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February 25, 2026

via eFiling

Sasha Bergman  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**Re: In the Matter of CenterPoint Energy Minnesota Gas' 2024 GAP Report**

**Docket No. G-008/M-25-38**

**REPLY COMMENTS**

Dear Ms. Bergman:

CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint" or the "Company") respectfully submits these Reply Comments in response to the Comments of the Minnesota Department of Commerce, Division of Energy Resources ("Department"), and of the Citizens Utility Board of Minnesota in conjunction with the Legal Services Advocacy Project and the Energy CENTS Coalition (collectively the "Joint Commenters") as filed on February 10, 2026, in this docket.

The Company thanks the Department and Joint Commenters for their analysis of the Company's December 17, 2025, Compliance Filing, and for their review of the Company's recommendations. Through their review, both the Department and the Joint Comments supported the Company's recommendations to:

1. Modify the GAP program's funding level to \$12 million to account for the increased program expenditures resulting from the automatic enrollment policy;
2. Increase the GAP surcharge to \$0.10927 per Dt through the end of the 2026/2027 GAP program year; and
3. Allow CenterPoint Energy to address issues related to its GAP tracker and program cost recovery through its annual reports, unless a filing is necessary to avoid program closure.

Through these reply comments, CenterPoint Energy responds to any outstanding topics or comments made by parties in their initial comments.

#### **I. IMPACT ON RATEPAYERS**

Through its January 16, 2026, Notice of Comment Period, the Commission asked parties to comment on the impact the recommended GAP surcharge modification would have on

customer rates. CenterPoint Energy calculated that the average annual impact of the proposed GAP surcharge modification would be \$2.92 for a residential customer:

$$88.7 * (\$.10927 - \$0.0764) = \$2.92$$

$$\text{Avg. annual dekatherms}^1 * (\text{proposed GAP surcharge} - \text{current GAP surcharge}) = \$2.92$$

## II. IMPACT ON RATECASE

Through its January 16, 2026, Notice of Comment Period, the Commission requested information on what impact the Company's request would have on the Company's rate case and overall revenue requirement.

The funds collected through the GAP surcharge are tracked through the GAP tracker and are not included in base rates. However, the average GAP tracker balance during a rate case test year does influence the Company's rate of return, either increasing it or decreasing it, depending on whether the average GAP tracker balance displays under-recovery or over-recovery, respectively.

CenterPoint Energy's objective is to maintain a neutral GAP tracker balance and ensure the Company's GAP expenses and recovery are as close to equal as possible by the end of each program year. The Company's request to increase the GAP surcharge is intended to resolve forecasted under-recovery through 2027 and bring the GAP tracker balance back to neutral. This result would ultimately minimize the impact of the GAP tracker through a rate case.

## III. CHANGES TO COMPANY TARIFF BOOK

In their initial Comments, the Department recommended the following changes be made to the Company's tariff book:

1. The inclusion of clarifying language that explains the types of customers included in the Market Rate Service Rider.<sup>2</sup>
2. Updating the Company's program expenditure cap from \$10 million to \$12 million.<sup>3</sup>

CenterPoint Energy will update the program expenditure cap in its tariff book for the GAP program from \$10 million to \$12 million should the Commission approve the Company's request.

The Company's tariff book already includes language that clarifies the types of customers included in the Market Rate Service Rider, and for this reason the Company opposes repeating existing language across its tariff book. In making this recommendation, the Department insinuated that the Company misinterpreted its own tariff book,<sup>4</sup> and indicated that the inadvertent inclusion of volumes from Market Rate customers in the GAP tracker was due, in part, to the absence of the proposed language.<sup>5</sup> Instead, the inclusion of Market Rate customer

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<sup>1</sup> The Company used its approved use per customer ("UPC") from its 2025 plan year in its 2023 rate case (Docket No. 23-173) for the average annual dekatherms in this calculation.

<sup>2</sup> Department Initial Comment Recommendation C.2.

<sup>3</sup> Id.

<sup>4</sup> Department Initial Comments, p. 6.

<sup>5</sup> Id., p.7.

volumes in the Company's GAP forecast was the result of human error – not a misinterpretation of the tariff book – and this error was discovered in part due to the tariff book's existing language.

Second, the Company is generally opposed to repeating definitions in multiple places throughout its tariff book. This practice over time could result in a tariff book that is larger, more complex, and less user friendly.

Should the Commission disagree and Order the Company to include the Department's proposed language, the Company would instead recommend using language describing the availability of the Market Rate Service Rider in its tariff book under Sec. V, Market Rate Service Rider, Sixteenth Revised Page 11. The Company included proposed tariff book changes as Attachment 1 and 2 to these reply comments.

#### **IV. SURCHARGE RATE AND CAP**

The Department was unable to locate where the Company references its GAP surcharge rate in its tariff book. For clarity, this value is located in its tariff book under Section V. 4) Funding, Twenty-First Revised Page 25.a. The value is provided as a per-therm rate, instead of a per dekatherm rate.

Consistent with the discussion in Section III of these comments, the Company will modify this value in its tariff book should the Commission approve the Company's request. This change is included in Attachments 1 and 2 of these reply comments.

#### **V. NOTICE TO CUSTOMERS**

In its initial comments, the Department recommended that CenterPoint Energy provide a notice to customers and work with the Consumer Affairs Office in the creation of this notice.<sup>6</sup> The Company does not oppose this recommendation but notes that different types of customer communications will come with varying costs.

#### **VI. CONCLUSION**

CenterPoint Energy thanks the Commission for its consideration of these comments. Please feel free to contact me at 612-321-5191 or [trey.harsch@centerpointenergy.com](mailto:trey.harsch@centerpointenergy.com) with any questions.

Sincerely,

*/s/ Trey Harsch*

Manager, Regulatory Affairs

Attachments

C: Service List

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<sup>6</sup> Id.,9.

**Attachment 1  
CenterPoint Energy's Gas Rate Book  
Section V, Page 25.a  
Gas Affordability Service Program**

**REDLINE COPY**

**GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”) (CONTINUED)***(Conditions of Service Continued)*

- g. If a Qualified Customer fails to pay two consecutive monthly payments in full under the Program, they will be terminated from the Program and will be subject to CenterPoint Energy’s regular collection practices including the possibility of disconnection.

**4) Funding:**

- a. Total Program costs, which include start-up costs, Affordability component, Arrearage Forgiveness component and incremental administration costs incurred by CenterPoint Energy shall not exceed \$~~129~~ million per year. However, if there is an over-recovered balance in the Tracker at the end of a year, the over-recovered balance may be rolled over to the subsequent year and can be used to supplement benefits in the subsequent year unless the Minnesota Public Utilities Commission orders otherwise. CenterPoint Energy shall limit administrative costs included in the tracker (except start-up related costs) to 5% of the total program costs. Administrative costs will include, but are not limited to, the costs to inform customers of the Program and costs to process and implement enrollments.
- b. CenterPoint Energy shall recover Program costs in the Delivery Charge applicable to all customers receiving firm service under the following tariffs: Residential Sales Service, Small Volume Commercial & Industrial Sales Service, Small Volume Firm Transportation Service, Large General Firm Sales and Large Volume Firm Transportation, except customers taking service under the Market Rate Service Rider. The Market Rate Service Rider is available to any customer who either received interruptible service or whose daily requirements exceed 500 therms and maintains or plans on acquiring the capability to switch to alternate energy supplies or service, except indigenous biomass energy supplies, at comparable prices from a supplier not regulated by the Commission. Such customer is deemed to be subject to “Effective Competition” as defined in Minnesota Stat. § 216B.163.
- c. A tracking mechanism (“Tracker”) will be established to provide for recovery of actual Program costs as compared to the recovery of Program costs through rates. CenterPoint Energy will track and defer Program costs with regulatory approval. The prudence of the Program costs are subject to regulatory review. The GAP recovery rate is ~~\$0.00764~~<sup>\$0.010927</sup> per therm. CenterPoint Energy may petition the Commission to adjust this rate in order to true up the Program balance in the Tracker.

**5) Evaluation:**

- a. The Program shall be evaluated on or before June 30, 2025. The program may be modified based on annual reports and on a financial evaluation.
- b. The annual reports will include the effect of the Program on customer payment frequency, payment amount, arrearage level and number of customers in arrears, service disconnections, retention rates, customer complaints and utility customer collection activity. The annual reports may also include information about customer satisfaction with the Program.
- c. The financial evaluation will include a discounted cash flow of the Program’s cost-effectiveness analysis from a ratepayer perspective comparing the 1) total Program costs, which includes the Affordability component, Arrearage Forgiveness component and total company incurred administration costs, to 2) the total net savings including cost reductions on utility functions such as the impact of the Program on write-offs, service disconnections and reconnections and collections activities. The discounted cash flow difference between total Program costs and total net savings will result in either a net benefit or a net cost to ratepayers for the Program.

**6) Program Revocation:**

The Program, upon approval by the Commission, is effective unless the Commission, after notice and hearing, rescinds or amends its order approving the Program.

**Attachment 2**  
**CenterPoint Energy's Gas Rate Book**  
**Section V, Page 25.a**  
**Gas Affordability Service Program**

**CLEAN COPY**

**GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”) (CONTINUED)***(Conditions of Service Continued)*

- g. If a Qualified Customer fails to pay two consecutive monthly payments in full under the Program, they will be terminated from the Program and will be subject to CenterPoint Energy’s regular collection practices including the possibility of disconnection.

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**6) Program Revocation:**

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**CERTIFICATE OF SERVICE**

I, Christina Benning, certify that on Wednesday, February 25, 2026, I served the attached Reply Comments of CenterPoint Energy in Docket No. G-008/M-25-38 to all persons at the addresses indicated on the attached service list by having the document delivered via electronic filing.

/s/ Christina Benning  
Senior Regulatory Paralegal  
CenterPoint Energy

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Sasha	Bergman	sasha.bergman@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-38
2	Mike	Bull	mike.bull@state.mn.us		Public Utilities Commission	121 7th Place East, Suite 350 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-38
3	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-38
4	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	M-25-38
5	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-38
6	Ron	Elwood	relwood@mnlisap.org	Legal Services Advocacy Project		970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	M-25-38
7	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	M-25-38
8	Annie	Levenson Falk	annief@cupminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-38
9	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-38
10	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	M-25-38
11	Emily	Suppes	emily.suppes@centerpointenergy.com	CenterPoint Energy Minnesota Gas		505 Nicollet Mall Minneapolis MN, 55402 United States	Electronic Service		No	M-25-38