



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

November 23, 2020

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

VIA E-FILING

**RE: Petition of CenterPoint Energy for Approval of a -Variance to Minnesota Rules -
Regarding Supplier (Pipeline) Refunds**
Docket Number G-008/M-20-_____

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") submits its request for approval of a variance to Commission Rules Regarding Supplier Refund Rules - Minnesota Rule 7825.2700, Subp. 8. (Refunds) in accordance with the requirements of 7829.3200 (Other Variances).

The Company respectfully requests this filing be accepted as being in full compliance with the filing requirements of the Minnesota Public Utilities Commission (the "Commission") and that the Commission grant approval of this variance. -. The Company requests approval from the Commission by mid-to-late January 2021. The Company has electronically filed this document with the Commission, and copies have been served on the parties on the attached service list.

The following pages further describe the Company's petition. If you have questions regarding the information provided in this filing, please contact me at (612) 321-5078 or Marie.Doyle@CenterPointEnergy.com.

Sincerely,

/s/

Marie M. Doyle
Regulatory Analyst, Regulatory Services
CenterPoint Energy

cc: Service List

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie Sieben
Valerie Means
Matthew Schuerger
Joseph Sullivan
John Tuma

Chair
Commissioner
Commissioner
Commissioner
Commissioner

**PETITION FOR APPROVAL OF
A VARIANCE TO THE PURCHASED
GAS ADJUSTMENT RULES
FOR SUPPLIER REFUNDS**

SUMMARY OF FILING: Minnesota Rule 7829.1300, Subp. 1, CenterPoint Energy (the “Company”), electronically submits a one paragraph summary of its Petition.

CenterPoint Energy requests a variance to Minnesota Rule 7825.2700, subpart 8, Refunds, that requires the company to refund supplier pipeline charges based on individual customer’s use over the latest 12 months of use. The Company plans to refund the dollars and seeks to use a shorter-than-12-month use total to appropriately match dollars to customers. The refund would be assigned to sales service customers only (not transportation service customers) who are billed for pipeline services as part of the cost-of-gas billed. CenterPoint Energy seeks to vary the refund rule by using customer sales billed over the four months of January 2020-April 2020, and further seeks a variance to the 90-day refund requirement for amounts greater than \$5 per customer if Commission approval extends beyond the 90-day.

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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**PETITION FOR APPROVAL OF
A VARIANCE TO THE PURCHASED
GAS ADJUSTMENT RULES
FOR SUPPLIER REFUNDS**

1. INTRODUCTION

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy,” “CNP,” or the “Company”) submits to the Minnesota Public Utilities Commission (the “Commission”) the Petition of CenterPoint Energy for Approval of a Variance to Minnesota Rules to Refund Pipeline Supplier charges to ratepayers based on the four months that the charges were imposed (January - April 2020), matching customer use for that time period instead of the rule-required twelve-month period. Compliance with applicable Minnesota Statutes and Rules is demonstrated in this filing.

The Rule that the Company requests a variance to:

7825.2700 PURCHASE GAS CHARGES, AUTOMATIC ADJUSTMENT.

Subp. 8. **Refunds.** Refunds and interest on the refunds, that are received from the suppliers or transporters of purchased gas and attributable to the cost of gas previously sold, must be annually refunded by credits to bills, except that cumulative refund amounts equal to or greater than \$5 per customer must be refunded within 90 days from the date the refund is received from a supplier or transporter. Refunds must be allocated to customer classes in proportion to previously charged costs of purchased gas. **Within classes, the refund amount per unit must be applied to bills on the basis of individual 12-month usage.** The utility shall add interest to the unrefunded balance at the prime interest rate. (bold emphasis added.)

CenterPoint Energy believes matching the refund to the specific timeframe is most appropriate in this case and recommends using customer use for the four-month period as the basis for allocating the refund rather than a strict use of the rule’s 12-month period. The rule stipulates a 90-day refund deadline for refunds exceeding \$5 per customer. These refunds are expected to exceed the per customer threshold. Further, the refund deadline would be in mid to late January since the larger refunds from Northern Natural Gas (“NNG”) were not received until October. As a result, the Company seeks expedited treatment, if possible, to meet the required 90-day refund timeline. CenterPoint Energy plans to combine the refunds into a single credit per active

customer and asks for an additional variance(s) if the 90-day deadline applies to each refund individually and if the review extends beyond mid-January.

2. COMPLIANCE WITH MISCELLANEOUS TARIFF AND PRICE LIST FILINGS

Pursuant to Minnesota Rules Part 7829.1300, CenterPoint Energy provides the following information:

7829.1300 Miscellaneous Tariff and Price List Filings

Subp. 1 ***Summary.***

A miscellaneous tariff filing, and price list filing must include, on a separate page, a one-paragraph summary of the filing, sufficient to apprise potentially interested parties of its nature and general content.

A one-paragraph summary is attached to this filing pursuant to Minn. Stat. § 216B.50 and related Minnesota Rules 7825.1600 to 1800.

Subp. 2 ***Service.***

The filing utility shall serve copies of each miscellaneous tariff filing on which commission action is required within 60 days, and each price list filing increasing the price of a competitive service, on the persons on the applicable general service list, on the department, and on the Residential Utilities Division of the Office of the Attorney General. For other filings, the utility may serve the summary described in subpart 1 on persons on the applicable general service list. The utility shall serve with the filing or the summary a copy of its general service list for the filing.

A copy of this filing has been served on all parties on the enclosed service list.

Subp. 3 ***Content of filing subject to specific requirements.***

In addition to complying with specific requirements imposed by statute or rule, miscellaneous tariff and price filings subject to specific filing rules must contain at least the following information:

A. the name, address, and telephone number of the utility, without abbreviation;

CenterPoint Energy, a division of CenterPoint Energy Resources Corp., a Delaware Corporation
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976

B. the name, address, and telephone number of the attorney for the utility, if the utility is using an attorney;

Brenda Bjorklund
Associate General Counsel
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976
Brenda.Bjorklund@CenterPointEnergy.com

- C. **the date of the filing and the date the proposed rate or service change will go into effect;**

Filing Date:

November 23, 2020

Effective Date:

CenterPoint Energy requests that the Commission grant the requested PGA rule variances by mid to late January 2021.

- D. **the statute that the utility believes controls the time frame for processing the filing; and**

Minnesota Statutes and related rules do not provide an explicit time frame for action by the Commission. Under Minn. R. 7829.0100, subp. 11, the filing is properly considered a miscellaneous tariff filing, since no determination of general revenue requirement is necessary. Under Minn. Rule 7829.1400, initial comments are due within 30 days of filing, with reply comments due 10 days thereafter.

- E. **the signature and title of the utility employee responsible for the filing.**

Marie M. Doyle
Regulatory Analyst, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-5078

- Subp. 4 **Content of filing not subject to specific filing rules.**
In addition to complying with any specific requirements imposed by statute, miscellaneous tariff and price list filings not subject to specific filing rules must contain at least the following information:

Not Applicable.

3. OFFICIAL SERVICE LIST REQUEST

Pursuant to Minnesota Rule 7829.0700, Subpart 1, the Company requests the following persons be placed on the Commission's official service list for this proceeding:

7829.0700 Official Service List

Subp. 1 Content.

The official service list for each proceeding consists of the names of the parties and the names of participants who have filed a written request for inclusion on the service list with the executive secretary.

Marie Doyle
Regulatory Analyst, Regulatory Services
CenterPoint Energy
505 Nicollet Mall
(612) 321-5078
Marie.Doyle@CenterPointEnergy.com

Andrew Sudbury
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P.O. Box 59038
Minneapolis, MN 55402
(612) 321-4480
Andrew.Sudbury@CenterPointEnergy.com

Brenda Bjorklund
Associate General Counsel
CenterPoint Energy
505 Nicollet Mall
Minneapolis, MN 55402
(612) 321-4976
Brenda.Bjorklund@CenterPointEnergy.com

Any information requests in this proceeding should be submitted to Ms. Doyle.

4. PROPOSED VARIANCE SERVES THE PUBLIC INTEREST

CenterPoint Energy requests a variance to Minnesota Rule 7825.2700, subpart 8, Refunds, that requires the company to refund supplier pipeline charges based on individual customer's use over the latest 12 months of use. The Company plans to refund the dollars and seeks to use a shorter-than-12-month use total to appropriately match dollars to customers. The refund would be assigned to sales service customers only (not transportation service customers) who are billed for pipeline services as part of the cost-of-gas billed. CenterPoint Energy seeks to vary the refund rule by using customer sales billed over the four months of January 2020-April 2020, and further seeks a variance to the 90-day refund requirement for amounts greater than \$5 per customer if Commission approval extends beyond January 2021.

In this instance, Viking Gas Transmission, one of CenterPoint Energy's transportation providers, requested an increase on July 31, 2019 to its rates beginning January 1, 2020 and was allowed to implement the increase in rates subject to refund. A settlement was reached by Viking shippers in February 2020, and the Federal Energy Regulatory Commission (FERC) allowed Viking to implement the agreed upon final rates prior to formal approval. Therefore, beginning in March 2020, rates billed matched the final approved rates. FERC approved the settlement on July 1, 2020 and ordered refunds of the difference between rates collected and final settlement for January and February, which the Company received in August 2020.¹

¹ Docket No. RP19-1340-005, issued July 1, 2020. Refund with interest \$130,282.

Likewise, NNG proposed a rate increase in 2019² and billed shippers the proposed rates from January to April 2020 subject to refund. NNG and shippers reached a settlement in April 2020, and FERC allowed NNG to update its billed rates beginning in May 2020 to the final rates while awaiting formal FERC approval. CenterPoint Energy paid the increased rates as required, adjusting the purchased gas rates it passed through to its customers to reflect the increases and subsequent decreases. The refunds reflect dollars returned to CenterPoint Energy in October that need to be returned to its sales service customers. Northern made two refunds – one reflecting the contracted entitlement, and the other reflecting volumetric charges on CenterPoint Energy gas deliveries to sales customers. The size of the refunds in total exceeds the \$5 per customer threshold that the rule anticipates, and therefore starts the clock requiring a 90-day refund deadline. CenterPoint Energy is accruing interest on the balance at the prime rate.

Because CenterPoint Energy can pinpoint customer use for the four-month period and it is possible to use that information to allocate the refund to customers, CenterPoint Energy seeks to match the refund to that timeframe, rather than a strict use of the rule’s 12-month customer-use period. The Company seeks expedited review, if possible, to meet the required timeline.

For comparison purposes, the table below shows the average difference when the Company allocates the refund using twelve months of customer use (July 2019 - June 2020)³ versus the four months of actual January – April 2020. The residential class refunds are very close, but other classes differ more widely using annual sales volumes. The total refund dollars would remain the same, but the selected sales time-frame will allocate the refund to customers in different proportions.

Rate Class	4-month Average Refund	12-month Average Refund ⁴
Residential	\$5.91	\$5.97
Com/Ind A	\$5.77	\$5.29
Com/Ind B	\$20.29	\$18.89
Com/Ind C	\$110.42	\$109.12
LG Firm	\$2,040.56	\$2,302.81
SVDF A	\$32.48	\$35.12
SVDF B	\$112.29	\$122.04
LVDF	\$152.09	\$237.44

Minn. Rules 7829.3200 provides that a variance can be granted when the following criteria are met:

- Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule;
- Granting the variance would not adversely affect the public interest; and

² Docket Nos. RP19-1353 and RP19-59. Two separate refunds-total with interest: \$7,627,578.

³ AAA volumes reported in G-008/AA-20-698

⁴Averages reported in AAA for 2019-2020

- Granting the variance would not conflict with standards imposed by law.

The Company submits that granting the requested variances to Minn. Rule 7825.2700 meets these criteria, as discussed below:

4.1. Enforcement of Rule would Impose an Excessive Burden on CenterPoint Energy and its Customers

CenterPoint Energy believes enforcement of the rule would lead to a mismatch (that could be avoided) of the dollars refunded to those who were billed and paid the pipeline charges if the dollars are allocated based on customer's full twelve months of use. Using the January to April 2020 customer use will allocate the refund to customers in relation to their -consumption over the heavy-use winter period over which it was billed. Granting the variances to allow use of four months of actual use will reflect use in those winter months and better assign the customers proportional share of the refund.

4.2. The Public Interest is Not Adversely Affected by Varying the Rules

The public interest would not be adversely affected by granting the requested variances. Granting the proposed variance will ensure that the refunds are returned to customers more consistently with how those charges were passed through.

4.3 The Variance would not conflict with standards imposed by law.

CenterPoint Energy is not aware of any laws that would be violated by granting this variance.

5. CONCLUSION

For the reasons stated above, CenterPoint Energy respectfully requests that the Commission grant the PGA Supplier Refund rule variance specified above to appropriately refund the credits in relation to the customer's use over the timeframe billed.

If you have questions about this filing, please contact me at (612) 321-5078 or Marie.Doyle@CenterPointEnergy.com.

Sincerely,

/s/

Marie Doyle
Regulatory Analyst, Regulatory Services
CenterPoint Energy

CERTIFICATE OF SERVICE

Marie Doyle served the Petition for Approval of an Variance to the Purchased Gas Adjustment Refund Rule of CenterPoint Energy to all persons at the addresses indicated on the attached list by having the document delivered by electronic filing.

/s/

Marie M. Doyle
Regulatory Analyst
CenterPoint Energy

November 23, 2020

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_CenterPoint Energy Minnesota Gas_GEN_SL_CenterPoint Energy Minnesota Gas_General Service List 2019