

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Katie Sieben	Chair
Joseph Sullivan	Vice-Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
John Tuma	Commissioner

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

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

**Initial Comments of the Citizens Utility Board of Minnesota,
the Legal Services Advocacy Project, and the Energy CENTS Coalition**

The Citizens Utility Board of Minnesota (“CUB”), the Legal Services Advocacy Project (“LSAP”), and the Energy CENTS Coalition (“ECC”) offer the following comments in response to the Notice of Comment Period issued by the Minnesota Public Utilities Commission (“Commission”) on January 16, 2026 related to the above-referenced matter.

I. Background

On September 7, 2023, the Commission approved CenterPoint Energy Minnesota Gas’ (“CenterPoint” or the “Company”) petition to automatically enroll eligible customers in its Gas Affordability Program (“GAP”) beginning in 2024.¹ As part of that order, and in recognition of the uncertain impacts automatic enrollment would have on the GAP tracker balance, the Commission required CenterPoint to “monitor monthly spending from and income to the GAP program” and make a compliance filing with the Commission if the program was set to deplete its tracker balance within six months.² Information on GAP income and expenditures, an evaluation of possible program modifications, and a proposal to avoid program closure were all required to be included with the submission.³ In accordance with the Commission’s directive, CenterPoint submitted a compliance filing on December 17, 2025 requesting to increase the GAP budget and modify the surcharge collected from customers to fund the program.⁴

II. Modifications to the GAP Program

CenterPoint is projected to under-recover GAP costs through the end of 2027, which it acknowledges is “not sustainable” in the long-term.⁵ The Company evaluated several potential options for resolving

¹ *In the Matter of CenterPoint Energy Minnesota Gas’ 2022 Annual GAP Report*, Docket No. G008/M-23-84, Order Accepting Reports and Setting Additional Requirements (Sep. 7, 2023).

² *Id.* at 5-6.

³ *Id.*

⁴ *In the Matter of CenterPoint Energy Minnesota Gas’ 2024 Annual GAP Report*, Docket No. G008/M-25-38, CenterPoint Compliance Filing (Dec. 17, 2025) (hereinafter “CenterPoint Compliance Filing”).

⁵ CenterPoint Compliance Filing at 6.

this budget shortfall, including modifying the benefit amounts provided to customers or extending the period for arrearage forgiveness under the program. The Company determined that neither of these options were in the best interest of its customers and instead proposed to increase the GAP budget and the associated customer surcharge.⁶ CUB, LSAP, and ECC agree with CenterPoint that this is a reasonable course of action.

A. Increasing Income Thresholds and Modifying Benefit Amounts

Under the current program structure, GAP provides participants with affordability and arrearage forgiveness credits that reduce customers' payments to a percentage of annual income. The affordability credit caps customer payments at two percent of household income, while the arrearage forgiveness credit limits payments towards past-due balances at an additional one percent of income.⁷ CenterPoint estimates that increasing the income threshold to four percent for the affordability credit and two percent for the arrearage forgiveness credit could result in expenditure reductions of between \$1.14 and \$2.5 million for the 2025-2026 program year.⁸ While this revision would "not result in a near-zero tracker balance," CenterPoint suggests it could "stabilize GAP recovery . . . [around] the current program cost cap of \$10 million."⁹ However, these changes would come at significant expense to customers currently enrolled in the program and would be inconsistent with the definition of "energy burden" upon which the thresholds are based.

As CenterPoint acknowledges, any adjustments to the income threshold would result in lower benefit payments being provided to customers currently receiving GAP assistance.¹⁰ Because doubling the income cap would require low-income households to pay twice as much for utility service, it could potentially threaten those customers' ability to make timely payments and stay on the program. Other customers, whose utility bills would fall below the revised threshold, would be removed from the program entirely. This frustrates the statutory directive to ensure low-income affordability programs "increase[] the frequency of payments" and "lower the percentage of income" devoted to energy bills.¹¹ Furthermore, raising the income threshold would guarantee participating customers experience unaffordable utility bills. Energy burden, or the percentage of household income devoted to energy expenses, is calculated using all energy costs, excluding those related to transportation.¹² A combined energy burden of six percent—across both heating and electricity—is generally considered unaffordable.¹³ Setting the GAP threshold for natural gas, alone, at this percentage of income would immediately subject customers to a high energy burden that would become even less affordable once electricity expenses are accounted for.

⁶ *Id.* at 7-10.

⁷ *Id.* at 8.

⁸ *Id.* at 8-9.

⁹ *Id.* at 9.

¹⁰ *Id.* at 8-9.

¹¹ Minn. Stat. § 216B.16, Subd. 15(b)(1)-(2).

¹² *See* MINN. DEP'T OF COMMERCE, ENERGY POLICY AND CONSERVATION QUADRENNIAL REPORT, 2024 at 152 (Jul. 1, 2024).

¹³ ARIEL DREHOBEL, LAUREN ROSS, & ROXANA AYALA, ACEEE, HOW HIGH ARE HOUSEHOLD ENERGY BURDENS? at ii, n. 1 (Sep. 2020) (noting that household energy burdens of six percent are considered high, and burdens of ten percent or more are considered severe).

B. Extending Repayment Terms

Extending the length of time over which arrears are paid down would also not serve the public interest or have any material impact on the tracker balance. As noted above, GAP participants' arrearage payments are capped at one percent of income, regardless of the length of time over which repayment occurs. Extending the repayment period from 12 to 24 months would therefore have no impact on customer contributions. It would simply prolong the length of time before arrears are forgiven, increasing the likelihood that a customer misses a payment and is removed from the program. From the utility perspective, making this adjustment would "extend arrearage forgiveness costs . . . across two years instead of one," essentially cutting per-year expenditures in half from \$1.34 million to \$668,843.¹⁴ CenterPoint notes that this relatively modest reduction to the total GAP budget would not resolve underlying concerns about under-recovery of program costs.¹⁵ Between the negative impact to customers and the minimal reduction to budget requirements, CUB, LSAP, and ECC do not believe this adjustment is reasonable nor necessary.

C. Increasing the GAP Budget and Adjusting the Affordability Surcharge

Rather than modifying GAP income thresholds or repayment terms, CenterPoint recommends increasing the budget to \$12 million and adjusting the affordability surcharge to ensure sufficient recovery of program expenses.¹⁶ CUB, LSAP, and ECC support the Company's proposal. At its core, this adjustment would meet the increased program demands associated with the automatic enrollment of utility customers without negatively affecting existing GAP recipients. It also would not materially impact the affordability of utility service for non-participating customers. The surcharge amount necessary to sustain current and anticipated funding needs would vary between \$0.010078 and \$0.010927 per therm depending on when the Commission issues its decision.¹⁷ This is an increase of between \$0.002438 and \$0.003287 per therm from the Company's current surcharge and would result in an average residential customer using 74 therms per month paying an extra \$0.18 to \$0.24 per billing period or between \$2.16 and \$2.92 annually.¹⁸ CUB, LSAP, and ECC find this to be a reasonable adjustment that balances the needs of the GAP program with the impact of the surcharge on other residential customers.

III. Annual Reporting Requirement

CenterPoint proposes to report on its GAP tracker balance through annual program reviews and forego the compliance filing approved in the Commission's September 7, 2023 Order unless such a

¹⁴ CenterPoint Compliance Filing at 10.

¹⁵ *Id.*

¹⁶ *Id.* at 7, 10.

¹⁷ *Id.* at 7.

¹⁸ *See id.* at 2 (noting that the current surcharge is set at \$0.00764 per therm); *In the Matter of the Application of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas for Authority to Increase Rates for Natural Gas Utility Service in Minnesota*, Docket No. G008/GR-23-173, Notice of Application for Rate Increase at 2 (Nov. 1, 2023) (noting that the average residential customer uses 74 therms of gas each month). The Company confirmed the \$2.92 estimate to be consistent with their calculations.

filing is necessary to avoid program closure.¹⁹ CUB, LSAP, and ECC find this to be a reasonable approach that is consistent with the Commission's intent. The Commission's order point requiring submission of a compliance filing was primarily focused on the potential closure of the GAP program:

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.²⁰

This language was originally proposed by CUB and the Energy CENTS Coalition with the goal of "address[ing] concerns over the sufficiency of the program budget."²¹ We saw this language as providing an opportunity to implement mid-year GAP revisions if necessary to remedy budget constraints and ensure the continued availability of assistance resources. It was not intended to require continuous or ongoing reporting if the program was not at risk.

However, as CenterPoint acknowledges throughout its annual report, over- and under-recovery of program expenses is expected based on fluctuations in customer sales.²² While this is a sign of the tracker balance operating as intended, it introduces some challenges when interpreted within the context of the Commission's order point. For example, a strict interpretation would require a compliance filing by the Company any time the tracker balance is expected to be depleted, even if funds will be recovered in subsequent months and the program is not at risk. Given this background, we appreciate CenterPoint's proposal 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."²³

We agree that this is the intended purpose behind the language adopted by the Commission.

¹⁹ CenterPoint Compliance Filing at 12.

²⁰ *In the Matter of CenterPoint Energy Minnesota Gas' 2022 Annual GAP Report*, Docket No. G008/M-23-84, Order Accepting Reports and Setting Additional Requirements at 5-6 (Sept. 7, 2023).

²¹ *In the Matter of CenterPoint Energy Minnesota Gas' 2022 Annual GAP Report*, Docket No. G008/M-23-84, Comments of the Citizens Utility Board of Minnesota and Energy CENTS Coalition at 9 (May 15, 2023).

²² *In the Matter of CenterPoint Energy Minnesota Gas' 2024 Annual GAP Report*, Docket No. G008/M-25-38, CenterPoint Annual Compliance Filing at 22 (Jun. 30, 2025) (noting that the GAP tracker balance was expected to be fully depleted by the end of 2025, but would return to an anticipated over-recovery by February of 2026).

²³ CenterPoint Compliance Filing at 12.

IV. Conclusion

CUB, LSAP, and ECC appreciate the opportunity to provide comments in this proceeding and support CenterPoint's proposal to increase the GAP budget and adjust the associated surcharge. Such action will maintain program effectiveness by ensuring the continued availability of assistance resources for income-eligible households.

Sincerely,

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