

May 1, 2017

Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, Minnesota 55101-2147

RE: Letter of the Minnesota Department of Commerce, Division of Energy Resources Docket Nos. G008/M-95-292 and G008/GR-08-1075

Dear Mr. Wolf:

On April 3, 2017, CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint, CPE, or the Company) submitted its annual *Update of Environmental Clean-Up Activities During 2016* (Filing) in the above-referenced dockets. CenterPoint stated that it submitted its report in accordance with the following Minnesota Public Utilities Commission (Commission) orders:

- Findings of Fact, Conclusions of Law, and Order, dated May 3, 1993 in Docket No. G008/GR-92-400;
- Order Accepting Compliance Filings and Requiring Additional Filings, dated November 24, 1993 in Docket No. G008/GR-92-400;
- Order Accepting Manufactured Gas Plant Clean-up Cost Report with Modification, dated September 22, 1995 in Docket No. G008/M-95-292;
- Findings of Fact, Conclusions of Law, and Order, dated June 10, 1996 in Docket No. G008/GR-95-700;
- Findings of Fact, Conclusions of Law, and Order, dated January 11, 2010 in Docket No. G008/GR-08-1075 (2010 Order); and
- Order agreeing with and adopting the recommendations of the Department of Commerce regarding CenterPoint Energy's Annual Environmental Update Compliance Filing, dated July 10, 2015 in Docket Nos. G008/M-95-292 and G008/GR-08-1075 (2015 Order).

The Commission requires CenterPoint to submit annual reports regarding the environmental expense tracker account, and related insurance recovery tracker, established to track costs and revenues associated with the investigation, mitigation, monitoring and remediation of manufactured gas plant sites.

In its 2010 Order, the Commission terminated the expense tracker for environmental cleanup costs and ordered the balance to be refunded to ratepayers as part of the interim rate refund in that case. At the time, the Commission retained the related insurance recovery tracker but increased the test-year revenue requirement to account for CenterPoint's annual monitoring costs previously recovered through the expense tracker. Daniel P. Wolf May 1, 2017 Page 2

In its 2015 Order, the Commission required CenterPoint to terminate the Company's insurance recovery account tracker effective April 30, 2015 and apply all of the remaining proceeds to a recent payment to the University of Minnesota for alleged environmental claims.

The Department concludes that CenterPoint's Filing complies with the applicable requirements. The information contained in the Filing appears to indicate that only ongoing, relatively stable, consulting/contracting/monitoring costs are being incurred. Given that the expense tracker and insurance recovery tracker have both been discontinued, and that the Commission, in its 2010 Order, has indicated that any future, reasonable and prudent environmental clean-up costs will be rate-recoverable under normal regulatory procedures, the Department suggests that the Commission consider discontinuing this annual filing requirement.

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

Sincerely,

/s/ ANGELA BYRNE Financial Analyst 651-539-1820

AB/ja

CERTIFICATE OF SERVICE

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

Minnesota Department of Commerce Letter

Docket No. G008/GR-08-1075 and G008/GR-15-424

Dated this 1st day of May 2017

/s/Sharon Ferguson

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