

The Commission met on **Thursday, December 14, 2023** with Acting Chair Sullivan and Commissioners Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

G-008/GR-23-173

In the Matter of the Application of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas for Authority to Increase Rates for Natural Gas Utility Service in Minnesota

Commissioner Tuma moved that the Commission:

1. Accept CenterPoint Energy's Petition for authority to increase rates as being in proper form and substantially complete as of November 1, 2023.
2. Find that the Commission has insufficient time to make a final determination within the 10-month period because of the need to make final determinations in other pending cases involving changes in general rates. Find that the rates in this case should be suspended for an additional one- hundred-and-eighty days, pursuant to Minn. Stat. § 216B.16, subds. 2(a), 2(f) and 19(d), plus an additional four months, until July 1, 2025.
3. Refer the matter to the Office of Administrative Hearings for a contested case.
4. Request the ALJ's report on or before April 1, 2025. If the deadline for the Commission's decision is extended beyond ten months plus one hundred eighty days plus an additional four months, at any point during this proceeding for any reason (e.g., settlement discussions, waiver, etc.) request the ALJ's report at least three months before the extended deadline for the Commission's decision.
5. Identify the following issues as requiring development of a complete record in this case.
 - a. The standard rate case issues;¹

¹ The standard rate case issues are: 1) Is the test year revenue increase sought by the Company reasonable or will it result in unreasonable and excessive earnings by the Company? 2) Is the rate design proposed by the Company reasonable? and 3) Are the Company's proposed capital structure and return on equity reasonable? In the Matter of the Application of Minnegasco, a Division of NorAm Energy Company, for Authority to Increase Natural Gas Rates in Minnesota, Docket No. G-008/GR-95-700, Notice and Order for Hearing, at 3 (October 4, 1995).

- b. Whether the base cost of gas proposed in Docket No. G-008/MR-21-174 needs to be updated;
 - c. Whether it is appropriate to use the proposed hypothetical capital structure or whether an alternate capital structure should be adopted;
 - d. Reasons for the significant changes of the following costs since the last rate case:
 - 1) Production Expense – 14.5 percent decrease in 2024 and 12.4 percent decrease in 2025.
 - 2) Underground Storage Expense – 35.7 percent increase in 2024 and 38.9 percent increase in 2025.
 - 3) Other Storage Expense – 36.3 percent increase in 2024 and 38.0 percent increase in 2025.
 - 4) Distribution Expense – 13.0 percent decrease in 2024 and 12.9 percent decrease in 2025.
 - 5) Customer Accounts – 4.2 percent increase in 2024 and 13.7 percent increase in 2025.
 - 6) Customer Service – 32.7 percent increase in 2024 and 41.8 percent Increase in 2025.
 - 7) Administrative & General Expense – 41.1 percent increase in 2024 and 45.2 percent increase in 2025.
 - 8) Maintenance Expense – 9.7 percent decrease in 2024 and 7.9 percent decrease in 2025.
 - e. How much Top 10 executive compensation costs should be recovered in rates.
- 6. Authorize CenterPoint Energy to implement interim rates for service rendered on and after December 31, 2023 (sixty days after CenterPoint Energy's November 1, 2023 filing date).
 - 7. Authorize CenterPoint Energy to waive its right under the interim rate statute to put interim rates into effect on December 31, 2023, and authorize CenterPoint Energy to actually implement interim rates for service rendered on and after January 1, 2024.
 - 8. Approve an annual interim rate revenue deficiency of \$68.7 million, or 14.0%, for 2024 and defer a decision on the requested incremental interim rate increase for 2025.

9. If CenterPoint determines they need the second interim rate increase, then order CenterPoint to file a new request at least 90 days prior to the start of the 2025 test year.
10. Approve CenterPoint Energy's proposed interim cost of capital for setting interim rates.
11. Adopt the capital structure shown in Table 18 to calculate the annual interim rate increase.
12. Approve the Company's request to collect the \$68.7 million interim rate increase as a uniform 14.0 percent interim rate adjustment to the base rate portion of customer bills, i.e., the basic service charge, the delivery charge, and the demand charge. Require the Company to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
13. In the Notice and Order for Hearing, require the following:
 - a. The Company shall mail copies of the Order resulting from this decision to all municipalities, counties, and local governing bodies in its Minnesota service area.
 - b. The Administrative Law Judge shall convene at least four public hearings in this matter at locations within the service area of the Company, including opportunities for both in-person and remote participation. The precise number and locations of the public hearings shall be determined at the prehearing conference in consultation with Commission staff. The Commission requests that the Office of Administrative Hearings work with Commission staff on facilitating new approaches to maximizing public participation. The Commission delegates authority to the Executive Secretary to make any approvals necessary to support enhanced public participation.
 - c. The Company shall file draft notices of the evidentiary and public hearings, file them for Commission approval, and, after receiving Commission approval, disseminate them as follows:
 - 1) Individual written notice to each customer, which may be in the form of a bill insert, to be served at least ten days before the first day of hearings. These notices shall prominently display the email address for public comments and include a removable public comment form that is pre-addressed to the Commission and identifies the docket number of the rate case.
 - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases, to be mailed at least ten days before the first day of hearings.
 - 3) Advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area, to appear at least ten days before the first day of hearings. The advertisements shall include

the heading RATE INCREASE NOTICE, which shall appear in bold face type no smaller than 30 points.

14. In the Order Setting Interim Rates, require the following:

- a. The Company shall file with the Commission and the Department of Commerce – Division of Energy Resources interim rate tariff sheets and supporting documentation reflecting the decisions herein. The Company's filing should also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule.
- b. The Company shall maintain such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund should be made within 120 days of the effective date of the Commission's final order in a manner approved by the Commission.
- c. The Company shall include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
- d. The Company shall maintain records of Conservation Improvement Program (CIP) costs and collection through the interim period so that it can be ascertained that recoveries dedicated to CIP are properly recorded as CIP.

15. Delegate authority to the Executive Secretary to approve notices, bill inserts, and bill format for the duration of this proceeding.

16. Delegate authority to the Executive Secretary to extend deadlines and modify timelines throughout the duration of this proceeding.

The motion passed 4-0.

G-008/MR-23-174

In the Matter of CenterPoint Energy Resources Corporation's Filing to Establish a New Base Gas Cost Filing (PGA Zero-Out) for Interim Rates in CenterPoint Energy's General Rate Filing, Docket No. G-008/GR-23-173

Commissioner Sullivan moved that the Commission:

1. Approve CenterPoint Energy's Base Cost of Gas as filed.
2. Require CenterPoint Energy to file updated information on the commodity cost of gas both in this proceeding and in the general rate case in Docket No. G-008/GR-23-173. Require CenterPoint Energy to work with the Department and Commission Staff to determine the appropriate timing for providing this updated information and whether

this updated information should be applied to CenterPoint Energy's base cost of gas and reflected in the accompanying general rate case.

The motion passed 4-0.

E-002/C-23-424

In the Matter of the Formal Complaint and Request for Relief by the Minnesota Solar Advocates

Commissioner Schuerger moved that the Commission:

1. Find the Commission has jurisdiction over the issues raised in the Complaint filed by the Minnesota Solar Advocates.
2. Find that there are not reasonable grounds to proceed at this time with an investigation of the Complaint pursuant to Minn. Rules 7829.1900 and dismiss the Complaint without prejudice.
3. Require Xcel to host informational stakeholder meetings with relevant and interested parties on the justification and decision making behind the Company's implementation of the TPS including options to apply the TPS more granularly and options to set aside a smaller buffer by March 1, 2024. Xcel must also file meeting summaries within this docket.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: February 28, 2024



Will Seuffert, Executive Secretary