

January 4, 2021

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Supplemental Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-20-838

Dear Mr. Seuffert:

Attached are the Supplemental Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department), in the following matter:

In the Matter of a Petition for Approval of a Variance to Minnesota Rules Regarding Supplier (Pipeline) Refunds submitted by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or the Company).

The Petition was filed on November 23, 2020 by:

Marie M. Doyle
Regulatory Analyst, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402

The Department recommends that the Minnesota Public Utilities Commission (Commission):

- **approve** the Company's proposed refund amount and interest calculations.
- **approve** CenterPoint's calculation of the refund amount per unit and allocation to customer classes.
- **approve** the Company's proposal to provide a bill credit to all customers who have active accounts as of the date of the refund.
- **approve** the Company's requested variance to Minn. R. 7825.2700, subp. 8 relating to the use of 4 months of customer data to determine the refund per unit amount.

- **approve** the Company's requested variance to Minn. R. 7825.2700, subp. 8 that would allow CenterPoint more than 90 days to provide the refund discussed in CenterPoint's Reply Comments.
- **require** CenterPoint to report on the status and provide a reconciliation of the refund's disbursement.

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

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JK/ja
Attachment



Before the Minnesota Public Utilities Commission

Supplemental Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G-008/M-20-838

I. INTRODUCTION

The Minnesota Department of Commerce, Division of Energy Resources (Department) provided two recommendations in its Comments dated December 23, 2020:

- **approve** CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or the Company) request for a variance to Minn. R. 7825.2700, subp. 8 relating to the use of 4 months of customer data to determine the refund per unit amount.
- **require** CenterPoint to report on the status and provide a reconciliation of the refund's disbursement.

In addition, the Department asked the Company to provide additional information in its Reply Comments on the following topics:

- Refund Amount and Interest on that Amount;
- Calculation of the Refund Amount per Unit and Allocation to Customer Classes;
- Customer Refund Criteria;
- Request for a variance to the requirement contained in Minn. R. 7825.2700, subp. 8 that refunds that are greater than \$5.00 should be refunded within 90 days to ratepayers;
- Compliance Filing.

On December 28, 2020 CenterPoint filed its Reply Comments. The Company addressed the five issues the Department identified. The Department provides its response to CenterPoint's Reply Comments in the following section.

II. ANALYSIS

The Department appreciates the Company's efforts to respond to the Department's request for information. The Company provided information supporting the proposed refund amount, including the interest calculation, in Attachment 1. The Department reviewed the calculations. They appear reasonable and the Department recommends that the Commission accept CenterPoint's proposed refund amount.

The Department also reviewed the calculation of the refund amount per unit and the allocation of the refund to CenterPoint's customer classes included in Attachment 1. Those two calculations also appear to be reasonable and the Department recommends the Commission accept the Company's proposed method.

CenterPoint's discussion of its customer refund criteria provided additional useful detail regarding the Company's proposal. CenterPoint reiterated its proposal that refunds would be provided via a bill credit to all active customers. The Company explained: ". . . the total amount of the supplier refunds will be included in the one-time bill credit provided to active customers as an appropriate and fair match of cost recovery."¹

In response to the Department's request that it discuss the applicability of Minn. Stat. § 345.34 CenterPoint explained that the Company's interpretation of this statute is that it specifically applies to customer deposits and not supplier refunds.

Conceptually, the Department does not agree with CenterPoint's proposed customer refund criteria. The primary criterion from the Department's perspective is that CenterPoint should be required to provide a refund to all the customers who purchased natural gas during the time when CenterPoint was recovering the higher interim Viking and Northern Natural Gas's higher rates in early 2020 via its Purchased Gas Adjustment, not just customers who are still active as of January 2021. Given the desire to return refunds to customers as quickly as possible during the COVID-19 pandemic, the Department agrees that use of CenterPoint's proposed customer refund criteria is reasonable. However, the Department considers the process described in Minn. Stat. § 345.34 to be more a more equitable approach to customer refunds and will provide further discussion for consideration on this issue in future proceedings where refunds are required.

The Company also provided a supplemental discussion regarding its request for a variance to the ninety-day refund requirement included in Minn. R. 7825.2700, subpart 8.

The Company explains "The Company's understanding is that the larger NNG [Northern Natural Gas] refund triggers the \$5 average refund requirement and that the October 31, 2020 receipt date should be the basis of the 90-day requirement [footnote omitted] Since a final Order may not be received by January 29 (90 days from October 31), a variance in this instance is reasonable since interest will continue to accrue on customer refund balances up to the date of the one-time bill credit".²

Minn. R. 7829.3200, delineates the decision criteria for evaluating a request for a rule variance.

¹ CenterPoint's Reply Comments at page 2.

² *Id* at page 3.

Subpart 1. **When granted.** The commission shall grant a variance to its rules when it determines that the following requirements are met:

- A. Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule:
- B. Granting the variance would not adversely affect the public interest; and
- C. Granting the variance would not conflict with standards imposed by law.

Enforcement of the Rule Would Impose an Excessive Burden Upon the Applicant or Others Affected by the Rule

In its Reply Comments, CenterPoint stated the following:

- In the event Commission action does not occur within the 90-day requirement per the rule, granting the variance would allow the refund to be returned to customers in the most-timely manner possible.
- The public interest would be served by granting the variance in that customers will receive full interest on the refund balances until the time the refund is processed.
- CenterPoint is not aware of any standard imposed by law since the 12-month usage refund requirement is established by Commission rule rather than statute.

The Department agrees with the Company regarding the need for a variance to the 90-day refund requirement.

CenterPoint also stated in its Reply Comments that it supports the Department recommendation that the Commission require CenterPoint to provide a compliance filing that details the results of the refund's disbursement.

III. CONCLUSION AND RECOMMENDATIONS

The Department recommends that the Commission:

- 1) Approve the Company's proposed refund amount and interest calculations.
- 2) Approve CenterPoint's calculation of the refund amount per unit and allocation to customer classes.
- 3) Approve the Company's proposal to provide refunds to all customers who have active accounts as of the date of the refund.
- 4) Grant a variance and allow the Company to calculate the refund per unit amount using 4 months of actual usage rather than the 12 months required by Minn. R. 7825.2700, subp. 8.

- 5) Grant the Company's requested variance to Minn. R. 7825.2700, subp. 8 that would allow CenterPoint more than 90 days to provide the refund discussed in CenterPoint's Reply Comments.
- 6) Require CenterPoint to report on the status of the refund after it is completed and to provide a reconciliation of its disbursement.

/ja

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
Supplemental Comments**

Docket No. G008/M-20-838

Dated this 4th day of **January 2021**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-838_M-20-838
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-838_M-20-838
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	No	OFF_SL_20-838_M-20-838
Seth	DeMerritt	Seth.DeMerritt@centerpointenergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-838_M-20-838
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	Yes	OFF_SL_20-838_M-20-838
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_20-838_M-20-838
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_20-838_M-20-838
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_20-838_M-20-838
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-838_M-20-838
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_20-838_M-20-838

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_20-838_M-20-838
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-838_M-20-838
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_20-838_M-20-838
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	OFF_SL_20-838_M-20-838
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-838_M-20-838
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_20-838_M-20-838
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_20-838_M-20-838
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-838_M-20-838
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-838_M-20-838

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Sudbury	Andrew.Sudbury@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall PO Box 59038 Minneapolis, MN 55459-0038	Electronic Service	Yes	OFF_SL_20-838_M-20-838
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_20-838_M-20-838
Donald	Wynia	donald.wynia@centerpointenergy.com	CenterPoint Energy	CenterPoint Energy 505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-838_M-20-838