



ENERGY  
CENTS  
COALITION

Commit Energy Now To Survive

July 31, 2019

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, Minnesota 55101

**RE:** In the Matter of CenterPoint Energy Minnesota Gas 2019 Gas Affordability  
Program Evaluation Report

**MPUC Docket No. G008/M-19-367**

Dear Mr. Wolf:

Enclosed please find the Energy CENTS Coalition's Comments in the above-captioned matter. An Affidavit of Service is also enclosed.

If you have any questions, please contact me at 651-774-9010.

Sincerely,

*Pam Marshall*

Pam Marshall

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101-21

Katie Sieben	Chair
Dan Lipschultz	Commissioner
Valerie Means	Commissioner
Matt Schuenger	Commissioner
John Tuma	Commissioner

In the Matter of CenterPoint Energy Minnesota Gas  
2019 Gas Affordability Program  
Evaluation Report

**ENERGY CENTS COALITION  
COMMENTS**

**DOCKET NO. G008/M-19-367**

July 31, 2019

**I. INTRODUCTION**

On May 31, 2019, CenterPoint Energy (“CPE” or “the Company”) submitted its fourth annual Gas Affordability Program (GAP) evaluation. The Energy CENTS Coalition (ECC) appreciates the opportunity to comment on that report. ECC does not oppose any of the Company’s conclusions in the report. Further, ECC does not oppose the proposed modification to the GAP customer surcharge. However, ECC is concerned about the decreasing number of CPE LIHEAP customers, the level of service disconnections, the number of deposits required for restoring service, arrearage levels and the inability of the Company to spend the allowed annual GAP program budget.

**II. CPE LIHEAP CUSTOMERS**

The table below shows that the number of CPE customers receiving LIHEAP has declined significantly.<sup>1</sup>

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<sup>1</sup>Minnesota Department of Commerce.

<b>Year</b>	<b>LIHEAP Customers</b>	<b>LIHEAP Funding<sup>2</sup></b>
2010	40,532	\$144,527,532
2011	40,349	\$145,240,955
2012	38,947	\$116,840,147
2013	32,927	\$109,335,012
2014	33,984	\$114,540,746
2015	29,565	\$114,498,307
2016	28,220	\$113,728,493
2017	25,975	\$114,498,307
2018	25,602	\$116,969,082
2019	25,215	\$116,287,653

The table above also shows that the decreasing number of CPE LIHEAP households is not caused by lower federal LIHEAP appropriations. Even with the dramatic decline in Minnesota’s LIHEAP allocation between 2011 and 2012, the number of CPE LIHEAP households only declined by 1,402 households. At the same time, while LIHEAP funding remained fairly consistent from 2014 through this heating season, the number of CPE LIHEAP customers declined in each of those years.

Because GAP customers must receive LIHEAP in order to participate in the program, fewer LIHEAP customers will result in a smaller population of potential GAP customers. Fewer GAP customers, in turn, means that the Company cannot spend the approved \$5 million annual GAP budget. The need to increase CPE’s LIHEAP customer count and to provide more customers the opportunity to participate in GAP is necessary to spend authorized GAP funds in order to lower the number of service disconnections and customer arrearage levels.

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<sup>2</sup> U.S. Department of Health and Human Services, Office of Community Services, Low-Income Home Energy Assistance Program (LIHEAP).

### III. CPE SERVICE DISCONNECTIONS AND PAST-DUE CUSTOMERS

In Schedule B of the Company's current GAP evaluation report, CPE reports that 20,479 customers were disconnected from service between May and September, 2018. First, it is unclear why the Company only includes the non-Cold Weather Rule (CWR) months in this schedule. ECC recommends that the Commission require the Company's annual GAP reports to include disconnections in every month of the year. In the Company's 2018 Service Quality Report (SQR), CPE mailed 288,265 disconnection notices to customers and shut off 30,455 customers.<sup>3</sup> The table included in the Department's comments regarding CPE's 2018 SQR shows that the number of CWR requests declined from 75,818 in 2010 to just 34,321 in 2018. In addition, the Company reports that 2,070 deposits were required as a condition of restoring service.<sup>4</sup> Further, 4.2% of CPE's general (non-LIHEAP) residential customers are disconnected from service (approximately 33,264 out of 792,000 residential customers).<sup>5</sup> According to recent information compiled in the NARUC Research Project Report, during the 2017-2018 CWR season, CPE mailed 175,272 disconnection notices and shut off 4,485 heat-affected customers. That report also showed that 3,764 heat-affected customers remained disconnected for more than 24 hours and that 2,481 heat-affected customers remained disconnected for longer than 61 days.

Finally, 25% of all Minnesota households qualify for LIHEAP. Assuming an average household of 2.4 members, at least 82,500 CPE customer households are income-eligible for LIHEAP. Given the concentrations of poverty in the metro area, this number is most certainly an underestimate of the number of CPE customers who could qualify for LIHEAP. Clearly, there are significantly more customers who could benefit from LIHEAP (and GAP) assistance than are currently participating in either of these programs.

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<sup>3</sup> See Minnesota Department of Commerce Comments, Docket No. G008/M-19-300, June 14, 2019, p. 5.

<sup>4</sup> *Id.*, CenterPoint Energy Initial Filing, May 1, 2019, p. 4.

<sup>5</sup> *Id.*, Schedule 3.

In addition to the service disconnection and deposit counts, CPE's customers demonstrate an inability to pay based on arrearage levels as well. In 2017, the average residential CPE customer bill ranged (depending on the month) from \$20 to \$149. At the same time, the average residential customer past-due bill ranged from \$137-\$202.<sup>6</sup> Expanding LIHEAP participation can help to address these relatively low past-due bill amounts.

These concerns are exactly the same as those that ECC raised recently regarding Minnesota Power's LIHEAP, CARE and outreach efforts. The Commission addressed those concern and ordered Minnesota Power to increase LIHEAP outreach efforts:

the Commission shares the concerns raised by the Energy CENTS Coalition about Minnesota Power's challenges in identifying low-income residential customers and motivating them to enroll in assistance programs. As the Commission recently discussed, Minnesota Power has roughly 36,000 customers with low incomes, but only about 10,000 to 11,000 of these customers receive LIHEAP assistance ..., the Commission expects the utility to focus additional attention on its public outreach efforts. To this end the Commission will direct Minnesota Power, in coordination with the Commission's Consumer Affairs Office, to meet with the Energy CENTS Coalition and nonprofit organizations within Minnesota Power's service territory to discuss potential improvements to the CARE Program, *coordination with LIHEAP*, and how best to *enhance its outreach to the public* (emphasis added).<sup>7</sup>

In a subsequent Order, the Commission stated: "as it did in its fifth annual report issued earlier this year, the Commission again directs Minnesota Power to meet with the Energy CENTS to discuss potential improvements to the CARE program and *better coordination with LIHEAP* (emphasis added).<sup>8</sup> Only with increased LIHEAP outreach efforts can the Company address the inability to pay indicators discussed above. And, only by increasing LIHEAP participation and, by extension, potential GAP participation, can the Company expect to spend

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<sup>6</sup> *Id.*

<sup>7</sup> In the Matter of Minnesota Power's Fifth Annual Report for its Pilot Rider for Customer Affordability of Residential Electricity (CARE) Program, January 5, 2018, DOCKET NO. E-015/M-11-409 ORDER ACCEPTING FIFTH ANNUAL REPORT AND PROGRAM CHANGES, AND REQUIRING MEETINGS, pp.5-6.

<sup>8</sup> In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity, December 19, 2018 DOCKET NO. E-015/M-11-409 ORDER ACCEPTING SIXTH ANNUAL REPORT AND CHANGING ANNUAL FILING DATE, p. 3.

the GAP program budget and the significant amount in the tracker balance (projected to rise to \$5.2 million in 2019).

#### **IV. CURRENT CPE LIHEAP OUTREACH EFFORTS ARE INSUFFICIENT**

Each year over the past decade, with one minor exception, the number of CPE LIHEAP customers has declined. The Company's current LIHEAP outreach efforts are insufficient to stop that trend. In the GAP report, CPE states that they "disseminated energy assistance information through a variety of media and events, including organizational meetings and other community outreach events [and] ...coordinated with specific agencies, organizations and events."<sup>9</sup> This description of CPE's outreach activities is vague (as is the definition of "coordination") and, when the Company does provide information about specific agencies, the majority of them are LIHEAP administrative agencies. Rather than rely on those agencies, the Company should be directed to proactively work with their payment-troubled customers to inform them about LIHEAP and to potentially enroll them in GAP.

ECC recommends that the Commission require the Company to enhance outreach efforts to customers who are past-due, to those receiving service disconnection notices and prior to disconnecting customers' service. The Company should be required to communicate regularly with payment-troubled customers in order to refer them to available financial resources. The Company should also be required to expand GAP outreach efforts to current LIHEAP customers, particularly when 7.1% of LIHEAP customers are disconnected even *after* receiving LIHEAP financial assistance.

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<sup>9</sup> Present Docket, pp. 9-10.

## V. CONCLUSION

ECC respectfully requests that the Commission require the Company to:

- 1) Include the number of disconnection notices sent and the number of accounts disconnected in each month of the year in subsequent GAP annual reports (current report Schedule B). This information does not constitute a new reporting item since the information is provided (though not summarized) in the Company's SQ Report.
- 2) Provide the Commission with more specific information about the types of activities and methods the Company employs to expand LIHEAP participation and the steps the Company will take to conduct outreach efforts directly to payment-troubled customers (e.g. past-due customers and customers receiving service disconnection notices).
- 3) Report the specific activities and methods the Company currently employs to expand GAP participation and what additional methods the Company will use to increase GAP enrollment levels.

Respectfully Submitted,

Dated: July 31, 2019



Pam Marshall  
Energy CENTS Coalition

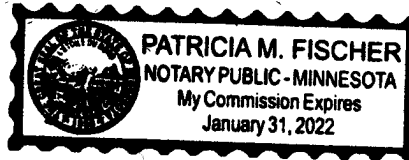
**AFFIDAVIT OF SERVICE**

Pam Marshall, being duly sworn, says that on the 31<sup>st</sup> day of July 2019, she served the individuals on the attached service list, by electronic filing, the Energy CENTS Coalition's Comments In the Matter of CenterPoint Energy Minnesota Gas 2019 Gas Affordability Program Evaluation Report, MPUC Docket No. G008/M-19-367.

*Pam Marshall*

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Pam Marshall

*Patricia M. Fischer*



Patty Fischer

Subscribed and sworn to before me  
this 31<sup>st</sup> day of July, 2019

Notary Public



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