

The Commission met on **Thursday, January 14, 2021**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**G-008/AI-19-292**

**In the Matter of the Petition of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for Approval of an Affiliated Interest Agreement Between CenterPoint Energy Minnesota Gas and Minnesota Limited, LLC**

Commissioner Tuma moved that the Commission do the following:

1. Accept compliance filings of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy) as submitted.
2. Accept the recommendations of the Minnesota Department of Commerce (the Department) to take no further action.

The motion passed 5–0.

**G-008/AI-20-495**

**In the Matter of the Petition by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas for Approval of an Affiliated Interest Agreement Regarding the Metro Belt Line System, Entitled 2020 (MBLSE) Replacement Project Contract Between CenterPoint Energy Minnesota Gas and Minnesota Limited, LLC**

Chair Sieben moved that the Commission approve the Affiliated Interest Agreement – Construction Contract between CenterPoint Energy and Minnesota Limited, LLC.

The motion passed 5–0.

**G-008/GR-19-524**

**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**

Commissioner Schuerger moved that the Commission do the following:

1. Accept the offer of settlement of the CenterPoint Energy rate case.

2. Adopt the administrative law judge's November 20, 2020 Findings of Fact, Conclusions of Law, and Recommendation to Approve the Parties' Settlements (ALJ's Report) with the following exceptions:

A. In setting its base cost of gas, CenterPoint Energy shall reflect the \$5,303,297 reduction in the storage inventory's value.

B. CenterPoint Energy shall modify its service extension tariff, Section VI, subsection 4.06, as follows:

Advances for residential gas main extensions are refundable without interest for a period of up to ~~three~~ five (3-5) years from the date of completion of the main extension as additional customers are connected to the particular main extension for which the advance was made. For each such additional customer connected to the main extension within the ~~three~~ five-year period, CenterPoint Energy will refund semi-annually based upon the customer footage allowance and the cost per foot of main effective the year the main extension was installed. Each additional customer within the five-year period will pay an advance if necessary to CenterPoint Energy as determined by CenterPoint Energy's customer extension model.

The total amount refunded shall not exceed the amount of the original advance and any remaining balance at the end of ~~three~~ five (3-5) years becomes a non-refundable contribution in aid of construction.

3. Delegate to the Executive Secretary authority to make additional edits to the ALJ's Report consistent with the Commission's decision reflected in deliberations.

4. Require CenterPoint Energy to make the following compliance filings within 30 days of the date of the final order in this docket:

A. A revised base cost of gas, supporting schedules, and revised fuel adjustment tariffs to be in effect on the date final rates are implemented.

B. A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.

C. A computation of the Conservation Cost Recovery Charge (CCRC) based upon the decisions made herein for inclusion in the final order.

D. A schedule detailing the tracker balance for Conservation Improvement Programs (CIP) at the beginning of interim rates; the revenues (CCRC and CIP Adjustment

Factor) and costs recorded during the period of interim rates; and the CIP tracker balance at the time final rates become effective.

- E. If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates, including interest to affected customers.
5. Authorize comments on all compliance filings within 30 days of the date they are filed. However, comments are not necessary on CenterPoint Energy's proposed customer notice.
  6. Require CenterPoint Energy to provide the following information in a compliance filing on January 1, 2022, or in the initial filing of its next rate case, whichever is sooner:
    - A. The five-year historical schedule of actual operation and maintenance expenditures in Minnesota compared to the test year.
    - B. The number of company employees and the designated full-time equivalents (FTEs) performing direct maintenance and installations in Minnesota along with their location by region in Minnesota.
    - C. As it relates to the recent plans of CenterPoint Energy, Inc.'s (parent company), provide a narrative explaining any changes to operations and maintenance budgets and maintenance employee counts and their anticipated impact on future budgets and personnel in Minnesota.
    - D. Provide a narrative explaining CenterPoint Energy, Inc.'s debt-to-equity ratio along with a discussion of the anticipated impacts to this ratio resulting from the plans identified in CenterPoint Energy's "Delivering With Focus" plan presented to investors on December 7, 2020, and its 2021- 2025 Capital Budget recommendations of its Business Review and Evaluation Committee or any modifications to those plans and recommendations.
    - E. Provide a five-year historical look back at capital investments in Minnesota both in aggregate and as a percent of the parent company's investments in capital projects.
    - F. Provide estimates and a narrative describing a forward look into capital investments CenterPoint Energy plans on making in aggregate and as a percent of the parent company's investments in capital projects.
  7. Require CenterPoint Energy in its next Service Quality Report to provide a five-year historical look at the number of company employees and the designated full-time equivalents (FTEs) performing direct customer service, maintenance, and installations in Minnesota along with their location by region in Minnesota. CenterPoint Energy shall

provide a narrative explaining any historical trends and future plans for these Minnesota employees in light of recent parent company plans and recommendations.

The motion passed 5–0.

Commissioner Sullivan moved that the Commission do the following:

1. Reject the stipulation regarding the Tariff-on-Bill (TOB) Financing proposal without prejudice.
2. Direct CenterPoint Energy, with input from interested participants, to develop a new (or expand an existing) low-income CIP proposal focusing on renters under Minn. Stat. § 216B.241, subd. 7. This proposal could utilize an on-bill repayment program, and will need to be analyzed and approved by the Department per the requirements of Minn. Stat. § 216B.241.

The motion passed 5–0.

Chair Sieben moved that the Commission do require CenterPoint Energy and City of Minneapolis (City) to submit a filing in a new docket within 90 days of the Commission order to allow for development of the CenterPoint Energy and City’s proposal in greater detail and to provide a forum for review by interested parties and stakeholders. Prior to submitting their filing, the City and CenterPoint Energy shall continue consultation with interested parties including at a minimum, the Department, Office of Attorney General, Energy Cents Coalition, Minnesota Community Action Partnership and Legal Services Advocacy Project, the Clean Energy Organizations, Community Power, and the Suburban Rate Authority. The filing shall do the following:

1. Outline the objectives of the City’s proposed pilot.
2. Discuss potential viable pilot options that are available to meet the City’s objectives, including TOB programming, CIP programming, and combinations thereof.
3. Recommend the pilot that fully meets the City’s objectives:
  - A. Describe pilot scope including participation enrollment goals;
  - B. Identify a goal and a cap for the number of participants under the pilot;
  - C. Describe program costs and cost cap;
  - D. Describe how the pilot will be administered;

- E. Describe the customer consent process;
  - F. If applicable, describe the process to inform future participants;
  - G. Describe the cost-effectiveness calculation for determining participant eligibility;
  - H. Describe the disconnection policy for participants, if applicable;
  - I. Describe process to review and confirm annual energy savings and corrective steps if energy savings aren't realized, if applicable.
4. Describe a pilot Annual Evaluation, which will include:
    - A. a report on low income participation;
    - B. the costs of the program to date;
    - C. the number of participants served and the average cost per pilot measure installed;
    - D. the greenhouse gas emissions avoided;
    - E. the energy saved;
    - F. an assessment of the cost effectiveness of the pilot in achieving these reductions and savings; and
    - G. a report on viable alternatives that may have become available during the course of the pilot.
  5. Describe any proposals for third party review of the pilot.
  6. Describe costs borne by participants and by ratepayers, including for any program defaults or losses.
  7. Describe outreach and education plan that prioritizes participation from low- income and BIPOC audiences.
  8. Describe how the recommended pilot interacts with CIP programs.
  9. Describe opportunity to include electricity measures in the pilot, and explain how electric savings could help to qualify projects.
  10. Describe plans to expand pilot beyond Minneapolis.

11. Describe the Company's proposed cost recovery, and the proposed methodology to track pilot costs and revenues.
12. Include a draft pilot tariff, if applicable.
13. Describe all stakeholder engagement conducted since the January 14, 2021 hearing in this docket, Docket No. G-008/GR-19-524.

The motion passed 5–0.

Commissioner Schuerger moved that the Commission do the following:

1. Decline to accept these aspects of the ALJ's Report:
  - A. Recommendation (b) (to approve the TOB program as stipulated to between CenterPoint Energy and the City).
  - B. Recommendation (c) (to limit the recovery of TOB program-related costs to CenterPoint Energy customers who reside within the City until such time as ratepayers in other communities are eligible to enroll).
  - C. The memorandum related to the TOB program.
2. Delegates to its Executive Secretary authority to make additional edits to the ALJ's Report consistent with the Commission decisions as reflected in deliberations.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: January 19, 2022**



---

**Will Seuffert, Executive Secretary**