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Minneapolis, MN 55459-0038

February 25, 2015

Mr. Daniel Wolf, Executive Secretary  
Minnesota Public Utilities Commission  
121 East 7th Place, suite 350  
St. Paul, MN 55101

Re: **Letter – Final Report – Discontinue Partial Decoupling**  
Docket No. G-008/GR-08-1075  
Revenue Decoupling Evaluation for 2013

Dear Mr. Wolf:

On August 11, 2014, the Minnesota Public Utilities Commission (Commission) issued its *Order* regarding CenterPoint Energy's ("CNP" and the "Company") 2013 Revenue Decoupling Evaluation Report regarding its pilot partial decoupling program, Conservation Enabling Rider (CE Rider) which expired on June 30, 2013.

In its *Order*, the Commission allowed CNP to end billing adjustments prior to February 28, 2015 for any customer class when its tracking balance reached \$0. Per the *Order*, the Company notified parties at least ten days prior to discontinuing the adjustment factor and included a bill message on customers' bills the first month where the decoupling adjustment was removed.

The Company filed notification letters as follows:

December 15, 2014 – Com/Ind – C for meters read on/after December 29, 2014.  
January 16, 2015 – Com/Ind – B for meters read on/after January 29, 2015  
February 3, 2015 – Residential for meters read on/after February 12, 2015  
February 5, 2015 – Commercial - A for meters read on/after February 16, 2015

CenterPoint Energy noted in its notification letters its intent to file the final disposition by March 1, 2015.

On February 18, 2015 by letter, the Department recommended that CenterPoint Energy explain whether revenue balances were in fact zeroed out, and if not the Company's proposal for treatment of outstanding balances.

Due to the colder than 'normal' weather experienced in early 2014, actual sales volumes had been higher than the volumes assumed in calculating the decoupling adjustment rate. Instead of continuing the decoupling adjustment factor and then implementing a one-time refund/surcharge to customers, the Company stopped

assessing the decoupling adjustment factor when the total deferred balance approached \$0. As noted by the Department, the Company agrees that the balances will get close to zero, but not exactly equal to zero. The billing factor for each rate category was changed to \$0.00000 / therm when the balance in each rate category was close to \$0. The Company has attached the final balances for each rate category, noting that the total net amount of decoupling revenue is \$11,001 due from customers. The Residential rate category was paying a surcharge, and the small commercial and industrial classes each had a billing factor that credited revenue.

Residential	(\$11,201)
Com – A	\$4,733
Com/Ind –B	\$32,070
Com/Ind –C	<u>(\$14,601)</u>
Total	\$11,001 Over-refunded

CenterPoint Energy has not made any final accounting entries to complete the program, but proposes to write-off the small net difference without any further activity.

CenterPoint Energy appreciates the Department’s comments and submits the report in order to complete this matter. Please contact me if you have any questions regarding the information provided in these reply comments.

Sincerely,

/s/ Peggy Sorum  
Manager, Regulatory Financial Activities  
(612) 321-4625

**2014 Decoupling Evaluation**  
**Exhibit : Revenue Deferred and Collected**

		<b>BALANCE</b>	<b>03/2014 to</b>	
		<b>2/28/2014</b>	<b>1/2015 Actual</b>	<b>thru Feb 24</b>
1				
2				
3				
4				cycles
5				17
6	<b><u>Residential</u></b>			
7	Factor		\$0.02990	
8	Volume (Cycle)		63,090,048	
9	Dollars		<u>\$1,846,402</u>	\$191,180
10	Decoupling Surcharge Balance	\$2,026,382	\$179,979	(\$11,201)
11				
12	<b><u>Commercial - A</u></b>			
13	Factor		(\$0.2142)	
14	Volume (Cycle)		1,990,773	
15	Dollars		<u>(\$407,633)</u>	(\$54,430)
16				
17	Decoupling Credit	(\$457,330)	(\$49,697)	\$4,733
18				
19	<b><u>Commercial/Industrial - B</u></b>			
20	Factor		\$0.0000	
21	Volume (Cycle)		5,063,487	
22	Dollars		<u>(\$698,098)</u>	(\$7,232)
23				
24	Decoupling Credit	(\$673,261)	\$24,837	\$32,070
25				
26	<b><u>Commercial/Industrial - C</u></b>			
27	Factor		\$0.0000	
28	Volume (Cycle)		25,575,885	
29	Dollars		<u>(\$1,251,528)</u>	\$475
30				
31	Decoupling Credit	(\$1,265,654)	(\$14,126)	(\$14,601)
32				
33				
34	Net Surcharge / Credited:		(\$510,856)	\$129,993
35				
36	<b>Total - ending balance</b>	(\$369,862)	\$140,994	<b>\$11,001</b>
	Columns c - e actual			