

## NEW INTERIM RATES EFFECTIVE JAN. 1, 2025

CenterPoint Energy Minnesota Gas has requested approval from the Minnesota Public Utilities Commission (MPUC) to increase natural gas distribution service rates in 2024 and 2025. The initial request proposed an increase of approximately 6.5% or \$84.6 million for 2024 and an additional approximately 3.7% or \$51.8 million for 2025. Since the initial request, CenterPoint has worked with intervenors and filed a settlement proposal that adjusts the request to an increase of approximately 4.7% or \$60.8 million for 2024 and an additional approximately 3.1% or \$42.7 million for 2025. The settlement agreement will result in a decrease of about \$0.35 to an average residential customer's monthly bill for 2025 compared to the 2024 interim rates.

State law allows CenterPoint to collect higher rates on a temporary (interim) basis while the MPUC reviews this request. The interim rate increase for 2024 was approximately 5.3% or \$68.7 million more than rates previously approved. The increase shows on customer bills as an Interim Rate Adjustment and started with the January 2024 billing cycle. Additionally, as the MPUC reviews the settlement proposal, an additional temporary rate increase of \$33.2M, or 2.4%, will be applied starting with the January 2025 billing cycle. The increase is spread over all customer classes and will result in a decrease of \$0.35 per month to an average residential customer's monthly bill.

CenterPoint will calculate a refund to customers for the difference in 2024 rates identified within the settlement agreement and the temporary rate increase approved for 2024. This refund will be based on actual customer usage during 2024, include interest, and be issued as a credit on the March 2025 monthly bill.

We anticipate the MPUC will decide on the requested rate increase in 2025.

### Why are we asking for a rate increase?

CenterPoint requested this rate change to accommodate the increased expense to operate, maintain and deliver natural gas through our distribution system. CenterPoint continues to make meaningful investments to support the advancement of low and zero-carbon technologies and maintain the safety and integrity of its natural gas distribution system that benefits our customers and communities. These investments include infrastructure projects to replace or upgrade existing pipelines, provide safe and reliable service, comply with federal pipeline regulations and relocate facilities to enable projects by government agencies (e.g., roads, bridges, drainage, etc.).

### Here's how the rate change will affect monthly bills:

Customer bills contain three parts: Basic Charge, Delivery Charge and Cost of Gas. The proposed Basic Charges and Delivery Charges cover the cost of delivering natural gas service and is about 50% of the average monthly residential customer bill, while the Cost of Gas is the other 50% of the bill. The Cost of Gas is billed directly to customers at cost. CenterPoint does not make any profit from the overall cost of natural gas. This rate increase does not affect the Cost of Gas. The proposed rate changes will affect individual monthly bills differently depending on natural gas use and customer type. Bills will also vary because the wholesale cost of natural gas changes each month.

The chart below shows an example of the 2023 approved, current interim, 2025 interim and proposed rates for each customer type.

<b>Customer type (usage in therms)</b>	<b>Average monthly usage in therms</b>	<b>Average monthly bill: 2023 approved rates</b>	<b>Average monthly bill: 2024 interim rates</b>	<b>Average monthly bill: 2025 interim rates</b>	<b>Average monthly bill: 2025 proposed rates</b>
<b>Residential</b>	74	\$75	\$79	\$79	\$79
<b>Commercial/Industrial</b>					
• up to 1,499/year	66	\$80	\$85	\$86	\$86
• 1,500 to 4,999/year	244	\$231	\$242	\$255	\$255
• 5,000 or more/year	1,526	\$1,263	\$1,311	\$1,391	\$1,393
<b>Small Volume Dual Fuel Sales Service</b>					
• up to 120,000/year	3,757	\$2,459	\$2,558	\$2,599	\$2,644
• 120,000 or more/year	14,944	\$9,411	\$9,752	\$10,056	\$10,218
<b>Large Volume Dual Fuel Sales Service</b>	37,597	\$17,385	\$17,929	\$19,096	\$19,196
<b>Large General Firm Sales Service</b>	39,084	\$29,357	\$30,329	\$31,758	\$31,632

\* Figures above are rounded (to the nearest whole number).

## Proposed changes for residential monthly service:

Residential customers are billed for the delivery of natural gas in two ways:

1. **Basic Charge:** This pays for a portion of the fixed costs that do not change with the amount of natural gas used by the customer.
2. **Delivery Charge:** This is a per therm charge which pays for the costs not recovered in the Basic Charge. The total Delivery Charge amount changes each month based on the amount of natural gas used.

Within the settlement proposal, CenterPoint is asking to increase the Delivery Charge. We propose to increase the residential Delivery Charge to \$0.33470 per therm in 2025.

The chart below shows an example of the 2023 approved and proposed Basic Charge and Delivery Charge for each customer type.

Customer type (usage in therms)	Current monthly basic charge	Proposed 2025 monthly basic charge	2023 approved delivery charge/therm*	Proposed 2025 delivery charge/therm*
<b>Residential</b>	\$9.50	\$9.50	\$0.28093	\$0.33470
<b>Commercial/Industrial</b>				
• up to 1,500/year	\$15.00	\$17.00	\$0.37992	\$0.42880
• 1,500 to 5,000/year	\$26.00	\$28.00	\$0.23786	\$0.32793
• 5,000 or more/year	\$65.00	\$65.00	\$0.18420	\$0.28516
<b>Small Volume Dual Fuel Sales Service</b>				
• up to 120,000/year	\$80.00	\$80.00	\$0.16672	\$0.21779
• 120,000 or more/year	\$125.00	\$155.00	\$0.15477	\$0.20140
<b>Large Volume Dual Fuel Sales Service</b>	\$1,250.00	\$1,550.00	\$0.09103	\$0.14013
<b>Large General Firm Sales Service</b>	\$1,250.00	\$1,550.00	\$0.09103	\$0.14013
<b>Demand charge (per Peak Day)</b>			\$0.63303	\$0.6330

\*The Gas Affordability Service Program surcharge for residential and commercial/industrial customers increased to \$0.00764 as of Oct. 1, 2024, as approved in Docket No. G008/M 24-38. The current and proposed delivery charges do not include the per therm Conservation Improvement Program Adjustment Rider.

## What is the process to review the request by CenterPoint Energy Minnesota Gas?

The Minnesota Public Utilities Commission, the Minnesota Department of Commerce, the Office of the Attorney General – Residential Utilities, public interest groups and customers can review and comment on the rate case proposal.

The Minnesota Public Utilities Commission held public hearings in October 2024 to collect comments and will accept written comments by mail and email through **Dec. 20, 2024**, at 4:30 p.m. For more information about this rate case, visit [CenterPointEnergy.com/RateCase](https://www.centerpointenergy.com/RateCase).

## LEARN MORE

**Current and proposed rate schedules for CenterPoint Energy Minnesota Gas are available at:**



### CenterPoint Energy

505 Nicollet Mall

Minneapolis, MN 55402

Phone: 612-372-4727 or 800-245-2377

Web: [CenterPointEnergy.com/RateCase](https://www.CenterPointEnergy.com/RateCase)

### Minnesota Department of Commerce

85 7th Place East, Suite 500

St. Paul, MN 55101

Phone: 651-539-1534

Web: <https://www.edockets.state.mn.us/EFiling/search.jsp>  
Type 23-173 in the "Docket #s" field, select Search and the list of documents will appear on the next page.

**The MPUC is asking customers to comment on CenterPoint Energy's request for a rate increase. Send comments to the MPUC's Consumer Affairs Office (CAO) or contact the CAO for assistance with submitting comments:**

### Minnesota Public Utilities Commission

121 7th Place East, Suite 350

St. Paul, MN 55101

Phone: 651-296-0406 or 800-657-3782

Email: [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us)

Individuals with hearing or speech disabilities can call through their preferred Telecommunications Relay Service.