



505 Nicollet Mall  
PO Box 59038  
Minneapolis, MN 55459-0038

July 1, 2019

Mr. Daniel Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
350 Metro Square Building  
121 East Seventh Place, Suite 350  
St. Paul, Minnesota 55101-2147

**Re: CenterPoint Energy's Request for Change in Demand Units,  
Docket No. G008/M-18-462 – Company Reply Comments to the Minnesota Department of  
Commerce Response Comments**

Dear Mr. Wolf:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy", "CPE", or the "Company") has reviewed the June 19, 2019 Response Comments of the Minnesota Department of Commerce ("Department" or "DOC") on CenterPoint Energy's Request for approval of a change in demand units effective November 1, 2018.

The Department recommends that the Commission:

- Accept the Company's proposed level of demand entitlement;
- Allow CenterPoint Energy to recover the associated demand costs, as presented in the Department's *Comments*, through the monthly Purchased Gas Adjustment (PGA) effective November 1, 2018;
- Disallow recovery, through the annual true up factor, of the full Viking demand costs incurred by the Company; and
- Require the Company to credit any market support payments received from Northern Natural Gas ("NNG" or Northern") through the PGA for the duration of the Northern Precedent Agreement.

The Department also requested that the Company discuss in future demand entitlement filings ways of mitigating the reliability risk regarding the loss of peak shaving capability on a peak day, particularly in years in which CenterPoint's reserve margin is extremely low.

The Company appreciates the Department's review and agrees with the recommendation to accept its demand entitlement level. Further, CenterPoint Energy has credited contracted market support payments in its PGA Demand schedule and plans to continue to do so. The Company will also discuss the peak shaving capability issue identified by the Department in future demand entitlement filings.

CenterPoint Energy respectfully disagrees with the Department recommendation to disallow recovery of part of the contracted demand costs related to its Viking Pipeline entitlement. The Company will further discuss this issue in its AAA and PGA dockets (18-374 and 18-573) currently

before the Commission in comments to be filed July 15, 2019. For purposes of this demand entitlement docket, it is important to recognize, as the Department itself noted, that “since the Viking contract is needed to serve firm demand, there is no dispute that the contract and its associated capacity is reasonable.” (Department Response Comments, June 19, 2019, p. 8). Further, there can be no dispute that the Company actually incurred these costs. Finally, the Company has demonstrated that customers have not yet paid for the full Viking demand costs incurred, with the Company yet to recover \$224,226 in costs incurred in the 2017-18 gas year and included in the PGA True-up for that year (Docket 18-573) and \$437,060 in costs incurred in the 2018-19 gas year at issue in this docket and that will be included in the yet to be filed 2018-19 True-up.

The Department’s apparent argument that Minn. R. 7825.2920, subp. 2 bars CenterPoint Energy from including its full Viking demand costs in this demand entitlement docket, or from recovering those costs, ignores two important facts. First, both the current docket (the 2018-19 demand entitlement docket and the 2017-18 Annual Automatic Adjustment (AAA) and Purchased Gas Adjustment (PGA) dockets (18-374 and 18-573) remain open dockets before the Commission. The purpose of these dockets are to provide for recovery of the Company’s prudently incurred gas costs, including the Viking demand costs at issue here, and the Commission will do so with its final orders in these dockets. Certainly, the current docket should reflect the full demand entitlement costs incurred by the Company in the 2018-19 gas year, which began November 1, 2018.

Second, as will be discussed further in the PGA and AAA dockets, the PGA rule, by its plain language, allows for recovery of these prudently incurred costs. The rule provides that CenterPoint may recover the “true-up amount,” defined as “the difference between the commodity and demand gas revenues by class collected by the utility and the actual commodity-delivered gas cost and demand-delivered gas cost by class incurred by the utility during the year.” Minn. R. 7825.2700, subp. 7. This is precisely the amount the Company has proposed to include in this docket and to recover in the 18-374 and 18-573 dockets.

For these reasons, and as discussed in prior comments, CenterPoint Energy respectfully requests that the Commission: (1) accept the Company’s proposed level of demand entitlement; (2) allow CenterPoint Energy to recover the associated demand costs through the monthly Purchased Gas Adjustment (PGA); and provide that the Company will credit any market support payments received from Northern Natural Gas through the PGA for the duration of the Northern Precedent Agreement.

Please contact me at (612) 321-5078 or at the email address below if you have any questions.

Sincerely,

/s/  
Marie Doyle  
Regulatory Services  
[Marie.Doyle@CenterPointEnergy.com](mailto:Marie.Doyle@CenterPointEnergy.com)



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street  Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-462_M-18-462
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street  Bismarck, ND 585014092	Electronic Service	No	OFF_SL_18-462_M-18-462
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.	202 S. Main Street  Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-462_M-18-462
Kenneth	Baker	Ken.Baker@walmart.com	Wal-Mart Stores, Inc.	2001 SE 10th St.  Bentonville, AR 72716-5530	Electronic Service	No	OFF_SL_18-462_M-18-462
Ryan	Barlow	Ryan.Barlow@ag.state.mn.us	Office of the Attorney General-RUD	445 Minnesota Street Bremer Tower, Suite 1400 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_18-462_M-18-462
Carolyn	Berninger	cberninger@mncenter.org	Minnesota Center for Environmental Advocacy	26 E. Exchange St., Suite 206  St. Paul, MN 55101	Electronic Service	No	OFF_SL_18-462_M-18-462
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Lizzie	Brodeen Kuo	lbrodeen-kuo@kennedy-graven.com	Kennedy & Graven	470 US Bank Plaza 200 S Sixth St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
C. Ian	Brown	office@gasworkerslocal340.com	United Association	Gas Workers Local 340 312 Central Ave SW Minneapolis, MN 55414	Electronic Service	No	OFF_SL_18-462_M-18-462

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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_18-462_M-18-462
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Steve W.	Chriss	Stephen.chriss@walmart.com	Wal-Mart	2001 SE 10th St.  Bentonville, AR 72716-5530	Electronic Service	No	OFF_SL_18-462_M-18-462
Steven	Clay	Steven.Clay@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
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_18-462_M-18-462
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_18-462_M-18-462
Ronald B.	Edelstein	ron.edelstein@gastechnology.org	GTI	1700 S Mount Prospect Rd  Des Plaines, IL 60018	Paper Service	No	OFF_SL_18-462_M-18-462
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_18-462_M-18-462
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St  Saint Paul, MN 55102	Electronic Service	No	OFF_SL_18-462_M-18-462

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Kimberly	Hellwig	kimberly.hellwig@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St. Paul, MN 55101	Electronic Service	No	OFF_SL_18-462_M-18-462
Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St Suite 1800 St. Paul, MN 55101-2134	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Bruce L.	Hoffarber	bhoffarber@usenergyservices.com	U.S. Energy Services, Inc.	605 Highway 169 N Ste 1200  Plymouth, MN 55441	Electronic Service	No	OFF_SL_18-462_M-18-462
Mary	Holly	mholly@winthrop.com	Winthrop & Weinstine, P.A.	225 S Sixth St Ste 3500  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.	202 South Main Street P.O. Box 68 Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-462_M-18-462
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Roger	Leider	roger@mnpropane.org	Minnesota Propane Association	PO Box 220 209 N Run River Dr Princeton, MN 55371	Electronic Service	No	OFF_SL_18-462_M-18-462
Eric	Lindberg	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy	26 E Exchange St Ste 206  Saint Paul, MN 55101	Electronic Service	No	OFF_SL_18-462_M-18-462
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620  St. Paul, MN 551640620	Electronic Service	No	OFF_SL_18-462_M-18-462
Michael	Loeffler	mike.loeffler@nngco.com	Northern Natural Gas Co.	CORP HQ, 714 1111 So. 103rd Street Omaha, NE 681241000	Electronic Service	No	OFF_SL_18-462_M-18-462
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Electronic Service	No	OFF_SL_18-462_M-18-462
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	Yes	OFF_SL_18-462_M-18-462
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	OFF_SL_18-462_M-18-462
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351  Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_18-462_M-18-462

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mike	OConnor	moconnor@ibewlocal949.org	Local 949 IBEW	12908 Nicollet Ave S  Burnsville, MN 55337	Electronic Service	No	OFF_SL_18-462_M-18-462
Jeff	Oxley	jeff.oxley@state.mn.us	Office of Administrative Hearings	600 North Robert Street  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.	PO Box 68 202 South Main Street Le Sueur, MN 56058	Electronic Service	No	OFF_SL_18-462_M-18-462
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206  St. Paul, MN 551011667	Electronic Service	No	OFF_SL_18-462_M-18-462
LauraSue	Schlatter	LauraSue.Schlatter@state.mn.us	Office of Administrative Hearings	PO Box 64620  St. Paul, MN 55164-0620	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190  Richfield, MN 55423	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_18-462_M-18-462

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_18-462_M-18-462
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-462_M-18-462
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-462_M-18-462
Jonathan	Wolfgram	Jonathan.Wolfgram@state.mn.us	Office of Pipeline Safety	Minnesota Department of Public Safety 445 Minnesota Street Suite 147 St. Paul, MN 55101-1547	Electronic Service	No	OFF_SL_18-462_M-18-462
Scott	Zemke	szemke@capsh.org	Community Action Partnership	of Suburban Hennepin 8800 Highway 7, Ste. 401 St. Louis Park, MN 55426	Electronic Service	No	OFF_SL_18-462_M-18-462