



505 Nicollet Mall
PO Box 59038
Minneapolis, MN 55459-0038

July 31, 2020

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

RE: In the Matter of the Petition of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy) for Acceptance of its Annual Revenue Decoupling Report for the One-year Period Ending on June 30, 2019 and Approval of its Revenue Decoupling Mechanism Rate Adjustment

COMPLIANCE FILING – Commission Order of January 30, 2020, points 3 and 4

Docket No. G-008/M-19-558

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or the “Company”) respectfully submits the attached filing in compliance with the Commission’s January 30, 2020 Order in the Company’s 2019 revenue decoupling report. The Company first discusses its engagement with stakeholders regarding streamlining the annual report and the Department of Commerce’s (“Department” or “DOC”) recommendations. Then the Company offers streamlining recommendations consistent with the stakeholder consensus.

I. Ordering Point #3 – work with stakeholders

The January 30, 2020 Order required the Company to work with the Department - and other stakeholders on the development of a more streamlined Annual Evaluation Report.

Beginning in February 2020, the Department held several virtual meetings where stakeholders discussed and came to consensus on information that the group agreed was necessary to effectively review the various decoupling mechanisms. The discussions had a two-pronged focus. First, - what information is -essential to evaluate decoupling’s effectiveness at supporting energy savings goals and removing the Company’s incentive to promote increased natural gas sales. Second, what sections could be removed because they - were either duplicative of other information provided to the Commission, or not deemed useful by stakeholders.

On July 1, 2020, the Department - filed its recommendation “that the Commission replace the currently approved evaluation plan requirements for each of the affected utilities with this annual decoupling evaluation proposal.” The Department’s guide focused on the need to meet the statutory objectives of:

- (1) reducing the Company’s disincentive to promote energy savings,
- (2) achieving energy savings, and
- (3) doing so without adversely affecting utility ratepayers.

Department recommendations affecting CenterPoint Energy include:

Filing Date: The Company agrees with the Department’s recommendation that it continue to submit and implement its annual evaluation plan on September 1 each year.

Commitment to Increased Energy Savings: CenterPoint Energy agrees that its annual reports should include the five pieces of information outlined on page 7 of the Department’s July 1, 2020 recommendation relating to energy savings commitments.

Calculation of RDM Deferral and Billing Adjustment Factors: The Company supports and agrees to provide the nine-point data and related narrative described on page 8 of the Department’s recommendation.

II. Ordering Point #4 – compliance filing by July 31, 2020

The Commission’s January 30, 2020 Order required CenterPoint Energy to make a compliance filing detailing proposed changes, if any, to the Annual Revenue Decoupling Evaluation Report by July 31, 2020.

As noted above, the Company supports the stakeholder group’s efforts to streamline its report and the Department’s recommendations regarding information that should be included in the streamlined report. To this end, the Company proposes to streamline the traditional report format as discussed below:

- A. Executive Summary: The Company will continue to discuss notable changes to its Conservation Improvement Program (“CIP”) and the Company’s commitment to conservation but will cease discussion of Decoupling Communications.
- B. Timeline for Evaluation: The Company will no longer include this section.

- C. Conservation Program Commitment: The Company -will include information for each of the five points noted in the Department's proposal. To streamline this section while still providing the information recommended by the Department the Company plans on:
- Reducing detailed descriptions of some CIP projects, but developing an overall narrative describing the Company's portfolio of CIP projects and their recent changes.
 - Removing sections reporting CIP project spending, participation, cost of energy savings, comparisons of actual energy savings to energy savings goals, and low-income project performance. This information can still be found in the Company's annual CIP Status Reports.
 - Removing energy savings presented as a percent of 20-years of normalized sales, "lost margins" from energy savings achieved through CIP projects, and annual CIP revenue recovery by rate class. The Company will continue to report energy savings presented as a percent of 10-years of normalized sales as is standard for CIP.
 - Reporting lifetime energy savings by rate class. The Company has not historically reported lifetime energy savings by rate class but will begin reporting this metric starting with performance of the Company's CIP in 2019.
- D. Revenue Accrued and Collected under Full Revenue Decoupling: Information contained in this section will remain largely as-is to satisfy the Department's recommendations.
- E. Related Rate and Customer Usage Information: The Company plans to eliminate the majority of this section, which shows historical revenue, customer growth, and price information, along with a forward-looking forecast. The Company will retain the Use-per-Customer information, as that information is considered useful in the review. The information contained here is largely repeated in other Company filings with state agencies and hasn't been needed to evaluate the Company's decoupling mechanism.
- F. Other Information: The Company plans to eliminate this section.
- G. Attachment List: CenterPoint Energy will continue to provide the data required as noted above, including the Excel files required to review the billing factor calculations.

III. Conclusion

The Company would like to take this opportunity to thank the Department for raising the possibility of streamlining this annual reporting requirement. The Company appreciates the opportunity to work with the Department and other Decoupling program stakeholders to clarify the purpose of the Annual Decoupling Report and the critical information required to effectively

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present the programs' annual results. As discussed above, the Company agrees with the Department's July 1, 2020 recommendation and herein outlines its proposed changes to the report to be filed September 1, 2020 for the 2019-2020 Decoupling period.

Please feel free to contact me at 612-321-5078 or Marie.Doyle@centerpointenergy.com with any questions.

Sincerely,

/s/ Marie. M. Doyle

Marie M. Doyle
Regulatory Analyst, Regulatory and Rates

C: Service List

CERTIFICATE OF SERVICE

Marie Doyle served the above Compliance Filing for Docket No. G-008/M-19-558 of CenterPoint Energy to all persons at the addresses indicated on the attached list by having the document delivered by electronic filing.

/s/

Marie M. Doyle
Regulatory Analyst
CenterPoint Energy

July 31, 2020

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