



505 Nicollet Mall
PO Box 59038
Minneapolis, MN 55459-0038

July 7, 2017

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

*RE: Annual Compliance Submission of CenterPoint Energy Minnesota Gas, A
Division of CenterPoint Energy Resources Corp., for its Gas Affordability Service
Program; MPUC Docket No. G-008/M-17-245*

Dear Mr. Wolf:

On March 31, 2017 CenterPoint Energy (“the Company”) submitted its annual Gas Affordability Program 2016 Compliance Report (“2016 Report”). On June 26, 2017, the Minnesota Department of Commerce (“Department”) filed Comments on CenterPoint Energy’s 2016 Report and recommended the Minnesota Public Utilities Commission (“Commission”) accept CenterPoint Energy’s 2016 Report, contingent on the Company providing or identifying certain information in reply comments. The Department indicated the Company has not complied with requirements to report the program’s effect on the number of customers in arrears and the collections reporting requirement.

The Company has reviewed the Department’s comments and provides these Reply Comments. As an initial comment, the Company points out the information provided in the 2016 Report related to customers in arrears and collection reporting is the same information provided in previous annual reports since 2008.¹ The Commission

¹ The first annual GAP compliance filing was submitted on March 31, 2008 in Docket No. G-008/GR-05-1380 and annual filings have been made in subsequent years. In the Commission’s November 26, 2014 Order, it directed utilities to file the annual GAP reports as miscellaneous filings. The 2014 annual report was filed in Docket No. G-008/M-15-307, the 2015 annual report was filed in Docket No. G-008/M-16-266, and the 2016 annual report was filed in Docket No. G-008/M-17-245.

accepted the prior filings and found they met the reporting requirements;² however, the Company provides additional information in response to the Department's comments.

(1) Program's Effect on the Number of Customers in Arrears

On Pages 7 and 8 of its Comments, the Department states the Company has not complied with the requirement to report the program's effect on the number of customer in arrears, pursuant to CenterPoint's GAP tariff, Paragraph 5.2.

Similar to prior reporting, Sections 12, 13, and 21 of the Company's 2016 Report contain arrearage information. This includes the number of customers on GAP with arrears, the average pre-program arrears, the change in arrearage levels for the average GAP customer, as well as the arrears reduction rate. As reported in the 2016 Report, of the 11,004 GAP participants, 4,394 customers started their 2016 GAP participation with a pre-program arrears balance. At the end of 2016, there were 2,200 GAP participants who had an arrears balance. This number can be provided in future annual reports if the Department or other parties find this helpful in their analysis.

(2) Customer Collection Activity

On Pages 11 and 12 of its Comments, the Department states the Company did not report the effect of their program on customer collection activity and the Company has not complied with the collections reporting requirement. As discussed below, the Company believes that it did report on the effect of GAP on collection activity; however, the Company could provide a summary of the collection activity impact information in future reports if that would be helpful to the Department or other parties.

The 2016 Report includes information on several significant areas of collection activity and outcomes including a reduction in bad debt expense (Section 7), an improvement in the payment frequency compared to pre-GAP payment behavior (Section 9), a greater percentage reduction in arrears compared to LIHEAP non-GAP customers (Section 12), and a reduced rate of service disconnections compared to LIHEAP non-GAP customers or all firm customers (Section 14). These facts support the conclusion that GAP reduced collection activity for the Company.

As mentioned above, the information provided in the 2016 Report related to customers in arrears and collection reporting is the same information provided in annual reports since 2008. With the additional information provided in these Reply Comments, the

² As noted in at least two of the Commission Orders Accepting the annual reports of CenterPoint Energy and other MN gas utilities "The Commission ... concurs with the Department that they should be accepted. They meet the reporting requirements set forth in the earlier GAP orders and provide a foundation for further substantive evaluation of these programs. The Commission will accept the reports." See October 5, 2012 and September 25, 2013 Orders in Docket No. G-008/GR-05-1380. .

Company believes it has addressed the comments of the Department. Therefore, CenterPoint Energy respectfully requests that the Commission accept its 2016 Report.

If you have any questions about this information, please contact me at (612) 321-4905.

Sincerely,

/s/

Shari Grams
Regulatory Analyst

cc: Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_17-245_M-17-245
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_17-245_M-17-245
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-245_M-17-245
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service 1400	No	OFF_SL_17-245_M-17-245
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_17-245_M-17-245
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_17-245_M-17-245
Shari	Grams	shari.grams@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_17-245_M-17-245

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_17-245_M-17-245
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_17-245_M-17-245
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_17-245_M-17-245
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	Ste 122 9100 W Bloomington Frwy Bloomington, MN 55431	Electronic Service	No	OFF_SL_17-245_M-17-245
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-245_M-17-245
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_17-245_M-17-245
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_17-245_M-17-245