

September 23, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket No. G008/M-24-33

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

2023 Annual Gas Service Quality Report (Report) submitted by CenterPoint Energy Resources Corp d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or the Company).

CenterPoint filed the report on May 1, 2024.

The Department recommends the Minnesota Public Utilities Commission (Commission):

- Approve the Company's request to cease reporting on Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater.
- Approve CenterPoint's request to cease reporting the leak-related reporting requirements included in docket no. G008/CI-19-517.
- Require the Company to provide the leak-related reporting requirements identified in the 22-548 docket.
- Reject CenterPoint's request to cease reporting on the risk-related related reporting requirements included in docket no. G008/CI-19-517.
- Reject the Company's request to cease reporting on the cost and budgeting-related reporting requirements included in docket no G008/AI-19-517.
- Approve the Company's request to cease reporting on EFVs, manual shut-off valves and related outreach.
- Accept the balance of the Company's 2023 Report.

Docket No. G008/M-24-33
Analyst assigned: John Kundert
Page 2

The Department also requests CenterPoint address the question why a high percentage of the Direct Customer Service Full-Time Equivalent's based in Minnesota were terminated or retired between 2019 and 2024.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

JK/ad
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. G008/M-24-33

I. INTRODUCTION

On April 16, 2009, The Minnesota Public Utilities Commission (Commission) opened an investigation into natural gas service quality standards and requested comments from the Minnesota Department of Commerce (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409. The Order dated August 26, 2010, required CenterPoint Energy Minnesota Gas (CenterPoint or the Company) to begin submitting annual service quality reports (Report) in May 2011. Subsequent orders revised and updated the reporting requirements.

The Commission established a Natural Gas Service Quality Working Group (NGWG) in Docket No. G002, G022, G004, G011, G008/CI-22-548 (Docket 22-548) to develop and refine future reporting requirements for natural gas utilities. The [Order](#) in this docket adopted the NGWG's recommendations and authorized the Executive Secretary to establish a comprehensive list of current gas service quality reporting requirements which all gas utilities shall work from in future reporting. This list was documented in the February 2, 2024 [Notice of Gas Service Quality Reporting Requirements](#).

CenterPoint filed its 2023 annual service quality report (Report) on May 1, 2024.

The Commission issued a Notice of Comment Period on May 15, 2024.

II. SUMMARY OF REPORT AND DEPARTMENT ANALYSIS

The Department reviewed CenterPoint's 2023 Report to assess compliance with the updated reporting requirements established by the Commission in Docket 22-548. The Department used information from past annual reports to facilitate identification of issues and trends regarding CenterPoint's performance.

The Department provides responses to the Commission's questions and a summary of the Department's review of CenterPoint's 2023 Report.

A. RESPONSE TO COMMISSION QUESTIONS

1. *Should the Commission accept CenterPoint's 2023 Annual Gas Service Quality Report?*

The Department's review of the Company's 2023 Report concluded that CenterPoint complied with information on all Commission required reporting requirements. Thus, the Department recommends the Commission accept the Company's 2023 Report.

2. *Should the Commission approve CenterPoint's request to cease reporting on Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater?*

Yes, the Department recommends the Commission approve the Company's request to stop reporting on Steel Service Line and Meters at 630 Cubic Feet Per Hour (CFH) or Greater. The Department reviewed the information from Docket No. G008/M-09-1190 and asked Department information request nos. 1 and 2 to understand the drivers for the reporting requirements and whether the information reported provided information that was useful to parties interested in economic regulation.¹

In comments in the G008/M-09-1190 docket, the Department explained that it was recommending the initiation of reporting requirements because these two types of projects were infrequently done, varied greatly in cost and as a result it would be difficult to develop a tariff charge for those two project types. The Company's responses to the Department's information requests in the current docket, stated the two project types were still performed infrequently and that the average total cost for the replacement of service lines over the past 10-years was \$1.6 million. The same figure for the 630 CFH meters was \$165,836/year.

The Department also asked whether the Company was aware of any intervenor reviews or analysis of the information provided for these two reporting requirements over the past 10 years. The Company stated that it was not aware of any intervenor reviews or analysis of the information.

The Department requested a narrative supporting the Company's request in each of the IRs. In that narrative, CenterPoint noted that Steel Service Lines and 630 Cubic Feet per Hour or Greater Meters are no longer identified separately in the Company's tariff.

The Department reviewed the Company's current tariff and found no mention of Steel Service Lines or 630 CFH meters. The fact neither of the two items are included in the tariff is likely sufficient support for terminating the reporting requirements. That information combined with CenterPoint's statement that no party has requested or used the information provided over the past ten years provides further support for the request to cease reporting on Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater. Thus, the Department recommends the Commission approve the Company's request to cease reporting on these two items.

3. *Should the Commission approve CenterPoint's request to modify its integrity management plan reporting requirements to align with what is required of other gas utilities?*

CenterPoint's position appears to be that it wants to be held to the same integrity management program-related (IMP) reporting requirements approved in Docket 22-548 which are significantly less detailed than the IMP-related reporting requirements the Company agreed to in Docket No. G008/AI-

¹ Attachments A and B include DER IR nos. 1 and 2 respectively.

18-517 (18-517 docket).² The Company provided a history of its Integrity Management Program reporting requirements on pages 8 and 9 of the Petition. CenterPoint also noted in its review that the agreement that was approved in Docket No. G008/AI-18-517 is no longer in effect and the Company filed its final compliance report in that docket in early 2024.

While the Department is willing to review CenterPoint's request and provide its recommendations, the Department also notes that to its knowledge, the Office of the Attorney General Residential Utilities Division (OAG-RUD) is not participating in this proceeding.³ The OAD-RUD actively participated in the development of CenterPoint's IMP reporting requirements in the 18-517 docket. The Department will contact the RUD-OAG and apprise them of the situation.

Turning to the Department's review, in Department Information Request no. 3 the Department asked a multi-part question on this issue.⁴ In response, CenterPoint provided the following information:

- There haven't been any changes to these reporting requirements since 2019;
- Two metrics included in the PHMSA report are included in CenterPoint's 29 TIMP and DIMP reporting requirements – leak counts on main and services.
- Two additional metrics – total number of services by material and miles of mains material at the end of each year are included in the PHMSA report.
- There are variations of the information in 10 of the 29 metrics reported that are included in the PHMSA report.
- There are 19 cost analysis and budget metrics that are not included in the PHMSA report.
 - Expected capital spending for
 - Bare Steel Main Replacement project;
 - Legacy Steel Main replacement project;
 - Copper Service Line replaced, and;
 - Inside Meters.⁵
- OAG-RUD is the only entity that has asked CenterPoint discovery in its service quality reports since 2018.

The Department also reviewed its comments in the Company's annual service quality reports to see if the Department provided any analysis on the TIMP and DIMP information CenterPoint provided. The Department did provide a review of this information in its comments in the 2019, 2020, 2021, 2022 and 2023 Reports.⁶

² In the Matter of the Petition of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas, for Approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited, Docket No. G008/AI-18-517, filed July 30, 2018.

³ The Department also notes that the OAG-RUD also didn't participate in the 22-548 docket.

⁴ Attachment C contains a copy of DER IR no. 3.

⁵ Information on those topics is found in John Wiinamaki's testimony, Schedule 2, WP3 in Docket No. G008/GR-23-173.

⁶ Docket Numbers for these dockets are: 1) G008/M-20-453; 2) G008/M-21-303; 3) G008/M-22-213; 4) G008/M-23-79 and the current docket.

Regarding the leak count reporting requirement, CenterPoint's current metrics require the Company to report: 1) leak count by facility type and threat; 2) leak count on mains by material; and 3) leak count on services by material. The leak count reporting requirements required in 22-548 docket are: 1) number of main leaks; 2) number of main leaks by cause, 3) number of hazardous main leaks by cause; 4) main leaks per 1,000 miles of main; 5) number of service leaks; 6) number of service leaks by cause, 7) number of hazardous service leaks by cause and 8) service leaks per 1,000 services.

The leak count reporting requirements in the 22-548 docket appear to be more thorough than those in the 18-571 docket. The Department is usually reluctant to change the definition of a reporting requirement, thereby invalidating all the historical information for comparative purposes. The increased accuracy of leak detection technology over the past several years suggests that such a comparison, if it didn't account for those technologic improvements would not be particularly useful. Hence, the Department recommends the Commission agree to discontinue CenterPoint's current reporting requirements for 1) leak count by facility; 2) leak count by main by material; 3) leak count on service by material and replace them with the reporting requirements approved in the 22-548 docket.

The Department doesn't support modifying the existing IMP risk-related reporting requirements. The Department considers that information to be useful mostly because comparable annual risk-related reporting requirements for natural gas local distribution companies are not common in the Department's experience. The Department also believes this information gives the Commission and other interested parties a useful metric to determine whether the investment in CenterPoint's distribution system is resulting in a lower overall system risk for natural gas related events on the system.

The Department's review suggests that the 19 cost and budget-related reporting requirements should not be modified⁷ The cost and budget-related information included in the annual filing provides the Department and other interested parties a snapshot as to how the different integrity management programs are performing. The Department appreciates and values these different financial perspectives because the Department is always struggling with the information asymmetry of the regulatory relationship.⁸ In addition, a review of the testimony on IMPs in the Company's current rate case found that CenterPoint provided only forward-looking budget information in that proceeding. An intervenor would need to issue discovery to collect historical budget and cost information that is currently provided in the Report.

⁷ This would include the information provided on the 1) Unit Cost Installed by Project; 2) Comparison of Budgeted Costs to Actual Installed Costs and 3) Average Annual Cost to Repair Leaks by Facility included in Exhibit 2 of the Company April 1, 2019, TIMP, and DIMP Reporting Metrics Proposal in Docket No. G008/AI-18-517.

⁸ This concept refers to the fact that the utilities have access to all the business' information while regulators only have access to the information a company provides in filings or discovery.

4. *Should the Commission approve CenterPoint's request to cease annual reporting on excess flow valves ("EFVs"), manual shut-off valves, and related outreach now that they have completed the related outreach required by the Commission's July 31, 2019, Order in Docket No. G999/CI-18-41?*

Yes, the Department recommends the Commission approve the Company's request to cease reporting on EFVs, manual shut-off valves and related outreach. The Department reviewed the information from Docket No. G999/CI-18-41 and issued Department information request nos. 4 and 5 to understand the drivers for the reporting requirements and whether the information reported provided information that was useful to parties interested in economic regulation.⁹ Docket No. G999/CI-18-41 was initiated in response to federal actions on EFVs. Specifically, the Commission wanted to gain more information on tariffs, similar gas-safety requirements, installation costs, and payment options related to EFVs.¹⁰

Building on the information requested in that first order, the Commission issued a second order on August 20, 2018, that approved the participating gas utilities EFV tariffs with modifications. It also required the gas utilities to submit compliance filings that included information on the existing stock of EFVs in service and a plan and timeline for completing the installation of EFVs in the respective gas utilities service territories.¹¹ The Order also listed specific types of organizations the gas utilities were required to meet with regarding EFV installation and required ongoing compliance filings and reporting.

In a third order issued in July 2019, the Commission required the gas utilities to submit annual compliance filings through March 31st of each year through the 2025 reporting period and identified the required contents of that compliance filing.

The Commission in its "Notice of Gas Service Quality Reporting Requirements" issued on February 2, 2024, included the following language regarding this topic.

All Gas Utilities (except GMG, which has already completed the required outreach) shall confirm with the Commission that they have completed their EFV and manual shut-off valve outreach pursuant to the Commission's July 31, 2019, Order in Docket No. 18-41. Upon receiving confirmation from the Commission, utilities that have completed their EFV and manual shut-off valve outreach may cease annual reporting on EFVs, manual shut-off valves and related outreach in their annual service quality reports, including the reporting of EFV and manual shut-off valve data pursuant to the Commission's November 14, 2019, Order in Docket Nos. G-004/M-19-280, G-004/M-19-300, G-011/M-19-303, and G-002/M-19-305. Utilities shall continue appending their annual PHMSA reports to their

⁹ Attachments D and E include DER IR nos. 4 and 5 respectively.

¹⁰ ORDER APPROVING TARIFF CHANGES AND OPENING INVESTIGATION, issued January 29, 2018, in Docket Nos. G004/M-17-625 and G999/CI-18-41 at page 5.

¹¹ ORDER FINING THAT EXCESS FLOW VALVES COMPLY WITH FEDERAL REGULATIONS AND TAKING OTHER ACTIONS, issued August 20, 2018, in Docket no G999/CI-18-41.

service quality reports, which contains information on the number of EFVs and manual shut-off valves installed on their system.

CenterPoint confirmed in its 2023 Report that it had completed the requirements listed in the February 2, 2024, document regarding EFVs and manual shut-off valves outreach. Hence, the Department recommends the Commission approve the Company's request to cease reporting of this information in its 2025 Annual Service Quality Report filed April 1, 2025.

5. *Are there other issues or concerns related to this matter?*

The Department didn't identify any other issues or concerns as part of its review.

B. *REPORT ANALYSIS*

1. *PHMSA Gas Distribution Reports*

The Commission issued its "Notice of Gas Service Quality Reporting Requirements" on February 2, 2024, in Docket Number G002,G022,G004,G011,G008/CI-22-548. That document included the following language regarding this topic.

All Gas Utilities shall append their annual PHMSA¹² Gas Distribution Reports to their Gas Service Quality Reports.

CenterPoint included that information in Attachment A to the Report. Hence, the Department concludes the Company has complied with this reporting requirement for 2023.

2. *Call Center Response Time*

The "Notice of Gas Service Quality Reporting Requirements" issued on February 2, 2024, included the following language regarding this topic.

All Gas Utilities, excluding GMG, shall report:

- The percent of calls answered within 20 seconds.¹³

All Gas Utilities shall report:¹⁴

- The average time required to answer an incoming call.

CenterPoint shall continue reporting interactive voice response (IVR) "zero-out data."¹⁵

¹² PHMSA = Pipeline and Hazardous Materials Safety Administration.

¹³ First Ordered on August 26, 2010, in Docket No. G999/CI-09-409.

¹⁴ First Ordered on March 5th, 2012, Order in Docket Nos. G002/M-11-360, G001/M-11-361, G004/M-11-363, G007, 011/M-10-372, G008/M-10-378, and G022/M-11-356.

¹⁵ First Ordered on November 25, 2015, in Docket No. G008/M-15-414.

CenterPoint provided call center response information required for 2023 in Schedule 1 of the Report. Tables 1 and 1A summarize CenterPoint’s call center response information for the years 2013 through 2023. Table 1 provides the historical call response times excluding IVR calls. Table 1A includes the historical call response times including IVR calls.¹⁶

The Department also included the calculation of a ten-year average and percentage change calculation comparing the Company’s 2023 results to both the ten-year average and the 2022 results. The intent of the inclusion of these two estimates was to provide both a long-term and short-term perspectives on how the different metrics are changing.

Starting with Table 1, CenterPoint’s 2023 results for the non-IVR category were an improvement compared to both the ten-year average and the Company’s 2022 results for the percentage of calls answered in 20 seconds or less. The Company’s 2023 results (82%) were 4% above the ten-year average and 2% above the Company’s 2022 results. CenterPoint’s 2023 results for the average number of seconds before a call was answered metric was 22 seconds which is 13% less than the 26 seconds for the ten-year average and 28% less than the 31 seconds for the 2022 results. The total number of calls metric was 797,647 calls in 2023. This result was 2% below the ten-year average and 3% above the 2022 results.

Table 1: CenterPoint Call Center Response Times, Excluding Calls Answered by the IVR System¹⁷

| <i>Calendar Year</i> | <i>Average Percentage (%) of Calls Answered in 20 Seconds or less</i> | <i>Average Number of Seconds Before Calls Were Answered</i> | <i>Total Number of Calls Answered</i> |
|-----------------------------------|---|---|---------------------------------------|
| 2013 | 81% | 25 | 854,898 |
| 2014 | 67% | 47 | 943,870 |
| 2015 | 82% | 23 | 977,155 |
| 2016 | 82% | 25 | 845,956 |
| 2017 | 80% | 23 | 805,360 |
| 2018 | 81% | 21 | 849,828 |
| 2019 | 81% | 21 | 834,873 |
| 2020 | 81% | 18 | 590,899 |
| 2021 | 80% | 20 | 625,389 |
| 2022 | 81% | 31 | 776,647 |
| 10 Yr. Avg. | 80% | 26 | 810,488 |
| 2023 | 82% | 22 | 797,826 |
| % Chg. 2023 To 10 Yr. Avg. | 4% | -13% | -2% |
| % 2023 Chg. To 2022 | 2% | -28% | 3% |

¹⁶ IVR calls are automated. Customers don’t have to wait for a customer service representative to answer their call. Thus, average call response times are shorter for IVR calls than they are for non-IVR calls. For example, including IVR calls in the Company’s 2022 results increased the average percentage of call answered in 20 seconds or less from 81% to 90% and the weighted average speed of answer from 31 to 13 seconds.

¹⁷ Petition, page 1; Petition schedule 1.

Turning to Table 1A, CenterPoint recorded an 91% response rate for calls answered in 20 seconds or less when including IVR calls in 2023. This result was a slight improvement compared to the ten-year average (2%) and an even slighter improvement to the 2022 results (1%). The average number of seconds before calls were answered demonstrated better results, the 2023 results were 29% below the ten-year average and the 31% below the 2022 results. The total number of calls answered including IVR calls in 2023 increased compared to 2022 (4%) and the ten-year average (14%).

Table 1A: CenterPoint Call Center Response Times, Including Calls Answered by IVR System¹⁸

| <i>Calendar Year</i> | <i>Average Percentage (%) of Calls Answered in 20 Seconds or Less</i> | <i>Average Number of Seconds Before Calls were Answered</i> | <i>Total Number of Calls Answered</i> |
|-----------------------------------|---|---|---------------------------------------|
| 2013 | 88% | 16 | 1,330,798 |
| 2014 | 80% | 28 | 1,606,827 |
| 2015 | 90% | 13 | 1,750,366 |
| 2016 | 90% | 13 | 1,631,160 |
| 2017 | 90% | 12 | 1,601,296 |
| 2018 | 90% | 10 | 1,747,231 |
| 2019 | 91% | 10 | 1,777,600 |
| 2020 | 92% | 7 | 1,412,418 |
| 2021 | 92% | 8 | 1,460,323 |
| 2022 | 91% | 13 | 1,757,166 |
| 10 Yr. Avg. | 89% | 13 | 1,607,519 |
| 2023 | 91% | 9 | 1,829,454 |
| % Chg. 2023 To 10 Yr. Avg. | 2% | -29% | 14% |
| % Chg. 2023 To 2022 | 1% | -31% | 4% |

The Company is seeing a return to its pre-COVID call volumes for both its non-IVR and IVR calls. CenterPoint’s call volume dropped significantly in 2020 and has been increasing since then. The volume of calls including IVR calls hit a ten-year high in 2023; however when excluding IVR calls, the 2023 call volume remains below pre-pandemic levels.

The Department concludes CenterPoint met the Call Center Response Time reporting requirements in 2023.

3. *Meter Reading Performance*

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

All Gas Utilities shall report, as described in *Minn. Rules, part 7826.1400*;

¹⁸ Petition, page 1; Petition schedule 1.

- The number and percentage of customer meters read by utility personnel;
- The number and percentage of customer meters self-read by customers;
- The number and percentage of customer meters that have not been read by utility personnel for periods of six to 12 months and for periods longer than 12 months, and an explanation as to why they have not been read; and
- Data on monthly meter reading staffing levels, by work center and geographical area.

The Company provided the required information for 2023. Table 2 summarizes CenterPoint Energy’s meter reading performance for the years 2013 through 2023.

Table 2: CenterPoint Meter Reading Performance¹⁹

| Calendar Year | Avg # of Meters | Percentage (%) of Active Meters Read by: | | Monthly Average of the Number of Meters Not Read for: | | Average Number of Meter Reading Personnel: | |
|-----------------------------------|-----------------|--|------------------------|---|----------------|--|-------------------|
| | | CenterPoint | Customers | 6 - 12 Months | Over 12 Months | Minneapolis Metro Area | Greater Minnesota |
| 2013 | 826,555 | 98.21 | 0.0001 | 141 | 68 | 10 | 17 |
| 2014 | 835,010 | 98.09 | 0.0001 | 203 | 101 | 8 | 14 |
| 2015 | 844,010 | 98.31 | <0.0001 | 163 | 112 | 7 | 11 |
| 2016 | 852,190 | 98.39 | 0.0001 | 133 | 68 | 7 | 11 |
| 2017 | 861,929 | 98.45 | <0.0001 | 85 | 40 | 6 | 10 |
| 2018 | 871,388 | 99.58 | <0.0001 | 41 | 28 | 6 | 9 |
| 2019 | 880,309 | 98.90 | <0.0001 | 43 | 10 | 6 | 8 |
| 2020 | 891,591 | 99.44 | <0.0001 | 70 | 26 | 6 | 7 |
| 2021 | 896,849 | 99.29 | <0.0001 | 25 | 23 | 6 | 7 |
| 2022 | 912,897 | 99.19 | <0.0001 | 46 | 9 | 5 | 7 |
| 10 Yr. Avg. | 867,273 | 98.8 | 0.0001 | 95 | 48 | 7 | 10 |
| 2023 | 921,168 | 99.4 | <.00003 | 5 | 10 | 6 | 9 |
| % Chg. 2023 to 10 Yr. Avg. | 6% | 1% | NA²⁰ | -94% | -80% | -8% | -11% |
| % Chg. 2023 to 2022 | 1% | 0% | NA | -88% | 5% | 20% | 29% |

CenterPoint’s meter reading results were positive in 2023. The number of active meters increased, the percentage of meters read by the Company remained constant at 99% and the number of customer-read meters continued to decline. The average number of meters not read annually between 6 and 12 months was below both the ten-year average (-94%) and the 2022 results (-88%). The average number of meters not read annually for more than 12 months was lower than the ten-year average (-80%) but did increase slightly from the 2022 figure (5%). The very low number of meters in this reporting category (9 in 2022 and 10 in 2023) suggest this was not a significant issue.

¹⁹ Petition Schedule 2.

²⁰ The percentage values calculated are not representative given the very small number of customer-read meters.

CenterPoint increased Minnesota-based meter reading staff in 2023 by three from 2022 levels, though the number of staff is down compared to the ten-year average.

The Department concludes CenterPoint met the Commission's meter reading reporting requirements in 2023.

4. *Involuntary Service Disconnection Data*

The "Notice of Gas Service Quality Reporting Requirements" included the following language regarding this topic.

All Gas Utilities shall append their December Residential Customer Status Reports, including data for January through December as filed in Docket No. E,G-999/PR-YY-02, in their annual service quality reports. Gas Utilities shall also provide a narrative explanation of their involuntary service disconnection performance, as needed, including steps taken to improve performance in the future.

CenterPoint provided the required residential customer status reports in Schedules 3a through 3g.

Table 3 (following page) provides a summary of the Company's involuntary service disconnection data from 2013 through 2023.

CenterPoint's 2023 results for involuntary service disconnections were not particularly good from an historical or annual perspective. One driver for those results was the initiation of the moratorium on gas and electric disconnections that was in force during the Peacetime Emergency associated with the COVID-19 pandemic. During the disconnection moratorium many customers were experiencing financial difficulties. As a result, the Company's customer arrearages balance increased, but the Company was unable to manage that increase due to the moratorium. The moratorium ended on August 2, 2021, allowing utilities to resume normal billing practices under Minnesota Statutes §§§§ 216B.096, 216B.0975, 216B.0976, 216B.098.21 . CenterPoint resumed its disconnection processes and the number of notices sent to customers increased from 30,166 in 2021 to 196,375 in 2022 (551% increase). The number of customers disconnected also increased from 6,200 in 2021 to 19,913 in 2022 (221% increase).

²¹ The residential protection statutes are as follows: Cold Weather Rule, Minnesota State Statute § 216.096; Disconnection During Extreme Heat Conditions, Minnesota State Statute § 216B.0975; Notice of Utility Disconnection, Minnesota State Statute § 216B.0976; and Minnesota State Statute § 216B.098.²¹

Table 3: CenterPoint Involuntary Service Disconnections²²

| Year | # of Disconnection | # of CWR Requests | % of CWR Granted | # of Involuntary | % of Inv. Disconnects |
|-------------------------------------|--------------------|-------------------|------------------|------------------|-----------------------|
| 2013 | 306,515 | 60,413 | 97% | 30,347 | 82% |
| 2014 | 327,527 | 58,087 | 98% | 21,064 | 83% |
| 2015 | 274,007 | 40,088 | 99% | 32,809 | 84% |
| 2016 | 261,852 | 88,518 | 99% | 33,327 | 83% |
| 2017 | 271,919 | 33,753 | 96% | 30,877 | 80% |
| 2018 | 288,265 | 34,321 | 96% | 30,455 | 84% |
| 2019 | 273,416 | 32,400 | 96% | 24,567 | 85% |
| 2020 | 79,808 | 23,286 | 97% | 2,640 | 14% |
| 2021 | 30,166 | 41,398 | 81% | 6,200 | 14% |
| 2022 | 196,375 | 64,236 | 92% | 19,913 | 15% |
| 10-Yr Avg. | 230,985 | 47,650 | 95% | 23,220 | 62% |
| 2023 | 285,149 | 74,837 | 80% | 28,136 | 40% |
| % Chg. 2023 to 10-yr Avg | 23% | 57% | -15% | 21% | -35% |
| % Chg. 2023 to 2022 | 45% | 17% | -12% | 41% | 176% |

The aberration in the 2020, 2021 and 2022 data leads to some misleading results when comparing the ten-year average and 2023 results. The number of disconnection notices CenterPoint issued in 2023 was 23% higher than the ten-year average and 45% higher than the 2022 results. If one calculates a pre-COVID average for this metric (2013-2019) the average number of disconnection notices sent is 286,214. Compared to that result, the 2023 number of disconnection notice sent is essentially equal to that pre-COVID average. Table 3a (following page) contains this comparison.

The 2023 figure for the percentage of CWR requests compared to the ten-year and seven-year averages are 57% and 51% higher. The percentage of CWR requests granted in 2023 are 15% and 17% lower respectively to the ten and seven-year averages. The annual number of involuntary disconnections in 2023 was 21% above the ten-year average, but 3% lower than the seven-year average. This result suggests the number of involuntary disconnections metric is returning to pre-covid levels. The percentage of involuntary disconnections restored within 24 hours in 2023 were 35% and 52% lower than the ten and seven-year averages. The Department will monitor these results.

²² Petition page 2; Petition Schedule 3.

Table 3a: CenterPoint Involuntary Service Disconnections 2023 to Average of 2013-2019

| Year | # of Disconnection Notices Mailed | # of CWR Requests | % of CWR Granted | # of Involuntary Disconnections | % of Inv. Disconnects Restored < 24 hrs. |
|--------------------------------|-----------------------------------|-------------------|------------------|---------------------------------|--|
| 2013 | 306,515 | 60,413 | 97% | 30,347 | 82% |
| 2014 | 327,527 | 58,087 | 98% | 21,064 | 83% |
| 2015 | 274,007 | 40,088 | 99% | 32,809 | 84% |
| 2016 | 261,852 | 88,518 | 99% | 33,327 | 83% |
| 2017 | 271,919 | 33,753 | 96% | 30,877 | 80% |
| 2018 | 288,265 | 34,321 | 96% | 30,455 | 84% |
| 2019 | 273,416 | 32,400 | 96% | 24,567 | 85% |
| 7-Yr Avg. | 286,214 | 49,654 | 97% | 29,064 | 83% |
| 2023 | 285,149 | 74,837 | 80% | 28,136 | 40% |
| % Chg. 2023 to 7-yr Avg | 0% | 51% | -17% | -3% | -52% |

The changes in the CWR figures over the past few years prompted the Department to ask a multi-part information request on this issue.²³

Subpart 1 of the IR asked: “What were the primary drivers for the increase in the number of Cold Weather Rule Requests in 2023?”

CenterPoint replied:

The number of customers who sought cold weather rule protection in 2023 is similar to the pre-pandemic years when looking at actual months of cold weather rule. A change in reporting occurred starting in 2021 which included 12 consecutive months of the calendar year 2020 and prior years, the five months that fall outside of cold weather rule (May, June, July, August, and September) were not required or reported on. Starting in 2021 through 2023 all months were reported on regardless of cold weather rule or non-cold weather rule. If 2023 reporting had used the pre-pandemic reporting metrics (excluding the non-cold weather rule months as outlined above) the number of cold weather rule requests in 2023 would be 34,157, comparable to pre-pandemic reported data. The 2024 Service Quality Report and the Monthly Residential Customer Status Reports will go back to pre-pandemic reporting requirements.

²³ This was DER IR #6. It is included in Attachment F.

The large differences the Department thought it had identified in the annual number of CWR requests is likely due to a reporting change. The Department will closely review that information and update it in the Department comments on CenterPoint's 2024 Service Quality Report.

Subpart 2 asked: "Why has the percentage of CWR requests granted declined from 81% in 2021 to 69% in 2023?"²⁴

CenterPoint replied:

In a clarifying discussion and email exchange with the Department, the Company and Department agreed that the numbers decreased from 81% in 2021 to 69% in 2023. During the pandemic less customers were seeking cold weather rule protection, and during the pandemic utilities were required to follow Commission Orders that prohibited standard bill collection practices including disconnections for non-payment.

The Department notes that it was using 12-month total of CWR request in its calculation in Table 3a and using that inflated figure in the denominator of the percentage of CWR requests granted would result in a lower percentage. That is the most likely driver for that decrease.

Subpart 3 asked: "Why did the percentage of involuntary disconnections restored within 24 hours decline so significantly during the Pandemic?"

CenterPoint replied:

During the pandemic, the Company followed Commission Orders which in part suspended disconnections for non-payment decreasing the number of involuntary disconnections, which will have a direct impact on the total number of disconnections restored within 24 hours.

The Department's interpretation of this response is that the introduction of the disconnection moratorium changed the composition of the customer group that was disconnected and by extension reconnected. The Department will continue to monitor this issue.

Subpart 4 asked: "Why hasn't the percentage of involuntary disconnections restored within 24 hours returned to the pre-Pandemic percentages that were commonly above 80?"

²⁴ The Department had an error in this question regarding the percentages calculated. The Department's original estimate was 99% for 2021 and 80% in 2023. Following a discussion with the Company the Department identified the errors and agreed to CenterPoint's estimates.

CenterPoint replied:

In a clarifying discussion and email exchange with the Department, the Company's report for involuntary disconnections that are not resolved within a month, carry over to the following month, which distorts the Department's calculation.

The Department will work with CenterPoint to correct this error in the Department's calculation of involuntary disconnections restored within 24 hours before the Company's 2024 Report is filed on April 1, 2025. A corrected calculation will be used in the Department's review of the 2024 Report.

The Department concludes the Company has met the involuntary service disconnection reporting requirements for 2023.

5. *Service Extension Requests*

The "Notice of Gas Service Quality Reporting Requirements" included the following language regarding this topic.

All Gas Utilities except GMG shall report, as described by *Minn. Rules, part 7826.160, items A and B*:

- The number of customers requesting a service extension by customer class.
 - The interval between the date service was installed and the latter of the customer-requested in-service date or the date the premises were ready for service.
- The number of customers requesting service at a location previously served by the utility.
 - The interval between the date service was installed and the latter of the customer-requested in-service date or the date the premises were ready for service.

Additionally, these same utilities shall report:

- The types of extension requests, such as requests for reconnection after disconnection for nonpayment, for both locations previously serviced and not previously serviced.

Tables 4 and 4A show the service extension request data the Company submitted for the years 2013 - 2023.

Table 4: CenterPoint Service Extension Requests from New Service Locations²⁵

| Calendar Year | Residential Customers | | Commercial Customers | |
|-----------------------------------|---------------------------------|---|---------------------------------|---|
| | Number of Service Installations | Average Number of Days to Complete Installation | Number of Service Installations | Average Number of Days to Complete Installation |
| 2013 | 4,432 | 8 | 370 | 9 |
| 2014 | 4,670 | 8 | 496 | 8 |
| 2015 | 4,786 | 8 | 541 | 8 |
| 2016 | 5,276 | 8 | 462 | 8 |
| 2017 | 5,803 | 9 | 467 | 8 |
| 2018 | 5,643 | 8 | 483 | 8 |
| 2019 | 5,459 | 8 | 524 | 8 |
| 2020 | 5,681 | 15 | 425 | 26 |
| 2021 | 7,906 | 16 | 665 | 26 |
| 2022 | 6,824 | 21 | 688 | 42 |
| 10-Yr Avg. | 5,648 | 11 | 512 | 15 |
| 2023 | 5,478 | 16 | 571 | 29 |
| % Chg. 2023 to 10 Yr. Avg. | -3% | 50% | 12% | 91% |
| % Chg. 2023 to 2022 | -20% | -22% | -17% | -31% |

The 2023 results in Table 4 suggest a move towards more historically consistent results after the dislocations caused by the Pandemic. The number of Residential and Commercial new customers requesting service decreased by 3% and increased by 12% compared to the ten-year average respectively. The average number of days to complete installation for both customer classes in 2023 were well above the ten-year averages but lower than the 2022 results.

²⁵ Petition, page2; Petition, Schedule 4.

Table 4A: CenterPoint Service Extension Requests from Previously Served Locations²⁶

| Calendar Year | Residential Customers | | Commercial Customers | |
|-----------------------------------|---------------------------------|---|---------------------------------|---|
| | Number of Service Installations | Average Number of Days to Complete Installation | Number of Service Installations | Average Number of Days to Complete Installation |
| 2013 | 419 | 9 | 32 | 7 |
| 2014 | 546 | 9 | 50 | 7 |
| 2015 | 591 | 9 | 69 | 9 |
| 2016 | 559 | 9 | 63 | 8 |
| 2017 | 564 | 9 | 51 | 8 |
| 2018 | 525 | 9 | 32 | 7 |
| 2019 | 476 | 8 | 49 | 8 |
| 2020 | 364 | 21 | 32 | 22 |
| 2021 | 10,546 | 21 | 1,170 | 23 |
| 2022 | 19,667 | 5 | 1,524 | 16 |
| 10-Yr Avg. | 3,426 | 11 | 307 | 11 |
| 2023 | 11,783 | 6 | 1,226 | 5 |
| % Chg. 2023 to 10 Yr. Avg. | 244% | -44% | 299% | -56% |
| % Chg. 2023 to 2022 | -40% | 22% | -20% | -69% |

The number of requests for service at previously served locations in 2023 demonstrated similar results to 2021 and 2022. The number of Residential requests was 244% above the 10-year average. The same metric for the Commercial class saw an 299% increase.

The average number of days to complete installations for existing service locations, for the residential and commercial customers decreased by 44% and 56% respectively in 2023 compared to the 10-year average.

After reviewing these figures, the Department asked DER IR #7.²⁷ This IR asked about why the annual figures for the number of service installations at previously served locations increased so significantly in 2021, 2022 and 2023.

²⁶ Petition, page2; Petition, Schedule 4.

²⁷ A copy of this information request is included in Attachment G.

CenterPoint replied:

The annual service installation figures for residential and commercial customer classes on Schedule 4 increased in 2021, 2022 and 2023 due to a change in reporting effective 2021.

Schedule 4 notes "*2021 through 2023 information includes additional installation codes that were omitted in previous reports".

To provide detail on the asterisk note: in 2020 and previous years the reporting on service installation figures was a manual process, starting in 2021 a new team took on the reporting for service installations. As the team reviewed the manual process and developed the new reporting methodology, additional installation codes were identified and included in the values on the report. These installation codes are referred to as order types or service installations and were not previously identified in the manual process.

The Company's response does explain the significant increases the Department noted. The Department will modify its analysis of this metric in its comments on CenterPoint's 2024 Report.

The Department concludes the Company has met the Commission's service extension request reporting requirements for 2023.

6. *Customer Deposits*

Minnesota Rules 7826.1900 is applicable to regulated electric utilities. The Commission required each natural gas utility to provide data on the number of customers required to make a deposit as a condition of receiving service for several years.

The Commission issued its "Notice of Gas Service Quality Reporting Requirements" on February 2, 2024, in Docket Number G002,G022,G004,G011,G008/CI-22-548. That document included the following language regarding this topic.

All Gas Utilities shall report on customer deposits within their annual service quality reports whenever their deposit collection policies change. These reports shall include:

- a description of the previous deposit collection policy;
- a description of the new deposit collection policy;
- the reason for the policy change; and
- data from the previous three years regarding the number of customers who were required to make a deposit as a condition of receiving

service including the total number of deposits held at the end of each year.

The Company noted at page 3 of the Report: “The Company has not had any changes to the customer deposit collection in 2023 and therefore does not meet the requirement for customer deposit data as discussed above.”

The Department concludes the Company has met the Commission’s customer deposit reporting requirements for 2023.

7. *Customer Complaints*

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

All Gas Utilities except GMG shall report, as described by Minn. Rules part 7826.2000:

- The number of complaints received.
- The number and percentage of complaints alleging:
 - Billing errors
 - Inaccurate metering
 - Wrongful disconnection
 - High bills
 - Inadequate service
 - Involving service extension intervals
 - Service-restoration intervals
 - Any other identifiable subject matter involved in five percent or more of customer complaints
- The number and percentage of all complaints resolved by taking any of the following actions:
 - Taking the actions the customer requested
 - Taking an action the customer and the utility agree is an acceptable compromise
 - Providing the customer with information that demonstrates that the situation complained of is not reasonably with the control of the utility
 - Refusing to take the action the customer requested
- The number of complaints forwarded to the utility by the Commission’s Consumer Affairs Office for further investigation and action.

All Gas Utilities shall include customer complaint data from Minnesota Rules 7820.0500 in their Annual Service Quality Reports.

Table 5 summarizes select customer complaint data for the years 2013 – 2023. The table provides a long-term view of CenterPoint’s customer complaint categories by comparing the 2023 results to a ten-

year average. For example, the number of complaints received in 2023 was 21% below the ten-year average, but 23% higher than the number of complaints lodged in 2022. This same longer-term perspective applied to the Minnesota Public Utilities Commission’s Office of Consumer Affairs (CAO) presents a different result. The number of complaints the CAO forwarded to the Company was 254% above the ten-year average and 107% above the number forwarded in 2022. Considering that same perspective, the percentage of complaints resolved upon initial inquiry was 5% above the ten-year average and increased 8% between 2022 and 2023.

Table 5: Customer Complaints for CenterPoint 2013 - 2023²⁸

| Calendar Year | Number of Complaints Received | Number of Complaints Forwarded from the Consumer Affairs Office | Percentage (%) of Complaints Resolved Upon Initial Inquiry |
|-----------------------------------|--------------------------------------|--|---|
| 2013 | 6,218 | 89 | 67 |
| 2014 | 6,770 | 88 | 75 |
| 2015 | 7,113 | 113 | 77 |
| 2016 | 6,739 | 58 | 79 |
| 2017 | 7,629 | 91 | 83 |
| 2018 | 7,298 | 135 | 82 |
| 2019 | 5,620 | 114 | 78 |
| 2020 | 2,733 | 56 | 79 |
| 2021 | 2,300 | 81 | 69 |
| 2022 | 3,597 | 162 | 74 |
| 10-Yr Avg. | 5,605 | 95 | 76 |
| 2023 | 4,416 | 335 | 80 |
| % Chg. 2023 to 10 Yr. Avg. | -21% | 254% | 5% |
| % Chg. 2023 to 2022 | 23% | 107% | 8% |

Table 5A provides details on the Company’s resolution of its customer complaints for the years 2013 - 2023. The data shows that, overall, CenterPoint has resolved complaints most often through either agreement with the customer or demonstrating to the customer the circumstances of the complaint were beyond the Company’s control.

²⁸ Petition, page 5; Petition Schedule 6e.

Table 5A: CenterPoint Residential Customer Complaints by Resolution Method 2013 -2023 ²⁹

| Cal. Year | Percentage (%) of Customer Complaints Resolved by: | | | | |
|--------------------------------|--|--------------------------|---|-------------------------|----------------------------|
| | Agreement with Customer | Compromise with Customer | Demonstrate that Circumstances are out of Company Control | Refuse Customer Request | Resolution Not Categorized |
| 2013 | 35 | 13 | 36 | 12 | 0 |
| 2014 | 32 | 15 | 45 | 8 | 0 |
| 2015 | 28 | 16 | 49 | 7 | 0 |
| 2016 | 25 | 13 | 56 | 6 | 0 |
| 2017 | 26 | 10 | 58 | 5 | 1 |
| 2018 | 22 | 9 | 65 | 4 | 1 |
| 2019 | 15 | 16 | 63 | 6 | 1 |
| 2020 | 16 | 20 | 54 | 5 | 4 |
| 2021 | 20 | 12 | 58 | 5 | 5 |
| 2022 | 14 | 7 | 69 | 3 | 7 |
| 10-Yr Avg. | 23 | 13 | 56 | 6 | 2 |
| 2023 | 14 | 8 | 67 | 4 | 6 |
| % Chg. 2023 – 10 Yr Avg | -38% | -38% | 19% | -26% | 229% |
| % Chg. 2023 - 2022 | 4% | 6% | -3% | 46% | -1% |

The Department is concerned with the decrease in percentages for: 1) agreement with customers; and 2) compromise with customer methods in 2023 relative to the ten-year average. The Company’s efforts to manage its arrears may be the driver for the decrease in agreements and compromises with customers. However, the Department will monitor this topic in the Company’s future Reports.

The Department concludes the Company has met the Commission’s reporting requirements for Customer Complaints for 2023.

8. *Gas Emergency Phone Line Answer Time*

The “Notice of Gas Service Quality Reporting Requirements” requires the following information on this topic.

²⁹ Petition, page 5; Petition Schedule 6d.

All Gas Utilities except GMG shall report:

- Telephone answer times to the utility’s gas emergency phone line.

Table 6 shows the details relevant to emergency phone calls CenterPoint received for the years 2013 - 2023.

Table 6: Gas Emergency Phone Calls CenterPoint Received 2013 - 2023 ³⁰

| Calendar Year | Number of Gas Emergency Calls | Average Number of Seconds Before Calls were Answered | Percentage (%) of Calls Answered in 20 Seconds or Less |
|----------------------------------|--------------------------------------|---|---|
| 2013 | 78,629 | 15 | 86 |
| 2014 | 89,576 | 21 | 77 |
| 2015 | 75,215 | 13 | 86 |
| 2016 | 77,111 | 12 | 89 |
| 2017 | 70,305 | 10 | 90 |
| 2018 | 75,193 | 17 | 86 |
| 2019 | 79,076 | 16 | 88 |
| 2020 | 54,824 | 9 | 91 |
| 2021 | 66,005 | 15 | 89 |
| 2022 | 74,420 | 9 | 92 |
| 10-Yr Avg. | 74,035 | 13 | 88 |
| 2023 | 79,702 | 9 | 92 |
| 2023% Chg. To 10 Yr. Avg. | 8% | -36% | 5% |
| One Yr. % Chg | 7% | -7% | 0% |

Table 6 shows CenterPoint consistently responds to its emergency phone calls in 20 seconds or less. Compared to the ten-year average, CenterPoint in 2023 answered 5% more calls within 20 seconds, but was stable from the 2022 performance. The number of emergency phone calls made to the Company in 2023 was 8% above the ten-year average and increased by 7% from 2022. The average number of seconds before a call was answered in 2023 was 36% below the ten-year average and 7% below the 2022 results.

The Department concludes the Company has met the Commission’s gas emergency phone call reporting requirements for 2023.

9. *Gas Emergency Response Times*

The “Notice of Gas Service Quality Reporting Requirements” requires the following information on this topic.

³⁰ Petition, page 5; Petition Schedule 7.

All Gas Utilities shall report:

- The percentage of emergencies responded to within one hour and within more than one hour.

Additionally, Xcel, CenterPoint, and MERC shall report:

- The average number of minutes it takes to respond to an emergency.

The Company reports its emergency response times by region; the Department combined the relevant regional data for documentation in Table 7.

Table 7: CenterPoint Gas Emergency Response Times 2013 - 2023³¹

| Year | # of Emergency Calls Requiring Response | % of Calls Responded < 1 Hr | % of Calls Responded > 1 Hr | Avg. Response Time in Minutes |
|-------------------------------|---|-----------------------------|-----------------------------|-------------------------------|
| 2013 | 33,522 | 92 | 6 | 31 |
| 2014 | 37,339 | 90 | 10 | 34 |
| 2015 | 38,843 | 92 | 8 | 32 |
| 2016 | 39,167 | 90 | 10 | 35 |
| 2017 | 39,338 | 93 | 7 | 32 |
| 2018 | 41,795 | 92 | 8 | 33 |
| 2019 | 45,683 | 90 | 10 | 35 |
| 2020 | 36,737 | 97 | 3 | 28 |
| 2021 | 36,001 | 97 | 3 | 27 |
| 2022 | 37,332 | 97 | 3 | 25 |
| 10-Yr Avg. | 38,576 | 93 | 7 | 31 |
| 2023 | 41,668 | 97 | 3 | 26 |
| 2023 - 10 Yr Avg % Chg | 8% | 4% | -51% | -15% |
| One Yr. % Chg | 12% | -1% | 31% | 8% |

The Company had a decent year in 2023 in this regard. The number of calls was up from 2022 (12%) and above the ten-year average (8%) but CenterPoint was able to maintain its percentage of calls responded to in less than one hour to 97% which was slightly above the ten-year average (4%) and slightly below the 2022 results (-1%). The percentage of calls responded to in more than one hour was 51% below the ten-year average but 31% above the 2022 results. The average response time in 2023 was 26 minutes which was a 15% below the ten-year average and two minutes (8%) longer than the 2022 average response times.

³¹ Petition, page 6; Attachment D.

The Department concludes the Company has met the Commission's gas emergency response time reporting requirements for 2023.

10. *Excavation Damages (formerly Mislocates)*

The "Notice of Gas Service Quality Reporting Requirements" requires:

All Gas Utilities shall report on excavation damages using the following metrics:

- a. The number of excavation tickets received;
- b. The number of excavation damages;
- c. The number of excavation damages per 1.000 excavation tickets, and
- d. The number of at-fault damages.³²

An "at fault damage" shall be defined as a damage where the root cause of the damage falls under the responsibility of the utility or its contractors including mislocates made by the company or its contract locating companies.

The Commission's G999/CI-09-409 *Order* required CenterPoint to provide data on Gas System Damages and Mislocate Rates. The data provided for the Excavation Damages reporting requirement differs from the Gas System Damages and Mislocate Rates, so the data from prior years is not comparable.³³

The Department concludes the Company has met the Excavation Damages reporting requirement for 2023.

11. *Gas Service Interruptions*

The "Notice of Gas Service Quality Reporting Requirements" required Gas Utilities to report the following information on service interruptions:

All Gas Utilities except GMG shall report:

- The number of service interruptions categorized according to whether it was:
 - Caused by utility's employees or contractors, or
 - Whether it was due to any unplanned cause.

³² The definition of an "at-fault damage" is one where the utility or its contractors are responsible for the damages. It also includes mislocates made by the Company and its contractors.

³³ Prior years' results include all tickets whereas the 2023 information is only reporting excavation tickets.

The Company provided this information in Schedule 10 of its Report. Table 8 provides details on CenterPoint’s natural gas service interruptions since 2020.³⁴

Table 8: CenterPoint Service Interruptions 2013 - 2023³⁵

| Year | Total Service Interruptions (yr.) | # of Customers Affected (yr.) | Avg. Interruption (minutes) |
|--------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| 2020 | 655 | 2,164 | 165 |
| 2021 | 669 | 2,417 | 150 |
| 2022 | 540 | 1,437 | 161 |
| 3 yr. avg. | 640 | 1,875 | 111 |
| 2023 | 625 | 2,778 | 148 |
| % Chg. 2023 - 3 yr. Avg | 1% | 38% | -7% |
| 2023 to 2022 % Chg. | 16% | 93% | -8% |

The Company had mixed results in 2023 regarding these metrics. The total number of service interruptions was slightly higher than the three-year average but 16% above the same figure in 2022. The total number of customers affected in 2023 by service interruptions was 38% above the three-year average and 93% higher than the 2022 results. The average interruption duration figure in 2023 was 7% lower than the three-year average and 8% below the 2022 results.

The Department concludes the Company has met the gas service interruption data requirements for 2023.

12. Major Incident Reporting

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

All Gas Utilities shall report:

- Summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MNOPS) according to the criteria used by MNOPS to identify reportable events.
- Each summary shall include the following items:
 - The location
 - When the incident occurred
 - How many customers were affected
 - How the company was made aware of the incident
 - The root cause of the incident

³⁴ CenterPoint changed its service interruption information in 2019. Data collected prior to that date is inconsistent with data provided after that date.

³⁵ Petition, page 6; Petition, Schedule 10.

- The actions taken to fix the problem
- What actions were taken to contact customers
- Any public relations or media issues
- Whether the customer or the company relighted
- The longest any customer was without gas service during the incident.

CenterPoint provided the required information in Schedules 11 and 11a. Table 9 (following page) provides the Company’s natural gas service interruptions classified as MNOPS reportable events.

Table 9: MNOPS Reportable Interruptions for CenterPoint³⁶

| Year | # of Reportable Interruptions |
|--------------------------|--------------------------------------|
| 2013 | 66 |
| 2014 | 97 |
| 2015 | 80 |
| 2016 | 56 |
| 2017 | 89 |
| 2018 | 93 |
| 2019 | 71 |
| 2020 | 56 |
| 2021 | 63 |
| 2022 | 37 |
| 10 yr. Avg. | 71 |
| 2023 | 40 |
| 2023 - 10 yr. Avg | -44% |
| 2023 to 2022 | 8% |

CenterPoint’s 2023 results demonstrated long-term improvement combined with a small uptick in the number of MNOPS’ reportable events compared to 2022. According to Schedule 11 of the Report, the majority of the 2023 MNOPS reportable interruptions were caused by damaged gas mains (55%). Fires were the second most numerous root cause (30%). The remaining 15% had various root causes. CenterPoint received 19 MNOPS violations in 2023 as compared to 26 in 2022.³⁷

The Department concludes CenterPoint met the Commission’s 2023 reporting requirements for Major Incident Reporting.

³⁶ Petition, page 8.

³⁷ Petition, Schedule 11.

13. Integrity Management Plan Reporting

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

CenterPoint shall:

- annually file TIMP/DIMP data addressing the 29 metrics developed in its affiliated interest docket, updating three-year averages each year. Xcel Energy, MERC, GMG, and Great Plains shall report the following metrics from their Annual PHMSA Distribution Reports in their service quality reports:
- Miles of Distribution Main
- Number of Main Leaks
- Number of Main Leaks by Cause
- Number of Hazardous Main Leaks by Cause
- Main Leaks per 1,000 Miles of Main
- Number of Services
- Number of Service Leaks.
- Number of Service Leaks by Cause
- Number of Hazardous Service Leaks by Cause
- Service Leaks per 1,000 Services

The following two sections provide additional details on the Company’s reported performance measures required by the Commission’s updated reporting requirements.

1. Transmission and Distribution Integrity Management Plan Performance Measures

CenterPoint submitted select information on its TIMP and DIMP and provided a 2020 – 2022 three-year average as baseline for data comparison. Table 10 (following page) summarizes the cause of leaks incidents the Company experienced.

Table 10: 2023 CenterPoint Leak Causes Compared to Three-year Average

| Leak Cause | 3-Year Average for Years 2020 - 2022 | | | Year 2023 | | |
|------------------------------|---|------------------------------------|---------------------------------------|--|-----------------------|--------------------------|
| | <i>Above Ground Facility Leaks³⁸</i> | <i>Main Leaks³⁹</i> | <i>Service Leaks⁴⁰</i> | <i>Above Ground Facility Leaks</i> | <i>Main Leaks</i> | <i>Service Leaks</i> |
| Corrosion | 111 | 65 | 155 | 216 | 21 | 132 |
| Equipment Failure | 4,064 | 85 | 341 | 5,320 | 64 | 345 |
| Excavation | 16 | 141 | 623 | 18 | 128 | 650 |
| Incorrect Operations | 48 | 29 | 90 | 57 | 17 | 47 |
| Natural Force Damage | 45 | 6 | 48 | 66 | 6 | 57 |
| Other | 78 | 7 | 18 | 0 | 1 | 1 |
| Other Outside Force Damage | 53 | 17 | 86 | 56 | 1 | 22 |
| Pipe, Weld, or Joint Failure | 84 | 19 | 42 | 40 | 6 | 30 |
| Total | 4,499 | 369 | 1,403 | 5,773 | 244 | 1,284 |

The total of the Above Ground Facility Leaks (AGFL) was 28% higher than the three-year average (2020-2022). The number of leaks in every AGFL category was higher than the 3-yr average except for “Other” and “Pipe, Weld or Joint Failure”. The “Main” leaks category is about 34% lower than the 2020-2022 average and the service leaks category is 8% lower.

The Department identified this overall increase in the number of leaks reported annually in its Comments for the Company’s 2019 SRSQ. In its Reply Comments, CenterPoint explained improvements in leak detection equipment have allowed the Company to cost effectively identify smaller leaks.

Table 10A provides data on the number of main and service line leaks associated with different pipeline materials.

³⁸ Petition Schedule 18A.

³⁹ Petition Schedule 18B.

⁴⁰ Petition Schedule 18C.

Table 10A: 2023 CenterPoint Material Associated with Leaks Compared to Three-year Average

| Gas Line Material | 3-Year Average for Years 2020– 2022 | | Year 2023 | |
|----------------------|-------------------------------------|-----------------------------|--------------------------|-----------------------------|
| | Main Leaks ⁴¹ | Service Leaks ⁴² | Main Leaks ⁴³ | Service Leaks ⁴⁴ |
| Bare Steel | 54 | 53 | 21 | 46 |
| Coated Steel | 119 | 191 | 64 | 154 |
| Not Assigned/Unknown | 9 | 10 | 0 | 10 |
| Plastic-PE | 140 | 707 | 118 | 678 |
| Plastic-PE Aldyl A | 48 | 249 | 44 | 207 |
| PVC | NA | 1 | NA | 0 |
| Copper | NA | 195 | NA | 189 |
| Total | 424 | 1,406 | 244 | 1,284 |

Table 10A shows for 2023 (1) main leaks occur most commonly in coated steel and plastic- PE line and (2) service leaks occur most commonly in plastic-PE and plastic-PE Aldyl A lines. In total, the percentages of main leaks and service leaks were 42% and 9% lower respectively in 2023 than the three-year average.

Tables 10B, 10C, and 10D show select cost data for certain Company projects and repairs during 2023.

Table 10B: 2023 Unit Cost by Project Category Compared to Three-year Average ⁴⁵

| Project | 3-Year Average for Years 2020 – 2022 | | | Year 2023 | | |
|-----------------------------------|--------------------------------------|-----------------|---------------------|-----------------|-----------------|---------------------|
| | Total Cost (\$) | Quantity (unit) | Unit Cost (\$/unit) | Total Cost (\$) | Quantity (unit) | Unit Cost (\$/unit) |
| Transmission Pipe Integrity | \$23,356,259 | 25,589 | \$926 | \$27,480,829 | 17,036 | \$1,613 |
| Transmission Pipeline Replacement | \$30,390,948 | 18,714 | \$1,717 | \$0 | 0 | N/A |
| Remote Control Valves | 0 | 0 | NA | 0 | 0 | N/A |
| Bare Steel Mains | \$26,252,873 | 127,747 | \$302 | \$28,315,276 | 137,706 | \$206 |
| Cast Iron Mains | 0 | 0 | NA | 0 | 0 | N/A |
| Copper Service Lines | \$1,091,867 | 234 | \$5,087 | \$2,506,610 | 575 | \$4,359 |
| Inside Meters | \$11,212,381 | 2,410 | \$5,257 | \$20,758,027 | 3,717 | \$5,585 |
| Vintage Plastic Pipe | \$2,557,740 | 416 | \$6,374 | \$2,488,920 | 379 | \$6,567 |

⁴¹ Petition, Schedule 18D.

⁴² Petition, Schedule 18E.

⁴³ Petition, Schedule 18D.

⁴⁴ Petition, Schedule 18E.

⁴⁵ Data taken from Petition Schedule 18K.

In 2023:

- three of the per-unit costs by project increased compared to the 2020-2022 three-year average (Transmission Pipe Integrity, Inside Meters and Vintage Plastic Pipe).
- two of the per-unit costs by project decreased compared to the 2020-2022 three-year average (Bare Steel Mains and Copper Service Lines).
- one project did not have any costs incurred in 2023 (Transmission Pipe Replacement).
- two projects continue to have no costs incurred in 2023 like the results for the 2020-2022 three-year average (Remote Control Valves and Cast-Iron Mains).

Department information request no. 9 asked why the remote-control valve and cast-iron mains total projects’ costs respectively have been \$0 annually since 2020 and why the Transmission Pipeline Replacement project total cost was \$0 in 2023. CenterPoint explained in its response that the Company no longer considers remote control valves as a separate integrity management project, that the Company’s cast iron mains were replaced as part of a Distribution Integrity Management Program that concluded in 2017 and that the Transmission Pipeline Replacement project concluded in 2022.⁴⁶

Table 10C: 2023 Budget Variances Compared to 2020-2022 Three-Year Average Variances⁴⁷

| Project | 3-Year Average for Years 2020 – 2022 | | | Year 2023 | | |
|--------------------------------|--------------------------------------|---------------|---------------|---------------|--------------|---------------|
| | Forecast (\$) | Actual (\$) | Variance (\$) | Forecast (\$) | Actual (\$) | Variance (\$) |
| Trans. Pipe Integ. (TIMP Cap.) | \$28,560,333 | \$27,220,064 | (\$1,340,269) | \$16,101,284 | \$26,345,349 | \$10,244,065 |
| Trans. Pipeline Replacement | \$26,023,333 | \$30,390,948 | \$4,367,615 | \$4,225,258 | \$3,444,568 | (\$780,690) |
| Remote Control Valves | \$ 20,000 | \$63,345 | \$43,345 | \$0 | \$0 | \$0 |
| Bare Steel Mains | \$21,263,972 | \$26,252,873 | \$4,988,901 | \$27,500,000 | \$28,315,276 | \$815,276 |
| Cast Iron Mains | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Copper Service Lines | \$ 1,027,910 | \$ 1,091,867 | \$63,957 | \$2,160,700 | \$2,506,610 | \$345,910 |
| Inside Meters | \$11,331,693 | \$ 11,212,381 | (\$119,312) | \$18,368,680 | \$20,758,027 | \$2,389,347 |
| Vintage Plastic Pipe | \$2,363,390 | \$ 2,557,740 | \$194,350 | \$3,021,600 | \$2,488,920 | (\$532,680) |
| Total | \$90,590,631 | \$98,789,218 | \$8,198,587 | \$71,377,522 | \$83,858,750 | \$12,481,228 |

The 2023 variance for all the projects identified was \$12.5M or 17% higher than budget. The main drivers for that variance are the Transmission Pipeline Integrity (64% variance) and the Inside Meters

⁴⁶ Attachment H contains a cop of DER information request no. 9.

⁴⁷ Data taken from CenterPoint’s Petition, Schedule 18I.

projects (13% variance). The Inside Meters and Bare Steel Mains projects’ 2023 budgets increased compared to 2020-2022 average while the Transmission Pipeline Integrity and Transmission Pipeline Replacement projects’ 2023 budgets decreased significantly compared to the 2020-2022 three-year average.

Table 10D: 2023 Average Annual Cost to Repair Leaks Compared to 2020-2022 Three-Year Average⁴⁸

| Description | 3-Year Average for Years 2020 - 2022 | | | Year 2023 | | |
|---------------------------------|--------------------------------------|-------------|----------|-----------|-------------|----------|
| | Number | Repair Cost | Avg Cost | Number | Repair Cost | Avg Cost |
| All Leak Repairs | 13,286 | \$5,348,312 | \$403 | 16,372 | \$5,295,221 | \$323 |
| All Mains | 588 | \$1,579,122 | \$2,686 | 490 | \$1,296,931 | \$2,647 |
| All Meters | 10,782 | \$2,105,334 | \$195 | 13,984 | \$2,557,958 | \$183 |
| All Services | 1,916 | \$1,663,856 | \$868 | 1,898 | \$1,440,332 | \$759 |
| Capitalized Leak Repairs | 1,301 | \$1,788,571 | \$1,375 | 2,059 | \$2,242,793 | \$1,089 |
| Mains (capitalized) | 173 | \$724,310 | \$4,187 | 158 | \$736,195 | \$4,659 |
| Meters (capitalized) | 378 | \$253,439 | \$670 | 938 | \$622,263 | \$663 |
| Services (capitalized) | 750 | \$854,812 | \$1,140 | 963 | \$884,335 | \$918 |
| Expensed Leak Repairs | 11,985 | \$3,559,742 | \$297 | 14,313 | \$3,052,428 | \$213 |
| Mains (expensed) | 415 | \$854,812 | \$2,060 | 332 | \$560,736 | \$1,689 |
| Meters (expensed) | 10,404 | \$1,851,896 | \$178 | 13,046 | \$1,935,695 | \$148 |
| Services (expensed) | 1,166 | \$853,034 | \$732 | 935 | \$555,997 | \$595 |

Comparing the 2023 results to the three-year average for all leak repairs:

- the number of main leak repairs declined 17%.
- the number of meter leak repairs increased by 30%.
- the number of services leak repairs declined by 1%.
- the average repair costs for mains and services declined by 18% and 13% respectively.
- the average repair costs for meters increased by 21%.
- The average repair cost for mains (capitalized) was the only category for which the 2023 average cost/repair was higher than the three-year average (11%).

The increase in the number of meter leak repairs, the decline in the number of service leak repairs and the decrease in average cost per repair for all the projects except the main (capitalized) project are all interesting trends. The Department will monitor the situation to see if those same trends continue in 2024.

⁴⁸ Data taken from CenterPoint’s Petition, Schedule 18m.

Summary

The TIMP and DIMP information provided for 2023 is consistent with the data provided in prior years.

2. Transmission and Distribution Integrity Management Plan Performance Measures

CenterPoint provided information about risk levels corresponding to different causes of repairs in Schedules 18f - 18j in its Report. The Department provides Tables 11 – 11D to correspond with the Company’s report. In its Comments for Docket No. G-008/M-21-303, the Department requested the Company provide context for this data in its Reply Comments. The response is below.

“For Schedules 18(f) through 18(j), CenterPoint Energy uses a System Threat Risk Model outlined in its DIMP. This model is based on the estimation of the risk associated with each individual leak repair record and summing the risk to account for the risk in the entire system by performing a facility-threat risk analysis. Using the consequence factors identified in the plan (leak class, volume, migration, etc.) and assuming the probability to be one for each leak repair, the risk is determined on each record for the various attributes/conditions. A lower risk factor equates to a safer system. This is a relative risk model so the results from each year can be compared to each other, however, these factors cannot be compared across utilities as this risk model was developed in house and not used across the industry. Additionally, if this calculation was adopted by other utilities it does consider population of assets and therefore larger utilities would be seen as inherently riskier.”

Table 11 Relative Risk for Above the Ground Gas Facilities 2023 to Three-Year Average⁴⁹

| Risk by Cause for ABGF | 2020 -2022 Avg. | 2023 | Nominal Change | Percentage Change |
|-----------------------------|-----------------|----------------|----------------|-------------------|
| Corrosion | 4,166 | 43,625 | 39,459 | 847% |
| Equipment | 206,029 | 825,375 | 619,346 | 201% |
| Excavation | 117,281 | 34,992 | -82,289 | -170% |
| Incorrect Operation | 6,789 | 13,282 | 6,493 | -4% |
| Natural Forces | 9,021 | 15,953 | 6,932 | -23% |
| Other | 7,715 | 0 | -7,715 | -200% |
| Other Outside Force Damage | 8,924 | 11,330 | 2,406 | -73% |
| Pipe, Weld or Joint Failure | 3,094 | 6,045 | 2,951 | -5% |
| Total | 363,019 | 950,602 | 587,583 | 62% |

The Department was concerned about the large percentage change between the 2023 and the three-year average (62%) relative risk for leaks for above ground gas facilities and asked Department Information Request No. 10, which included that question.⁵⁰

⁴⁹ Data for Table 11 was taken from CenterPoint’s Petition Schedule 18F.

⁵⁰ Attachment I includes a copy of DER IR #10.

CenterPoint replied:

The 2023 results for above ground gas facilities have a few factors contributing to the increase in risk score compared to the 3-year average. One factor in the risk score is count of leaks, there was a 28% increase in above ground facility leaks in 2023 as compared to the 3-year average. The Company utilizes advanced leak detection which has an increased sensitivity resulting in finding and repairing more leaks than traditional leak detection. The grade of leaks is also a factor in the risk score, with Grade 1 being weighted higher than Grade 2 or Grade 3 leaks. There was a 50% increase in Grade 1 above ground facility leaks in 2023 as compared to the 3-year average. There was also an increase in leaks located within a business district which have a higher weighting in the risk score than leaks not located within a business district.

It appears that the number of leaks may be significantly higher due to the Company’s use of advanced leak detection technology. The Department will monitor this trend.

Table 11A: Relative Risk for Mains - 2023 to Three Year Average⁵¹

| Risk by Cause for Mains | 2020 -2022 Avg. | 2023 | Nominal Change | % Change |
|--------------------------------|------------------------|----------------|-----------------------|-----------------|
| Corrosion | 71,586 | 25,920 | (45,666) | -64% |
| Equipment | 100,790 | 88,560 | (12,230) | -12% |
| Excavation | 251,575 | 208,952 | (42,623) | -17% |
| Incorrect Operation | 39,206 | 21,429 | (17,777) | -45% |
| Natural Forces | 7,852 | 8,934 | 1,082 | 14% |
| Other | 5,152 | 1,733 | (3,419) | -66% |
| Other Outside Force Damage | 23,706 | 1,628 | (22,078) | -93% |
| Pipe, Weld or Joint Failure | 22,041 | 5,130 | (16,911) | -77% |
| Total | 521,908 | 362,286 | (159,622) | -31% |

The lower relative risks for all mains project categories except natural forces is a positive result. The Department will continue to monitor this situation.

The 2023 relative risk for services increased slightly when compared to the three-year average risk for services, but by less than 1%. Table 11B summarizes this information.

⁵¹ Data for Table 11A was taken from CenterPoint’s Petition Schedule 18g.

Table 11B: Relative Risk for Services - 2023 to Three Year Average⁵²

| Risk by Cause for Services | 2020 -2022 Avg. | 2023 | Nominal Change | Percentage Change |
|-----------------------------|------------------|------------------|----------------|-------------------|
| Corrosion | 206,669 | 203,887 | -2,782 | -1.35% |
| Equipment | 338,676 | 419,850 | 81,174 | 23.97% |
| Excavation | 1,081,242 | 1,131,570 | 50,328 | 4.65% |
| Incorrect Operation | 105,457 | 62,355 | -43,102 | -40.87% |
| Natural Forces | 66,587 | 91,771 | 25,184 | 37.82% |
| Other | 20,540 | 813 | -19,727 | -96.04% |
| Other Outside Force Damage | 114,282 | 40,500 | -73,782 | -64.56% |
| Pipe, Weld or Joint Failure | 42,354 | 40,500 | -1,854 | -4.38% |
| Total | 1,975,807 | 1,991,246 | 15,439 | 0.78% |

Table 11C summarizes the relative risk for mains by material. Fortunately the total relative risk for this project category declined almost 31% compared to the 2020-2022 average.

Table 11C: Relative Risk for Mains by Material - 2023 to Three Year Average⁵³

| Risk by Cause for Mains by Material | 2020 -2022 Avg. | 2023 | Nominal Change | Percentage Change |
|-------------------------------------|-----------------|----------------|-----------------|-------------------|
| Bare Steel | 55,621 | 27,552 | -28,069 | -50.46% |
| Coated Steel | 153,450 | 94,430 | -59,020 | -38.46% |
| Not Assigned/Unknown | 7,641 | 4,860 | -2,781 | -36.40% |
| Plastic – PE | 234,323 | 182,518 | -51,805 | -22.11% |
| Plastic-PE Aldyl A | 70,873 | 52,926 | -17,947 | -25.32% |
| Total | 521,908 | 362,286 | -159,622 | -30.58% |

Table 11D summarizes the relative risk for services by material for 2023. The 2023 results suggest that CenterPoint is maintaining its system in a consistent manner year-to-year. The 2023 percentage change in relative risk for all materials was only 1% higher than the 2020 – 2022 three-year average.

⁵² Data for Table 11B was taken from CenterPoint’s Petition Schedule 18H.

⁵³ Data for Table 11C was taken from CenterPoint’s Petition Schedule 18I.

Table 11D: Relative Risk for Services by Material - 2023 to Three Year Average⁵⁴

| Risk by Cause for Services by Material | 2020 -2022 Avg. | 2023 | Nominal Change | Percentage Change |
|---|------------------------|------------------|-----------------------|--------------------------|
| Bare Steel | 54,983 | 70,125 | 15,142 | 28% |
| Coated Steel | 188,410 | 213,051 | 24,641 | 13% |
| Copper | 247,299 | 271,809 | 24,510 | 10% |
| Not Assigned/Unknown | 7,220 | 12,508 | 5,288 | 73% |
| Plastic – PE | 1,156,845 | 1,143,236 | -13,609 | -1% |
| Plastic-PE Aldyl A | 319,969 | 280,517 | -39,452 | -12% |
| PVC | 1,080 | 0 | -1,080 | -100% |
| Total | 1,975,806 | 1,991,246 | 15,440 | 1% |

The Department concludes CenterPoint has complied with the Commission’s reporting requirements for 2023 for its Integrity Management Programs.

CenterPoint requested that the Commission adjust the Company’s reporting requirements related to Integrity Management Plan reporting in its Report for the current extensive reporting to the more narrowly focused reporting requirements included the 22-548 docket. The Commission notice of comment on this docket included a question on this issue. The Department’s response to the Commission’s question is found on pages 2-4.

14. Excess Flow Valves (EFVs) and Manual Shut-Off Valves

The “Notice of Gas Service Quality Reporting Requirements” included the following language regarding this topic.

All Gas Utilities (except GMG, which has already completed the required outreach) shall confirm with the Commission that they have completed their EFV and manual shut-off valve outreach pursuant to the Commission’s July 31, 2019, Order in Docket No. 18-41. Upon receiving confirmation from the Commission, utilities that have completed their EFV and manual shut-off valve outreach may cease annual reporting on EFVs, manual shut-off valves and related outreach in their annual service quality reports, including the reporting of EFV and manual shut-off valve data pursuant to the Commission’s November 14, 2019, Order in Docket Nos. G-004/M-19-280, G-004/M-19-300, G-011/M-19-303, and G-002/M-19-305. Utilities shall continue appending their annual PHMSA reports to their service quality reports, which contains information on the number of EFVs and manual shut-off valves installed on their system.

⁵⁴ Data for Table 11D was taken from CenterPoint’s Petition Schedule 18J.

1. *EFV Outreach Reports*

CenterPoint confirmed that it has completed the Commission ordered EFV and manual shut-off valve outreach program requirements included in the Commission's July 31, 2019, Order in Docket No. G999/CI-18-41.

2. *Conclusion*

The Department concludes CenterPoint met the reporting requirements pursuant to the Commission's updated reporting requirements issued on February 2, 2024, in the 22-548 docket. The Department recommends the Commission conclude that CenterPoint has completed its EFV and Manual Shut-off Valve program requirements and be allowed to cease reporting on this topic in its 2025 Annual Service Quality Report filed April 1, 2025.

CenterPoint requested that the Commission terminate the Company's reporting requirements related to this topic in the 2023 Report. The Commission's notice of comment in this docket included a question on this issue. The Department's response to the Commission's question is found on pages 5 - 6.

15. *Web-Based Metrics*

The Commission issued its "Notice of Gas Service Quality Reporting Requirements" on February 2, 2024, in Docket Number G002,G022,G004,G011,G008/CI-22-548. That document included the following language regarding this topic.

Beginning in 2025, for reporting year 2024, All Gas Utilities shall report:

- The percentage of uptime of the utility's enterprise-wide website (may not be state specific.)
- The percentage of uptime for web payment services ability (defined as the percentage of time that web payment services are available to some customers on utility-based platforms.)
- The error rate percentage for the utility-based payment services (defined as payment processing error rate – does not include errors outside of the utility's control such as non-sufficient funds ("NSF"), expired customer debit or credit cards, etc.)
- The yearly total number of website visits to initial facing enterprise-wide website (may not be state specific.)
- The yearly number of logins via electronic customer communication platforms (to include enterprise-wide website and mobile apps, if applicable; may not be state-specific and provides combined total for all customer logins, regardless of platform.

CenterPoint expects to report on the above information in their annual service quality reports for 2024, which will be filed on April 1, 2025.

16. *CenterPoint-Specific Reporting: Steel Services and Meter Relocation Expenses*

The Commission issued its “Notice of Gas Service Quality Reporting Requirements” on February 2, 2024, in Docket Number G002,G022,G004,G011,G008/CI-22-548. That document included the following language regarding this topic.

CenterPoint shall report:

- Annual compliance filings showing for each steel service line relation and each relocation of meters rated at 630 cubic feet per hour (CFH) or greater;
 - The itemized costs associated with each relocation.

The Department reviewed the data CenterPoint provided for 2023 and notes the costs are highly variable. In 2022, the average cost associated with steel service line relocation was \$9,920, while in 2023 the average cost was \$3,627.⁵⁵ The average cost of meters operating at 630 CFH or higher was \$4,962 in 2022 and \$8,282 in 2023. The Company notes the variability of costs is largely due to the unique circumstances of each job.

The Department concludes CenterPoint has met the steel service line relocation and meters operating at 630 CFH or greater requirement.

CenterPoint requested that the Commission terminate the Company’s reporting requirements related to this topic in the 2023 Report. The Commission’s notice of comment in this docket included a question on this issue. The Department’s response to the Commission’s question is found on page 2.

17. *CenterPoint-Specific Reporting: Call Center Detail*

The Commission issued its “Notice of Gas Service Quality Reporting Requirements” on February 2, 2024, in Docket Number G002,G022,G004,G011,G008/CI-22-548. That document included the following language regarding this topic.

CenterPoint shall report:

- The information contained in its Minn. Rule 7820.0500 annual report on Public Utilities Commission “formal” complaints on a quarterly basis and provide the same information on a quarterly basis for complaints from other state agencies and the Better Business Bureau.
- The total number of calls its call center receives.
- The number of these calls that come into the dedicated line for emergencies, billing inquiries, credit/payment arrangements, and service connection/disconnection requests.

⁵⁵ Petition at 13-14 and Schedules 14 and 15.

CenterPoint provided this information in Schedule 16 of Section 6.1 and Schedule 17 of Section 6.2. Table 12 summarizes that information.

Table 12: Call Center Detail for 2023 and Comparison to 3 Year Average 2020 - 2022⁵⁶

| Description | 2020-2022 | 2023 | Nom Change | % Change |
|---|------------------|------------------|----------------|------------|
| Billing Inquiries | 1,289,720 | 1,545,746 | 256,026 | 20% |
| Credit/Payment Arrangements | 61,014 | 81,345 | 20,331 | 33% |
| Service Connection/Disconnection Requests | 88,678 | 73,959 | -14,719 | -17% |
| Emergency | 65,083 | 79,702 | 14,619 | 22% |
| Business Customer Hotline | 38,808 | 48,402 | 9,594 | 25% |
| Total | 1,543,303 | 1,829,154 | 285,851 | 19% |

The Department assumes the ongoing issues associated with the COVID-19 disconnection moratorium were at least partially responsible for the increase in billing calls and payment arrangements to the Company.

The Department concludes that CenterPoint has complied with this reporting requirement.

18. Paperless Billing

The Commission approved CenterPoint’s Paperless Billing Customer Initiative (CPBCI, Program) in an Order dated December 5, 2022, in Docket No. G008/M-22-237. Commission staff had some reservations regarding the proposed Program and required the Company to report the following information:

- a. Complaints received.
- b. Number of opt outs.
- c. Number of customers who state they were enrolled without their knowledge.
- d. Other customer objections or comments regarding this initiative.
- e. What percent of auto-enrolled customers fell into arrears within 90 days of enrollment and how that compares to the arrearage percentage for all customers.
- f. How much money the paperless billing initiative has saved.

Table 13 (following page) summarizes the information CenterPoint provided in its Annual Report.⁵⁷

There is not much information from which to draw conclusions for this reporting requirement. The Department notes:

⁵⁶ Data for Table 12 was taken from CenterPoint’s Petition Schedule 16.

⁵⁷ Report at pages 12 - 13.

- Program participants don't seem to have a higher-than-average percentage of customers with arrears after 90 days.
- The percentage of Program participants that complained appears to be lower (0.353%) than a Department estimate of the percentage of non-Program participants who complained (0.487%).
- The cost savings per Program participant was not very large.

In DER IR no. 11, the Department asked when CenterPoint anticipated starting Phase 3 of the project. The Company replied that there is not a Phase 3 related to this project, but that it had completed project Phases 1 and 2 of this project and will continue to enroll customers in the paperless billing program.⁵⁸

Table 13: Summary Information for Paperless Billing Program

| Line No. | Description | Amount | Notes |
|----------|---|-----------|-----------------|
| 1. | Total # of Cust. Enrolled | 89,727 | |
| 2. | # of Opt Outs | 11,008 | |
| 3. | % of Cust. Opted Out | 12% | Line 2 / Line 1 |
| 4. | Net # of Cust on Program | 78,719 | Line 1 - Line 2 |
| 5. | # of Cust enrolled w/o knowledge contacted CPE | 105 | |
| 6. | Oth. Cust. Objections or comments on this initiative | 212 | |
| 7. | % in arrears < 90 days on program | 10% | |
| 8. | % in arrears - all custs. | 10% | |
| 9. | % diff. in arrearages program participants vs. general body of ratepayers | 0% | Line 7 - Line 8 |
| 10. | # of Complaints identified | 317 | |
| 11. | % of Complaints | 0.4027% | Line 10/Line 4 |
| 12. | Prog. Costs Savings to date | \$ 36,211 | |
| 13. | Cost Savings/Cust. | \$ 0.46 | Line 12/Line 4 |

The Department concludes the Company has fulfilled the Commission's reporting requirements for this docket.

19. Customer Service, Maintenance, and Installation Employees in Minnesota

The genesis of this reporting requirement was an Order dated March 1, 2021, in Docket No. G008/GR-19-524 (CenterPoint's 2019 general rate case). The Commission "required the Company to provide a 5-year historical look at the number of Company employees and designated full-time equivalents (FTEs)

⁵⁸ Attachment J includes a copy of DER IR #11.

performing direct customer service, maintenance, and installations in Minnesota, along with their location within Minnesota”.⁵⁹

CenterPoint included that information in Schedule 19 of the filing. Table 14 summarizes the FTEs – Direct Customer Service. Table 14 (following page) summarizes the FTEs – Maintenance and Installations.

Table 14: Summary Information for FTE – Direct Customer Service – 2019 - 2024⁶⁰

| Location | 2019 | 2020 | 2021 | 2022 | 2023 | Nom Chg 2019 - 2023 |
|----------------------------------|------|------|------|------|------|---------------------|
| Other/agent not assigned to team | 4 | 0 | 0 | 0 | 0 | (4) |
| Evansville | 0 | 0 | 0 | 0 | 0 | 0 |
| Houston | 12 | 12 | 13 | 13 | 13 | 1 |
| Houston Svc. Ctr | 0 | 0 | 1 | 1 | 1 | 1 |
| IQOP | 1 | 0 | 0 | 0 | 0 | (1) |
| Minnesota | 75 | 54 | 57 | 65 | 59 | (16) |
| Grand Total | 92 | 66 | 71 | 78 | 73 | (19) |

The total number of FTEs involved in direct customer service declined from 92 in 2019 to 73 in 2023 or 21%. Sixteen of those nineteen FTEs (84%) were in Minnesota. The Department asks CenterPoint to discuss these results in its Reply Comments.

The FTE information for CenterPoint’s Minnesota employees in Table 15 (following page) is:

- The number of FTEs performing maintenance and installations increased by 22 FTE’s (3.5%) between 2019 and 2023.
- New FTEs were added in Alexandria, Brainerd, Coon Rapids, Golden Valley Svc. Center, Linden Hills, River, South 601 (Stores) and Willmar.
- The number of FTEs remained constant in Evergreen and at Golden Valley Lab.
- The number of FTEs decreased in Minneapolis (505 Nicollet), Dakota Station, Mankato HQ, Milaca, Shakopee, South 601, and Waterville.

⁵⁹ Report at page 14.

⁶⁰ Information in Table 14 is Taken from Schedule 19 of the Petition.

Table 15: Summary Information for FTE – Maintenance and Installations – 2019 - 2024⁶¹

| Location | 2019 | 2020 | 2021 | 2022 | 2023 | Nom Chg 2019 - 2023 |
|--------------------------------|------|------|------|------|------|---------------------|
| 505 Nicollet | 4 | 3 | 3 | 3 | 3 | (1) |
| Alexandria | 8 | 7 | 10 | 9 | 9 | 1 |
| Brainerd | 2 | 3 | 7 | 7 | 7 | 5 |
| Coon Rapids | 81 | 83 | 80 | 84 | 88 | 7 |
| Dakota Station | 12 | 12 | 11 | 11 | 11 | (1) |
| Evergreen | 45 | 43 | 50 | 50 | 45 | 0 |
| Golden Valley Lab (Bldg C) | 3 | 3 | 2 | 2 | 3 | 0 |
| Golden Valley Svc Ctr (Bldg A) | 46 | 49 | 48 | 53 | 52 | 6 |
| Hastings | 2 | 2 | 1 | 2 | 2 | 0 |
| Linden | 205 | 226 | 231 | 215 | 210 | 5 |
| Mankato HQ | 32 | 31 | 30 | 27 | 30 | (2) |
| Milaca | 2 | 3 | 8 | 0 | 0 | (2) |
| River | 5 | 6 | 6 | 9 | 8 | 3 |
| Shakopee FBO | 18 | 15 | 18 | 17 | 17 | (1) |
| South 501 | 95 | 90 | 86 | 84 | 87 | (8) |
| South 601 (Stores) | 54 | 61 | 64 | 64 | 64 | 10 |
| Waterville | 8 | 9 | 3 | 7 | 7 | (1) |
| Willmar | 9 | 7 | 13 | 11 | 10 | 1 |
| Grand Total | 631 | 653 | 669 | 655 | 653 | 22 |

The Department recommends the Commission find CenterPoint has complied with these reporting requirements for 2023.

20. Customer Service – Related Operations/Maintenance Expenses, Payroll Taxes and Benefits

In its G999/CI-09-409 *Order* the Commission required CenterPoint to report:

- i. Customer service-related operation and maintenance (O&M) expenses accounted for under the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts and;
- ii. payroll taxes and benefits.

This reporting requirement was not included in the Commission’s “Notice of Gas Service Quality Reporting Requirements” in the 22-548 docket. Thus CenterPoint and the Department concluded the reporting requirement was discontinued.

⁶¹ *Ibid.*

III. DEPARTMENT RECOMMENDATIONS

Based on our review and analysis, the Department recommends the Commission:

- Approve the Company's request to cease reporting on Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater.
- Approve CenterPoint's request to cease reporting the leak-related reporting requirements included in docket no. G008/CI-19-517.
- Require the Company to provide the leak-related reporting requirements identified in the 22-548 docket.
- Reject CenterPoint's request to cease reporting on the risk-related related reporting requirements included in docket no. G008/CI-19-517.
- Reject the Company's request to cease reporting on the cost and budgeting-related reporting requirements included in docket no G008/AI-19-517.
- Approve the Company's request to cease reporting on EFVs, manual shut-off valves and related outreach.
- Accept the balance of the Company's 2023 Report.

The Department also requests CenterPoint address the question why a high percentage of the Direct Customer Service FTEs based in Minnesota were terminated or retired between 2019 and 2024.

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality Date of Request: 8/21/2024
Requested From: CenterPoint Energy Minnesota Gas Response Due: 9/3/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|--|
| DOC 01 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Steel Service Line Replacements Reference(s): Attachment B - Schedule 14</p> <p>A. Are the nine steel service line replacements included in Schedule 14 the entirety of the steel service line replacements the Company completed in 2023??</p> <p>B. Please provide the number of steel service line replacements CenterPoint has completed annually since 2014.</p> <p>C. Please provide the total annual cost resulting from the replacement of steel service lines for CenterPoint since 2014.</p> <p>D. To the Company’s knowledge, has any intervenor reviewed and analyzed the information provided in Schedule 14 of the Company’s Service Quality and Service Reliability Report since 2014? a. If so, please identify the intervenor and docket number of the proceeding.</p> <p>E. Does CenterPoint have a cost estimate of the costs associated with providing the information in Schedule 14 in its SRSQ Report annually? a. If so, please provide that cost estimate. b. If not, please develop a high-level cost estimate.</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

- F. Please provide a narrative that explains and supports the Company's request to cease reporting on Steel Service Line replacements.

Response:

- A. Yes, there were nine steel service line relocations in 2023.
- B. The number of steel service line relocations in total since 2014 is 223.
- C. The total annual cost resulting from the relocation of steel service lines for CenterPoint Energy since 2014 is \$1.6M with an average of \$160,548 per year (2014-2023).
- D. No, the Company is not aware of any intervenor review or analysis of the information provided in Schedule 14 of the Company's Service Quality and Service Reliability Report since 2014.
- E. The Company does not have a cost estimate the costs associated with providing the steel service line relocation data and related information.
- a. NA
- b. The Company cannot provide a definitive high-level cost estimate. The steel service line relocation information is coordinated with multiple departments and varying hours used by each department to provide the information.
- F. The request on information for Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater on future Service Quality reports was requested in 2009 in Docket No. 09-1190 relating to proposed changes for customer-requested work in the Company's tariff. The Steel Service Line and 630 CFH meter is no longer identified separately in the Company's tariff, therefore the Company is asking to remove both Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater from future Service Quality reports. Additionally, Steel Service Line relocations have a small number of projects per year and cost variability due to custom projects. Between 2014 through 2023, there were 223 jobs completed with an average of \$160,548 per year in total costs; the average high cost per service line is \$35,963 and the average low cost per service line in the last 10 years is \$925.

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

**State of Minnesota
Minnesota Department of Commerce**

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/21/2024
Response Due: 9/3/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|---|
| DOC 02 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Relocation of Meters that flow 630 Cubic Feet Per Hour or Greater Reference(s): Attachment B - Schedule 15</p> <p>A. Are the nineteen medium and large meter customer relocations included in Schedule 15 all the small and large meter customer request relocations the Company completed in 2023??</p> <p>B. Please provide the number of customer-requested medium and large meter relocations CenterPoint has completed annually since 2014.</p> <p>C. Please provide the total annual cost resulting from the relocation of medium and large meters made at the customer’s request for CenterPoint since 2014.</p> <p>D. To the Company’s knowledge, has any intervenor reviewed and analyzed the information provided in Schedule 15 of the Company’s Service Quality and Service Reliability Report since 2014? a. If so, please identify the intervenor and docket number of the proceeding.</p> <p>E. Does CenterPoint have a cost estimate of the costs associated with providing the information in Schedule 15 in its SRSQ Report annually? a. If so, please provide that cost estimate.</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

b. If not, please develop a high-level cost estimate.

F. Please provide a narrative that explains and supports the Company's request to cease reporting on the Customer-requested Relocation of Meters that flow 630 Cubic Feet Per Hour or Greater.

Response:

- A. Yes, there were 19 medium and large meter relocations in 2023.
- B. CenterPoint Energy completed 254 medium and large meter relocations since 2014.
- C. The total annual cost is \$1.66M with an average of \$165,836 per year for relocation of medium and large meters made at customers' request for CenterPoint Energy.
- D. The Company is not aware of any intervenor reviews or analysis of the information provided in Schedule 15 of the SQSR since 2014.
- E. The Company does not have an estimate of the costs associated with providing the medium and large meter relocations data and related information.
- a. NA
- b. The Company cannot provide a definitive high-level cost estimate. The medium and large meter relocation data and information is coordinated with multiple departments and varying hours used by each department to provide the information.
- F. The request on information for Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater on future Service Quality reports was requested in 2009 in Docket No. 09-1190 relating to proposed changes for customer-requested work in the Company's tariff. The Steel Service Line and 630 CFH meter is no longer identified separately in the Company's tariff, therefore the Company is asking to remove both Steel Service Line and Meters at 630 Cubic Feet Per Hour or Greater from future Service Quality reports. Additionally, medium and large customer meter relocations have a small number of projects per year and cost variability due to custom projects. Between 2014 through 2023 there were 254 jobs completed with an average of \$165,836 per year in costs; the average high cost is \$32,681 and the average low cost in the last 10 years is \$730.

Response By: Sherry Kemmetmueller
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Department: Regulatory Services
Telephone: 612-321-5191

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/21/2024
Response Due: 9/3/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|---|
| DOC 03 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: TIMP and DIMP Metrics of Most Significance as Agreed to with DER and OAG Reference(s): Exhibit 2 of April 1, 2019, Letter in Docket No. G008/AI-18-517</p> <p>A. Exhibit 2 of the April 1, 2019, Letter lists twenty-nine reporting requirements, a. Have there been any changes to these reporting requirements since 2019? i. If so, please identify the change and explain its purpose.</p> <p>B. How many of the twenty-nine TIMP/DIMP metrics included in Exhibit 2 are included in the current PHMSA Annual Report for Calendar Year 2023 Gas Distribution System?</p> <p>C. How many of the twenty-nine TIMP/DIMP metrics included in Exhibit 2 are not included in the current PHMSA Annual Report for Calendar Year 2023 Gas Distribution System?</p> <p>D. To the Company's knowledge, has any intervenor reviewed and analyzed the information provided in compliance with this reporting requirement (the twenty-nine metrics) in the Company's Service Quality and Service Reliability Report since 2014? a. If so, please identify the intervenor and docket number of the</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

proceeding.

- E. Does CenterPoint have a cost estimate of the costs associated with providing this TIMP/DIMP related information in its in its SRSQ Report annually?
- If so, please provide that cost estimate.
 - If not, please develop a high-level cost estimate.
- F. Please provide a narrative that explains and supports the Company's request to modify its integrity management plan reporting requirements to align with what is required of other gas utilities?

Response:

- A. There have been no changes to the 29 reporting requirements since 2019.
- B. Of the 29 metrics there are two exact metrics in the PHMSA report which are leak counts on mains and services. The PHMSA report additionally has the total number of services by material and miles of mains by material at the end of each year. There are variations of information in 10 of the 29 metrics that are included in the PHMSA report.
- C. Of the 29 metrics there are 19 cost analysis and budget metrics that not included in the PHMSA report. The details of the expected capital spending for Bare Steel Main Replacement project, Legacy Steel Main replacement project, Legacy Plastic Main replacement project; cost for Legacy Plastic Service Lines replaced, Copper Service lines replaced and Inside Meters replaced are detailed in the Company's rate case filing 23-173 found in John Wiinamaki testimony, Sch. 2, WP 3.
- D. The Company has noted OAG questions in 2019 on the 2018 SQ specific to schedules: 18b, 18c, 18 j-f, 18k, and 18 i. The questions range from definitions to trending numbers.
- E. The Company does not have an estimate of the costs associated with providing the the TIMP/DIMP related information.
- NA
 - The Company cannot provide a definitive high-level cost estimate. The 29 metric information is coordinated with multiple departments and varying hours used by each department to provide the information.

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
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F. The Company's request to modify its integrity management plan is to align with other utility requirements in the Natural Gas Working Group Docket G008/CI-22-548. CenterPoint Energy did not request the modification in the alignment of the Natural Gas Working Group because these utility-specific DIMP/TIMP reporting requirements were developed and agreed upon outside that docket. The requirements outlined are to have Xcel Energy, MERC, GMG and Great Plains report the following metrics from their Annual PHMSA Distribution Reports in their service quality report:

- 1 Miles of Distribution Main
- 1 Number of Main Leaks
- 1 Number of Main Leaks by Cause
- 1 Number of Hazardous Main Leaks by Cause
- 1 Main Leaks per 1,000 Miles of Main
- 1 Number of Services
- 1 Number of Service Leaks
- 1 Number of Service Leaks by Cause
- 1 Number of Hazardous Service Leaks by Cause
- 1 Service Leaks Per 1,000 Services

The Company is requesting to report on the above ten metrics in its annual Service Quality Report in addition to the inclusion of the annual PHMSA report. This change would align CenterPoint Energy with other utilities' requirements of Integrity Management Reporting in the "Notice of Gas Service Quality Reporting Requirements" issued February 2, 2024, in Docket No. G-008/CI-22-548.

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/21/2024
Response Due: 9/3/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|---|
| DOC 04 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: EFV and Manual Shut-off Valves Reporting Requirements Reference(s): Filing, page 14</p> <p>Please provide a narrative that explains and supports CenterPoint's statement that it has completed the required EFV and manual shut-off outreach pursuant to the Commission's August 20, 2018, ORDER FINDING THAT EXCESS FLOW VALVES COMPLY WITH FEDERAL REGULATIONS AND TAKING OTHER ACTIONS, Order Point 7a through 7c in Docket No. G999/CI-18-41.</p> <p>Response:</p> <p>Order in Docket No. G-999/CI-18-41, the Commission authorized CenterPoint Energy, and certain other gas utilities, to submit the required EFV outreach reports in their Gas Service Quality Reports rather than in the before mentioned docket. In those reports, the Company reports on the required outreach to K-12 schools, universities, colleges, hospitals, multi unit residential buildings and nursing facilities that do not have EFVs. The Company filed a plan for reaching out to this set of customers and daycares on December 18, 2018, and provided additional information on its plan in Reply Comments filed March 28, 2019, in Docket No. G-999/CI-18-41. As the Company explained in those filings, most of the customers in this set have an assigned Key Account Manager ("KAM"), but daycares are not assigned to KAMs. The Company estimated that it could</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

meet with customers that have a KAM over the course of four years. For daycares, the Company planned to hire a third-party contractor to meet with those customers and to complete those meetings over the course of two years.

The Company confirmed in its 2023 Service Quality Report that it had completed the EFV and manual shut-off valve outreach pursuant to the Commission's July 31, 2019, Order in Docket No. G-999-CI-18-41. Based on the reporting requirements in Docket No. G-008-CI-22-548, Notice of Gas Service Quality Reporting Requirements issued February 2, 2024, recommendations made by the Natural Gas Working Group state the requirements for EFV and Manual Shut-off Valves as:

All Gas Utilities (except GMG, which has already completed the required outreach) shall confirm with the Commission that they have completed their EFV and manual shut-off valve outreach pursuant to the Commission's July 31, 2019 Order in Docket No. 18-41. Upon receiving confirmation from the Commission, utilities that have completed their EFV and manual shut-off valve outreach may cease annual reporting on EFVs, manual shut-off valves and related outreach in their annual service quality reports, including the reporting of EFV and manual shut-off valve data pursuant to the Commission's November 14, 2019 Order in Docket Nos. G-004/M-19-280, G-004/M-19-300, G-011/M-19-303, and G-002/M-19-305. Utilities shall continue appending their annual PHMSA reports to their service quality reports, which contains information on the number of EFVs and manual shut-off valves installed on their system.

**State of Minnesota
Minnesota Department of Commerce**

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/21/2024
Response Due: 9/3/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|--|
| DOC 05 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: EFV and Manual Shut-off Valves Reporting Requirements Reference(s): Filing, page 14 , Commission Order dated July 31, 2019, in Docket No. G999/CI-18-41</p> <p>The Commission’s July 31, 2019, ORDER ACCEPTING COMPLIANCE FILINGS, REQUIRING MERC TO SUBMIT ADDITIONAL INFORMATION, REQUIRING ANNUAL COMPLIANCE REPORTING AND TAKING OTHER ACTION, Order Point 4 in Docket No. G999/CI-18-41 requires CenterPoint to submit an annual compliance report no later than March 31st each year through the 2025 reporting period, listing its progress toward complying with Ordering Paragraphs 7a-c of the August 20, 2018, Order.</p> <p>A. If the Commission were to approve the Company’s request to cease annual reporting on EFV, manual shut-off valves, and related outreach, would it be correct to assume CenterPoint would not file this information for the 2024 and 2025 reporting periods?</p> <p>B. Does CenterPoint have a cost estimate of the costs associated with providing this EFV, shut-off valves and related outreach in its in its SRSQ Report annually?</p> <p>a. If so, please provide that cost estimate.</p> <p>b. If not, please develop a high-level cost estimate.</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

Response:

A. Yes.

B. The Company does not have an estimate of the costs associated with providing this EFV, shut-off valves and related outreach information in its Service Quality Report.

a. NA

b. The Company cannot provide a definitive high-level cost estimate. The information is coordinated with multiple departments and varying hours used by each department to provide the information.

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/30/2024
Response Due: 9/9/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|---|
| DOC 06 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Cold Weather Rule Requests Reference(s): Schedules 3a and 3b</p> <ol style="list-style-type: none"> 1. What were the primary drivers for the increase in the number of Cold Weather Rule requests in 2023? 2. Why has the percentage of CWR requests granted decreased from 99% in 2021 to 80% in 2023? 3. Why did the percentage of involuntary disconnections restored within 24 hours decline so significantly during the Pandemic? 4. Why hasn't the percentage of involuntary disconnections restored within 24 hours returned to the pre-Pandemic percentages that were commonly above 80%? <p>Response:</p> <ol style="list-style-type: none"> 1. The number of customers who sought cold weather rule protection in 2023 is similar to the pre-pandemic years when looking at actual months of cold weather rule. A change in reporting occurred starting in 2021 which included 12 consecutive months of the calendar year 2020 and prior years, the five months that fall outside of cold weather rule (May, June, July, August and September) were not required or reported on. Starting in 2021 through 2023 all months were reported on regardless of cold weather rule or non-cold weather rule. If 2023 reporting had used the pre-pandemic reporting metrics (excluding the non-cold |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

weather rule months as outlined above) the number of cold weather rule requests in 2023 would be 34,157, comparable to pre-pandemic reported data. The 2024 Service Quality Report and the Monthly Residential Customer Status Reports will go back to pre-pandemic reporting requirements.

2. In a clarifying discussion and email exchange with the Department, the Company and Department agreed that the numbers decreased from 81% in 2021 to 69% in 2023. During the pandemic less customers were seeking cold weather rule protection, and during the pandemic utilities were required to follow Commission Orders that prohibited standard bill collection practices including disconnections for non-payment.
3. During the pandemic, the Company followed Commission Orders which in part suspended disconnections for non-payment decreasing the number of involuntary disconnections, which will have a direct impact on the total number of disconnections restored within 24 hours.
4. In a clarifying discussion and email exchange with the Department, the Company's report for involuntary disconnections that are not resolved within a month, carry over to the following month, which distorts the Department's calculation.

State of Minnesota
Minnesota Department of Commerce

Utility Information Request

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Date of Request: 8/30/2024
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Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|--|
| DOC 07 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Annual number of requests for service at previously served locations for residential and commercial customer classes Reference(s): Attachment B - Schedule 4</p> <p>Why did the annual figures for these two customer classes regarding number of service installations increase so significantly in 2021, 2022 and 2023 compared to prior years?</p> <p>Response:</p> <p>The annual service installation figures for residential and commercial customer classes on Schedule 4 increased in 2021, 2022 and 2023 due to a change in reporting effective 2021.</p> <p>Schedule 4 notes "*2021 through 2023 information includes additional installation codes that were omitted in previous reports".</p> <p>To provide detail on the asterisk note: in 2020 and previous years the reporting on service installation figures was a manual process, starting in 2021 a new team took on the reporting for service installations. As the team reviewed the manual process and developed the new reporting methodology, additional installation codes were identified and included in the values on the report. These installation codes are referred to as order types or service installations, and were not previously identified in the manual process.</p> |

Response By: Sherry Kemmetmueller
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**State of Minnesota
Minnesota Department of Commerce**

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
Requested From: CenterPoint Energy Minnesota Gas

Date of Request: 8/30/2024
Response Due: 9/9/2024

Analyst Requesting Information: John Kundert/Kyle Straiton

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

| Request No. | |
|-------------|---|
| DOC 09 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: TIMP/DIMP Unit Costs Reference(s): Filing, Schedule 18k</p> <ol style="list-style-type: none"> 1. Please explain why the Transmission Pipeline Replacement project total cost was \$0 in 2023. 2. Please explain why the Remote Control Valve project total annual costs have been be \$0 since 2020. 3. Please explain why the Cast Iron Mains project total cost have been \$0 since 2020. 4. Please provide a narrative explaining why the Company continues to replace old copper service lines with new copper service lines. <p>Response:</p> <ol style="list-style-type: none"> 1. The Transmission Pipeline Replacement project concluded in 2022, total cost is \$0 in 2023. More information can be found in the Direct Testimony of John M. Wiinamaki, P.E., in Docket No. G-008/GR-23-173. 2. The Company no longer accounts for remote control valves as a separate integrity management project. More information on this can be found in the Direct Testimony of John M. Wiinamaki, P.E., in Docket No. G-008/GR-21-435. |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
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3. The Company replaced all its cast iron mains via a Distribution Integrity Managment Program which concluded in 2017. More information on this can be found in the Direct Testimony of John M. Wiinamaki, P.E., in Docket G-008/GR-23-173 (footnote 25).
4. The Company does not install new copper service lines. Copper service lines are replaced with modern plastic or steel service lines, as appropriate to the installation context.

Response By: Sherry Kemmetmueller
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**State of Minnesota
Minnesota Department of Commerce**

Utility Information Request

Docket Number: G008/M-24-33 - Service Quality
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Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

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|-----------------------------|--|------------------------|----------------|-------------------|----------------|-------------------|-----------|-------|--------|--------|------|-----------|---------|---------|---------|------|------------|---------|--------|---------|------|---------------------|-------|--------|-------|-----|----------------|-------|--------|-------|-----|-------|-------|---|--------|-------|----------------------------|-------|--------|-------|-----|-----------------------------|-------|------|-------|-----|--------------|----------------|----------------|----------------|-------------|
| DOC 10 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Relative Risk for Above Ground Gas Facilities Reference(s): Petition, Schedule 18f</p> <p>Please refer to the enclosed Table 11</p> <table border="1"> <thead> <tr> <th>Risk by Cause for ABGF</th> <th>2020-2022 Avg.</th> <th>2023</th> <th>Nominal Change</th> <th>Percentage Change</th> </tr> </thead> <tbody> <tr> <td>Corrosion</td> <td>4,166</td> <td>43,625</td> <td>39,459</td> <td>947%</td> </tr> <tr> <td>Equipment</td> <td>206,029</td> <td>825,375</td> <td>619,346</td> <td>301%</td> </tr> <tr> <td>Excavation</td> <td>117,281</td> <td>34,992</td> <td>-82,289</td> <td>-70%</td> </tr> <tr> <td>Incorrect Operation</td> <td>6,789</td> <td>13,282</td> <td>6,493</td> <td>96%</td> </tr> <tr> <td>Natural Forces</td> <td>9,021</td> <td>16,953</td> <td>7,932</td> <td>88%</td> </tr> <tr> <td>Other</td> <td>7,715</td> <td>0</td> <td>-7,715</td> <td>-100%</td> </tr> <tr> <td>Other Outside Force Damage</td> <td>8,924</td> <td>11,330</td> <td>2,406</td> <td>27%</td> </tr> <tr> <td>Pipe, Weld or Joint Failure</td> <td>3,094</td> <td>6045</td> <td>2,951</td> <td>95%</td> </tr> <tr> <td>Total</td> <td>363,019</td> <td>951,602</td> <td>588,583</td> <td>162%</td> </tr> </tbody> </table> <p>Please explain why the difference between the three-year average and the 2023 results for Above Ground Gas Facilities increased by 162% .</p> <p>Response:</p> <p>The 2023 results for above ground gas facilities have a few factors contributing to the increase in risk score compared to the 3-year average. One factor in the risk score is count of leaks, there was a 28% increase in above ground facility leaks in 2023 as compared to the 3-year average. The Company utilizes advanced leak detection which has an increased sensitivity resulting in finding and repairing more leaks than traditional leak detection.</p> | Risk by Cause for ABGF | 2020-2022 Avg. | 2023 | Nominal Change | Percentage Change | Corrosion | 4,166 | 43,625 | 39,459 | 947% | Equipment | 206,029 | 825,375 | 619,346 | 301% | Excavation | 117,281 | 34,992 | -82,289 | -70% | Incorrect Operation | 6,789 | 13,282 | 6,493 | 96% | Natural Forces | 9,021 | 16,953 | 7,932 | 88% | Other | 7,715 | 0 | -7,715 | -100% | Other Outside Force Damage | 8,924 | 11,330 | 2,406 | 27% | Pipe, Weld or Joint Failure | 3,094 | 6045 | 2,951 | 95% | Total | 363,019 | 951,602 | 588,583 | 162% |
| Risk by Cause for ABGF | 2020-2022 Avg. | 2023 | Nominal Change | Percentage Change | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corrosion | 4,166 | 43,625 | 39,459 | 947% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment | 206,029 | 825,375 | 619,346 | 301% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excavation | 117,281 | 34,992 | -82,289 | -70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Incorrect Operation | 6,789 | 13,282 | 6,493 | 96% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Natural Forces | 9,021 | 16,953 | 7,932 | 88% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other | 7,715 | 0 | -7,715 | -100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Outside Force Damage | 8,924 | 11,330 | 2,406 | 27% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pipe, Weld or Joint Failure | 3,094 | 6045 | 2,951 | 95% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 363,019 | 951,602 | 588,583 | 162% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Response By: Sherry Kemmetmueller
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The grade of leaks is also a factor in the risk score, with Grade 1 being weighted higher than Grade 2 or Grade 3 leaks. There was a 50% increase in Grade 1 above ground facility leaks in 2023 as compared to the 3-year average. There was also an increase in leaks located within a business district which have a higher weighting in the risk score than leaks not located within a business district.

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
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**State of Minnesota
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Utility Information Request

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| Request No. | |
|-------------|--|
| DOC 11 | <p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Paperless Billing Reference(s): Petition, pages 12 - 13</p> <p>When does the Company anticipate that Phase 3 of this project will be completed?</p> <p>Response:</p> <p>The Company has executed Phase 1 and Phase 2 of the paperless billing project. There is not a Phase 3 in scope of this project. However, the Company has, and will continue to promote, organic enrollment in paperless billing without campaigns.</p> |

Response By: Sherry Kemmetmueller
Title: Manager, Regulatory Affairs
Department: Regulatory Services
Telephone: 612-321-5191

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Supplemental Comments**

Docket No. G008/M-24-33

Dated this **23rd** day of **September 2024**

/s/Sharon Ferguson

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|----------------|--------------------------------|--------------------------------------|------------------------------------|--|--------------------|-------------------|----------------------|
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC | 445 Minnesota Street Suite 1400 St. Paul, MN 55101 | Electronic Service | Yes | OFF_SL_24-33_M-24-33 |
| Sharon | Ferguson | sharon.ferguson@state.mn.us | Department of Commerce | 85 7th Place E Ste 280 Saint Paul, MN 551012198 | Electronic Service | No | OFF_SL_24-33_M-24-33 |
| Jason | Loos | jason.loos@centerpointenergy.com | CenterPoint Energy Resources Corp. | 505 Nicollet Mall 3rd Floor Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_24-33_M-24-33 |
| Generic Notice | Residential Utilities Division | residential.utilities@ag.state.mn.us | Office of the Attorney General-RUD | 1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131 | Electronic Service | Yes | OFF_SL_24-33_M-24-33 |
| Will | Seuffert | Will.Seuffert@state.mn.us | Public Utilities Commission | 121 7th PI E Ste 350 Saint Paul, MN 55101 | Electronic Service | Yes | OFF_SL_24-33_M-24-33 |
| Emily | Suppes | emily.suppes@centerpointenergy.com | CenterPoint Energy Minnesota Gas | 505 Nicollet Mall Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_24-33_M-24-33 |
| Donald | Wynia | donald.wynia@centerpointenergy.com | CenterPoint Energy | CenterPoint Energy 505 Nicollet Mall Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_24-33_M-24-33 |