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## **MINNESOTA PUBLIC UTILITIES COMMISSION VOTES TO SUSPEND CENTERPOINT ENERGY'S NATURAL GAS INVERTED BLOCK RATE PROGRAM**

**St. Paul, Minnesota** - The Minnesota Public Utilities Commission met to review and evaluate the CenterPoint Energy natural gas pilot program involving an Inverted Block Rates (IBR) rate structure. As part of its ongoing monitoring of this three-year pilot program, the Commission considered the company's evaluation report regarding these rates.

After hearing from several parties, the Commission voted unanimously today to suspend the IBR rate structure for CenterPoint Energy's natural gas sales. The suspension will be in effect two weeks after the Commission formalizes this decision in a written Order, which should be issued within the next week. The Commission also authorized CenterPoint Energy to organize a workgroup of parties and other interested persons to address issues surrounding the program and bring recommendations back to the Commission no later than March 1, 2012. The Commission took this action based on the comments it has received from customers in the program and the identification of unintended consequences from the rate structure that have surfaced since it went into place.

The Commission based its decision on an extensive public record which included comments from numerous interested parties, participants, and customers. The Office of the Attorney General for the State of Minnesota, CenterPoint Energy, the Department of Commerce's Division of Energy Resources, the Energy CENTS Coalition, the Minnesota Center for Environmental Advocacy and the Izaak Walton League of America, the Suburban Rate Authority, and Community Action of Minneapolis all had filed submissions requesting the Commission suspend the IBR rate structure.

CenterPoint Energy's initial proposal was filed within its 2008 rate case, Docket No. G-008/GR-08-1075. On June 26, 2009 CenterPoint Energy, the Energy Cents Coalition, and the Minnesota Center for Environmental Advocacy/Izaak Walton League of America filed a Stipulation that proposed an IBR structure for recovering gas costs of the Residential and Commercial/Industrial A and B customer classes.

The Commission modified this agreement of the stipulating parties and issued an Order dated January 11, 2010 authorizing CenterPoint to conduct this pilot program. The new rates, including the IBR, went into effect on July 1, 2010.

CenterPoint Energy has approximately 780,000 residential and commercial customers who are charged inverted block rates.

IBR is a rate structure which is tiered in its level of pricing for natural gas based on the level of usage, where each block above a given level is charged at a higher rate than the preceding blocks.

A more comprehensive, final written order formally documenting the Commission's decisions will be issued within the next several weeks. That order will be filed in docket G-008/GR-08-1075, which is available on the Commission's website at [www.puc.state.mn.us](http://www.puc.state.mn.us) via the Commission's e-Dockets system.