505 Nicollet Mall
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June 14, 2021

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

RE: In the Matter of CenterPoint Energy Minnesota Gas 2020 Gas Affordability Program (GAP) Report
Docket No. G-008/M-21-218

Reply Comments

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") respectfully submits Reply Comments to the Comments of the Minnesota Department of Commerce, Division of Energy Resources ("Department") filed on June 4, 2021 in this docket.

The Company thanks the Department for its analysis of our 2020 Gas Affordability Program ("GAP") Report and agrees with its conclusion that the Commission should accept CenterPoint Energy's GAP Report and approve our request to modify the GAP surcharge rate. The Company provides additional information and clarification requested by the Department in these Reply Comments.

Sincerely,

/s/ Erica Larson

Erica Larson
Counsel, CenterPoint Energy

C: Service List

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Katie Sieben	Chair
Valerie Means	Commissioner
Matt Schuerger	Commissioner
Joseph Sullivan	Commissioner
John Tuma	Commissioner

In the Matter of CenterPoint Energy Minnesota Gas 2020 Gas Affordability Program (GAP) Report

Docket No. G-008/M-21-218

REPLY COMMENTS

Introduction

CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, ("CenterPoint Energy" or the "Company") respectfully submits the following Reply Comments to the Minnesota Public Utilities Commission ("Commission") in response to the June 4, 2021 Comments of the Minnesota Department of Commerce, Division of Energy Resources ("Department").

The Company agrees with the Department's conclusion that the Commission should accept the Company's 2020 Gas Affordability Program ("GAP") Report and approve the Company's request to increase its surcharge rate to $0.00264 per therm from $0.00236 per therm. The Department requested clarification on the data the Company provided regarding Low Income Home Energy Assistance Program ("LIHEAP") and GAP customer usage and requested additional information related to the Company's proposed modifications to its GAP.

I. LIHEAP and GAP Usage Clarification

The Commission requires CenterPoint Energy to provide the average and range of natural gas usage by LIHEAP and GAP customers in our annual GAP Reports.[1] CenterPoint Energy provided the required information in Table 23 and 24 of its March 31, 2021 Report, using a dash to indicate no usage as the low-end of the range. The Department noted that it was unclear whether the dash indicated a lack of data or no usage. The Company apologizes for this

[1] *In the Matter of the Application of CenterPoint Energy Resources Corp. for Approval of its 2019 Gas Affordability Program Report,* Docket No. G-008/M-20-399, Order Approving Gas Affordability Program Reports and Modifying Certain Surcharges, Funding, and Reporting Requirements, Order Point 8(c) (Nov. 5, 2020).

confusion and clarifies that the low-end LIHEAP and GAP customer average monthly usage rounds to 0 therms in each year reported on.

II. Proposed Increase to Affordability and Arrearage Forgiveness Benefits

In our March 31, 2021 Report, the Company proposed to increase the affordability and arrearage forgiveness benefits of our GAP. Specifically, we proposed to calculate the affordability credit as one-twelfth of the difference between our estimate of the customer's annual gas bill and 2% of the customer's household income. Currently the affordability credit is based on 4% of the customer's household income. With respect to the arrearage forgiveness credit, CenterPoint Energy proposed to revise this credit to retire participant arrears over 12 months with a customer contributing no more than 1% of their household income. In short, CenterPoint Energy's current GAP program requires participants to pay up to 6% of their income toward current and past gas bills and the Company is now proposing to charge GAP customers only up to 3%. We have proposed these changes to assist customers as the Company transitions back to normal collections and disconnection activities in coming months.

The Department requested that the Company provide data projecting what the overall change in the cost of the GAP program would be if our proposed GAP program changes were implemented. Specifically, the Department requested that the Company estimate what the impact on overall spending would have been if the Company's proposed increase to the affordability and arrearage forgiveness benefits had been in place in 2020.

The Company provides an estimate of this information below in Table 1.[2] The estimated 2020 GAP spending with increased benefits was calculated by halving the amount of contributions collected from participants in 2020 because the proposed program changes would essentially halve the required customer contribution. Since no new program participants were assumed, there was no increase assumed for administrative expenses. However, it is important to note that 2020 was an unusual year for the Company. Because the Company was not disconnecting customers for most of the year, fewer customers may have enrolled in GAP. On the other hand, because the Company suspended its collection practices, customers that did not satisfy GAP payment requirements were not removed from the program as they would have been in another year. In addition, 2021 and 2022 are also likely to be unusual years for different reasons. Due to increased LIHEAP funding, more customers may enroll in LIHEAP and therefore become eligible for GAP.

Table 1: Estimated 2020 Spending with Increased Arrearage and Forgiveness Benefits		
Actual 2020 GAP Spending	**Estimated 2020 GAP Spending with Increased Benefits**	**Increase**
$3,671,320	$4,370,138	$698,818

[2] Spending in this table includes administrative costs above 5%.

The Department expressed concern that the Company's proposal to increase the arrearage forgiveness and affordability components of our GAP would have the result of increasing the amount of recoverable administrative expenses. The Company has historically spent well above the 5% recovery cap; we write off any administrative costs above the cap and do not recover those costs from ratepayers. The Company expects to increase its administrative spending on outreach in 2021 and 2022 as we transition back to normal disconnection practices and work to connect customers in need with resources such as GAP.

III. Request to Remove Spending Cap

The Company also requested removal of the program spending cap in our March 31, 2021 Report. The Company's GAP is currently limited to an overall budget of $5,000,000.[3] In recent years, the Company has not struggled to remain below this cap, however, the Company has not operated its GAP during such an extreme economic downturn or when resuming disconnection activity after an extended disconnection moratorium. As described in the Company's Transition Plan, filed in Docket No. G-008/CI-20-375 on April 30, 2021, the Company is implementing a robust communications strategy designed to connect customers who are struggling with resources like GAP. The Company clarifies that, due to uncertainty regarding how many customers will seek to participate in GAP as the Company transitions back to normal disconnection practices, we request removal of the program spending cap whether or not the Commission approves increased arrearage and forgiveness benefits.

IV. Conclusion

The Company appreciates the opportunity to respond to the Comments of the Department. As discussed above, the Company agrees with the Department's recommendations to accept the Company's 2020 GAP Report and approve our request to increase the GAP surcharge rate, and we have provided the additional informational requested by the Department in these Reply Comments. The Company looks forward to leveraging its GAP to assist customers in need as we transition back to normal collections practices.

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[3] The Company has been limited to a budget of $5,000,000 per year since our GAP was first approved in 2006. *See In the Matter of the Application of CenterPoint Energy Minnesota Gas, a Division of CenterPoint Energy Resources Corp., for Authority to Increase Natural Gas Rates in Minnesota,* Docket No. G-008/GR-05-1380, Findings of Fact, Conclusions of Law, and Order, p. 47-49 (Nov. 2, 2006)("CenterPoint proposed to recovery the program's start-up costs and up to $5 million annually for the cost of the credits, arrearage forgiveness and administration…")

CERTIFICATE OF SERVICE

Erica Larson served the above Reply Comments of CenterPoint Energy to all persons at the addresses indicated on the attached list by having the document delivered by electronic filing.

/s/___________________________________

Erica Larson
Counsel
CenterPoint Energy

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