

April 2, 2020

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

RE: Letter from the Minnesota Department of Commerce, Division of Energy Resources (the Department) regarding CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas's (CPE or the Company) Petition for Approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited.
Docket No. G-008/AI-19-292

Dear Mr. Seuffert:

On December 30, 2019, the Minnesota Public Utilities Commission (Commission) issued its Order in the above-referenced docket approving CPE's construction services contract with Minnesota Limited, LLC, a non-regulated subsidiary of Vectren Corporation, which is a wholly-owned subsidiary of CenterPoint HoldCo (Order). The Order also required CPE to file the following information within 30 days of the Order:

- A. a description of any changes in CenterPoint Gas's relationship with Minnesota Limited, its affiliated vendor;
- B. detail of the actual costs of the scope of work described on pages 4-10 of the 2019 Affiliated Interest Agreement and a comparison of the actual cost of the work to the estimated cost of the work as reported in Exhibit D of the Petition, with an explanation of any significant differences;
- C. detail of any changes to the scope of work to be performed under the 2019 AIA (e.g. additions via change orders), including:
 - an explanation of what the changes are and why they were necessary;
 - the additional costs associated with the changes, and a demonstration that those additional costs are reasonable.

On January, 29, 2020, CPE filed the requested information in a compliance filing.

On February 5, 2020, CPE filed a letter announcing that it had entered into an agreement to sell Miller Pipeline and Minnesota Limited (collectively, MVerge) to PowerTeam Services, LLC. CPE's letter also contained a press release and Form 8-k that was filed with the Securities and Exchange Commission (SEC).

On February 20 2020, the Commission filed its *NOTICE OF REQUEST FOR INFORMATION AND SUBSEQUENT COMMENT PERIOD* (Notice). The Commission's Notice stated that CPE shall provide the following information by March 6, 2020:

- Preliminary, pro-forma journal entries that would record the sale of Miller Pipeline and Minnesota Limited (collectively, MVerge) to PowerTeam Services, LLC.

Mr. William Seuffert

April 10, 2020

Page 2

- A copy and explanation of any information (including SEC disclosure filings) provided to shareholders and other stakeholders related to the effects of this sale.

The Commission's Notice also established dates for initial comments by April 10, 2020 and reply comments by April 24, 2020.

In addition, the Commission's Notice stated that the following topics were open for discussion:

- Does this sale have an impact on Minnesota ratepayers? If so, how?
- Will this transaction result in any anticipated Goodwill impairment charges for CenterPoint Energy, Inc. (CNP)?
- What will CNP's pro-forma capital structure be following this sale?
- How will Minnesota ratepayers be protected from any possible credit rating agencies' downgrades that may result from this sale?
- Will this sale have an impact on rate base or O&M expenses in CPE's current rate case?
- How will this sale impact the 2020 construction season?
- Are there other issues or concerns related to this matter?

On March 6, 2020, CPE filed its preliminary pro-forma journal entries along with other information, such as press releases, employee announcements, and 4th quarter earnings information, in accordance with the Commission's Notice.

The Department reviewed CPE's March 6, 2020 filing and notes that the information contained therein does not allow the Department to analyze and answer the topics open for discussion. For example, the information provided in CPE's March 6, 2020 filing does not include information regarding the impacts on CPE's rate case, goodwill, or capital structure. As a result, the Department will wait for CPE to provide this information in initial comments due April 10, 2020. If CPE does not file initial comments addressing these topics by April 10, 2020, the Department recommends that the Commission require CPE to make such a filing. Once this information is provided by CPE, the Department requests that the Commission allow the Department and other interested parties to file reply comments within 30 days of CPE's filing.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ MARK JOHNSON

Public Utilities Analyst Coordinator

MJ/ar

CERTIFICATE OF SERVICE

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

**Minnesota Department of Commerce
Letter**

Docket No. G008/AI-19-292

Dated this **2nd** day of **April 2020**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-292_AI-19-292
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-292_AI-19-292
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Steven	Clay	Steven.Clay@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-292_AI-19-292
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_19-292_AI-19-292
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_19-292_AI-19-292
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_19-292_AI-19-292

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_19-292_AI-19-292
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_19-292_AI-19-292
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-292_AI-19-292
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_19-292_AI-19-292
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-292_AI-19-292
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_19-292_AI-19-292
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-292_AI-19-292
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_19-292_AI-19-292

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_19-292_AI-19-292