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Minneapolis, MN 55459-0038

April 1, 2019

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-19-\_\_\_\_\_*

Dear Mr. Wolf:

Enclosed for filing is CenterPoint Energy's annual Gas Affordability Program ("GAP") report.

The Company is also proposing to implement an annual GAP tracker adjustment so that the GAP surcharge is aligned annually with the forecasted tracker balance to minimize program under- and over-recoveries.

If you have any questions regarding the information provided in this filing, please contact me at (612) 321-4625.

Sincerely,

/s/

Amber S. Lee  
Director, Regulatory Affairs

Enclosure  
cc: Service List

**STATE OF MINNESOTA**  
**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Dan Lipschultz  
Matt Schuerger  
Katie Sieben  
John Tuma

Vice-Chair  
Commissioner  
Commissioner  
Commissioner

Annual Compliance Submission of  
CenterPoint Energy Minnesota Gas,  
A Division of CenterPoint Energy Resources  
Corp., for its Gas Affordability Service Program

Docket No.: G-008/M-19-\_\_\_\_\_

**COMPLIANCE FILING**

## **1 Introduction**

Section 5.2 of the Gas Affordability Service Program (“GAP” or the “Program”) tariff (Section V, p. 25.a) states that “(t)he 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 collection activity. On June 6, 2007 CenterPoint Energy Minnesota Gas (“Company”) committed to providing certain baseline and annual reporting information for GAP.

The following is the twelfth annual submission of information. This information is based on the Company’s June 6, 2007 Reply Comments and on the additional information required by the Commission’s Orders on November 18, 2009, September 22, 2010, November 22, 2010, December 29, 2011, September 24, 2013, September 29, 2015, May 22, 2017, and September 28, 2018.<sup>1</sup>

CenterPoint Energy’s GAP is available to residential customers who receive LIHEAP assistance during the federal fiscal year, agree to be placed on a

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<sup>1</sup> See Schedule C for a summary table of the Orders from December 29, 2011 through September 28, 2018.

levelized payment plan, and qualify for an affordability and/or arrearage forgiveness credit under the terms of the Program.<sup>2</sup> Customers will be removed from the Program if they fail to pay two consecutive monthly payments in full. To help maintain participation levels, after one missed payment, CenterPoint Energy calls GAP participants as a reminder of the payment requirements for the Program.<sup>3</sup>

Schedule A provides a summary of the GAP Annual Compliance Report information requested by the Commission's September 24, 2013 Order. Schedule D provides the streamlined GAP reporting summary as described in the Utility Stakeholder Report and ordered by the Commission on September 28, 2018.<sup>4</sup>

## **2 Total Affordability Credit**

The total of the affordability credits applied to GAP participants during the 2018 year was \$3,007,568.

## **3 Total Arrearage Forgiveness Credit**

The total of the arrearage forgiveness credits applied to GAP participants during the 2018 Program year was \$593,261.

## **4 Total Program Administration Cost**

The total administrative expenses incurred in 2018 were \$267,523, approximately 6.9% of total Program costs. Because the total administrative expenses exceeded the 5% cap (see Section V, Page 25.a, Section 4.1 of the GAP tariff), an adjustment was made to the tracker account to reflect only \$193,418 of administrative expenses. The following calculation was made to remove the administrative costs that were in excess of 5% of total Program costs from the tracker account.

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<sup>2</sup> CenterPoint Energy GAP tariff, Section V, p. 25.

<sup>3</sup> Docket No. G-008/M-05-1380. Order Accepting Gas Affordability Program Reports and Requiring Further Action, p. 4 (December 29, 2011).

<sup>4</sup> Docket No. G-008/M-16-486. Order Accepting Report and Adopting Streamlined Process, p. 2 (September 28, 2018).

### Total Program Costs:

1. Start-up costs:	\$0
2. Affordability component:	\$3,007,568
3. Arrearage Forgiveness component:	\$593,261
4. <u>Incremental admin costs incurred:</u>	<u>\$267,523</u>
5. Subtotal (sum of lines 1–4)	\$3,868,352
6. 5% of subtotal (line 5 multiplied by 5%):	\$193,418
7. Incremental admin costs above 5% (line 4 minus line 6 or \$0):	\$74,105
8. Incremental admin costs in Tracker (line 4 less line 7):	\$193,418

## 5 Total Start-up Costs

No start-up costs were incurred in 2018.

## 6 Incremental LIHEAP

As described in the response to PUC IR #21 in Docket No. G008/GR-05-1380, the incremental LIHEAP is calculated both in total and on an average participant basis as shown below. Please note that because the LIHEAP year and the GAP year do not correspond exactly, a customer may have received LIHEAP in one LIHEAP year to qualify for participation in a different GAP year (i.e., a customer may have received LIHEAP in October 2017 and qualified for both the 2017 and 2018 GAP years).

**Table 1**

line	<b>GAP Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017<sup>5</sup></b>	<b>2018<sup>6</sup></b>
1	GAP participants who received LIHEAP (October prior year through September current year)	11,710	10,074	7,451	7,419	6,988
2	LIHEAP received by GAP participants	\$3,611,945	\$3,691,276	\$2,572,910	\$2,553,746	\$2,795,147
3	Average amount (line 2 divided by line 1)	\$308	\$366	\$345	\$344	\$400
4	GAP participants who received LIHEAP (October current year through September subsequent year)	10,249	8,638	6,404	6,442	5,651
5	LIHEAP received by GAP participants	\$3,730,827	\$2,883,647	\$2,245,304	\$2,575,441	\$1,946,616
6	Average amount (line 5 divided by line 4)	\$364	\$334	\$351	\$400	\$344
7	Total incremental LIHEAP (line 5 minus line 2)	\$118,881	-\$807,629	-\$327,606	\$21,695	-\$848,531
8	Average incremental LIHEAP (line 6 minus line 3)	\$56	-\$33	\$5	\$56	-\$56

<sup>5</sup> The 2017 GAP year information (for participants receiving 2017-2018 LIHEAP) has been updated from last year's compliance filing since the 2017-2018 LIHEAP year was not finished and not all payments were received on behalf of customers receiving LIHEAP grants when last year's compliance filing was made.

<sup>6</sup> Because the 2018-2019 LIHEAP year is not finished, the information on Year 2018 GAP participants is incomplete and will be updated in the next annual report.

## 7 Bad Debt Expense and Adjusted Bad Debt Factor

### A.Bad Debt Factor

Similar to previous annual compliance reports, information is presented below that considers the effects of the Program on the bad debt factor. As described in the response to PUC IR #24 in Docket No. G008/GR-05-1380, the adjusted bad debt factor (the bad debt factor is determined by dividing bad debt expense by firm revenue) considers the effects of the arrears forgiveness credits from the Program on bad debt by calculating what bad debt expense and the resulting bad debt factor would have been, without the arrears forgiveness credits and arrears payments from participants, everything else being equal. Please keep in mind that the write-off percentage used in line 8 is based on all CenterPoint Energy customers.

#### Bad Debt Factor

1. Actual 2018 Bad Debt Expense:	\$4,875,546
2. Firm Revenue:	\$966,545,513
3. Bad Debt Factor (line 1 divided by line 2):	0.5%
4. Impact of the Program	
5. Total Payments towards Arrears Rec'd from participants:	\$106,736
6. Total Arrearage Forgiveness Credits Applied:	<u>\$593,261</u>
7. Total payments applied to arrears (line 5 + line 6):	\$699,997
8. Percentage of Pre-Program Arrears that would have been written-off (from Section 8, below):	4.5%
9. Impact of Arrearage Forgiveness Component on write-offs (line 7 multiplied by line 8):	\$31,155
10. Impact of Program on Bad Debts	
11. Bad Debt Expense without Arrearage Forgiveness Component (line 1 plus line 9):	\$4,906,701
12. Adjusted Bad Debt Factor (line 11 divided by line 2):	0.5%

### B.Bad Debt Expense

In addition to the impact on the bad debt factor presented above, the May 31, 2013 GAP Evaluation and the June 1, 2016 GAP Evaluation examined the impact of the Program on bad debt expense by the reduction in the accounts receivable

balance for GAP participants. This reduction was attributed to the GAP credits themselves and to an apparent improvement in the payment behavior of GAP participants. The impact on bad debt expense of the Program is summarized below and shown in Schedule B.

**Bad Debt Expense**

1.	Difference in total request amount paid	\$774,540
2.	Incremental LIHEAP—estimate <sup>7</sup>	(\$542,886)
3.	Total GAP credits	<u>\$3,600,829</u>
4.	Change in customer payments, LIHEAP & GAP credits	\$3,832,483
5.	Change in A/R balance	(\$3,832,483)
6.	Change in Bad Debt Expense <sup>8</sup>	(\$172,462)

**8 Arrearage to Write-Off Study**

As described in the June 6, 2007 Reply Comments, a study was conducted to look at the relationship of write-offs to arrears. The information below is based on the 12 months ending December 2018 for *all* CenterPoint Energy customers and not just customers that are eligible or that participate in the GAP. It is not known how the GAP eligible or GAP participants’ write-off to arrearage (or final bill) relationship compares to non-GAP eligible or non-GAP participant customers.

**A. Write-Off/Arrears Percentage**

The following table shows the write-off to arrears percentage by comparing the write-offs to arrears using a three-month lag. For example, the September arrears are compared to the December write-offs to show that the amount that was written off in December 2018 was 5.6% of the amount of September arrears.

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<sup>7</sup> Average of total incremental LIHEAP 2007–2017 from Section 6. The 2007 pilot Program was a half year.

<sup>8</sup> Calculated using the Write-Off/Arrears percentage from Section 8.

<b>2018</b>	<b>Write-Off / Arrears Percentage</b>
January	5.8%
February	9.5%
March	9.9%
April	3.4%
May	2.6%
June	2.6%
July	4.3%
August	4.5%
September	5.8%
October	4.9%
November	4.0%
<u>December</u>	<u>5.6%</u>
12 Month Average	4.5%

### **B. Write-Off/Final Bill Percentage**

The following table shows the write-off to final bills percentage by comparing the write-offs to final bills using a three-month lag. For example, the September final bills are compared to the December write-offs to show that the amount that was written off in December 2018 was 14.8% of the amount of September final bills.

<b>2018</b>	<b>Write-Off / Final Bill Percentage</b>
January	11.1%
February	16.4%
March	24.7%
April	16.8%
May	17.3%
June	23.3%
July	22.1%
August	24.8%
September	26.7%
October	22.0%
November	11.2%
<u>December</u>	<u>14.8%</u>
12 Month Average	19.5%



## 9 Customer Payment History and Frequency Study

In accordance with the Commission’s Order of May 22, 2017, the following table shows the payment frequency and history of GAP participants in 2018, compared to the payment frequency and history of LIHEAP non-GAP customers in 2018 (pre-Program baseline method) and the payment frequency and history of 2018 GAP participants prior to their enrollment in the Program (non-GAP LIHEAP method). For Year 2018, we have also added this payment information for non-LIHEAP residential customers. A summary of this information is also provided in Schedule D.

**Table 2**

	2018 GAP Participants		2018 LIHEAP non-GAP Participants		2018 GAP Participants: 12 Months Prior		2018 non-LIHEAP Residential Customers	
	<i>Amount</i>	<i>Count</i>	<i>Amount</i>	<i>Count</i>	<i>Amount</i>	<i>Count</i>	<i>Amount</i>	<i>Count</i>
Total Req	\$4,628,278	108,335	\$33,732,996	492,433	\$11,395,856	135,586	\$622,817,962	9,281,123
Full Pmt Made	\$889,724	18,928 (17%)	\$8,134,835	130,405 (26%)	\$1,441,876	26,084 (19%)	\$480,257,921	6,475,753 (70%)
Partial Pmt Made	\$482,077	9,020 (8%)	\$5,317,663	69,059 (14%)	\$795,595	11,533 (9%)	\$66,953,015	931,076 (10%)
On Acct Pmts	\$160,989	5,593 (5%)	\$160,427	3,917 (1%)	\$37,506	1,154 (0.9%)	\$976,650	13,853 (0.1%)
Total Pmts	\$1,532,790 (33%)	33,541 (31%)	\$13,612,925 (40%)	203,381 (41%)	\$2,274,977 (20%)	38,771 (29%)	\$548,187,586 (88%)	7,420,682 (80%)
No Pmt Made	\$0	74,794 (69%)	\$0	289,052 (59%)	\$0	96,815 (71%)	\$0	1,860,441 (20%)

## 10 Average Cost to Disconnect and Reconnect

As described in the June 6, 2007 Reply Comments, information on the average cost to disconnect and reconnect an individual meter is provided.

- A. For a locked meter, based on historical activity, the average cost to disconnect and reconnect a meter was approximately \$50. Please note that this is an average and does not include the cost of a protective agent that may have been used.
- B. For a meter that is “plugged,” based on historical activity, the average cost was approximately \$158. Please note that this is an average and does not include the cost of a protective agent that may be used.
- C. For a meter that is shut off by using a valve lock at the curb, the average cost was approximately \$811. This is calculated based on average internal costs to disconnect and reconnect.
- D. In 2018, there were no disconnections and no reconnections performed by hand digging. Therefore, it is not possible to calculate an average cost to disconnect and reconnect a meter that is shut off by “hand digging” in the yard.
- E. For a meter that is shut off by digging at a boulevard or curb, the average cost was approximately \$1,282. This is calculated based on cost information from contractors, internal costs and expected time to reconnect meters that have been dug at a curb and includes restoration costs based on 2018 activity.
- F. For a meter that is shut off by digging in the street, the average cost was approximately \$1,970. This is calculated based on cost information from contractors, internal costs, and expected time to reconnect meters that have been dug in the street and includes restoration costs based on historical activity.

## 11 Average Payment Amount

During the 2018 GAP year, there were 10,748 participants (including the customers who participated during the year, but dropped during the year).

Additionally, not all customers were requested to make an affordability component

payment (those that had zero income) and/or an arrearage component payment (those that did not have pre-Program arrears). The table below presents average payment amount information on the groups of customers described above.

**Table 3**

line		Customers	Avg Monthly Affordability Pmt	Avg Monthly Arrearage Pmt	Total Pmt
1	All customers on GAP	10,748	\$39.40	\$4.54	\$43.94
2	Customers on GAP asked to make payment	10,438	\$40.57	\$4.68	N/A <sup>9</sup>

The November 18, 2009 Order Accepting Compliance Filings Regarding Gas Affordability Programs and Requiring Further Action required that all gas utilities report (starting with the annual report filed in 2010) the average annual and monthly bill credit amount in the utility's annual GAP reports. In addition, a comparison of these amounts to the average GAP participant's annual and average monthly bill and arrearage amount was also required. That information is shown below for the 10,748 customers who participated in GAP in 2018.

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<sup>9</sup> A total is not presented for the subset of customers requested to make a payment since not all customers were requested to make both an affordability component payment (those that had zero income) and/or an arrearage component payment (those that did not have pre-Program arrears).

**Table 4**

	<b>Monthly</b>	<b>Annual</b>
Average Affordability Credit <sup>10</sup>	\$31.31	\$375.70
Average Arrearage Credit <sup>11</sup>	\$13.27	\$159.20
Average Affordability Component bill <sup>12</sup>	\$39.40	\$472.75
Average Arrearage Component bill <sup>13</sup>	\$4.54	\$54.51
Average Pre-Program Arrears <sup>14</sup>	\$446.37	

## **12 Arrearage Level**

As described in the June 6, 2007 Reply Comments, information on the average pre-Program arrearage amount of Program participants is provided. Information on pre-Program arrears for the customers that participated at the end of the year as well as customers that participated during the year, but dropped, is shown in the table below.

**Table 5**

<b>Customer Group</b>	<b>Customers</b>	<b>Total Pre-Program Arrears</b>	<b>Average Pre-Program Arrears</b>
All customers on GAP	10,748	\$1,745,744	\$162
All customers on GAP that had Pre-Program Arrears	3,911	\$1,745,744	\$446

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<sup>10</sup> The average monthly affordability credit is calculated by taking the total of the monthly affordability credits for the customers on the Program during 2018 and dividing by the total number of GAP participants during the year. This is the same type of average as in line 1 (Table 3), above. The annual average is the monthly number times 12 months.

<sup>11</sup> The average monthly arrearage credit is calculated by taking the total of the monthly arrearage credits for the customers on the Program during 2018 and dividing by the total number of GAP participants during the year. This is the same type of average as in line 1 (Table 3), above. The annual average is the monthly number times 12 months.

<sup>12</sup> The average monthly affordability component bill amount is from line 1 (Table 3), above. The annual average is the monthly number times 12 months.

<sup>13</sup> The average monthly arrearage component bill amount is from line 2 (Table 3), above. The annual average is the monthly number times 12 months.

<sup>14</sup> This is the average pre-Program arrears for the 3,911 GAP participants who were on the GAP during the year and had a pre-Program arrearage amount.

The November 18, 2009 Order Accepting Compliance Filings Regarding Gas Affordability Programs and Requiring Further Action required that all gas utilities report (starting with the annual report filed in 2010) the change in arrearage level for the average GAP customer compared to the LIHEAP customers that are not enrolled in the GAP and the average level of arrearage for all of the utility's residential customers that had arrears.

**Table 6**

<b>Customer Group</b>	<b>Jan. 2018</b>	<b>Dec. 2018</b>	<b>\$ Change</b>	<b>% Change</b>
GAP <sup>15</sup>	\$225	\$247	\$21	9%
LIHEAP non-GAP	\$160	\$192	\$32	20%
Residential	\$127	\$116	-\$10	-8%

As described in the Order dated May 22, 2017, the Company is also providing average arrears balances using the pre-Program-baseline approach as described in the Department's Comments of December 13, 2016<sup>16</sup>.

**Table 7**

<b>Average Arrearage Level</b>	<b><u>January 2018</u></b>	<b><u>December 2018</u></b>
GAP Participants <sup>17</sup>	\$321	\$79
LIHEAP Customers Not Enrolled in GAP <sup>18</sup>	\$160	\$253
All Residential Customers <sup>19</sup>	\$167	\$159

<sup>15</sup> The average arrears amount shown for GAP participants above is for the GAP participants that had arrears during January and those that had arrears during December of 2018. It should be noted that, due to changes in the customers that participate (due to de-activations and new enrollments during the year), not all of the customers enrolled in January are the same customers enrolled in December.

<sup>16</sup> See Docket No. G-008/M-16-486; CenterPoint Energy's Evaluation of its Gas Affordability Program.

<sup>17</sup> The average arrearage level for GAP Participants is the active GAP participants (with arrears) at January 2018, who remained an active GAP participant in January 2018 and December 2018.

<sup>18</sup> The average arrearage level for LIHEAP Customers Not Enrolled in GAP are the LIHEAP customers not enrolled in GAP (with arrears) at January 2018, who remained a LIHEAP customer in the remaining period of December 2018.

<sup>19</sup> The average arrearage level for All Residential Customers is all residential customers (with arrears) at January 2018, who remained a residential customer in December 2018.

### **13 Number of Customers in Arrears**

As described in the June 6, 2007 Reply Comments, information on the total number of customers in arrears at the start of the Program is provided. As reported in the monthly “Cold Weather Rule” Report, there were 76,816 residential customer accounts past due at the end of December 2017, which is the approximate start of the 2018 Program year. Of the 10,748 customers that participated in the Program during the 2018 Program year, 3,911 started their 2018 GAP participation with a pre-Program arrears balance.

### **14 Service Disconnections**

As reported in the monthly reports filed pursuant to Minnesota Statute §216B.091 in Docket No. E,G999/PR-18-02, there were 30,455 residential accounts disconnected for non-payment during 2018.

The November 18, 2009 Order Accepting Compliance Filings Regarding Gas Affordability Programs and Requiring Further Action required that all gas utilities report (starting with the annual report filed in 2010) the percentage of GAP customers disconnected compared to the percentage of all firm customers disconnected. In addition, a comparison of the percentage of GAP customers disconnected to the percentage of disconnected LIHEAP customers that do not participate in GAP was also required.

**Table 8**

<b>Customer Group</b>	<b>% Disconnected</b>
GAP Customers <sup>20</sup>	2.8%
LIHEAP Non-GAP <sup>21</sup>	7.1%
Total Firm Customers <sup>22</sup>	3.5%

As described in the Order dated May 22, 2017, the Company provides in Table 9 the disconnection rates using the pre-Program-baseline approach as described in the Department’s Comments of December 13, 2016<sup>23</sup> (tracks “disconnections for individual customers or a cohort of customers and then reporting pre- and post-Program disconnection rates”).

**Table 9**

<b>2018 Customers:</b>	<b>Total Disconnections</b>	<b>Percent of Total Customer Group</b>
<b>GAP</b>	828	7.7%
<b>Before GAP</b>	530	4.9%
<b>After GAP</b>	298	2.8%
<b>LIHEAP (no GAP)</b>	1,955	11.7%
<b>Before LIHEAP</b>	777	4.7%
<b>After LIHEAP</b>	1,178	7.1%

<sup>20</sup> The percent of GAP customers disconnected is the number of customers that had been on GAP during 2018 before subsequently being removed (or deactivated) from the Program and then disconnected, divided by the total number of customers that were enrolled during the year.

<sup>21</sup> The percent of LIHEAP non-GAP customers disconnected is the number of customers that received LIHEAP (and did not participate in GAP) during 2018 and were disconnected after receiving LIHEAP in 2018, divided by the number of customers that received LIHEAP (and did not participate in GAP) in 2018. It should be noted that the LIHEAP year is not a calendar year so that if a customer received LIHEAP in early 2018 as part of the end of the 2017–18 LIHEAP year, they would be included in this group—along with customers receiving LIHEAP in late 2018 as part of the 2018–19 LIHEAP year.

<sup>22</sup> The percent of total firm customers disconnected is the number of involuntary disconnections of residential customers as reported in the 2018 monthly reports submitted pursuant to Minnesota Statutes §216B.091 and §216B.096, subd.11 plus the number of firm commercial/industrial accounts disconnected divided by the average number of firm customers in 2018.

<sup>23</sup> See Docket No. G-008/M-16-486; CenterPoint Energy’s Evaluation of its Gas Affordability Program.

## 15 Retention Rate - Renewal

As reported in the compliance filing submitted March 30, 2018, there were approximately 8,700 customers who received a GAP credit and enrolled in the GAP at the end of 2017. The table below shows the 2018 Program year participation information for the customers that were enrolled at the end of the 2017 Program year.

**Table 10**

<b>Description</b>	<b>Count</b>	<b>%</b>
Renewed into 2018 GAP year within 30 days	4,636	53%
Enrolled into 2018 GAP year 31–60 days	728	8%
Enrolled into 2018 GAP year 61–90 days	258	3%
Enrolled into 2018 GAP year 91–150 days	487	6%
Enrolled into 2018 GAP year over 151 days	438	5%
Application Rejected: no LIHEAP, incomplete GAP application, etc.	276	3%
Did not apply, other	1,897	22%
<b>Total</b>	<b>8,720</b>	<b>100%</b>

The retention rate for the 2019 GAP year is not available because some customers enrolled at the end of the 2018 year have not yet renewed. This information will be provided in the next annual compliance report, after the 2019 year is complete.

## 16 Retention Rate - Attrition

The following table shows the number of GAP participants in the Program at the end of each Program year, participants deactivated from GAP, and participants not accepted into the Program.



**Table 11**

<b>GAP year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
GAP participants at year-end	13,309	10,769	8,558	8,720	8,616
Total deactivated and percent of final participation <sup>24</sup>	4,590 34%	3,020 28%	2,123 25%	1,863 21%	2,036 24%
Deactivated due to delinquency	3,236 24%	2,092 19%	1,429 17%	1,128 13%	1,368 16%
Deactivated due to customer request	91 0.7%	67 0.6%	34 0.4%	39 0.4%	29 0.3%
Deactivated due to customer move	1,263 9%	861 8%	660 8%	696 8%	639 7%
Applied but not accepted due to no benefit <sup>25</sup>	2,813	2,071	3,514	1,664	1,658

## 17 Participation/Incremental LIHEAP

As described in the June 6, 2007 Reply Comments, information on the number of new participants that did not previously receive LIHEAP is provided.

**Table 12**

<b>GAP year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
GAP participants at year-end	13,309	10,769	8,558	8,720	8,616
Approximate % who did not receive LIHEAP in prior year	26%	17%	21%	17%	21%

<sup>24</sup> During preparation of the 2015 report, we determined the prior periods included some minor double-counting of deactivated customers. A correction to the calculation methodology was made for the 2015 data, but prior periods have not been restated.

<sup>25</sup> Based on their income and usage, there was no affordability or arrearage credit for these customers.

## 18 Customer Complaints

There were three GAP customer issues reported to the Commission during the 2018 GAP year.

In April, a customer contacted the Company to inquire about the amount billed for the GAP, as well as her billing due date. We explained how her GAP amount was calculated and provided general information about the Program itself.

In August, a customer contacted the Company stating they could not pay their GAP amount by the due date, and the customer requested an extension. We informed the customer that GAP accounts are not eligible for payment extensions per the GAP terms. The account was de-enrolled from the GAP due to two consecutive non-payments.

During October, Commission staff inquired about why a customer was removed from the GAP. We explained the account was de-enrolled due to non-payment.

## 19 Program Cost per Customer

As described in the June 6, 2007 Reply Comments, this is a measurement of the total Program costs divided by the total number of Program participants. Please note that for the purpose of this calculation, the number of participants during 2018 is used, although not all customers participated for the same number of months.

### Program Cost

1. Affordability Credits:	\$3,007,568
2. Arrearage Forgiveness Credits:	\$593,261
3. <u>Administrative Cost:</u>	<u>\$193,418</u>
4. Total Program Costs (lines 1–3):	\$3,794,247
5. Program Participants:	10,748
6. Program Cost per participant (line 4 divided by line 5):	\$353

## 20 Payment Coverage

As described in the June 6, 2007 Reply Comments, 'payment coverage' is calculated as the total annual customer payments divided by the total annual amount billed. As such, it does not include any LIHEAP amounts received on behalf of the customer or any GAP credits applied to the accounts.

### Payment Coverage

1. Total Affordability Customer Payments Rec'd	\$1,347,639
2. <u>Total Arrears Customer Payments Rec'd</u>	<u>\$106,736</u>
3. Total Customer Payments (line 1 plus line 2)	\$1,454,375
4. Total Affordability Requested	\$6,966,580
5. <u>Total Arrears Requested</u>	<u>\$257,744</u>
6. Total amount billed (line 4 plus line 5)	\$7,224,324
7. Payment coverage (line 3 divided by line 6)	0.20

## 21 Arrears Reduction Rate

As described in the June 6, 2007 Reply Comments, the 'arrears reduction rate' is calculated as the total LIHEAP and arrears forgiveness payments divided by the total outstanding balance at the start of the Program year. It should be noted that for the GAP participants that did not have pre-Program arrears, any LIHEAP payments received were applied to their current (affordability component) bills so the arrears reduction calculation below is overstated at greater than one.

### Arrears Reduction Rate

1. Total LIHEAP Received (2018 Participants 1/18–12/18)	\$4,988,715
2. Arrears Forgiveness Customer Payments Rec'd	\$106,736
3. <u>Arrears Forgiveness Credits Applied</u>	<u>\$593,261</u>
4. Total Reduction to Arrears (Line 1 plus Line 2 plus Line 3)	\$5,688,712
5. Total Pre-Program Arrears Balance at Start of Program	\$1,745,744
6. Arrears Reduction Rate (line 4 divided by line 5)	3.26

## 22 Coordination with Other Resources

Throughout the year, the Company engages in outreach efforts designed to promote GAP and Conservation Improvement Program (CIP) participation, often in partnership with low-income organizations and agencies. This section

summarizes efforts undertaken by the Company to coordinate the GAP with other low-income and conservation resources, in accordance with the November 18, 2009<sup>26</sup> and November 22, 2010<sup>27</sup> Orders. The summary begins with a description of internal cross-promotion activities between GAP and CIP. This is followed by a list of CIP conservation measures available to customers. Finally, a list of major outreach efforts conducted with outside agencies to promote GAP and CIP are presented.

CenterPoint Energy coordinates and cross-promotes its GAP and CIP. All CIP and residential conservation measures are available to GAP customers. Participation in CIP by low income customers is tracked and reported in the annual CIP status report.

Summary of major cross-promotional GAP and CIP efforts:

- Between January 2018 and December 2018, sent 31,563 direct mail pieces to LIHEAP recipients encouraging customers to enroll in GAP. Mailers include a letter describing what GAP is and how it works, a GAP application, detailed energy efficiency tips, and information about CenterPoint Energy's rebate and other programs, including the Home Energy Squad, and weatherization services. Starting in Year 2017, Home Energy Squad visits are free of charge to low income customers.
- E-mailed 31,543 GAP solicitations that included links to the GAP application as well as to the *More Comfort, Less Energy* booklet with energy saving tips.
- Between June 2018 and August 2018, CenterPoint Energy made 438 outgoing calls to promote GAP enrollment.

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<sup>26</sup> Docket No. G-008/GR-05-1380. Order Accepting Compliance Filings Regarding Gas Affordability Programs and Requiring Further Action, Nov. 18, 2009 (requiring that future reports include how each utility has coordinated its GAP with other available low income and conservation resources, including the names of the agencies, the content of the communication, and the accomplishments resulting from the coordination).

<sup>27</sup> Docket No. G-008/GR-05-1380. Order Evaluating Gas Affordability Program, Extending and Modifying Pilot Program, Authorizing Cost Recovery, and Requiring Future Reporting, Nov. 22, 2010 ("CenterPoint shall, in future reporting, report the potential no-, low-, and mid-cost conservation measures that could be implemented in the households of GAP participants, along with CenterPoint's plans to encourage GAP participants to increase their use of these measures.").

- Between January 2018 and May 2018, CenterPoint Energy made 2,623 outgoing calls to promote LIHEAP. We sent an additional 559 GAP applications to customers who would be eligible for GAP if they received LIHEAP.
- Distributed Home Energy Reports to residential customers during the heating season, many of whom were low income customers.
- *CIP Conservation Calendars* with energy efficiency tips were distributed to income-qualified customers via low income agencies and non-profit affordable housing agencies.
- *More Comfort, Less Energy* booklets with energy-saving tips and how-to instructions were distributed to low income households via low income agencies.

No-cost, low-cost, and mid-cost conservation measures available to GAP participants:

- Energy-saving actions:
  - Lowering thermostat and/or installing a programmable unit;
  - Changing furnace filters regularly;
  - Lowering water heater setting;
  - Opening and closing drapes according to season and time of day;
  - Maintaining open air flow around heating registers;
  - Installing low-flow showerhead and faucet aerator; and
  - Window and door weather stripping.
- No-cost measures available to income-qualified customers via CenterPoint Energy programs:
  - Home Energy Squad;
    - Programmable thermostats;
    - Door and attic hatch weather stripping;
    - High-efficiency showerhead and faucet aerators;
    - Water heater temperature assessment and adjustment;
    - Water heater insulation;
    - Six feet of pipe insulation;
    - Attic and wall insulation inspection;

- Blower door test;
- Thermal image testing;
- Combustion safety test;
- Carbon monoxide check; and
- Carbon monoxide alarm.
- Weatherization;
- Furnace repair/replacement/tune-up;
- Boiler repair/replacement/tune-up;
- Water heater replacement; and
- Do-It Yourself (DIY) Home Efficiency (most items are at no cost to customers; thermostats and some specialty showerhead units are not free, but are available for purchase through this program):
  - High-efficiency showerhead and faucet aerators;
  - Caulking and weather stripping;
  - Window film;
  - Pipe wrap;
  - Outlet and switch plate gasket covers; and
  - Programmable thermostats.

Outreach activities promoting GAP and CIP in coordination with outside low-income agencies:

CenterPoint Energy maintains relationships with partnership organizations through continuous communication and has ongoing efforts to reach low-income customers by attending community events with the purpose to assist and educate low-income customers with options available to help pay their natural gas bills, including GAP.

CenterPoint Energy communicates throughout the year with partnering organizations. Community Action Partnership of Hennepin County (CAP-HC), formerly known as Community Action Partnership of Suburban Hennepin (CAPSH), works to establish services, programs and partnerships that address

poverty and increase family and economic stability in Hennepin County. Tri-County Action Program, Inc. (Tri-CAP) is the federally designated community action program for Benton, Sherburne, and Stearns counties in central Minnesota. Lutheran Social Services of Minnesota - The Center for Changing Lives has a wide range of services for community members to connect and find resources. The Twin Cities Salvation Army assists residents across Minneapolis, St. Paul, and the greater metro area. This organization offers assistance through their programs and services, including utility assistance. Parents in Community Action, Inc. (PICA) is a private non-profit agency designated by the federal government to operate Head Start and Early Head Start programs in Hennepin County. PICA serves close to 2,500 children and families and offers a variety of programs and services. Phillips West Neighborhood Organization is a non-profit organization that supports community and neighborhood development, as well as economic development.

Through communications with the partnering organizations, CenterPoint Energy is aware of community events. CenterPoint Energy attended Energy Assistance clinics set up through Phillips West Neighborhood Organization hosted by Lutheran Social Services of Minnesota in February 2018 to work with low-income families and prepare them for the end of cold weather season and to assist with payment plans, to sign up for Energy Assistance, and to fill out GAP applications. CenterPoint Energy attended Salvation Army Energy Assistance Day in October 2018 to prepare customers for the cold weather season, payment plans, and to fill out GAP applications. CenterPoint Energy, with Tri-CAP, attended the Community Connect in October 2018 to assist natural gas customers with payment plans, encouraging customers to sign up for Energy Assistance and to fill out GAP applications. CenterPoint Energy attended a PICA Family Connect event in November 2018 to prepare customers for the cold weather season, to assist with payment plans, to encourage customers to sign up for Energy Assistance, and to fill out GAP applications. In addition, cross-promotion of various CIPs (especially the Low Income Weatherization Program) was done at events where LIHEAP and/or GAP outreach occurred.

## 23 GAP Surcharge Annual Adjustment Mechanism Proposal

As stated in our GAP Stakeholder report (filed on May 22, 2018; Docket No. G-008/M-16-486), the Company recognizes the GAP recovery rate may need to be adjusted. The Company's annual and evaluation reports currently include information as to the effects of the Program on customer payment frequency, payment amounts, arrearage levels, number of customers in arrears, service disconnections, retention rates, customer complaints, and utility customer collection activities. Since the implementation of the GAP in 2007, the Program has been successful in the objectives contained in Minn. Stat. § 216B.16 (subd. 15). In addition, factors such as weather fluctuations, LIHEAP participation, and gas rates can contribute to fluctuations in the GAP tracker balance.

To address these outside influences and the impacts they have on the GAP tracker balance, the Company proposes the following:

- The implementation of an annual adjustment to the GAP recovery rate; and
- A change in the current GAP surcharge rate from \$0.0441 per Dth to \$0.0001 per Dth.

An annual adjustment mechanism could avoid overcharging our firm customers (those who pay the GAP surcharge) being required to pay a higher rate that is then reduced later, and it would also adjust the recovery of GAP costs with annual spend levels sooner than our current practice. Our proposal is to adjust the GAP surcharge rate each year. The forecasted GAP recovery rate will be determined by forecasting GAP recoveries and GAP expenses, and then setting the recovery rate to what is needed to minimize any balance at the end of the following year.

In calculating the proposed recovery rate, the Company used forecasted GAP spending based on the average spending over the most recent three years (2016 – 2018). The forecasted GAP surcharge rate would be based upon the most recent rate case approved volumes.

Schedule E shows the GAP forecast through December 2019 at the current and proposed rate. Schedule F shows the GAP forecast through December 2020.



Though it would be possible to reduce the charge to \$0.0000 in the annual adjustment for 2019, the Company requests the charge instead be set to \$0.0001 so that the Company can continue to bill customers with no changes to the billing system or process, and customers will continue to see the same line item charges on their bills.

Schedule G is a proposed redline draft of our Gas Tariff Page, Section V, Page 25.a.

## **24 Other Information**

As required by the Commission's December 29, 2011 Order, CenterPoint Energy's application processing goal is to process 95% of all complete GAP applications within 30 days. All 2018 applications were processed within 30 days of receipt. As required by the Order, the Company's third-party administrator—Energy CENTS Coalition (ECC)—makes the GAP application available electronically on its website, [www.energycents.org](http://www.energycents.org).

On June 1, 2016, the Company submitted its third GAP Evaluation report and in its May 22, 2017 Order, the Commission continued the GAP with no expiration date. The Company plans to submit its fourth GAP Evaluation report on or before May 31, 2019.

**CenterPoint Energy**  
**GAP Annual Compliance: Summary**

Schedule A

<b>Item as listed in in Sept. 24, 2013 Order</b>	<b>2018</b>
1 Average annual affordability benefit received per customer /1/	\$ 375.70
2 Average annual arrearage forgiveness benefit received per customer	\$ 159.20
3 Percentage of Low Income Home Energy Assistance Program (LIHEAP) customers that participated in GAP /2/	27.2%
4 Disconnection rates for:	
(a) GAP customers	2.8%
(b) LIHEAP – Non GAP customers	7.1%
(c) non-LIHEAP customers (all firm customers including C&I) /3/	3.5%
5 Number of GAP participants enrolled as of year-end	8,616
6 Number of GAP participants enrolled and receiving benefits at some time during the year	10,748
7 Annual program budget	\$ 5,000,000
8 Actual program revenue	\$ 5,756,551
9 Actual program cost /4/	\$ 3,868,352
10 GAP tracker balance as of year-end	\$ 4,779,126
11 GAP rate-affordability surcharge (\$/therm) /5/	0.00441

1/ The average annual affordability benefit was calculated by taking the total of the monthly affordability credits for the customers on the program during 2018, dividing by the total number of GAP participants during the year, and then multiplying by 12 months. This was done to match the methodology for reporting the average monthly affordability payment, thereby ensuring that the credit and payment averages were comparable. Since not all GAP participants were in the program for a full 12 months, the Company did not report a simple average of the total program affordability component cost and dividing by the total number of program participants.

2/ Since the LIHEAP calendar year begins in October – three months before the GAP program year begins – some LIHEAP recipients may have participated during the prior GAP year but not the current. Thus, this percentage was calculated as the number of 2018 GAP participants who received LIHEAP from October prior year through September current year, divided by the number of customers who received LIHEAP during that time period.

3/ “All firm customers” in this case includes LIHEAP and non-LIHEAP customers. The Commission’s November 18, 2009 Order, in Ordering Paragraph No. 4(B), instructed utilities to report: “The percentage of GAP customers disconnected compared to the percentage of all firm customers disconnected; in addition, a comparison of the percentage of GAP customers disconnected to the percentage of disconnected LIHEAP customers that do not participate in GAP.”

4/ Total affordability credits + total arrearage credits + incremental administrative cost.

5/ The interim rate of \$0.00453 was established in Docket No. G-008/GR-17-285, effective October 1, 2017. The final rate from Docket No. G-008/17-285 is \$0.00441/therm (effective November 2018). In general, CenterPoint Energy uses the interim GAP recovery rate to track GAP recoveries from the beginning of the test year until final rates are determined. When final rates are determined, the GAP tracker is restated by making an accounting entry at the time that final rates are implemented.

CenterPoint Energy  
GAP Annual Compliance: Bad Debt Expense

Schedule B

Line	Description	2018		
1	Difference in % Tot pmt req paid			16.7%
2	Total Payment requested	\$	4,628,278	
3	Diff in Tot pmt req paid	\$	774,540	
4	Incremental LIHEAP - annual report	\$	(542,886)	
5	Total GAP credits	\$	3,600,829	
6	Change in custo payments, LIHEAP, and GAP cr	\$	3,832,483	
7				
8	Change in A/R balance	\$	(3,832,483)	
9	Write-off/Arrears percentage			4.5%
10	Write-off reduction	\$	(172,462)	
11	Bad Debt Expense reduction, minimum	\$	(172,462)	
12				
13				
14	Total Payment requested, 2018 GAP Participants	\$	11,395,856	\$ 4,628,278
15				
16	Total Full payment	\$	1,441,876	\$ 889,724
17	Total Partial payment	\$	795,595	\$ 482,077
18	Total on-account payment	\$	37,506	\$ 160,989
19	Total Payments	\$	2,274,977	\$ 1,532,790
20				
21	Tot Pmt/Tot Pmt requested		20.0%	33.1%
22				13.2%
23	Total Payment requested, 2018 GAP Participants	\$	11,395,856	
24	Percent change in average bill from 2017 to 2018			16%
25	Change in tot pmt requested due to 2017 to 2018 chgs	\$	1,841,871	-27.2%
26	Tot pmt requested, 2018 pro forma	\$	13,237,727	
27	Tot pmt requested, 2018 on GAP actual	\$	4,628,278	
28	Change in tot pmt requested due to GAP	\$	(8,609,449)	127.2%
29	Total change in tot pmt requested, 2017 to 2018	\$	(6,767,578)	100.0%
				13.2%

Line			2017 CPE GAP Report
1	2011 Order Language <sup>1</sup>	3. Utilities shall implement an application processing goal of processing ninety-five percent of all complete gas affordability applications within thirty days of receipt by the utility ...	Section 23
2		6. Each utility shall require its third-party administrator to make GAP applications available electronically on the administrator's websites as a condition of being the third-party administrator for the program.	Section 23
3		7. Each utility shall call or mail reminders to its GAP customers after one missed payment to reduce the number of customers removed from the GAP due to missing two consecutive monthly payments.	Section 1
4		8. Each utility shall cross-promote its GAP with other bill payment and conservation assistance programs.	Section 22
5	2013 Order Language <sup>2</sup>	1. The Commission will require the Companies to include a summary schedule that includes the average annual affordability benefit received per customer.	Schedule A
6		2. The Commission will require the Companies to include a summary schedule that includes the average annual arrearage forgiveness benefit received per customer.	Schedule A
7		3. The Commission will require the Companies to include a summary schedule that includes the percentage of Low Income Home Energy Assistance Program (LIHEAP) customers that participated in GAP.	Schedule A
8		4. The Commission will require the Companies to include a summary schedule that includes the disconnection rates for (a) GAP customers, (b) LIHEAP – Non GAP customers, and (c) non-LIHEAP customers (all firm customers including C&I).	Schedule A
9		5. The Commission will require the Companies to include a summary schedule that includes the number of GAP participants enrolled as of year-end.	Schedule A
10		6. The Commission will require the Companies to include a summary schedule that includes the number of GAP participants enrolled and receiving benefits at some time during the year.	Schedule A
11		7. The Commission will require the Companies to include a summary schedule that includes the annual program budget.	Schedule A
12		8. The Commission will require the Companies to include a summary schedule that includes the actual program revenue.	Schedule A

<sup>1</sup> From Docket G-008/GR-05-1380, December 29, 2011, p.4.

<sup>2</sup> From Docket G-008/GR-05-1380, September 25, 2013, p.2.

13		9. The Commission will require the Companies to include a summary schedule that includes the actual program cost.	Schedule A
14		10. The Commission will require the Companies to include a summary schedule that includes the GAP tracker balance as of year-end.	Schedule A
15		11. The Commission will require the Companies to include a summary schedule that includes the GAP rate-affordability surcharge (\$/therm).	Schedule A
16	2015 Order Language <sup>3</sup>	2. Each utility shall include in its next Annual Compliance Report an explanation of why it does not assess the GAP surcharge against Interruptible Sales and Transportation Customers, a proposal evaluating cost allocation methods for its GAP program, and the recalculated surcharge for various alternatives if Interruptible Sales and Transportation Customers were included.	
17	2017 Order Language <sup>4</sup>	2. CenterPoint and Xcel shall continue to report customer payments, arrears balances and disconnection rates using both the non-GAP LIHEAP baseline method and pre-program baseline method beginning with their 2017 annual reports of the GAP.	<b><u>Customer Payments:</u></b> Section 9; <b><u>Arrears Balances:</u></b> Section 12; <b><u>Disconnection Rates:</u></b> Section 14
18	2018 Order Language <sup>5</sup>	2. The Commission hereby adopts the streamlined reporting format in Attachment A of the Stakeholder Utility Report.	Schedule D

<sup>3</sup> From Docket G-008/M-15-307, September 29, 2015, p. 3. This was a one-time reporting requirement and the information was provided in the Company's annual GAP Compliance filing in Docket No. G-008/M-16-266, Section 23.

<sup>4</sup> From Docket G-008/M-16-486, May 22, 2017, p. 6. This docket number was the Company's triennial GAP Evaluation report.

<sup>5</sup> From Docket G-008/M-16-486, September 28, 2018, p. 2. This docket number was the Company's triennial GAP Evaluation report, in which the Utility Stakeholder Report was filed.

2018	
<b>Program dates and status</b>	
Date program started	5/1/2007
Program effective date	1/1/2017
Date next evaluation report due	5/31/2019
Date last evaluation completed	6/1/2016
Last evaluation docket number	G-008/M-16-486
Status of program (pilot or permanent)	Permanent
Date pilot program ends, if applicable	N/A
Date of last Evaluation Order	5/22/2017 & 9/28/2018
Program administrator	Energy CENTS Coalition
<b>Participant benefits</b>	
Description of affordability benefit - maximum payment as % of household income	4%
Description of arrearage forgiveness benefit - repayment period	12 months
Average annual income per participant	\$12,518
Average annual bill per participant	\$933
	\$446
Average annual affordability benefit per participant	\$376
Average annual arrearage forgiveness benefit per customer	\$159
Average total benefit per participant	\$535
<b>Cost and Cost Recovery</b>	
Annual budget	\$5,000,000
Actual revenue	\$5,756,551
Annual cost	\$3,794,247
Surcharge (\$/therm)	\$0.00441
Annual cost of surcharge for average residential customer who uses 900 therms of gas per year	\$3.97
Customer classes assessed the GAP surcharge	Firm Customers (Residential, Commercial A, Commercial/Industrial - B, Commercial/Industrial - C, and Large General Service
Tracker balance as of year-end	(\$4,779,126)
<b>Participation</b>	
% of LIHEAP customers that participated in GAP	40%
Number of participants enrolled as of year-end	8,616
Number of participants enrolled and receiving benefits at some time during the year	10,748
Whether a waiting list occurred at any time during the year	No
If so, the number of customers on the waiting list and for how long	N/A

Impact on disconnection rates	
Disconnection rates - non-GAP LIHEAP baseline	
GAP participants	2.8%
Non-GAP LIHEAP customers	7.1%
Non-LIHEAP residential customers	3.5%
Disconnection rates - pre-program baseline	
GAP participant cohort	Year 2018 GAP Participants <i>prior to</i> enrolling in GAP during Year 2018.
GAP participants cohort before they were enrolled in GAP	4.9%
Impact on payment frequency	
Dollars paid ÷ dollars requested	
Non-GAP LIHEAP Baseline	
GAP participants	33%
Non-GAP LIHEAP customers	40%
Non-LIHEAP residential customers	88%
Pre-Program Baseline	
GAP participant cohort	2018 GAP Participants: 12 Months Prior
GAP participant cohort before they were enrolled in GAP	20%
Number of payments made paid ÷ number of payments requested	
Non-GAP LIHEAP baseline	
GAP participants	31%
Non-GAP LIHEAP customers	41%
Non-LIHEAP residential customers	80%
Pre-program baseline	
GAP participant cohort	2018 GAP Participants: 12 Months Prior
GAP participant cohort before they were enrolled in GAP	29%
Impact on arrears	
% Customers in arrears	
Non-GAP LIHEAP baseline	
GAP participants	36%
Non-GAP LIHEAP customers	23%
Non-LIHEAP residential customers	9%

Pre-Program baseline	
GAP participant cohort	Active GAP participants (with arrears) at January 2018, who remained an active GAP Participant in January 2018 through December 2018.
GAP participant cohort before they were enrolled in GAP	70 (customer count that meets the criteria above)
Dollar amount of arrears	
% Change in dollar amount of arrears (non-GAP LIHEAP baseline)	
GAP participants	9%
Non-GAP LIHEAP customers	20%
Non-LIHEAP residential customers	-8%
Dollar amount of arrears (pre-Program baseline)	
GAP participant cohort	Active GAP participants (with arrears) at January 2018, who remained an active GAP Participant in January 2018 through December 2018.
GAP participant cohort before they were enrolled in GAP	-75%
Complaints	
Number of complaints	3
Nature of complaint(s)	Billing questions, general GAP information, payment extensions, and removal from GAP (Section 18 of annual filing).
Retention	
GAP participant retention rate	75%
Impact on collection activity	
Brief description of effect of GAP on collection activity	The 2018 Report includes information on several significant areas of collection activity including an improvement in the payment frequency compared to pre-GAP payment behavior (Section 9), 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.
Coordination with other programs	
Page(s) of report where coordination efforts described	Pages 18 - 22 (Section 22 of annual filing).



## CenterPoint Energy Minnesota Gas

## GAP Tracker and Balance

## 2019 Actuals &amp; 2019 Forecast

Current Approved GAP of \$0.0441/Dth, with Proposed Surcharge Rate of \$0.0001 (to be effective October 2019)

	Jan 19 Actual	Feb 19 Actual	Mar 19 Forecast	Apr 19 Forecast	May 19 Forecast	June 19 Forecast	July 19 Forecast	Aug 19 Forecast	Sept 19 Forecast	Oct 19 Forecast	Nov 19 Forecast	Dec 19 Forecast	
<b>Expenses</b>													
1	Beginning Tracker Balance (\$) - Under / (Over) Recovered	(4,779,126)	(5,432,709)	(6,190,719)	(6,738,023)	(6,966,048)	(6,936,361)	(6,786,800)	(6,568,229)	(6,278,854)	(6,067,122)	(5,701,633)	(5,336,843)
2	GAP Program Expenditures - Arrears & Afford Credits; Admin Costs	248,660	253,031	220,621	252,582	317,826	312,687	339,962	396,303	338,503	365,861	365,537	351,541
3	<b>Tracker Balance After Expenses</b> (Line 1 + Line 2)	<b>(4,530,466)</b>	<b>(5,179,678)</b>	<b>(5,970,098)</b>	<b>(6,485,441)</b>	<b>(6,648,221)</b>	<b>(6,623,675)</b>	<b>(6,446,837)</b>	<b>(6,171,926)</b>	<b>(5,940,351)</b>	<b>(5,701,261)</b>	<b>(5,336,096)</b>	<b>(4,985,302)</b>
<b>Recovery</b>													
4	Total Volumes (Dt)	20,459,033	22,926,103	17,413,261	10,898,129	6,533,789	3,698,989	2,752,643	2,424,668	2,874,632	3,719,769	7,467,986	14,812,577
5	Base Rate Recovery (GAP) (per Dt)	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0441	0.0001	0.0001	0.0001
6	<b>Base Rate Cost Recovery (\$)</b> (Line 4 * Line 5)	(902,243)	(1,011,041)	(767,925)	(480,607)	(288,140)	(163,125)	(121,392)	(106,928)	(126,771)	(372)	(747)	(1,481)
7	Interim Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	<b>Interim Rate Recovery</b> (Line 4 * Line 7)	-	-	-	-	-	-	-	-	-	-	-	-
9	<b>Total Recovery</b> (Line 6 + Line 8)	<b>(902,243)</b>	<b>(1,011,041)</b>	<b>(767,925)</b>	<b>(480,607)</b>	<b>(288,140)</b>	<b>(163,125)</b>	<b>(121,392)</b>	<b>(106,928)</b>	<b>(126,771)</b>	<b>(372)</b>	<b>(747)</b>	<b>(1,481)</b>
10	<b>Ending Tracker Balance - Under / (Over) Recovered</b> (Line 3 + Line 9)	<b>(5,432,709)</b>	<b>(6,190,719)</b>	<b>(6,738,023)</b>	<b>(6,966,048)</b>	<b>(6,936,361)</b>	<b>(6,786,800)</b>	<b>(6,568,229)</b>	<b>(6,278,854)</b>	<b>(6,067,122)</b>	<b>(5,701,633)</b>	<b>(5,336,843)</b>	<b>(4,986,783)</b>

Total Effective Recovery Rate 0.0001

## CenterPoint Energy Minnesota Gas

## GAP Tracker and Balance

## 2020 Forecast

Proposed GAP Surcharge Rate of \$0.0001/Dth

	Jan 20 Forecast	Feb 20 Forecast	Mar 20 Forecast	Apr 20 Forecast	May 20 Forecast	June 20 Forecast	July 20 Forecast	Aug 20 Forecast	Sept 20 Forecast	Oct 20 Forecast	Nov 20 Forecast	Dec 20 Forecast	
<b>Expenses</b>													
1	Beginning Tracker Balance (\$) - Under / (Over) Recovered	(4,986,783)	(4,843,177)	(4,661,886)	(4,443,007)	(4,191,514)	(3,874,341)	(3,562,024)	(3,222,337)	(2,826,276)	(2,488,059)	(2,122,570)	(1,757,780)
2	GAP Program Expenditures - Arrears & Afford Credits; Admin Costs	145,647	183,331	220,621	252,582	317,826	312,687	339,962	396,303	338,503	365,861	365,537	351,541
3	<b>Tracker Balance After Expenses</b> (Line 1 + Line 2)	<b>(4,841,135)</b>	<b>(4,659,846)</b>	<b>(4,441,266)</b>	<b>(4,190,424)</b>	<b>(3,873,688)</b>	<b>(3,561,654)</b>	<b>(3,222,062)</b>	<b>(2,826,034)</b>	<b>(2,487,772)</b>	<b>(2,122,198)</b>	<b>(1,757,033)</b>	<b>(1,406,239)</b>
<b>Recovery</b>													
4	Total Volumes (Dt)	20,422,173	20,403,989	17,413,261	10,898,129	6,533,789	3,698,989	2,752,643	2,424,668	2,874,632	3,719,769	7,467,986	14,812,577
5	Base Rate Recovery (GAP) (per Dt)	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
6	<b>Base Rate Cost Recovery (\$)</b> (Line 4 * Line 5)	(2,042)	(2,040)	(1,741)	(1,090)	(653)	(370)	(275)	(242)	(287)	(372)	(747)	(1,481)
7	Interim Rate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	<b>Interim Rate Recovery</b> (Line 4 * Line 7)	-	-	-	-	-	-	-	-	-	-	-	-
9	<b>Total Recovery</b> (Line 6 + Line 8)	<b>(2,042)</b>	<b>(2,040)</b>	<b>(1,741)</b>	<b>(1,090)</b>	<b>(653)</b>	<b>(370)</b>	<b>(275)</b>	<b>(242)</b>	<b>(287)</b>	<b>(372)</b>	<b>(747)</b>	<b>(1,481)</b>
15	<b>Ending Tracker Balance - Under / (Over) Recovered</b> (Line 3 + Line 9)	<b>(4,843,177)</b>	<b>(4,661,886)</b>	<b>(4,443,007)</b>	<b>(4,191,514)</b>	<b>(3,874,341)</b>	<b>(3,562,024)</b>	<b>(3,222,337)</b>	<b>(2,826,276)</b>	<b>(2,488,059)</b>	<b>(2,122,570)</b>	<b>(1,757,780)</b>	<b>(1,407,720)</b>

Schedule G:

Revised Draft Tariff Page

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REDLINE

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**GAS AFFORDABILITY SERVICE PROGRAM (“PROGRAM”) (CONTINUED)**

3.6) 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:**

4.1) Total Program costs, which include start-up costs, Affordability component, Arrearage Forgiveness component and incremental administration costs incurred by CenterPoint Energy shall not exceed \$5 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 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.

4.2) 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.

4.3) 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 ~~\$0.00441~~ 0.00001 per therm. CenterPoint Energy may petition the Commission to adjust this rate in order to true up the Program balance in the Tracker in its next general rate case.

**5) Evaluation:**

5.1) The Program shall be evaluated on or before May 31, 2019. The program may be modified based on annual reports and on a financial evaluation.

5.2) 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.

5.3) 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.



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