

Minnesota Public Utilities Commission

Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #13

Companies: CenterPoint Energy (CPE)

Docket No. G008/M-13-352

In the Matter of Center Point Energy's 2012 Annual Gas Service Quality Report

Issues: Should the Commission Accept Company's Annual Gas Service Quality Report?

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Relevant Documents

Commission Order Setting Reporting Requirements
G-999/CI-09-409..... August 26, 2010

Commission Order Setting Further Requirements
G-002/M-11-360 March 6, 2012

CenterPoint Energy's
Annual Service Quality Report. May 1, 2013

Comments of the Minnesota Department of Commerce
Division of Energy Resources. June 27, 2013

Reply Comments of CenterPoint Energy.....July 11, 2013

Minnesota Department of Commerce Letter.July 24, 2013

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

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Statement of the Issues

Should the Commission accept the Company's Annual Service Quality Report for 2012?

Background

On April 16, 2009, the Minnesota Public Utilities Commission (Commission) opened an investigation into natural gas service quality standards and requested comments from the interested parties in Docket No. G999/CI-09-409. On August 26, 2010, the Commission issued an Order Setting Reporting Requirements in Docket G-999/CI-09-409 (09-409 Order). This Order prescribed a list of indicators for which data for each calendar year are to be provided by each utility in a miscellaneous tariff filing to be made by the following May 1.

In addition to the requirements in the 09-409 Order, the Commission's March 6, 2012 Order (11-360 Order) in Docket No. G002/M-11-360, et. al directed all regulated Minnesota gas utilities to:

- In future annual reports, include data on average speed of answering calls, in addition to reporting on the percentage of calls answered within 20 seconds or less;
- Explain in their 2011 annual reports, whether the difference between the total percentage of meters (100%) and the percentage of meters read (by both the utility and customers) is equal to the percentage of estimated meter reads;
- Explain, beginning with their 2011 annual reports, the types of extension requests (such as requests for reconnection after disconnection for non-payment) they are including in their data on service extension request response times for both locations not previously served, as well as for locations that were not previously served;
- Explain, beginning with their 2011 annual reports, the types of deposits (such as new deposits from new and reconnecting customers and the total number of deposits currently held) included in the report number of "required customer deposits"; and
- Describe, beginning with their 2011 annual reports, the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to the Minnesota Office of Pipeline Safety (MOPS). Provide an explanation of any difference between the reports provided to the Commission and to MOPS.

The Company was further required in the Commission's March 15, 2010 *Order* in Docket No. G008/M-09-1190 (09-1190 *Order*) to provide itemized costs associated with each steel service line relocation and each relocation of meters rated at 630 cubic feet per hour (CFH) or greater.

In addition, the Commission directed the Minnesota natural gas utilities subject to the 09-409 Order to convene a workgroup to address improving consistency in reporting and to address certain other

reporting issues. The workgroup met on June 22, 2012 and developed more uniform reporting.

On May 1, 2013, the Company filed its calendar year 2012 Annual Service Quality Report (Report). This Report also includes information related to steel service-line relocation and meter relocations, as prescribed by the Commission in Docket No. G008/M-09-1190.

CenterPoint Energy's (CPE) 2012 Gas Service Annual Report

1. Call Center Response Time/Average Speed of Answer & Percentage of Calls Answered Within 20 Seconds or Less

Standard: Each utility is required to report call center response time in terms of the percentage of calls answered within 20 seconds.

CPE: In 2012, 81% of calls (excluding interactive voice response (IVR)-only calls) were answered in 20 seconds or less, compared to 82% in 2011. The weighted average speed of answer was 25 seconds in 2012, compared to an average of 20 seconds in 2011. The number of calls answered (excluding IVR) decreased from 896,851 in 2011 to 798,637 in 2012.

At the request of the utility workgroup the Commission tasked the workgroup with improving consistency in reporting in its March 6, 2012 Order. For example, as part of this effort to make these reports more consistent, the Company will also report on call center response time including calls that solely utilized IVR functionality. Because IVR calls were not included in previous years, the following 2012 information cannot be compared to 2011.

In 2012, 88% of calls (including IVR-only calls) were answered in 20 seconds or less. The weighted average speed of answer was 17 seconds in 2012. The total number of calls answered (including IVR) was 1,171,297 in 2012.

DOC: The Company provided these data in an attachment to its Report. On an annual basis, the Company was able to answer 81.58 percent of its calls in 20 seconds or less, which exceeds its goal of 80 percent of calls in 20 seconds or less. On a monthly basis, the Company was able to answer 80 percent or more of calls in 20 seconds or less in all but four months of 2012.

In the three years for which data is available, CenterPoint has reported decreasing average percentages of calls answered in 20 seconds or less, and decreasing monthly lows for percentage of calls answered in 20 seconds or less. Average speed of answer experienced a 3.5 second increase from 2011 to 2012. While this may be explained by an increase in incoming calls, CenterPoint has reported decreasing numbers of incoming calls to their call center from 2010 through 2012.

The DOC noted that the Company's performance in this requirement increases drastically when

calls answered using the Company's IVR system are included. Average speed of answer decreases to 17 seconds, percent of calls answered in 20 seconds or less increases to 88 percent, and the monthly low percentage of calls answered in 20 seconds or less increases to 77 percent, and only one month falls below the 80 percent goal.

CPE Reply: The DOC's Comments correctly stated that the Company's 12-month average percentage of calls answered within 20 seconds has decreased since 2010, but the Company believes that service quality remains at a satisfactory level based on the reported metrics. As stated in the Report, "CenterPoint Energy's goal is to achieve an 80/20 service level for a 12 month, calendar basis." This goal is the same as the electric utilities' standard: "On an annual basis, utilities shall answer 80 percent of calls made to the business office during regular business hours within 20 seconds." As previously discussed, CenterPoint Energy manages its resources toward achieving the 80/20 goal on an annual basis. Furthermore, it is important to note that there will be differences in monthly performance results based on seasonal variations and unique events throughout the year. The Company continues to monitor call center performance, looking for opportunities to improve the quality of customer service while still managing the CenterPoint Energy workforce to meet the 80/20 annual goal.

In addition, CenterPoint Energy appreciates the DOC's discussion that "that the Company's performance in this requirement increases drastically when calls answered using the Company's IVR system are included." As more straight-forward customer calls are completed by self-service options, the IVR system has become a substantial factor in CenterPoint Energy's service quality; the percentage of IVR-only calls out of total calls handled increased from 18.1% in 2010 to 25.9% in 2011 to 31.8% in 2012. While the Company believes a service-level metric that excludes IVR-only calls provides an incomplete measure of responsiveness to customer calls, CenterPoint Energy will continue to manage toward an 80/20 goal that excludes IVR-only calls until the Commission instructs otherwise.

2. Meter Reading Performance

Standard: Each utility shall report the meter reading performance data contained in Minn. Rules, part 7826.1400. The reporting metrics include a detailed report on meter-reading performance for each customer class and for each calendar month:

- 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 estimated;
- The number and percentage of customer meters that have not been read by utility personnel for periods of 6 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 or geographical

area.

CPE: Meter Reading Performance is reported on Schedule 2 of the 2012 annual Gas Service Quality Report.

In 2012, 98.19% of meters were read by CenterPoint Energy personnel, compared to 97.78% in 2011. About 0.02% of meters were not read in 6-12 months, compared to about 0.03% in 2011. About 0.01% of meters were not read in over 12 months, compared to about 0.03% in 2011. Staffing levels did not change from 2011 to 2012 in the Minneapolis Metro Area but decreased from 19.25 to 17 in Greater Minnesota.

DOC: Because the 2012 Report is only the third in which meter reading performance data has been provided, definitive conclusions cannot be drawn based on an analysis of the data.

CenterPoint reported that of a potential total of 9,929,616 meters to be read throughout 2012, 9,761,719, or approximately 98.31 percent, meters were read by Company personnel. This percentage is close to the 97.78 percent reported as company read in 2011. Customers self-read 13 meters, or 0.0001 percent of the total, which is a decrease of 6 meters over 2011 and a decrease of 23 meters since 2010.

The Company noted that the number of meters read by utility personnel, when added to the number of meters self-read by customers, is different from the total number of meters. CenterPoint explained that the difference reflects not just estimated bills, but also rebillings and billing adjustments. Through its participation in the workgroup, CenterPoint agreed to exclude special or rebill meter readings from its reported meter reading data.

The Company reported that 2,351 meters, 0.02 percent, have not been read for periods of six to 12 months. The 2012 figure represents a decrease in unread meters of 537 from 2011 and a total decrease of 322 from 2010. CenterPoint also reported that 901 meters (0.01 percent) have not been read for periods exceeding 12 months. In terms of meters not read for periods exceeding 12 months this represents a decrease of 647, or 41.8 percent, from 2011, exceeding the 2011 decrease of 1,045, or 40.3 percent, over 2010. For both categories of unread meters, “ERT not responding” is the leading reason reported for not reading the meters.

The DOC recognized the significant improvement in this metric that the Company has achieved since 2010; total numbers of meters unread in 12 or more months have decreased by 65.3 percent since 2010. The DOC noted that reported 2011 meter-reading staffing levels were unchanged at 10 in the Minneapolis Metro Area and 17 in the Greater Minnesota Area. The DOC encouraged the Company to continue to make efforts towards reducing the number of unread meters.

CPE Reply: The majority of the meters that are not read by utility personnel or self-read by a customer have either one or two consecutive months with no meter reading. Approximately 90%

of the Company's meters are equipped with an automated reading device (an ERT); the Company has a process in place where after the 2nd consecutive no-read an ERT investigation order is automatically generated. ERT investigation orders are typically completed in the field within a month after they are generated so that the customer does not receive 3 or more consecutive no-reads. The exception to this is when a meter is located indoors or is otherwise difficult to access; these can take several months to resolve due to the need to work with individual customers to gain access to the meter.

3. Involuntary Service Disconnection

Standard: In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat.216B.091 and 216B.096.

CPE: Summary reporting is included on Schedule 3 of the annual Gas Service Quality Report.

There were 26,573 customers disconnected for nonpayment in 2012, compared to 23,022 in 2011.

DOC: The DOC reviewed CenterPoint's involuntary disconnection data and did not observe any significant events or anomalies related to involuntary service disconnections. The DOC did, however, observe that disconnection levels were higher in the spring and summer of calendar year 2012. As this is the approximate time of year that the Cold Weather Rule ends (April 15), this is to be expected.

In its Comments filed in the 2011 Report Docket, the DOC noted that past due accounts reached levels of 11-22 percent of total accounts for each month in 2011 and requested that the Company provide additional information in Reply Comments. In its July 10, 2012 Reply Comments, the Company responded by stating that the levels of past due accounts in 2011 were lower than in previous years and described initiatives used to decrease the number of past due accounts. The Company also reported decreased levels of past due accounts in 2012, which would indicate that, according to the Company's Reply Comments in last years' docket, past due accounts in 2012 were lower than levels seen in the past, on average. Levels of past due accounts have decreased for each year that the Company has reported them in its Annual Service Quality Report.

4. Service Extension Request Response Time

Standard: Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B., except that data reported under Minn. Stat. 216B.091 and 216B.096, subd.11, is not required.

a) The number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date

requested by the customer or the date the premises were ready for service; and

b) The number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the interval between the date service was installed and the date the premises were ready for service.

CPE: Service Extension Request Response Time reporting is on Schedule 4 of CPE's annual Gas Service Quality Report.

the Company revised reporting methods so new and renewed service orders would be consistently comparable; starting in 2012, the "Avg days to complete" field represents the difference between the dispatched date and mobile completion date. Consequently, 2012 response times are not comparable to 2011.

In 2012, new commercial extensions took an average of 11 days to complete, and renewed commercial extensions took an average of 8 days to complete. New residential extensions took an average of 6 days to complete, and renewed residential extensions took an average of 7 days to complete.

DOC: In its 2012 Report, CenterPoint stated that it has revised its service extension reporting methods so that new and renewed service orders would be reported consistently. The DOC appreciated CenterPoint's efforts to ensure consistency across service extension categories and notes that the underlying issue (reporting time from the request date as opposed to the site-ready date) has been mentioned by several other Minnesota gas utilities in their service quality reports. An implication of this change is that 2012 data on service extension requests is not comparable to 2011 data.

In 2012, CenterPoint extended service to 3,646 new residential locations in an average span of 6.3 days, and to 354 previously served residential locations in an average span of 6.5 days. The Company extended service to 84 new commercial locations in an average span of 8 days, and to 16 previously served commercial locations in an average span of 5 days. In 2011, CenterPoint reported average service extension times of 17 days for new residential locations, 18 days for existing residential locations, 24 days for new commercial locations, and 14 days for existing commercial locations.

As the Company revised its reporting methods for average days to complete new service extension requests for the 2012 Report, the DOC cannot make comparisons between years for that metric. The DOC will continue to monitor this metric and will provide comments and analysis when it is appropriate to do so.

5. Customer Deposits

Standard: Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900.

CPE: Customer Deposit reporting is included on Schedule 5 of CPE's annual Gas Service Quality Report.

The current policy for deposits is limited to commercial accounts. In 2012, 397 deposits were required as a condition of service for customers, compared to 590 in 2011.

DOC: CenterPoint required a total of 397 such customers as a condition of service in calendar year 2012. This represents a decrease in deposits of 170 from 2011 and a decrease in deposits of 221 since calendar year 2010. The DOC noted that the top months for requesting deposits were October (98 customers) and November (68 customers). The DOC further noted that the number of deposit requests in these two months are significantly higher than the next closest month, April 2012, where the Company requested deposits from 36 customers. October and November were the two months that saw the most customer deposits in 2011 as well. The DOC will continue to monitor this metric in future service quality reports.

6. Customer Complaints

Standard: Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000.

CPE: The number of complaints taken by CenterPoint Energy is reported on Schedule 6a of CPE's annual Gas Service Quality Report.

There were 5,000 complaints received in 2012, compared to 6,772 in 2011.

The number and percentage of complaints by type of complaint is reported on Schedule 6b of CPE's annual Gas Service Quality Report.

The top three Commercial complaint types in both 2012 and 2011 were Disputed Charges, Disconnect/No Pay, and Payment Issues.

The top three Residential complaint types in 2012 were Disputed Charges, Payment Issues, and Inadequate Service; in 2011 they were Disputed Charges, Payment Issues, and Credit Arrangements.

The number and percentage of complaints by resolution timeframe is reported on Schedule 6c of CPE's annual Gas Service Quality Report.

In 2012, 55% of commercial complaints were resolved immediately and 40% within ten days, compared to 51% and 39% in 2011 respectively. For residential complaints, 61% were resolved immediately and 37% within ten days, compared to 52% and 42% in 2011 respectively.

The number and percentage of complaints by resolution type are reported on Schedule 6d of CPE's annual Gas Service Quality Report.

Resolution Type	Commercial		Residential	
	2012	2011	2012	2011
Agreement	30%	33%	40%	43%
Compromise	21%	19%	12%	13%
Demonstration	36%	35%	36%	33%
Refusal	13%	14%	12%	11%

The number of complaints forwarded to CenterPoint Energy from all sources is reported on Schedule 6e of CPE's annual Gas Service Quality Report.

There were 206 complaints forwarded to CenterPoint Energy in 2012, compared to 252 in 2011. While the number of complaints received from the BBB and PUC did not vary much from 2011 to 2012, complaints received from the OAG decreased from 129 to 90.

DOC: CenterPoint received a total of 5,000 customer complaints in 2012, a decrease of 1,772 from the number of complaints received in 2011 and a decrease of 835 from the number of complaints received in 2010. The monthly distribution of complaints received in 2012 was fairly even. The number of complaints received each month was between 400 and 500 except for the months of November and December, when CenterPoint received 332 and 328 complaints, respectively.

In terms of resolution time frames, CenterPoint reported a decrease in the amount of time it took to resolve customer complaints in 2012. In 2012, over 60 percent of complaints were resolved immediately and over 95 percent were resolved within 10 days. In 2011, only 51.6 percent of customer complaints were resolved immediately with 93 percent resolved within 10 days.

CenterPoint categorized each complaint it received into one of 22 categories. The top five complaint categories reported for 2012 were, in order, Disputed Charges, Payment Issue, Disconnect Non-Pay, Inadequate Service, and Credit Arrangements. Most of these categories were also top five complaint categories in 2011 (in order, Disputed Charges, Payment Issue, Credit Arrangements, Inadequate Service, and Billing Errors). As the total number of customer complaints decreased in 2012, the only customer complaint categories that experienced sizable

increases in complaints from 2011 to 2012 were Disconnect Non-Pay and Web/Customer Self Service/IVR. The DOC requested that CenterPoint, in Reply Comments, provide a discussion of the potential causes for the increased complaints in those two categories in 2012. In its Comments filed in the docket concerning CenterPoint's 2011 Annual Service Quality Report, the DOC noted its concern with the increase in complaints regarding Decoupling and Inverted Block rates. The DOC also noted the fact that this issue was discussed frequently in the media during rate case proceedings taking place in 2011. The DOC has noted that, in this year's Report, complaints in this category have fallen to a level below those reported in 2010; the Company received only 4 Decoupling/Inverted Block Rate Complaints in 2012.

CenterPoint also provided the number of complaints that it was forwarded from the Commission's Consumer Affairs Office (CAO). In 2012 CenterPoint was forwarded 77 complaints from the CAO, a decrease from the 81 forwarded in 2011 and the 94 forwarded in 2010. In all three years for which this data is available the CAO has been the source of between 1 and 2 percent of all complaints received by the Company.

The DOC will continue to monitor all customer complaint reporting requirements filed in CenterPoint's annual service quality reports.

CPE Reply: The DOC also requested the Company provide:

- "a full explanation of why it experienced increased complaints in the categories of Disconnect Non-Pay and Web/Customer Self Service/IVR in 2012."

The increase in Disconnect Non-Pay complaints may be related to increases in the number of disconnection notices sent and the number of disconnections due to nonpayment. As shown on Schedule 3 (lines 20 and 23) of the 2011 and 2012 Annual Service Quality Reports, the total number of disconnection notices sent increased from 206,533 in 2011 to 239,378 in 2012, and the number of disconnections due to nonpayment increased from 23,022 in 2011 to 26,573 in 2012.

The primary reason for the increase Web/Customer Self Service/IVR complaints was that this specific category did not exist in 2011. In July 2012, the category Online Customer Service was combined with additional complaint issues that had been previously grouped in the category Other; the change was made to improve the Company's handling and tracking of related complaints. In addition, the number of Web/Customer Self Service/IVR complaints may also have been related to the increase in the volume of IVR-only calls from 2011 to 2012 (314,099 and 372,660 respectively).

7. Gas Emergency Calls

Standard: Each utility shall report the data on telephone answering times to its gas emergency phone line calls.

CPE: Emergency Line response times are reported on Schedule 7 in the 2012 annual Gas Service quality Report.

There were 69,207 calls received in 2012 and 77,042 received in 2011. Ninety percent (90%) of calls were answered in 20 seconds or less in 2012, compared to 81% in 2011.

Using a weighted average, the average speed of answer was 13 seconds, compared to 24 seconds in 2011.

DOC: CenterPoint was able to answer 90.25 percent of its emergency line calls within 20 seconds in 2012, an improvement over the 83.17 percent achievement reported for 2011. On a monthly basis, CenterPoint did not report a single month in 2012 in which it answered fewer than 80 percent of emergency calls within 20 seconds. The DOC noted that CenterPoint was able to answer 90 percent (or more) of emergency line calls in under 20 seconds for 7 months in 2012. The DOC applauded CenterPoint's improvement in this metric over its 2011 report and its achievement of exceeding the standard of answering 80 percent of calls in 20 seconds or less.

CenterPoint received a total of 69,207 emergency calls in 2012, which makes 2012 the second year in a row in which the Company saw a decrease in emergency calls; CenterPoint received 77,042 emergency calls in 2011 and 80,627 in 2010. CenterPoint also saw a decrease in average call answer times in 2012, when the average answer time was 13 seconds, a decrease from the 21-second average reported in 2011 and the 16-second average achieved in 2010. The DOC applauded CenterPoint on its improved performance in this metric.

8. Gas Emergency Response Times

Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and within more than one hour. CenterPoint, IPL, and MERC shall also report the average number of minutes it takes to respond to an emergency.

CPE: Emergency Gas Response Times and related MNOPS reports are reported on Schedule 12 of the 2011 annual Gas Service Quality Report.

In 2012, 34,481 emergency gas calls were received, compared to 39,655 in 2011. Ninety-four percent (94%) of the calls were responded to in less than one hour, compared to 89% in 2011. In 2012, it took an average of 30 minutes to respond to an emergency, compared to 34 minutes in 2011.

DOC: The percentage of emergency gas calls responded to in one hour or less in 2012 was 93.5 percent, which is an improvement of nearly 5 percent over the 88.9 percent reported in 2011. The 2012 results are the highest level that CenterPoint has reported in the four years it has reported this metric. The DOC commended the Company on its ability to continue to improve response times in 2012.

In terms of call volume, the Company reported 34,481 calls received in 2012, a decrease from the 39,655 calls received in 2011. The DOC noted that this 13 percent decrease may have contributed to the improvement in emergency response time in 2012.

9. Mislocates

Standard: Each utility shall report the data on mislocates, including the number of times a line is damaged due to mismarked or failure to mark a line.

CPE: Miss-locate metrics are reported on Schedule 8 of the annual Gas Service Quality Report.

The total mislocates remained about the same in 2011 and 2012, and so did the number of mislocates per 1,000 tickets at 0.37 in both years.

DOC: In calendar year 2012, CenterPoint Energy had a total of 97 mislocates, an increase of 2 over 2011 and an increase of 33 over 2010, out of a total of 264,833 locate tickets, which is 8,106 greater than 2011 and 29,043 greater than 2010. The rate of mislocates per 1,000 locate tickets was 0.366 for 2012, which is 0.04 mislocates per 1,000 tickets less than 2011 and 0.06 more than 2010.

In its 2011 Report the Company explained that mislocates increased due to the nature and significant increase in communication fiber (fiber optic wire) installed during calendar year 2011 and that, in an effort to remedy this development, it is adding stub services to its Geographic Information System (GIS) maps to better assist utility locators in identifying services. The very slight difference in the mislocate rate reported for 2012, combined with the fact that there is only three years' worth of data available for this metric, makes it impossible to assess whether the Company's efforts have been successful. The DOC will continue to monitor this reporting requirement and will provide additional analysis and comment as warranted.

10. Gas System Damage

Standard: Each utility shall report data on the number of gas lines damaged. The damage shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

CPE: Gas System Damages are reported on Schedule 9 of the Company's annual Gas service Quality Report.

Gas system damages increased from 759 in 2011 to 836 in 2012.

Inadequate Hand Digging accounted for 30% of the Company damages and No Locate Ticket Requested accounted for 21% of the damages. The Company experienced an increase in No Locate Ticket Requested damages of 3% or 37 additional damages over 2011 and also an increase of 24 damages where the excavator failed to adequately hand dig to spot the Company gas line. The Company worked with the Minnesota Office of Pipeline Safety (MOPS) and Gopher State One Call to address both the No Locate Ticket Requested damages and Exempt Damages.

DOC: The Company reported 859 incidences of gas system damage for 2012, which is an increase of 77, or approximately 10 percent, over 2011 and an increase of 154, approximately 23 percent, since 2010. There were 166 incidences due to the actions of Company employees or its contractors, an increase of 11 or approximately 7 percent over 2011, and an increase of approximately 86 percent over 2010. There were 670 incidences arising from all other causes in 2012, an increase of 66 or approximately 11 percent, over 2011 and an increase of 77, or 13 percent, since 2010.

Nearly all of the increase in damages experienced in 2012 were caused by others not affiliated with CenterPoint. In its Report, the Company explained that there was an increase of "No Locate Ticket" damages of 37 over 2011 and an increase of instances in which a contractor failed to adequately hand dig a line of 24 over 2011. These two categories account for 61 of the 66 additional damages caused by others reported in 2012. The Company stated in its Report that it has worked with both the Minnesota Office of Pipeline Safety and Gopher State One Call to address the increased damages in these two categories. The DOC appreciated the additional information the Company provided to explain the increased line damages reported in 2012 and its efforts to address the issues identified. The DOC looks forward to reviewing next year's report for indications showing that the Company's solutions were successful.

11. Gas Service Interruptions

Standard: Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

CPE: Gas Service Interruptions are reported on Schedule 10 of the Company's 2012 annual Gas Service Quality Report.

In 2012 there were 1,554 customers affected by service interruptions; there were 689 outages that lasted 51 minutes per customer on average. In 2011 there were 5,317 customers affected by service interruptions; there were 633 outages that lasted 62 minutes per customer on average. The increase in outages correlates to the increase in damages the Company had in 2012 compared to 2011. The incidents appear on the Schedule 10 summary of gas service interruptions in the month the investigation is complete. At times, investigations are extensive and take considerable time to process.

DOC: The total number of customers affected by natural gas service interruptions in 2012 was 1,554 resulting from 689 outages, a decrease in interruptions from the 5,317 affected customers reported for 2011. The (weighted) average duration of these outages was 70 minutes, an increase from the 62-minute average reported for 2011.

When broken down by type of interruption, incidences related to utility employees or contractors accounted for 119, or approximately 17 percent, of the total outages and 643, or approximately 41 percent, of affected customers in 2012. In 2011, utility employees were responsible for 174 damage incidents which caused outages for 3,889 customers. In terms of all other causes, 911 customers were affected by 570 interruptions in 2012 and, in 2011, 1,428 customers were affected by 459 outages.

In terms of outage duration, the outages caused by CenterPoint employees or contractors averaged 29 minutes in duration while those associated with other causes lasted an average of 66 minutes. In 2011, employee-caused outages lasted an average of 51 minutes and outages associated with other causes lasted an average of 62 minutes.

The Report indicated that monthly average outage lengths exceeded two hours in one month of 2012, and in that month the average outage was two hours and four minutes. The DOC noted that the Company has lowered the high range of its monthly outage durations from 2011 to 2012.

The DOC noted that outages resulting from Company employees or contractors decreased in 2012 while total outages increased. The Company stated in its Report that the increase in the total number of outages reported in 2012 is correlated to the increase in damages reported. The DOC is satisfied that the Company has addressed these issues. The DOC will review next year's report for indications showing that the Company's efforts to reduce gas system damages were also successful in reducing service interruptions.

12. MOPS Summaries K

Each utility shall report summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MOPS) according to the criteria used by MOPS to identify reportable events. Each utility shall also provide summaries of all service interruptions caused by system integrity pressure issues. Each summary shall include the following ten 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;
- 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; and
- the longest any customer was without gas service during the incident.

CPE: MOPS summaries are reported on Schedule 11 of the annual Gas Service Quality Report.

In 2012 there were 63 MOPS reportable outages and no integrity outages. In 2011, there were 47 MOPS reportable outages and 2 integrity outages.

DOC: The Company began providing this information starting with its calendar year 2010 annual report, reporting 18 reportable events in 2010, 47 in 2011, and 63 reportable events in 2012. The Company provided a brief summary of the reportable events in its Report. While the number of MnOPS reportable events continued to increase in 2012, the DOC noted that many of these events may be outside of the Company's control. Given this context, and the limited data currently available, it is difficult to know what an average or acceptable level of events would be. The DOC will continue to monitor and comment on this metric in future reports.

13. Customer Service Related Operations and Maintenance Expenses

Standard: Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses based on the costs recorded in FERC accounts 901 and 903 plus payroll taxes and benefits.

CPE: Customer service related expenses are reported on Schedule 13 of the annual Gas Service Quality Report.

Customer service related expenses were relatively unchanged from 2011 to 2012.

DOC: CenterPoint reported total customer service expenses in 2012 of \$24,900,000, ranging from \$1,754,000 (November) to \$2,223,000 (December) per month. In 2011, CenterPoint reported O&M expenses of \$25,403,000, ranging from \$1,720,000 (December) to \$2,466,000 (June) per month. The DOC noted that O&M expenses decreased from 2011 to 2012 and were the lowest for any of the three years. The DOC will continue to monitor this statistic and will offer further

comments as more years of data are provided.

14. Relocation Expenses – Steel Service Line & Meters at 630 CFH or Greater

CPE: The reporting metrics include the itemized costs associated with each steel service line relocation and each relocation of meters rated at 630 cubic feet per hour (CFH) or greater. Steel service line relocation expenses are reported on Schedule 14 and 630 CFH or greater meter relocation expenses are reported on Schedule 15. This report is in compliance with the Commission Order dated March 15, 2010 in Docket No. G-008/M-09-1190.

Below is a comparison of the 2011 and 2012 steel service line relocations

Year	#Jobs	High Cost	Low Cost	Average Cost
2012	10	\$12,509.52	\$280.54	\$4,705.80
2011	9	\$109,303.80	\$1,143.53	\$26,157.64

The variability of costs is largely due to the unique circumstances of each job.

Below is a comparison of the 2011 and 2010 630 CFH+ meter relocations

Year	#Jobs	High Cost	Low Cost	Average Cost
2012	12	\$12,509.52	\$395.64	\$3,145.80
2011	21	\$109,303.80	\$1,845.98	\$12,568.96

In order to report all costs associated with these types of customer requested work, the total costs associated with each job are included. Some jobs may include relocating both a steel service line and a large meter.

DOC: The DOC did not comment on Relocation Expenses

Additional Customer Service Reporting

Call Center Detail

The reporting metrics are the total number of utility calls received and the number of utility calls received through CenterPoint Energy's dedicated call center lines. The dedicated call center lines include emergencies, billing inquiries, credit/payment arrangements, service

connection/disconnection requests, and the business customer hotline. Call center details are reported on Schedule 16.

Customer Formal Complaints

The reporting metrics include the total number of resolved and unresolved complaints by class of service and type of complaint, the total number of customers in each class of service, and the total number of customers who initiated service during the past year. CenterPoint Energy currently includes the above information for all complaints (regulated and non-regulated) received from state agencies and the Better Business Bureau, collectively, in its annual report to the Commission, which is required under Minn. Rule 7820.0500. Customer complaints are reported on Schedule 17.

DOC: The DOC did not comment.

Utility Workgroup

The Commission Order dated March 6, 2012 in Docket No. G-008/M-10-378 directed gas utilities to convene a workgroup tasked with improving consistency in service quality reporting. The workgroup, comprised of CenterPoint Energy, Great Plains Natural Gas Company, Interstate Power and Light Company, Minnesota Energy Resources Corporation, and Xcel Energy, identified methods for increasing uniformity in reporting among the gas utilities in order to facilitate annual comparisons of data for each utility and help set any future reporting requirements. Attachment B to CPE's Annual Gas Service Quality Report is a matrix describing what and how each utility reports on various service quality categories. The matrix helped the workgroup coordinate changes to annual service quality reporting; for example, as a result of workgroup discussions and the matrix, CenterPoint Energy is now providing call center response times including IVR, only calls, in addition to the Company's previous method of excluding IVR-only calls.

Staff Analysis

Staff recommends that the Commission accept CPE's filing. The Company has addressed all of the issues raised in the DOC's comments. These include:

- Whether service quality in call center answer time has diminished in recent years;
- A full description of ongoing and/or planned efforts to improve call center answer times; and
- A full explanation of why the Company experienced increased complaints in the categories of Disconnect Non-Pay and Web/Customer Self Service/IVR in 2012.

As such, the DOC removed its conditional recommendation regarding the Company's report and now recommends that the Commission accept CPE's report.

Finally, the workgroup appears to have made some progress on ensuring consistency in reporting this service quality data. Staff is interested in further exploring ways of making this data more efficiently reported to the Commission, and overall streamline the process. An example of this might be to put this in a spreadsheet report of all data which will allow for a more graphic presentation.

Commission Options

1. Accept CPE's 2012 Gas Service Quality Report.
2. Do not accept CPE's 2012 Gas Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.