heater + air handling unit)	3	20	N/A	16.52	50
Furnace tune-up	104	2	N/A	2.14	223
Boiler tune-up	10	2	N/A	3.12	31
Non-Profit Affordable Housing					
92% AFUE furnace (retrofit)	1	20	\$802	14.52	15
94% AFUE furnace (retrofit)	7	20	\$1,438	17.23	121
96% AFUE furnace (retrofit)	11	20	\$1,438	19.94	219
83.5% efficient boiler (retrofit)	0	20	\$934	6.83	0
91% efficient boiler (retrofit)	0	20	\$1,480	21.48	0
Tier 1 thermostat (retrofit)	8	10	\$30	2.48	20
Tier 2 thermostat (retrofit)	5	10	\$110	3.73	19
Tier 3 thermostat (retrofit)	0	10	\$200	6.14	0
.64 UEF tank water heater (atmospheric; retrofit)	0	15	\$209	1.81	0
.64 UEF tank water heater (power vent; retrofit)	13	15	\$544	1.81	24
Indirect water heater (retrofit)	0	15	\$617	2.00	0
.87 UEF tankless water heater (retrofit)	0	20	\$400	2.00	0
Heat recovery ventilator (HRV)/ energy recovery ventilator (ERV) (retrofit)	1	10	\$850	10.41	10
Air sealing (retrofit)	20	20	\$1,800	N/A*	162
Attic insulation (retrofit)	13	20	\$600	N/A*	58
Wall insulation (retrofit)	2	20	\$2,500	N/A*	99
Sill plate/rim joist (retrofit)	19	20	\$299	N/A*	102
Low-flow showerhead (retrofit)	9	10	\$12	1.63	15
Low-flow kitchen aerator (retrofit)	8	10	\$7	0.45	4
Low-flow bathroom aerator (retrofit)	8	10	\$7	0.34	3

ENERGY STAR clothes washer (retrofit)	3	14	\$65	0.41	1
ENERGY STAR clothes dryer (retrofit)	3	14	\$152	0.44	1
92% AFUE furnace (new construction)	21	20	\$172	1.09	23
95% AFUE furnace (new construction)	1	20	\$808	5.11	5
83.5% efficient boiler (new construction)	0	20	\$934	6.83	0
91% efficient boiler (new construction)	1	20	\$1,480	21.48	21
Tier 2 thermostat (new construction)	25	10	\$80	1.24	31
Tier 3 thermostat (new construction)	16	10	\$170	3.66	59
.64 UEF tank - atmospheric (new construction)	0	15	\$209	1.81	0
.64 UEF tank - power vent (new construction)	22	15	\$544	1.81	40
Indirect water heater (new construction)	0	15	\$617	2.00	0
.87 UEF tankless (new construction)	0	20	\$400	2.00	0
Heat recovery ventilator (HRV)/ energy recovery ventilator (ERV) (new construction)	23	10	\$850	10.41	239
Above code air sealing (new construction)	22	20	\$1,800	N/A	57
Above code attic insulation (new construction)	5	20	\$638	N/A	1
Above code wall insulation (new construction)	23	20	\$2,160	N/A	38
Low-flow showerhead - 1.5 gpm (new construction)	56	10	\$12	1.63	91
Low- flow kitchen aerator - 1.5 gpm (new construction)	56	10	\$7	0.45	25
Low-flow bathroom aerator - 1.0 gpm (new construction)	56	10	\$7	0.34	19

ENERGY STAR clothes washer (new construction)	38	14	\$65	0.41	16
ENERGY STAR clothes dryer (new construction)	14	14	\$152	0.44	6
NPAH Bonus Rebate	6	N/A	\$0	-	0
Performance Pathway Rebates	51	20	\$5,615	18.96	967
Low-Income Multifamily Rebate					
Commercial steam boiler	0	20	\$2,204	N/A*	0
Turbulators for commercial boiler (hot water or steam)	0	20	\$1,375	N/A*	0
Modulating burner replacement for commercial boiler (hot water or steam)	0	15	\$25,352	N/A*	0
Stack damper for commercial boiler (hot water or steam)	0	5	\$1,958	N/A*	0
Steam traps	0	6	\$128	N/A*	0
Commercial water heater non-GAMA rated (88%+ thermal efficiency)	6	11	\$1,350	N/A*	95
C&I high-efficiency hot water boiler (85% - 87.9% efficient); 100,000 - 12.5 million btu	0	20	\$1,846	N/A*	0
C&I condensing efficiency hot water boiler (88%+ efficient); 100,000 - 12.5 million btu	5	20	\$9,224	N/A*	651
Boiler tune-up	6	2	\$594	N/A*	71
Boiler reset control	0	5	\$2,158	N/A*	0
Boiler cutout control	1	5	\$956	N/A*	4
Linkageless controls	0	15	\$5,137	N/A*	0
CO garage sensors	0	15	\$1,500	N/A*	0
Condensing unit heater	0	12	\$676	N/A*	0
Energy recovery wheels and plates	0	15	\$12,649	N/A*	0
Infrared heaters	0	15	\$1,716	N/A*	0
92% AFUE furnace	0	20	\$802	N/A*	0
94% AFUE furnace	0	20	\$1,438	N/A*	0
96% AFUE furnace	6	20	\$1,438	N/A*	132
Commercial DCV - Retrofit	0	15	\$2,617	N/A*	0
Process boiler	0	20	\$5,460	N/A*	0

Stack economizer - process, conventional	0	15	\$15,879	N/A*	0
Stack economizer - process, condensing	0	15	\$0	N/A*	0
High-efficiency single package vertical unit	171	20	\$400	5.01	857
.64 UEF tank water heater (atmospheric)	0	11	\$209	N/A*	0
.64 UEF tank water heater (power vent)	0	11	\$544	N/A*	0
Industrial boiler/burner tune-up	0	2	\$1,250	N/A*	0
Commercial pipe insulation - hydronic heat	0	15	\$1,965	N/A*	0
Commercial pipe insulation - low pressure steam heat	0	15	\$1,793	N/A*	0
Commercial pipe insulation - high pressure steam heat	0	15	\$2,557	N/A*	0
Commercial pipe insulation - domestic hot water	0	15	\$740	N/A*	0
Broilers - infrared, upright	0	12	\$4,413	N/A*	0
Charbroilers - infrared	0	12	\$2,173	N/A*	0
Combi oven - Tier 1	0	12	\$2,521	256.19	0
Combi oven - Tier 2	0	12	\$6,109	334.58	0
Convection oven	0	12	\$1,177	36.10	0
Conveyor oven	0	12	\$2,230	88.40	0
Demand control ventilation - kitchen hood	0	15	\$13,137	318.20	0
Dishwasher - ENERGY STAR	0	16	\$941	N/A*	0
Fryer - Tier 1	0	12	\$1,017	73.20	0
Fryer - Tier 2	0	12	\$1,017	80.90	0
Griddle	0	12	\$857	37.60	0
Pasta cooker	0	12	\$2,413	N/A*	0
Pre-rinse spray valve	0	5	\$100	N/A*	0
Rotating rack oven	0	12	\$4,128	211.30	0
Rotisserie oven	0	12	\$2,665	N/A*	0
Salamander broiler	0	12	\$1,006	N/A*	0
Steam equipment	0	12	\$2,901	370.70	0
C&I Market Segment					
Foodservice					
Broilers - infrared, upright	3	12	\$4,413	N/A*	339

Charbroilers - infrared	2	12	\$2,173	N/A*	142
Combi oven - Tier 1	4	12	\$2,521	256.19	1,025
Combi oven - Tier 2	78	12	\$6,109	334.58	26,097
Convection oven	126	12	\$1,177	36.10	4,549
Conveyor oven	3	12	\$2,230	88.40	265
Demand control ventilation - kitchen hood	47	15	\$13,137	318.20	6,905
Dishwasher - ENERGY STAR	23	15.7	\$941	N/A*	612
Fryer - Tier 1	3	12	\$1,017	73.20	220
Fryer - Tier 2	146	12	\$1,017	80.90	11,811
Griddle	9	12	\$857	37.60	338
Pasta cooker	15	12	\$2,413	N/A*	1,634
Pre-rinse spray valve	13	5	\$100	N/A*	57
Rotating rack oven	16	12	\$4,128	211.30	3,381
Rotisserie oven	1	12	\$2,665	N/A*	45
Salamander broiler	6	12	\$1,006	N/A*	212
Steam equipment	7	12	\$2,901	370.70	2,595
C&I Heating and Water Heating					
Commercial steam boiler	5	20	\$2,204	N/A*	763
Turbulators for commercial boiler (hot water or steam)	0	20	\$1,375	N/A*	0
Modulating burner replacement for commercial boiler (hot water or steam)	10	15	\$25,352	N/A*	4,706
Stack damper for commercial boiler (hot water or steam)	29	5	\$1,958	N/A*	1,294
Steam traps	4,547	6	\$128	N/A*	456,066
Commercial water heater non-GAMA rated (88%+ thermal efficiency)	156	11	\$1,350	N/A*	6,965
C&I high-efficiency hot water boiler (85% - 87.9% efficient); 100,000 - 12.5 million btu	21	20	\$1,846	N/A*	795
C&I condensing efficiency hot water boiler (88%+ efficient); 100,000 - 12.5 million btu	240	20	\$9,224	N/A*	72,870
Boiler tune-up	2,190	2	\$594	N/A*	173,100
Boiler reset control	48	5	\$2,158	N/A*	2,288
Boiler cutout control	39	5	\$956	N/A*	1,978
Linkageless controls	3	15	\$5,137	N/A*	1,005

CO garage sensors	46	15	\$1,500	N/A*	4,468
Condensing unit heater	37	12	\$676	N/A*	2,725
Energy recovery wheels and plates	42	15	\$12,649	N/A*	3,266
Infrared heaters	28	15	\$1,716	N/A*	538
92% AFUE furnace	96	20	\$802	N/A*	1,581
94% AFUE furnace	77	20	\$1,438	N/A*	1,561
96% AFUE furnace	247	20	\$1,438	N/A*	5,390
Commercial DCV - Retrofit	5	15	\$2,617	N/A*	1,214
Process boiler	4	20	\$5,460	N/A*	3,015
Stack economizer - process, conventional	2	15	\$15,879	N/A*	2,327
Stack economizer - process, condensing	0	15	\$0	N/A*	0
High-efficiency single package vertical unit	0	20	\$400	5.01	0
.64 UEF tank water heater (atmospheric)	3	11	\$209	N/A*	21
.64 UEF tank water heater (power vent)	10	11	\$544	N/A*	245
Industrial boiler/burner tune-up	49	2	\$1,250	N/A*	75,108
Commercial pipe insulation - hydronic heat	45	15	\$1,965	N/A*	667
Commercial pipe insulation - low pressure steam heat	11	15	\$1,793	N/A*	621
Commercial pipe insulation - high pressure steam heat	2	15	\$2,557	N/A*	95
Commercial pipe insulation - domestic hot water	1	15	\$740	N/A*	3
Natural Gas Energy Analysis					
Commercial 1.0 GPM Low-Flow Aerator	3	10	N/A	0.26	1
Commercial 0.5 GPM Low-Flow Aerator	1,165	10	N/A	0.52	609
Commercial Low-Flow Showerhead	307	10	N/A	1.76	539
Commercial Pre-Rinse Spray Valve	6	5	N/A	4.42	27
Commercial Programmable Thermostat	8	8	N/A	N/A*	178

Commercial Weatherstripping	1,316	11	N/A	4.87	6,403
Multifamily					
Low-flow Showerhead	4,403	10	N/A	1.88	8,271
Low-flow Kitchen Aerator	2,274	10	N/A	0.38	863
Low-flow Bathroom Aerator (1.0 GPM)	0	10	N/A	0.28	0
Low-flow Bathroom Aerator (0.5 GPM)	5,171	10	N/A	0.38	1,962
Water Heater Insulation Blanket	0	13	N/A	1.06	0

Attachment E: Revised Tariff Page

CenterPoint Energy attaches a revised tariff page reflecting the Conservation Cost Recovery Adjustment (CCRA) it proposed in Section 4 of this filing.



CONSERVATION IMPROVEMENT PROGRAM ADJUSTMENT RIDER

Applicability:

Applicable to bills for gas and/or transportation service provided under the Company’s retail rate schedules.

Exemptions are as follows:

“Large Energy Facility”, as defined in Minn. Stat. 216B.2421 customers shall receive a monthly exemption from conservation improvement program (CIP) charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the “Large Energy Facility” customers can no longer participate in any utility’s Energy Conservation Improvement Program.

“Large Customer Facility” customers that have been exempted from the Company’s CIP charges pursuant to Minn. Stat. 216B.241, subd. 1a (b) shall receive a monthly exemption from CIP charges pursuant to Minn. Stat. 216B.16, subd. 6b Energy Conservation Improvement. Such monthly exemption will be effective beginning January 1 of the year following the grant of exemption. Upon exemption from the conservation program charges, the “Large Customer Facility” customers can no longer participate in CenterPoint Energy’s Energy Conservation Improvement Program.

Minnesota Stat. 216B.241, subd. 1a(c) which allows exemption of certain commercial gas customers does not apply to CenterPoint Energy because the Company’s customer count exceeds the 600,000 level set in statute.

Rate:

BASE CHARGE PER THERM (CCRC)	ADJUSTMENT (CCRA)
\$0.02382	\$0.005760 <u>0.00591</u>

Interim Surcharge

Effective January 1, 2020, customers’ bills will be increased on an interim basis by 13.7% on the monthly basic charge, the GAP charge, and the delivery charge per therm. Any sales tax and franchise fees will be calculated on the increased bill. If the total amount of the rate increase approved at the end of the rate case (Docket G-008/GR-19-524) is lower than the total amount of the interim rates collected, the Company will refund the difference with interest, and if the total amount of the final rates are higher than the total amount of interim rates, the Company will not charge the customer for the difference.

Rider:

A Conservation Improvement Program Adjustment which shall be included on each non-exempt customer’s monthly bill. The applicable factor shall be multiplied by the customer’s monthly billing in Therms for gas service before any adjustments, surcharges or sales tax.

Determination of Conservation Cost Recovery Charge (CCRC or Base Charge per Therm):

The CCRC is the amount included in base rates dedicated to the recovery of CIP costs as approved by the Minnesota Public Utilities Commission in the Company’s last general rate case. The CCRC is approved and applied on a per therm basis by dividing test-year CIP expenses by the test-year sales volumes (net of CIP-exempt volumes). All revenue received from the CCRC shall be credited to the CIP tracker account.