COMMERCE DEPARTMENT

March 19, 2019 **PUBLIC DOCUMENT**

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

RE: **PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/AI-18-517

Dear Mr. Wolf:

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

> The Petition of CenterPoint Energy Minnesota Gas for Approval of an Affiliated Interest Agreement with Minnesota Limited.

The Petition was filed on July 30, 2018 by:

> Adam Pyles
> Director, Regulatory Affairs
> CenterPoint Energy Minnesota Gas, a Division of CenterPoint Energy Resources Corp.
> 505 Nicollet Mall
> P.O. Box 59038
> Minneapolis, Minnesota 55459-0038

The Department requests that CenterPoint Energy Minnesota Gas provide more information in reply comments. The Department will make a final recommendation as soon as possible after that, and is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

Craig Addonizio

CA/jl
Attachment

COMMERCE DEPARTMENT

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G008/AI-18-517

I. INTRODUCTION

On April 23, 2018, CenterPoint Energy, Inc. (CPEI) and Vectren Corporation (Vectren) announced that they had entered into an agreement to merge via an acquisition of Vectren by CPEI.

On July 30, 2018, CenterPoint Energy Minnesota Gas (CPEM or the Company) filed a petition (Petition) with the Minnesota Public Utilities Commission (Commission) seeking approval of an affiliated interest agreement with Minnesota Limited, LLC (Minnesota Limited). CPEM is an operating division of CenterPoint Energy Resources Corp. (CERC), which is an indirect subsidiary of CPEI. At the time CPEM filed its Petition, Minnesota Limited was a non-regulated, indirect subsidiary of Vectren, and the acquisition of Vectren by CPEI was still pending.

On October 26, 2018, CPEM filed a Stipulation committing the Company to a number of conditions and reporting requirements related to the proposed acquisition of Vectren by CPEI.

On January 14, 2019, the Minnesota Public Utilities Commission (Commission) issued an Order approving the Stipulation and asking the Minnesota Department of Commerce (Department) to move forward with considering the merits of the Company's Petition.

On February 1, 2019, CPEI announced the successful completion of the merger, at which point Vectren became a wholly owned subsidiary of CPEI.[1]

Below, the Department offers its analysis of the merits of the Company's Petition and the affiliated interest agreement with Minnesota Limited. The agreement is a construction services contract (Construction Contract) covering all supervision, labor, and equipment to install approximately 16,180 feet of 24-inch diameter high pressure steel pipe, and perform other related work, in Golden Valley, Minnesota (the 2018 MBLSE Replacement Project) as part of

[1] http://investors.centerpointenergy.com/news-releases/news-release-details/centerpoint-energy-and-vectren-complete-merger

CPEM's 2018 Metro Belt Line construction project.[2] As described in greater detail below, the Construction Contract also contains a provision that allows CPEM to **[TRADE SECRET DATA HAS BEEN EXCISED]**.

II. DEPARTMENT ANALYSIS

A. STATUTORY AND FILING REQUIREMENTS FOR AFFILIATED INTEREST AGREEMENTS

1. Statutory Requirements

Minn. Stat. §216B.48, subd. 1(6) defines "affiliated interests" to include:

> every corporation or person which the commission may determine as a matter of fact after investigation and hearing is actually exercising any substantial influence over the policies and actions of the public utility even though the influence is not based upon stockholding, stockholders, directors or officers to the extent specified in this section;

The Department notes that Section 5.01(a)(i) to CPEI's and Vectren's April 21, 2018 Agreement and Plan of Merger (Merger Agreement) placed restrictions on Vectren's ability to pay dividends to its shareholders prior to the completion of the merger.[3] Because of this, profits in excess of dividend payments earned by Vectren during the period between the execution date of the Merger Agreement and the completion of the merger would reasonably have been expected to ultimately accrue to CPEI upon the completion of the merger. Therefore, after executing the Merger Agreement, CPEI had a financial incentive to inflate earnings at Minnesota Limited by paying above-market prices for the construction services provided pursuant to the Construction Contract. At the very least, CPEM lacked the same incentives to control costs incurred pursuant to the Construction Contract that it had prior to signing the Merger Agreement. Because of this, the Department concludes that Minnesota Limited had substantial influence over business decisions made by CPEM once CPEI and Vectren executed the Merger Agreement and, as a result, became an affiliated interest at that time.

Minn. Stat. §216B.48, subd. 3 provides:

> No contract or arrangement, including any general or continuing arrangement, providing for the furnishing of management, supervisory, construction, engineering, accounting, legal, financial, or similar services, and no contract or arrangement for the

[2] Petition, pages 3-4.
[3] See the Company's August 29, 2018 Comments, Attachment 2.

> purchase, sale, lease, or exchange of any property, right, or thing, or for the furnishing of any service, property, right, or thing, other than those above enumerated, made or entered into after January 1, 1975 between a public utility and any affiliated interested as defined in subdivision 1, clauses (1) to (8), or any arrangement between a public utility and an affiliated interest as defined in subdivision 1, clause (9), made or entered into after August 1, 1993, is valid or effective unless and until the contract or arrangement has received the written approval of the commission. . . . The commission shall approve the contract or arrangement made or entered into after that date only if it clearly appears and is established upon investigation that it is reasonable and consistent with the public interest. No contract or arrangement may receive the commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated interest of rendering the services or of furnishing the property or service to each public utility. . . . The burden of proof to establish the reasonableness of the contract or arrangement is on the public utility.

Thus, the contract between CPEM and Minnesota Limited will only be effective for regulatory purposes if the Commission approves it, and it should be approved only if it is reasonable and consistent with the public interest.

2. Filing Requirements

The Commission's September 14, 1998 Order in Docket No. E,G999/CI-98-651 provided the minimum filing requirements necessary to satisfy Minn. Rule 7825.2200, B. The Department concludes that the Company reasonably addressed these filing requirements on pages 3-6 of the Petition.

Additionally, the Commission's July 11, 1996 Order in Docket No. G008/AI-96-37 requires the Company, in all future affiliated interest filings, to provide a quantification of cost savings, and other ratepayer benefits if possible, and an explanation of changes being made to the Company's cost allocation manual (CAM) or why CAM changes are not necessary. The Department concludes that Company reasonably addressed these requirements on pages 7-8 of the Petition.

B. ANALYSIS OF THE AFFILIATED INTEREST AGREEMENT

1. Initial Scope of the Construction Contract (MBLSE Replacement Project)

In its response to Department Information Request (IR) No. 12, CPEM explained that while it has the technical knowledge to perform the construction work required for the MBLSE Replacement Project, it lacks the staffing level and certain necessary equipment, which is why it turned to an outside vendor.[4]

On pages 6-7 of its Petition, CPEM described the process used to select a vendor to provide the required construction services. As stated, the Company issued a request for proposals (RFP) for the MBLSE Replacement Project to five vendors. In its response to Department Information Request (IR) No. 11, CPEM stated that its Operations and Procurement staff identified the five vendors as contractors that meet the Company's insurance and credit requirements; hold all necessary licenses, certifications, and technical qualifications; have performed similar work in the industry; and have a presence in Minnesota.[5]

As described in the Company's response to Department IR No. 13, three vendors provided bids in response to CPEM's RFP, which the Company compiled into a bid evaluation spreadsheet to develop and compare estimates of the total cost associated with each bid.[6] After evaluating the estimated cost of each bid, the Company considered non-cost factors as well, specifically the available capacity of the bidders to complete the work, as discussed in the bid recommendation included in CPEM's response to IR No. 13.

In terms of cost, **[TRADE SECRET DATA HAS BEEN EXCISED]**.

The Department reviewed the three bids, the bid evaluation spreadsheet, and the bid recommendation and concludes that, as it pertains to the initial scope of work detailed in the RFP, CPEM's process was reasonable. The Department also concludes that because **[TRADE SECRET DATA HAS BEEN EXCISED]**.

In the RFP, the MBLSE project was divided into a number of smaller subparts, and bidders provided cost estimates by subpart on a lump sum or unit basis (e.g., lump sum cost to fabricate and install a valve vault or cost per foot of trenched main steel).[7] The final Construction Contract incorporated these costs by subpart in order to protect CPEM and its ratepayers against cost overruns.[8] Other provisions of the Construction Contract that provided

[4] Department Attachment 1.
[5] Department Attachment 2.
[6] Department Attachment 3.
[7] Department Attachment 4.
[8] Department Attachment 5.

some measure of protection to ratepayers include a change order process that prevents the contractor from performing activities or work not agreed to by CPEM, and protections against the Company from paying for defective work.

In its response to Department IR No. 10, the Company stated that its RFP and bid evaluation process also serve to control costs by providing clear descriptions of the work to be completed, which allowed for the bidders to develop clear price estimates. The Company also developed a target value for the work to serve as a benchmark to evaluate actual costs at the end of the project.

As noted on page 4 of the Petition, the initial target value of the Construction Contract was $13 million, reflecting the **[TRADE SECRET DATA HAS BEEN EXCISED].**[9]

The Department expects to conclude that, as it pertains to the initial scope of work included in the RFP, the Construction Contract was generally reasonable and contained prudent ratepayer protections. As discussed in the following section, the initial scope of work was expanded. The Department requests that CPEM provide in reply comments the actual costs incurred pursuant to the initial scope of work included in the RFP (i.e. the final, actual cost figure that reflect the scope of work used to derive the $13.0 million target value described above).

2. Additional Construction Services Provided Under the Contract

As noted above, the construction agreement with Minnesota Limited contained a clause that allowed the parties to **[TRADE SECRET DATA HAS BEEN EXCISED]**. In its response to Department IR No. 27, the Company explained that it added several projects to the scope of the work to be performed under the Construction Contract, which raised the total target value from $13.0 million to $22.5 million.[10]

The first and largest project added was a 3,200-foot segment of 24-inch steel belt line in Minneapolis, for which CPEM derived a target value of $6.0 million. This project was added via a change order signed in September 2018. Three additional projects with a total target value of $1.6 million were added via subsequent change orders. CPEM also authorized an additional $1.2 million for pipeline integrity digs conducted by Minnesota Limited that, according to the Company, were not identified until after the contract approval process, but were billed at the unit rate specified in the contract. There does not appear to be a change order associated with these digs. Further, CPEM also signed another change order related to the final grading of areas disturbed during the initial phase of work under the Construction Contract, but did not request additional funding associated with that change order. Lastly, CPEM increased the

[9] Department Attachment 6.
[10] Department Attachment 7.

Construction Contract's target value by an additional $0.7 million described in the Company's response to Department IR No. 27 as "Funding for Anticipated Cost Adjustments."

The Department has a number of concerns related to this additional work. First, these additions to the scope of the work to be performed under the Construction Contract, which represent nearly 75 percent of the initial target value (or 40 percent of the final, total target value), were not competitively bid. The Department requests that CPEM explain in reply comments why it was reasonable to assign such a large volume of construction work to a single contractor, particularly an affiliate, without using any kind of bidding process to ensure that the costs were reasonable.

Second, the information provided in the Company's response to Department Information Request No. 27 does not contain enough information to determine how the target values associated with the change orders were derived, and whether they are reasonable estimates of the costs expected to be incurred. The Department requests that the Company provide in reply comments all information necessary to demonstrate how it derived the $6.0 million target value associated with the additional belt line work, and also how CPEM derived the $1.6 million target value associated with the three smaller change orders.

Additionally, the Department requests that the Company explain in reply comments what specifically the line item "Funding for Anticipated Cost Adjustments" represents, and how it derived the $0.7 million estimate.

The Department also requests that the Company explain how it developed the $1.2 million cost estimate associated with the pipeline integrity digs, why these digs were not identified until after the contract approval process was complete, and whether the addition of these digs required a change order to amend the initial Construction Contract.

Lastly, the Department notes that CPEM's response to Department IR No. 27, included following information regarding, target value by sub-project, total target value, and the total actual spend:

Table 1
Target Value Versus Actual Spend
($ millions)

Project	Target Value	Actual Spend
Belt Line Project at Golden Valley Road	13.0	
Additional Belt Line Segment	6.0	
Pipeline Integrity Digs	1.2	
Distribution Pipeline Construction	1.6	
Funding for Anticipated Cost Adjustments	0.7	
Total	22.5	20.7

The Department requests that the Company provide in reply comments its actual spend by the same line items shown in Table 1 so that the Department can compare target values and actual spends on a more granular basis.

III. CONCLUSION

As described above, CPEM's initial RFP and contractor selection process appears to have been reasonable. However, the Department requests that the Company provide in reply comments its actual spend related to the scope of work included in the initial RFP (i.e. the actual spend on the work reflected in the $13.0 million target value for the MBLSE Replacement Project). Additionally, the Department has several concerns related to the work the Company added to the original scope of the Construction Contract, particularly given that the additional work was not subjected to any type of competitive bidding process. The Department requests that the Company provide in reply comments the information requested above related to the reasonableness of assigning the volume of work it gave to its affiliate without a competitive bidding process, as well as the cost estimates it developed associated with that additional work.

The Department will provide a final recommendation to the Commission as soon as practicable after it reviews the information provided by CPEM in reply comments.

/jl
Attachment

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008_AI-18-517 Affiliated Interest
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 12	Topic: RFP Process Reference(s): Petition, Page 6 a. Please explain whether the Company has the capability to perform this type of work itself using its own employees. b. If yes, please explain generally how the Company determines whether to hire an outside contractor for these types of projects. c. If yes, please also explain the specific circumstances of this project that led the Company to hire an outside contractor. **Response:** a. The Company has the technical knowledge to perform this type of work but does not have the staffing level or certain specific equipment needed to perform this type of work. b. Not applicable. c. Not applicable.

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

State of Minnesota
Department of Commerce

Utility Information Request

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Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 11	Page 6 of the Petition states that five vendors were "invited" to bid. a. Please list the five vendors and note whether each is an affiliate of the Company, or is expected to be one following the merger between CenterPoint HoldCo and Vectren. b. Please explain how the five invited bidders were selected. c. Please explain why the Company considers five to be reasonable number of bidders, and explain why the Company did not attempt to attract a larger number of bidders (by, e.g., advertising the RFP in trade publications or other media). **Response:** a. The five vendors invited to bid were: InfraSource Installation (Kansas City, MO), KS Energy Services (New Berlin, WI), Michels Corporation (Brownsville, WI), Minnesota Limited (Big Lake, MN) and Q3 Contracting (Little Canada, MN). None of the five are currently affiliates of the Company and only Minnesota Limited will become an affiliate upon completion of the transaction between CenterPoint HoldCo and Vectren. b. CenterPoint Energy Operations staff works with Procurement staff to identify potential bidders that are qualified to bid on CenterPoint Energy contracts (e.g., contractors that meet our insurance and credit requirements, that hold all necessary licensures, certifications and technical qualifications, and that have demonstrated the ability to

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

perform similar work in the industry). The Company also considers whether the potential bidder has a presence in the Minnesota region since experience has shown that workforce mobilization costs can be a significant additional cost. CenterPoint Energy submits the RFP to qualified bidders that include a good mix of local and national contractors with the capability to complete work according to Company standards. CenterPoint Energy does not open its bidding to non-qualified contractors.

c. Based on the scope of work for this contract, the considerations mentioned in part b, above, and its experience managing pipeline construction contracts over the recent years, the Company concluded that the five vendors invited to bid would provide a reasonable range of bids from which to make a selection.

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008_AI-18-517 Affiliated Interest
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 13	Topic: RFP Process Reference(s): Petition, Page 7 Page 7 of the Petition states that the Company compared costs provided by each bidder, and discussed available capacity with two emerging candidates to assure the best value relative to cost, service, and expertise. a. Please provide copies of all bids/documents/supporting materials submitted by the participating vendors. b. Please provide any and all documents related to the Company's evaluation/scoring of those bids, including but not limited to how two candidates "emerged" to have discussions regarding available capacity. **Response:** a. Of the five vendors invited to bid, three provided a response to the RFP. Those responses are attached. b. Please see the attached bid evaluation sheet and recommendation. The bid evaluation sheet calculates the expected cost of the bids using the bidder's prices and the expected units of work. The recommendation includes a discussion of the bidders' cost and available capacity to complete the work.

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

MICHELS

RFP RESPONSE

[All pages of the bidder's response are considered Trade Secret.]

CenterPoint Energy has designated this entire document as trade secret. The document meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the document was supplied by CenterPoint Energy, the affected organization; (2) CenterPoint Energy has taken all reasonable efforts to maintain the secrecy of the document, including protecting it from disclosure in this proceeding; and (3) the document 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.

In accordance with Minn. Rule 7829.0500, subp. 3, CenterPoint Energy furnishes the following description of the document:

Nature of the Material: The document is a pdf of the response by the Author to CenterPoint Energy's RFP for the 2018 MBLC Project.
Author: Michels Corp.
General Import: This document contains the response of a bidder to the RFP.
Date the Document was Prepared: March 9, 2018

MINNESOTA LIMITED

RFP RESPONSE

[All pages of the bidder's response are considered Trade Secret.]

CenterPoint Energy has designated this entire document as trade secret. The document meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the document was supplied by CenterPoint Energy, the affected organization; (2) CenterPoint Energy has taken all reasonable efforts to maintain the secrecy of the document, including protecting it from disclosure in this proceeding; and (3) the document 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.

In accordance with Minn. Rule 7829.0500, subp. 3, CenterPoint Energy furnishes the following description of the document:

Nature of the Material: The document is a pdf of the response by the Author to CenterPoint Energy's RFP for the 2018 MBLC Project.
Author: Minnesota Limited
General Import: This document contains the response of a bidder to the RFP.
Date the Document was Prepared: March 9, 2018

Q3 RFP

RESPONSE

[All pages of the bidder's response are considered Trade Secret.]

CenterPoint Energy has designated this entire document as trade secret. The document meets the definition of trade secret in Minn. Stat. § 13.37, subd. 1(b), as follows: (1) the document was supplied by CenterPoint Energy, the affected organization; (2) CenterPoint Energy has taken all reasonable efforts to maintain the secrecy of the document, including protecting it from disclosure in this proceeding; and (3) the document 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.

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Author: Q3 Contracting
General Import: This document contains the response of a bidder to the RFP.
Date the Document was Prepared: March 9, 2018

PUBLIC DOCUMENT
TRADE SECRET DATA HAS BEEN REMOVED

DOC 13 b page 1

Column1	Column2	Column4	Column5	Column6	Column7	Column8	Column9	Column3
Column1		Column4	Column5	Column6	Column7	Column8	Column9	
2018 MBLSE PROJECTS -	Unit	Q3	Q3	Minnesota Limited		Michels	Michels	
		[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…	[TRADE SECRET DATA BEGINS…
Trimming, Clearing and Grubbing Blue Line Station	1		$ -		$ -		$ -	
Trimming, Clearing and Grubbing Golden Valley Road	1		$ -		$ -		$ -	
Pressure Testing with Nitrogen Up to 2,000 feet	3		$ -		$ -		$ -	
Pressure Testing with Nitrogen-2,001 feet to 4,000 feet	1		$ -		$ -		$ -	
Pressure Testing with Nitrogen 4,001 feet to 6,000 feet	1		$ -		$ -		$ -	
Pressure Testing with Nitrogen- 6,001 feet to 8,000 feet	1		$ -		$ -		$ -	
Pressure Testing with Nitrogen- 8,001 feet to 12,000 feet	0		$ -		$ -		$ -	
St. Croix Ave No Reg Station	1		$ -		$ -		$ -	
Hidden Lakes Reg Station	1		$ -		$ -		$ -	
Golden Valley Road & Glenwood Parkway	1		$ -		$ -		$ -	
North Valve Pit - On Rhode Island, North of GV Road Precast Int	1		$ -		$ -		$ -	
East Valve Pit - On GV Road, East of Rhode Island Precast Inter	1		$ -		$ -		$ -	
North Valve Pit - On Rhode Island, North of GV Road Build In Pla	0		$ -		$ -		$ -	
East Valve Pit - On GV Road, East of Rhode Island Build In Plac	1		$ -		$ -		$ -	
Vault Removal Valve Vault	2		$ -		$ -		$ -	
Vault Removal Regulator Vault	2		$ -		$ -		$ -	
Price per catch basin repair	8		$ -		$ -		$ -	
Catch Basin Replacement	12		$ -		$ -		$ -	
Met Council Adjust Manhole Casting	0		$ -		$ -		$ -	
Trenched Steel Main 20" & 24"	15902		$ -		$ -		$ -	
Trenched Steel Main 12" & 16"	1		$ -		$ -		$ -	
Trenched Steel Main 6" & 8"	1		$ -		$ -		$ -	
Trenched Steel Main 2" & 4"	1		$ -		$ -		$ -	
Auger Boring 24" Pipe Park	243		$ -		$ -		$ -	
Auger Boring 24" Pipe West	306		$ -		$ -		$ -	
Offset Weld Ells-Steel Main 20" & 24"	9		$ -		$ -		$ -	
Offset Weld Ells-Steel Main 12" & 16	0		$ -		$ -		$ -	
Installation of Weld Cover Sleeves 20" & 24"	15		$ -		$ -		$ -	
Installation of Weld Cover Sleeves 12" & 16	1		$ -		$ -		$ -	
Driven Sheeting	7200		$ -		$ -		$ -	
Non-Contaminated Pipe Removal	12475		$ -		$ -		$ -	
Contaminated Pipe Removal	1		$ -		$ -		$ -	
Silt Fence Installation and Removal	13500		$ -		$ -		$ -	
Silt Logs	9000		$ -		$ -		$ -	
Temporary Slope Breakers	1		$ -		$ -		$ -	
Trench Breakers	960		$ -		$ -		$ -	
Wetland Mats	300		$ -		$ -		$ -	
Temporary Sedimentation Basins	1		$ -		$ -		$ -	
Zinc Ribbon (Laying Only)	1		$ -		$ -		$ -	
Temporary Construction Fencing	2000		$ -		$ -		$ -	
Sand Padding	13000		$ -		$ -		$ -	
Gravel Areas (Spec Five)	24746		$ -		$ -		$ -	
Granular Borrow – update definition	2500		$ -		$ -		$ -	
Flowable Backfill	1500		$ -		$ -		$ -	
Rock Removal	1		$ -		$ -		$ -	
Non-Contaminated Backfill Removal	351000		$ -		$ -		$ -	
Contaminated Backfill Removal	20000		$ -		$ -		$ -	
Blacktop Removal – Bell Hole or Trench	136499		$ -		$ -		$ -	
Concrete Removal – Bell Hole or Trench	24342		$ -		$ -		$ -	
TOTAL FOR Project		$ -		$ -		$ -		
		…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]	…TRADE SECRET DATA ENDS]

Column1	Column2	Column4	Column5	Column6	Column7	Column8	Column9	Column3
Column1		Column4	Column5	Column6	Column7	Column8	Column9	
2018 MBLSE PROJECTS -	Unit	**Q3**	Q3	Minnesota Limited		Michels	Michels	
Delivery Due Date								
COMMERCIAL EXCEPTIONS								
TECHNICAL EXCEPTIONS / ALTERNATIVE BIDS								
WEIGHTED AVERAGE SCORING	Weight	Score	Extended Score	Score	Extended Score	Score	Extended Score	
Criteria # 1	0		0		0		0	
Criteria # 2	0		0		0		0	
Criteria # 3	0		0		0		0	
Criteria # 4	0		0		0		0	
Criteria # 5	0		0		0		0	
	0		0		0		0	
		[TRADE SECRET DATA BEGINS…		**[TRADE SECRET DATA BEGINS…**		**[TRADE SECRET DATA BEGINS…**		
Bid Price (Note: No Bids are shown as 10 times low bid)		$ -		$ -		$ -		
Rankings								
Premium $								
Premium %								
		…TRADE SECRET DATA ENDS]		**…TRADE SECRET DATA ENDS]**		**…TRADE SECRET DATA ENDS]**		

Tod Norgren
Manager, Construction Service

March 23, 2018

2018 MBLC – Golden Valley Road Belt Line Project
Contract Award Recommendation

CenterPoint Energy has sought bid proposals from pre-qualified construction contractors to perform distribution pipeline rehabilitation, construction and installation work relative to its Belt Line Distribution system, in particular the 15,000-foot section located on Golden Valley Road, Golden Valley, Minnesota. Project work will be constructed during the 2018 Minnesota construction season by the awarded distribution pipeline contractor. The work performed under the 2018 agreement includes all Supervision, labor and equipment to complete the project as designed and specified by CenterPoint Energy.

Integral to the RFP process, the terms and conditions were reviewed and approved by Corporate Purchasing (Patrick Williams) and included with the RFP documentation.

A Request for Proposal (RFP) was sent out to the following five (5) vendors that represented a mix of local and national distribution pipeline companies serving the Midwest region.

The contractors in blue font elected not to participate in the bid proposal.

InfraSource Installation, LLC
6301 James A Reed Road
Kansas City, MO 64133

KS Energy Services, Inc.
19705 W. Lincoln Avenue
New Berlin, WI. 53146

Michels Corporation
817 West Main Street
Brownsville, WI. 53006

Minnesota Limited
18640 – 200th Street
Big Lake, MN. 55309

Q3 Contracting, Inc.
3066 Spruce Street
Little Canada, MN. 55117

The noted three (3) bids were received March 9th, 2018, and were evaluated using lump sum cost and unit pricing prescribed in the RFP Scope of Work. Construction Services and Corporate Purchasing, Pat Williams, reviewed the data using the bid tab. The results are summarized in the following table from low bid contractor to high bid:

Bid results using data provided by CNP Purchasing

[TRADE SECRET INFORMATION BEGINS…

…TRADE SECRET INFORMATION ENDS]

The primary purpose for bidding the project is to secure <u>additional</u> pipeline construction capacity to support the significant amount of steel pipeline and gas facilities work planned, budgeted and scheduled for 2018.

[TRADE SECRET INFORMATION BEGINS…

…TRADE SECRET INFORMATION ENDS]

[TRADE SECRET INFORMATION BEGINS…

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The contract value is recommended to be submitted **[TRADE SECRET INFORMATION BEGINS…**
…TRADE SECRET INFORMATION ENDS] or $13M to account for actual quantities of unit priced line items. Unit quantities are engineering estimates and useful to accurately and fairly compare bids, but actual quantities are anticipated to be higher.

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008_AI-18-517 Affiliated Interest
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 14	Topic: RFP Process Reference(s): Petition, Page 6 Please provide a copy of the bid document referenced on page 6 of the Petition. **Response:** The bid document (RFP) consists of the following: 1. RFP text including Scope of Work 2. CNP 10 Terms and Conditions 3. Attachment A - Drawings 4. Attachment B - Pricing 5. Attachment C - Pressure Test Plan 6. Attachment D - CenterPoint Energy Construction and Service Manual and O&M Manual 7. Attachment E - OQ Covered Task List 8. Attachment F - Geotechnical Report 9. Attachment G - Environmental Documents The attached RFP files include: - RFP Scope and Attachments B, C, and E. - CNP 10 Terms and Conditions - Attachment A Drawings: 3 files in total, one for each work order - Attachment D CNP Manuals: 2 files in total - Attachment F Geotechnical Report: 1 file - Attachment G Environmental Documents: 7 files in total including permit summaries, storm water protection plans, and other permits

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

CenterPoint Energy
PO Box 4567
Houston, Texas 77210-4567
CenterPointEnergy.com

Request for Bid
2018 MBLC Beltline Replacement Project

Pre- bid meeting: February 14, 2018
CenterPoint Energy
Golden Valley Facility
6161 Golden Valley Road
Golden Valley, MN 55422

9:00 a.m. – 11:00 a.m.
Room #GV105

Parking NE lot
Building Entrance – NE Door (personnel on hand to assist)

Contact: Pat Williams 713 207 6924

Bid Date: March 9, 2018 at 12:00 PM
:

Bid shall be submitted to: CenterPoint E-sourcing online

One Year Beltline Construction Contract

What % of the units are labor and fuel

Labor: %
Fuel: %

Note Attachment are on the Attachment tab in ESO

Scope of work

Attachment A – Drawings*
Attachment B - Pricing
Attachment C - Pressure Test Plan*
Attachment D – CenterPoint Energy Construction & Service and Operations & Maintenance Manuals
Attachment E - Operator Qualification Covered Task List
Attachment F - Geotechnical Report*
Attachment G - Environmental Documents*
(*Drawings and noted items to be provided in advance of each project and on individual project basis).

Work. The work to be completed under this Agreement includes all supervision, labor and equipment to install 20" & 24" diameter high pressure steel pipe, and may include 6", 8", 12", 16" and 20" diameter low pressure steel pipe and below grade valve vaults/regulator vaults with associated piping. Remove existing coal tar coated steel pipe, plastic pipe and existing below grade valve/regulator vaults throughout the project areas. All new and existing steel Class C and E piping associated with the project design will be pressure tested with nitrogen as required to establish a 215 (class C) or 250 (class E) psig MAOP. Each project plan set may contain multiple sections of pipe of varying lengths to be pressure tested separately per design.

The project will require coordination with CenterPoint Energy Restoration Contractor to complete the final restoration for the roadways and curb and gutter. The Contractor is responsible to coordinate all restoration including but not limited to prepping or full restoration of the road surface per city or county standard specifications, soft surface, sidewalks and curbing to original condition or better.

Construction segments to be installed per each individual project design. Refer to the project sequencing plan within the individual plan set when applicable.

CNP to stake running line once, contractor responsible for maintaining staking during construction. Staking of curbs, roadway, sidewalks, etc…

Anticipated 2018 Project Work Order Numbers (projects may be added or removed from this list) Each Year CenterPoint will provide new work orders

2018 Project Work Order Numbers

- CNP #84878990 – Metro Belt Line Crossbuckle - West
  Location – Golden Valley - Golden Valley Rd, Winnetka Ave to Douglass Dr
- CNP #84879080 - Metro Belt Line Crossbuckle – Theodore Wirth Golf Course Phase II
  Location – Golden Valley – Theodore Wirth Golf Course
- CNP #80580753 - Metro Belt Line Crossbuckle - Central
  Location – Golden Valley - Golden Valley Rd, Zane Ave to Basset Creek

The proposed 2018 Construction activities will occur along city and county streets/roads within the following communities: Golden Valley. Construction on Hennepin County Road #66 cannot begin before June 1, 2018. County Road #66 begins at Duluth St & Golden Valley Road intersection and proceeds east.

Early season construction on sections of new alignment can begin with permission from CenterPoint Energy, requires permit to supersede road restrictions, in the following areas:

- Project #84879080, at Theodore Wirth Golf Club at future Blue Line Station, include approximately 1,125' of pipe and an auger bore of approximately 300';
- Project #84878990, install pipe at 10th Ave No & Winnetka Ave No, east on 10th Ave No approximately 600' to Rhode Island Ave No; south on Rhode Island Ave No approximately 1,100 to Golden Valley Road and west on Golden Valley Road towards Winnetka Ave No approximately 800' and includes setting two pre-cast vaults.

Project #80580753 can begin once work at W. Broadway & Logan Ave No is tied in, a separate project from those noted in this package.
Phase I pipe will be installed in existing alignment on Golden Valley Road, starting west of Highway 100 at Oak Grove proceeding east to existing pipe tie-in at Lilac Drive, approximately 1,675'.

- Phase I continues east of Highway 100 on Golden Valley Road approximately 2,100', from existing pipe tie in point to Duluth St. This segment includes on build in place valve vault at Scheid Park.
- After June 1, 2018, pipe can be installed on Hennepin County Road #66, Golden Valley Road, beginning at Duluth St & Golden Valley Road, approximately 3,900' of pipe is to be installed eastward on Golden Valley Road to Basset Creek Dr.

Project #84878990 Phase II pipe is installed from valve pit at Golden Valley Road and Rhode Island (installed during new alignment phase), east on Golden Valley Road approximately 3,420', includes two auger bores: one approximately 40' and one approximately 350'.

Project #848789920 Phase III, is the last section of pipe to be installed beginning at Winnetka Ave No & 10th Ave No proceeding north approximately 300' past Orkla Dr.

- Within 220' of existing pipe north of the tie-in point, four weld cover sleeves are to be installed.

Projects unidentified at this time may be added to the 2018 construction seasons outside of the above.

Work hours:

7 A.M. to 6 P.M. (Monday-Friday), Saturday 9 A.M. to 7 P.M. Work hours other than noted may require permits and approval from applicable cities and Hennepin County.

Traffic Control and Road Closures:

The Contractor will be required to coordinate with CenterPoint Energy's Traffic Control Contractor for required preliminary traffic control plans to be used for permitting purposes and then for the final traffic control plan, which is to be submitted to the appropriate governing agency for approval.

The plan shall include the requirements to close multiple city streets for the construction of the pipeline. The Contractor is responsible for coordinating traffic control implementation, set-up and removal of all traffic control devices with CenterPoint Energy's Traffic Control Contractor. Cost incurred due to lack of adequate coordination will be the responsibility of the Contractor. The

Contractor will coordinate with CenterPoint Energy's Traffic Control contractor for submitting as needed, updated traffic control plans, obstruction permits and extended work hour permits.

The Contractor shall coordinate with area residents and businesses to maintain access to homes, businesses prior to and during construction. The Contractor will also ensure crosswalks are handicap accessible.

Inspections/Testing:

Contractor shall contact the city where work is planned to be performed and Hennepin County 48 hours prior to construction or as permits requires.

Contractor is responsible for all costs associated with non-destructive testing of welds. 100% of the welds on the Class C and E pipelines are required to be tested.

Contractor will be responsible to obtain nitrogen for shut-down, purging process and pressure testing. The Contractor will coordinate these activities with CenterPoint Energy's field personnel. An estimate of the cubic feet of nitrogen for each pressure test will be provided by CenterPoint Energy Engineering. If necessary, a change order will be drafted to cover associated costs not included in this contract.

CenterPoint Energy will test the internal surface of the existing pipe for contaminants at a minimum of seven locations and CenterPoint Energy will also take samples of the external coating for asbestos. The Contractor will make provisions to hold the pipe for up to 72 hours for the samples to be tested. Following the results, the Contractor will transport pipe testing positive to a CenterPoint Energy designated landfill in Rosemount, MN where the Contractor will make provisions for off-loading the pipe. CenterPoint Energy is responsible for contaminated pipe disposal fees. The Contractor will be responsible for disposal of pipe that tests negative for contaminants or asbestos.

Prior to the starting of tree clearing associated with the subsequent contract, CenterPoint Energy will need to confirm the absence of bald or golden eagle nests (including outside of nesting season) or other migratory birds to avoid project-related impacts.

Restoration:

The Contractor is responsible for coordinating all restoration activities with CenterPoint Energy's Restoration Contractor relative to all restoration of disturbed areas. Pipeline construction Contractor is responsible for prepping for road surface to Class V with compaction testing where necessary; soft surface, sidewalks and curbing level with rough grade to allow Restoration Contractor to complete all required restoration work to original condition or better per permit requirements. CenterPoint Energy Restoration Contractor will complete the final blacktop and concrete restoration on the city or county streets unless otherwise notified.

Miscellaneous:

Contractor must work in a coordinated collaborative manner with CenterPoint Energy personnel to remove existing mains from service, purge, condition with odorant, and energize the newly installed and existing steel pipelines.

Contractor is required to obtain a secure approved temporary storage location to receive pipe and other materials that can be direct shipped.

Contractor is responsible for attending a pre-construction meeting prior to project start.

Contractor is required to provide weekly construction schedules and updates to CenterPoint Energy and attend other meetings to provide information as a "subject matter expert" as needed.

Contractor shall start the project on or about April 2, 2018 when the CL-C pipeline is removed from service. (Projects may begin earlier if weather permits and approved by CenterPoint Energy)

Contractor is required to work around existing public and private utilities as shown on but not limited to the individual project plan sets

Contractor is responsible for demolition, removal and disposal abandoned vaults/pits per design.

Contractor is responsible for building and construction of below grade valve vaults/pits per CenterPoint Energy design (pre-cast concrete vaults will be provided by CenterPoint Energy, coordination of deliver to applicable site for internal build out is the responsibility of the contractor).

Contractor shall build valve assemblies and related piping off-site and pressure test separately prior to installation when appropriate.

Contractor is responsible to provide a clean pipe free of debris and slag.

Contractor shall pressure test any directional drill pipe prior to installation. Deformation and caliper pigs (supplied by the Contractor) shall be run through the pipe after installation. Results shall be approved by CenterPoint Energy or representative.

Contractor shall be responsible for all costs associated with filling abandoned pipe with grout that meets MN DOT specifications, including installing end plates per specified in the individual project plan sets

Contractor is responsible for removal of existing fences in conflict with construction and the installation and removal of temporary fencing needed throughout the project corridors.

CenterPoint Energy is responsible for costs associated with reinstallation of permanent fences.

Because of required project phasing, it may <u>not</u> be possible to work continuously on the project without a necessary break in construction activity to allow municipal work and associated activity to occur.

Costs associated with the initial compaction tests will be CenterPoint Energy's responsibility, if initial tests fail any additional testing that are required will be at the Contractor's expense.

Contractor is responsible for costs associated with all pipe and weld coatings as approved in the Construction and Service Manual. Power Crete J or Power Crete R-65/F1 applied at a minimum of 30 mil thickness will be required for weld joints or coating repairs.

CenterPoint Energy will be responsible for the initial staking of the project as required. If additional staking is needed, it will be at the Contractor's expense and the contractor must coordinate this work themselves.

Project Completion Date: August 13, 2018 (subject to individual project requirements beyond 2018).

The Work shall be deemed complete when the following have occurred: 1) the construction of the pipeline has been completed in compliance with all applicable codes, design specifications, and permit requirements; 2) all areas disturbed by construction have been restored to as near to original condition as possible; 3) the pipeline has been pigged, and approved by CenterPoint Energy; 4) the pipeline has been pressure tested according to CenterPoint Energy's standards; and conditioned with odorant 5) all final connections have been completed and natural gas facilities are returned to service.

CenterPoint Energy may alter or change the Work after this Agreement is signed at its discretion via a change order signed by its Manager, Construction Services ("Change Order"). If Contractor needs additional time to perform the Work due to a Change Order, it must request the extension in writing within ten (10) days of the Change Order's date or Contractor will not be entitled to any extension. Additionally, CenterPoint Energy may make minor changes in the Work, orally or in writing, if the changes do not involve performance time or price adjustments. All major design changes must be reviewed and approved by CenterPoint Energy.

All permanent materials, not limited to pipe, zinc ribbon, regulators, fittings and valves, are supplied by CenterPoint Energy. Pre-cast concrete regulator and valve vaults will be supplied by CenterPoint Energy (Contractor to coordinate delivery to applicable site for internal build out and will coordinate delivery to jobsite to meet construction deadlines). CenterPoint Energy will deliver materials to the location(s) indicated below:

- Contractor's yard(s)
- 6161 Golden Valley Road, Golden Valley, MN
- Other areas identified by CenterPoint Energy

Unless otherwise specified, the right-of-way and expanded working space is indicated on Attachment A.

If interpretation differences arise regarding this Agreement, the Work, a Work Order, or a Change Order, CenterPoint Energy's decision controls.

CenterPoint Energy reserves the right to reject any and all bids.

The Work is subject to inspection by CenterPoint Energy for the purpose of verifying the quantities of materials used.

Defective Work includes, but is not limited to, Contractor's failure to comply with this Agreement, a Work Order, a Change Order, applicable federal, state and local regulations or laws, or damage to CenterPoint Energy's or others' above-ground or below-ground structures.

ATTACHMENT B

LUMP SUM PRICE

Lump sum pricing refers to all work listed below and includes on-the-job site construction supervision at all times plus travel time, set-up, and material pick-up time; labor; tools; local, state and federal taxes; license fees and permit charges; and equipment the Contractor deems necessary to complete the Work, unless it is expressly excluded.

Trimming, Clearing and Grubbing –
Includes all labor and equipment to remove and dispose of shrubs, trees and other vegetation from easements and utility right-of-way to provide a clear path for pipeline construction.

Trimming, Clearing and Grubbing

Easement for pipe at future Blue Line Station (Theodore Wirth Golf Club) - $
(Coordinate with CenterPoint Energy)

Trimming on Golden Valley Road adjacent to Golden Valley CC - $

Pressure Testing with Nitrogen—
Includes all labor, equipment and material to successfully complete the pressure testing of the various test sections for the newly installed or existing steel pipeline as specified in Attachment C. Tests results must be approved by an Authorized Representative of CenterPoint Energy. Contractor will be required to provide sound deafening equipment approved by CenterPoint Energy as necessary.

Field Test 20" & 24" pipe - Lump Sum Price (per test section)

Up to 2,000 feet (and smaller diameter distribution pipe)	$
2,001 feet to 4,000 feet	$
4,001 feet to 6,000 feet	$
6,001 feet to 8,000 feet	$
8,001 feet to 12,000 feet	$

Vault Builds – Precast & Build In Place
CenterPoint will supply pre-cast concrete vault, manhole covers, rings, and spacers

Valve Vault – Precast Internal Build Out	**Lump Sum Price**
20" & 24" Diameter Pipe	$

This includes fabrication, build, delivery and setting in place, waterproofing with membrane, complete pipe installation, ladder, pressure testing and approximatley 3' of pipe extruding outside the vault.

Crew day rate for equipmenet outside of vault. i.e control lines.

Regulator Vault – Precast	**Lump Sum Price**
Single Regulator Vault	$

This includes fabrication, build, delivery and setting in place, waterproofing with membrane, complete pipe installation, ladder, pressure testing and approximatley 3' of pipe extruding outside

the vaults. All piping beyond the 3' stub outside of the vaults to the emergency valves will be paid as unit pricing for trenched pipe installation (see pricing for 6",8" and 12" piping below).

Valve Vault – Build In Place	**Lump Sum Price**
20" & 24" Diameter Pipe	$

This includes concrete, fabrication, build, delivery and setting in place, waterproofing with membrane, complete pipe installation, ladder, pressure testing and approximatley 3' of pipe extruding outside the vault.

Crew day rate for equipmenet outside of vault, i.e. control lines.

Regulator Vault – Build In Place	**Lump Sum Price**
Single Regulator Vault	$

This includes concrete, fabrication, build, delivery and setting in place, waterproofing with membrane, complete pipe installation, ladder, pressure testing and approximatley 3' of pipe extruding outside the vaults. All piping beyond the 3' stub outside of the vaults to the emergency valves will be paid as unit pricing for trenched pipe installation (see pricing for 6",8" and 12" piping).

Vault Removal

Pricing to include all labor and equipment to remove existing vaults associated with this project, including but not limited to the hauling and disposal of materials removed from the locations as specified in Attachment A. The material, labor and equipment required for backfilling will be paid out according to the Unit Pricing Schedule.

Lump Sum Price (each)

Valve Vault - $
Regulator Vault - $

Catch Basin Repairs

In areas of the project where catch basins will require repair due to normal installation procedures of the pipeline, CenterPoint Energy will reimburse the contractor a unit price per catch basin repair and must be approved by an Authorized Representative of CenterPoint Energy in advance. (If required by City, CenterPoint Energy will purchase mandatory materials)

Price per catch basin repair

$

Catch Basin Replacement

In areas of the project where catch basins will require replacement due to normal installation procedures of the pipeline, CenterPoint Energy will reimburse the contractor a unit price per catch basin replacement and must be approved by an Authorized Representative of CenterPoint Energy in advance. (If required by City, CenterPoint Energy will purchase mandatory materials)

Price per catch basin replacement

$

Met Council Adjust Manhole Casting

In areas where structures require adjusting due to normal installation activities of the pipeline, CenterPoint Energy will reimburse the contractor a unit price per manhole adjustment. Unit price should include the adjustment rings needed. The Met Council manholes may require the use of thicker concrete adjustment rings of 4", 6" or 12" and must be approved by an Authorized Representative of CenterPoint Energy in advance. Refer to Attachment A for potential areas of structure conflicts. The MCES will provide the castings needed for these adjustments.

Price per Manhole $

UNIT PRICE

Unit Price Work refers to all work listed below and includes on-the-job site construction supervision at all times plus travel time, set-up, and material pick-up time; labor; tools; local, state and federal taxes; license fees and permit charges; and equipment the Contractor deems necessary to complete the Work, unless it is expressly excluded.

Construction

Footage Prices

Install new construction main including all access pads, grading, soil separation, trenching, stringing pipe, welding, coating joints, lowering pipe in trench, laying warning tape, back-filling, safety related expenses, tie-ins, anodes, test stations, pipeline markers, pipe supports, flagging / marking of new main location after the installation is complete, pressure test preparation, dehydrating to the specified dew point, pigging, and any other Work required to complete the installation per CenterPoint Energy's specifications. CenterPoint Energy Design Engineer to determine welded offsets in each project design prior to field construction work commencing. Welded offsets not shown in project design are not included in the footage price – see Offset Weld Ells section.

Trenched Steel Main (per foot)

Main Size	Price per foot
20" & 24"	$
20" & 24"	$
12" & 16"	$
6" & 8"	$
2" & 4"	$

Auger Boring

Auger bore pricing includes the boring of the casing, casing material, installation of the pipe through the casing , including but not limited to installation of spacers, end caps, seals, wax fill, vent pipes and coating pipe per CenterPoint Energy's specifications, and all related work as specified in Attachment A. To be used only when CenterPoint Energy's design specifically calls for auger boring due to obstructions. Price based on usable 24" & 20" pipe footage installed.

Auger Bore gas pipe as described above, price per foot:

Pipe Size	Theodore Wirth Park	RR Track West	Golf Cart Tunnel
20" & 24"	$		

Offset Weld Ells-Steel Main – only for fittings not on design

Per eight weld (four fitting offset in same obstructed area) offset charge when not indicated in original design specifications or required in the field due to obstruction and approved by an authorized representative of CenterPoint Energy.

Size	Price per Offset
20" & 24"	$
12" & 16"	$

Installation of Weld Cover Sleeves

All labor, equipment and safety related devices and procedures to weld on cover sleeves as specified in Attachment A per CenterPoint Energy's specifications. Pricing to include the installation, testing, coating and the Pipeline Integrity inspection time of the installed cover

sleeves.

Item	Price per Cover Sleeve
20" & 24"	$
12" & 16"	$

Driven Sheeting

Requires Authorization Price per Square Foot

$ / Square Foot

Pipe Removal and Disposal

All labor, equipment and safety related devices and procedures to remove, cut up, haul off and dispose of steel and cast iron pipe to a CenterPoint Energy approved disposal location. Contractor is required make provisions for temporary storage for up to 72 hours for the removed pipe after PCB wipe sample is taken and results of wipe sample are received. A minimum of seven PCB wipe samples will be required throughout the project.

Non-Contaminated Pipe Removal Price per Foot

$

Contaminated Pipe Removal

Will require contractor to supply personnel and equipment to off load pipe at designated landfill, approved by CenterPoint Energy.

Price per Foot

$

Silt Fence Installation and Removal

All labor, equipment, and material to install standard machine spliced silt fencing at wetlands, rare plant areas, open-cut stream crossings, HDD/Bore pits, and other areas as specified in Attachment G.

Price per lineal foot $

Silt Logs

All labor, equipment and materials to install and remove the silt logs as required in areas specified in Attachment G and must be approved by an Authorized Representative of CenterPoint Energy.

Price per lineal foot

$

Temporary Slope Breakers

All labor, equipment, and material to install Bio-rolls as required on steep slopes to prevent erosion as specified in Attachment I.

Price per lineal foot

$

Trench Breakers

All labor, equipment, and material to install sand bag dams around pipe to prevent water migration through pipe trench as specified in Attachment G.

Price per cubic foot

$

Wetland Mats
All labor, equipment, and material to place timber wetland mats on top of delineated wetlands and directly underneath applicable equipment within the construction limits during construction activities as specified in Attachment G and A. Must be specifically authorized by CenterPoint Energy's Authorized Representative.

Price per mat set
$ (minimum mat width of 4')

Temporary Sedimentation Basins
All labor, equipment, and material to create basins to control quantity and quality of storm, dewatering and hydro test water prior to discharge as specified in Attachment G.

Price per basin
$

Zinc Ribbon (Laying Only)
Price per foot
$

Temporary Construction Fencing
All labor, equipment and material to install and remove temporary construction fencing throughout the construction project to secure the work site during or after work hours. Pricing to include the reinstallation and maintenance of the fence as needed. Must be approved by CenterPoint Energy's Authorized Representative.

Price per linear foot
$

Sand Padding
As specifically authorized by CenterPoint Energy, all labor, equipment, and material to delivery, and spread sand needed to replace undesirable backfill materials.

Price per yard
$

Gravel Areas (Spec Five)
Measurement of gravel areas will be by the cubic yard of gravel placed as required by permit or by governing authority. Pricing includes all labor, equipment, and material to remove all existing materials, final sub-grade preparation for paving per Standard Specifications, aggregate base material, placement, compaction, backfilling and protection as needed. Final roadway grade to be placed utilizing string line sensing equipment.

Price per cubic yard Item Number
$

Granular Borrow – update definition
Measurement of borrow areas will be by the cubic yard of material placed as required by permit or by governing authority. Pricing includes all labor, equipment, and material to remove all existing materials, sub-grade preparation, aggregate base material, placement, compaction, backfilling, construction staking and protection as needed.

Price per cubic yard	Item Number
$	

Flowable Backfill
As specifically authorized by CenterPoint Energy. The measurement of flowable backfill placed by the cubic yard, that requires pouring of fill from bottom of trench to an approved depth of fill. Pricing to include all labor, equipment, material and barricades to protect the site until remaining backfill can be completed.

Price per cubic yard
$

Rock Removal
All labor and equipment to remove and dispose of rock that cannot be trenched or backhoed.

Price per cubic foot
$

Backfill Removal & Disposal
As specifically authorized by CenterPoint Energy, all labor and equipment to remove, and dispose of backfill materials including the removal of all contaminated excavated materials to a CenterPoint Energy approved location that are undesirable for backfill as required by permit or operating procedures except where removal is caused by rain, snow or surface run-off. Contractor is required to make provisions for temporary storage of potentially contaminated soils during soil analysis period for up to 5 days

Non-Contaminated Backfill Removal	Price per cubic foot
	$

Contaminated Backfill Removal	Price per cubic foot
	$

Blacktop Removal – Bell Hole or Trench

Remove blacktop from a bell hole or trench including breaking, sawing and the removal of blacktop that cannot be trenched or backhoed, including the removal and disposal of the blacktop.

Price per cubic foot
$

Concrete Removal – Bell Hole or Trench
All labor and equipment to break, saw cut, remove, and dispose of concrete from a bell hole or trench that cannot be trenched or backhoed.

Price per cubic foot
$

Permanent Restoration – Coordinate all permanent restoration with CNP Restoration Contractor to insure timely restoration of all disturbed surfaces. All coordinating conflicts to be immediately reported to CNP for prompt resolution. Any construction or restoration delays caused by improper coordination will be at the expense of the responsible contractor.

ATTACHMENT B

TIME AND EQUIPMENT

Time and Equipment
Includes all Work that is not listed in Unit Price or Lump Sum and includes the following:

A. When removing and replacing materials that CenterPoint Energy later deems defective.

B. Other Work delays when approved by a CenterPoint Energy Authorized Representative.

C. Significant project scope change that has a material impact on lump sum price items.

D. Excavations required as a result of Close Interval Survey when no deficiencies are found.

Method Of Payment Time and Equipment Rates. When Contractor is working under Unit Price and is required to change to Time and Equipment rates, Contractor shall be paid for the cost of the crew and equipment from the time the crew and equipment leaves the normal construction activity until the time it returns or until the end of the work day, whichever occurs first.

When an entire day is planned for Time and Equipment rates, CenterPoint Energy's Authorized Representative and Contractor's Superintendent, prior to quitting time on the preceding work day, shall agree on the number of workers and equipment that is required for the Time and Equipment rate. Contractor shall be paid only for the workers and equipment agreed upon and payment shall be according to the following schedule:

A. If the Work takes less than 4 hours, CenterPoint Energy shall pay 4 hours for the entire crew.

B. If the Work takes over 4 hours but no more than 8 hours, CenterPoint Energy shall pay 8 hours for the entire crew.

B. If the Work takes over 8 hours, CenterPoint Energy shall pay the entire crew for 8 hours and 1/2 hour for each half-hour or any portion of a half-hour worked in excess of 8 hours.

D. The labor rates in this agreement shall cover all labor under Crew Day Rates irrespective of the fact that Contractor may be responsible for paying its employees overtime.

Except as specified above, Time and Equipment rates shall begin at the normal starting time and place.

ATTACHMENT B

When Contractor is on Time and Equipment rates and is delayed for less than one hour due to equipment failure or unavailable equipment; there shall be no loss of pay for either labor or equipment. If the delay is more than one hour, Contractor shall be paid only for one hour for labor and equipment.

In the case of rain delays (as agreed to by Contractor and CenterPoint Energy's Authorized Representative) when no work is performed CenterPoint Energy will pay Contractor two hours at Crew Day Rate for union labor, or work is cancelled before 11:00 AM, union personnel shall be paid for 4 hours of work. When rain out occurs after 11:00 AM, union personnel shall be paid for 8 hours.

LABOR RATES -

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EQUIPMENT RATES -

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CenterPoint Energy Pressure Test Procedure

Attachment C

1-29-2018

PRESSURE TESTING PROCEDURE
CENTERPOINT ENERGY METRO BELTLINE REPLACEMENT PROJECT
REV 1: 1/29/18

The following will detail the procedures involved in the execution of the pressure testing of the pipeline.

Pressure Test Preparation

Prior to the start of testing, the following shall be performed or assured by the Contractor and verified by the Company representative.

1. Test personnel must understand the test specifications and test plan.
2. Affected employees, residents along the Test Section, and appropriate state or local law enforcement agencies shall be informed of the testing program and arrangements shall be made for access control or evacuation of the test area as necessary for proper safety.
3. If required, notification of the test program and schedule shall be given to governmental agencies having jurisdiction.
4. Test instrumentation and certification records shall be reviewed by the Contractor and Company representative. All instruments used to obtain documented test pressures (i.e. deadweight gauges, pressure recorders) shall have been calibrated within the last 12 months.
5. All equipment, headers, valves, connections, etc., which are involved in the test, shall be in good condition and in proper place. Valves shall be placed in the half open position to ensure a shell test.

Pressurizing:

1. If Air/Inert Gas is the test medium the Test Section will be pressurized to a pressure between 100 and the pressure that required to produce a hoop stress of 20 percent SMYS, allowed to stabilize and then the 1 hour leak test will commence.
2. Upon completion of the 1 hour leak test the Test Section will be pressurized to the recommended test pressure as specified in the construction documents.

Air/Inert Gas Leak Test Requirement:

If air or inert gas is utilized as the test medium and the test section is to be stressed to 20 percent or more of SMYS, in accordance with CFR 192.507 a leak test is to be conducted. A one hour leak test shall be conducted at a pressure between 100 psi and 20% SMYS with a target of approximately 125 psi.

During the leak test pressure variations are accounted for, taking into account the effects of temperature and pressure changes on the test medium and pipe. Pressure loss that cannot be satisfactorily attributed to these factors, measurement error or other factors relevant to the situation will be considered evidence of a leak.

1. The leak test will begin with the logging of the deadweight pressure every 5 minutes for the first ½ hour, then every 10 minutes for the next ½ hour.

Strength/Leak Test:

The strength test of the Test Section shall occur subsequent to successful completion of the leak test. The hold period for the strength test shall be eight (8) hours or as specified in the construction documents.

During this time period the Test Section may be re-pressurized or depressurized as required to maintain the test pressure within the established limits. The test contractor shall maintain accurate records including depressurization and re-pressurization times, pressures, pipe temperature, and ambient temperature during the hold period. Pressure variations must be accounted for, taking into account the effects of temperature and pressure changes on the test medium and pipe. Pressure loss that cannot be satisfactorily attributed to these factors, measurement error or other factors relevant to the situation will be considered evidence of a leak.

2. The strength test will require logging of the deadweight pressure every 15 minutes for the duration of the test.

Depressurization:

1. The depressurization of the Test Section will only be performed by qualified experienced personnel during all phases of pressure testing.
2. The test crew must ensure the area is safe and secure before proceeding with depressurization.
3. When depressurizing it is imperative that constant communications are in place between the test trailer and the personnel performing the blow down to ensure specified test pressures and testing durations are obtained.

Test Records

The Company pressure test forms serve as permanent historical information for each facility tested; therefore, it is mandatory that all required forms be filled out completely and accurately. Forms shall be completed in the field by the test engineer or technician except when instructions specify otherwise.

Only Company pressure test forms shall be used, unless approved otherwise. The pressure to be used for record summaries and determination of MAOP will be the minimum test pressure at the highest point of elevation of the pipeline during the test period.

The pressure test documentation shall include the following:

1. Pressure Test Report
2. Pressure Test Log
3. Test Section Data
4. Pressure Test Failure Report (required if failure occurs)
5. Pressure Recording Chart
6. Pipe Temperature Recording Chart
7. Instrumentation Record/ Calibration Certificates

Approval signatures shall be made on each form by the designated person(s). All test forms, pressure charts, and temperature charts or logs shall be submitted with the project as-built data.

CenterPoint Energy
Steel Pipeline Operator Qualified Covered Task Lists

Attachment E
1-29-2018

Steel Foreman	
Evaluation Description - ASME Courses	ASME CTs
ASME-0041 Installation And Maintenance Of Mechanical Electrical Connections	0041
ASME-0141 Visual Inspection For Atmospheric Corrosion	0141
ASME-0151 Visual Inspection Of Buried Pipe And Components When Exposed	0151
ASME-0161 Visual Inspection For Internal Corrosion	0161
ASME-0201 Visual Inspection Of Installed Pipe And Components For Mechanical Damage	0201
ASME-0301 Manually Opening And Closing Valves	0301
ASME-0561 Pressure Test - Nonliquid Medium - MAOP Less Than 100psi	0561
ASME-0571 Pressure Test - Nonliquid Medium - MAOP Greater Than Or Equal To 100psi	0571
ASME-0591 Leak Test At Operating Pressure	0591
ASME-0641 Visually Inspect Pipe And Components Prior To Installation	0641
ASME-0711 Joining Of Pipe - Compression Couplings	0711
ASME-0721 Joining Of Pipe - Threaded Joints	0721
ASME-0731 Joining Of Pipe - Flange Assembly	0731
ASME-0861 Installation Of Steel Pipe In A Ditch	0861
ASME-0871 Installation Of Steel Pipe In A Bore	0871
ASME-0951 Installation Of Pipe Above Ground	0951
ASME-0961 Above Ground Supports And Anchors - Inspection, Preventive And Corrective Maintenance	0961
ASME-0971 Installation And Maintenance Of Casing Spacers, Vents And Seals	0971
ASME-0981 Backfilling	0981
ASME-0991 Coating Application And Repair - Brushed Or Rolled	0991
ASME-1001 Coating Application And Repair - Sprayed	1001
ASME-1011 External Coating Application And Repair - Wrapped	1011
ASME-1041 Install Mechanical Clamps And Sleeves - Bolted	1041
ASME-1051 Fit-Up Of Weld Type Sleeve	1051
ASME-1081 Tapping A Pipeline (Tap Diameter 2 Inches Or Less)	1081
ASME-1091 Tapping A Pipeline (Tap Diameter Greater Than 2 Inches)	1091
ASME-1101 Tapping A Pipeline With A Built-In Cutter	1101
ASME-1291 Locate Underground Pipelines	1291
ASME-1301 Install And Maintain Pipeline Markers	1301
ASME-1321 Damage Prevention During Excavation Activities By Or On Behalf Of The Operator	1321
ASME-1341 Provide Or Assure Adequate Pipeline Support During Operator Initiated Excavation Activities	1341
ASME-1421 Direct Examination Techniques	1421
ASME-1651 Purging - Flammable or Inert Gas	1651

ASME	Abnormal Operating Conditions
ASME Gas01	Hazards of Natural Gas and Prevention of Accidental Ignition

Steel Operator	
Evaluation Description - ASME Courses	ASME CTs
ASME-0151 Visual Inspection Of Buried Pipe And Components When Exposed	0151
ASME-0201 Visual Inspection Of Installed Pipe And Components For Mechanical Damage	0201
ASME-0591 Leak Test At Operating Pressure	0591
ASME-0641 Visually Inspect Pipe And Components Prior To Installation	0641
ASME-0861 Installation Of Steel Pipe In A Ditch	0861
ASME-0871 Installation Of Steel Pipe In A Bore	0871
ASME-0951 Installation Of Pipe Above Ground	0951
ASME-0981 Backfilling	0981
ASME-1301 Install And Maintain Pipeline Markers	1301
ASME-1321 Damage Prevention During Excavation Activities By Or On Behalf Of The Operator	1321
ASME-1341 Provide Or Assure Adequate Pipeline Support During Operator Initiated Excavation Activities	1341
ASME-1421 Direct Examination Techniques	1421
ASME	Abnormal Operating Conditions
ASME Gas01	Hazards of Natural Gas and Prevention of Accidental Ignition

Steel Laborer	
Evaluation Description - ASME Courses	ASME CTs
ASME-0041 Installation And Maintenance Of Mechanical Electrical Connections	0041
ASME-0141 Visual Inspection For Atmospheric Corrosion	0141
ASME-0151 Visual Inspection Of Buried Pipe And Components When Exposed	0151
ASME-0161 Visual Inspection For Internal Corrosion	0161
ASME-0201 Visual Inspection Of Installed Pipe And Components For Mechanical Damage	0201
ASME-0301 Manually Opening And Closing Valves	0301
ASME-0561 Pressure Test - Nonliquid Medium - MAOP Less Than 100psi	0561
ASME-0571 Pressure Test - Nonliquid Medium - MAOP Greater Than Or Equal To 100psi	0571
ASME-0591 Leak Test At Operating Pressure	0591
ASME-0641 Visually Inspect Pipe And Components Prior To Installation	0641
ASME-0711 Joining Of Pipe - Compression Couplings	0711
ASME-0721 Joining Of Pipe - Threaded Joints	0721
ASME-0731 Joining Of Pipe - Flange Assembly	0731
ASME-0811 Visual Inspection Of Welding And Welds	0811
ASME-0861 Installation Of Steel Pipe In A Ditch	0861
ASME-0871 Installation Of Steel Pipe In A Bore	0871
ASME-0951 Installation Of Pipe Above Ground	0951
ASME-0981 Backfilling	0981
ASME-0991 Coating Application And Repair - Brushed Or Rolled	0991

ASME-1001 Coating Application And Repair - Sprayed	1001
ASME-1011 External Coating Application And Repair - Wrapped	1011
ASME-1041 Install Mechanical Clamps And Sleeves - Bolted	1041
ASME-1071 Repair Of Steel Pipe By Grinding	1071
ASME-1291 Locate Underground Pipelines	1291
ASME-1301 Install And Maintain Pipeline Markers	1301
ASME-1321 Damage Prevention During Excavation Activities By Or On Behalf Of The Operator	1321
ASME-1341 Provide Or Assure Adequate Pipeline Support During Operator Initiated Excavation Activities	1341
ASME-1651 Purging - Flammable or Inert Gas	1651
ASME	Abnormal Operating Conditions
ASME Gas01	Hazards of Natural Gas and Prevention of Accidental Ignition

Steel Welder	
Evaluation Description - ASME Courses	ASME CTs
ASME-0151 Visual Inspection Of Buried Pipe And Components When Exposed	0151
ASME-0161 Visual Inspection For Internal Corrosion	0161
ASME-0201 Visual Inspection Of Installed Pipe And Components For Mechanical Damage	0201
ASME-0301 Manually Opening And Closing Valves	0301
ASME-0561 Pressure Test - Nonliquid Medium - MAOP Less Than 100psi	0561
ASME-0571 Pressure Test - Nonliquid Medium - MAOP Greater Than Or Equal To 100psi	0571
ASME-0591 Leak Test At Operating Pressure	0591
ASME-0641 Visually Inspect Pipe And Components Prior To Installation	0641
ASME-0711 Joining Of Pipe - Compression Couplings	0711
ASME-0721 Joining Of Pipe - Threaded Joints	0721
ASME-0731 Joining Of Pipe - Flange Assembly	0731
ASME-0801 Welding	0801
ASME-0811 Visual Inspection Of Welding And Welds	0811
ASME-0951 Installation Of Pipe Above Ground	0951
ASME-0971 Installation And Maintenance Of Casing Spacers, Vents And Seals	0971
ASME-1041 Install Mechanical Clamps And Sleeves - Bolted	1041
ASME-1051 Fit-Up Of Weld Type Sleeve	1051
ASME-1071 Repair Of Steel Pipe By Grinding	1071
ASME-1081 Tapping A Pipeline (Tap Diameter 2 Inches Or Less)	1081
ASME-1091 Tapping A Pipeline (Tap Diameter Greater Than 2 Inches)	1091
ASME-1101 Tapping A Pipeline With A Built-In Cutter	1101
ASME-1131 Stopper (Stopple) Pipe	1131
ASME-1651 Purging - Flammable or Inert Gas	1651
ASME	Abnormal Operating Conditions
ASME Gas01	Hazards of Natural Gas and Prevention of Accidental Ignition

Directional Drill Operator/ Vac Truck Driver	
Evaluation Description - ASME Courses	ASME CTs
ASME-0861 Installation Of Steel Pipe In A Ditch	0861

ASME-0871 Installation Of Steel Pipe In A Bore	0871
ASME-0901 Installation Of Plastic Pipe In A Ditch	0901
ASME-0911 Installation Of Plastic Pipe In A Bore	0911
ASME-0941 Install Tracer Wire	0941
ASME-0981 Backfilling	0981
ASME-1321 Damage Prevention During Excavation Activities By Or On Behalf Of The Operator	1321
ASME	Abnormal Operating Conditions
ASME Gas01	Hazards of Natural Gas and Prevention of Accidental Ignition

THE REST OF CENTERPOINT ENERGY MINNESOTA GAS'S RESPONSE TO DEPARTMENT INFORMATION REQUEST NO. 14 HAS BEEN OMITTED

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008_AI-18-517 Affiliated Interest
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 10	Topic: Construction Contract Reference(s): Exhibit B a. Does the Construction Contract include any hard caps or limits on payments from the Company to Minnesota Limited, either on a total-project basis or on a sub-project basis? b. Please list and briefly describe all terms and conditions in the Construction Contract that incent or encourage Minnesota Limited to control its costs. **Response:** a. The total project cost is limited by the unit and lump-sum prices listed on the Minnesota Limited pricing sheets and by the engineering design specifications for the work to be completed. CenterPoint Energy's Construction Inspector assigned to the project ensures that work actions conform to the design and are only for approved line items. As a result, the vendor is only paid for approved line items in the Construction Contract. In addition, the Company also has payment controls in place to prevent payment above the target value without additional approvals. b. Minnesota Limited is encouraged to control its costs through the following aspects of the Construction Contract: 1. The change order process prevents a selected vendor from increasing the total costs of the project by performing activities not agreed-to by CenterPoint Energy. (Terms & Conditions Section 6.11)

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

2. The inspection process is a way to avoid CenterPoint Energy paying for defective workmanship and the cost to remedy it. (Terms & Conditions Section 6.13 and 6.14)

3. The Warranty provisions provide protection to CenterPoint Energy against costs related to all conditions specified in those provisions. (Terms and Conditions Section 10)

In addition, CenterPoint Energy's procurement processes also serve as controls on the cost of the contract. For example,

1. The RFP and bidding process itself controls costs by providing a clear description of the work to be performed and the prices to be charged for the work.

2. The development and use of a target value as a benchmark against which to evaluate the reasonableness of bids.

3. The withholding of the target value from the RFP and contract as a way to prevent bidders from inflating their bid up to the target value.

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008_AI-18-517 Affiliated Interest
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/8/2018
Response Due: 8/20/2018

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Other

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

Request No.	
DOC 9	Topic: Construction Contract Target Value Reference(s): Petition, Page 4 Page 4 of the Petition states that the Construction Contract has a target value of $13,000,000. a. Please specifically explain what the term "target value" means. b. Is the $13,000,000 target value referenced anywhere in the Construction Contract? c. Please explain how the $13,000,000 target value was derived and provide any supporting calculations. **Response:** a. The target value is the amount the Company expects to spend on the Construction Contract **[TRADE SECRET INFORMATION BEGINS...** **...TRADE SECRET INFORMATION ENDS]**. b. No, the target value is not included in the Construction Contract and was confidential to CenterPoint Energy when the Construction Contract was entered into. c. The target value was derived by **[TRADE SECRET INFORMATION BEGINS...**

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

...TRADE SECRET INFORMATION ENDS].

Response By: Adam Pyles
Title: Director, Regulatory Affairs
Department: Regulatory
Telephone: 612-321-4719

State of Minnesota
Department of Commerce

Utility Information Request

Docket Number: G-008/AI-18-517 Date of Request: 2/8/2019
Requested From: CenterPoint Energy Minnesota Gas Response Due: 2/19/2019

Analyst Requesting Information: Craig Addonizio

Type of Inquiry: Financial

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

Request No.	
DOC 027 P	Topic: Actual Spend Related to Minn. Limited Construction Contract Reference(s): Petition, Page 4; Response to DOC IR No. 1 a. Page 4 of CenterPoint Energy's Petition notes that the Construction Contract with Minnesota Limited had a target value of $13.0 million. Please explain whether there were any revisions to the Target Value after CenterPoint Energy filed the Petition, and if so, describe the changes. b. CenterPoint Energy's response to DOC IR No. 1 states that a provision the Construction Contract allows the Company to **[TRADE SECRET DATA HAS BEEN EXCISED].** Please explain whether CenterPoint Energy used this provision, and if so, please provide a detailed explanation **[TRADE SECRET DATA HAS BEEN EXCISED]**. c. Please provide the final actual spend related to the Construction Contract and explain any differences between the final spend and the Target Value. **Response:** a. In April 2018, CenterPoint Energy ("CenterPoint" or "the Company") contracted with Minnesota Limited to construct and replace a 14,500-foot segment of the belt line located in Golden Valley, MN. The construction contract was funded at $13 million and included all supervision, labor and equipment necessary for the construction. The initial segment of the belt line project work began in April 2018 and was completed in October 2018. Two revisions were made to the $13 million initial target value. First, on September 20, 2018, $7.2 million was needed for additional belt line

Response By: Amber Lee
Title: Director Regulatory Affairs
Department: Legal
Telephone: 612-321-4625

pipeline construction work and pipeline integrity digs. Second, on December 17, 2018, $2.3 million was needed for additional large diameter distribution pipeline work and to cover cost adjustments for completed work under the construction contract. The belt line and distribution work was added because the Company was able to complete additional large diameter steel pipeline project designs after the petition was filed, and before the construction season ended in 2018. Minnesota Limited was able to add these projects in 2018 because it had completed the initial contract scope before the end of the 2018 construction season. The specific projects are detailed below and the associated change orders and funding authorizations are attached to this response as Attachments 1-7. Note, Change Orders 18-02, 18-05, and 18-06 were reserved for possible amendments that were not required so those Change Orders were never executed or used.

Belt Line Restoration Work

On June 5, 2018, a change order was issued to include the final grading of hard and soft surface areas removed or disturbed in conjunction with the belt line work. No additional funding was requested at that time to incorporate the additional scope. See Attachment 1 to this response (Change Order 18-01).

Additional Belt Line Replacement Work

In September 2018, a 3,200-foot segment of the 24-inch steel belt line pipeline on 24th Avenue North in Minneapolis was added to the construction contract. This additional segment was estimated at $6 million. The change order associated with this additional work (Change Order Number 18-03) adjusted the construction contract cost per foot for trenched 24-inch steel because of a change in the construction environment from a suburban to an urban area. The change order included two additional items for offset weld ells and directional boring that were not in the initial 2018 belt line contract. See Attachments 2 and 3 to this response (Fund Request Approval and Change Order 18-03). The additional belt line work began in October 2018 and was completed in December 2018.

Pipeline Integrity Digs

Beginning in August 2018, Minnesota Limited conducted 27 pipeline integrity digs under the unit cost in the contract. These digs were not identified until after the contract approval process. The estimated contract funding added to support this work was $1.2 million. See Attachment 2 for the associated fund request. The dig work was completed in October 2018.

Response By: Amber Lee
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Large Diameter Distribution Pipeline Work

Finally, in the fall of 2018, the Company added two larger diameter distribution pipeline projects in Minneapolis to the construction contract at an estimated cost of $1.57 million. Change Orders 18-04, 18-07, and 18-08 detailing this distribution work are attached as Attachments 5, 6 and 7 to this response. The distribution work was performed at the construction contract rates, but Minnesota Limited was requested to provide cost estimates using those rates to facilitate a comparison of engineering estimates before the work was begun. See Attachments 6 and 7. The associated Fund Request is attached to this response as Attachment 4. The large distribution pipeline work began in October and was completed in mid-November 2018.

The table below shows the breakout of construction projects, costs and total spend for the work completed by Minnesota Limited in 2018.

Table 1: Minnesota Limited 2018 Construction Projects and Costs

Project	Funding
Belt Line Project at Golden Valley Road	$13,000,000
Additional Belt Line Segment	$6,000,000
Pipeline Integrity Digs	$1,200,000
Distribution Pipeline Construction	$1,600,000
Funding for Anticipated Cost Adjustments	$700,000
Total Authorized Funding (Target Value)	$22,500,000
Total Contract Spend	$20,695,319

b. CenterPoint Energy has used this provision, as explained in detail in the response to DOC 027 NP a. above.

c. Please see the Company's response to DOC 027 NP a. above.

CenterPoint Energy Minnesota Gas has designated the attachments to this response as TRADE SECRET. The identified trade secret information meets the definition of trade secret information 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, including protecting it from disclosure in this proceeding; and 3) the protected information contains contractual details that have not been previously released to the public which derive 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. The public and non-public

Response By: Amber Lee
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contents of these attachments are so intertwined and interspersed throughout as to make the entirety of the attachments non-public.

Attachment 1

Nature of the Material: Change order to the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: June 4, 2018

Attachment 2

Nature of the Material: Internal funding request describing financial matters in connection with the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: September 20, 2018

Attachment 3

Nature of the Material: Change order to the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: September 26, 2018

Attachment 4

Nature of the Material: Internal funding request describing financial matters in connection with the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: December 17, 2018

Attachment 5

Nature of the Material: Change order to the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.

Response By: Amber Lee
Title: Director Regulatory Affairs
Department: Legal
Telephone: 612-321-4625

Date the Document was Prepared: October 15, 2018

Attachment 6

Nature of the Material: Change order to the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: November 1, 2018

Attachment 7

Nature of the Material: Change order to the Construction Contract.
Author: Tod Norgren
General Import: This document provides details for the Company's response.
Date the Document was Prepared: November 8, 2018

Response By: Amber Lee
Title: Director Regulatory Affairs
Department: Legal
Telephone: 612-321-4625

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/AI-18-517

Dated this 19th day of March 2019

/s/Sharon Ferguson

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Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	202 S. Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-517_AI-18-517
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C. Ian	Brown	office@gasworkerslocal340.com	United Association	Gas Workers Local 340 312 Central Ave SW Minneapolis, MN 55414	Electronic Service	No	OFF_SL_18-517_AI-18-517
James	Canaday	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-517_AI-18-517

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-517_AI-18-517
Ian	Dobson	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_18-517_AI-18-517
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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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