

## Staff Briefing Papers

**Meeting Date**    **March 27, 2025**

**Agenda Item 2\*\***

**Company**            CenterPoint Energy Resources Corp. d/b/a CenterPoint  
Energy Minnesota Gas

**Docket No.**        **G-008/C-24-191**

### **In the Matter of the Consumer Appeal of Consumer Complaint 82340**

- Issues**
1. Should the Commission grant the Complainant's request to require CenterPoint to make adjustments to the Complainant's individual account?
  2. Should the Commission require CenterPoint to bill customers for utility service and for unregulated products and services separately?
  3. If combined billing is allowed, should the Commission require CenterPoint to modify its default order of allocating customer payments between charges for utility service and charges for unregulated business to prioritize all charges for utility service over any unregulated products or services?
  4. Should the Commission require CenterPoint to make changes to its customer bills, website, and other communications to clarify the distinction between its regulated and unregulated offerings and to clarify its practices relating to disconnection, payment agreements, and billing?

**Staff**                Olivia Moe                    [olivia.moe@state.mn.us](mailto:olivia.moe@state.mn.us)                    651-201-2229

Sally Anne McShane    [sally.anne.mcshane@state.mn.us](mailto:sally.anne.mcshane@state.mn.us)    651-201-2224

---

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

✓ **Relevant Documents**

	<b>Date</b>
CAO Case Record	May 22, 2024
Order Authorizing Informal Commission Proceeding on Consumer Appeal	Oct. 17, 2024
CenterPoint Response	Nov. 15, 2024
Corrected Ex. A to CenterPoint Response	Dec. 12, 2024
OAG-RUD Initial Comments	Dec. 23, 2024
CUB and LSAP Initial Comments	Dec. 23, 2024
CenterPoint Reply Comments	Jan. 28, 2025
OAG-RUD Reply Comments	Jan. 28, 2025
CUB and LSAP Reply Comments	Jan. 28, 2025

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.

The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## Table of Contents

BACKGROUND .....	2
DISCUSSION .....	3
I. Regulatory Framework .....	3
II. Complainant’s Request for Individual Relief.....	4
A. CenterPoint’s Default Practice of Applying Payments.....	4
B. Timeline of Complainant’s Payments and Disconnection .....	5
C. Complainant’s and CAO’s Arguments.....	8
D. CenterPoint’s Response .....	9
E. Comments .....	11
III. Changes to Billing System or Payment Priority .....	12
A. Separate Billing .....	13
B. Prioritizing Gas in Combined Billing.....	15
IV. Changes to Bills, Website, and Other Communications .....	17
A. CUB, LSAP, and OAG .....	17
B. CenterPoint .....	19
V. Reporting.....	19
A. CUB, LSAP, and OAG .....	19
B. CenterPoint .....	20
VI. Rulemaking.....	20
STAFF ANALYSIS .....	20
I. Complainant’s Request for Individual Relief.....	22
II. Changes to Billing System or Payment Priority .....	23
A. Separate Billing .....	23
B. Prioritizing Gas in Combined Billing.....	24
III. Changes to Bills, Website, and Other Communications .....	24
IV. Reporting.....	26
V. Rulemaking.....	26
DECISION OPTIONS .....	28

## BACKGROUND

This is an appeal of a consumer complaint under [Minn. Stat. § 216B.172](#). The statute allows a residential customer to request Commission review of an informal complaint against a public utility after attempting to mediate through the Commission’s Consumer Affairs Office (CAO).

On October 16, 2023, the Complainant,<sup>1</sup> a residential customer of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or the Company), contacted CAO after CenterPoint disconnected their gas service.<sup>2</sup> The Complainant questioned whether it was proper for CenterPoint to apply part of their payments each month toward a financed furnace and appliance repair plans purchased through CenterPoint’s Home Service Plus (HSP) program before balances for gas service were fully paid. CenterPoint applies customer payments toward HSP arrears before current gas charges and before any gas arrears that are not currently “due” because they are under a payment plan.<sup>3</sup> The Complainant argued this practice unjustly forces customers with HSP arrears to pay for CenterPoint’s unregulated offerings before they can pay for utility service, leading to the Complainant’s disconnection.

The Complainant requested that CenterPoint recalculate their account since November 2020, applying each payment first toward gas arrears and then current gas charges, and applying any remainder toward other charges only after all gas balances are fully paid.<sup>4</sup> The Complainant asked that CenterPoint remove any late fees and reconnection fees that would not have been assessed had payments been applied in this order. The Complainant also asked CenterPoint to apply all customers’ payments in this order going forward.

The Complainant’s gas service was reconnected and CAO worked to mediate between the parties.<sup>5</sup> CAO concluded that CenterPoint’s practice of prioritizing HSP arrears over some gas charges contravened fundamental cost-separation principles established by Commission order and violated rules governing late-payment fees.<sup>6</sup> CAO therefore concluded the Complainant was entitled to the requested account adjustments and that CenterPoint should change its payment allocation practices for all customers going forward. CenterPoint disagreed and refused to take the actions CAO recommended.

---

<sup>1</sup> Private data, including the Complainant’s name, is omitted from this document consistent with the Minnesota Government Data Practices Act.

<sup>2</sup> See [CAO Case Record](#) at 1 (May 22, 2024).

<sup>3</sup> See *id.* at 38; *id.* at 3 (email from CenterPoint to CAO stating: “Depending on when [the Complainant] would set up a payment plan, if nothing was due until the next invoice—it could direct [their] payments to [their] outstanding [Home Service Plus] or merchandise charges.”)

<sup>4</sup> CAO Case Record at 25–29 (narrative prepared jointly by Complainant and CAO).

<sup>5</sup> *Id.* at 1–2.

<sup>6</sup> *Id.* at 25–29.

The Complainant submitted a consumer appeal under Minn. Stat. § 216B.172, subd. 3(a), asking the Commission to review the matter.<sup>7</sup>

On October 17, 2024, under Minn. Stat. § 216B.172, subd. 3(b), the Commission’s Chair issued an order finding a reasonable basis for the full Commission to review the matter through an informal proceeding.

On November 15, 2024, CenterPoint filed a response to the consumer appeal.

On December 23, 2024, the Commission received initial comments from the Office of the Attorney General—Residential Utilities Division (OAG) and joint initial comments from the Citizens Utility Board of Minnesota (CUB) and the Legal Services Advocacy Project (LSAP).

On January 28, 2025, CUB and LSAP jointly, OAG, and CenterPoint filed reply comments.

## DISCUSSION

### I. Regulatory Framework

This appeal involves billing issues arising from CenterPoint’s use of a single customer account and billing system for both (1) charges for gas service regulated by the Commission and (2) charges for HSP services and products that are not regulated by the Commission.

The Commission has long recognized the importance of cost separation between a utility’s regulated and unregulated activities to ensure ratepayer revenues from regulated utility service are not used to benefit a company’s unregulated business unfairly. In Docket No. G, E-999/CI-90-1008, the Commission recognized that a utility company’s diversification into unregulated operations creates a risk of harm to ratepayers as there is a “natural impetus to shift costs from the nonregulated to the regulated operation, where costs are covered in rates.”<sup>8</sup> To reduce the risk of improper cross-subsidization, the Commission ordered utilities to adopt accounting standards for separately allocating utility costs between regulated and unregulated activities.<sup>9</sup>

[Minnesota Rules part 7820.1300\(B\)](#) prohibits a utility from disconnecting service to any customer for failure to pay for “merchandise, appliances, or services not approved by the Commission as an integral part of the utility service.”

---

<sup>7</sup> *Id.* at 15–18 (consumer appeal form), 25-29 (narrative).

<sup>8</sup> Docket No. G,E-999/CI-90-1008, *In the Matter of an Investigation into the Competitive Impact of Appliance Sales and Service Practices of Minnesota Gas and Electric Utilities* (Docket No. 90-1008), [Order Setting Filing Requirements](#) at 3 (September 28, 1994); see also [Order Initiating Investigation and Requiring Report](#) at 1 (Jan. 4, 1991); [Order Requiring Further Filings by Utilities](#) at 1-2 (Aug. 28, 1991).

<sup>9</sup> Docket No. 90-1008, [Order Setting Filing Requirements](#).

[Minnesota Rules part 7820.5600](#) requires a utility to “credit all payments against the oldest outstanding account balance before the application of any late payment charge.” “Late payment charge” means “the allowable charge a utility may impose upon a delinquent amount,” and “delinquent amount” means “the portion of a customer’s account representing charges *for utility service or services* past due,” or in the case of a residential customer on a payment plan, the lesser of the outstanding account balance or the outstanding scheduled payments.<sup>10</sup> CenterPoint’s tariff section on late payment charges reflects this rule.<sup>11</sup>

The Commission has broad authority under [Minn. Stat. § 216B.09, subd. 1](#), to “ascertain and fix just and reasonable standards, classifications, rules, or practices to be observed and followed by any or all public utilities with respect to the service to be furnished.”

[Minn. Stat. § 216B.23, subd. 2](#), provides:

Whenever the commission shall find any . . . practices . . . to be unjust, unreasonable, insufficient, preferential, unjustly discriminatory, or otherwise unreasonable or unlawful, . . . the commission shall determine and by order fix reasonable . . . practices, . . . to be . . . imposed, observed and followed in the future in lieu of those found to be unreasonable, inadequate, or otherwise unlawful, and shall make any other order respecting the . . . practice . . . as shall be just and reasonable.

No existing statute, rule, Commission order, or tariff directly addresses (1) whether a utility may use a combined billing system to charge customers for regulated and unregulated business together or (2) if combined billing is used, the order in which a utility must apply a customer’s combined payments between charges for utility service and any other charges in their account.

## **II. Complainant’s Request for Individual Relief**

*This section discusses the Complainant’s request for retroactive adjustments to their account as addressed in Decision Options 1 and 2.*

### **A. CenterPoint’s Default Practice of Applying Payments**

CenterPoint’s default order of applying payments is not included in any tariff, but CenterPoint describes the priority as follows:

#### **1. Gas arrears installment plan**

---

<sup>10</sup> [Minn. R. 7820.5100](#), subps. 2–3 (emphasis added).

<sup>11</sup> CenterPoint Energy Gas Rate Book, Section VI, Fourth Revised Page 23, Section 10.02, <https://www.centerpointenergy.com/en-us/Documents/RatesandTariffs/Minnesota/CPE%20MN%20Tariff%20Book%204.12.2022.pdf>.

2. Gas arrears not in an installment plan
3. Home Service Plus arrears
4. Current gas charges
5. Current Home Service Plus charges<sup>12</sup>

For purposes of payment priority, gas arrears covered under an installment payment plan are not treated as being due or past-due while the payment plan is in effect, other than the monthly installment amount.<sup>13</sup>

For example, consider a customer who has \$200 in gas arrears, \$200 in HSP arrears, and \$175 in current gas charges. Assume the customer enrolled in a payment plan requiring them to pay \$25 toward the gas arrears, plus current gas charges, each month. If the customer made a \$200 payment when the first installment was due, CenterPoint would apply only \$25 toward the gas arrears installment plan (priority #1), \$175 toward HSP arrears (priority #3), and \$0 toward current gas charges (priority #4). CenterPoint would terminate the payment plan for failure to pay the current gas charge, so the full gas balance would become due.<sup>14</sup> The unpaid \$175 gas charge from this month would move to “gas arrears not included in an installment plan” (priority #2) on the next month’s bill, along with the remaining \$175 that was formerly covered by the payment plan. \$25 would remain in HSP arrears, which would again take priority over the next month’s current gas charges. The customer could have their gas shut off if they are unable to pay the full gas arrears or enter into a new payment plan.

CenterPoint stated that a customer has the option to designate how an individual payment should be applied instead of the default;<sup>15</sup> however, CenterPoint did not explain whether or how it advises customers of this option or what procedures exist for making such a designation.

## **B. Timeline of Complainant’s Payments and Disconnection**

In 2020, the Complainant bought a furnace from CenterPoint on a financing plan to be paid in monthly installments with their gas bill.<sup>16</sup> The record suggests the Complainant believed it was mandatory to purchase HSP repair plans and did not understand the difference between the

---

<sup>12</sup> CAO Case Record at 38; [CenterPoint Response to Consumer Appeal](#) at 3 (Nov. 15, 2024).

<sup>13</sup> See CenterPoint Response at 3–4 (explaining that the Complainant enrolled in a payment plan on March 27, 2023, for \$427.49 in gas arrears, but when they made a payment on April 4, “the gas account was deemed current due to the recently implemented payment plan, for which the first payment was not yet due. Because of the payment plan, the account did not show a past due gas balance, and consequently the [full] payment was applied to the past due furnace installment plan.”).

<sup>14</sup> See *Id.* at 4–5 (stating failure to pay the first installment due under the payment plan resulted in a default on the gas payment plan, rendering the full gas balance due).

<sup>15</sup> *Id.* at 8.

<sup>16</sup> CAO Case Record at 15, 18.

repair plans and installment payments for the furnace purchase, instead believing repair plan payments would go toward the furnace loan or the gas bill.<sup>17</sup>

CenterPoint bills customers for regulated utility service and unregulated products and services in a single customer account using a single billing system, grouping charges for appliance sales and HSP services together as one “HSP amount due” on bills.<sup>18</sup> As of 2023, the Complainant’s CenterPoint account included monthly charges for several products and services under the “HSP” umbrella: furnace financing, a pipe protection plan, a refrigerator repair plan, and a clothes washer repair plan.<sup>19</sup>

Ledgers show CenterPoint frequently applied portions of the Complainant’s payments to HSP before certain gas charges dating back to at least February 2021.<sup>20</sup> On April 6, 2021, after the Complainant enrolled in an averaged monthly billing or “budget billing” plan for gas service, CenterPoint applied the Complainant’s entire first payment to HSP, leaving a gas balance of over \$400.<sup>21</sup> From then until December 2022, on five more occasions the Complainant paid at least as much as the budget billing plan amount but CenterPoint applied less than the plan amount toward gas, applying the rest to HSP and twice applying late fees to the gas balance.<sup>22</sup>

On March 27, 2023, the Complainant enrolled in a payment plan for \$427.49 in gas arrears, requiring \$25 toward gas arrears plus current gas charges each month.<sup>23</sup> On April 4, the Complainant called CenterPoint asking to pay their gas bill and was incorrectly told \$131.24 was owed for gas—CenterPoint now concedes that total actually reflected the HSP balance.<sup>24</sup> CenterPoint then directed the Complainant to an automated payment system to make the

---

<sup>17</sup> *Id.* (stating the Company “required that I pay” \$150 monthly for what the Complainant believed was insurance on the furnace or would “go toward my bill,” asking “Where did that money go for all those years?”).

<sup>18</sup> See *Id.* at 21 (Nov. 6, 2023 bill providing a single “HSP Amount Due”); *id.* at 39–45 (ledgers provided to CAO showing multiple HSP plans); [Corrected Ex. A to CenterPoint Response](#), Customer Breakdown Tab (Dec. 12, 2024).

<sup>19</sup> CAO Case Record at 2, 39.

<sup>20</sup> Corrected Ex. A, Customer Breakdown Tab at line 5.

<sup>21</sup> *Id.* at cells R7, X7, N7, and Explanation Sheet. Under the averaged monthly billing model, CenterPoint estimates a customer’s yearly gas bill and divides it by 12 to determine equal monthly payments. Every six months, CenterPoint recalculate the monthly payment based on weather, energy cost adjustment, and the customer’s deferred balance. *Budget Billing*, CenterPoint Energy (permalink: <https://perma.cc/656L-7V3J>).

<sup>22</sup> Corrected Ex. A, Customer Breakdown Tab at lines 11, 13, 19, 22, 26. Applying less than the budget billing plan amount to gas each month increased the customer’s deferred balance, leading CenterPoint to increase the required monthly payment when it recalculated the budget billing plan every six months. See *id.* at column H, lines 7–28; Corrected Ex. A, Explanation Sheet Tab.

<sup>23</sup> CAO Case Record at 2.

<sup>24</sup> CenterPoint Response at 4.



payment; however, CenterPoint applied the full payment toward HSP arrears against the customer's instructions.<sup>25</sup>

CenterPoint conceded it should have followed the customer's direction to apply the April 4 payment to gas, but it argued that applying the full payment to HSP arrears was consistent with the Company's default practice.<sup>26</sup> This is because, under the terms of the payment plan, as long as the customer timely paid the agreed amount—current gas charges plus a \$25 installment toward gas arrears—the rest of the gas arrears covered by the payment plan would not be treated as due or past due. Thus, only the \$25 installment currently due under the payment plan would go to gas arrears before HSP arrears.

In this case, according to CenterPoint, the first \$25 installment under the payment plan agreed to on March 27 did not become “payable” until May; CenterPoint's system therefore did not deem any gas arrears to be due as of April 4, so it applied *none* of the April 4 payment toward gas arrears. Moreover, CenterPoint always treats current gas charges as lower priority than HSP arrears—even though its gas payment plans require payment of current gas charges every month—so CenterPoint's system does not apply any part of a payment toward current gas charges until after HSP arrears have been fully paid.<sup>27</sup> Accordingly, after CenterPoint told the Complainant the wrong gas amount and applied that payment to HSP arrears against instructions, the gas charge that was due in April went unpaid and became gas arrears outside the payment plan in May.

The Complainant missed the payment due in May 2023.<sup>28</sup> CenterPoint therefore considered the account to be in default and canceled the payment plan.<sup>29</sup> On June 6, CenterPoint sent notice that the Complainant's gas service would be disconnected unless they paid the full gas balance of \$853.73 or enrolled in a new payment plan within 10 days of the mailing date.<sup>30</sup>

On June 15, the Complainant made a \$100 payment. CenterPoint applied it to gas, but because it did not cover the full gas balance and the parties did not first agree on a new payment plan, CenterPoint shut off gas service on June 23.<sup>31</sup> On July 4, CenterPoint closed the account and

---

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> See *id.* at 3–4. It is unclear to staff why the first \$25 installment under the payment plan entered into in March amount was not considered payable as of April 4; if it had been, the first \$25 of the payment should have been applied toward the gas arrears installment plan before HSP arrears according to CenterPoint's policy.

<sup>28</sup> CenterPoint Response at 4–5; Corrected Ex. A, Customer Breakdown Tab at cell E36.

<sup>29</sup> CenterPoint Response at 4–5.

<sup>30</sup> CAO Case Record at 46, Disconnection Notice mailed June 6, 2023.

<sup>31</sup> *Id.*; CAO Case Record at 25.

generated a final bill stating all gas and HSP charges—about \$4,000—were due in full.<sup>32</sup> The Complainant made a partial payment on July 21, but CenterPoint did not restore service.<sup>33</sup>

The Complainant went without gas service until October 2023, when they sought CAO's help.<sup>34</sup> CAO contacted CenterPoint, and CenterPoint reconnected the gas service, assessing a \$28 reconnection fee and reopening the account with a past-due gas balance of \$634.09.<sup>35</sup>

### C. Complainant's and CAO's Arguments

The Complainant asked the Commission to require CenterPoint to recalculate their account starting with the November 2020 bill, applying each payment first to gas arrears and next to current gas charges, and then applying any remainder to HSP only after all gas balances are \$0—removing late-payment charges and the reconnection fee accordingly (**Decision Option 1**). The Complainant contended that, if CenterPoint had applied payments in this order, the Complainant's gas service never would have been disconnected.

The Complainant and CAO argued that CenterPoint's practices violated principles established in Commission orders and rules.<sup>36</sup> First, they contended CenterPoint's practice of prioritizing HSP arrears before current gas charges and before gas arrears not currently "due" because of a payment plan effectively forces ratepayers to subsidize the utility's unregulated business to avoid having utility service disconnected. They argued this violates the cost-separation principles underlying Commission orders in Docket No. 90-1008, which emphasize the importance of avoiding cross-subsidization between utility and non-utility businesses.<sup>37</sup>

The Complainant and CAO argued that CenterPoint's practice of diverting portions of each payment to HSP contravenes cost-separation principles by making it impossible for a customer with HSP arrears to pay off gas charges, and thus avoid growing gas arrears and disconnection, unless they first pay past-due HSP charges. As long as the customer's account reflected HSP arrears, CenterPoint applied a portion of each payment to HSP arrears before allowing the customer to pay for current gas. This effectively forced the Complainant to pay for HSP before they could pay current gas charges, which was necessary to stay on the gas payment plan, avoid increasing gas arrears, and prevent disconnection. Thus, the Complainant and CAO argued, CenterPoint set up a situation where failure to pay for HSP contributed to the disconnection of the Complainant's gas service.

---

<sup>32</sup> CAO Case Record at 25.

<sup>33</sup> *Id.*; Corrected Ex. A.

<sup>34</sup> CAO Case Record at 25.

<sup>35</sup> *Id.* at 1–3; Corrected Ex. A, Customer Breakdown Tab at cells N39, J40; *Id.* at Explanation Sheet (noting 10/17/2023 reconnection fee).

<sup>36</sup> CAO Case Record at 25–29.

<sup>37</sup> *Id.* at 28.

As a public policy matter, the Complainant and CAO argued that CenterPoint's practice of applying portions of customer payments toward HSP while gas charges remain unpaid is unjust and unreasonable because gas is a critical service and customers in CenterPoint's service area have no option to choose a different provider.<sup>38</sup> They argued it contravenes public policy for a utility company to apply a utility customer's payment toward charges for optional appliance sales or repair plans while the customer is at risk of having gas service disconnected. They contended that protecting consumers from utility-service disconnection should be the paramount concern and that any unregulated business CenterPoint engages in should be separate and secondary to the provision of utility service.

Additionally, the Complainant and CAO argued CenterPoint had violated Commission rules by assessing late-payment fees to the gas balance when the payment would have been enough to cover the gas payment-plan amount had it not been diverted to HSP. They argued Minn. R. 7820.5600 required the Company to apply each full payment toward gas charges first, before HSP, before assessing any fees for late payment of gas charges.<sup>39</sup>

Rule 7820.5600 provides: "The utility shall credit all payments received against the oldest outstanding account balance before the application of any late payment charge." Rule 7820.5100 defines "late payment charge" as "the allowable charge a utility may impose upon a delinquent amount," and defines "delinquent amount," as "the portion of a customer's account representing charges *for utility service* or services past due" (emphasis added). CAO and the Complainant argued these rules prohibited CenterPoint from assessing late fees for gas unless the Company applied each payment to gas charges first, including those in arrears (whether paused under a payment plan or not) and next to current gas charges, before applying any remainder to HSP.

The Complainant and CAO argued that CenterPoint's actions violated the orders, rules, and policies discussed above, and that the appropriate remedy is to retroactively adjust the Complainant's account to correct the alleged violations.

#### **D. CenterPoint's Response**

CenterPoint recommended denying the requested relief to the Complainant's account (**Decision Option 2**). In its initial response to the consumer appeal, CenterPoint acknowledged that it had incorrectly applied the \$131.24 April 4, 2023 payment to HSP contrary to the Complainant's request.<sup>40</sup> To correct its error "and for good will purposes," CenterPoint adjusted the account by (1) moving the April 4 payment from HSP to the gas balance, (2) removing late fees totaling \$93.72 and a \$10.00 returned check fee from the gas balance,

---

<sup>38</sup> *Id.* at 26, 28.

<sup>39</sup> *Id.* at 28.

<sup>40</sup> CenterPoint Response at 5.

and (3) removing a \$28.00 reconnection fee.<sup>41</sup> With these adjustments, the gas account reflected an overall credit of \$10.29 as of November 5, 2024.<sup>42</sup>

CenterPoint, however, argued that even if it had applied the April 2023 payment correctly, “it would not have changed the course of events” because that payment was less than the total required by the gas payment plan including current gas charges, so the customer still would have defaulted on the payment plan.<sup>43</sup>

CenterPoint also disputed the argument that its practices violate Docket No. 90-1008 cost-separation principles. CenterPoint stated that those standards apply to accounting for a company’s operating costs but do not govern customers’ payments within their accounts.<sup>44</sup>

CenterPoint argued the disconnection was not unlawful under Minn. R. 7820.1300(B), asserting that it disconnected the Complainant’s gas solely due to delinquent gas charges. CenterPoint stated that the gas disconnection was immediately preceded by the Complainant defaulting on a gas arrears payment plan and then failing to either pay the full gas arrears or enter into a new gas payment plan—a permissible reason to disconnect gas service.<sup>45</sup>

CenterPoint defended its current payment allocation practices as just and reasonable, arguing customers benefit from HSP offerings and can benefit from prioritizing past-due charges for unregulated business over current gas charges to avoid interest accrual, late-payment charges, or termination of HSP plans.<sup>46</sup> Further, CenterPoint stated that customers already can choose to direct their payments differently from the default order and argued it would not benefit customers to remove that choice.<sup>47</sup>

CenterPoint contended that retroactively moving payments from the Complainant’s HSP balance to the gas balance would unfairly relieve contractual obligations under multiple contracts in favor of obligations under the contract for gas service, despite the fact that the customer voluntarily agreed to all of these contracts.<sup>48</sup> CenterPoint argued that “having a safe, operating furnace is a critical component of providing gas service,” so it is necessary and in the

---

<sup>41</sup> *Id.*; see also Corrected Ex. A, Explanation Sheet Tab (“Misc Charges Explanation”).

<sup>42</sup> Corrected Ex. A, Customer Breakdown Tab at cell N61. The account continued to reflect a deficit over \$3,000 for the furnace and HSP plans.

<sup>43</sup> CenterPoint Response at 5.

<sup>44</sup> *Id.* at 7.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 7–9.

<sup>47</sup> *Id.* at 8–9. CenterPoint did not explain what mechanisms are in place to ensure customers’ payment allocation instructions are followed or whether the Company has made any process improvements since it failed to apply the Complainant’s payment to gas charges as instructed in April 2023.

<sup>48</sup> CenterPoint Response at 6.

customer's interest to apply payments in a way designed to maintain not only gas service but also the furnace financing and repair plans.<sup>49</sup>

CenterPoint argued that the Complainant benefited from the use of the financed furnace and the peace of mind of the HSP plans for years and it would be unjust to simply transfer those payments over to benefit a different contract, effectively giving this customer these services for free without collecting the contractually agreed-upon consideration.<sup>50</sup>

Finally, CenterPoint made legal arguments that retroactively reallocating the account as requested "has no basis in present rule or tariff" and would be "*ex post facto* regulation in violation of due process."<sup>51</sup>

## E. Comments

CUB, LSAP, and OAG did not take a position on whether the Commission should grant the request for retroactive adjustments to the Complainant's individual account, instead focusing their recommendations on broader prospective policy changes.

However, OAG reviewed the record and concluded there had been a "lack of proper differentiation between [CenterPoint's] regulated and unregulated businesses," and that CenterPoint's combined billing practices contributed to the Complainant's gas service being disconnected in three ways.<sup>52</sup>

First, OAG observed that payments made in the months preceding the 2023 gas shutoff were applied to unregulated portions of the account instead of gas, resulting in greater gas arrears.<sup>53</sup>

Second, asserting that "[t]here is no indication from the record that [the Complainant] ever received any tangible benefit from [HSP] plans," OAG noted the total amount the Complainant paid for HSP repair plans since November 2020 (\$857.05) exceeded the amount of gas arrears at the time of disconnection (\$853.73); thus, if the Complainant had not purchased HSP repair plans and those payments instead had gone toward gas, the gas account would not have been in the arrears that triggered the disconnection.<sup>54</sup>

Third, OAG argued that CenterPoint's use of its gas billing system for unregulated business and its prioritization of HSP arrears before gas created "a systematic bias against keeping [the] gas

---

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> OAG Initial Comments at 7-8 (Dec. 23, 2024).

<sup>53</sup> *Id.* at 8, citing Corrected Ex. A.

<sup>54</sup> OAG Initial Comments at 9–10, citing Corrected Ex. A, Customer Breakdown Tab at column X.

balance current.”<sup>55</sup> OAG argued that combined billing makes it difficult for both customers and CenterPoint’s customer service representatives to track where payments are going, which increases the likelihood that a gas bill will not be credited despite the customer’s intent when making a payment, like what happened to the Complainant in this case.<sup>56</sup>

Additionally, CUB and LSAP highlighted CenterPoint’s role in the disconnection, noting that on April 4, 2023, when the Complainant called asking to pay the rest of their gas bill, CenterPoint’s representative not only gave the wrong amount due—an amount less than gas arrears and less than that required to stay current on the gas payment plan—but also failed to apply the payment toward gas as directed.<sup>57</sup> CUB and LSAP posited that, if CenterPoint had provided correct information and followed the Complainant’s instructions, the Complainant would have been in a better position to avoid disconnection. Even if the Complainant still missed the May payment, the remaining gas balance due to prevent disconnection would have been \$358.08—likely more manageable than the \$853.78 that ended up on the disconnection notice.<sup>58</sup>

### III. Changes to Billing System or Payment Priority

*This section discusses proposed changes to the billing system and to how payments from customers will be applied to line items in the bill. These changes are covered in Decision Options 3, 4, 5, and 6.*

All parties except CenterPoint agreed that changes should be made to CenterPoint’s billing or payment practices to clarify the distinction between regulated and unregulated offerings and to reduce the likelihood that unregulated purchases will increase a customer’s risk of losing gas service.

Parties proposed two possible pathways for advancing these goals: (1) requiring separate bills for HSP and for gas service (**Decision Option 3**); or (2) if combined billing is allowed, modifying the default order of payment allocation to prioritize all gas charges over any unregulated charges (**Decision Options 5 or 6**).

Initially, the Complainant, CAO, CUB, and LSAP recommended modifying the order of payment allocation on combined gas and HSP bills, while OAG recommended the separate-billing approach. In Reply Comments, CUB and LSAP supported OAG’s separate-billing approach.

---

<sup>55</sup> OAG Initial Comments at 7.

<sup>56</sup> *Id.* at 10–13.

<sup>57</sup> CUB and LSAP Initial Comments at 4 (Dec. 23, 2024).

<sup>58</sup> *Id.*; see CAO Case Record at 30 (disconnection notice demanding \$853.73 within 10 days).

## A. Separate Billing

### 1. OAG

OAG proposed that the Commission require CenterPoint to bill for any unregulated products and services separately from natural gas service<sup>59</sup> (**Decision Option 3**). OAG stated that CenterPoint enjoys a marketing advantage for its unregulated business through its regulated business. OAG argued that combining regulated and unregulated business in the same billing system presents an unreasonable risk to ratepayers, making it difficult for customers to understand what they owe for each product and what payments they need to make to keep the gas on, while also making it difficult for customers to control how payments are applied.<sup>60</sup>

OAG described the Complainant's November 2023 bill as "a confusing muddle of debits and credits" that conflated multiple HSP repair plans and furnace financing into a single "HSP" charge, did not specify whether a late fee related to gas or HSP, and grouped gas and HSP arrears into a "past due amount due immediately" without specifying that only the gas portion could lead to disconnection.<sup>61</sup>

OAG noted that a running accounting CenterPoint initially provided to CAO combined gas, the furnace purchase, and multiple service plans into a single running list of debits and credits, with no indication of which product each payment was applied to.<sup>62</sup> OAG stated that the more detailed accounting statement in Corrected Ex. A to CenterPoint's Response<sup>63</sup> shows that the customer's payments were often split between various products inconsistently without a discernable methodology for determining those splits. OAG said: "It is self-evident that sending either of these accountings to a customer who is not intimately familiar with CenterPoint's billing system and payment application practices would fail to properly inform the customer about their account."<sup>64</sup>

OAG concluded that the best way to minimize confusion and to make bills understandable for customers as well as CenterPoint's customer service representatives would be to maintain separate accounting and billing for regulated and unregulated business.<sup>65</sup> Separate bills would allow customers to immediately see what they owe for each product and what they are paying

---

<sup>59</sup> OAG Initial Comments at 13.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.* at 14–15; CAO Case Record at 28.

<sup>62</sup> OAG Initial Comments at 15; see CAO Case Record at 39–43.

<sup>63</sup> Corrected Ex. A.

<sup>64</sup> OAG Initial Comments at 15.

<sup>65</sup> *Id.* at 16.



for each product. Customers should be able to read a gas bill and easily understand what payments they need to make to keep their gas on.

Further, OAG argued separate payments would put the customer in control of how much they pay toward gas and how much toward HSP, rather than making a lump sum payment and leaving it up to the Company to apportion it. This way, a customer struggling to keep up with their bills could make informed decisions about which bills to prioritize, understanding the different consequences of defaulting on each. This would also make it clearer to customers that they can cancel HSP service plans without affecting their gas service or appliance loans—facts that were not made clear to the Complainant in this case.<sup>66</sup>

OAG acknowledged that receiving two bills with the same CenterPoint branding could confuse customers. To avoid confusion, OAG recommended requiring CenterPoint to include on its gas bills a clear statement that the bill is for regulated utility service and that any charges for unregulated business will be on a separate bill (**Decision Option 3.A**). For customers with gas arrears, OAG recommended requiring notice of the right to a payment agreement and how to get help from CAO (**Decision Option 3.B**). Finally, OAG suggested that if CenterPoint sends the gas and HSP bill together in the same envelope or email, the gas bill should be placed on top to reduce the chance a customer could miss it (**Decision Option 3.C**).

OAG acknowledged that separate billing would require customers to make two separate payments but argued the loss of efficiency would not be substantial. OAG stated there would be no functional change for customers who make automatic payments, and making two payments would require no more effort than a customer buying gas from CenterPoint and appliances from a competitor. OAG contended that the small loss of efficiency from separate billing would be outweighed by the transparency and consumer control benefits.

CUB and LSAP supported OAG's separate billing proposal.<sup>67</sup>

## 2. CenterPoint

CenterPoint opposed mandatory separate billing, arguing that customers find it convenient to have all charges on a single bill.<sup>68</sup> CenterPoint asserted that customers already have the option to request separate bills when they first make an HSP purchase, but historically only 5% of customers who purchase an appliance and 1% of customers who purchase HSP services have requested separate bills.<sup>69</sup>

---

<sup>66</sup> OAG Initial Comments at 6, citing CAO Case Record at 15, 18; *see also* CAO Case Record at 1 (CAO staff note and email stating Complainant said they were told they had to pay the entire \$4,000 gas and HSP balance or service would be disconnected).

<sup>67</sup> CUB and LSAP Reply Comments at 5–6 (Jan. 28, 2025).

<sup>68</sup> CenterPoint Reply Comments at 2 (Jan. 28, 2025).

<sup>69</sup> *Id.*



CenterPoint asserted it would take “hours of reprogramming” to implement changes in the company’s system, which would come at a cost.<sup>70</sup> CenterPoint also argued that making these changes to its system would undo “functionalities” customers have selected and would require customers to “reset” their accounts with their chosen functionalities.<sup>71</sup> It argued imposing these changes on customers could impact the Company’s established customer relationships.

CenterPoint therefore asked that the Commission allow it to continue to combine bills but give customers an opportunity to elect separate billing when they first purchase an unregulated product or service (**Decision Option 4**).

## **B. Prioritizing Gas in Combined Billing**

### **1. Complainant and CAO**

The Complainant and CAO recommended requiring CenterPoint to change its combined payment allocation practice to prioritize past-due gas charges first, and then current gas charges, not applying any part of a payment toward unregulated business until all gas balances have been fully paid (**Decision Option 5**). Their arguments in support of this change are the same as those outlined above in Section II.C and will not be repeated here.

### **2. CUB and LSAP**

If the Commission allows CenterPoint to continue combined billing, CUB and LSAP recommended requiring CenterPoint to prioritize all gas charges ahead of any unregulated business when applying customer payments. Unlike the Complainant and CAO, CUB and LSAP recommended prioritizing current gas charges first, then gas arrears (**Decision Option 6**).<sup>72</sup>

CUB and LSAP argued that CenterPoint’s current practice of prioritizing HSP arrears over current gas charges increases the risk that customers will be left with unpaid current gas charges after making each payment, creating a cycle of perpetually growing gas arrears.<sup>73</sup> Further, because CenterPoint’s gas payment plans require full payment of current gas charges each month, prioritizing HSP arrears over current gas charges increases the risk that a customer will be unable to meet the terms of their payment plan, resulting in cancelation of the payment plan and potential disconnection.<sup>74</sup>

---

<sup>70</sup> CenterPoint Reply Comments at 2.

<sup>71</sup> *Id.*

<sup>72</sup> CUB and LSAP Initial Comments at 7.

<sup>73</sup> *See id.* at 5.

<sup>74</sup> *Id.*; see CAO Case Record at 46 (disconnection notice giving 10 days from date of mailing to pay full gas balance or agree to a new payment plan to prevent disconnection).

CUB and LSAP highlighted the tension between Minn. R. 7820.1300, which prohibits disconnection of utility service for failure to pay for unregulated business, and CenterPoint's practice of applying payments to HSP arrears before current gas charges even if it will push the customer's current gas charges into future arrears and cause the customer to default on a payment plan the customer is relying on to prevent disconnection.<sup>75</sup> They argued CenterPoint's practice allows HSP to contribute to disconnection by diverting money that otherwise would have kept the gas account out of arrears and on a payment plan.

CUB and LSAP argued that these concerns are compounded for customers enrolled in the Gas Affordability Program (GAP), which offers low-income customers an income-based flat monthly bill, financial assistance toward gas bills, and protection from gas shutoff while enrolled.<sup>76</sup> Customers can be terminated from GAP if they fail to pay two consecutive monthly payments in full.<sup>77</sup> Moreover, once a customer has been terminated from GAP, CenterPoint prohibits them from re-enrolling in GAP for a full calendar year, compounding the possible harm. Because the monthly payment under GAP is for current gas charges, CUB and LSAP expressed concern that prioritizing HSP arrears over current gas charges makes it more likely customers will be removed from GAP, even if a payment would have covered the GAP bill if CenterPoint had not diverted it to HSP.

Although CUB and LSAP did not directly explain why they would prioritize current gas charges over past-due gas charges, staff infers this preference likely relates to GAP. Prioritizing current gas charges over HSP arrears may help a customer stay enrolled in GAP and keep their gas service on despite potentially incurring late-payment fees for arrears.

In reply comments, CUB and LSAP amended their position to state that changing the order of applying payments *alone* would be insufficient.<sup>78</sup> They recommended certain changes to customer bills, CenterPoint's website, and other communications to help protect customers if the Commission allows CenterPoint to continue combined billing (discussed below in Part IV).

### 3. OAG

OAG preferred its separate-billing proposal (discussed above) but alternatively would support modifying the order of payment allocation to prioritize gas charges if the Commission does not require separate billing. OAG agreed that this change would help to reduce the likelihood of gas arrears and disconnections resulting from HSP payments compared to the current practice;

---

<sup>75</sup> CUB and LSAP Initial Comments at 6.

<sup>76</sup> *Id.* at 6–7; see CenterPoint Energy Gas Rate Book, Section V, Seventh Revised Page 25, <https://www.centerpointenergy.com/en-us/Documents/RatesandTariffs/Minnesota/MN-Tariff-Book.pdf>.

<sup>77</sup> CUB and LSAP Initial Comments at 6–7; CenterPoint Energy, Gas Rate Book, Section V, Twentieth Revised Page 25.a (effective Feb. 9, 2024), <https://www.centerpointenergy.com/en-us/Documents/RatesandTariffs/Minnesota/MN-Tariff-Book.pdf>.

<sup>78</sup> CUB and LSAP Initial Comments at 6.

however, OAG contended this change alone would not increase transparency or customer control over their bills.<sup>79</sup>

#### **4. CenterPoint**

CenterPoint opposed modifying its default order of payment allocation. In addition to arguments noted above in Section III.A.2 regarding the time and expense of reprogramming, loss of functionalities, and customer relationships, CenterPoint asserted that prioritizing HSP arrears before current gas charges benefits customers by avoiding contractual interest and avoiding late charges or termination of unregulated service plans.<sup>80</sup> CenterPoint argued that mandatorily subordinating HSP arrears would likely result in more defaults on appliance loans and service contracts, which could mean more customers dealing with late fees and non-functioning appliances.<sup>81</sup> CenterPoint argued its current practice of prioritizing arrears for both gas and HSP helps customers to avoid defaulting on their contracts so they can maintain all the products and services they have chosen to purchase.

Disputing the arguments that utility service is more important than its unregulated business, CenterPoint stated: “Ensuring heat, hot water and cooking gas in the home requires safe and operating gas appliances as much as it requires uninterrupted natural gas service.”<sup>82</sup>

#### **IV. Changes to Bills, Website, and Other Communications**

*This section discusses proposed changes to CenterPoint’s bills, website content, and other outreach methods to customers, addressed in Decision Options 17–22.*

##### **A. CUB, LSAP, and OAG**

CUB, LSAP, and OAG agreed that changes are needed in CenterPoint’s bills, website, and other communications to ensure proper delineation between regulated and unregulated business and improve clarity regarding CenterPoint’s billing practices, disconnection practices, and payment agreement practices.<sup>83</sup>

If combined billing continues, CUB and LSAP recommended that the Commission require CenterPoint to change the structure of its bills to more clearly separate charges for utility service from unregulated charges.<sup>84</sup> They noted that CenterPoint currently groups previous and current amounts due for gas and HSP under a single “Account Summary” heading, with bill

---

<sup>79</sup> OAG Reply Comments at 2 (Jan. 28, 2025).

<sup>80</sup> CenterPoint Response at 7–9.

<sup>81</sup> *Id.* at 9.

<sup>82</sup> *Id.*

<sup>83</sup> CUB and LSAP Reply Comments at 6; OAG Reply Comments at 8–9.

<sup>84</sup> CUB and LSAP Reply Comments at 6–7.

payments, arrearage balances, and late fees aggregated together across regulated and unregulated offerings such that customers are unable to see how their payments were applied or which late fees were associated with which product or service.<sup>85</sup>

To improve transparency and better equip customers to make informed decisions about their accounts, CUB and LSAP recommended requiring CenterPoint to include two separate “Account Summaries” on combined bills: one for “Gas Service Charges” and one for “Home Service Plus and Merchandise” (**Decision Option 9**), and include itemized details in each including the previous amount due, payments applied, late fees, reconnection fees or other charges, current charges, and total amount due for gas and separately for unregulated business (**Decision Options 10 and 11**), followed by a combined “Total Amount Due” (**Decision Option 12**).

As a less prescriptive alternative to CUB and LSAP’s Decision Options 9–12, OAG’s **Decision Option 8** would simply require a clear itemization of each charge, including separate identification of charges for each HSP repair plan and each appliance purchase.

CUB, LSAP, and OAG also recommended requiring CenterPoint to add certain clear, plain-language disclosures to bills (**Decision Options 7 and 13**), its website (**Decision Options 17–18**), and the explanation of HSP programs provided to new customers (**Decision Option 19**).<sup>86</sup> The proposed bill changes and disclosures would help customers understand the difference between regulated gas service and unregulated products and services, that the Commission regulates gas service but not HSP, that customers are not required to purchase HSP products or services, that gas service cannot be disconnected for failure to pay for HSP, that customers in arrears have a right to a payment plan, and how to contact CAO.<sup>87</sup>

Because many customers, and particularly more vulnerable customers, are unlikely to use CenterPoint’s website, OAG also proposed requiring CenterPoint to provide certain information on these topics whenever a customer calls CenterPoint asking about HSP (**Decision Option 21**) or arrears (**Decision Option 22**).<sup>88</sup>

If the Commission requires any bill changes, CUB and LSAP recommended requiring CenterPoint to provide an explanation of the various bill components with its first bill reflecting the changes to help customers understand the redesigned bill (**Decision Option 14**). OAG recommended requiring CenterPoint to file a proposed redesigned bill and allowing parties 60 days to request a comment period if they believe there are inadequacies (**Decision Option 15**).

---

<sup>85</sup> *Id.*

<sup>86</sup> Staff notes that the Commission does not need to make a decision on Decision Option 18 in this docket. This is discussed below in the Staff Analysis section.

<sup>87</sup> CUB and LSAP Reply Comments at 6–7; CUB and LSAP Initial Comments at 7–8; OAG Reply Comments at 7–9.

<sup>88</sup> OAG Reply Comments at 9.

## B. CenterPoint

CenterPoint supported CUB and LSAP's proposal that CenterPoint post certain information on its website (**Decision Options 17–18**), but it proposed the following modification to CUB and LSAP's proposed Decision Option 18.B:

CenterPoint Alt. B. If the ~~payment agreement terms offered~~ current bill is not affordable to you, or if your household is facing financial or extenuating circumstances, you should contact a CenterPoint customer account representative at 800-245-2377 or [link to "Contact Us" form].

This change would make the information relevant to any customer, not just those already on or negotiating a payment plan.

Additionally, CenterPoint proposed the following order language relating to communications with customers: "When interacting with residential gas customers who are setting up payment arrangements on gas and in addition are HSP® customers, the Company will explain allocation of payments"<sup>89</sup> (**Decision Option 20**).

## V. Reporting

*This section discusses the proposed reporting requirements covered in Decision Options 24–26.*

### A. CUB, LSAP, and OAG

Noting that CenterPoint's disconnection policy, payment agreement policy, and billing practices have not been easily accessible to the public, CUB and LSAP recommended that CenterPoint file these policies with the Commission in the Company's annual service quality docket—Docket No. E,G-999/PR-YR-02—both within 30 days after an order on this consumer appeal (**Decision Option 24**) and every time it changes those policies (**Decision Option 25**).<sup>90</sup> CUB and LSAP noted the Commission imposed similar requirements on Northern States Power Co. d/b/a Xcel Energy in Docket No. E-002/M-24-27.

Additionally, OAG recommended requiring CenterPoint to include in its annual service quality reporting the number of gas-and-HSP customers overall, the number of these customers in arrears, and the number who have had their gas service disconnected (**Decision Option 26.A**). OAG argued this information would provide insight into how HSP affects gas customers even if those customers do not file a complaint with CAO.

OAG further recommended requiring CenterPoint to include in its annual service quality reporting the number of HSP customers who receive Low-Income Home Energy Assistance Program (LIHEAP) funds and how many of these customers are in arrears or have been

---

<sup>89</sup> CenterPoint Reply Comments at 3.

<sup>90</sup> CUB and LSAP Initial Comments at 7–8.

disconnected (**Decision Option 26.B**). Noting that LIHEAP customers may be eligible for assistance to repair or replace their heating systems, OAG observed that if CenterPoint has sold HSP offerings to LIHEAP customers, “there is a chance that [CenterPoint] has taken advantage of the LIHEAP customer’s lack of awareness of this assistance.”<sup>91</sup>

## **B. CenterPoint**

CenterPoint supported CUB’s recommendation that the Company submit a compliance filing in its annual service quality docket whenever it modifies its policies related to disconnection, payment agreements, or billing practices<sup>92</sup> (**Decision Option 25**).

## **VI. Rulemaking**

*CenterPoint’s alternative recommendation for a rulemaking proceeding is discussed below and in Decision Option 28.*

CenterPoint argued that, if the Commission finds it necessary to regulate allocation of payments between regulated and unregulated products and services, it should do so through a rule applicable to all utilities rather than an order specific to CenterPoint.<sup>93</sup> While disputing the arguments for regulation in this docket, CenterPoint contended that *if* those reasons had merit, they would apply equally to other utilities. CenterPoint also argued a rulemaking proceeding would benefit the Commission’s decision-making by inviting input from more stakeholders.

OAG countered that a rule of general applicability is unnecessary because the changes proposed in this docket are specific to CenterPoint and thus do not meet the definition of a “rule” as a “statement of general applicability and future effect.”<sup>94</sup> OAG argued it is within the Commission’s authority to, by order, impose a specific remedy requiring one utility to avoid risks to its customers from that utility’s specific practices.

## **STAFF ANALYSIS**

Staff shares parties’ concerns that CenterPoint’s practice of using combined billing for utility service and unregulated offerings, its prioritization of HSP arrears over some gas charges when applying combined payments to a customer’s account, and a lack of clear communication about the Company’s policies have caused confusion among customers and CenterPoint customer service representatives alike and have placed customers at a greater risk of disconnection.

---

<sup>91</sup> OAG Reply Comments at 8–9.

<sup>92</sup> CenterPoint Reply Comments at 3.

<sup>93</sup> CenterPoint Response at 9.

<sup>94</sup> OAG Initial Comments at 17, quoting Minn. Stat. § 14.02, subd. 4.

The events from March through June 2023 leading up to the Complainant’s disconnection illustrate the problem well. As explained on pages 3–4 of CenterPoint’s response, when the Complainant entered into a payment plan in March for \$427.49 in gas arrears, CenterPoint’s billing system designated the first \$25 payment toward arrears not “payable” until May and effectively paused the “past-due” status of the rest of the arrears covered by the payment plan. This shifted HSP arrears to the front of CenterPoint’s default priority as of April 4, leading the system to bypass all gas charges and apply the full payment to HSP arrears. That month’s current gas charges thus went unpaid and fell into arrears the next month.

Although the payment plan required payment of current gas charges each month to avoid disconnection, CenterPoint treats current gas charges as lower priority than HSP arrears. Thus, to get CenterPoint’s automated system to apply any payment toward current gas charges to keep the payment plan, the Complainant would have had to pay enough to cover the full HSP arrears in addition to the current gas charge. If the payment was not enough to cover the higher-priority HSP arrears, then none of the payment would reach the current gas charge, so the Complainant would default on the payment plan.

Although the disconnection was not *directly* due to HSP nonpayment, CenterPoint’s practices increased the risk of disconnection by making it impossible for the Complainant to stay current on the gas payment plan unless they either paid HSP arrears in full or managed to bypass the default payment-allocation system—the latter of which the Complainant *tried* to do when they called CenterPoint on April 4, but CenterPoint (1) failed to correctly identify the gas bill amount when asked and (2) failed to apply the payment to gas charges as directed, despite the Complainant’s diligence.

For these reasons, staff believes CenterPoint’s current practices are inconsistent with the public policy behind Minn. R. 7820.1300(B), which prohibits disconnecting utility service for failure to pay for anything that is not an integral part of the utility service. Staff believes the record shows CenterPoint’s practices of combining billing for gas and unregulated business and directing combined payments toward unregulated arrears before some gas charges can contribute to compounding gas arrears and cause customers to default on gas payment plans, thus—at least indirectly—contributing to gas service disconnection.

The Commission may also wish to consider whether CenterPoint’s practice improperly benefits CenterPoint’s unregulated business at the expense of utility customers, contrary to the cost-separation principles underlying Docket No. 90-1008. As CUB and LSAP explained in reply comments, although the orders in that docket do not directly address billing practices, that investigation arose from concerns about utilities unfairly using their company names and customer information to promote appliance sales and cross-subsidization of unregulated program expenses by captive ratepayers.<sup>95</sup> The record in the instant docket suggests that even if a company observes appropriate cost-separation standards in accounting for its own costs,

---

<sup>95</sup> See CUB and LSAP Reply Comments at 2; Docket No. 90-1008, Order Initiating Investigation and Requiring Report at 1 (Jan. 4, 1991); Order Requiring Further Filings by Utilities at 1-2 (Aug. 28, 1991).



insufficient delineation of regulated and unregulated charges in customer accounts and billing practices may unfairly advantage the company's unregulated business to the detriment of a customer's utility service.

Further, the Commission should consider whether CenterPoint's practice is just and reasonable. Minn. Stat. § 216B.09, subd. 1, and § 216B.23, subd. 2, grant the Commission broad authority to set just and reasonable practices to be followed by a public utility. Staff believes parties have persuasively shown that CenterPoint's current practices can adversely affect customers' utility service while favoring unregulated business in ways the Commission may find unjust and unreasonable.

The above analysis and reasoning underlie staff's recommendations on the various Commission actions parties have proposed, which are addressed separately below.

### **I. Complainant's Request for Individual Relief**

The most recent accounting statement in the record—the Customer Breakdown in Corrected Exhibit A through November 7, 2024—shows that CenterPoint has removed the reconnection fee and all late-payment fees it had assessed to the gas balance since the furnace purchase.<sup>96</sup> After these adjustments and payments made by the customer, the gas account reflected a small credit, with no outstanding gas balance.<sup>97</sup>

Staff believes the Complainant's argument under Minn. R. 7820.5600, which requires a utility to credit payments against the oldest outstanding account balance before applying any charge for late payment, is moot now that all late fees have been removed from the gas balance (**Decision Option 1**).

For the Complainant's individual account, it appears to staff that the past harm caused by CenterPoint's payment allocation practice has been resolved and that it is unnecessary to further recalculate the account by moving past HSP payments to the gas balance as requested. The gas service has been reconnected and the gas arrears have been paid. The only additional costs incurred because of CenterPoint's payment allocation practices were the late fees and reconnection fee, which have been refunded. The other amounts the Complainant asks to move from HSP to gas were payments for charges the Complainant incurred by purchasing the furnace and HSP services, not charges caused by CenterPoint's payment allocation practices.

Additionally, recalculating the fees as requested would increase arrears for the furnace and HSP plans and may lead to additional late fees under the terms of those contracts, which may not be a better outcome for the customer now that the gas account is not in arrears. Retroactively

---

<sup>96</sup> Corrected Ex. A, Customer Breakdown Tab at column M, cells J58, J60; *id.* at Explanation Sheet Tab ("Misc. Charges Explanation"); CenterPoint Response at 4.

<sup>97</sup> Corrected Ex. A, Customer Breakdown Tab at cell N61.



transferring payments from those purchases to increase the credit on the gas account could raise questions of fairness to other customers and to CenterPoint.

For these reasons, staff does not believe further retroactive account adjustments are appropriate to remedy the alleged harm in this case, so staff supports **Decision Option 2**.

## **II. Changes to Billing System or Payment Priority**

For the reasons discussed above, the Commission may consider requiring CenterPoint to change its billing practices for customers with both gas and HSP charges going forward. Both separate billing and modifying combined billing to prioritize gas are reasonable proposals, but separate billing may best alleviate the concerns discussed in this docket.

### **A. Separate Billing**

Staff believes the separate billing approach proposed by OAG (**Decision Option 3**) would give consumers the most transparency and control over their bills. Separate billing and payments would minimize the guesswork and substantially eliminate the problem of payments intended for gas unexpectedly being applied to HSP. Separate billing and payments would prevent CenterPoint from overriding a customer's intent to apply a payment toward current gas charges or, if the customer is under a payment plan, to pay off gas arrears earlier by contributing more than the payment-plan amount toward past-due gas charges when able. Further, separate billing should reduce the problem of HSP interrupting a gas payment plan or GAP enrollment.

With separate bills, a customer facing difficult choices about which household expenses to prioritize could more easily see what they must pay to keep the gas on and ensure their full payment goes toward gas with no interference from CenterPoint's automated system.

Separate billing would also reduce customer confusion between natural gas charges and HSP subscriptions. The Complainant's statements in this record suggest they believed HSP was "insurance" and was a mandatory part of their gas bill.<sup>98</sup> CenterPoint's marketing of its unregulated businesses could easily confuse customers, particularly those who are elderly or have limited English proficiency, about whether protection programs are required. A separate bill with different logos (CenterPoint and HSP) would provide greater clarity.

Similarly, if a customer is more concerned about preventing interest on an appliance purchase as CenterPoint suggests, separate billing would make it easier for the customer to see what they need to pay and make an HSP payment regardless of the status of their gas account, without needing to check CenterPoint's payment allocation policy and calculate how much they should pay to reach a particular tier of the priority formula. Thus, separate billing promotes the customer-choice interest CenterPoint emphasized.

---

<sup>98</sup> See CAO Case Record at 15, 18.

While prioritizing gas charges in a combined billing system would reduce the adverse effects HSP can have on gas arrears and on a customer's ability to keep a payment plan or GAP, staff agrees with OAG that any form of combined billing creates a greater risk of confusion and gives customers less control and certainty over how their payments will be applied. Combined payments empower CenterPoint to decide how to apply payments between regulated and unregulated business, while separate billing gives this power to the customer.

Although CenterPoint argues most customers prefer the convenience of combined bills, the record does not show whether customers who have not opted into separate billing were adequately informed about CenterPoint's payment allocation practices and risks before they made that choice. Further, staff is not persuaded that any convenience customers enjoy from combined billing outweighs the risk of adverse effects to the utility service.

### **B. Prioritizing Gas in Combined Billing**

Alternatively, if the Commission allows CenterPoint to continue combined billing for gas and unregulated offerings, it may consider requiring CenterPoint to change its default order of applying payments to prioritize all charges for utility service above any unregulated charges to reduce the risk of unregulated charges affecting gas arrears and disconnection risk.

Staff notes that CUB and LSAP's proposed order language (**Decision Option 6**) prioritizes current gas charges over past-due gas charges. They said customers can be removed from GAP for missing two consecutive bill payments.<sup>99</sup> However, CUB and LSAP did not address the possible conflict with Minn. R. 7820.5600, which requires a utility to "credit all payments received against the oldest outstanding account balance before the application of any late payment charge." CenterPoint may argue an order requiring application to current gas charges first would make it impossible to comply with this rule or would unfairly preclude CenterPoint from applying late fees that other utilities are permitted to charge.

Accordingly, if the Commission allows combined billing, it may consider **Decision Option 5**, which prioritizes past-due gas charges first, followed by current gas charges, before any charges for unregulated products and services. This option, recommended by the Complainant and CAO, is consistent with rule 7820.5600. Between Decision Options 5 and 6, staff prefers **Decision Option 5**. Arrears, which can be compounded by late fees and miscellaneous charges, should be paid before current gas charges.

### **III. Changes to Bills, Website, and Other Communications**

If the Commission allows CenterPoint to continue combined gas-and-HSP billing, it may also consider requiring CenterPoint to make the bill changes proposed by CUB, LSAP, and OAG to clarify the distinctions between various gas and HSP charges and to help customers understand

---

<sup>99</sup> Staff clarifies that while on GAP, a customer signs up for a payment plan of which they cannot miss two consecutive bills. While some payment plans include the month's current bills, others are essentially budget billing with the customer's average usage.

what they are paying for (**Decision Options 7–13**). The facts of this appeal show how blurring the lines between regulated and unregulated businesses can adversely affect customers. Staff believes the proposed bill changes would help clarify the distinction and help customers understand how their decisions about HSP purchases and bill payments may or may not affect their utility service.

Staff notes that **Decision Option 8** and **Decision Options 9–12** are alternative approaches to accomplish overlapping goals and need not both be selected. OAG's **Decision Option 8** would require a clear itemization of each charge, including separate identification of charges for each HSP plan and each appliance purchase, while CUB and LSAP's **Decision Options 9–12** propose more prescriptive order language about what specific components make a clear bill. Decision Options 10 and 11 would also require additional details about how the customer's previous payment was applied, which are not included in Decision Option 8.

If the Commission requires any changes to the content or structure of bills, staff supports CUB and LSAP's recommendation to also require CenterPoint to provide an explanation of the various bill components with its first bill reflecting the changes, to help customers read and understand the new bill (**Decision Option 14**).

Procedurally, staff also supports OAG's recommendation to require CenterPoint to file a redesigned bill and allow parties to request a comment period (**Decision Option 15**). If the Commission selects Decision Option 15, staff strongly encourages CenterPoint to work with CAO on the bill redesign (**Decision Option 16** would require collaboration with CAO).

Although the parties proposed the above bill changes for combined gas-and-HSP bills, staff believes some of the proposed changes could help customers understand their bills and their rights even if billing is separated. Staff has noted in the decision options which changes appear to be incompatible with the separate-bill approach.

Additionally, whether the Commission requires separate billing or not, it may consider the proposed changes to CenterPoint's website and other customer communications outlined in Decision Options 17–22. Parties noted that customers have not had easy access to essential information about CenterPoint's HSP programs, disconnection policies, payment agreement policies, and billing practices. These decision options would require CenterPoint to provide relevant information on its website (**Decision Options 17–18**), on materials explaining its HSP offerings (**Decision Option 19**), and in communications with customers who contact CenterPoint about HSP or arrears (**Decision Options 20–22**), making it easier for customers to find answers whether they prefer to call customer service or search the Company's website. These requirements could help increase customer awareness about CenterPoint's practices and consumer protections, particularly as customers may not know to ask about or research these topics without CenterPoint pointing them in the right direction.

Staff offers an additional recommendation that the Commission require CenterPoint to notify customers if they have arrears for gas service when they sign up for any HSP plans (**Decision Option 23**). If a customer is signing up for HSP, a best practice would be to ensure the customer

understands they already have past-due gas bills before they increase their payments. This will help the customer make a more educated decision as to whether signing up for HSP is best for their household's budget.

Staff reiterates that CenterPoint should work with CAO on all customer notices.

The Commission need not decide on **Decision Option 18** in this docket. In Docket No. E,G-999/PR-25-2 (the annual Cold Weather Rule reporting docket), CUB and LSAP filed comments recommending that each utility post the same language on its website in a conspicuous place.<sup>100</sup> CenterPoint filed reply comments supporting this recommendation.<sup>101</sup> Moreover, there is an open comment period in Docket No. 25-2 concerning this language,<sup>102</sup> so that docket may be a better forum to decide this issue.

#### IV. Reporting

Staff supports the reporting requirements proposed by the parties in **Decision Options 24–25**. Staff agrees with CUB, LSAP, and OAG that requiring CenterPoint to file its disconnection, payment agreement, and billing practices in the Company's annual service quality docket will improve transparency for customers, stakeholders, and the Commission.

Staff agrees with OAG that requiring CenterPoint to report the data listed in **Decision Option 26** relating to arrears and disconnections of joint gas-and-HSP customers as well as data about HSP customers who receive LIHEAP will help the Commission better understand how HSP programs affect customers and whether any other consumer protections are in the public interest.

CenterPoint noted that any changes to its billing system will take time to implement. If the Commission requires CenterPoint to make changes to its billing system, the Commission may wish to require CenterPoint to file a status report within a designated time period explaining its progress toward implementing the required changes and when the Company expects the changes to be operational (**Decision Option 27**).

#### V. Rulemaking

Staff agrees with OAG that the Commission may regulate CenterPoint's practices at issue in this docket through an order specific to CenterPoint, without a rulemaking or other proceeding involving all utilities. This consumer appeal raises concerns about CenterPoint's practices, brought to the Commission's attention by a CenterPoint customer affected by those practices.

---

<sup>100</sup> See *In the Matter of Cold Weather Reports (CWR) – Regulated Gas & Electric Companies*, Docket No. E,G-999/PR-25-2, [CUB and LSAP Comments](#) at 7 (Jan. 31, 2025).

<sup>101</sup> See *In the Matter of Cold Weather Reports (CWR) – Regulated Gas & Electric Companies*, Docket No. E,G-999/PR-25-2, [CenterPoint Reply Comments](#) at 3-4 (Feb. 10, 2025).

<sup>102</sup> See *In the Matter of Cold Weather Reports (CWR) – Regulated Gas & Electric Companies*, Docket No. E,G-999/PR-25-2, [Notice of Comment Period on Cold Weather Rule Reports for Regulated Gas & Electric Companies](#) (Feb. 28, 2025).

CAO has indicated that, although other utilities offer programs similar to HSP, CAO has not received similar complaints about those programs.<sup>103</sup> Further, staff believes the record contains ample evidence to support Commission action at this time without further record development. Staff therefore does not recommend **Decision Option 28**.

---

<sup>103</sup> CAO Case Record at 28.

## DECISION OPTIONS

### **Complainant's Request for Individual Relief**

1. Grant the Complainant's request for retroactive adjustments to their account. Require CenterPoint to recalculate the Complainant's account starting from the November 2020 bill, applying all payments first to past-due gas charges and next to current gas charges until all gas charges are fully paid before applying any remaining amount to charges for unregulated business. *(Complainant, CAO)*

*Or*

2. Deny the Complainant's request for retroactive adjustments to their account. *(CenterPoint)*

### **Changes to Billing System or Payment Priority**

3. Require CenterPoint to separate its billing for gas service and for unregulated offerings. CenterPoint must provide customers a separate bill for each and require customers to make separate payments for each. *(OAG, CUB/LSAP preferred)*
  - A. CenterPoint must include on the gas bill a conspicuous statement that this bill is only for gas service and that customers who have purchased unregulated products or services from CenterPoint will receive a separate bill for unregulated products or services. *(OAG)*

*And*

- B. For a customer in arrears on their gas bill, CenterPoint must also include on the gas bill: *(OAG)*
  - i. Notice that gas customers in arrears are entitled to enter a payment agreement for payment of arrears and that the agreement must take into account the customer's financial circumstances and any extenuating circumstances of the household.
  - ii. Notice that customers may make complaints regarding CenterPoint to the Commission's Consumer Affairs Office, including contact information for CAO.
- C. If paper bills are mailed together, CenterPoint must include the gas bill first upon opening the envelope so that customers do not miss it. *(OAG)*

*Or*

4. Require CenterPoint to offer customers the option of separate bills for gas service and for unregulated offerings in the initial contact with a customer who is purchasing unregulated products or services, but allow combined billing for customers who do not request separate billing. *(CenterPoint)*

*Or (Staff note: DO 5 or DO 6 may be selected either alone or with DO 4)*

5. For combined gas-and-HSP bills, require CenterPoint to modify its default allocation of payments such that all payments received from customers are first applied to arrears for regulated natural gas service and next to current regulated natural gas service before any payment amounts are applied to charges related to CenterPoint's unregulated business activities. *(Complainant, CAO)*

*Or*

6. For combined gas-and-HSP bills, require CenterPoint to modify its default allocation of payments such that all payments received from customers are first applied to current regulated natural gas service and next to arrears for regulated natural gas service before any payment amounts are applied to charges related to CenterPoint's unregulated business activities. *(CUB/LSAP and OAG alternative if DO 3 is not selected)*

**Changes to Combined Bills** *(Staff consolidation of CUB/LSAP and OAG recommendations if DO 3 is not adopted. The Commission may adopt any combination of DOs 7–16.)*

7. Require CenterPoint to include a plain-language notice in each customer billing statement that contains the following information:
  - A. That gas service and related costs are regulated by the Minnesota Public Utilities Commission, while merchandise and HSP services are not subject to the same regulatory oversight. *(CUB/LSAP, OAG)*
  - B. The default order in which customer payments are applied, and what actions a customer must take to adjust these payment allocations. *(CUB/LSAP, OAG)*
  - C. That customers cannot have their gas disconnected for failure to pay for HSP products or services. *(CUB/LSAP, OAG)*
  - D. That customers may make complaints regarding CenterPoint to the Commission's Consumer Affairs Office, including contact information for CAO. *(OAG)*
8. Require CenterPoint to include on each bill a clear itemization of what services and products the customer is being charged for, clearly showing that HSP service plans and HSP merchandise are separate offerings and showing the amount the customer owes for each individual service or product. *(OAG)*

9. *[If DO 3 is not adopted]* Require CenterPoint to include on combined gas-and-HSP bills two separate “Account Summaries,” labeled “Gas Service Charges” and “Home Service Plus and Merchandise.” (CUB/LSAP)
10. Require CenterPoint to include in its bill summary of Gas Service Charges a statement that identifies the charges as being related to the provision of regulated gas service, and the following information: (CUB/LSAP)
  - A. Previous gas amount due;
  - B. Payments applied to gas account;
  - C. Past due amounts for gas service;
  - D. Late fees charged for gas service;
  - E. Reconnection fees or other itemized miscellaneous charges;
  - F. Current gas charges due; and
  - G. Total amount due for gas service.
11. Require CenterPoint to include in its summary of Home Service Plus and Merchandise charges a statement that identifies the charges as being related to unregulated appliance sales, maintenance, or repair services. Also require CenterPoint to include a clear explanation that unregulated services are optional and that gas service cannot be disconnected for non-payment of those expenses. The HSP and Merchandise summary must separate charges for HSP services from appliance or other merchandise purchases and include the following information: (CUB/LSAP)
  - A. Previous HSP and/or appliance amounts due;
  - B. Payments applied to HSP and/or appliance purchases;
  - C. Past due amounts for HSP and/or appliance purchases;
  - D. Late fees charged for HSP and/or appliance purchases;
  - E. Itemized miscellaneous charges;
  - F. Current HSP and/or appliance purchase charges due; and
  - G. Total amount due for unregulated services.
12. *[If DO 3 is not adopted]* Require CenterPoint to include a “Total Amount Due” line item after the Account Summaries, aggregating the charges currently due across both regulated and unregulated charges. (CUB/LSAP)
13. For a customer in arrears, require CenterPoint to include in the bill a notice that gas customers in arrears are entitled to enter a payment agreement for payment of arrears and that the agreement must take into account the customer’s financial circumstances and any extenuating circumstances of the household. (OAG)
14. Require CenterPoint to include in the first customer bill reflecting these changes a one-time explanation that details the various bill components. (CUB/LSAP)



15. Require CenterPoint, within 30 days of the order, to file a proposed sample bill reflecting the above changes. A party or participant may file a request for a comment period within 60 days of the compliance filing if they believe further refinements are necessary. If no comment period is requested by a party or participant or opened by the Executive Secretary within 60 days, CenterPoint shall start using the new bill format. *(OAG with staff procedural additions)*
16. Require CenterPoint to work with the Commission's Consumer Affairs Office on its bill redesign and customer notices. *(Staff)*

**Changes to Website and Other Communications** *(Staff note: Except where otherwise noted, the Commission may adopt any combination of DOs 17–23 regardless of decisions on DOs 3–6)*

17. Require CenterPoint to post the following information in a conspicuous place on its website using easy-to-understand language: *(CUB/LSAP; CenterPoint)*
  - A. Gas service and related costs are subject to regulation, while merchandise and HSP services are not subject to the same regulatory oversight.
  - B. Merchandise and HSP arrears cannot form the basis for customer disconnection.
  - C. The default order in which customer payments are applied, and what actions a customer must take to adjust these payment allocations.
  - D. The manner in which disconnections are carried out, including any threshold arrearage balance used to determine whether a customer is liable for disconnection.
  - E. Payment agreement requirements employed by the Company, including the methodology used to determine the down payment amount requested from customers.
18. Require CenterPoint to post the following language in a conspicuous place on its website: *(CUB/LSAP; CenterPoint supports if B is replaced with Alt. B)*
  - A. Under Minnesota law, CenterPoint customers are entitled to a payment agreement for the payment of arrears. This payment agreement must consider a customer's financial circumstances and any extenuating circumstances of the household.
  - B. If the payment agreement terms offered are not affordable to you, or if your household is facing financial or extenuating circumstances, you should contact a CenterPoint customer account representative at [PHONE NUMBER and/or EMAIL ADDRESS].

CENTERPOINT ALT. B. If the ~~payment agreement terms offered are current bill~~ is not affordable to you, or if your household is facing financial or extenuating circumstances, you should contact a CenterPoint customer account representative at 800-245-2377 or [link to “Contact Us” form].

- C. If you are unable to reach a mutually agreeable arrangement with a customer account representative, you may appeal the decision with the Minnesota Public Utilities Commission’s Consumer Affairs Office. The Consumer Affairs Office can be contacted at 651-296-0406 or 800-657-3782, or by email at [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us).
- 19. Require CenterPoint to include a plain-language notice in its explanation of Home Service Plus when customers sign up for gas service stating that HSP is an unregulated business and that signing up for HSP is not required for receiving gas service. *(CUB/LSAP)*
  - 20. Require CenterPoint to explain allocation of payments when interacting with a residential gas customer who is setting up a payment arrangement for gas service and who also is an HSP customer. *(CenterPoint)*
  - 21. When a gas customer calls CenterPoint regarding HSP, require CenterPoint to inform the customer: *(OAG)*
    - A. That gas service is regulated by the Minnesota Public Utilities Commission but HSP is not subject to the same level of regulatory oversight.
    - B. That HSP arrears cannot form the basis for disconnection of gas service.
    - C. *[If DO 3 is not adopted]* The order in which payments are applied to gas and HSP, and how customers may designate that payments be applied in a different order.
  - 22. When a gas customer calls CenterPoint about arrears, require CenterPoint to inform the customer of the following: *(OAG)*
    - A. The arrears amount at which the customer becomes at risk of gas disconnection.
    - B. That customers are entitled by Minnesota law to a payment agreement for arrears.
    - C. That the payment agreement must consider the customer’s financial circumstances and the household’s extenuating circumstances.
  - 23. When a customer purchases any HSP product or service, require CenterPoint to notify the customer if they have arrears for gas service. *(Staff)*

**Compliance Filings and Reporting** *(Staff note: The Commission may adopt any combination of the following regardless of its decisions on other issues)*

24. Within 30 days of the order, require CenterPoint to file in Docket No. E,G-999/PR-YR-02 its disconnection, payment agreement, and billing practices, subject to any changes approved by the Commission. *(CUB/LSAP, OAG)*
25. Require CenterPoint to submit a compliance filing in Docket No. E,G-999/PR-YR-02 whenever it modifies its disconnection, payment agreement, or billing practices. *(CUB/LSAP; OAG, CenterPoint)*
26. Require CenterPoint to include in its annual service quality reporting in Docket No. E,G-999/PR-YR-02: *(OAG)*
  - A. The number of joint gas-HSP customers overall, the number of gas-HSP customers who are in arrears, and the number of gas-HSP customers who have had their gas disconnected;
  - B. The number of HSP customers who receive LIHEAP, the number of LIHEAP-HSP customers who are in arrears, and the number of LIHEAP-HSP customers whose gas has been disconnected.
27. Require CenterPoint to file a status report in Docket No. E,G-999/PR-YR-02 within [30] days of this order detailing the Company's progress toward changing its billing system to be consistent with this order and stating when CenterPoint expects the changes to be operational for all customers. *(Staff, if Decision Option 3, 5, or 6 is selected)*

**Rulemaking**

28. Open a new docket to consider whether the Commission should adopt rules applicable to all utilities regarding billing and payment practices for unregulated products and services offered to utility customers in conjunction with regulated utility service. *(CenterPoint alternative)*