

August 12, 2025

Mike Bull
Interim Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket No. G-008/M-25-38

Dear Mr. Bull:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas' 2024 Annual Gas Affordability Program (GAP) Report

The reports were filed by the utilities on March 31, 2025.

The Department recommends that CenterPoint submit additional documentation before the Commission accepts CenterPoint's annual Report and further recommends additional reporting items for next year. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

DH/ad
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

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

I. INTRODUCTION

Every year, public utilities providing natural gas service are required to submit and seek approval of its annual reports on its low-income assistance program known as the Gas Affordability Program (GAP).¹ After submission of the reports, the Commission sends a notice that solicits comments on the annual reports.² On June 30, 2025 CenterPoint Energy (CenterPoint or the Company) filed its annual GAP report for the 2024 year.³ On July 15, 2025, the Commission opened CenterPoint's 2024 GAP Report for comment.³ In its notice, the Commission invited comments on whether to approve CenterPoint's annual report, whether former GAP recipients should be allowed back onto the program, and any other issues brought forward by interested parties. In response to the Commission's notice, the Department submits its comments below.

II. PROCEDURAL BACKGROUND

September 7, 2023,	The Commission required CenterPoint Energy to propose a recertification date between March 1 and May 1, 2024. ⁴
December 29, 2023	CenterPoint proposed a recertification date of March 1, 2025. Also, CenterPoint proposed a corresponding report date of June 30, 2024, and will include data for 14 months from January 1, 2023, through February 28, 2025. ⁵
August 14, 2024	The Public Utilities Commission (Commission) accepted CenterPoint's and all other public utilities 2023 GAP reports. ⁶

¹ See [2024 Minn. Stat. § 216B.16, subd. 15](#).

² *In the Matter of CenterPoint Energy Minnesota Gas' 2023 GAP Report*, CenterPoint Energy, Informational Filing, March 29, 2024, Docket No. G-008/M-24-38 (eDockets) [20248-209889-01](#) at 1 (Hereinafter "Initial Filing").

³ *Notice of Comment Period On CenterPoint Energy's 2024 Gap Report*, July 15, 2025, G-008/M-25-38 (eDockets) [20254-218126-01](#) (Hereinafter "Notice").

⁴ Parties were given an opportunity to object to the new recertification date for 30 days.

⁵ *In the Matter of CenterPoint Energy Minnesota Gas' 2022 Gas Affordability Program (GAP) Report*, CenterPoint Energy, Compliance Filing, December 29, 2023, Docket No. G-008/M-23-84 (eDockets) [202312-201690-01](#) at 1.

⁶ *In the Matter of Northern States Power Company d/b/a Xcel Energy's 2023 Annual Gas Company's 2023 GAP Report*, Docket No. G-002/M-24-36, *In the Matter of Great Plains Natural Gas Company's 2023 GAP Report*, G-004/M-24-37, *In the Matter of CenterPoint Energy Minnesota Gas Company's 2023 GAP Report*, Docket No. G-008/M-24-38, *In the Matter of Minnesota Energy Resources Gas Company's 2023 GAP Report*, Docket No. G-011/M-24-39, *In the Matter of Greater Minnesota Gas, Inc.'s 2023 GAP Report*, Docket No. G-022/M-24-40, *Order*, August 14, 2024 (eDockets) [20248-209468-01](#) at 1 (Hereinafter "Commission 2024 Order").

June 30, 2025 CenterPoint filed its annual GAP report for the 2024 year. The filing included a letter that noted that an extended 14 months⁷ were covered in this year's report, from January 1, 2024, through February 28, 2025. The Company stated that the extended filing period was to accommodate changes to its GAP, which includes implementation of an auto-enrollment procedure. The Company stated it will cover the normal 12-month period in next year, from March 1, 2025, through February 28, 2026.⁸

July 15, 2025 Commission filed its notice of comment period.⁹

The July 15 Commission's Notice opened the following topics for comment:

- Should the Commission accept CenterPoint Energy (CenterPoint)'s 2024 Gas Affordability Program (GAP) annual reports?
- Should CenterPoint allow customers to make up missed payments to be placed back on GAP?
- Are there other issues or concerns related to this matter?¹⁰

In accord with the July notice, the Department's review only includes CenterPoint's annual report. Prior to this filing, the Department separately filed its comment for the remaining three natural gas utilities.¹¹

III. DEPARTMENT ANALYSIS

The Department provides its analysis of CenterPoint's GAP programs and answers to the 3 topic areas opened within the PUC's Notice in the sections below.

A. BACKGROUND ON THE GAP

A.1. Authorization in Statute

Minn. Stat. § 216B.16, subd. 15(a) (the GAP statute)¹² authorizes CenterPoint (and other natural gas utilities) to administer its GAP program, in which Commission is required to "consider ability to pay as a factor in setting utility rates." The Commission may also establish affordability programs for low-income residential ratepayers to ensure natural gas utility service is more affordable for low-income

⁷ Compared to the usual 12 months covered by each report.

⁸ Initial Filing at 1.

⁹ Notice at 1.

¹⁰ Notice at 1.

¹¹ Minnesota Department of Commerce, Comments, May 22, 2025, Docket Nos. G002/M-25-36, G004/M-25-37, G011/M-25-39, and G022/M-25-40 (eDockets) [20255-219196-01](#) at 1 (Hereinafter Department 2025 Comment").

¹² The Statute was changes as of July 1, 2025 to alter eligibility requirements. As this report is for the period prior to July 1 2025, the Department provides the 2024 version of the Statue for analysis purposes,

residential customers, defined as those in the Low-Income Home Energy Assistance Program (LIHEAP or Energy Assistance Program). Specifically, the statute provides for the following:

- The Commission “may establish affordability programs for low- income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers.”
- “A public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission ... [where] ‘low-income residential ratepayers’ means ratepayers who receive energy assistance from the low-income home energy assistance program.”¹³

Paragraph (b) sets out five requirements for gas affordability programs:

Any affordability program the commission orders a utility to implement must:

- (1) lower the percentage of income that participating low-income households devote to energy bills;
- (2) increase participating customer payments over time by increasing the frequency of payments;
- (3) decrease or eliminate participating customer arrears;
- (4) lower the utility costs associated with customer account collection activities; and
- (5) coordinate the program with other available low-income bill payment assistance and conservation resources.

Paragraph (c) gives the Commission the authority to require utilities to file GAP evaluations:

In ordering affordability programs, the commission may require public utilities to file program evaluations that measure the effect of the affordability program on:

- (1) the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) frequency of customer payments, utility collection costs, arrearages, and bad debt.

In addition, paragraph (d) states the following regarding program cost recovery and evaluation:

The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding startup costs, more than five percent of total program costs, or program evaluation costs more than two percent of total program costs.

¹³ Laws of Minn. 2025, 1st Special Session, Ch. 7, art. 3, sec. 5 strikes the definition that low-income residential customers eligible for the GAP must be recipients of the Low-Income Home Energy Assistance Program.

The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

A.2 LIHEAP Overview

As described above, per 2024 statute, to be eligible for the Gas Affordability Program, households must receive LIHEAP. LIHEAP is a federally funded program overseen by the Minnesota Department of Commerce's Energy Assistance Program (EAP), with local level administration handled by 90 service providers across Minnesota counties.¹⁴*EQUITY IN THIS*

Minnesota Laws no longer require GAP recipients to also be LIHEAP customers as of July 1, 2025. This implies that, at least for future dockets that review the annual GAP reports, eligibility for the GAP program by low-income residential ratepayers is no longer solely established by enrollment in LIHEAP. Because the new law may require changes to each utility's tariff sheets, the Commission may also need to create at least one docket to allow utilities to conform to the change in law.¹⁵ Docket No. 25-281 will be the first docket in conformance to the law change. Once that is complete, the Department recommends that the utilities revise its GAP tariff sheets to conform with the 2025 law and Commission Orders.

The Department reviews CenterPoint's 2024 annual report in accord with 2024 Minnesota Statutes. The 2024 version of the law is relevant because the report covers the time period prior to the July 1st effective date of the 2025 change in the Statute. Prior to the 2025 statutory change, eligibility for GAP required that the customer receive LIHEAP.

¹⁴ See Minnesota Department of Commerce, "[Find Your Provider](#)," downloaded on April 21, 2025. The application process works as follows. Households submit its application and proof of income to its local service providers. Service providers enter the application into the Department's EAP online portal, eHEAT. Once all required information is received and entered, service providers use eHEAT to determine eligibility and benefit amount. If a household is approved, service providers use eHEAT to manage benefit payments to energy vendors for eligible households. The EAP application privacy notice allows sharing of information to the household's energy providers for administering utility affordability programs. Currently, EAP sends weekly data to CenterPoint Energy, Minnesota Energy Resources, Minnesota Power, and Xcel Energy for its affordability programs. The data is sent weekly by secured email but if there was a uniform set of data required for auto enrollment, EAP would consider creating a more automated or self-service process. See Minnesota Department of Commerce, Comments, June 4, 2024, Docket Nos. G008/M-24-38, G002/M-24-36, G011/M-24-39, G004/M-24-37, G022/M-24-40 (eDockets) [20246-207409-03](#) at 3 (Hereinafter "Department 2024 Comment").

¹⁵ Public utilities will also need to rewrite their tariff sheets for their low-income electric rate discount program, which will likely require at least one new docket from the Commission. Laws of Minn. 2025, 1st Special Session, ch. 7, art. 3, sec. 4 strikes the description of a low-income customer as a recipient of LIHEAP. Also, Laws of Minn. ch. 7, sec 2 establishes a new definition of low-income to include households on LIHEAP, 50% or less of the state's median household income, or as defined by the Commission.

To receive LIHEAP, a household must have an income at or below 50% of the state median for the household size and successfully complete an application. Around 125,661 households in Minnesota receive LIHEAP this year, with current funding of around \$98 million for the year.¹⁶

LIHEAP's primary benefit is a heat and electricity subsidy averaging around \$784 per year, with the actual amount varying based on income and energy costs.¹⁷ Households can request additional benefits to handle crisis situations such as disconnections.¹⁸

A.3 Overview of CenterPoint's GAP

GAP reduces customer payments to its natural gas utility. The program supplements LIHEAP with an affordability credit and, if applicable, an arrears credit. The affordability credit limits gas utility payments to a low-single-digit percentage of income. The arrearage forgiveness credit arranges a payment plan for unpaid debt that is owed to the utility.

Customers seeking GAP assistance must submit an application and demonstrate eligibility. CenterPoint and Xcel currently ease the application burden with an auto-enrollment program and MERC has proposed auto-enrollment in its 2024 GAP filing.

CenterPoint has the following eligibility requirements for the programs:

- Must be a LIHEAP recipient;¹⁹
- Agree to a payment schedule and levelized payment plan;²⁰
- Active customer with permanent address;²¹
- Must notify of any changes in household income or address;
- and available funds, where qualification is upon a first- come, first-serve basis.

A.4. Affordability Credit

As noted above, the affordability credit limits participating customers' gas utility bill payments to a low-single-digit percentage of household income. Specifically, the affordability credit equals one-

¹⁶ For more data on funding, see [Energy Assistance Dashboard](#). Data are updated weekly and represent the year 10/17/2024-14/2025. Downloaded on 4/16/2025.

¹⁷ The Energy Assistance benefit automatically split 70/30 between the household's primary heat and electricity provider, unless the household requests different percentages. In most cases these payments are sent directly to the household's energy provider on its behalf. However, in some circumstances households may directly receive a check. See Department 2024 Comment at 3.

¹⁸ See the Minnesota Department of Commerce, [Get help with energy emergencies](#), viewed on August 11, 2025.

¹⁹ See Gas Rate Book, CenterPoint, January 1, 2025, Docket No. G-008/GR-23-173, [MN Tariff Book May.pdf](#) at Interim Eighteenth Revised Page 4, downloaded on July 21, 2025. (Hereinafter "CenterPoint Tariff Book").

²⁰ CenterPoint Tariff Book at Interim Eighteenth Revised Page 4.

²¹ CenterPoint Tariff Book at Twenty-First Revised Page 25.a.

twelfth the difference between CenterPoint's estimate of the annual gas bill and three percent of the customer's household income.²²

A.5. Arrearage Forgiveness Credit

CenterPoint's arrearage forgiveness Component is separate from the affordability credit. The credit is designed to retire pre-program arrears over a period of up to 12 months. The customer contribution toward arrears that exist before the customer's enrollment is 1 percent.²³

A.6. Administrative Costs

Minn. Stat. § 216B.16, subd. 15 allows for recovery of up to 5 percent of costs for administration expenses. CenterPoint incurred approximately 3.2 percent administrative costs and because it was less than the 5 percent cap, the utility did not include a separate tracker item for these costs.²⁴

A.7. Funding

CenterPoint funds its programs with a surcharge collected from ratepayers. Recently, the Commission ordered approval for CenterPoint to increase its surcharge to \$0.00764 per therm, effective on August 14, 2024.²⁵ Subsequently CenterPoint's Annual Report includes performance measures with the new surcharge.

B. DATA ANALYSIS

CenterPoint provided data analysis in its report with attachments including updates to data required in previous dockets. CenterPoint's petition also included its annual streamlined and tracker reports.

Table 1. Annual Costs and Numbeerr of Participants

Year	2020	2021	2022	2023	2024
Annual cost	\$3,454,632	\$3,060,560	\$5,038,105	\$6,253,000	\$7,078,050
Number of participants enrolled as of year-end	8,547	7,381	7,374	6,323	11,896

Table 1 shows that the number of customers that benefit from the GAP substantially increased from 2023 to 2024. At the end of 2024 there were 5,573 more participants on CenterPoint's GAP program than there were at the end of 2023, equal to a 88.1 percent increase in GAP participation. The marked increase in GAP customer counts contrasts with the relatively constant GAP customer counts in the previous four years.

²² Schedule D to Annual Report, CenterPoint, June 30, 2025, Docket No. G-008/M-25-38 (eDockets) [20256-220493-04](#) (Hereinafter "2025 streamlined GAP Report Summary"). CenterPoint Tariff Book at Seventh Revised Page 25. The credit rate decreases to 2 percent as of January 1, 2025.

²³ CenterPoint Tariff Book at Seventh Revised Page 25.

²⁴ CenterPoint 2025 Report at 3.

²⁵ Commission 2024 Order at 1

Table 1 also shows the annual GAP costs for the same five-year period. Unlike the GAP customer count, annual costs have been on an upward trend since 2021. If anything, the cost increase is slightly less in comparison to the two previous years with approximately a \$825,000 increase in costs from 2023 to 2024, whereas the increase in costs from 2021-2022 and 2022-2023 were both over \$1.2 million. One possible reason for this discrepancy is that the startup costs from auto-enrollment are not yet in the cost estimates.²⁶ CenterPoint states that auto-enrollment startup costs will be in a future compliance filing.²⁷ The Department notes that the costs of the program is a consideration in evaluation of the net benefits to auto-enrollment.

CenterPoint also reports statistics on other benefits and costs that may related to the start of the auto-enrollment procedure.

- Assistance with bills - a customer on GAP receives an average of \$561 annually from CenterPoint's affordability credit and on average \$209 annually to help reduce arrears.
- Lower arrears - From January 2025 through February of 2025, GAP customers experienced on average a 28 percent reduction in arrears. In comparison, customers that received LIHEAP and no GAP experienced a 48 percent increase in arrears.²⁸
- Fewer disconnections due to Delinquency - From 2023 to 2024, GAP customers experienced a small to negligible reduction in the percent of disconnections that were due to delinquency. In 2023, the percentage of disconnections due to delinquency was 21 percent and it was 18 percent in 2024.²⁹
- Small increase in simultaneous enrollment in both GAP and LIHEAP - From January 2023 through September 2023, the percent of new enrollees in GAP and LIHEAP was 15 percent. That percentage increased to 27.3 percent for 2024. New enrollees are CenterPoint customers who did not enroll in LIHEAP (and subsequently GAP) from October through December of the corresponding fiscal year.³⁰

Auto-enrollment in GAP may also provide benefits in the form of reduced unpaid bills and subsequent increases in revenue. However, the early results did not always produce significant utility-wide outcomes.

²⁶ CenterPoint 2025 Report at 3.

²⁷ CenterPoint 2025 Report at 3.

²⁸ CenterPoint 2025 Report at 11. The Department is uncertain whether the change reflects the effect of the arrearage forgiveness component alone. The reduction in average arrears per customer may also be interpreted as partly due to more customers without arrears enrolled in GAP under the auto-enrollment program. The Department would need to know more about how the statistic was constructed to help narrow down some of the potential causes.

²⁹ GAP 2025 Report at 13.

³⁰ The percent of new enrollees for 2023 appear to be the percent of GAP customers not enrolled in LIHEAP from January 2023 through September of 2023, but subsequently enrolled in both GAP and LIHEAP from October 2023 through December 2023. Because CenterPoint extended the 2024 study period to February 2025, the percentage of new enrollees are those enrolled in GAP and LIHEAP from October 2024 through February 2025 and not enrolled in the previous months of the 2024 calendar year. The Department notes that because there are two added months in the 2024 year, the higher percentage might simply be because of more time for CenterPoint customers to enroll in LIHEAP and GAP. CenterPoint 2025 Report at 1, 4, 6, 14,

- Reduction in unpaid balances - Reduction in bad debt expense of approximately \$431 thousand for the period January 2024 through February 2025.³¹
- Negligible reduction in the bad debt factor - the percent of bad debt to revenue remained at 0.5 percent. This implies that CenterPoint's total revenue changed by a negligible amount in the extended 2024 GAP period (14-month period).³²
- Small increase in write-offs-percentage of dollars written off by CenterPoint relative to total arrears increased from 6.6 percent in December 2023 to 8.7 percent in December 2024.³³

More information is needed to better understand the benefits and costs; however, the early results provide some expectations about what the final changes to performance indicators will be from auto-enrollment. The 2024 year performance data includes two additional months, January and February of 2025. Because this is the first year of auto-enrollment, the longer-term effects may be different from these early results. Also, even though one would expect changes in some performance indicators, there may be a small or negligible change in Company-wide indicators because the GAP population makes up a smaller percentage of residential and other customers. For example, changes in bad debt among GAP participants may have little impact when divided by total revenue from all customers.

C. COMPLIANCE WITH THE 2023 ORDER

As part of its Notice, the Commission asked for comments on whether the Commission should accept CenterPoint's 2024 Gas Affordability Program (GAP) annual reports. To assess whether the Commission should accept CenterPoint's 2024 Annual Report, the Department examined CenterPoint's filing for completeness, and compliance with the Commission's 2023 Order.³⁴ No compliance items were found from the Commission's 2024 Order that needed comment in this docket.³⁵ Documents examined for completeness included the utility's Annual Report, schedules, tariff book and compliance filings.

C.1. Completeness

The Department reviewed CenterPoint's filing and found that the Company correctly filed its Annual Reports and supporting schedules. Based on this review, the Department found that CenterPoint's filing of its annual information complete. However, as discussed below, the Department did not find sufficient evidence of compliance with Commission 2023 Orders that could have been satisfied with more documentation.

C.2. Commission's 2023 Order

³¹ CenterPoint 2025 Report at 6.

³² CenterPoint 2025 Report at 5.

³³ The percentage takes the dollar value of write-offs in December and divides by the total dollar amount of arrears in September (approximately 90 days earlier). The 90 days effectively takes into account that written-off customer would not have paid their bill for at least that many days. CenterPoint 2025 Report at 7.

³⁴ *In the Matter of CenterPoint Energy Minnesota Gas' 2022 Annual GAP Report*, September 7, 2023, Docket No. G008/M-22-256, (eDockets) [20239-198803-05](#), (hereinafter "PUC 2023 Order.") at 3. PUC 2024 Order at 1.

³⁵ PUC 2024 Order at 1.

The Commission's 2023 Order included several Order Points related to CenterPoint's auto-enrollment procedure. The Department discusses these Order Points below.

9. The Commission approves CenterPoint Energy's request to begin, in January 2024, automatically enrolling eligible customers into its GAP.³⁶

CenterPoint reports in its Annual Report that the Company's auto-enrollment started on January 1, 2025.³⁷ The Department concludes that CenterPoint is compliant with this Order Point.

10. CenterPoint Energy must provide GAP-eligible customers with 30 days to opt out of automatic enrollment, starting on the date when the Company sends customer-specific notices to GAP-eligible LIHEAP recipients.³⁸

Documentation of the 30-day opt out provision is in CenterPoint's Tariff book.³⁹

11. CenterPoint must allow customers who opt of automatic enrollment or otherwise remove themselves from GAP to subsequently apply for GAP during the same program year should they choose to do so.⁴⁰

CenterPoint's tariff book notes that GAP promotional activity will continue for those customers that opt out of the program.⁴¹ However, it is unclear to the Department whether promotional activities would include the allowance of customers to reenroll in GAP after they opt-out. The Department recommends that CenterPoint verify in its reply comment whether the tariff book does authorize customers to join GAP in the same year that they originally opted out of the program.

12. CenterPoint Energy must maintain an internal firewall that partitions sensitive customer information and limits retrieval to the sole and limited purpose of calculating percentage- of-income payments under the GAP program.⁴²

The Department did not find any information on CenterPoint's firewall. Although the Department notes that CenterPoint likely has a firewall in place, it has not been verified. The Department recommends that the Commission require CenterPoint to describe the firewall that partitions and limits non-public information that is used for customers' percentage- of-income payments.

13. CenterPoint Energy must send communications to customers informing them of automatic GAP enrollment and other program changes approved by the Commission. CenterPoint must work with the Citizens Utility Board

³⁶ PUC 2023 Order at 4.

³⁷ CenterPoint 2025 Annual Report at 21.

³⁸ PUC 2023 Order at 4.

³⁹ CenterPoint Tariff Book at Seventh Revised Page 25.

⁴⁰ PUC 2023 Order at 4.

⁴¹ CenterPoint Tariff Book at Seventh Revised Page 25.

⁴² PUC 2023 Order at 4.

of Minnesota, Energy CENTS Coalition, and Commission staff to develop communications that must include:

- a. A one-time mailing to, at a minimum, all current LIHEAP customers which contains the following information:
 - i. A description of GAP;
 - ii. An explanation of the GAP automatic enrollment process;
 - iii. A list of important deadlines associated with LIHEAP and GAP;
 - iv. A description of additional resources on LIHEAP and GAP, and where such resources can be accessed;
 - v. A notice that continued GAP enrollment is dependent on LIHEAP participation;
 - vi. A recommendation that customers seeking to remain on GAP apply to LIHEAP at the earliest possible opportunity; and
- b. A notice that additional electric-side affordability programs may be available to customers of rate-regulated electric utilities and contact information for respective b. program administrators.

A mailing to approved LIHEAP customers. These customer-specific communications must provide detailed information on GAP, including:

- i. The customer's monthly bill under GAP and the affordability credit they will receive;
 - ii. The customer's monthly arrearage forgiveness payment and arrearage forgiveness credit (if any);
 - iii. An explanation of GAP program terms, including an explanation that customers may be removed from the program for missed payments;
 - iv. An explanation of how any Energy Assistance grant balance on a customer's account will be applied, and how (if at all) that will delay or alter the application of GAP credits;
 - v. An explanation that, to remain enrolled in GAP, the customer must apply for and receive LIHEAP by May 1 of each subsequent year, or otherwise have an application that is submitted and pending approval at such time;
 - vi. Confirmation that CenterPoint Energy will not use customers' income information for any purpose other than to calculate their GAP program credits; A notification that customers may opt out of GAP prior to automatic enrollment by contacting CenterPoint Energy within 30 days or, after being automatically enrolled, may voluntarily remove themselves from the program by contacting CenterPoint Energy directly; and
 - vii. Contact details for who the customer may contact to initiate the opt out procedure or otherwise unenroll themselves from GAP.
- c. A description of GAP and the automatic enrollment process in future

LIHEAP promotional materials.

- d. A final notice to GAP participants that have not re-enrolled in LIHEAP 60 days prior to May 1 that informs them that they will be removed from GAP on May 1 if they do not apply for and receive LIHEAP or otherwise have an application that is submitted and pending approval at such time. If a customer has still not re-enrolled in LIHEAP 30 days prior to May 1, CenterPoint Energy will send out an additional notice encouraging the GAP participant to apply.⁴³

CenterPoint states that it discusses compliance with this item in Section 23 of its report.⁴⁴ However, Section 23 notes that emails were sent, but no information on whether the content of the emails included items i through viii in part a (the one time mailing), i through viii in part b ((the mailing to approved customers), and part d (final notice that customers must reapply for LIHEAP by May 1 to remain eligible in each subsequent year).⁴⁵ The Department recommends that CenterPoint include the actual mailing for items a, b and d in its reply comment.⁴⁶

14. CenterPoint Energy must monitor monthly spending from and income to the GAP program. If, and when, the program is on track to deplete its tracker balance within 6 months, CenterPoint Energy shall make a filing with the Commission that includes, at a minimum:
 - a. Tracker balance, income, and spending on a monthly basis for the previous 6 months and projected 6 months in the future;
 - b. An evaluation of possible modifications to avoid closure of the program, including modifying the affordability benefit and arrearage forgiveness benefit amounts for participants, changing the program funding level/surcharge, and other options the Company has considered; and
 - c. A proposal to avoid the projected negative tracker balance.⁴⁷

CenterPoint noted that it monitored the monthly tracker balance and asks that Order Point 14 continue through the 2025 annual reporting period. The Department agrees and recommends that Order Point 14 continue through the next year until the effective date of the Commission's Order on GAP reports in 2026.

D. CUSTOMERS DISQUALIFIED FROM GAP

In its Notice the Commission asked for comment on the following matter:

⁴³ PUC 2023 Order at 4.

⁴⁴ CenterPoint 2025 Report at Schedule C, pg. 6.

⁴⁵ CenterPoint 2025 Report at 20.

⁴⁶ CenterPoint 2025 Report at 21.

⁴⁷ PUC 2023 Order at 5-6.

Should CenterPoint allow customers to make up missed payments to be placed back on GAP?

CenterPoint requested some time until more historical information is available about auto- enrollment:

The Company has had discussions with the CAO regarding the GAP program process for customers who are removed from GAP for non-payment. The CAO suggested CenterPoint modify its program to allow customers to make up the missed payments to be placed back on GAP. Although the Company has not historically had this practice in place it is not opposed to this idea. The Company would like to take this idea into consideration when the program has more historical information available from the current changes of autoenrollment. The Company is concerned with changing this practice at a time of the highest participation in the program and being close to meeting the GAP spending cap. Additionally making this change will skew the measurement on effectiveness of customer payment frequency and retention rates. As we monitor the potential limitations of the existing program budget, adding customers back in who have fallen off for non-pay could negatively impact customers looking to join the program for the first time.⁴⁸

Ultimately the decision will be based upon value judgments. The Commission must weigh the financial risk of more delinquencies to CenterPoint against the inequities that could be imposed upon some customers who fail to pay their bill for two consecutive months. In light of the value dependent decision, the Department offers two alternative recommendations.

Allowing customers who have missed two consecutive payments may result in more cost to CenterPoint in the form of bad debt as those customers may miss payments in the future.⁴⁹

Reenrollment of customers removed from GAP could raise CenterPoint's costs is if customers that are removed from GAP because of nonpayment are also more likely to miss payments in the future. The Department does not deny this risk to CenterPoint. The Department believes that CenterPoint will have more data on the extent of the costs with more experience with auto-enrollment. The costs of bad debt would get expensed in rate cases and contribute to higher rates.

On the other hand, not allowing customers to reenroll in GAP may impose a few inequities. These inequities relate to situations focused on the assumptions about why customers were delinquent in their payments and that their payment record will continue to be worse than other GAP recipients in the future.

⁴⁸ CenterPoint 2025 Report at 23.

⁴⁹ CenterPoint 2025 Report at 14.

Customers who missed payments may have had to decide to sacrifice payments for necessities when income is not enough.⁵⁰ It may be that the choice of nonpayment was because the customer felt the viable decision was to miss a payment this month rather than lower the temperature in the house or sacrifice upon other necessities. A correlary to nonpayment or delinquencies is income and unemployment. In some cases, like a recession or layoff, the spell of unemployment may not be the fault of the customer.⁵¹ The customer would have no control over a layoff and better economic times may result in a better payment record by the customer.

Customers not allowed to return to GAP may experience higher energy burden. The higher energy burden could incentivize the customer to reduce the temperature in their residence to unhealthy levels that would contribute to poor health outcomes. Also, in extreme circumstances, parents may choose between other payments, which might potentially result in less safe housing, or lower nutrition levels for children.⁵² Avoidance of such risks can help lower societal costs.

The Department proposes two alternative recommendations for the Commission's consideration:

- Allow customers to reenroll onto GAP, after 2 months of removals due to nonpayment; if two consecutive months of nonpayment occurs again, the Commission may consider authorization for CenterPoint to remove the Customer from GAP again.
- Allow CenterPoint one to two years of experience with auto-enrollment before considering whether to reenroll customers removed from GAP because of nonpayment. During that time, CenterPoint will track the percent of customers that do not pay their bill for two consecutive months who have already been removed due to nonpayment. CenterPoint will report in its annual report the 25th, 50th and 75th percentiles of the number of months before a customer misses two consecutive months of payment.⁵³

⁵⁰ Aguilar, Octavio M., and Cristina Fuentes-Albero (2025). "Energy Consumption and In- equality in the U.S.: Who is the Energy Burdened?," Finance and Economics Discus- sion Series 2025-026. Washington: Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/FEDS.2025.026>.

⁵¹ Kristopher Gerardi,† Kyle F. Herkenhoff,‡ Lee E. Ohanian,§ and Paul S. Willen , Unemployment, Negative Equity, and Strategic Default, NBERR Working Paper 2163, National Bureau of Economic Research (July 12, 2013) https://www.nber.org/system/files/working_papers/w21630/w21630.pdf.

⁵² United States, Department of Health and Human Services, Housing and Homes, <https://odphp.health.gov/healthypeople/objectives-and-data/browse-objectives/housing-and-homes>. Joan L Luby, John N Constantino, Deanna M Barch, Poverty and Developing Brain, NIH PubMed Centrall, <https://pmc.ncbi.nlm.nih.gov/articles/PMC9224364/>.

⁵³ The reported percentiles must adjust for the censoring of observations. Adjustments for censoring must be made for customers that leave GAP at varying lengths of time. For customers not on GAP, CenterPoint must adjust the percentiles times for customers that are no longer a CenterPoint customer. The percentiles must also be calculated for at least one year before and one year after autoenrollment. The before and after time periods must be the same. Before calculating the statistics, the Centerpoint must consult the Department. . Although the statistics will provide an upper estimate on the risk to allowing customers to return, the risk may be overstated in that customers not on GAP may be less likely to miss payments if they are allowed to return to GAP, they have experienced the burden of higher payments, and their current bill is lower due to being back on GAP.

E. OTHER ISSUES

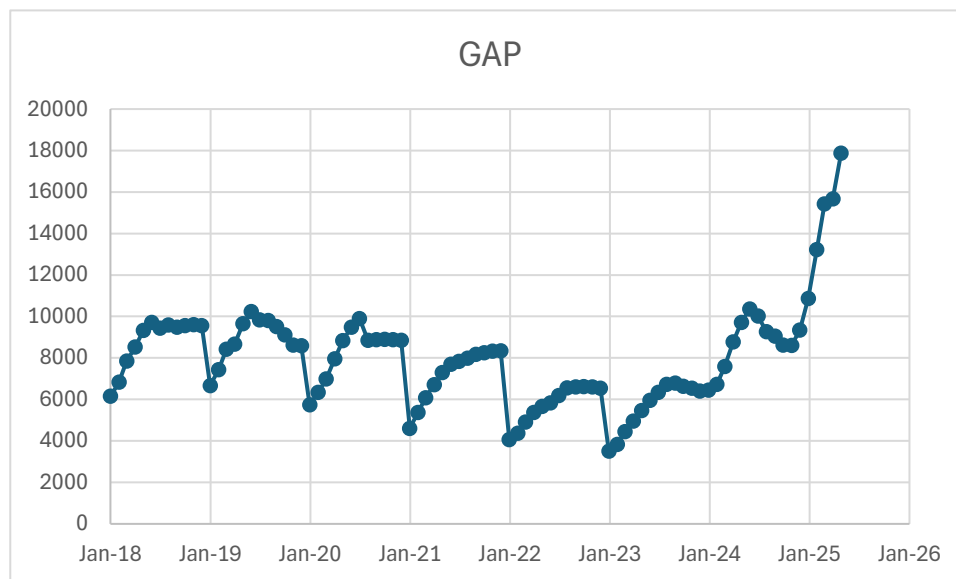
Lastly, in its Notice the Commission asks about other issues:

Are there other issues or concerns related to this matter?

The Department notes one more issue related to the cyclical trend in CenterPoint's GAP caseloads. The cyclical trend is such that a substantial number of recipients may not become enrolled in GAP until after the Winter months of January through March, when presumably GAP customers might most need the assistance.

Figure 1 below lists the number of CenterPoint customers on GAP for each month over the last seven years. The figure shows that the number of CenterPoint customers on GAP reaches a peak in June each year. The GAP program begins a new cycle in January, which may explain the drop in customers on GAP immediately after December. Recipients must be reauthorized each year.⁵⁴

Figure 1. CenterPoint's Number of Customers on GAP from 2018 through February 2025.



The figure suggests that a significant number of CenterPoint customers will not receive GAP assistance from January through March when customers might most need assistance. CenterPoint states that starting in January 2024, the utility did not disenroll customers in the GAP program if they did not receive LIHEAP. That may partly explain a lower decrease in customers when comparing January 2024 and January 2025. The Department will track whether auto-enrollment appears to speed up processing times for customers that are on LIHEAP during the coldest months of January through March as more data becomes available.

⁵⁴ Source: CenterPoint 2025 Report at 21.

The Department notes that the majority of persons that will join LIHEAP will apply by January of each year. Using data provided by the Department, by December 1 the Department of Commerce receives about 65 percent of total applications for the year. By February 1, the Department receives about 79 percent of all applications, and by June 1, the Department receives about 99 percent of all applications. The average application processing time is about 45 days for the Department of Commerce. However, the average is skewed upward because the Department cannot start processing applications until it receives funds from the federal government, which is typically in November. Most Applications are likely processed in under 30 days. By January or February, the Department notes it takes approximately a week to process the LIHEAP application.

The Department seeks to monitor whether large drops in the number of customers on GAP will continue next January. Information on LIHEAP applications suggest that CenterPoint will now be able to identify the majority of its recipients by the first of the calendar year. Ways to continue to keep processing times low will benefit the utility's customers and would serve the public interest.

The Department recognizes that CenterPoint must comply with new statutes that allow households with 50 percent or less the states of median income, or meets other qualifications established by the Commission in addition to receipt of LIHEAP to qualify for GAP.⁵⁵ Because the Commission may define other qualifications, the Department will only ask for data and information on processing applications at this time.

To help inform the Department and the Commission on opportunities to enroll more eligible customers on GAP during the winter months, the Department requests the following information from CenterPoint:

- Continued monthly counts of the number of CenterPoint's customers on GAP;
- Clarification of Table 20, the "number of LIHEAP customers." Provide more detail on what the number of LIHEAP customers represent, e.g., number of LIHEAP customers not on GAP.
- Monthly number of customers on LIHEAP from January 2018.
- Monthly average per customer costs for the affordability credit and arrearage forgiveness from January 2018;
- For all monthly statistics above, document the date that the data represent (e.g. end of month);
- Explanation of steps and approximate timeline in processing a customer onto GAP that receives LIHEAP; and
- Explanation of whether CenterPoint can start enrolling customers onto GAP immediately after customers qualify for LIHEAP.

⁵⁵ Laws of Minn. 2025, ch. 7, art. 3, sec. 2.

Finally, the Department notes that it recommended in a previous comment that all utilities publish definitions and explanations of methodologies in a separate attachment.⁵⁶ That recommendation applies to this docket as well. The definitions will help the Department more quickly understand and more able to use the information provided by the utilities in future annual GAP reports.

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of CenterPoint's Annual Report and the information in the record, the Department has prepared recommendations, which are provided below. The recommendations correspond to the subheadings of Section III above.

A. COMPLIANCE WITH THE 2023 ORDER

- A.1. Once Docket No. 25-281 is completed, the Department recommends that the utilities revise revised GAP tariff sheets to conform with the 2025 law and Commission Orders.

B. COMPLIANCE WITH THE 2023 ORDER

- C.1. CenterPoint should submit the following documentation in its reply comment to assist the Department in confirming compliance with Order Point 13:
 - Verification on whether the tariff book authorizes customers to join GAP in the same year that they originally opted out of the program.
 - Include the actual one time mailing for item a, the mailing to approve customers as required in b, and the final notice that customers must reapply for LIHEAP by May 1 to remain eligible in each subsequent year as in item c.
- The Department recommends that the Commission require CenterPoint to describe the firewall that partitions and limits access to non-public information that is used for customers' percentage-of-income payments.
- CenterPoint must continue to monitor monthly spending from and income to the GAP program. If, and when, the program is on track to deplete its tracker balance within 6 months, CenterPoint Energy shall make a filing with the Commission that includes, at a minimum:
 - Tracker balance, income, and spending on a monthly basis for the previous 6 months and projected 6 months in the future;
 - An evaluation of possible modifications to avoid closure of the program, including modifying the affordability benefit and arrearage forgiveness benefit amounts for participants, changing the program funding level/surcharge, and other options the Company has considered; and
 - a proposal to avoid the projected negative tracker balance.

⁵⁶ Department's 2025 Comment at 22.

C. CUSTOMERS DISQUALIFIED FROM GAP

- D.1. Given that benefits could be realized by allowing customers to reenroll onto GAP and simultaneously recognizing the risk of increased costs to CenterPoint, the Department proposes two alternative recommendations for the Commission's consideration.
 - Allow customers to reenroll onto GAP, after 2 months of removals due to nonpayment, if two consecutive months of nonpayment occurs again, The Commission may consider authorization for CenterPoint to remove the Customer from GAP again.
 - CenterPoint be given one to two years of experience with auto-enrollment before considering whether to reenroll customers removed from GAP because of nonpayment. During that time, CenterPoint will track the percent of customers that do not pay their bill for two consecutive months who have already been removed due to nonpayment. CenterPoint will report in its annual report the 25th, 50th and 75th percentiles of the number of months before a customer misses two consecutive months of payment.⁵⁷

D. OTHER ISSUES

- To help inform the Department and the Commission on opportunities to enroll more eligible customers on GAP during the winter months, the Department asks for the following information:
 - Continued monthly counts of the number of CenterPoint's customers on GAP;
 - Clarification of Table 20, the "number of LIHEAP customers."
 - Monthly number of customers on LIHEAP from January 2018.
 - Monthly average per customer costs for the affordability credit and arrearage forgiveness from January 2018; For all monthly statistics above, document the date that the data represent (e.g. end of month);,
 - Explanation of steps and approximate timeline in processing a customer onto GAP that receives LIHEAP; and
 - Explanation of whether CenterPoint can start enrolling customers onto GAP immediately after customers qualify for LIHEAP
- E.2. CenterPoint will publish definitions and explanations of methodologies in a separate attachment.

⁵⁷ The reported percentiles must adjust for the censoring of observations. Adjustments for censoring must be made for customers that leave GAP at varying lengths of time. For customers not on GAP, CenterPoint must adjust the percentiles times for customers that are no longer a CenterPoint customer. The percentiles must also be calculated for at least one year before and one year after autoenrollment.

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G008/M-25-38

Dated this **12th** day of **August 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	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
2	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	M-25-38
3	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
4	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
5	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
6	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
7	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	M-25-38
8	Chris	Osowski	chris_osowski@usc.salvationarmy.org	Salvation Army		2080 Woodlynn Avenue Maplewood MN, 55109 United States	Electronic Service		No	M-25-38
9	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
10	Emily	Suppes	emily.suppes@centerpointenergy.com	CenterPoint Energy Minnesota Gas		505 Nicollet Mall Minneapolis MN, 55402 United States	Electronic Service		No	M-25-38