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CenterPoint Energy files to change natural gas distribution rates for customers in Minnesota

Capital investments for system safety and reliability are primary drivers for proposed rate change

MINNEAPOLIS, Aug. 3, 2015 /PRNewswire/ -- CenterPoint Energy (NYSE: CNP) today filed an application with the [Minnesota Public Utilities Commission](#) (MPUC) to change the company's natural gas distribution rates. If approved, the new rates would generate approximately \$54 million or 6 percent in additional revenue on an annual basis. The effect on individual monthly bills will vary depending on natural gas use. If approved, the net impact of the new rates will increase the average residential customer's bill by about \$5 per month.



"Our significant investments, such as our ongoing pipeline replacement programs, maintain the safety and reliability of our natural gas system and benefit our customers and communities," said Joe Vortherms, division vice president of CenterPoint Energy's regional gas operations. "These capital investments, which are the primary reasons for this proposed increase, help ensure that we have a modernized, technologically advanced natural gas system that will continue to meet the needs of customers now and in the future."

This filing seeks approval to change the distribution charge on a customer's natural gas bill, which makes up about 40 to 50 percent of the total bill and covers the cost of distributing natural gas. The filing does not apply to the cost of natural gas, which is the wholesale price the company pays for natural gas, and makes up about 50 to 60 percent of the bill. The wholesale price of natural gas changes monthly depending on market prices and is passed on directly to customers with no mark-up.

The proposed change affects two components that make up the distribution charge portion of a customer's bill:

- First, CenterPoint Energy is proposing to increase the monthly Basic Charge for residential customers from \$9.50 to \$11.50 a month.
- Second, the company is proposing to increase the Delivery Charge from the current \$0.18977 per therm (which includes the \$0.00519 per therm for the [Gas Affordability Service Program](#)) to \$0.22405 per therm.

The principal reasons CenterPoint Energy is proposing to change base rates are to:

- Recover the company's significant capital expenditures in its Minnesota service area. In accordance with natural gas pipeline safety and integrity regulations, these capital expenditures are necessary to maintain a safe and reliable system, to respond to significant public improvement requirements on the system and to modernize the system with technology improvements.
- Establish rates for all customers groups that better reflect the actual costs of providing service to those customers.
- Achieve an overall revenue recovery level that meets the company's financial objectives.

The MPUC is generally allowed 10 months to issue a final decision on general rate filings, however, if the MPUC approves, interim (temporary) rates are expected to take effect on Oct. 2, 2015, and will be in place until a final decision is made. If the final rates are lower than interim rates, CenterPoint Energy will refund customers the difference including interest. If final rates are higher than interim rates, customers will receive no additional charges for natural gas used while interim rates were in

effect.

Customers with questions about the proposed change to natural gas distribution rates can call CenterPoint Energy at 612-372-4727 or toll-free 800-245-2377, or visit the company's website at CenterPointEnergy.com/RateCase.

Additionally, public hearings will be held to provide customers and other interested parties the opportunity to comment on the rate request, followed by formal hearings at the MPUC.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and energy services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. The company also owns a 55.4 percent limited partner interest in Enable Midstream Partners, a publicly traded master limited partnership it jointly controls with OGE Energy Corp., which owns, operates and develops natural gas and crude oil infrastructure assets. With more than 7,400 employees, CenterPoint Energy and its predecessor companies have been in business for more than 140 years. For more information, visit the website at CenterPointEnergy.com.

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Any statements in this news release regarding future events, such as future regulatory actions on the MPUC application, and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained in this news release speaks only as of the date of this release.

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