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March 31, 2017

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-17-_____*

Dear Mr. Wolf:

On June 6, 2007 CenterPoint Energy committed to providing certain baseline and annual reporting information for the Gas Affordability Service Program (GAP or Affordability Program). Enclosed is the tenth annual submission of information; the "baseline data" was provided on August 31, 2007, four months after the start of the program.

If you have any questions regarding the information provided in this filing, please contact me at (612) 321-4905.

Sincerely,

/s/

Shari Grams
Regulatory Analyst

Enclosure
cc: Service List

AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Shari Grams, being first duly sworn on oath, deposes and says she served the attached compliance filing of CenterPoint Energy in Docket No. G-008/M-17-____ via e-filing to the Minnesota PUC, as well as those requesting electronic service on the service list and to all others on the service list via U.S. Mail at the City of Minneapolis.

 /s/

Shari Grams

Subscribed and sworn to before me
this 31st day of March, 2017.

 /s/

Melodee Sue Carlson Chang, Notary Public
My Commission expires 1/31/2019

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STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange
Dan Lipschultz
Matt Schuerger
Katie Sieben
John Tuma

Chair
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-17-_____

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 (“Company”) committed to providing certain baseline and annual reporting information for GAP.

The following is the tenth 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, and September 29, 2015.¹

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

¹ See Schedule C for a summary table of the Orders from December 29, 2011 through July 25, 2016.

levelized payment plan, and qualify for an affordability and/or arrearage forgiveness credit under the terms of the Program.² 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.³

Schedule A provides a summary of the GAP Annual Compliance Report information requested by the Commission's September 24, 2013 Order.

2 Total Affordability Credit

The total of the affordability credits applied to GAP participants during the 2016 year was \$2,122,829.

3 Total Arrearage Forgiveness Credit

The total of the arrearage forgiveness credits applied to GAP participants during the 2016 program year was \$839,112.

4 Total Program Administration Cost

The total administrative expenses incurred in 2016 were \$222,918, approximately 7.0% 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 \$159,243 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.

² CenterPoint Energy GAP tariff, Section V, p. 25.

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

Total Program Costs:

1. Start-up costs:	\$0
2. Affordability component:	\$2,122,829
3. Arrearage Forgiveness component:	\$839,112
4. <u>Incremental admin costs incurred:</u>	<u>\$222,918</u>
5. Subtotal (sum of lines 1–4)	\$3,184,859
6. 5% of subtotal (line 5 multiplied by 5%):	\$159,243
7. Incremental admin costs above 5% (line 4 minus line 6 or \$0):	\$63,675
8. Incremental admin costs in Tracker (line 4 less line 7):	\$159,243

5 Total Start-up Costs

No start-up costs were incurred in 2016.

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 2015 and qualified for both the 2015 and 2016 GAP years).

Table 1

line	GAP Year	2012	2013	2014	2015⁴	2016⁵
1	GAP participants who received LIHEAP (October prior year through September current year)	10,862	14,737	11,710	10,074	7,451
2	LIHEAP received by GAP participants	\$3,486,911	\$4,464,354	\$3,611,945	\$3,691,276	\$2,572,910
3	Average amount (line 2 divided by line 1)	\$321	\$303	\$308	\$366	\$345
4	GAP participants who received LIHEAP (October current year through September subsequent year)	9,081	12,603	10,249	8,638	5,947
5	LIHEAP received by GAP participants	\$2,988,989	\$3,711,652	\$3,730,827	\$2,883,647	\$1,799,538
6	Average amount (line 5 divided by line 4)	\$329	\$295	\$364	\$334	\$303
7	Total incremental LIHEAP (line 5 minus line 2)	-\$497,922	-\$752,702	\$118,881	-\$807,629	-\$773,372
8	Average incremental LIHEAP (line 6 minus line 3)	\$8	-\$8	\$56	-\$33	-\$43

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

⁴ The 2015 GAP year information (for participants receiving 2015-2016 LIHEAP) has been updated from last year's compliance filing since the 2015-16 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.

⁵ Because the 2016-17 LIHEAP year is not finished, the information on Year 2016 GAP participants is incomplete and will be updated in the next annual report.

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 2016 Bad Debt Expense:	\$1,965,550
2. Firm Revenue:	\$705,369,477
3. Bad Debt Factor (line 1 divided by line 2):	0.3%
4. Impact of the Program	
5. Total Payments towards Arrears Rec'd from participants:	\$144,187
6. Total Arrearage Forgiveness Credits Applied:	<u>\$839,112</u>
7. Total payments applied to arrears (line 5 + line 6):	\$983,299
8. Percentage of Pre-Program Arrears that would have been written-off (from Section 8, below):	5.5%
9. Impact of Arrearage Forgiveness Component on write-offs (line 7 multiplied by line 8):	\$54,055
10. Impact of Program on Bad Debts	
11. Bad Debt Expense without Arrearage Forgiveness Component (line 1 plus line 9):	\$2,019,605
12. Adjusted Bad Debt Factor (line 11 divided by line 2):	0.3%

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	\$582,184
2.	Incremental LIHEAP—estimate ⁶	(\$634,634)
3.	Total GAP credits	<u>\$2,961,941</u>
4.	Change in customer payments, LIHEAP & GAP credits	\$2,909,491
5.	Change in A/R balance	(\$2,909,491)
6.	Change in Bad Debt Expense ⁷	(\$160,022)

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 2016 for *all* CenterPoint Energy customers and not just customers that are eligible or that participate in the GAP program. 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 2016 was 5.7% of the amount of September arrears.

⁶ Average of total incremental LIHEAP 2007–2015 from Section 6. The 2007 pilot program was a half year.

⁷ Calculated using the Write-Off/Arrears percentage from Section 8.

2016	Write-Off / Arrears Percentage
January	7.8%
February	4.4%
March	4.4%
April	5.6%
May	3.3%
June	3.1%
July	5.0%
August	5.7%
September	7.1%
October	9.4%
November	4.6%
<u>December</u>	<u>5.7%</u>
12 Month Average	5.5%

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 2016 was 12.9% of the amount of September final bills.

2016	Write-Off / Final Bill Percentage
January	19.9%
February	12.0%
March	11.4%
April	20.1%
May	16.8%
June	16.7%
July	24.1%
August	22.4%
September	23.4%
October	23.8%
November	11.4%
<u>December</u>	<u>12.9%</u>
12 Month Average	18.0%

9 Customer Payment History and Frequency Study

The following table shows the payment frequency and history of GAP participants in 2016, compared to the payment frequency and history of LIHEAP non-GAP customers in 2016 and the payment frequency and history of 2016 GAP participants prior to their enrollment in the Program.

Table 2

	2016 GAP Participants		2016 LIHEAP non-GAP Participants		2016 GAP Participants: 12 Months Prior	
	<i>Amount</i>	<i>Count</i>	<i>Amount</i>	<i>Count</i>	<i>Amount</i>	<i>Count</i>
Total Requested	\$4,089,185	103,121	\$28,230,016	506,874	\$13,537,376	144,213
Full Pmt Made	\$765,461	18,187 (18%)	\$6,522,436	132,102 (26%)	\$1,540,285	27,830 (19%)
Partial Pmt Made	\$515,136	10,490 (10%)	\$3,651,869	59,851 (12%)	\$959,120	14,605 (10%)
On Account Pmts	\$137,748	5,875 (6%)	\$133,480	3,561 (1%)	\$37,530	1,082 (0.8%)
Total Pmts	\$1,418,346 (35%)	34,552 (34%)	\$10,307,786 (37%)	195,514 (39%)	\$2,536,934 (19%)	43,517 (30%)
No Pmt Made	\$0	68,569 (66%)	\$0	311,360 (61%)	\$0	100,696 (70%)

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 \$66. 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 \$75. 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 \$346. This is calculated based on average internal costs to disconnect and reconnect.
- D. For a meter that is shut off by ‘hand digging’ in the yard, the average cost was approximately \$1,114. This is calculated based on cost information from contractors, internal costs and expected time to reconnect meters that have been hand dug in the yard and includes restoration costs based on historical activity. In 2016, there were 25 disconnects and 17 reconnects performed by hand digging. The cost reported here is reflective of the costs of those jobs.
- E. For a meter that is shut off by digging at a boulevard or curb, the average cost was approximately \$1,035. 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 2016 activity.
- F. For a meter that is shut off by digging in the street, the average cost was approximately \$1,939. 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 2016 GAP program year, there were 11,004 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	11,004	\$36.27	\$5.06	\$41.32
2	Customers on GAP asked to make payment	10,580	\$37.72	\$5.26	N/A ⁸

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 11,004 customers who participated in GAP in 2016.

⁸ 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

	Monthly	Annual
Average Affordability Credit ⁹	\$24.22	\$290.63
Average Arrearage Credit ¹⁰	\$16.30	\$195.66
Average Affordability Component bill ¹¹	\$36.27	\$435.19
Average Arrearage Component bill ¹²	\$5.06	\$60.56
Average Pre-Program Arrears ¹³	\$518.82	

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

Customer Group	Customers	Total Pre-Program Arrears	Average Pre-Program Arrears
All customers on GAP	11,004	\$2,279,673	\$207
All customers on GAP that had Pre-Program Arrears	4,394	\$2,279,673	\$519

⁹ The average monthly affordability credit is calculated by taking the total of the monthly affordability credits for the customers on the Program during 2016 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.

¹⁰ The average monthly arrearage credit is calculated by taking the total of the monthly arrearage credits for the customers on the Program during 2016 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.

¹¹ The average monthly affordability component bill amount is from line 1 (Table 3), above. The annual average is the monthly number times 12 months.

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

¹³ This is the average pre-program arrears for the 4,394 GAP participants who were on the GAP Program 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

Customer Group	Jan. 2016	Dec. 2016	\$ Change	% Change
GAP ¹⁴	\$383	\$290	-\$93	-24%
LIHEAP non-GAP	\$205	\$176	-\$30	-14%
Residential	\$159	\$110	-\$49	-31%

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 76,625 residential customer accounts past due at the end of December 2015, which is the approximate start of the 2016 Program year. Of the 11,004 customers that participated in the program during the 2016 program year, 4,394 started their 2016 GAP participation with a pre-program arrears balance.

14 Service Disconnections

As reported in the monthly reports filed pursuant to Minnesota Statutes §216B.091 in Docket No. E,G999/PR-16-02, there were 33,327 residential accounts disconnected for non-payment during 2016.

¹⁴ 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 2016. 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.

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 7

Customer Group	% Disconnected
GAP customers ¹⁵	3.3%
LIHEAP non-GAP ¹⁶	7.8%
Total firm customers ¹⁷	3.8%

15 Retention Rate - Renewal

As reported in the compliance filing submitted March 31, 2016, there were approximately 10,800 customers who received a GAP credit and enrolled in the GAP program at the end of 2015. The table below shows the 2016 program year participation information for the customers that were enrolled at the end of the 2015 program year.

¹⁵ The percent of GAP customers disconnected is the number of customers that had been on GAP during 2016 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.

¹⁶ The percent of LIHEAP non-GAP customers disconnected is the number of customers that received LIHEAP (and did not participate in GAP) during 2016 and were disconnected after receiving LIHEAP in 2016, divided by the number of customers that received LIHEAP (and did not participate in GAP) in 2016. It should be noted that the LIHEAP year is not a calendar year so that if a customer received LIHEAP in early 2016 as part of the end of the 2015–16 LIHEAP year, they would be included in this group—along with customers receiving LIHEAP in late 2016 as part of the 2016–17 LIHEAP year.

¹⁷ The percent of total firm customers disconnected is the number of involuntary disconnections of residential customers as reported in the 2016 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 2016.

Table 8

Description	Count	%
Renewed into 2016 GAP year within 30 days	4,945	46%
Enrolled into 2016 GAP year 31–60 days	679	6%
Enrolled into 2016 GAP year 61–90 days	250	2%
Enrolled into 2016 GAP year 91–150 days	705	7%
Enrolled into 2016 GAP year over 151 days	829	8%
Application Rejected: no LIHEAP, incomplete GAP application, etc.	600	6%
Did not apply, other	2,761	26%
Total	10,769	100%

The retention rate for the 2017 GAP year is not available because some customers enrolled at the end of the 2016 year have not yet renewed. This information will be provided in the next annual compliance report, after the 2017 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 9

GAP year	2012	2013	2014	2015	2016
GAP participants at year-end	11,249	11,574	13,309	10,769	8,558
Total deactivated and percent of final participation ¹⁸	6,861 61%	4,481 39%	4,590 34%	3,020 28%	2,123 25%
Deactivated due to delinquency	4,945 44%	3,281 28%	3,236 24%	2,092 19%	1,429 17%
Deactivated due to customer request	59 0.5%	66 0.6%	91 0.7%	67 0.6%	34 0.4%
Deactivated due to customer move	1,857 17%	1,134 10%	1,263 9%	861 8%	660 8%
Applied but not accepted due to no benefit ¹⁹	4,920	4,112	2,813	2,071	3,514

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 10

GAP year	2012	2013	2014	2015	2016
GAP participants at year-end	11,250	11,574	13,309	10,769	8,558
Approximate % who did not receive LIHEAP in prior year	23%	22%	26%	17%	21%

¹⁸ 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.

¹⁹ 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 2016 GAP Program year.

In April, a customer had general GAP questions and questions regarding the amount she was billed under the Program. The customer wanted to see if her bill could be lowered and also inquired about a payment extension. The Company answered her GAP questions and explained that payment extensions were not available under GAP.

In July, a disconnected customer wanted to enroll in GAP, but did not want to have his service reconnected. The Company explained that the account must be active. The customer enrolled in GAP and was reconnected.

During October, a customer had questions about the amounts she was billed for GAP and if she would be re-enrolled during the 2017 season. The Company explained her GAP billings and informed the customer that if LIHEAP payments were received prior to December 31, 2016, she would automatically be re-enrolled in GAP for Year 2017.

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 2016 is used, although not all customers participated for the same number of months.

Program Cost

1. Affordability Credits:	\$2,122,829
2. Arrearage Forgiveness Credits:	\$839,112
3. <u>Administrative Cost:</u>	<u>\$159,243</u>
4. Total Program Costs (lines 1–3):	\$3,121,184
5. Program Participants:	11,004
6. Program Cost per participant (line 4 divided by line 5):	\$284

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	\$1,282,552
2. <u>Total Arrears Customer Payments Rec'd</u>	<u>\$144,187</u>
3. Total Customer Payments (line 1 plus line 2)	\$1,426,739
4. Total Affordability Requested	\$5,894,852
5. <u>Total Arrears Requested</u>	<u>\$306,088</u>
6. Total amount billed (line 4 plus line 5)	\$6,200,940
7. Payment coverage (line 3 divided by line 6)	0.23

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 (2016 Participants 1/16–12/16)	\$4,356,545
2. Arrears Forgiveness Customer Payments Rec'd	\$144,187
3. <u>Arrears Forgiveness Credits Applied</u>	<u>\$839,112</u>
4. Total Reduction to Arrears (Line 1 plus Line 2 plus Line 3)	\$5,339,844
5. Total Pre-program Arrears Balance at Start of Program	\$2,279,673
6. Arrears Reduction Rate (line 4 divided by line 5)	2.34

22 Coordination with Other Resources

Throughout the year, the Company engages in outreach efforts designed to promote GAP and Conservation Improvement Program (CIP) Program participation, often in partnership with low-income organizations and agencies. This section summarizes efforts undertaken by the company to coordinate the GAP Program with other low-income and conservation resources, in accordance with November 18, 2009²⁰ and November 22, 2010²¹ 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 conservation (CIP) Programs. All residential conservation measures and CIP Programs are available to GAP customers. Low income participation by CIP Program is tracked and reported in the annual CIP status report.

Summary of major cross-promotional GAP and CIP efforts:

²⁰ 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).

²¹ 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 2016 and December 2016, sent 41,681 direct mail pieces to LIHEAP recipients encouraging customers to enroll in GAP. Mailers included a GAP application, detailed energy efficiency tips, and information about CenterPoint Energy's rebate and other programs, including the Home Energy Squad, Home Energy Audits, and weatherization services.
- E-mailed 37,758 GAP solicitations that included links to the GAP application as well as to the *More Comfort, Less Energy* booklet with energy saving tips.
- Between May 2016 and July 2016, made 4,304 outgoing calls to promote GAP enrollment.
- 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 nonprofit affordable housing customers via low income 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:

- Conservation measures:
 - Lowering thermostat and/or installing a programmable unit;
 - Lowering water heater setting;
 - Opening and closing drapes according to season and time of day;
 - Installing low-flow showerhead and faucet aerator; and
 - Window and door weatherstripping.
- No-cost measures to qualifying low income customers via CenterPoint Energy programs:
 - Home Energy Audit;
 - Weatherization;
 - Furnace Repair/Replacement/Tune-up;
 - Boiler Repair/Replacement/Tune-up; and
 - Water Heater Replacement.

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

- Partnering Organizations: Community Action Partnership of Suburban Hennepin (CAPSH); Lutheran Social Services of Minnesota; The Salvation Army; PICA Headstart: Parents In Community Action, Inc.; and Anoka Community Action Program.
- Outreach content: GAP flyer; energy conservation tips; payment assistance; gas safety messages; GAP applications; and window insulator kit.
- Outreach events: Winter Social – Phillips West neighborhood and community; PICA; National Night Out (NNO; Phillips West District); Mad Dads Senior Pride; Energy Workshop (in connection with the City of Brooklyn Park); HeatShare Energy Assistance Day; and Family Connect (McKnight Center).

23 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 2016 applications were processed within 30 days of receipt. Also 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.

On May 31, 2013, the Company submitted its second GAP Evaluation report and in its September 24, 2013 Order, the Commission extended the GAP program through 2016 and approved its proposed modification of the arrearage forgiveness credit. The Company submitted its third GAP Evaluation report on June 1, 2016, in Docket No. G-008/M-16-486. The Commission's July 27, 2016 Order in the 2016 Evaluation report docket extended the termination of GAP, but without further Commission action, the Program will expire on June 30, 2017.

CenterPoint Energy
GAP Annual Compliance: Summary

Schedule A

Item as listed in in Sept. 24, 2013 Order	2016
1 Average annual affordability benefit received per customer /1/	\$ 290.63
2 Average annual arrearage forgiveness benefit received per customer	\$ 195.66
3 Percentage of Low Income Home Energy Assistance Program (LIHEAP) customers that participated in GAP /2/	26.3%
4 Disconnection rates for:	
(a) GAP customers	3.3%
(b) LIHEAP – Non GAP customers	7.8%
(c) non-LIHEAP customers (all firm customers including C&I) /3/	3.8%
5 Number of GAP participants enrolled as of year-end	8,558
6 Number of GAP participants enrolled and receiving benefits at some time during the year	11,004
7 Annual program budget	\$ 5,000,000
8 Actual program revenue	\$ 4,444,009
9 Actual program cost /4/	\$ 3,184,859
10 GAP tracker balance as of year-end	\$ 1,767,477
11 GAP rate-affordability surcharge (\$/therm) /5/	0.00462

1/ The average annual affordability benefit was calculated by taking the total of the monthly affordability credits for the customers on the program during 2016, 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 2016 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 \$0.00470 was established in Docket No. G-008/GR-15-424, effective October 2, 2015. The final rate from Docket No. G-008/GR-15-424 is \$0.00462/therm (effective December 2016). 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	2016		
1	Difference in % Tot pmt req paid		14.2%	
2	Total Payment requested	\$	4,089,185	
3	Diff in Tot pmt req paid	\$	582,184	
4	Incremental LIHEAP - annual report	\$	(634,634)	
5	Total GAP credits	\$	2,961,941	
6	Change in custo payments, LIHEAP, and GAP cr	\$	2,909,491	
7				
8	Change in A/R balance	\$	(2,909,491)	
9	Write-off/Arrears percentage		5.5%	
10	Write-off reduction	\$	(160,022)	
11	Bad Debt Expense reduction, minimum	\$	(160,022)	
12				
13				
14	Total Payment requested, 2016 GAP Participants	\$	13,537,376	\$ 4,089,185
15				
16	Total Full payment	\$	1,540,285	\$ 765,461
17	Total Partial payment	\$	959,120	\$ 515,136
18	Total on-account payment	\$	37,530	\$ 137,748
19	Total Payments	\$	2,536,935	\$ 1,418,345
20				
21	Tot Pmt/Tot Pmt requested		18.7%	34.7%
22				15.9%
23	Total Payment requested, 2016 GAP Participants	\$	13,537,376	
24	Percent change in average bill from 2015 to 2016		-7%	
25	Change in tot pmt requested due to 2015 to 2016 chgs	\$	(1,011,998)	10.7%
26	Tot pmt requested, 2016 pro forma	\$	12,525,378	
27	Tot pmt requested, 2016 on GAP actual	\$	4,089,185	
28	Change in tot pmt requested due to GAP	\$	(8,436,193)	89.3%
29	Total change in tot pmt requested, 2015 to 2016	\$	(9,448,191)	100.0%

Line			2016 CPE GAP Report
1	2011 Order Language ¹	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 ²	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

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

² 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 ³	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.	

³ 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.