July 31, 2024 **PUBLIC DOCUMENT**

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

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-24-146

Dear Mr. Seuffert:

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

> CenterPoint Energy Minnesota Gas' (CenterPoint or the Company) Request for Change in Demand Units (Petition).

The Petition was filed on April 1, 2024, by CenterPoint Energy Minnesota Gas.

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

- Accept CenterPoint's proposed estimated 2024/2025 design-day.
- Approve the recovery of demand costs resulting from the rate increases caused by the settlement in Viking's Federal Energy Regulatory Commission rate case, and the rate increases resulting from contract changes in the agreements with Northern Natural Gas Interstate Pipeline for non-discounted firm service effective April 1, 2024, for the April 2024-March 2025 period through its monthly Purchased Gas Adjustments.
- Find that CenterPoint has complied with the reporting requirements included in the Commission's March 4, 2024, Order regarding the performance of the Company's asset management agreements on the coldest days of the winter heating season.
- Approve the Company's request for preliminary approval to update the swing reservation fees on November 1, 2024.
- Take no action on the Company's request for variance to Minnesota R. 7825.2910 Subpart 2.

The Department defers making a recommendation on the following topics until it has had an opportunity to review CenterPoint's reply comments:

- The Company's request for recovery of the costs resulting from the Tenaska/East Cheyenne storage agreement.
- CenterPoint's efforts to comply with the reporting requirements included in the Commission's February 17, 2023, Order in Docket No. G008/M-21-138.

The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Dr. Sydnie Lieb
Assistant Commissioner of Energy Regulatory Analysis

JK/AU/ar
Attachment

Before the Minnesota Public Utilities Commission

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

Docket No. G008/M-24-146

I. INTRODUCTION

Pursuant to Minnesota Rules 7825.2910, subpart 2,[1] CenterPoint Energy Minnesota Gas (CenterPoint, CPE, or the Company) filed a petition requesting a change in demand[2] units (Petition) on April 1, 2024.

Conceptually, a contract demand filing includes following information and calculations:

1. The forecasted quantity of demand units, usually referred to as a Company's design day for the upcoming heating season.
2. The prices (rates) associated with the mid-stream natural gas services necessary to exceed the Company's forecasted design day by some small percentage.[3]
3. Any cost changes associated with non-capacity items is added to the demand costs identified in (2).[4]
4. The forecasted quantity is then multiplied by the prices for those mid-stream services to calculate the preliminary Annual Estimated Demand Expense (AEDE).
5. The AEDE is divided by the Company's forecasted volumetric sales for the next year to determine the demand rate the Company's customers will pay.

II. PROCEDURAL HISTORY AND SUMMARY OF CPE'S REQUEST

CenterPoint didn't provide a "complete" filing that fulfills the five steps listed above in its April 1, 2024, Petition. Rather, CenterPoint requested the Minnesota Public Utilities Commission (Commission) approve the following changes effective April 1, 2024, in its Petition:

1. Increases to the rates CPE pays to Viking Interstate Pipeline (Viking) and Northern Natural Gas (NNG) Interstate Pipeline.
    a. The increased rates CPE is required to pay for firm service on Viking are the result of a settlement in a rate case Viking filed in 2023 with the Federal Energy Regulatory Commission (FERC).
    b. The NNG rate increases are due to increases agreed to by CenterPoint in two non-discounted contracts for firm service.

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[1] "Filing upon a change in demand. Gas utilities shall file for a change in demand to increase or decrease demand, to redistribute demand percentages among classes, or to exchange one form of demand for another."
[2] Also called entitlement, capacity, or transportation on the pipeline.
[3] This is referred to as the Company's Demand Contract Entitlement.
[4] Non-capacity items include items such as physical storage that can be delivered to Viking and NNG and Firm Deferred Delivery (FDD) service on NNG.

2. The approval of the non-capacity related costs associated with a storage partnership transaction between Tenaska Gas Storage, LLC (Tenaska) and East Cheyenne Gas Storage (East Cheyenne) for firm storage services that was effective April 1, 2024.
3. The Company did not provide a 2024-2025 design day calculation. The Company explained that it hadn't had enough time to complete that calculation given the filings April 1, 2024, filing date and simply re-filed its 2023-2024 design day calculation from its most recent Contract Demand Entitlement filing, Docket No. G008/M-23-221.[5]
4. CenterPoint also requested a variance to Minnesota Rules 7829.2910 Subp. 2 such that the Commission would allow the Company to submit its 2023-2024 design day calculation for the purposes of the April 1, 2024, filing.
5. CenterPoint did calculate an updated AEDE given this new information in Trade Secret Attachment A but did not request approval as that calculation did not reflect the Company's 2024-2025 design day calculation.

CenterPoint also requested preliminary approval to update the swing reservation fees on November 1, 2024.

As to the financial effects of the proposed changes, CenterPoint estimated its AEDE increased **[TRADE SECRET DATA HAS BEEN EXCISED]** compared to its November 1, 2023, level. Of this increase, **[TRADE SECRET DATA HAS BEEN EXCISED]** was due to the Tenaska storage contract effective on April 1, 2024. An additional $1.7 million is from the Viking Rate Case increase and $100,000 is from the NNG contract update.[6]

Chart 1 (following page) summarizes the Company's proposed increase effective April 1, 2024.

The combined effect of those three changes applied to a residential ratepayer's annual bill was estimated to be an increase of $4.82.

On May 31, 2024, CenterPoint filed a Supplemental filing that provided the Company's design day estimate for 2024 - 2025. The Supplemental filing didn't include any information regarding changes to demand costs.[7]

The supplemental design day data for the proposed change to CenterPoint's Demand Entitlement for 2024-2025 is analyzed below.

[5] CPE did request a variance to Minn. R. 7825.2910, Subp. 2 D that would allow the rate increase included in this Demand Entitlement request to be effective April 1, 2024.
[6] CPE Petition, page 5 of 68 of the PDF, Summary of Miscellaneous Tariff Filing.
[7] Docket No. G008/M-24-146.

Trade Secret Chart 1 – Proposed Increase in Annual Estimated Demand Expense ($/Yr.)

[TRADE SECRET DATA HAS BEEN EXCISED]

[1] Petition, Exhibit A, Page 2 of 2.
[2] Petition, Page 4 of 10, Update on Viking Rate Case.
[3] Petition, Exhibit A, Pages 1 & 2 of 2.

The costs associated with the Tenaska/East Cheyenne storage contract make up almost 73 percent of the request increase. The costs associated with the Viking rate case settlement represent almost 26 percent and the changes to the NNG non-discounted contracts represents less than 2 percent of the proposed increase.

The Department also identified two additional reporting requirements that need to be addressed in this filing.

1. On February 17, 2023, the Commission issued an Order in Docket No. G008/M-21-138, with the following requirement:

   > In future contract demand entitlement filings, the gas utilities in this docket shall discuss how changes to their pipeline capacity affect their supply diversity and, if pipeline capacity comes at a cost premium but increases supply diversity, provide a meaningful cost/benefit discussion of the tradeoff, including a comparison with the least-cost capacity option. [8]

2. On March 4, 2024, the Commission issued an Order in Docket No. G008/M-21-102 with the following requirement:

   > On July 1, 2024, CenterPoint must provide an analysis of how their asset management contracts performed in the most severe winter storms of the last four years.[9]

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[8] Docket No. G008/M-21-138, February 17, 2023, Order, Point 9.
[9] Docket No. G008/M-21-102, March 4, 2024, Order, Point 5.

Both reporting requirements are discussed in a subsequent section.

In addition, the Company included information on two demand-related costs that will increase its AEDE in calendar year 2025. The first is an offer that was awarded for 15,000 Dth/day of additional NNG capacity effective November 1, 2025, as part of NNG's Northern Lights project. The estimated cost is $3 million, and the additional capacity will allow for an adequate reserve margin for winter seasons 2025-2027.[10] The second is a project that will deliver approximately 75,000 Dth/day of firm storage service from ANR Pipeline Company storage to the Ventura interconnect on Northern Border Pipeline Company.[11] CenterPoint was awarded the full capacity out 15-years from the in-service date, earliest in-service date being April 1, 2025.[12]

Given that the costs of those two projects are not included in this year Demand Entitlement filing, the Department has no further comments on those two projects. Both items will commence in the next calendar year and be covered in the next demand entitlement filing for 2025/2026.

III. ANALYSIS

The Department's analysis of the Company's request includes the following:

- The design-day requirement;
- The demand entitlement level;
- Changes to non-capacity items;
- The reserve margin;
- The PGA cost recovery proposal;
- Reporting Requirements; and
- Distribution planning.

The Department also reviews the Company's request for a variance to Minnesota rules 7825.2910.

The Department discusses these topics separately below.

A. DESIGN-DAY REQUIREMENT

1. Design-Day Requirement

The design-day requirement is the maximum one-day estimated demand for natural gas for CenterPoint's Minnesota system for the 2024-2025 winter season for its firm sales customers. The

[10] NNG's Northern Lights project accommodates requests from customers for firm natural gas service along NNG's existing pipeline system. CenterPoint uses this project to increase its firm capacity to receive natural gas on its local distribution system from NNG.
[11] Ventura interconnect is a bi-directional feed into NNG.
[12] Petition, pages 4-5.

demand entitlement level is the total supply of natural gas the Company's forecasts it could deliver over a 24-hour period from:

- existing contracts for delivery of physical natural gas via the interstate pipeline system;
- contracted or Company-owned physical storage, and;
- Company-owned peaking facilities.

Historically CenterPoint's design-day estimate has increased by several thousand dekatherms annually. Table 1 summarizes these estimates for the 2017 through 2024 heating seasons.

Table 1: CenterPoint's Annual Design-Day Estimates 2016 through 2025 (Dth/day)[13]

Heating Season	Design Day (Dth/day)	Difference (Dth/day)	Annual Percentage Change
2017-2018	1,403,000	39,000	Not Applicable
2018-2019	1,409,000	6,000	0.4%
2019-2020	1,435,000	26,000	1.8%
2020-2021	1,443,000	8,000	0.6%
2020-2021*	1,454,000	11,000[14]	0.8%
2021-2022	1,489,000	35,000	2.4%
2022-2023	1,512,600	23,600	1.6%
2023-2024	1,536,450	23,850	1.6%
2024-2025	1,557,300	20,850	1.4%

The primary driver for the increase in the design-day estimate appears to be customer growth. A new residential customer adds approximately 1.6 Dth/day to the Company's design-day estimate.

CenterPoint uses operational information experienced during extreme cold weather conditions to update the design-day estimate when possible. During the 2018-2019 heating season, CPE's system experienced the coldest weather conditions since the 1995-1996 heating season. The weather conditions experienced in late January 2019 were close to design-day conditions and provided CenterPoint (and the Department) with the ability to test whether the Company's design-day estimates are sufficient to ensure firm reliability on a Commission approved peak day of -25 ^{o}Fahrenheit (F) on average for 24 hours.

During those near design-day conditions, the Company experienced an actual peak day sendout per firm customer of approximately 1.4440 Dth/day.[15] Using the regression coefficients from the Company's design-day models,[16] the Department estimates firm peak day sendout on a peak day of -25 ^{o}F may have been approximately 1.4700 Dth/day. This result is lower than CenterPoint's estimated design-day use

[13] CPE's May 31, 2024 Supplemental Filing, page 4 of 47 of the PDF.
[14] CenterPoint increased its design-day estimate by 11,000 Dth/day in Docket G008/M-21-102 filed February 1, 2021, from the design-day estimate it filed in Docket No. G008/M-20-565 on July 1, 2020.
[15] Department Attachment 1.
[16] Docket No. G008/M-24-146, May 31, 2024 Compliance Filing, Exhibit B1.

per customer (UPC) in the 2024-2025 design day model of 1.550 Dth/day. This analysis suggests CenterPoint's approach to calculating its design-day is likely sufficient to ensure reliability under design-day conditions.

The Company increases its design-day use per customer estimate by using not the average of 1.550 Dth/day, but rather the upper-bound design-day use per customer of 1.623 Dth/day. This approach attempts to lessen the risk of under-estimating the Company's design day. It is also acceptable from the Department's perspective since actual peak day sendout during the 2018-2019 heating season was relatively close to the design-day point estimate.

CenterPoint's traditional design-day analysis is based on an Ordinary Least Squares (OLS) regression and daily heating season (November through March) data over the period from November 2018 to March 2024. The Company performs a second regression for new firm sales customers and those customers expected to transition to firm sales service from transport service during the heating season. The second regression is necessary due to the timing of transportation customers selecting whether they want to continue as transportation customers or return to firm service. This second regression is more speculative in nature, and the Company includes assumptions that likely provide it with a conservative estimate of the amount of firm capacity it will need to supply those returning transportation or new customers. This second regression is designed to have a bias toward system reliability. The design-day estimates from these two regressions are summed to derive the Company's total design-day estimate.

In Department information requests numbers 6 and 9, the Department asked for some additional information on the accuracy of the Company forecasts versus actuals for the past four years for both new firm sales customers and those customers expected to transition to firm sales from transport service during the heating season. The Company's response to DER IR #6 was somewhat surprising as CenterPoint has **[TRADE SECRET DATA HAS BEEN EXCISED]** from 2021 through 2024.[17] This result suggests the second regression discussed in the previous paragraph might not provide as conservative an estimate as the Department anticipated. CenterPoint's response to DER IR #9 was consistent with the development of a conservative estimate in this second equation. **[TRADE SECRET DATA HAS BEEN EXCISED].[18]**

The Department reviewed CenterPoint's original design-day regression model. The Department concluded the signs on Heating Degree Days (HDD) and HDD squared are both appropriately positive and the scale of the coefficients appear to be reasonable.

CenterPoint's combined analyses resulted in a design-day estimate of 1,557,300 Dth/day as noted in Table 1. Table 2 lists the components of the Company's design-day estimate.

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[17] Attachment A contains the TRADE SECRET version of DER IR #6.
[18] Attachment B contains the TRADE SECRET version of DER IR #9.

Table 2 – CenterPoint 2024-2025 Design Day Estimate Detail (Dth/day)

Description	Estimate (Dth/Day)	Notes
Traditional Design Day (95th Percentile)	1,521,300	Standard model result was 1,437,000 Dth/day– increased by taking estimate @ 95th percentile
Physical Reserve	36,000	A percentage of CPE's peak shaving volumes rather than the total capacity level
Total	1,557,300	

As noted in Table 2, the Company modified the analysis such that the ultimate design-day estimate was based on the upper bound of the regression output. The Company stated it made the upper bound modification to ensure a bias toward reliability since this adjustment places the design-day estimate at the top end of expected design-day conditions based on the regressions. CenterPoint has made this adjustment in several recent demand entitlement filings.

CenterPoint also performed an additional regression analysis that follows an approach the Department developed a few years ago as part of its review.[19] The Department's approach is conservative and should bias the calculation in the favor of system reliability.

Using this alternative approach, the additional regression factors decreased the projected design day by a small amount, from CenterPoint's 1,437,000 Dth/day figure to approximately 1,411,000 Dth/day as calculated using the Department's model.[20]

The Company also used a third alternative regression model to estimate its design-day. That model's projected design day demand was 1,396,000 Dth/day.

Since the point estimates of the three scenarios the Company modeled: 1) CenterPoint's proposed design-day; 2) CenterPoint's model based on the Department's approach (1,411,000 Dth/day),[21] and 3) the Alternative approach, are similar, the Department concludes CenterPoint's peak-day calculations are reasonable.

The Department also requested the UPC amounts for the Department and Alternative models for the 2024-2025 heating season to see how those estimates compared with CenterPoint's UPC of 1.550 Dth/day in DER IR #8. The Company's response identified the Department 2024-2025 UPC as 1.575 Dth/day and the Alternative 2024-2025 UPC as 1.554 Dth/day.[22] The Department notes that the design day UPC's for the three different models are also similar, which is consistent with our earlier observation.

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[19] Docket No. G008/M-24-146, May 31, 2024, Compliance Filing, Exhibit B7.
[20] *Id.*
[21] *Id.*
[22] Attachment C contains the **TRADE SECRET** version of DER IR #8.

2. Design-Day Conclusions

CenterPoint's design-day analysis and assumptions are acceptable and appropriate for determining peak-day consumption for the upcoming heating season. The Company's use of the upper-bound threshold is reasonable since this approach provides additional bias toward reliability in the event of a peak day event.

The Department recommends the Commission accept the design-day level CenterPoint proposed and require the Company to continue conducting analyses based on the Company, Department, and alternate methods regarding its design-day calculations in future demand entitlement filings. These additional analyses are helpful and provide additional support for the Company's design-day calculations.

C. PROPOSED CHANGES TO THE ENTITLEMENT LEVEL

The Department will now discuss CenterPoint's proposal for contracting for sufficient supply, whether it be pipeline capacity or using its own resources to meet the estimated 2024-2025 design-day.

1. Historical Context

Changes in CenterPoint's demand entitlement are directly related to changes in the Company's design-day calculation. Table 3 summarizes these increases for the period from 2019 through 2025.

Table 3: CenterPoint's Total Entitlement Requests 2019 through 2025 (Dth/day)[23]

Heating Season	Total Entitlement (Dth/day)	Difference (Dth/day)	Percentage Change
2019-2020	1,451,284	Not Applicable	Not Applicable
2020-2021	1,486,164	34,880	2.4%
2020-2021	1,487,464	1,300	0.1%
2020-2021	1,521,584	34,120	2.3%
2021-2022	1,521,584	0	0.0%
2022-2023	1,520,284	-1,300	-0.1%
2023-2024	1,541,787	21,503	1.4%
2024-2025	1,569,730	27,943	1.8%

The Department in comments dated June 28, 2024, in CenterPoint's 2023-2024 Contract Demand Entitlement filing (Docket No. G008/M-23-221) requested that the Company provide "explanations, clarifications, reconciliation, and corrections for the observations mentioned herein regarding its entitlement levels" in its reply comments.

On July 22, 2024, the Company filed its reply comments. Those reply comments are still under review by Department staff. The Department mentions this docket and issue only because it appears that

[23] Total Entitlement in this instance includes contracted demand, plus on-line storage, and Company-owned peak shaving facilities.

there may be some disagreement as to CenterPoint's claimed 2023-2024 Total Entitlement of 1,541,787 Dth/day. This disagreement could affect the Company's 2024-2025 Total Entitlement.

The Department concludes CenterPoint's proposed level of 2024-2025 Total Entitlement of 1,569,730 Dth/day is appropriate and is likely sufficient to ensure firm reliability on a peak day.

D. CHANGES TO NON-CAPACITY ITEMS

Non-capacity items include services such as storage and Firm Deferred Delivery (FDD) on the Northern system. Thus, the new gas storage agreement between CenterPoint and Tenaska falls into this category.

CPE has contracted for 2.5 Bcf of storage with a maximum withdrawal deliverability of 30,000 Dth/day. The new agreement's term is five years. It was effective April 1, 2024. CenterPoint will pay Tenaska an annual storage fee inclusive of storage and transport equal to **[TRADE SECRET DATA HAS BEEN EXCISED]**.[24]

The Department will review the Company's reply comments before providing its recommendation on this topic.

E. RESERVE MARGIN

Reserve margin is defined as the percentage by which the Company's Total Entitlement exceeds its forecasted design day. Table 4 provides this calculation for the 2019 through 2025 heating seasons.

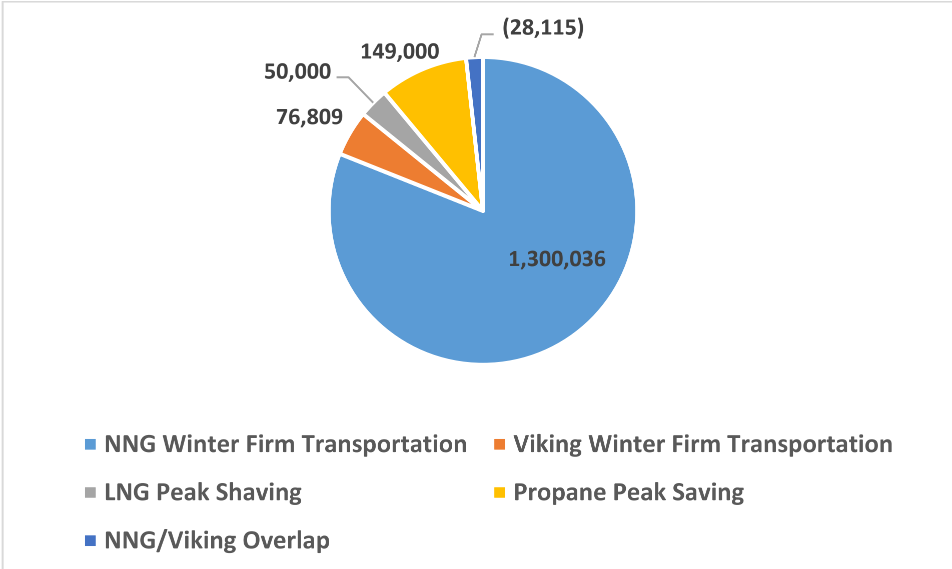
Table 4: CenterPoint's Reserve Margin 2019 through 2025 (Percent)

Heating Season	**Design Day (Dth/day)** (a)	**Total Entitlement (Dth/day)** (b)	**Reserve Margin** (c) = (b-a)/a
2019-2020	1,435,000	1,451,284	1.13%
2020-2021	1,443,000	1,486,164	2.99%
2020-2021	1,443,000	1,487,464	3.08%
2020-2021[25]	1,454,000	1,521,584	4.65%
2021-2022	1,489,000	1,521,584	2.19%
2022-2023	1,512,600	1,520,284	0.59%
2023-2024	1,536,450	1,541,787	0.35%
2024-2025	1,557,300	1,569,730	0.80%

Chart 2 summarizes CenterPoint's contracted or owned capacity available as part of its Total Entitlement.

[24] Petition at page 2.
[25] The annual reserve margin increased during the 2020-2021 heating season due to the additional 1,300 Dth/day the Company identified and the 34,120 Dth/day CenterPoint contracted for in Docket 21-102.

Chart 2 – CenterPoint Total Entitlement for 2024-2025 Heating Season (Dth/Day)



Regarding the source of the additional 27,943 Dth/day of additional firm capacity CenterPoint identified in its Exhibit B3. Department Table 5 below summarizes those changes. The largest change is attributed to fewer dekatherms of firm capacity being non-functional due to **[TRADE SECRET DATA HAS BEEN EXCISED]**.

The Department concludes the Company likely has sufficient capacity to ensure firm reliability on a peak day assuming the Department's questions in Docket No. 23-221 are resolved.[26]

[26] As discussed above, if the actual peak day sendout per customer that occurred during the 2018-2019 heating season is representative of conditions that may occur during a future -25°F for 24-hours peak day, then the effective design-day figure may be lower than estimated, resulting in a greater effective reserve margin.

TRADE SECRET Table 5: Sources of Incremental Firm Winter Capacity 2024-2025

Line No.	Description	Firm Capacity Quantity (Dth/day)
1.	**[TRADE SECRET DATA HAS BEEN EXCISED]**	
2.		
3.		
4.		

E. DEMAND ENTITLEMENT COST RECOVERY 2024-2025

CenterPoint contracts with several of the interstate pipelines that serve Minnesota for capacity on those pipelines. CPE uses that pipeline capacity to transport the natural gas it purchases for its customers. Those pipelines, Northern Natural Gas and Viking, for example, charge the Company for those transportation services via demand rates. Those demand costs (the afore-mentioned demand rates multiplied by some quantity of demand units) are recovered through CenterPoint's Purchased Gas Adjustment (PGA).

CenterPoint also recovers a second pool of costs it labels "supply demand" costs via the demand expense category. These costs are related to its seasonal swing reservation, third-party storage costs and propane costs for its Company-owned peak shaving units. The Tenaska/East Cheyenne Storage Agreement that CenterPoint discusses in the Petition falls into that category and the Company's request for preliminary approval of its seasonal swing reservation fees are included in this category.

CenterPoint normally requests these demand-related cost changes in a filing dated on or before July 1st and a supplemental filing dated on or before November 1st.

1. 2024-2025 Proposed Demand Rate

a. Routine Demand-Related Cost Changes

The Company identified two routine changes to its 2024-2025 demand-related entitlement costs in its April 1, 2024, filing.

- An increase to per-unit demand costs to implement an adjustment to the NNG negotiated non-discounted rates.
- Notice of a supplemental filing on November 1, 2024, to detail the seasonal swing rates.

The Department also reviewed the Company's proposed demand cost update to implement a $114,121 increase to the NNG negotiated non-discounted rates in contract number 134029. The entitlement was originally approved by the Commission in the Order dated November 13, 2019, in Docket No. G008/M-18-462.

The Department reviewed the information in the 18-462 docket. Then it issued DER IR #13 that asked CenterPoint to demonstrate that the proposed increase was consistent with the rate cap the Commission established for this contract in that same docket. The Company provided that information in its response. The Department reviewed the response and agreed the proposed rate changes are consistent with that agreement and therefore reasonable.[27]

Regarding CenterPoint's request for preliminary approval for its seasonal reservations for swing gas, the Department asked DER IR #15. This IR requested additional context regarding the Company's request. Apparently, CenterPoint will issue a Request for Proposals (RFP) for its swing gas supplies for the 2024-2025 heating season later in 2024.[28] Thus, the preliminary request is a placeholder, the Company plans to provide a supplemental filing with changes in the demand rate effective on November 1, 2024. This filing will reflect updated seasonal reservation charges for swing gas supplies. If applicable, it will also supplement if additional capacity is acquired through capacity release.[29]

b. Non-Routine Demand Related Costs

CenterPoint identified two non-routine demand-related changes in its April 1, 2024, filing. The first change relates to the new storage agreement with Tenaska. The second change is due to the settlement of Viking's 2023 general rate case before United States FERC.

1. CenterPoint/Tenaska Gas Storage and Delivery Agreement

The Department reviewed the Company's proposed rate increase associated with the new storage agreement with Tenaska. The Company proposes an annual rate increase of **[TRADE SECRET DATA HAS BEEN EXCISED]** effective April 1, 2024. The proposed increase is consistent with the contract[30] CenterPoint included in its filing. The Company is also proposing the contract's cost be allocated **[TRADE SECRET DATA HAS BEEN EXCISED]** between the Annual demand unit cost and the Commodity Unit Cost as defined in the Purchase Gas Adjustment rules. This proposed allocation **[TRADE SECRET DATA HAS BEEN EXCISED]** other storage contracts.[31] Hence, CPE is requesting recovery of **[TRADE SECRET DATA HAS BEEN EXCISED]** in the Petition.

As to the particulars of the Agreement, CenterPoint explained in the filing that Tenaska contracted for a maximum of 2.5 billion cubic feet of storage with a maximum deliverability of 30,000 Dth/day. The Agreement is structured such that CenterPoint delivers natural gas to Tenaska during the injection season on NNG and then Tenaska delivers natural gas to CenterPoint at the same or a similar delivery

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[27] Attachment D contains the **TRADE SECRET** version of DER IR #13.
[28] Attachment E contains the **TRADE SECRET** version of DER IR #15.
[29] Petition, Additional Information, Section F.
[30] Petition, **TRADE SECRET** Exhibit C1.
[31] Petition, Exhibit A.

point on NNG during the heating season. CenterPoint is paying Tenaska **[TRADE SECRET DATA HAS BEEN EXCISED]** for this service.

The focus of the Department's analysis of the Tenaska/East Cheyenne Agreement in this section is the comparison of the agreement to CenterPoint's other existing storage agreements. **TRADE SECRET** Table 6 summarizes CenterPoint's current and proposed storage contracts with outside vendors.

TRADE SECRET Table 6 – Comparison of the Cost per Dekatherm of Storage for 2024-2025 Heating Season ($/Dth.)

Description	**[TRADE SECRET DATA HAS BEEN EXCISED]**
Space (Bcf)	
Total Annual Cost	
Cost per Dth.	
Max. Withdrawal (Dth/Day)	

The information in Table 6 suggests that Tenaska's **[TRADE SECRET DATA HAS BEEN EXCISED]** than CenterPoint's other providers of this service. Considered in isolation, the Department would consider **[TRADE SECRET DATA HAS BEEN EXCISED]**.

In DER IR #2 the Department asked a series of questions, the purpose of which was to have CenterPoint develop an analysis that compared the cost of storage for a facility located on NNG and the proposed Tenaska storage contract.

The Company responded:

[TRADE SECRET DATA HAS BEEN EXCISED].

In DER IR #5 the Department asked the Company if it could provide any information it had regarding the current market prices for natural gas storage or for any information CenterPoint might have regarding forecasted market prices for natural gas storage.

The Company provided the following response:[32]

[TRADE SECRET DATA HAS BEEN EXCISED]

The Company's **[TRADE SECRET DATA HAS BEEN EXCISED]** pushes the Department towards requesting additional information or denying the Company's request. The Department decided to wait until we had opportunity to calculate the costs and benefits of the Tenaska agreement relative to potential gas

[32] A copy of **TRADE SECRET** DER IR #5 can be found in Attachment G.

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price spikes before making a recommendation. That analysis is included in the Reporting Requirements section of these comments.

2. *Viking Section 4 Rate Case (Docket Nos. RP23-917-000 and RP23-991-000)*

Viking filed a general rate case before FERC on July 28, 2023. Viking and the intervenors in the proceeding reached a settlement in the rate case at the end of February 2024. Settlement rates went into effect February 1, 2024. FERC has not yet approved the settlement. Due to the settlement still needing regulatory approval, the Company elected to implement settled rates in April 2024 and plans to include the February and March demand costs as costs in the annual true-up factor calculation that occurs in CenterPoint's Annual Automatic Adjustment (AAA) filing.

The Department requested additional information on Viking's rate case settlement in DOC IR #1. According to information included in its settlement agreement, Viking's rates will increase by 48 percent, $1.7 million annually. Tables 7 and 8 summarize the proposed and settled rates and CenterPoint's annual demand cost for firm transportation on Viking.

Table 7: Changes in FT Demand Rate from 2023 Viking Rate Case[33]

Description	Firm Transportation (FT) Demand Rate $/Dth/Month	Percentage Increase from June 2023 Rates
Pre-rate case (2023)	$ 3.8060	Not applicable
Initial Proposed (July 2023)	$6.2638	64.6%
Settled	$5.6200	47.7%

Sixty-five and forty-eight percent rate increases are not that common, so the Department reviewed Viking filing to try to understand the drivers for these large percentage increases. Viking stated in testimony before FERC that its cost of service had increased in part due to investment in new compressors at its Ada and Frazee stations in Minnesota and the Angus Compressor Station project.

[33] Information included in CenterPoint's response to DER IR #1. See Attachment H.

Table 8: Changes in CPE's Total Annual Demand Cost from 2023 Viking Rate Case

Description	CenterPoint Annual Demand Cost for Viking FT	Nominal ($) Difference	Percentage Increase from June 2023 Rates
Pre-rate case (2023)	$3,508,021	Not applicable	Not applicable
Initial Proposed (July 2023)	$5,773,395	$2,265,374	64.6%
Settled	$5,179,999	$1,671,978	47.7%
Proposed vs. Settled Difference ($/yr.)		$593,396	
Proposed vs. Settled Percentage Decrease (5%)		-26%	

The nominal annual increase in the Company's annual demand expense for Viking because of the settlement is $1,671,978. Given that CenterPoint's AEDE is over $100 million on an annual basis, that change doesn't represent a significant change on a percentage basis (less than 2 percent).

Regarding the bill impact of the new rates, the Company provided the table reflected in Table 9 as part of their response to DER IR #1. According to CenterPoint, the average change to a residential customer's bill due to this true-up is $1.24.

Procedurally, settlement rates went into effect on February 1, 2024. The settlement is still pending approval, so there is a small risk that FERC will reject the settlement. That risk is very small as almost every rate case before FERC settles.

Given this situation, the Company elected to implement settled rates in April 2024 and plans to include the un-recovered Viking demand costs from February and March 2024 through the annual true-up factor. CenterPoint provided an estimate of those costs in its response to DOC IR #1. Table 9 summarizes that information.

Table 9: Viking Rate Case Impact to Residential Demand

Description	February Estimated Customers	March Estimated Customers	February Estimated Usage	March Estimated Usage
Customers/Usage by Month	851,673	851,673	112,779,694	81,779,016
	February Rate	**March Rate**	**February Average Cost**	**March Average Cost**
Demand Rate as Filed*	$0.15	$0.17	$19.64	$16.72
Demand Rate with Viking Rate Change*	$0.15	$0.18	$19.83	$16.86
Difference	$0.00	$0.00	$0.18	$0.13
Estimated to go into True-Up Factor			$156,763.77	$114,490.62
Total Annual Bill Average Change (890 Therms)	$1.24[34]			
*Includes demand smoother				

After having reviewed the Company's contracts with Viking, testimony by Viking staff in the rate case, and the Stipulation and Settlement Agreement provided in response to DER IR #1, the Department concludes that the rate changes are consistent with the Settlement Agreement and are reasonable.

Regarding the Company's discussion of its future request to recover the February and March demand costs increases resulting from the settlement's rates becoming effective on February 1, 2024, the Department defers that decision to the Company's upcoming 2023-2024 AAA docket.

3. Effects of Proposed Changes on Rates

The Company provided a historic price changes analysis in the instant Petition. The Department re-created that analysis, and it is included as Attachment 2. The Department's results were consistent with CenterPoint's results. CenterPoint's proposed changes effective April 1, 2024, would result in the following annual rate impacts:

[34] Department Attachment 4.

Table 10: Annual Demand Cost Rate Impact[35]

Rate Schedule	Annual Usage (Dth/yr.)	Annual Demand Cost Change ($)	Percentage Change
Residential	89	$4.82	3.89%
Comm/Ind. Firm A	81	$4.39	3.89%
Comm/Ind. Firm B	730	$39.57	3.89%
Comm/Ind. Firm C	12,076	$654.52	3.89%
Large General Service	64,600	$0.00	0.00%

Based on its analysis, the Department recommends the Commission approve the proposed demand costs resulting from the settlement in the Viking rate case with effective date of April 1, 2024.

F. REPORTING REQUIREMENTS

1. February 17, 2023, Order Requirements

As noted above, the Commission's February 17, 2023, Order in Docket No. G008/M-21-138 required CenterPoint, in future contract demand entitlement filings, to discuss how changes to their pipeline capacity affect their supply diversity and, if pipeline capacity comes at a cost premium but increases supply diversity, provide a meaningful cost/benefit discussion of the tradeoff, including a comparison with the least-cost capacity option.

The Company notes that the Tenaska/East Cheyenne agreement, discussed earlier in these comments, is a result of this ongoing effort.

The Department issued DER Information Request #10[36] to get a better understanding of the analysis done by the Company to conclude that this partnership's benefits outweigh the costs for ratepayers.

The Department asked that the Company provide the support for the two examples it provided on page 2 of the Petition. In the first example, CenterPoint explained:

> For illustration purposes, comparing the average of where Platts Gas Daily settled for NNG Ventura and NNG Demarc during the Martin Luther King Storm in January 2024 ($33.305/Dth) to CenterPoint Energy's average storage cost ($2.5944/Dth), the potential cost benefit could have been approximately $3.7 million if it dispatched 30,000 Dth/day of storage from East Cheyenne for the holiday weekend.

Table 11 provides the support for this example.

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[35] CPE May 31, 2024 Supplemental Filing, Exhibit B4.
[36] Attachment I contains a copy of this IR.

Table 11 – Potential Financial Benefit of East Cheyenne Storage during MLK Day Storm in January 2024

Example #1				
Description	**NNG Ventura and Demarc**	**Dth/Day**	**Number of Days**	**Total Cost**
Avg. Storage Cost/Dth.	$ 2.59	30,000	4	$ 311,280
MLK Day Demarc/Ventura	$ 33.31	30,000	4	$ 3,996,600
Difference	$ 30.71	$ -	$ -	$ 3,685,320.00

CenterPoint provided a second example on page 2 of the filing that was focused more on the benefits of physical storage on a seasonable basis, rather than an example of how the Tenaska/East Cheyenne agreement would help to mitigate the risk associated with natural gas price spikes on NNG.

CenterPoint explained:

> To illustrate a high-level savings analysis, as of March 20, 2024, the NNG Ventura first-of-the-month average futures settlement for Summer 2024 is estimated to be $1.992/Dth. If the Company were to purchase the 2.5 Bcf at this estimated futures price, it would cost customers $4.98 million for injections into storage during the summer months. In comparison, the NNG Ventura first-of-the-month average futures settlement for Winter 2024-2025 is currently estimated to be $4.267/Dth for a total cost of $10,667,500. In this hypothetical example, this additional storage could allow the Company to save customers $5,687,500.

Table 12 provides the support for the second example.

Table 12– Potential Financial Benefit of Summer/Winter Arbitrage for 2024-2025 Heating Season

Description	**NNG Ventura FOM(Dth)**	**Volume (BCF)**		**Total Cost**
Summer 2024	$ 1.99	2,500,000		$ 4,980,000
Winter 2024-2025 Average	$ 4.27	2,500,000		$ 10,667,500
Difference	$ 2.28	-		$ 5,687,500

The Department notes that the sum of hypothetical benefits of CenterPoint's two examples **[TRADE SECRET DATA HAS BEEN EXCISED]** of the Tenaska/East Cheyenne agreement's annual cost.

DER IR #11 asked for more information regarding CenterPoint's backhaul agreement on the Trailblazer pipeline and if and how that agreement was connected to the Tenaska/East Cheyenne agreement. [37] The Company stated in its response that the backhaul agreement on Trailblazer is not associated with the Tenaska/East Cheyenne agreement.

[37] Attachment J contains a copy of this IR response.

After reviewing the information in the filing and the responses to the Department's information requests, the Department reviewed the reporting requirements in the relevant order point. The following bullet points address each component of the reporting requirement:

- How changes to pipeline capacity can affect suppler diversity;
- If pipeline capacity comes at a cost premium but increases supplier diversity;
- Provide a meaningful cost-benefit analysis of the tradeoff, including a comparison with the least-cost capacity option.

The Department's review of the Company's filing didn't identify any specific topics or discussions that directly relate to the information requested in the three bullet points. CenterPoint did state in its response to DER IR #5 that there was no available storage capacity on NNG or NGPL during the time it was contracting for the Tenaska/East Cheyenne Storage agreement. The Department infers from that statement that the Company declined to discuss any cost premium relative to the second bullet point because there was no alternative project on NNG or NGPL to use as a comparison. The Department could also infer that it wasn't possible for CenterPoint to provide a meaningful cost-benefit analysis of the trade-off due to the absence of a competitive alternative.

Hence, the Department requests that CenterPoint provide a discussion regarding each of the three topics included in the reporting requirement in its reply comments. It is difficult for the Department to recommend approval of an expense of this magnitude if the applicant hasn't made definitive statements in response to a reporting requirement in a Commission Order that pertains directly to the topic.

The Department gave some thought to the development of a meaningful cost-benefit analysis relative to a proposed agreement such as the Tenaska/East Cheyenne contract. The Department identified two additional analyses that might help determine the value of a new proposed storage agreement.

The first analysis takes the information CenterPoint provided in its initial filing that requested the recovery of the extraordinary gas costs that occurred during Winter Storm Uri (Docket No.G008/M-21-138).[38] In **Trade Secret** Attachment A of that filing, CenterPoint provided a "Summary of CenterPoint Energy Gas Purchases During February Market Event". This analysis provided the supply volume per dekatherm and the supply cost per dekatherm for each type of resource the Company purchased/employed between February 12 and February 22, 2021.

The Department modified that analysis for gas delivered via the Tenaska/East Cheyenne agreement assuming that agreement had been in place in February 2021 and calculated the average cost of the different resource options CenterPoint used during Winter Storm Uri. Next, the Department substituted the maximum daily volume for the Tenaska agreement as well as the daily estimated cost and then calculated the costs CenterPoint would have avoided if it had had the Tenaska volumes available to displace 30,000 Dth/day of the highest price resource the Company purchased each day. If

[38] Initial filing dated March 15, 2021.

the estimated cost of the Tenaska volumes was higher than the highest cost resource CenterPoint selected that day, the Tenaska volumes and costs were not included.

Department Exhibit 3 includes this analysis. This analysis estimated the hypothetical avoided costs of having the Tenaska agreement in place during Winter Storm Uri to be **[TRADE SECRET DATA HAS BEEN EXCISED].** This change would have **[TRADE SECRET DATA HAS BEEN EXCISED]**.

The Department also requests that CenterPoint review the information in Department Exhibit 3 to determine if the calculations are correct in its reply comments. The Department also recognizes that the Company likely updated this information at some point in the process in the 21-138 docket. The Department would appreciate any additional information the Company can provide on this topic.

The second analysis the Department identified was simply a table that listed information regarding the Company's different storage contracts. CenterPoint provided a similar analysis in its Demand Entitlement filing submitted July 3, 2017, in Docket G008/M-17-533. **TRADE SECRET** Table 13 summarizes this information.

TRADE SECRET Table 13 – Summary Information on CenterPoint's Storage Contracts – 2024-2025 Heating Season

Vendor	Space (Bcf)	Withdrawal (Dth/day)	Percentage of Design Day (%)	Storage Cost per Dth. ($/Dth)	End of Contract (Year)	Provides Supplier Diversity (Y/N)*
				[TRADE SECRET DATA HAS BEEN EXCISED]		
NGPL	15.8	210,986	13.5			
NNG	3.3	57,094	3.67			
Marketer	10.0	120,000	7.70			
Tenaska/East Cheyenne	2.5	30,000	1.92			
Total	**31.6**	**418,080**	**26.8**	**Not Applicable**	**Not Applicable**	**Not Applicable**

* Supplier diversity in this instance is defined by the Department as storage that would not be directly affected by a major supply disruption of natural gas originating in Texas or Oklahoma, like the events of Winter Storm Uri.

The Department notes that the percentage of design day covered by third-party storage decreased from 29% in 2017 to 26.8% in 2024. The decrease appears to be related to increases in CenterPoint's design day estimate due to customer growth.

The Department also requests that CenterPoint review the information in **TRADE SECRET** Table 13 to verify that the information the Department has collected or calculated is correct.

The Department's review of the Tenaska/East Cheyenne storage agreement suggests that the agreement could help to mitigate a portion of the risks of a short-term price spike and that the financial benefits to ratepayers from that risk mitigation could be significant. The Department will defer making a recommendation on this topic until it has had the opportunity to review CenterPoint's reply comments.

2. March 4, 2024, Order Requirements

Also noted above, the Commission's March 4, 2024, Order in Docket No. G008/M-21-102 required CenterPoint to provide an analysis of how their asset management contracts performed in the most severe winter storms of the last four years. This compliance item was ordered to be reported July 1, 2024. The Company filed this compliance filing in on June 28, 2024.

In that filing, the Company noted nine instances in the past three winter seasons that the Tenaska AMA capacity was called on and fully utilized with no service interruptions.[39]

The Department believes CenterPoint has complied with the Commission's reporting requirement included in Docket No. G008/M-21-102.

G. DISTRIBUTION PLANNING

In recent demand entitlement filings, the Department requested information from CenterPoint and conducted analysis regarding the Company's distribution planning and the integration of electric generation onto the CenterPoint system. In the Company's 2019 demand entitlement filing, the Department concluded the Company's current planning approach is reasonable and does not represent a negative impact to ratepayers or reliability. The Department asked the Company in DER IR #14 if it has made any changes to its distribution planning assumptions since its previous demand entitlement filing. CenterPoint responded it had not. Given that CenterPoint has not suffered from weather-related reliability or deliverability issues in its distribution system as have other natural gas local distribution companies, the Department concludes CenterPoint's planning assumptions continue to be acceptable at this time.[40]

H. REQUEST FOR A VARIANCE TO MINNESOTA R. 7825.2910, SUBP. 2

Minnesota R. 7825.2910, Subp. 2D requires a utility to provide the following information in a filing requesting a change in demand:

1. A description of the factors contributing to the need for changing demand;
2. The utility's design-day demand by customer class and the change in design-day demand, if any, necessitating the demand revision;
3. A summary of the levels of winter versus summer usage for all customers classes; and
4. A description of design-day gas supply from all sources under the new level, allocation, or form of demand.

[39] Attachment K includes a copy of CenterPoint's June 28, 2024, compliance filing regarding this reporting requirement.
[40] Attachment L contains a copy of DER IR #14.

CenterPoint didn't provide an updated design-day demand by customer class and the change in design-day demand for the 2024-2025 heating season in its April 1, 2024, filing. Rather the Company provided the design-day demand for the 2023-2024 heating season. CenterPoint explained that the 2024-2025 design-day analysis had not been completed by April 1st and that the Company was requesting a variance to Minnesota R. 7825.2910, Subp. 2D due to the absence of an updated design day estimate for the 2024 -2025 heating season.

The Department notes that on May 31, 2024, the Company provided a supplemental filing that included the 2024-2025 design-day analysis. Therefore, this supplemental filing supersedes the Company's 2023-2024 Design Day analysis and renders the request for variance moot.

The Department recommends the Commission take no action on the Company's request for variance to Minnesota R. 7825.2910 Subpart 2.

IV. RECOMMENDATIONS

The Department recommends the Commission:

- Accept CenterPoint's proposed estimated 2024-2025 design-day.
- Approve the recovery of demand costs resulting from the rate increases caused by the settlement in Viking's FERC rate case, and the rate increases resulting from contract changes in the agreements with NNG for non-discounted firm service effective April 1, 2024, for the April 2024-March 2025 period through its monthly Purchased Gas Adjustments.
- Find that CenterPoint has complied with the reporting requirements included in the Commission's March 4, 2024, Order regarding the performance of the Company's asset management agreements on the coldest days of the winter heating season.
- Approve the Company's request for preliminary approval to update the swing reservation fees on November 1, 2024.
- Take no action on the Company's request for variance to Minnesota R. 7825.2910 Subpart 2.

The Department defers making a recommendation on the following topics until it has had an opportunity to review CenterPoint's reply comments.

- The Company's request for recovery of the costs resulting from the Tenaska/East Cheyenne storage agreement.
- CenterPoint's efforts to comply with the reporting requirements included in the Commission's February 17, 2023, Order in Docket No. G008/M-21-138.

Department Attachment 1
Docket No. G008/M-24-146
CenterPoint Demand Entitlement Analysis

		Number of Firm Customers				Design Day Requirement			Total Entitlement Plus On-line Storage & Peak Shaving				Reserve Margin
		(1 A)	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)	(9)	(10)
Docket No.	Heating Season	Actual Number of Jan. Customers	Projected DD Customers	Change from Previous Year	% Change From Previous Year	Design Day (Dk)	Change from Previous Year	% Change From Previous Year	Total Entitlement (Dk)		Entitlement Change from Previous Year	% Change From Previous Year	Corrected Reserve Margin [(7)-(4)]/(4)
24-146	2024-2025		927,271	7,626	0.83%	1,521,300	20,850	1.39%	1,569,730		27,943	1.81%	3.18%
23-221	2023-2024	921,885	919,645	7,725	0.85%	1,500,450	23,850	1.62%	1,541,787		21,503	1.41%	2.75%
22-306	2022-2023	911,310	911,920	13,580	1.51%	1,476,600	23,600	1.62%	1,520,284		-1,300	-0.09%	2.96%
21-523	2021-2022	901,383	898,340	12,679	1.43%	1,453,000	10,000	0.69%	1,521,584		69,000	4.75%	4.72%
20-565	2020-2021	890,385	885,661	1,097	0.12%	1,443,000	8,000	0.56%	1,452,584		1,300	0.09%	0.66%
19-278	2019-2020	878,543	884,564	19,211	2.22%	1,435,000	26,000	1.85%	1,451,284		41,688	2.96%	1.13%
18-462	2018-2019	868,105	865,353	8,261	0.96%	1,409,000	6,000	0.43%	1,409,596		0	0.00%	0.04%
17-533	2017-2018	858,548	857,092	6,520	0.77%	1,403,000	39,000	2.86%	1,409,596		34,126	2.48%	0.47%
16-571	2016-2017	847,780	850,572	9,437	1.12%	1,364,000	11,000	0.81%	1,375,470		19,519	1.44%	0.84%
15-644	2015-2016	839,291	841,135	11,133	1.34%	1,353,000	27,000	2.04%	1,355,951		11,533	0.86%	0.22%
14-561	2014-2015	830,377	830,002	6,212	0.75%	1,326,000	2,000	0.15%	1,344,418		4,479	0.33%	1.39%
13-578	2013-2014	821,220	823,790	12,651	1.56%	1,324,000	8,000	0.61%	1,339,939		-6,842	-0.51%	1.20%
12-864	2012-2013	813,605	811,139	3,212	0.40%	1,316,000	100,000	8.22%	1,346,781		-32,900	-2.38%	2.34%
11-1078	2011-2012	807,922	807,927	3,647	0.45%	1,216,000	3,000	0.25%	1,379,681		0	0.00%	13.46%
10-1162	2010-2011	804,703	804,280	3,104	0.39%	1,213,000	2,000	0.17%	1,379,681		40,000	2.99%	13.74%
09-1260	2009-2010	801,286	801,176	4,031	0.51%	1,211,000	-24,000	-1.94%	1,339,681	1/	9,615	0.72%	**10.63%**
08-1307	2008-2009	797,228	797,145	-10,815	-1.34%	1,235,000	-11,000	-0.88%	1,330,066	1/	873	0.07%	**7.70%**
07-561	2007-2008	792,950	807,960	15,025	1.89%	1,246,000	14,000	1.14%	1,329,193	1/	26,891	2.06%	**6.68%**
06-1533	2006-2007	787,326	792,935	16,585	2.14%	1,232,000	12,000	0.98%	1,302,302		2,000	0.15%	5.71%
05-1736	2005-2006	777,424	776,350	17,129	2.26%	1,220,000	-44,000	-3.48%	1,300,302		4,500	0.35%	6.58%
	2004-2005	762,835	759,221	14,710	1.98%	1,264,000	21,000	1.69%	1,295,802		0	0.00%	2.52%
	2003-2004**	745,890	744,511	18,603	2.56%	1,243,000	29,300	2.41%	1,295,802		34,400	2.73%	4.25%
	2002-2003**	728,005	725,908	16,524	2.33%	1,213,700	30,092	2.54%	1,261,402		12,500	1.00%	3.93%
	2001-2002		709,384			1,183,608			1,248,902				5.52%
	Average Per Year:		826,387	9,473	1.18%	1,325,069	14,682	1.12%	1,379,242		13,949	1.01%	4.28%

		Firm Peak Day Sendout			Per Customer Metrics				
		(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Docket No.	Heating Season	Firm Peak Day Sendout (Dk)	Change from Previous Year	% Change From Previous Year	Excess per Customer [(7) - (4)]/(1)	Design Day per Customer (4)/(1)	Entitlement per Customer (7)/(1)	Peak Day Sendout per DD # Customer (11)/(1)	Peak Day Sendout per Actual Customers (11)/(1 A)
24-146	2024-2025	n/a	n/a	n/a				n/a	n/a
23-221	2023-2024	1,087,403	(54,055)	-4.74%	0.0449	1.6316	1.6765	1.1824	1.1795
22-306	2022-2023	1,141,458	36,668	3.32%	0.0479	1.6192	1.6671	1.2517	1.2525
21-523	2021-2022	1,104,790	(41,811)	-3.65%	0.0763	1.6174	1.6938	1.2298	1.2257
20-565	2020-2021	1,146,601	119,943	11.68%	0.0108	1.6293	1.6401	1.2946	1.2878
19-278	2019-2020	1,026,658	(226,861)	-18.10%	0.0184	1.6223	1.6407	1.1606	1.1686
18-462	2018-2019	1,253,519	163,897	15.04%	0.0007	1.6282	1.6289	1.4486	1.4440
17-533	2017-2018	1,089,622	110,691	11.31%	0.0077	1.6369	1.6446	1.2713	1.2691
16-571	2016-2017	978,931	(15,215)	-1.53%	0.0135	1.6036	1.6171	1.1509	1.1547
15-644	2015-2016	994,146	34,156	3.56%	0.0035	1.6085	1.6120	1.1819	1.1845
14-561	2014-2015	959,990	(126,340)	-11.63%	0.0222	1.5976	1.6198	1.1566	1.1561
13-578	2013-2014	1,086,330	125,196	13.03%	0.0193	1.6072	1.6266	1.3187	1.3228
12-864	2012-2013	961,134	130,690	15.74%	0.0379	1.6224	1.6604	1.1849	1.1813
11-1078	2011-2012	830,444	(42,328)	-4.85%	0.2026	1.5051	1.7077	1.0279	1.0279
10-1162	2010-2011	872,772	(21,153)	-2.37%	0.2072	1.5082	1.7154	1.0852	1.0846
09-1260	2009-2010	893,925	(130,839)	-12.77%	0.1606	1.5115	1.6721	1.1158	1.1156
08-1307	2008-2009	1,024,764	21,335	2.13%	0.1193	1.5493	1.6685	1.2855	1.2854
07-561	2007-2008	1,003,429	5,627	0.56%	0.1030	1.5422	1.6451	1.2419	1.2654
06-1533	2006-2007	997,802	140,866	16.44%	0.0887	1.5537	1.6424	1.2584	1.2673
05-1736	2005-2006	856,936	(87,406)	-9.26%	0.1034	1.5715	1.6749	1.1038	1.1023
	2004-2005	944,342	(69,052)	-6.81%	0.0419	1.6649	1.7068	1.2438	1.2379
	2003-2004	1,013,394	97,281	10.62%	0.0709	1.6696	1.7405	1.3612	1.3586
	2002-2003	916,113	122,670	15.46%	0.0657	1.6720	1.7377	1.2620	1.2584
	2001-2002	793,443			0.0920	1.6685	1.7605	1.1185	
	Average Per Year:	999,041	13,362	1.96%	0.0678	1.6018	1.6695	1.2146	1.2196

All the numbers reflected in the above tables are consolidated for the Company's previous Northern and Viking service areas.
* = Projected Values
** = From CenterPoint's Exh. B, page 3 in Docket No. G008/M-08-1307.
1/ Corrected total entitlement amounts for peak-shaving output. See Docket No. G008/M-10-1162.

Department Attachment 2
Docket No. G008/M-24-146
CenterPoint Rate and Annual Bill Impacts

Residential	Last Rate Case (G008/MR-21-435)	Last Demand Change November 1, 2023 (G008/M-23-221)	March 1, 2023 (G008/AA-23-)	April 1, 2024 (G008/M-24-146)	Change From Last Rate Case	Change From Last Demand Change	Percent Change (%) From Most Recent PGA	Change ($) From Most Recent PGA
Commodity Cost of Gas (WACOG) (4)	$4.2905	$3.1141	$2.0518	$1.6802	-60.84%	-46.05%	-18.11%	($0.3716)
Demand Cost of Gas (1)	$1.2888	$1.3933	$1.3933	$1.4475	12.31%	3.89%	3.89%	$0.0542
Commodity Margin (2) (3) (5)	$2.5043	$2.9019	$2.9019	$2.9019	15.88%	0.00%	0.00%	$0.0000
Total Cost of Gas	$8.0836	$7.4093	$6.3470	$6.0296	-25.41%	-18.62%	-5.00%	($0.3174)
Average Annual Usage (Dk)	89	89	89	89				
Average Annual Total Cost of Gas	$719.44	$659.43	$564.88	$536.63	-25.41%	-18.62%	-5.00%	($28.25)
Average Annual Total Demand Cost of Gas								$4.82

Commercial/Industrial Firm - A	Last Rate Case (G008/MR-21-435)	Last Demand Change November 1, 2023 (G008/M-23-221)	March 1, 2023 (G008/AA-23-)	April 1, 2024 (G008/M-24-146)	Change From Last Rate Case	Change From Last Demand Change	Percent Change (%) From Most Recent PGA	Change ($) From Most Recent PGA
Commodity Cost of Gas (WACOG) (4)	$4.2905	$3.1141	$2.0518	$1.6802	-60.84%	-46.05%	-18.11%	($0.3716)
Demand Cost of Gas (1)	$1.2888	$1.3933	$1.3933	$1.4475	12.31%	3.89%	3.89%	$0.0542
Commodity Margin (2) (3) (5)	$2.6411	$3.8897	$3.8918	$3.8918	47.36%	0.05%	0.00%	$0.0000
Total Cost of Gas	$8.2204	$8.3971	$7.3369	$7.0195	-14.61%	-16.41%	-4.33%	($0.3174)
Average Annual Usage (Dk)	81	81	81	81				
Average Annual Total Cost of Gas	$665.85	$680.17	$594.29	$568.58	-14.61%	-16.41%	-4.33%	($25.71)
Average Annual Total Demand Cost of Gas								$4.39

Commercial/Industrial Firm - B	Last Rate Case (G008/MR-21-435)	Last Demand Change November 1, 2023 (G008/M-23-221)	March 1, 2023 (G008/AA-23-)	April 1, 2024 (G008/M-24-146)	Change From Last Rate Case	Change From Last Demand Change	Percent Change (%) From Most Recent PGA	Change ($) From Most Recent PGA
Commodity Cost of Gas (WACOG) (4)	$4.2905	$3.1141	$2.0518	$1.6802	-60.84%	-46.05%	-18.11%	($0.3716)
Demand Cost of Gas (1)	$1.2888	$1.3933	$1.3933	$1.4475	12.31%	3.89%	3.89%	$0.0542
Commodity Margin (2) (3) (5)	$2.0380	$2.4691	$2.4712	$2.4712	21.26%	0.09%	0.00%	$0.0000
Total Cost of Gas	$7.6173	$6.9765	$5.9163	$5.5989	-26.50%	-19.75%	-5.36%	($0.3174)
Average Annual Usage (Dk)	730	730	730	730				
Average Annual Total Cost of Gas	$5,560.63	$5,092.85	$4,318.90	$4,087.20	-26.50%	-19.75%	-5.36%	($231.70)
Average Annual Total Demand Cost of Gas								$39.57

Commercial/Industrial Firm - C	Last Rate Case (G008/MR-21-435)	Last Demand Change November 1, 2023 (G008/M-23-221)	March 1, 2023 (G008/AA-23-)	April 1, 2024 (G008/M-24-146)	Change From Last Rate Case	Change From Last Demand Change	Percent Change (%) From Most Recent PGA	Change ($) From Most Recent PGA
Commodity Cost of Gas (WACOG) (4)	$4.2905	$3.1141	$2.0518	$1.6802	-60.84%	-46.05%	-18.11%	($0.3716)
Demand Cost of Gas (1)	$1.2888	$1.3933	$1.3933	$1.4475	12.31%	3.89%	3.89%	$0.0542
Commodity Margin (2) (3) (5)	$1.7360	$1.9325	$1.9346	$1.9346	11.44%	0.11%	0.00%	$0.0000
Total Cost of Gas	$7.3153	$6.4399	$5.3797	$5.0623	-30.80%	-21.39%	-5.90%	($0.3174)
Average Annual Usage (Dk)	12,076	12,076	12,076	12,076				
Average Annual Total Cost of Gas	$88,339.56	$77,768.23	$64,965.26	$61,132.33	-30.80%	-21.39%	-5.90%	($3,832.92)
Average Annual Total Demand Cost of Gas								$654.52

Large General Service	Last Rate Case (G008/MR-21-435)	Last Demand Change November 1, 2023 (G008/M-23-221)	March 1, 2023 (G008/AA-23-)	April 1, 2024 (G008/M-24-146)	Change From Last Rate Case	Change From Last Demand Change	Percent Change (%) From Most Recent PGA	Change ($) From Most Recent PGA
Commodity Cost of Gas (WACOG) (4)	$4.2905	$3.1141	$2.0518	$1.6802	-60.84%	-46.05%	-18.11%	($0.3716)
Commodity Margin (2) (3) (5)	$0.8301	$1.0029	$1.0029	$1.0029	20.82%	0.00%	0.00%	$0.0000
Commodity Charges	$5.1206	$4.1170	$3.0547	$2.6831	-47.60%	-34.83%	-12.16%	($0.3716)
LV Demand Cost of Gas (1)	$9.9733	$12.3733	$12.3733	$12.3733	24.06%	0.00%	0.00%	$0.0000
LV Demand Delivery Charge	$4.8303	$6.3303	$6.3303	$6.3303	31.05%	0.00%	0.00%	$0.0000
Average Annual Usage (Dk)	64,600	64,600	64,600	64,600				
Average Daily MDQ Usage (Dk)	7,282	8,448	8,448	7,282				
Average Annual Total Cost of Gas	$438,591	$423,966	$355,342	$309,528	-29.43%	-26.99%	-12.89%	($45,813.76)
Average Annual Total Demand Cost of Gas								$0.00

Summary of Most Recent PGA

Customer Class	Commodity Change ($/Dk)	Commodity Change (Percent)	Demand Change ($/Dk)	Demand Change (Percent)	Demand Annual Change ($/Dk)	Total Annual Change ($/Dk)	Total Annual Change (Percent)
Residential	-$0.3716	-18.11%	$0.0542	3.89%	$4.82	($28.25)	-5.00%
Commercial/Industrial Firm A	-$0.3716	-18.11%	$0.0542	3.89%	$4.39	($25.71)	-4.33%
Commercial/Industrial Firm B	-$0.3716	-18.11%	$0.0542	3.89%	$39.57	($231.70)	-5.36%
Commercial/Industrial Firm C	-$0.3716	-18.11%	$0.0542	3.89%	$654.52	($3,832.92)	-5.90%
Large General Service	-$0.3716	-18.11%	$0.0000	0.00%	$0.00	($45,813.76)	-12.89%

(1) Does not include Demand Smoothing Adjustment.
(2) Does not reflect Decoupling Factor, GAP, Interim or GCR Factors.
(3) 2021 Rate Case - tariff values for Last Rate Case and Last Demand Charge. Reflects base rate plus CCRA (As of 11/2023 $0.0926 per DT).
(4) Actual WACOG for historical timeframes / 2021 Rate Case Base value in Settlement.

Department Exhibit 3
Docket No. G008/M-24-146
Hypothetical Avoided Costs of Winter Storm Uri Under Tenaska Agreement

[TRADE SECRET INFORMATION BEGINS…

Line No.	Supply Volume per Dth
1.	Baseload
2.	Call Option
3.	Daily Spot
4.	Storage
5.	Peaking - LNG & Propane
6.	Estimated Total Demand

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS…

Line No.	Supply Cost $
7.	Baseload
8.	Call Option
9.	Daily Spot
10.	Storage
11.	Peaking - LNG & Propane
12.	Total Cost by day
13.	Total Uri Cost

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS…

Line No.	Tenaska/East Cheyenne Agreement
14.	Supply Amount (Dth/Day)
15.	Cost ($/Dth)
16.	Total Cost/Day

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS…

Line No.	Average Cost per Dth per Day
17.	Baseload
18.	Call Option
19.	Daily Spot
20.	Storage
21.	Peaking - LNG & Propane

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS… $ -

Line No.	
22.	Avoided Costs - Tenaska ($/day)
23.	Tenaska Costs ($/Day)
24.	Difference ($/day)

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS…

Line No.	
25.	Total Avoided Costs -Tenaska ($/day)
26.	Total Tenaska Cost ($/day)
27.	Difference ($/day)
28.	Would have decreased CPE's URI costs by

…TRADE SECRET INFORMATION ENDS]

Prepared by the Minnesota Department of Commerce, Division of Energy Resources

Department Attachment 4
Docket No. G008/M-24-146

Viking Rate Case Impact to Residential Demand		
November 2023 Demand Filing Total Viking Bill	$ 3,508,021	Petition, Exhibit A, Page 1 of 2.
April 2024 Demand Filing Total Viking Bill	$ 5,179,999	Petition, Exhibit A, Page 2 of 2.
Difference:	$ 1,671,978	
Annual Small Firm Demand Volume	1,195,457,049	Docket No. G008/GR-21-435, 2021 Rate Case Sales Volume, Test Year, and Petition Exhibit A.
Cost per unit	$ 0.0014	
Average Residential Annual Usage	890	DOC IR #1.
Total Annual Bill Average Change	$ 1.24	

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-146 - Request for Change in Demand Units
Date of Request: 6/27/2024
Requested From: CenterPoint Energy Minnesota Gas
Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 006 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Design Day Estimate - Reference(s): Exhibit B2 from May 31, 2024, Supplemental Filing a. Please provide the forecasted number of firm customers the Company provided in its design day calculation in January for the following years: 1. 2021 2. 2022 3. 2023 4. 2024 b. Provide a comparison of the forecasted and actual number of firm customers in January for the following years. 1. 2021 2. 2022 3. 2023 4. 2024 **Response:** Please see attached "IR 006" spreadsheet.

Response By: Michael Yang
Title: Manager, Supply Planning
Department: Gas Supply Forecast & Analysis
Telephone: 713-207-3378

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

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Date of Request: 6/27/2024
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Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 009 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Topic: Design Day Estimate -
Reference(s): Firm Transport Customer Migration - May 31, 2024, Supplemental Filing

a. Please provide the percentage of firm transportation service customers that have moved from firm transportation to firm sales service annually since the 2020-2021 heating season.

Response:

Please see the table below.

Year	Conversion Percentage
2020	0.0%
2021	11.6%
2022	0.0%
2023	0.0%
2024	4.3%

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

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Date of Request: 6/27/2024
Requested From: CenterPoint Energy Minnesota Gas
Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 008 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Design Day Estimate - Reference(s): Exhibit B7 from May 31, 2024, Supplemental Filing A. Please provide the estimates of the design day use per firm customer for the DOC and Alternative Models. B. Please provide the support for the estimates of the design day use per firm customer for the DOC and Alternative Models. **Response:** A. The design day estimate of use per firm customer for the DOC model is 1.575 dth. The design day estimate of use per firm customer for the Alternative model is 1.554 dth. B. The Company runs the regression models using the data in the tab "18-24 WS Data All Model" in the Excel file "CNP MN Gas Design Day 18-24 042624 ALL". The independent variable is "UPC". For DOC model, the dependent variables are HDD, HDD^2, Monthly

Response By: Michael Yang
Title: Manager, Supply Planning
Department: Gas Supply Forecast & Analysis
Telephone: 713-207-3378

Dummy variables, Weekday Dummy variables, and Winter Season Dummy variables.

For Alternative model, the dependent variables are HDD, HDD^2, Monthly Dummy variables, and Weekday&Weekend Dummy variables.

The regression model results are shown in the tabs "DOC Model 24" and "CNP Alt Model 24", also shown in the "8 B DOC Model" (cell W950) and "8 B Alternative Model" (cell L939) tabs in the Excel file "IR 008".

Response By: Michael Yang
Title: Manager, Supply Planning
Department: Gas Supply Forecast & Analysis
Telephone: 713-207-3378

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

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Requested From: CenterPoint Energy Minnesota Gas — Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 013 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Proposed Increases to NNG Non-Discounted Rate Capped contract Reference(s): Filing, page 2 Please provide the analysis that demonstrates that the proposed rates effective April 1, 2024, conform to the non-discounted annual rate cap for 2024 of $39.3 million. Provide the analysis in an executable format. **Response:** Please see the attached IR 013 P. The highlighted number shows the addition of the summer and winter charges total under **[TRADE SECRET DATA BEGINS... . ...TRADE SECRET DATA ENDS]**

Response By: Kristal Dipuccio
Title: Manager, Gas Supply
Department: Gas Purchasing, Minnesota
Telephone: 713-207-5965

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-146 - Request for Change in Demand Units | Date of Request: 6/27/2024
Requested From: CenterPoint Energy Minnesota Gas | Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 015 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Preliminary approval to update swing reservation fees on November 1, 2024 Reference(s): Filing, Summary of Miscellaneous Tariff Filing Please provide a narrative that explains the purpose of the requested "preliminary approval" to update swing reservation fees on November 1, 2024. **Response:** The Company requests a preliminary approval of our swing reservation fees to be updated in a supplemental filing that is filed each November. The Company provides this in its initial requests knowing that the fees will change for the upcoming winter; however, at the time of filing the demand entitlement request, the Company does not have the exact fees. Since the request for proposal ("RFP") does not occur until later in the summer months, the Company does not have the specifics available for the demand entitlement filing. Therefore, the Company requests preliminary approval to inform the State that the Company is aware that the swing reservation will change for the winter months, but that at the time of filing the Company does not know the exact fees. The Company will submit a supplemental filing in November with the updated fees for swing reservation.

Response By: Kristal Dipuccio
Title: Manager, Gas Supply
Department: Gas Purchasing, Minnesota
Telephone: 713-207-5965

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-146 - Request for Change in Demand Units — Date of Request: 5/2/2024
Requested From: CenterPoint Energy Minnesota Gas — Response Due: 5/17/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 002 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: CenterPoint Tenaska - East Cheyenne Storage Contract Reference(s): Filing pages 2 and 3 a. How does the rate for storage and transport Centerpoint and Tenaska have agreed upon in the contract compare with the rates for storage and transport CenterPoint would incur if it had contracted for this storage at a storage field located in Kansas or Iowa and transported the natural gas to Northern Natural Gas (NNG)- Ventura on NNG? b. Please provide the average monthly spot price for natural gas at DeMarc for the past five years. c. What is the likeliest location at which [TRADE SECRET BEGINS TRADE SECRET ENDS] will purchase natural gas for storage in the East Cheyenne facility? d. Please provide the average monthly spot price for natural gas at the location included in CPE's response to question subpart c e. .Please provide the average monthly spot price for natural as at Cheyenne Hub for the past five years. f. Please provide support in an executable form for the two examples the Company identified in the filing regarding the potential savings associated with the additional storage provided by the contract with Tenaska. g. Please provide the accounting entries that will be associated with the Tenaska/East Cheyenne storage contract.

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

h. [TRADE SECRET BEGINS TRADE SECRET ENDS]

i. How many hours on average will it take for the natural gas delivered by Tenaska under this agreement to CenterPoint to move from that receipt point to the NNG Ventura receipt point?
j. How does the number of hours (on average) identified in subpart I compare to the number of hours (on average) that it takes to move natural gas from one of CenterPoint's existing storage facilities in Kansas to the NNG-Ventura receipt point?
k. Are there any additional operational costs associated with the Tenaska storage contract compared to the operational costs associated with the delivery of natural gas from one of CenterPoint's existing storage facilities in Kansas?

Response:

Contains Trade Secret Information:
CenterPoint Energy Minnesota Gas has designated information in this document as trade secret. The information meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the information was supplied by CenterPoint Energy Minnesota Gas, the affected organization; (2) CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the information; and (3) the protected information contains operating information which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

a. At this time (and time of deal negotiation/execution), there is/was no available NNG storage capacity or NGPL storage capacity with corresponding transportation capacity for CenterPoint Energy to evaluate and act upon. Therefore, a comparison analysis cannot be performed due to the fact there is no storage capacity available on NNG NGPL. Adding additional firm storage services to CenterPoint Energy's supply portfolio is the most valuable approach to increasing price stabilization for its customers.
b. See attachment *DOC 002 NP_NNG Demarc Spot Prices*.
c. CenterPoint Energy purchases supply at a combination of Viking-Emerson, NNG-Ventura and NNG-Demarc locations. Once each Summer month closes, the Company evaluates all purchased supply and creates accounting entries to inject the cheapest supply into this storage account to build up the Summer injection WACOG price.

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

d. See attachment *DOC 002 NP_NNG Demarc Spot Prices*.
e. See attachment *DOC 002 NP_Cheyenne Hub Spot Prices*.
f. Please See Attachment *IR 2 Examples.*
g. There will be entries to reflect (a) the associated storage demand charges, (b) the supply purchased during the summer for injection season for inventory build up, and (c) the volumes withdrawn during the winter season at the summer injection WACOG rate.
h. **[TRADE SECRET BEGINS.... ...TRADE SECRET ENDS]**
i. The services provided by this agreement are not hourly services. The estimated number of hours it takes for the molecules to navigate from Point A to Point B does not impair the firm service obligation upheld by the Tenaska storage agreement. All of CenterPoint Energy's storage services are backed by firm deliverability obligations by the pipeline and/or counterparty based on a daily nominated volume not hourly.
j. See response to i. above.
k. No. There is the usual storage demand/reservation component and then the associated pipeline commodity costs.

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-146 - Request for Change in Demand Units
Date of Request: 5/2/2024
Requested From: CenterPoint Energy Minnesota Gas
Response Due: 5/17/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 005 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Trend in the Cost of Physical Storage Reference(s): Not identified a. Please provide any information the Company has regarding the current market prices for natural gas storage. b. Please provide any information the Company has regarding the forecasted market prices for natural gas storage. **Response:** a. As previously mentioned in response to DOC 002 NP, the availability of storage opportunities to serve our customers in Minnesota are few and far between. Further, the availability of a utility being able to contract for storage directly with a supporting pipeline who also has the firm transportation capacity to go along with it, is even more of a scarcity. This is the primary reason CenterPoint Energy feels it is prudent and necessary to act on opportunities such as the Tenaska storage agreement as they present themselves. Firm storage service is the most valuable tool in its supply portfolio demonstrating price stability for its customers. As stated in the demand filing, Tenaska was unsuccessful at being awarded any capacity the first round of East Cheyenne Storage open season where the associated demand cost was lower.

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

b. The Company does not have any insight or predictions on where prices for natural gas storage could go in the future and the fact that market prices are unpredictable. The Company does not know future prices, however, based on our historical experience we can only predict that they will continue to be more difficult to acquire. For further information please see the section in the Demand Entitlement Section under "21-138 Required Information". The Company will continue to report on storage trends based on the Company's experience in the market and report on it in this section of future demand entitlement filings.

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

State of Minnesota
Minnesota Department of Commerce

<u>Utility Information Request</u>

Docket Number: G008/M-24-146 - Request for Change in Demand Units | Date of Request: 5/2/2024
Requested From: CenterPoint Energy Minnesota Gas | Response Due: 5/17/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 001 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Viking Pipeline New Rates Reference(s): Filing at page 2 a. Please provide a copy of CPE's contract or contracts with Viking. b. Please provide a copy of the settlement agreement from Viking's most recent rate case. c. What was the average percentage increase for Vikings rates resulting from its most recent rate case? d. What was the average percentage increase for Vikings rates included in its initial rate case filing at FERC? e. What was the financial impact on CenterPoint due to its decision not to implement Viking new rates for the months of February and March 2024? **Response:** **Contains Trade Secret Information:** CenterPoint Energy Minnesota Gas has designated information in this document as trade secret. The information meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the information was supplied by CenterPoint Energy Minnesota Gas, the affected organization; (2) CenterPoint Energy Minnesota Gas has taken all reasonable efforts to maintain the secrecy of the

Response By: Donald Wynia
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Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

information; and (3) the protected information contains operating information which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

a. See attachments *DOC 001 NP_VGT FTA #AF0032* and *DOC 001 NP_VGT FTA #AF0319*.
b. Please see the attached Stipulation, this is still pending approval.
c. Monthly reservation rate increased from $3.806 to $5.62 (47.7% increase).
   See attachment *DOC 001 NP_VGT Cost Impact Analysis*.
d. Monthly reservation rate would increase from $3.806 to $6.2638 (64.6% increase).
   See attachment *DOC 001 NP_VGT Cost Impact Analysis*.
e. Viking back dated their rates to become effective February 1, 2024, although settlement is still pending approval. The below table shows the estimated amount of demand costs that will go into the True Up factor.

Viking Rate Case Impact to Residential Demand				
	February Estimated Customers	March Estimated Customers	February Estimated Usage	March Estimated Usage
	851,673	851,673	112,779,694	81,779,016
	February Rate	March Rate	February Average Cost	March Average Cost
Demand Rate as Filed*	$0.14833	$0.17416	$19.64	$16.72
Demand Rate with Viking Rate Change*	$0.14972	$0.17556	$19.83	$16.86
Difference	$0.00139	$0.00140	$ 0.18	$0.13
Estimated to go into True Up Factor			$156,763.77	$114,490.62
Total Annual Bill Average Change (890 Therms)	$1.24			
*Includes demand smoother.				

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

State of Minnesota
Minnesota Department of Commerce

<u>Utility Information Request</u>

Docket Number: G008/M-24-146 - Request for Change in Demand Units | Date of Request: 6/27/2024
Requested From: CenterPoint Energy Minnesota Gas | Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 010 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Hypothetical Financial Benefits to Ratepayers from CenterPoint/ Tenaska Storage Agreement Reference(s): Filing, Page 2 1. The Company provides two examples of the potential benefits to ratepayers of the Tenaska Gas Storage LLC contract. Please provide executable copies of those two examples. **Response:** Please see the attached "IR 002 Examples".

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-146 - Request for Change in Demand Units | Date of Request: 6/27/2024
Requested From: CenterPoint Energy Minnesota Gas | Response Due: 7/8/2024

Analyst Requesting Information: Ashley Uphus/John Kundert

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 011 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: CenterPoint/Tenaska Storage Agreement , Withdrawal Delivery Points Reference(s): Filing, Trailblazer FTS Backhaul Contract a. Please provide a copy of this agreement. b. Does this agreement complement the CPE/Tenaska agreement currently under review? a. If so, please explain how the two agreements complement each other. b. If not, what is the purpose of the Trailblazer FTS Backhaul contract? **Response:** a. See attachment *DOC 011 P_TRBL FTS Backhaul Contract*. b. No. a. N/A b. The sole purpose of the Trailblazer FTS Backhaul contract is to align with CenterPoint's transportation agreements on Natural Gas Pipeline Company ("NGPL") which provide storage withdrawal deliverability from NGPL to Northern Natural Gas ("NNG") in the Winter season. Based on its contract entitlements CenterPoint has with NGPL, a portion of the rights must be transported from NGPL, then to Trailblazer, then ultimately to NNG where its distribution system is housed. Having this contract

Response By: Kristal Dipuccio
Title: Manager, Gas Supply
Department: Gas Purchasing, Minnesota
Telephone: 713-207-5965

in place allows the Company to achieve max storage deliverability in the winter season, especially on a peak day, which aides in price stabilization for its customers. This contract has winter-only entitlements so no demand charges exist during the summer season, which is injection season, and the transportation capacity on Trailblazer is not needed to accomplish this.

Response By: Kristal Dipuccio
Title: Manager, Gas Supply
Department: Gas Purchasing, Minnesota
Telephone: 713-207-5965

CenterPoint Energy

505 Nicollet
P.O. Box 59038
Minneapolis, MN 55459-0038

June 28, 2024

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

RE: CenterPoint Energy 's Request for Change in Demand Units
Docket No. G008/M-21-102 – Compliance Filing

Dear Mr. Seuffert:

Pursuant to the Minnesota Public Utilities Commission's ("MPUC" or "Commission") Order issued on March 4, 2024 ("Order"), CenterPoint Energy, a division of CenterPoint Energy Resources Corp., ("CenterPoint Energy" or "Company") electronically files its May AMA Compliance requirement as referenced in the above referenced docket.

Specifically, February 1, 2021 the Company requested approval to enter into two multi-year agreements; 1) a Capacity Release Agreement (CRA) with LS Power LLC; and 2) an Asset Management Agreement (AMA) with Tenaska Marketing Ventures (Tenaska). Those two agreements were also effective on February 1, 2021. CPE contracted for 34,120 dth/day of pipeline capacity, acquired through the CRA on Northern Natural Gas Company's (NNG) interstate pipeline. Under the AMA, CenterPoint also released that same entitlement to Tenaska. Tenaska is responsible for managing the capacity. CenterPoint also requested approval to implement demand cost changes of $3.7 million annually that are associated with the additional entitlements.

On March 4, 2024, the MPUC issued its order with Order point number 5 requiring the Company to file a compliance report on July 1, 2024, including an analysis of how their asset management contracts performed in the most severe winter storms of the last four years.

Thus, in compliance with the above referenced requirements, CenterPoint Energy respectfully submits how the asset management contracts performed in the most severe winter storms of the last four years:

The Tenaska AMA capacity was called on and fully utilized (capacity of 34,120 Dth/day) with no service interruptions on the following instances the past four winter seasons:

<u>Winter Season 2020-2021</u>:
Capacity was not called upon.

<u>Winter Season 2021-2022:</u>
January 20, 2022
February 2, 2022
February 3, 2022

<u>Winter Season 2022-2023:</u>
December 22, 2022
December 23, 2022

<u>Winter Season 2023-2024:</u>
January 13, 2024
January 14, 2024
January 15, 2024
January 16, 2024

As shown above, each time the Company called on full capacity during a winter storm, the capacity was served with no interruptions.

Please contact me at (612) 321-4677 with any questions.

Sincerely,

/s/
Donald Wynia
Regulatory Analyst, Regulatory Services
(612) 321-4677
Donald.Wynia@CenterPointEnergy.com

cc: Attached service list

PROOF OF SERVICE

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Donald W. Wynia, says he served or caused to be served on behalf of CenterPoint Energy a copy of CenterPoint Energy's 2023-2024 AMA Compliance filing on the Minnesota Public Utilities Commission, the Department of Commerce, and the Office of the Attorney General's Office-Residential Utilities Division. The filing was delivered by E-filing or delivered by hand at the respective addresses or by placing in the U.S. Mail at the City of Minneapolis.

Pursuant to Minnesota Rule 7829.1300, CenterPoint Energy has served the summary of the petition to persons on the applicable general service list.

___/s/________________________________
Donald W. Wynia
Regulatory Affairs
CenterPoint Energy

June 28, 2024

State of Minnesota
Minnesota Department of Commerce

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Request No.	
DOC 014 P	Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy. Topic: Distribution Planning Assumptions Reference(s): None identified. a. Has CenterPoint changed any of the assumptions it uses for distribution planning purposes in the past year? b. If so, please identify those assumptions, the changes made and the potential effects of those changes on the Company's distribution system in the future. **Response:** a. No. For future reference our planning and supply strategies can be found in our Gas Procurement Plan which is updated and filed annually. These are filed under the Hedging Variance Docket, last year's was filed under Docket 19-699. The 2024-2025 plan will be filed under Docket 23-360. b. N/A

Response By: Donald Wynia
Title: Senior Analyst, Regulatory & Rates
Department: Regulatory Portfolio Management MN
Telephone: 612-321-4677

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
Public Comments

Docket No. G008/M-24-146

Dated this **31st** day of **July 2024**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_24-146_M-24-146
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_24-146_M-24-146
Seth	DeMerritt	Seth.DeMerritt@centerpointenergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-146_M-24-146
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_24-146_M-24-146
Kathryn	Lloyd	Kathy.lloyd@centerpointenergy.com	CenterPoint Energy	N/A	Electronic Service	No	OFF_SL_24-146_M-24-146
Jason	Loos	jason.loos@centerpointenergy.com	CenterPoint Energy Resources Corp.	505 Nicollet Mall 3rd Floor Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-146_M-24-146
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_24-146_M-24-146
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_24-146_M-24-146
Donald	Wynia	donald.wynia@centerpointenergy.com	CenterPoint Energy	CenterPoint Energy 505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_24-146_M-24-146