

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE
STATE OF MISSISSIPPI**

CENTERPOINT ENERGY
GC123086100

DOCKET NO. 2012-UN-139

IN RE: NOTICE OF CENTERPOINT ENERGY RESOURCES CORP. d/b/a
CENTERPOINT ENERGY MISSISSIPPI GAS, OF THE FILING OF ROUTINE
CHANGES IN ITS RATE REGULATION ADJUSTMENT RIDER AND OF THE
INITIAL FILING OF ITS WEATHER NORMALIZATION ADJUSTMENT-
RIDER WNA

ORDER

BEFORE THE COMMISSION is the filing for the twelve months ended December 31, 2020, filed on April 30, 2021, (referred to as the “2020 Evaluation Filing”) by CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas (“CenterPoint”), pursuant to the terms of CenterPoint’s Rate Regulation Adjustment Rider RRA (“Rider RRA”) and a Joint Stipulation (“Joint Stipulation”) between CenterPoint and the Mississippi Public Utilities Staff (“MPUS”) filed with this Commission on September 2, 2021. This Commission, having considered the 2020 Evaluation Filing and Joint Stipulation, and being fully advised in the premises and upon the recommendation of the MPUS, finds that it has full jurisdiction of CenterPoint and of the subject matter and further finds as follows:

1. By orders in this docket, the Commission approved CenterPoint’s Rider RRA. Under terms of the Rider RRA, CenterPoint submitted to the Commission on April 30, 2021, the 2020 Evaluation Filing. The MPUS has reviewed the 2020 Evaluation Filing, together with CenterPoint’s work papers supporting the data and calculations reflected therein. Based upon their review, the MPUS believes that certain adjustments are appropriate to the data contained in the 2020 Evaluation Filing.

2. Pursuant to discussions between CenterPoint and the MPUS with regard to the 2020 Evaluation Filing, CenterPoint and the MPUS have entered into a Joint Stipulation dated September 2, 2021, attached hereto as Exhibit "A".

3. In the Joint Stipulation, the MPUS and CenterPoint agree, and the Commission hereby finds, that the data, documentation, exhibits, and other material provided by CenterPoint in its 2020 Evaluation Filing and in response to data requests and otherwise, comply with the regulations and orders of the Commission and with otherwise applicable requirements of law and Commission rules.

4. CenterPoint's 2020 Evaluation Filing filed with the Commission on April 30, 2021, is summarized as follows:

Allowed Return on Equity	9.814%	as adjusted
Allowed Range of No Change	8.814% to 10.814%	
Earned Return on Equity	6.97%	
Revenue Adjustment	\$3,659,441	

5. In the Joint Stipulation, the Staff and CenterPoint agree, and the Commission hereby finds, that CenterPoint is entitled to a Settlement Revenue Adjustment of \$2,982,793.

6. In the Joint Stipulation, the MPUS and CenterPoint agree, and the Commission hereby finds, Operating and Maintenance (O&M) expenses for the 2020 Evaluation Filing shall be reduced by the amount of \$657,081. These adjustments will also result in adjustments to Federal and State income taxes, interest synchronization and cash working capital. The parties further agree that cash working capital, as adjusted, is \$3,181,420.

7. Rate Base for the 2020 Evaluation Filing shall be reduced by the amount of \$225,706. This amount includes a \$143,571 decrease in Plant in Service, and a \$82,135 decrease in Cash Working Capital. Rate Base as adjusted is \$193,012,189.

8. CenterPoint's 2020 Evaluation Filing, filed with the Commission on April 30, 2021, and amended with the adjustments stated above and agreed to by CenterPoint and the MPUS, is summarized as follows:

Allowed Return on Equity	9.814% as adjusted
Allowed Range of No Change	8.814% to 10.814 %
2019 Settlement Earned Return on Equity	7.49%
Settlement Revenue Adjustment	\$2,982,793

The Commission hereby approves CenterPoint's 2020 Evaluation Filing, as adjusted and summarized above.

9. The MPUS and CenterPoint agree, and the Commission hereby finds, that the existing Rate Schedules 49, 68, 69 and MT-6 should be replaced, and CenterPoint shall file compliance tariffs pursuant to this order.

10. The Commission finds that the pleadings, data, documentation, and exhibits submitted in connection with the 2020 Evaluation Filing comply with the applicable requirements of law and the rules, regulations, and orders of the Commission and with the requirements and provisions of Rider RRA; that there is sufficient evidence before the Commission to support all the terms and provisions heretofore set out and otherwise contained in the 2020 Evaluation Filing and in the Joint Stipulation; that the Commission should accept, approve, and adopt the Joint Stipulation as its own as a basis for determining that the Revenue Adjustment of \$2,982,793 for CenterPoint is available pursuant to the terms of Rider RRA; and that the level of rates and adjustments as contained in the Joint Stipulation and as heretofore set out in this Order are just and reasonable.

IT, THEREFORE, IS ORDERED by this Commission that:

1. This Commission hereby does accept, approve, and adopt the Joint Stipulation as its own and, having adopted same; hereby orders said Joint Stipulation and the provisions thereof into effect.

2. The 2020 Evaluation Filing, as adjusted by the Joint Stipulation, is hereby approved.

This Order shall be deemed issued on the day it is served upon the parties hereto by the Executive Secretary of the Commission, who shall note the service date in the file of this docket.

COMMISSION VOTE

Chairman Dane Maxwell Aye X Nay _____

Commissioner Brent Bailey Aye X Nay _____


Commissioner Brandon Presley Aye X Nay _____

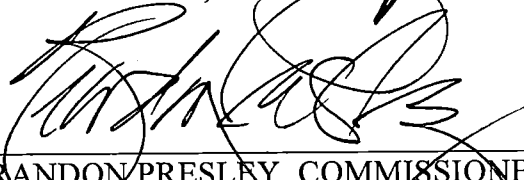
DATED, this the 9th day of September 2021.

MISSISSIPPI PUBLIC SERVICE COMMISSION

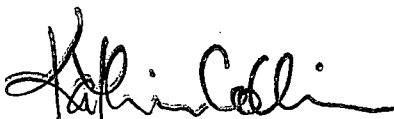



DANE MAXWELL, CHAIRMAN


BRENT BAILEY, COMMISSIONER


BRANDON PRESLEY, COMMISSIONER

ATTEST: A TRUE COPY


KATHERINE COLLIER, EXECUTIVE SECRETARY

Effective this the 9th day of September, 2021.

FILED

SEP 02 2021

**MISS. PUBLIC SERVICE
COMMISSION**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE
STATE OF MISSISSIPPI**

CENTERPOINT ENERGY
GC123086100

DOCKET NO. 2012-UN-139

IN RE: NOTICE OF CENTERPOINT ENERGY RESOURCES CORP. d/b/a
CENTERPOINT ENERGY MISSISSIPPI GAS, OF THE FILING OF
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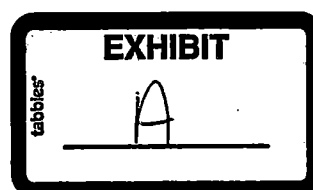
**JOINT STIPULATION BETWEEN THE MISSISSIPPI
PUBLIC UTILITIES STAFF AND CENTERPOINT ENERGY**

COME NOW the Mississippi Public Utilities Staff ("MPUS") and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Mississippi Gas ("CenterPoint"), and file this Joint Stipulation.

By orders in this docket, the Mississippi Public Service Commission (the "Commission") approved CenterPoint's Rate Regulation Adjustment Rider RRA ("Rider RRA"). Under terms of the Rider RRA, CenterPoint submitted to the Commission on April 30, 2021, its filing for the twelve months ended December 31, 2020 (the "2020 Evaluation Filing").

The MPUS has reviewed the 2020 Evaluation Filing, together with CenterPoint's work papers supporting the data and calculations reflected therein. Based upon the MPUS' review, the MPUS believes that certain adjustments are appropriate to the data contained in the 2020 Evaluation Filing.

Pursuant to discussions between CenterPoint and the MPUS with regard to the 2020 Evaluation Filing, CenterPoint and the MPUS have entered into this Joint Stipulation.



It is hereby stipulated and agreed to by the MPUS and CenterPoint as follows:

1. The data, documentation, exhibits, and other material provided by CenterPoint in its 2020 Evaluation Filing and in response to data requests and otherwise, comply with the regulations and orders of the Commission and with otherwise applicable requirements of law and Commission rules.

2. CenterPoint's 2020 Evaluation Filing filed with the Commission on April 30, 2021, is summarized as follows:

Allowed Return on Equity	9.814%, as adjusted
Allowed Range of No Change	8.814% to 10.814%
Earned Return on Equity	6.97%
Revenue Adjustment	\$3,659,441

The Revenue Adjustment Per Customer Rate Class is summarized in Exhibit "A" attached hereto and made a part of this Joint Stipulation.

3. Operating and Maintenance (O&M) expenses for the 2020 Evaluation Filing shall be reduced by the amount of \$657,081. These adjustments will also result in adjustments to Federal and State income taxes, interest synchronization and cash working capital. The parties further agree that cash working capital, as adjusted, is \$3,181,420.

4. The parties agree that Rate Base for the 2020 Evaluation Filing shall be reduced by the amount of \$225,706. This amount includes a \$143,571 decrease in Plant in Service, and a \$82,135 decrease in Cash Working Capital. The MPUS and CenterPoint further agree that the Rate Base as adjusted is \$193,012,189.

5. Calculation of CenterPoint's Allowed Return for the same period is attached to CenterPoint's 2020 Evaluation Filing and is incorporated herein by reference. The MPUS and CenterPoint agree that such calculation is proper and appropriate and should be approved and ordered.

6. The MPUS and CenterPoint agree that Appendix 1, which is attached hereto and made a part hereof, and which includes the above adjustments, is a proper and appropriate calculation of items shown for the applicable period, and should be approved and ordered.

7. CenterPoint's 2020 Evaluation Filing, filed with the Commission on April 30, 2021, and amended with the adjustments stated above and agreed to by CenterPoint and the MPUS, is summarized as follows:

Allowed Return on Equity	9.814% as adjusted
Allowed Range of No Change	8.814% to 10.814%
2020 Settlement Earned Return on Equity	7.49%
Settlement Revenue Adjustment	\$2,982,793

The Settlement Revenue Adjustment Per Customer Rate Class is summarized in Exhibit "B" attached hereto and made a part of this Joint Stipulation. The adjustments shall become effective on the date of a Commission order approving this Joint Stipulation.

8. The MPUS and CenterPoint agree that the existing Rate Schedules 49, 68, 69, and MT-6 should be replaced, and CenterPoint shall file compliance tariffs pursuant to this Joint Stipulation.

9. The MPUS agrees that it will not propose any adjustments to the 2020 Evaluation Filing other than that specified by and set out in this Joint Stipulation. It is expressly provided herein that this agreement by the MPUS shall be without prejudice to and shall not be a waiver of the MPUS' rights to object to or oppose or detect errors in any future annual filings by CenterPoint under Rider RRA, and the MPUS does hereby expressly reserve all rights to object to or oppose or detect errors in any future annual filings by CenterPoint under Rider RRA whether containing the same, similar, or different data, results or adjustments as contained in the 2020 Evaluation Filing.

10. It is agreed that the MPUS and CenterPoint shall not be considered as necessarily agreeing with or conceding the applicability of any principle, or any method of ratemaking or cost of service determination, or design of rate schedule, or terms or conditions of service, or the applicability of any rule or interpretation of law, that may underlie, or be thought to underlie, this Joint Stipulation.

11. The MPUS and CenterPoint understand and expressly agree that the stipulations made herein are for the purpose of this 2020 Evaluation Filing only, and shall not apply to or be used as a precedent in any other proceeding of CenterPoint or any other utility.

12. It is specifically agreed that this Joint Stipulation is expressly conditioned upon acceptance by the Commission of all its provisions. If the Commission does not accept this Joint Stipulation in its entirety, neither the MPUS nor CenterPoint will be thereafter bound by any of its provisions. It is specifically understood and agreed that this Joint Stipulation is interdependent, non-separable, and cannot be severed.

This Joint Stipulation agreed to this the 2nd day of September, 2021.

MISSISSIPPI PUBLIC UTILITIES STAFF

BY:


Sally Doty
Executive Director

CENTERPOINT ENERGY RESOURCES
CORP d/b/a CENTERPOINT ENERGY
MISSISSIPPI GAS

BY:

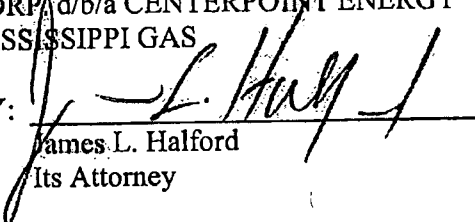

James L. Halford
Its Attorney

Exhibit "A"
Revenue Adjustment Per Customer Rate Class

	Residential Rate Schedule 68	Commercial Rate Schedule 69	Multi-Unit High- Rise Rate Schedule 70	Large Volume Rate Schedule 49
Monthly Customer Charge	\$0.90	\$2.35		\$27.30
Increase per Ccf - All	\$0.0237			
Increase per Ccf in the First Block 0-1000 Ccf		\$0.0205		\$0.0326

Exhibit "B"
Settlement Revenue Adjustment Per Customer Rate Class

	Residential Rate Schedule 68	Commercial Rate Schedule 69	Multi-Unit High-Rise Rate Schedule 70	Large Volume Rate Schedule 49
Monthly Customer Charge	\$0.73	\$1.92		\$22.25
Increase per Ccf- All	\$0.0195			
Increase per Ccf in the First Block 0- 1000 Ccf		\$0.0167		\$0.0266

CenterPoint Energy
Mississippi Division
RRA REVENUE REQUIREMENT
For the Test Year Ended December 31, 2020

[A]		[B]		[C]	[D] = [B] + [C]	
Line No.	Description	Company Amount	Adjustments		RRA Adjusted Amount	Source
1	Rate Base	\$ 197,729,284	\$ (4,717,095)		\$ 193,012,189	3.2
2	Allowed Rate of Return	7.0479%			7.0479%	5.1
3	Operating Income Required	\$ 13,935,762	\$ -		\$ 13,603,306	
4	Actual Operating Income	\$ 12,040,742	\$ (676,098)		\$ 11,364,644	3.6
5	Return Excess (Deficiency)	\$ (1,895,020)			\$ (2,238,662)	
6	Income Tax Gross-up Factor	1.3324			1.3324	
7	Calculated Base Rate Revenue (Deficiency)	\$ (2,524,925)			\$ (2,982,793)	✓1
8	RRA Distribution to Ratepayers (75%)					3.10
9	RRA Distribution to Company (25%)					3.10
Revenue Requirement						
10	Return Requirement (Line 3)	\$ 13,935,762			\$ 13,603,306	
11	Income Tax Gross-up (Line 5 - Line 7)	\$ 629,905			\$ 744,131	
12	Expenses	\$ 82,295,276	\$ (39,161,087)		\$ 43,134,189	3.6
13	Base Rate Revenue Requirement (Line 10 + 11 + 12)	\$ 96,860,943			\$ 57,481,626	

✓1 Ties to Schedule 3.10

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA RATE BASE
For the Test Year Ended December 31, 2020

Line No.	[A] Description	[B] FERC Account	[C] Company RRA Rate Base	[D] Total Adjustments	[E] = [C] + [D] RRA Adjusted	Source
PLANT IN SERVICE:						
1	Plant In Service	101 *, 106	\$ 343,101,213	\$ (6,796,563)	\$ 336,304,650	6.1; 6.12
2	Construction Work in Progress	107	\$ 2,540,885	\$ -	\$ 2,540,885	6.2
3	Less: Accumulated Depreciation	108 *, 111 *	\$ (104,937,298)	\$ 1,060,728	\$ (103,876,570)	6.1; 6.12
4	Net Plant		\$ 240,704,800	\$ (5,735,835)	\$ 234,968,965	
OTHER RATE BASE INVESTMENT:						
5	Cash Working Capital	See Sch. 3.3 CWC	\$ 3,344,096	\$ (162,676)	\$ 3,181,420	3.3
6	Prepayments	165	\$ 125,393	\$ -	\$ 125,393	6.4
7	Materials & Supplies	154	\$ 3,313,074	\$ 22,807	\$ 3,335,881	6.5
8	Current Gas In Storage	164.1	\$ 216,706	\$ -	\$ 216,706	6.6
9	COVID-19 Regulatory Asset	182.3	\$ 339,361	\$ -	\$ 339,361	6.14
10	Total Investment		\$ 248,043,430	\$ (5,875,704)	\$ 242,167,726	
DEDUCTIONS						
11	Customer Deposits	235	\$ (6,085,148)	\$ -	\$ (6,085,148)	6.7
12	Customer Advances	252.1	\$ (34,137)	\$ -	\$ (34,137)	6.8
13	Bad Debt Reserve Accounts	144	\$ (371,233)	\$ -	\$ (371,233)	6.9
14	Reserve Accounts	228.2, 228.3, 253 **	\$ 1,378,309	\$ -	\$ 1,378,309	6.10
15	ACC Deferred Income tax	190, 282, 283	\$ (29,824,382)	\$ 737,617	\$ (29,086,765)	6.11.2; 6.12
16	EDIT Regulatory Liabilities [1]	254 ***	\$ (15,377,555)	\$ 420,892	\$ (14,956,663)	6.13
17	TOTAL RATE BASE		\$ 197,729,284	\$ (4,717,095)	\$ 193,012,189	

* Per FERC Chart of Accounts, FERC accounts 300-399 are summarized to FERC account 101, 108, and 111.

** Deferred Compensation charged to FERC account 253 in subaccounts 265020 and 265025 is the only component included in the Reserve Accounts. Accounts 101, 106, 107, 108, 111, 235, 252.1, 228.3, 253, 190, 282, 283 and Cash Working Capital shall be test-year ending amounts. Accounts 165, 154, 144, and 228.2 shall be 13-month averages. Account 164.1 shall be the 12-month average.

*** FERC accounts 190, 282 and 283 related to new regulatory assets and liabilities shall be test-year ending amounts.

[1] Other Regulatory Liabilities contains the net EDIT Regulatory Asset and Liability balances as of December 2020.

No new accounts may be added to this schedule unless approved in advance by the MPSC.

✓ Ties to Schedule 3.4

APPENDIX 1

CenterPoint Energy
Mississippi Division
CALCULATION OF CASH WORKING CAPITAL
For the Test Year Ended December 31, 2020

Line No.	[A] Description	[B] FERC Account	[C] CenterPoint RRA Income Statement	[D] Total Adjustments	[E] = [C] + [D]	
					Total Income Statement	Source
1*	Operating Expenses	870-932	\$ 27,115,353	\$ (1,435,545)	\$ 25,679,808	4.1
2	Interest Paid on Customer Deposits	431	\$ -	\$ 134,135	\$ 134,135	4.1
3	Depreciation Expense on Transportation	870-932 *	\$ 362,583	\$ -	\$ 362,583	6.3
4	Total Operating Expense (Line 1+ Line 2 - Line 3)		\$ 26,752,770	\$ (1,301,410)	\$ 25,451,360	
5			12.50%	12.50%	12.50%	
6	Cash Working Capital		\$ 3,344,086	\$ (162,676)	\$ 3,181,420	

* Depreciation expense related to Transportation is charged to FERC accounts 870-932, and identified in general ledger account 702050.

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA ADJUSTMENTS TO RATE BASE
For the Test Year Ended December 31, 2020

	(A)	(B)	(C)	(D)	(E)	(F) = (B) + (C) + (D) + (E)	(G) = (A) + (F)	
Line No.	Description	Total CenterPoint Rate Base	Adjustment No. 1	Adjustment No. 2	Adjustment No. 3	Adjustment No. 4	Total Adjustments	RRA Rate Base Source
1	PLANT IN SERVICE:							
2	Plant In Service	\$ 343,101,213	\$ (143,671)	\$ (6,652,892)	\$ -	\$ -	\$ (6,796,563)	\$ 336,304,650 3.2
3	Construction Work In Progress	\$ 2,640,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,640,885
4	Less: Accumulated Depreciation	\$ (104,937,298)	\$ -	\$ 1,690,728	\$ -	\$ -	\$ 1,690,728	\$ (103,246,570)
5	Net Plant	\$ 240,704,800	\$ (143,671)	\$ (5,962,164)	\$ -	\$ -	\$ (6,105,835)	\$ 234,600,965
6	OTHER RATE BASE INVESTMENT:							
7	Cash Working Capital	\$ 3,344,098	\$ (162,678)	\$ -	\$ -	\$ -	\$ (162,678)	\$ 3,181,420 3.2
8	Prepayments	\$ 125,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,393
9	Materials & Supplies	\$ 3,313,074	\$ -	\$ -	\$ -	\$ 22,807	\$ 22,807	\$ 3,335,881
10	Current Gas In Storage	\$ 216,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,708
11	COVID-19 Regulatory Asset	\$ 339,561	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,561
12	Total Investment	\$ 248,043,430	\$ (306,247)	\$ (5,962,164)	\$ -	\$ 22,807	\$ (5,675,704)	\$ 242,167,725
13	DEDUCTIONS:							
14	Customer Deposits	\$ (6,085,148)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,085,148) 3.2
15	Customer Advances	\$ (34,137)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34,137)
16	Bad Debt Reserve Accounts	\$ (371,233)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (371,233)
17	Reserve Accounts	\$ 1,378,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,378,309
18	ACC Deferred Income Tax	\$ (29,824,382)	\$ -	\$ 737,617	\$ -	\$ -	\$ 737,617	\$ (29,086,765)
19	EDIT Regulatory Liabilities	\$ (115,577,556)	\$ -	\$ 646,659	\$ (125,707)	\$ -	\$ 420,952	\$ (114,936,603)
20	Total Deductions	\$ (50,314,148)	\$ -	\$ 1,284,318	\$ (125,707)	\$ -	\$ 1,158,611	\$ (49,155,537)
21	TOTAL RATE BASE	\$ 187,728,284	\$ (306,247)	\$ (4,677,846)	\$ (125,707)	\$ 22,807	\$ (4,717,295)	\$ 183,011,189

No new accounts may be added to this schedule unless approved in advance by the MPSC.

✓ Tie to Schedule 3.2

APPENDIX 1

CenterPoint Energy
Mississippi Division
EXPLANATION OF RRA ADJUSTMENTS TO RATE BASE
For the Test Year Ended December 31, 2020

Line No.	Adj. No.	Adjustment Description	Impact on Rate Base		Source
			Increase	(Decrease)	
1	RB-1	Adjust CWC for adjustments to operating expenses	\$ -	\$ (162,676)	3.4
2	RB-2	Adjustment to remove SGR from Rate Base	\$ -	\$ (4,307,948)	3.4
3	RB-3	Adjustment to remove excluded ADIT items from the EDIT Regulatory Liability	\$ -	\$ (125,707)	3.4
4	RB-4	Adjustment for materials being issued to/from MS plant locations without the proper profit center	\$ 22,807	\$ -	3.4
5	Total		<u>\$ 22,807</u>	<u>\$ (4,596,331)</u>	
				<u>\$ (4,573,524)</u>	

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA OPERATING INCOME STATEMENT
For the Test Year Ended December 31, 2020

Line No.	(A) Description	(B) FERC Account	(C) CenterPoint RRA Income Statement	(D) Source Total Adjustments	(E) = (C) + (D) Total Income Statement	(F) Authorized Rate Change per RRA	(G) = (E) + (F) Source RRA Results
OPERATING REVENUES:							
1	Residential	480	\$ 57,295,067	9.0	\$ 33,686,189	\$ 2,095,114	\$ 35,800,303
2	Commercial/Industrial	481	\$ 28,068,691		\$ 13,054,589	\$ 687,679	\$ 13,952,268
3	Transportation Revenue	489.3	\$ 5,811,160		\$ 5,701,727		\$ 5,701,727
4	Sub Total		\$ 91,174,918	\$ (38,743,363)	\$ 52,431,555	\$ 2,982,793	\$ 55,414,298
OTHER UTILITY REVENUES:							
5	Gas Forfeited Discounts	497	\$ 855,197	0.0	\$ 855,197		\$ 855,197
6	Gas Misc Service Revenue	498	\$ 1,203,250	(2)	\$ 1,203,248		\$ 1,203,248
7	Other Gas Revenue	493, 495	\$ 1,102,703	\$ (1,093,822)	\$ 8,881		\$ 8,881
8	Sub Total		\$ 2,161,150	\$ (1,093,822)	\$ 2,067,328		\$ 2,067,328
9	TOTAL OPERATING REVENUES		\$ 94,336,018	\$ (39,837,185)	\$ 54,498,833	\$ 2,982,793	\$ 57,481,626
OPERATING EXPENSES:							
10	Cost of Gas	600-669	\$ 35,313,594	0.0	\$ 35,313,594		\$ 35,313,594
11	Operations Expense	670-932	\$ 27,115,353		\$ 25,813,943		\$ 25,813,943
12	Depreciation and Amortization Expense	403-407	\$ 11,083,173		\$ 10,848,285		\$ 10,848,285
13	Taxes Other Than Income Taxes	408.1	\$ 7,145,298		\$ 4,585,542		\$ 4,585,542
14	Income Tax	409.1, 410.1	\$ 1,057,858	\$ 230,691	\$ 1,858,419	\$ 744,207	\$ 2,602,626
15	TOTAL OPERATING EXPENSES		\$ 82,295,276	\$ (34,161,607)	\$ 48,134,169	\$ 744,207	\$ 48,878,366
16	OPERATING INCOME (Line 9 - Line 15)		\$ 12,040,742	\$ (878,098)	\$ 11,364,644	\$ 2,238,586	\$ 13,803,230
17	Interest Cost	430-432	\$ 2,802,275	0.0	\$ 1,330,116		\$ 4,132,391
18	Net Operating Income (Line 16 - Line 17)		\$ 9,238,467	\$ (2,000,214)	\$ 7,232,253	\$ 2,238,586	\$ 9,470,839
19	TOTAL EQUITY		\$ 98,864,642		\$ 98,508,094		\$ 98,508,094
20	RETURN ON EQUITY (Line 18 / Line 19)		9.340%		7.490%		9.810%

No new accounts may be added to this schedule unless approved in advance by the MPSC.

APPENDIX 1

CenterPoint Energy
Mississippi Division
PRO FORMA CALCULATION OF TAXABLE INCOME
For the Test Year Ended December 31, 2020

Line No.	Description	[A]		[B]		[C]		[D] = [B] + [C]		[E]		[F] = [D] + [E]	
		CenterPoint Results	Source	Test Year Adjustments	Source	Adjusted Results	Source	Recommended Increase (Decrease)	Source	Pro Forma Results			
1	Operating Income Before Income Taxes	\$ 13,898,600	9.0	\$ (445,537)	4.3	\$ 13,253,063		\$ 2,982,793	3.1	\$ 16,235,856			
2	Increase (Decrease) in Taxable Income Interest on Long-Term Debt	\$ (2,802,275)		\$ (1,330,116)		\$ (4,132,391)				\$ (4,132,391)			
3	Subtotal	\$ 10,896,325		\$ (1,775,653)		\$ 9,120,672		\$ 2,982,793		\$ 12,103,465			
4	Taxable Income					\$ 9,120,672		\$ 2,982,793		\$ 12,103,465			
5	State Effective Tax Rate					5%		5%		5%			
6	State Income Tax (Line 4 * Line 5)	\$ 271,122	9.0	\$ 164,912		\$ 436,034		\$ 149,140		\$ 605,173			
7	Federal Taxable Income (Line 4 - Line 6)					\$ 8,684,638		\$ 2,833,653		\$ 11,498,292			
8	Federal Tax Rate					21%		21%		21%			
9	Federal Income Tax (Line 7 * Line 8)	\$ 2,336,180	9.0	\$ (518,788)		\$ 1,817,392		\$ 595,067		\$ 2,414,641			
10	Total Income Taxes (Line 6 + Line 9)	\$ 2,608,462		\$ (353,876)		\$ 2,275,608		\$ 744,207		\$ 3,019,814			
11	Plus: EBIT Amortization	\$ (881,024)	9.0	\$ 664,435		\$ (387,189)	8.2.12	\$ -		\$ (387,189)			
12	Total Income Taxes (Line 10 + Line 11)	\$ 1,057,858		\$ 230,581		\$ 1,888,419		\$ 744,207		\$ 2,632,626			

APPENDIX 1

CenterPoint Energy
Mississippi Division
INTEREST CALCULATION
For the Test Year Ended December 31, 2020

Line No.	[A] Description	[B]	
		Pro Forma	Source
1	Rate Base (Schedule 3.2, Ln. 15)	\$ 193,012,189	3.2
2	Weighted Cost of Debt (Schedule 5.1, Sec. I, Ln. 1, col. F)	<u>2.1410%</u>	5.1
3	Interest on Debt	<u>\$ 4,132,391</u>	

APPENDIX 1

CenterPoint Energy
Mississippi Division
ADJUSTMENTS TO CURRENT TAXABLE INCOME
For the Test Year Ended December 31, 2020

Line No.	[A] Description	[B] Increase	[C] Decrease	Source
†	Adjustment to synchronize Interest expense with RRA Rate Base Interest Expense	\$ -	(1,330,116)	3.7

APPENDIX 1

CenterPoint Energy
Mississippi Division
CALCULATION OF OVER/(UNDER) EARNINGS
For the Test Year Ended December 31, 2020

	[A]	[B]	[C]
Line No	Source	Description	Amount
1	Schedule 3.1, Ln. 13, col. D	Maximum Revenue Requirement	\$ 57,481,626
2	Schedule 3.6, Ln. 9, col. E	Adjusted Total Revenues	\$ 54,498,833
3	Line 2 - Line 1	Over/(Under) Earnings	\$ (2,982,793) ✓ ₁
4	Line 3 * .75	RRA distribution to Ratepayers (75%)	N/A
5	Line 3 * .25	RRA distribution to Company (25%)	N/A
6	Over: Line 4 + Line 5 Under: Line 3	Over/(Under) Earnings (Should equal Line 3)	\$ (2,982,793)
7	Allocation to Rate Customer Classes:	Residential 70.24% (- Line 3 * .7024)	\$ 2,095,114
8		Commercial 18.89% (- Line 3 * .1889)	\$ 563,449
9		Multi-Unit High Rise 00.00% (- Line 3 * .00)	\$ -
10		Large Volume 10.87% (- Line 3 * .1087)	\$ 324,230
11		Total Increase to Ratepayers	\$ 2,982,793 ✓ ₁

✓₁ Ties to Schedule 3.1

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA OPERATING INCOME STATEMENT ADJUSTMENTS
Summary Schedule
For the Test Year Ended December 31, 2020

	(A)	(B)		(C)	(D)	(E)	(F)	(G)	(H)
Line No.	Description	CenterPoint RRA Income Statement	Source	Revenue Adjustment No. 1	Gas Costs Adjustment No. 2	Gross Receipts Tax Adjustment No. 3	Not Used Adjustment No. 4	Post Retirement Adjustment No. 5	Interest on Cust. Dep. Adjustment No. 6
(1)									
OPERATING REVENUES:									
1	Residential	\$ 57,295,057	3.6	\$ (22,714,873)	\$ -	\$ -	\$ -	\$ -	\$ -
2	Commercial/Industrial	28,099,681	↓	(14,613,342)	-	-	-	-	-
3	Transportation Revenues	5,811,150		5,603	-	-	-	-	-
4	Sub Total	\$ 91,174,668		\$ (37,322,612)	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER UTILITY REVENUES:									
5	Gas Forfeited Discounts	\$ 855,187	3.6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Gas Misc Service Revenue	1,203,280	↓	(2)	-	-	-	-	-
7	Other Gas Revenues	1,102,763		(1,090,476)	-	-	-	-	-
8	Sub Total	\$ 3,161,160		\$ (1,090,476)	\$ -	\$ -	\$ -	\$ -	\$ -
9	TOTAL OPERATING REVENUES	\$ 94,335,828		\$ (38,413,288)	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES:									
10	Cost of Gas	\$ 35,313,694	3.6	\$ -	\$ (35,313,694)	\$ -	\$ -	\$ -	\$ -
11	Operations Expenses	27,116,363	↓	-	-	-	-	(19,925)	134,135
12	Depreciation and Amortization Expense	11,083,173		-	-	-	-	-	-
13	Taxes Other Than Income Taxes	7,145,298		-	-	(2,477,180)	-	-	-
14	Income Tax	1,657,868		-	-	-	-	-	-
15	TOTAL OPERATING EXPENSES	\$ 82,295,278		\$ -	\$ (35,313,694)	\$ (2,477,180)	\$ -	\$ (19,925)	\$ 134,135

Note [1]: Revenue Adjustment is detailed in Workpaper 8.1

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA OPERATING INCOME STATEMENT ADJUSTMENTS
Summary Schedule
For the Test Year Ended December 31, 2020

Line No.	(A) Description	(I) Legislative Advocacy Adjustment No. 7	(J) Federal Income Tax Adjustment No. 8	(K) Line Break Settlement Adjustment No. 9	(L) Not Used Adjustment No. 10	(M) EECR Adjustment No. 11	(N) PGA Audit Adjustment No. 12	(O) Staff Adjustment No. 13	(P) SGR Adjustment No. 14
OPERATING REVENUES:									
1	Residential	\$ -	\$ -	\$ -	\$ -	\$ (474,828)	\$ -	\$ -	\$ (620,087)
2	Commercial/Industrial	-	-	-	-	(194,329)	-	-	(198,401)
3	Transportation Revenues	-	-	-	-	(25,417)	-	-	(5,609)
4	Sub Total	\$ -	\$ -	\$ -	\$ -	\$ (694,574)	\$ -	\$ -	\$ (824,097)
OTHER UTILITY REVENUES:									
5	Gas Forfeited Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Gas Misc Service Revenue	-	-	1,035	-	(4,876)	-	-	-
7	Other Gas Revenues	-	-	1,035	-	(4,876)	-	-	-
8	Sub Total	\$ -	\$ -	\$ 1,035	\$ -	\$ (4,876)	\$ -	\$ -	\$ -
9	TOTAL OPERATING REVENUES	\$ -	\$ -	\$ 1,035	\$ -	\$ (702,653)	\$ -	\$ -	\$ (824,097)
OPERATING EXPENSES:									
10	Cost of Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Operations Expenses	(2,381)	-	-	-	(692,448)	(83,710)	(857,081)	(216,888)
12	Depreciation and Amortization Expense	-	-	-	-	-	-	-	(72,488)
13	Taxes Other Than Income Taxes	-	-	-	-	(10,080)	-	-	-
14	Income Tax	-	230,581	-	-	-	-	-	-
15	TOTAL OPERATING EXPENSES	\$ (2,381)	\$ 230,581	\$ -	\$ -	\$ (702,628)	\$ (83,710)	\$ (857,081)	\$ (289,376)

APPENDIX 1

CenterPoint Energy
Mississippi Division
RRA OPERATING INCOME STATEMENT ADJUSTMENTS
Summary Schedule
For the Test Year Ended December 31, 2020

[A]			[Q] = SUM [C] THRU [P]	[R] = [B] + [Q]
Line No.	Description	Source	Total Adjustments	RRA Income Statement
OPERATING REVENUES:				
1	Residential	8.1, 8.2.9.1, 8.2.10	\$ (23,769,688)	\$ 33,585,189
2	Commercial/Industrial		\$ (15,004,072)	\$ 13,064,588
3	Transportation Revenues		\$ (29,423)	\$ 5,781,727
4	Sub Total		\$ (38,743,303)	\$ 52,431,506
OTHER UTILITY REVENUES:				
5	Gas Forfeited Discounts		\$ -	\$ 555,197
6	Gas Miss Service Revenue	8.1	\$ (2)	\$ 1,203,246
7	Other Gas Revenues	8.1, 8.2.7, 8.2.9.1	\$ (1,093,820)	\$ 8,683
8	Sub Total		\$ (1,093,822)	\$ 2,067,326
9	TOTAL OPERATING REVENUES		\$ (39,837,185)	\$ 54,498,833
OPERATING EXPENSES:				
10	Cost of Gas	8.2.1	\$ (38,313,694)	\$ -
11	Operations Expenses	8.2.3-8, 8.2.11, 8.2.9.1	\$ (1,301,410)	\$ 25,813,843
12	Depreciation and Amortization Expense	8.2.10	\$ (218,888)	\$ 10,848,285
13	Taxes Other Than Income Taxes	8.2.2, 8.2.9, 8.2.10	\$ (2,689,785)	\$ 4,585,642
14	Income Tax	3.7	\$ 230,681	\$ 1,888,418
15	TOTAL OPERATING EXPENSES		\$ (39,161,987)	\$ 43,134,189

APPENDIX 1

CenterPoint Energy
Mississippi Division
EXPLANATION OF RRA ADJUSTMENTS TO THE OPERATING INCOME STATEMENT
For the Test Year Ended December 31, 2020

Line No.	Adj. No.	[A] Adjustment Description	[B] Impact on Net Operating Income		[C] Source
			Increase	(Decrease)	
1	1	Revenue Adjustment	\$ -	\$ (38,413,290)	4.1
2	2	Gas Costs Adjustment	35,313,594	-	
3	3	Gross Receipts Tax Adjustment	2,477,190	-	
4	4	Not Used	-	-	
5	5	Post Retirement Adjustment	19,925	-	
6	6	Interest on Cust. Dep. Adjustment	-	(134,135)	
7	7	Legislative Advocacy	2,381	-	
8	8	Associated Income Tax Adjustment	-	(230,561)	
9	9	Line Break Settlement	1,635	-	
10	10	Not Used	-	-	
11	11	EECR Adjustment	702,528	(702,553)	
12	12	PGA Audit Adjustment	63,710	-	
13	13	Staff Adjustment	657,081	-	
14	14	SGR Adjustment	289,374	(722,977)	
15		Total	<u>\$ 39,527,418</u>	<u>\$ (40,203,516)</u>	
16		Total, without Income Tax		<u>\$ (445,537)</u>	
17		GRAND TOTAL	<u>\$ (676,098)</u>		

APPENDIX 1

CenterPoint Energy
Mississippi Division
CAPITAL STRUCTURE
For the Test Year Ended December 31, 2020

	[A]	[B]	[C]	[D]	[E]	[F]
Line No.	Description	Capitalization Ratios	Cost of Capital	Weighted Cost of Capital	Income Tax Gross-up Factor	Weighted Cost of Capital With Income Tax
I	Allowed Return on Equity based on RRA Tariff, If above the AR					
1	Long Term Debt	50.00%	4.2819%	2.1410%	1.0000	2.1410%
	Equity:					
2	Common Stock	50.00%	10.314%	5.1569%	1.3324	6.8711%
3	Total	100.00%		7.2979%		9.0121%
II	Allowed Return on Equity based on RRA Tariff, If below the AR					
1	Long Term Debt	50.00%	4.2819%	2.1410%	1.0000	2.1410%
	Equity:					
2	Common Stock	50.00%	9.814%	4.8069%	1.3324	6.5380%
3	Total	100.00%		7.0478%		8.6790%
III	Calculation of Earned Return on Equity (ER)					
1	Long Term Debt	50.00%	4.2819%	2.1410%	1.0000	2.1410%
	Equity:					
2	Common Stock	50.00%	7.490%	3.7470%	1.3324	4.9926%
3	Total	100.00%		5.8880%	3.2, 3.6	7.1336%

✓ Equals total operating income, with adjustments / total rate base

APPENDIX 1

CenterPoint Energy
Mississippi Division
CALCULATION OF RRA PLAN - INCREASES FOR TARIFF
Test Year Ended December 31, 2020

Line No.	[A]	[B] Residential Rate Schedule 68	[C] Commercial Rate Schedule 69	[D] Multi-Unit High Rise Rate Schedule 70	[E] Large Volume Rate Schedule 49 and Transportation Service Rate Schedule MT-6	[F] = [B] + [C] + [D] + [E] Total	Source
1	2020 Test Year	\$ 2,095,114	\$ 563,449	\$ -	\$ 324,230	\$ 2,982,793	3.1
2	50% In Monthly Customer Charge (Line 1 x 50%)	\$ 1,047,557	\$ 281,725	\$ -	\$ 162,115	\$ 1,491,397	
3	# of Bills	1,428,971	146,835	-	7,286		
4	Increase per bill (Line 2 / Line 3)	\$ 0.7300	\$ 1.9200	\$ -	\$ 22.2500		
5	Effective Increase - Customer Charge (Line 3 x Line 4)	\$ 1,043,149	\$ 281,923	\$ -	\$ 162,114	\$ 1,487,186	
6	Remaining Customer Charge Amount to be Collected through 1st Block (Line 2 - Line 5)	\$ 4,408	\$ (198)	\$ -	\$ 1		
7	50% In Commodity Rate of 1st Block (Line 1 - Line 2 + Line 6)	\$ 1,051,985	\$ 281,526	\$ -	\$ 162,116	\$ 1,495,607	
8	Applicable Ccf in 1st Block	54,079,435	16,867,844	\$ -	6,097,783		
9	Increase per Ccf in 1st Block (Line 7 / Line 8)	\$ 0.0195	\$ 0.0167	\$ -	\$ 0.0266		
10	Effective Increase - 1st Block (Line 8 x Line 9)	\$ 1,054,549	\$ 281,893	\$ -	\$ 162,201	\$ 1,498,443	
11	Total Revenue Increase Proof (Line 5 + Line 10)	\$ 2,097,698	\$ 563,816	\$ -	\$ 324,315	\$ 2,985,629	
12	Excess / (Deficient) Revenue (Line 11 - Line 1)	\$ 2,584	\$ 187	\$ -	\$ 85	\$ 2,836	

* MT-6 volumetric charge for customers taking transportation service is billed in MMBtu. The volumetric increase for these customers is \$0.2603 per MMBtu.