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January 28, 2025

VIA eFILING

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2116

Re: In the Matter of the Consumer Appeal of Consumer Complaint 82340

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

REPLY COMMENTS

Dear Mr. Seuffert:

CenterPoint Energy Resources Corp d/b/a CenterPoint Energy Minnesota Gas ("CenterPoint Energy" or the "Company") respectfully submits to the Minnesota Public Utilities Commission (the "Commission") our Reply Comments in the above referenced docket in response to the Initial Comments of the Citizens Utility Board of Minnesota ("CUB"), Legal Services Advocacy Project ("LSAP"), and the Office of the Attorney General – Residential Utilities Division ("OAG") (together the "Intervening Parties").

CenterPoint Energy reviewed the initial comments of CUB, LSAP and the OAG and held a meeting to gain a better understanding of the views of each intervening party. CUB and LSAP, although not taking a position on the relief requested by the customer, have expressed concerns regarding the customer complaint in question and broader policies and practices of CenterPoint Energy. CUB and LSAP are asking the Commission to require CenterPoint Energy to take a course of action that could prevent similar issues going forward. The OAG provided their analysis of the information provided by the Company, and requests that the Commission require CenterPoint Energy's unregulated products be billed separately from CenterPoint Energy's natural gas service. During the Company's discussion with CUB, LSAP and the OAG, there was a common request for the Company to be transparent in providing information, policies, and practices regarding the regulated and unregulated business operations of CenterPoint Energy. The OAG asked that a plan be implemented for educating customer service representatives.

The Company asks for consideration of the impact on customers who share the billing experience of both natural gas service and Home Service Plus® ("HSP®"). The Company has provided the option to customers to purchase appliances and services of HSP® since 1980. The Company respects the ability to have both services on one bill, the convenience this provides our customers, and the privileges provided to the unregulated business.

The Company provides the following details of its customer base with a breakout of information on total numbers of customers from the residential gas customer base with HSP, including details on the delinquency of regulated and unregulated sides of the business where the customers are combined. HSP® has customers who purchase services or service contracts and sales customers who purchase appliances. Out of 859,065 residential gas customers, the Company currently provides combined billing for HSP® unregulated and regulated services to 162,456 customers (18.9% of the residential gas customer base). 9,168 customers that have HSP® services have past due gas charges totaling \$1,081,929.07 (1.07% of residential gas customer base). 20,047 HSP® customers have past due HSP® balances totaling \$1,837,035.35 (2.33% of residential gas customer base and 12.5% of HSP® total unregulated service customers).

584 customers that have HSP® sales have past due gas charges totaling \$70,197.48 (0.07% of residential gas customer base). 1,506 HSP® sales customers have past due amounts on unregulated charges totaling \$650,781.30 (0.18% of residential gas customer base and 27.6% of HSP® total unregulated sales customers). The breakdown of the information between regulated and unregulated total number of customers and delinquency is obtained from reporting requirements the Company has on the separation of regulated and unregulated business and payment allocation.

Our customers are afforded the convenience and ease of multiple bill review and payment functions. When our gas customers who have HSP sign up for automatic payments, online services, email alerts on bills, and other programs the Company provides, these functionalities are integrated with both businesses on single bills. At the time of a customer contact, when a customer is purchasing HSP® sales or services they may request to have their HSP® purchases on a separate bill. 5% of HSP® customers who purchase an appliance request to have a bill separate from their gas service bill. Less than 1% of customers who sign up for HSP® services request to have the HSP® charges on a bill separate from their gas service bill. Most customers keep a single bill.

The Company initially analyzed impacts associated with each of the Intervening Parties' requests of separating bills between regulated and unregulated (OAG) and modifying the default allocation of payments (CUB). The Company is investigating cost impacts associated with the separation of bills as well as the requirement to change the payment settlement processes. At the onset, the requests seem like simple viable solutions; however, the process to make this change and the impact to customers is not simple. There are costs associated with the separation of bills as well as the requirement to change the payment allocation processes. Making the changes in the Company's system requires hours of reprogramming and creates negative impacts to the 95% of customers who prefer to have their services billed together. Both intervening solutions requested, on bill separation and modification of the default allocation of payments, would include customers being removed from many of the functionalities and requiring them to reset each of their accounts in each of the functionalities they choose. Recognizing the Company has had the honor of serving some customers for decades, the significance of these established relationships should also be considered.

CUB and LSAP requested CenterPoint Energy provide additional information on how Low-Income Home Energy Assistance Program ("LIHEAP") funding is applied for HSP customers and how payments are prioritized for customers enrolled in affordability programs. CenterPoint Energy offers the Gas Affordability Program ("GAP") to residential customers who have been qualified and receive assistance from LIHEAP. The Company's system has programming in place recognizing LIHEAP

payments and does not allow this payment type to be applied to non-regulated products. All LIHEAP payments go towards regulated gas charges. In 2024, the Company started automatic enrollment of customers who receive LIHEAP in the GAP program. From March 1, 2024, through the date of this filing the Company has 63 LIHEAP customers that have opted out of GAP. Both LIHEAP and GAP customers with or without HSP® follow the same payment allocation process of customer payments: 1) gas arrears installment plan, 2) gas arrears not included in the installment plan, 3) unregulated business arrears, 4) current gas charges, and 5) current unregulated business charges. LIHEAP funds are identified as separate funding and cannot apply to any charges other than charges associated with gas.

CenterPoint Energy takes this concern of the customer, and all its customers, seriously. The Company continues process improvements in the privilege of providing safe and reliable service to our customers. For the identified issue in this docket, the Company investigated the issue completely and stands by the decisions and practices it has in place. Prior to the OAG asking for the plan in place on educating customer service representatives, the complaint at issue in this docket had already resulted in employee coaching. The Company currently has an internal training team in place for the education of our customer service representatives and a quality assurance team in place to audit agent interactions with our customers. Leadership receives copies of these audits and provides feedback based on those interactions.

The Company appreciates the requests of the intervenors and is committed to providing transparent information on billing practices. The Company supports the numbered options below for the Commission to consider in its decision making:

1. The Company will continue to offer a separate bill in initial contact with a customer who is purchasing HSP® sales or services. This provides understanding of available option for customers.
2. When interacting with residential gas customers who are setting up payment arrangements on gas and in addition are HSP® customers, the Company will explain allocation of payments. The specific payment priority is as follows: 1) gas arrears installment plan, 2) gas arrears not included in the installment plan, 3) unregulated business arrears, 4) current gas charges, and 5) current unregulated business charges.

The Company supports the following recommendations by CUB and LSAP with the noted modifications.

3. CenterPoint Energy ~~must~~ will submit a compliance filing in Docket No. E,G-999/PR-YR-02 whenever the Company modifies its disconnection, payment agreement, or billing practices.
4. CenterPoint Energy ~~must~~ will post the following information in a conspicuous place on its website using easy-to-understand language:
 - a. Costs of gas service are subject to regulation while payments for merchandise and HSP services are not subject to the same regulatory oversight.
 - b. Merchandise and HSP arrears cannot form the basis for customer disconnection.
 - c. The default order in which customer payments are applied and what actions a customer must take to adjust these payment allocations.

- d. The manner in which disconnections are carried out, including any threshold arrearage balance used to determine whether a customer is liable for disconnection.
 - e. Payment agreement requirements employed by the Company, including the methodology used to determine the down payment amount requested from customers.
5. CenterPoint Energy ~~must~~ will post the following language in a conspicuous place on its website:
- a. Under Minnesota law, CenterPoint Energy customers are entitled to a payment agreement for the payment of arrears. This payment agreement must consider a customer's financial circumstances and any extenuating circumstances of the household.
 - b. ~~If the payment agreement terms offered are~~ current bill is not affordable to you, or if your household is facing financial or extenuating circumstances, you should contact a CenterPoint Energy customer account representative at 800-245-2377 and/or Company can provide a link for the "contact us" form.
 - c. If you are unable to reach a mutually agreeable arrangement with a customer account representative, you may appeal the decision with the Minnesota Public Utilities Commission's Consumer Affairs Office. The Consumer Affairs Office can be contacted at 651-296-0406 or 800-657-3782, or by email at consumer.puc@state.mn.us.

In conclusion, the Company takes this customer situation seriously and appreciates the collaboration with the Consumer Affairs Office to address the needs of this particular customer. Additionally, the Company understands the opportunity to work with the intervening parties in taking a larger view of information and practices identified through this appeal process.

If you have questions, please contact me at Jason.Loos@centerpointenergy.com or 612-321-4410.

Sincerely,

/s/ Jason Loos

Associate General Counsel - Minnesota

CERTIFICATE OF SERVICE

I, Melodee Carlson Chang, certify that on Tuesday, January 28, 2025, I served the attached Reply Comments of CenterPoint Energy on the attached service list for Docket No. G-008/C-24-191. The filing was delivered electronically or, if indicated on the attached service list, placed in the U.S. Mail at Minneapolis, Minnesota.

/s/ Melodee Carlson Chang

Senior Regulatory Paralegal
CenterPoint Energy

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Olivia	Carroll	oliviac@cubminnesota.org			Citizens Utility Board of Minnesota 332 Minnesota St., Suite W1360 St. Paul MN, 55109 United States	Electronic Service		No	24-191G008-C-24-191
2	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	24-191G008-C-24-191
3	Brandon	Crawford	brandonc@cubminnesota.org		Citizens Utility Board of Minnesota	332 Minnesota St Ste W1360 St. Paul MN, 55101 United States	Electronic Service		No	24-191G008-C-24-191
4	Ron	Elwood	relwood@mnlsap.org		Legal Services Advocacy Project	970 Raymond Avenue Suite G-40 Saint Paul MN, 55114 United States	Electronic Service		No	24-191G008-C-24-191
5	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-191G008-C-24-191
6	Sherry	Kemmetmueller	sherry.kemmetmueller@centerpointenergy.com	CenterPoint Energy		505 Nicollet Mall F3 Minneapolis MN, 55402 United States	Electronic Service		No	24-191G008-C-24-191
7	Kathryn	Lloyd	kathy.lloyd@centerpointenergy.com	CenterPoint Energy		null null, null United States	Electronic Service		No	24-191G008-C-24-191
8	Complainant c/o	PUC	consumerappeal.puc@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		No	24-191G008-C-24-191
9	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-191G008-C-24-191
10	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	24-191G008-C-24-191
11	Emily	Suppes	emily.suppes@centerpointenergy.com	CenterPoint Energy		505 Nicollet Mall	Electronic Service		No	24-191G008-

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
				Minnesota Gas		Minneapolis MN, 55402 United States				C-24-191
12	Nicole	Westling	nicole.westling@state.mn.us		Department of Commerce	85 7th Place E Suite 280 St Paul MN, 55001 United States	Electronic Service		No	24-191G008-C-24-191