

June 14, 2019

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-19-300

Dear Mr. Wolf:

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

Compliance Filing of CenterPoint Energy Resources Corporation, d/b/a
CenterPoint Energy Minnesota Gas – *Gas Service Quality Annual Report*

The Report was filed on May 1, 2019 by:

Amber S. Lee, Director of Regulatory Affairs
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The Department recommends that the Minnesota Public Utilities Commission (Commission) **accept the gas service quality annual report submitted by CenterPoint Energy Minnesota Gas.** The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ GEMMA MILTICH
Financial Analyst

GM/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G008/M-19-300

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, Division of Energy Resources¹ (Department) and all Minnesota regulated natural gas utilities in Docket No. G999/CI-09-409 (09-409 Docket). As a result, Minnesota gas utilities are required to file annual reports with information pertaining to service quality standards; these reports provide the Commission with an opportunity to review a utility's service quality metrics and determine whether a utility is meeting the relevant service quality standards. CenterPoint Energy Minnesota Gas (CenterPoint or the Company) filed its 2018 annual service quality report (Report) on May 1, 2019.

II. DEPARTMENT ANALYSIS

In its January 18, 2011 *Order* under the 09-409 Docket, the Commission acknowledged that CenterPoint would be unable to provide a full year's worth of certain service quality metrics for 2010. As a result, select tables and figures in these Comments do not show 2010 service quality data.

Each year, the Department analyzes the annual report information by comparing the current service quality data to that provided in prior years. The Department looks for trends and changes in the Company's service quality metrics to determine whether further information is needed and to summarize the data provided over time by the Company. In addition, the Department reviews the annual report to determine whether it complies with applicable statutes, rules, and Commission Orders. Based on its review, the Department makes a recommendation to the Commission to either accept or reject the annual report.

Although the Department did not identify areas of significant concern regarding CenterPoint's 2018 Report, it did request that the Company provide additional information on several subjects. The Department's analysis provides further detail and discussion on each service quality reporting requirement in the following sections.

¹ At the time the Commission opened this investigation, the Department was referred to as the Minnesota Office of Energy Security, or OES.

A. CALL CENTER RESPONSE TIME

Minnesota Rule 7826.1200, Subpart 1 stipulates that electric utilities must answer 80 percent of calls made to the utility’s business office during regular business hours within 20 seconds. Consistent with this Rule and the corresponding reporting requirements under Minnesota Rule 7826.1700, the Commission has required regulated gas utilities to provide in their annual service quality reports the percentage of calls received at the utility’s business office that are answered within 20 seconds. In its 2010 and 2011 service quality reports, CenterPoint provided call response data that excluded calls answered and resolved through its interactive voice response (IVR) system; however, the Company has provided complete call center response time data, including calls answered and resolved via IVR, beginning in 2012.² Tables 1 and 1(a) provide details on CenterPoint’s call center response times.

Table 1: Call Center Response Times for CenterPoint, Excluding Calls Answered by the Interactive Voice Response (IVR) System

| <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> |
|----------------------|---|---|---------------------------------------|
| 2010 ³ | 84 | 24 | 916,168 |
| 2011 | 83 | 21 | 896,851 |
| 2012 | 82 | 25 | 738,637 |
| 2013 | 81 | 25 | 854,898 |
| 2014 ⁴ | 67 | 47 | 943,870 |
| 2015 | 82 | 23 | 977,155 |
| 2016 | 82 | 25 | 845,956 |
| 2017 | 80 | 23 | 805,360 |
| 2018 | 81 | 21 | 849,828 |

With the exception of the year 2014, CenterPoint has demonstrated that, on average, its call center answers at least 80 percent of non-IVR calls in 20 seconds or less. The Company’s average non-IVR call answering speed consistently exceeds 20 seconds from year to year.

² At the request of the workgroup tasked with improving reporting consistency, the Company began including IVR-answered calls in its call center response data.

³ The percentage of calls answered in 20 seconds or less was not tracked for the first three months of 2010; however, the average number of seconds before calls were answered and the total number of calls answered include data reported by the Company for all months in 2010.

⁴ CenterPoint provided revised 2014 call center response time data in its 2016 annual service quality report; the revised data are reflected in Tables 1 and 1(a) of these Comments.

Table 1(a): Call Center Response Times for CenterPoint, Including Calls Answered by the Interactive Voice Response (IVR) System

| <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> |
|----------------------|---|---|---------------------------------------|
| 2012 | 88 | 17 | 1,171,297 |
| 2013 | 88 | 16 | 1,330,798 |
| 2014 | 80 | 28 | 1,606,827 |
| 2015 | 90 | 13 | 1,750,366 |
| 2016 | 90 ⁵ | 13 | 1,631,160 |
| 2017 | 90 | 12 | 1,601,296 |
| 2018 | 90 | 10 | 1,747,231 |

After accounting for calls answered via IVR in the call center data, the Company has consistently reported answering greater than 80 percent of all calls in 20 seconds or less from 2012 through 2018. In addition, the average answering speed associated with all calls (both IVR and non-IVR) was faster than 20 seconds for all reported years, except 2014.

In its November 25, 2015 *Order* for Docket No. G008/M-15-414, the Commission required CenterPoint to provide IVR system “zero out” data in subsequent service quality reports.⁶ The Company provided the relevant data in its Report, showing that 0% of customers “zeroed out” of the IVR system during 2018.

The Department concludes that for 2018, the Company has met the call center service quality reporting requirements.

B. METER READING PERFORMANCE

In its 09-409 *Order*, the Commission required CenterPoint to report meter reading performance data in the same manner as prescribed for electric utilities in Minnesota Rule 7826.1400.⁷ Table 2 below documents the Company’s meter reading performance data for years 2010 through 2018.

⁵ Upon reviewing the 2016 CenterPoint call center data and the corresponding calculations, the Department noted that the average percentage of calls answered in 20 seconds or less was equal to 90.5833%, or 91%, when rounded. CenterPoint reported this average figure at 90%. The Department believes the discrepancy between these percentages is immaterial and due to rounding differences. The Department will continue to report this figure at 90%.

⁶ When customers call CenterPoint, their calls are initially routed to the IVR (an automated system). Customers who “zero out” of the IVR are those customers who request via the automated IVR system to be transferred to speak to a Company representative.

⁷ Minnesota Rule 7826.1400 requires that the annual service quality report include data on (1) the number and percentage of customer meters read by (a) the utility **and** (b) the customer, (2) the number and percentage of meters that have not been read by the utility for 6 – 12 months and periods longer than 12 months, and (3) the utility’s monthly meter-reading staffing levels.

Table 2: Meter Reading Performance for CenterPoint

| Calendar Year | Average Number of Active 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 |
| 2010 | 807,935 | 97.83 | 0.0004 | 223 | 216 | 10 | 20 |
| 2011 | 814,339 | 97.78 | 0.0002 | 241 | 129 | 10 | 19 |
| 2012 | 827,468 | 98.31 | 0.0001 | 196 | 75 | 10 | 17 |
| 2013 | 826,555 | 98.21 | 0.0001 | 141 | 68 | 10 | 17 |
| 2014 | 835,010 ⁸ | 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 |

Table 2 shows that while the average number of meter reading personnel on staff has trended downward between 2010 and 2018, CenterPoint has consistently reported reading the vast majority of meters, with customers taking less than 1 percent of all meter readings. Relative to the total number of active meters, a small number of meters remain unread for 6 or more months for all years documented. In addition, the number of meters unread for 6 or more months has declined each year since 2015. The Company explained that estimated billings account for the difference between the total active meters and the percentage of active meters read by CenterPoint or its customers. Estimated billings include, but are not necessarily limited to, estimated meter readings, billing adjustments, and rebilling.⁹ The Department concludes that for 2018, the Company has met the meter reading reporting requirements.

C. INVOLUNTARY SERVICE DISCONNECTION

The Commission's 09-409 *Order* required CenterPoint to provide involuntary service disconnection information as outlined in Minnesota Statutes 216B.091 and 216B.096, which relate to the Cold Weather Rule (CWR). Table 3 provides a summary of the Company's involuntary service disconnection data.

⁸ Department correction: previous Department Comments reported the average number of active meters in 2014 as 829,307. The correct average for this data point is 835,010.

⁹ Report at page 2.

Table 3: Involuntary Service Disconnections for CenterPoint

| <i>Calendar Year</i> | <i>Number of Disconnection Notices Mailed to Customers</i> | <i>Number of Cold Weather Rule (CWR) Requests</i> | <i>Percentage (%) of CWR Requests Granted</i> | <i>Number of Involuntary Disconnections</i> | <i>Percentage (%) of Involuntary Disconnections Restored within 24 Hours</i> |
|----------------------|--|---|---|---|--|
| 2010 | 152,317 | 75,818 | 100 | 26,773 | 87 |
| 2011 | 206,533 | 72,944 | 100 | 23,022 | 85 |
| 2012 | 239,378 | 61,602 | 97 | 26,573 | 79 |
| 2013 | 306,515 | 60,413 | 97 | 30,347 | 82 |
| 2014 | 327,527 | 58,087 ¹⁰ | 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 |

Table 3 shows that the number of disconnection notices mailed to customers, CWR requests, and involuntary disconnections fluctuates from year to year without demonstrating consistent increasing or decreasing trends. CenterPoint has reported 255,247 involuntary disconnections over the last nine years, and, of that total, 81,701 have occurred in the months of May and June (approximately 32 percent), coinciding with the termination of the CWR in April. The Department concludes that the Company has met the involuntary service disconnection reporting requirements for 2018.

D. SERVICE EXTENSION REQUESTS

In its 09-409 *Order*, the Commission required CenterPoint to provide in its annual report the service extension request information described in items A and B of Minnesota Rule 7826.1600,¹¹ with the exception of information already provided as outlined in Minnesota Statutes §§ 216B.091 and 216B.096, Subdivision 11. The Report presents data on service requested and subsequently extended to (1) locations that were *not* previously connected to the utility's system and (2) locations previously connected to the system.

¹⁰ Department correction: previous Department Comments reported the number of CWR requests in 2014 as 58,085. The correct number for this data point is 58,087.

¹¹ Minnesota Rule 7826.1600 requires that the annual service quality report include information on the utility's service extension request response times for each customer class and month; the utility is required to separately identify customer request data for locations not previously served *and* locations previously served.

Beginning in 2012, the Company revised its service extension reporting methods such that new and renewed service orders would be reported consistently.¹² Tables 4 and 4(a) show the service extension request data submitted by the Company.

Table 4: Service Extension Requests from New Service Locations for CenterPoint

| Calendar Year | Residential Customers | | Commercial Customers | |
|---------------|---------------------------------|---|---------------------------------|---|
| | Number of Service Installations | Average ¹³ Number of Days to Complete Installation | Number of Service Installations | Average Number of Days to Complete Installation |
| 2010 | 1,006 | n/a | 31 | n/a |
| 2011 | 3,057 | n/a | 294 | n/a |
| 2012 | 3,646 | 6 | 84 | 10 |
| 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 |

Table 4(a): Service Extension Requests from Previously Served Locations for CenterPoint

| 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 |
| 2010 | 304 | n/a | 3 | n/a |
| 2011 | 238 | n/a | 42 | n/a |
| 2012 | 354 | 7 | 16 | 8 |
| 2013 | 419 | 10 | 32 | 10 |
| 2014 | 546 | 9 | 50 | 8 |
| 2015 | 591 | 9 | 69 | 9 |
| 2016 | 559 | 9 | 63 | 8 |
| 2017 | 564 | 9 | 51 | 8 |
| 2018 | 525 | 9 | 32 | 8 |

¹² CenterPoint notes in its Report at page 4, footnote 1, that “As discussed in the 2012 Service Quality report, service extension response time reporting was modified to better capture the site ready date. Therefore, current results may not be comparable to data before 2012.” The Department has removed the average number of days to complete installation for years 2010 and 2011 from Tables 4 and 4(a), as these figures are not directly comparable to those in the following years.

¹³ Department update: For both residential and commercial customers, the average number of days to complete installation for a given year was calculated by the Department as (Sum of the monthly averages of days to complete service installation/Number of months in which the Company actually performed service installations). This calculation is not the weighted average used by the Department in its prior year Comments. The Department believes its average calculation used in Tables 4 and 4(a) provides a representative average figure.

Tables 4 and 4(a) demonstrate that the average number of days to complete service installations has remained relatively stable from year to year for both newly and previously served locations. No significant difference is seen between the average installation speeds for the newly or previously served locations. The Department concludes that the Company has met the service extension request reporting requirements for 2018.

E. CUSTOMER DEPOSITS

In alignment with Minnesota Rule 7826.1900, which is applicable to regulated electric utilities, the Commission has required each natural gas utility to provide data on the number of customers required to make a deposit as a condition of receiving service. Table 5 presents the customer deposit data submitted by CenterPoint.

Table 5: Customer Deposits for CenterPoint

| <i>Calendar Year</i> | <i>Number of Customer Deposits Collected</i> | <i>Number of Customer Deposits Held by CenterPoint at December 31</i> |
|----------------------|--|---|
| 2010 | 950 | n/a |
| 2011 | 590 | 2,531 |
| 2012 | 397 | 2,343 |
| 2013 | 528 | 2,185 |
| 2014 | 533 | 2,132 |
| 2015 | 512 | 2,192 |
| 2016 | 534 | 2,106 |
| 2017 | 435 | 2,018 |
| 2018 | 569 | 2,070 |

CenterPoint explained on page 4 of its Report that the Company “reports the number of new deposits required as a condition of service from customers that are liable for disconnection or have been disconnected for non-payment.” In addition, the Company notes that its current deposit policy is exclusively applicable to commercial customer accounts. According to the data submitted by CenterPoint, the number of customer deposits collected as a condition of service in 2018 constituted less than 1 percent of the total number of service connections performed by the Company. The Department concludes that the Company has met the customer deposit reporting requirements for 2018.

F. CUSTOMER COMPLAINTS

The Commission’s 09-409 *Order* required CenterPoint to provide the total number of complaints received for each of several complaint categories. This requirement is similar to that outlined in Minnesota Rule 7826.2000 for electric utilities. Table 6 summarizes select customer complaint data submitted by the Company and demonstrates that customer complaints have been increasingly resolved upon initial inquiry over the years documented.

Table 6: Customer Complaints for CenterPoint

| <i>Calendar Year</i> | <i>Number of Complaints Received</i> | <i>Number of Complaints Forwarded from the Consumer Affairs Office</i> | <i>Percentage (%) of Complaints Resolved Upon Initial Inquiry</i> |
|----------------------|--------------------------------------|--|---|
| 2010 | 5,835 ¹⁴ | 94 | 57 ¹⁵ |
| 2011 | 6,772 ¹⁶ | 81 | 52 ¹⁷ |
| 2012 | 5,000 | 77 | 60 |
| 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 |

Table 6(a) provides details on the Company’s resolution of its customer complaints. The data shows that, overall, CenterPoint has resolved complaints most often through either agreement with the customer or demonstrating to the customer that the circumstances giving rise to the complaint were beyond the Company’s control.

Table 6(a): Customer Complaints by Resolution Method for CenterPoint

| <i>Calendar Year</i> | Percentage (%) of Customer Complaints Resolved by: | | | | |
|----------------------|---|---------------------------------|--|--------------------------------|-----------------------------------|
| | <i>Agreement with Customer</i> | <i>Compromise with Customer</i> | <i>Demonstrate that Circumstances are out of Company Control</i> | <i>Refuse Customer Request</i> | <i>Resolution Not Categorized</i> |
| 2010 | 28 | 10 | 16 | 6 | 40 |
| 2011 | 43 | 13 | 33 | 11 | 0 |
| 2012 | 39 | 13 | 36 | 12 | 0 |
| 2013 | 35 | 14 | 41 | 10 | 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 |

¹⁴ Department correction: previous Department Comments reported the total number of complaints as 10,634 for 2010. The correct number for this data point is 5,835.

¹⁵ Department correction: previous Department Comments reported the percentage of complaints resolved upon initial inquiry as 31% for 2010. The correct number for this data point is 57%.

¹⁶ Department correction: previous Department Comments reported the total number of complaints as 11,590 for 2011. The correct number for this data point is 6,772.

¹⁷ Department correction: previous Department Comments reported the percentage of complaints resolved upon initial inquiry as 30% for 2011. The correct number for this data point is 52%.

Beginning in 2013, CenterPoint began using a slightly modified set of complaint categories in its complaint data schedules compared to those in previous annual service quality reports. The major, overarching categories remained unchanged, but the Company did eliminate a few complaint subcategories between 2012 and 2013. CenterPoint's overarching complaint categories, as presented in its complaint data schedule, include the following:

- Billing Errors
- Inaccurate Metering
- Wrongful Disconnect
- High Bills
- Inadequate Service
- Service-Extension/Restoration Intervals
- Other

Certain overarching complaint categories contain subcategories. For example, the "Service-Extension/Restoration Intervals" category has the subcategories (1) Construction and (2) Service Order Scheduling. The Company consistently reports that the majority of its customer complaints fall under the Billing Errors category, which, since 2013, has captured approximately 40 percent of reported complaints each year. Conversely, Inaccurate Meter Reading represents the category under which the fewest customer complaints have been reported. The remaining overarching complaint categories capture a fluctuating percentage of total complaints reported from year to year.

The Department concludes that the Company has met the customer complaint reporting requirements for 2018.

G. GAS EMERGENCY TELEPHONE CALLS

In its 09-409 *Order*, the Commission required CenterPoint to provide information about the Company's emergency telephone line response time. The relevant metric reported is the average percentage of gas emergency phone calls that the Company answered in 20 seconds or less. Table 7 shows the details relevant to emergency phone calls received by CenterPoint.

Table 7: Gas Emergency Phone Calls Received by CenterPoint

| <i>Calendar Year</i> | <i>Number of Gas Emergency Calls</i> | <i>Average Number of Seconds Before Calls were Answered</i> | <i>Percentage (%) of Calls Answered in 20 Seconds or Less</i> |
|----------------------|--------------------------------------|---|---|
| 2010 | 80,627 | 17 | n/a |
| 2011 | 77,042 | 21 | 83 |
| 2012 | 69,207 ¹⁸ | 13 | 90 |
| 2013 | 78,629 | 15 ¹⁹ | 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 |

With the exception of year 2014, CenterPoint answered, on average, more than 80 percent of its emergency phone calls in 20 seconds or less. The number of emergency phone calls made to the Company has fluctuated from year to year, without showing a consistent upwards or downward trend. The Department concludes that the Company has met the gas emergency phone call reporting requirements for 2018.

H. GAS EMERGENCY RESPONSE TIME

In compliance with Commission *Order* 09-409, CenterPoint reports information on its response time to gas emergencies. The important metric for this reporting requirement is the amount of time elapsed between when CenterPoint is first notified of the emergency and the time that a qualified emergency response person arrives at the incident location to begin making the area safe. The Company reports its emergency response times by region; the Department combined the relevant regional data for documentation in Table 8.

¹⁸ Department correction: previous Department Comments reported the total number of gas emergency calls in 2012 as 67,621. The correct number for this data point is 69,207.

¹⁹ Department correction: previous Department Comments reported the average number of seconds before calls were answered in 2013 as 16. The correct number for this data point is 15.

Table 8: Gas Emergency Response Time for CenterPoint

| <i>Calendar Year</i> | <i>Number of Emergency Calls Requiring Response</i> | <i>Percentage (%) of Calls Responded to in Less than One Hour</i> | <i>Percentage (%) of Calls Responded to in Greater than One Hour</i> | <i>Average Response Time in Minutes</i> |
|----------------------|---|---|--|---|
| 2010 | 40,570 | 88 | 12 | 52 |
| 2011 | 39,655 | 89 | 11 | 34 |
| 2012 | 34,481 | 94 | 6 | 30 |
| 2013 | 33,522 | 92 | 8 | 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 |

Table 8 demonstrates that CenterPoint has consistently responded to the majority of gas emergencies in less than one hour, with the Company's longest average response time being reported in the year 2010 at 52 minutes. Despite an increase of 2,457 in the number of emergency calls requiring a response between 2017 and 2018, CenterPoint was able to respond to 92 percent of the 2018 calls within one hour. The Department concludes that the Company has met the gas emergency response time reporting requirements for 2018.

I. MISLOCATES

The Commission's 09-409 *Order* required CenterPoint to provide data on mislocates. Accordingly, the Company incorporates in its annual service quality reports (1) the number of locate tickets and (2) the number of mislocates that resulted in damage to a gas line, including damage that resulted from a mismarked line or the failure to mark a line. Table 9 summarizes the information relevant to the Company's mislocates.

Table 9: Mislocates for CenterPoint

| <i>Calendar Year</i> | <i>Number of Locate Tickets</i> | <i>Number of Mislocates</i> | <i>Percentage (%) of Mislocates Relative to Locate Tickets</i> | <i>Mislocates per 1,000 Locate Tickets</i> |
|----------------------|---------------------------------|-----------------------------|--|--|
| 2010 | 235,790 | 64 | 0.03 | 0.27 |
| 2011 | 256,716 ²⁰ | 95 | 0.04 | 0.37 |
| 2012 | 264,733 | 97 | 0.04 | 0.37 |
| 2013 | 282,915 | 49 | 0.02 | 0.17 |
| 2014 | 299,354 | 81 | 0.03 | 0.27 |
| 2015 | 330,306 | 91 | 0.03 | 0.28 |
| 2016 | 342,140 | 98 | 0.03 | 0.29 |
| 2017 | 349,592 | 127 | 0.04 | 0.36 |
| 2018 | 344,541 | 167 | 0.05 | 0.48 |

²⁰ Department correction: previous Department Comments reported the total number of locate tickets in 2011 as 256,711. The correct number for this data point is 256,716.

Table 9 shows that the Company’s mislocates are consistently <1 percent relative to the total number of locate tickets for all years from 2010 through 2018. The total number of mislocates, percentage of mislocates relative to total locate tickets, and ratio of mislocates per 1,000 locate tickets each reached an all-time high in 2018 compared to prior reporting years. In addition, the number of mislocates and related mislocate metrics have generally trended upward since 2013. This trend and CenterPoint’s intended approach to address mislocate issues were previously discussed in the Department’s initial Comments in Docket No. G008/M-18-312.²¹

The Department concludes that the Company has met the mislocate reporting requirements for 2018. However, due to the upward trend in the Company’s reported mislocate metrics, the Department asks that CenterPoint provide in its Reply Comments (1) additional context around, or an explanation for, the increase in its mislocate metrics between 2017 and 2018 and (2) a discussion on whether the Company has implemented or intends to implement any new strategies to mitigate mislocate incidents going forward.

J. DAMAGED GAS LINES

The Commission’s 09-409 *Order* required CenterPoint to provide summary data on gas line damage, including the number of damage incidents caused by (1) the utility’s employees or contractors and (2) other factors beyond the utility’s control. Table 10 outlines the Company’s gas line damage information.

Table 10: Damaged Gas Lines for CenterPoint

| Calendar Year | Number of Gas Lines Damaged: | | | Miles of Gas Line Operated in Minnesota | Damage Incidents per 100 Miles of Gas Line |
|---------------|------------------------------|--|---------------|---|--|
| | Caused by CenterPoint (A) | Caused by Factors Outside of CenterPoint’s Control (B) | Total (A + B) | | |
| 2010 | 93 | 601 | 694 | 24,642 | 2.82 |
| 2011 | 93 | 667 | 760 | 24,733 | 3.07 |
| 2012 | 152 | 681 | 833 | 24,819 | 3.36 |
| 2013 | 124 | 538 | 662 | 24,874 | 2.66 |
| 2014 | 162 | 629 | 791 | 25,394 | 3.11 |
| 2015 | 195 | 738 | 933 | 25,427 | 3.67 |
| 2016 | 190 | 722 | 912 | 25,755 | 3.54 |
| 2017 | 190 | 740 | 930 | 25,911 | 3.59 |
| 2018 | 238 | 694 | 932 | 26,058 | 3.58 |

²¹ See Department initial Comments for Docket No. G008/M-18-312 at page 11. CenterPoint discussed its intention to use the following reports to better track and address its mislocate issues: (1) a monthly audit report, produced by each locate group, effective February 2018 and (2) a weekly report, listing all at-fault damages by locator.

For all years documented, factors outside the Company’s control have caused the majority of gas line damages. CenterPoint reported 48 more damage incidents caused by factors within the Company’s control in 2018 compared with 2017; this represents the largest increase for this metric since the 59-incident increase that occurred between 2011 and 2012. Given the spike in Company-caused gas line damage incidents between 2017 and 2018, the Department invites CenterPoint to provide in its Reply Comments an explanation or additional context around the increase observable in this metric for 2018.

The Department concludes that the Company has met the gas line damage reporting requirements for 2018.

K. SERVICE INTERRUPTIONS, INCLUDING MNOPS REPORTABLE EVENTS

In its 09-409 *Order*, the Commission required CenterPoint to provide a summary of service interruptions, including interruptions due to system integrity pressure issues and those reportable to the Minnesota Office of Pipeline Safety (MNOPS). Table 11 below provides details on the Company’s service interruptions.

Table 11: Service Interruptions for CenterPoint

| Calendar Year | Number of Service Interruptions: | | | Total Number of Customers Affected | Average Duration of Interruption in Minutes (total outage minutes/total customers affected) |
|---------------|----------------------------------|--|---------------|------------------------------------|---|
| | Caused by CenterPoint (A) | Caused by Factors Outside of CenterPoint’s Control (B) | Total (A + B) | | |
| 2010 | 69 | 465 | 534 | 4,706 | n/a |
| 2011 | 174 | 459 | 633 | 5,317 | 62 ²² |
| 2012 | 119 | 570 | 689 | 1,554 | 51 |
| 2013 | 224 | 317 | 541 | 1,073 | 62 |
| 2014 | 100 | 538 | 638 | 1,181 | 70 |
| 2015 | 135 | 618 | 753 | 1,745 | 47 |
| 2016 | 115 | 646 | 761 | 1,430 | 68 |
| 2017 | 124 | 486 | 610 | 1,406 | 49 |
| 2018 | 144 | 468 | 612 | 1,545 | 52 |

The number of service interruptions caused by CenterPoint are consistently less than interruptions caused by factors outside of the Company’s control, although both figures have fluctuated upwards and downwards over the years documented. The number of customers impacted by service interruptions fluctuates over time as well, but not necessarily in proportion to the number or duration of service interruptions.

²² Department correction: previous Department Comments reported the average interruption duration in 2011 as 18 minutes. The correct number for this data point is 62.

The average duration of service interruption documented in Table 11 has been calculated by CenterPoint as the total number of minutes of interrupted service in a given year divided by the total number of customers affected by an interruption during the same year. This calculation produces a lower average interruption duration than if the average were calculated as the total number of minutes of interrupted service in a given year divided by the total number of *interruption incidents* during the same year. For example, in 2018, the Company calculated a 52-minute average interruption duration for the year; if this average is re-calculated against the number of total number of interruption incidents that occurred in 2018, the average interruption duration is equal to 130 minutes.²³ While the Department does not advocate for one average calculation over another for this particular data set, we do emphasize that different averaging methodologies produce significantly different results in this case.

The following Table 12 provides the historical data on the Company's MNOPS reportable interruptions. The Company noted that the 93 MNOPS reportable interruptions during 2018 did not include any integrity outages.²⁴

Table 12: MNOPS Reportable Interruptions for CenterPoint

| <i>Calendar Year</i> | <i>Number of MNOPS Reportable Interruptions</i> |
|----------------------|---|
| 2010 | 18 |
| 2011 | 47 |
| 2012 | 63 |
| 2013 | 66 |
| 2014 | 97 |
| 2015 | 80 |
| 2016 | 56 |
| 2017 | 89 |
| 2018 | 93 |

According to Schedule 11 of the Report, the majority of the 2018 MNOPS reportable interruptions were caused by damaged gas mains, damaged gas service, or fire incidents. In 2018, the Company was most often notified of reportable interruptions by 911 emergency services. The longest 2018 MNOPS reportable interruption disclosed by the Company had an outage time of 11.5 hours and affected 192 customers.²⁵

²³ (79,758 total minutes of interrupted service / 612 interruption incidents) = 130.32 minutes. The numbers in the previous calculation were retrieved from Schedule 10 of the Report.

²⁴ See Report at page 10.

²⁵ See page 1 of Report Schedule 11. This reportable interruption occurred on May 11, 2018 at Waco St. NW & 147th Ln., Ramsey. CenterPoint reported the cause of the incident as a damaged gas main.

On page 11 of the Report, CenterPoint stated:

At the Commission hearing on February 8, 2018, the Company stated it would provide updates regarding the Minnehaha Academy incident.

On August 2, 2017, a natural gas explosion occurred at the Minnehaha Academy in Minneapolis, Minnesota, resulting in the deaths of two school employees, serious injuries in others, and significant property damage to the school. CenterPoint Energy, certain of its subsidiaries, including CERC (CenterPoint Energy Resources Corporation), and the contractor company working in the school have been named in litigation arising out of this incident. CenterPoint Energy and CERC have reached confidential settlement agreements with some claimants. Additionally, CenterPoint Energy and CERC are cooperating with the ongoing investigation conducted by the National Transportation Safety Board (NTSB). Further, CenterPoint Energy and CERC are contesting approximately \$200,000 in fines imposed by the Minnesota Office of Pipeline Safety. In early 2018, the Minnesota Occupational Safety and Health Administration concluded its investigation without any adverse findings against CenterPoint Energy or CERC. CenterPoint Energy's and CERC's general and excess liability insurance policies provide coverage for third party bodily injury and property damage claims. As of the date of this filing, the Company does not have additional information as to when the investigation by the NTSB will be complete.

While the Department concludes that the Company has met the service interruption reporting requirements for 2018, we also note that the same language was included by the Company in last year's report. The Department requests the CenterPoint confirm in Reply Comments that there were no further developments related to this incident in 2018.

L. CUSTOMER SERVICE RELATED OPERATIONS/MAINTENANCE EXPENSES AND PAYROLL TAXES AND BENEFITS

In its 09-409 *Order*, the Commission required CenterPoint to report (1) customer service-related operation and maintenance (O&M) expenses, accounted for under the Federal Energy Regulatory Commission (FERC) 901 and 903 accounts and (2) payroll taxes and benefits. The Company's Report presents these expenditures together and combines the related data into a single schedule. Table 13 summarizes the O&M expense and payroll taxes/benefits data submitted by CenterPoint.

Table 13: Customer Service-Related O&M Expenses Plus Payroll Taxes and Benefits for CenterPoint

| <i>Calendar Year</i> | <i>Customer Service O&M Expense Plus Payroll Taxes & Benefits: Total in Dollars (\$)</i> | <i>Customer Service O&M Expense Plus Payroll Taxes & Benefits: Monthly Average in Dollars (\$)</i> |
|----------------------|--|--|
| 2010 | 24,988,500 | 2,082,375 |
| 2011 | 25,403,000 | 2,116,917 |
| 2012 | 24,900,000 | 2,075,000 |
| 2013 | 24,860,508 | 2,071,709 |
| 2014 | 27,675,521 | 2,306,293 |
| 2015 | 34,111,598 | 2,842,633 |
| 2016 | 30,520,581 | 2,543,382 |
| 2017 | 30,178,171 | 2,514,848 |
| 2018 | 32,655,881 | 2,721,323 |

Total and average O&M expenses plus payroll taxes and benefits have fluctuated over the reported years, without showing a consistent upward or downward trend. The largest change in these expenses, an increase of \$6,436,077, occurred between 2014 and 2015. CenterPoint reported its second largest total of O&M expenses plus payroll taxes in 2018. The Department concludes that the Company has met the expenditure reporting requirements for 2018.

M. STEEL SERVICE LINE AND METER RELOCATION EXPENSES

In its *Order* in Docket No. G008/M-09-1190, issued on March 15, 2010,²⁶ the Commission required CenterPoint to submit information on the costs associated with steel service line relocation and the relocation of meters operating at 630 cubic feet per hour (CFH) or greater. The Department reviewed the data provided by the Company and noted that the number of projects and cost per project continue to be highly variable. For example, the average cost associated with steel service line relocation decreased dramatically between 2018 and 2017, dropping to \$5,959 from \$12,833. In addition, both the highest and lowest reported costs for steel service line relocation in 2018 were less than the corresponding figures reported in 2017. The 2018 costs reported for the relocation of meters operating at 630 CFH or greater were also lower than the equivalent 2017 costs.²⁷ As it has done in the 09-1190 proceeding and past annual service quality filings, the Company explained in its Report that the costs of these relocations are driven by the unique circumstances of each project.

The Department concludes that the Company has met the steel service line and meter relocation expense reporting requirements for 2018.

²⁶ *In the Matter of a Request by CenterPoint Energy, a Division of CenterPoint Energy Resources Corp. a Delaware Corporation, for Approval of the Company's Proposed Charges for Customer-Requested Work, Including Service Alterations and Winter Construction.*

²⁷ See Report at page 13.

N. TRANSMISSION AND DISTRIBUTION SYSTEM PERFORMANCE MEASURES

The Commission *Order* in Docket No. G008/M-18-312, issued April 12, 2019, required CenterPoint to report the following additional information in its 2018 annual service quality report:

- a. The utility's filing under 49 CFR 192.1007 (e): integrity management plan performance measures; monitoring results; and evaluation of effectiveness in a manner to establish a baseline for ongoing reports.
- b. A summary of any 2018 emergency response violations cited by MNOPS along with a description of the violation and remediation in each circumstance.
- c. The number of violation letters received by the utility from MNOPS during the year in question.
- d. A discussion of how to provide ongoing monitoring and metrics towards the deployment of Excess Flow Valves and manual service line shutoff valves pursuant to the Commission's order in Docket No. G-999/CI-18-41.

In addition, condition 10 of the *Stipulation*²⁸ in Docket No. G008/AI-18-517²⁹ required the Company to work with the Department and the Office of the Attorney General, Residential Utilities Division (OAG) to develop metrics and reporting requirements related to the Company's investments under its Distribution and Transmission Integrity Management Plans (DIMP and TIMP, respectively). Specifically, condition 10 required that these parties agree to consider metrics and/or reporting requirements, including, but not limited to, (1) leak rate by pipe material, (2) causes of leaks/incidents, (3) quantification of system risk (4) quantification of reduction to system risk, (5) unit cost by pipe material, (6) comparison of budgeted to actual costs, and (7) quantification of cost savings resulting from reduced leaks.

On February 1, 2019, CenterPoint met with representatives from the Department and OAG on and discussed the proposed DIMP and TIMP metrics. Proposed metrics were filed by the Company in a Letter dated April 1, 2019, which also indicated that CenterPoint would begin reporting on the proposed DIMP and TIMP metrics in its 2018 service quality report (the instant Report).³⁰

The following sections 1 – 4 provide additional details on the Company's reported performance measures required by the Commission's *Order* in Docket No. G008/M-18-312 and the reporting metrics developed pursuant the Commission's *Order* in Docket No. G008/AI-18-517.

²⁸ The *Stipulation* was filed by CenterPoint on October 26, 2018 under Docket No. G008/AI-18-517.

²⁹ *In the Matter of the Petition of CenterPoint Energy for Approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited.*

³⁰ See Exhibit 2 of the Letter for the proposed DIMP and TIMP metrics; Docket No. G008/AI-18-517.

1. *Transmission and Distribution Integrity Management Plan Performance Measures*

CenterPoint submitted select information on its TIMP and DIMP and provided a 2015 - 2017 three-year average as a baseline for data comparison. Table 14 summarizes the cause of leak incidents experienced by the Company.

Table 14: The Cause of Leaks for CenterPoint

| Leak Cause | 3-Year Average for Years 2015 - 2017 | | | Year 2018 | | |
|------------------------------|---|--------------------------|-----------------------------|-----------------------------|------------|---------------|
| | Above Ground Facility Leaks ³¹ | Main Leaks ³² | Service Leaks ³³ | Above Ground Facility Leaks | Main Leaks | Service Leaks |
| Corrosion | 167 | 79 | 184 | 138 | 88 | 140 |
| Equipment Failure | 4,507 | 100 | 361 | 4,294 | 128 | 285 |
| Excavation | 31 | 113 | 624 | 31 | 116 | 612 |
| Incorrect Operations | 83 | 15 | 65 | 50 | 38 | 72 |
| Natural Force Damage | 54 | 19 | 94 | 44 | 8 | 130 |
| Other | 14 | 4 | 8 | 1 | 9 | 14 |
| Other Outside Force Damage | 58 | 14 | 51 | 82 | 15 | 55 |
| Pipe, Weld, or Joint Failure | 83 | 22 | 62 | 107 | 16 | 99 |
| Total | 4,997 | 366 | 1,449 | 4,747 | 418 | 1,407 |

The risk levels corresponding to different causes of repairs are provided by the Company in Schedules 18f - 18h in the Report.³⁴ Overall, the proportion of risk associated with repair causes aligns relatively closely with the data shown above in Table 14. For Above Ground Facilities, equipment failures and corrosion represent the highest risks for inciting repairs;³⁵ the same is true for the gas line leaks documented in Table 14. For gas line mains and services, the Company reported excavation damage and equipment failure as the most common causes of repairs.³⁶ These risk proportions are consistent with the main and service leak data in Table 14 – i.e. the greatest number of leaks were caused by excavation and equipment failures in 2018 and over the 3-year average. Both the general repair risk and leak data show that the “other” category is, with few exceptions, the least common cause for repairs identified by the Company.

³¹ Data for Above Ground Facility Leaks was retrieved from Report Schedule 18a.

³² Data for Main Leaks was retrieved from Report Schedule 18b.

³³ Data for Service Leaks was retrieved from Report Schedule 18c.

³⁴ Report Schedules 18f – 18h show data on repairs that include, but are not limited to, the Company’s leak repairs.

³⁵ See Report Schedule 18f.

³⁶ See Report Schedules 18g and 18h.

Table 14(a) provides data on the number of main and service line leaks associated with different pipeline materials.

Table 14(a): The Material Associated with Leaks for CenterPoint

| <i>Gas Line Material</i> | 3-Year Average for Years 2015 - 2017 | | Year 2018 | |
|----------------------------------|---|-----------------------------------|-------------------|----------------------|
| | <i>Main Leaks³⁷</i> | <i>Service Leaks³⁸</i> | <i>Main Leaks</i> | <i>Service Leaks</i> |
| Bare Steel | 75 | 77 | 79 | 55 |
| Coated Steel | 87 | 69 | 140 | 100 |
| Not Assigned/Unknown | 75 | 64 | 47 | 25 |
| Plastic-PE | 82 | 746 | 93 | 680 |
| Plastic-PE Aldyl A | 45 | 291 | 59 | 382 |
| PVC | n/a | 3 | n/a | 2 |
| Copper | n/a | 200 | n/a | 163 |
| <i>Total³⁹</i> | <u>364</u> | <u>1,450</u> | <u>418</u> | <u>1,407</u> |

Tables 14(a) shows that (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. Report Schedules 18i and 18j provide the risk levels corresponding to all repairs required to be performed on different pipeline material types; the material categories representing the two greatest repair risks are proportionally consistent with the data in Table 14(a).

Tables 14(b), 14(c), and 14(d) on the following pages show select cost data for certain Company projects and repairs during 2018.

³⁷ Data for Main Leaks was retrieved from Report Schedule 18d.

³⁸ Data for Service Leaks was retrieved from Report Schedule 18e.

³⁹ In Table 14(a), the totals under the 3-year average columns for both main leaks and service leaks do not match the corresponding totals shown in Table 14. The slight discrepancies in these totals is likely due to rounding differences between the averages calculated and not indicative of an error or inaccuracy.

Table 14(b): 2018 Unit Cost by Project for CenterPoint⁴⁰

| <i>Project⁴¹</i> | <i>Metric</i> | <i>Total Cost in Dollars (\$) ⁴²</i> | <i>Unit Quantity</i> | <i>Unit Cost in Dollars (\$) ⁴³</i> |
|---|--------------------------------|---|----------------------|--|
| Transmission Pipeline Integrity ⁴³ | Cost per foot replaced | 9,846,035 | 15,852 | 621 |
| Transmission Pipeline Replacement | Cost per foot replaced | 48,216,174 | 44,986 | 1,072 |
| Bare Steel Mains ⁴⁴ | Cost per foot replaced | 6,155,601 | 51,126 | 120 |
| Copper Service Lines | Cost per service line replaced | 866,285 | 380 | 2,280 |
| Inside Meters ⁴⁵ | Cost per meter moved | 7,540,681 | 1,948 | 3,871 |
| Vintage Plastic Pipe | Cost per service line replaced | 2,015,960 | 814 | 2,477 |

⁴⁰ Data in Table 14(b) was retrieved from Schedule 18k in the Company's May 10, 2019 supplemental filing to its 2018 Report. Table 14(b) does not include the Remote Control Valve or Cast Iron Mains categories shown in Schedule 18k, because the Company marked these categories as not applicable.

⁴¹ The Transmission Pipeline Replacement, Copper Service Lines, and Vintage Plastic Pipe project costs include capital costs only.

⁴² All costs documented exclude overhead costs.

⁴³ The Transmission Pipeline Integrity category includes capital costs only and excludes the costs of replacing attached service lines; this category reflects only pipeline replacement jobs and does not include other activities within Transmission Pipeline Integrity.

⁴⁴ The Bare Steel Mains category contains all capital costs, however, the costs and quantities pertain to pipe replacement only and not to cathodic protection.

⁴⁵ The Inside Meters category contains all capital costs, including the costs of replacing service lines that were attached to the moved meters and eligible for replacement.

Table 14(c): 2018 Comparison of Budget versus Actual Costs by Project for CenterPoint⁴⁶

| <i>Project</i> | <i>Cost Type</i> | <i>Estimated Cost (A)</i> | <i>Actual Cost (B)</i> | <i>Amount Actual Cost was Over or (Under) Estimate (A – B)</i> |
|-----------------------------------|------------------|---------------------------|------------------------|--|
| | | <i>Dollars (\$)</i> | | |
| Transmission Pipeline Integrity | TIMP Capital | 14,630,000 ⁴⁷ | 12,242,585 | (2,387,415) |
| Transmission Pipeline Integrity | TIMP Expense | 6,168,593 ⁴⁸ | 4,887,376 | (1,281,217) |
| Transmission Pipeline Replacement | TIMP Capital | 37,073,000 | 48,216,174 | 11,143,174 |
| Remote Control Valves | TIMP Capital | 600,000 | 319,671 | (280,329) |
| Bare Steel Mains ⁴⁹ | DIMP Capital | 7,338,000 | 6,191,467 | (1,146,533) |
| Copper Service Lines | DIMP Capital | 925,000 | 866,285 | (58,715) |
| Inside Meters | DIMP Capital | 7,999,000 | 7,540,681 | (458,319) |
| Legacy Plastic Service Lines | DIMP Capital | 1,999,000 | 2,015,960 | 16,960 |

⁴⁶ Data in Table 14(c) was retrieved from Schedule 18I in the Company’s May 10, 2019 supplemental filing to its 2018 Report. Table 14(c) does not include the Cast Iron Mains category, which is shown in Schedule 18I as complete and not applicable.

⁴⁷ Estimate was calculated as the original estimate of \$15,330,000 less the \$700,000 the Company had estimated it would spend to comply with the future Notice of Proposed Rulemaking on “Safety of Gas Transmission and Gathering Pipelines.”

⁴⁸ Estimate was calculated as the original estimate of \$9,652,785 less the \$3,484,192 the Company had estimated it would spend to comply with the future Notice of Proposed Rulemaking on “Safety of Gas Transmission and Gathering Pipelines.”

⁴⁹ Bare Steel Mains capital costs include main replacements, cathodic protection, and replacement or test-and-connect for service lines attached to old main.

Table 14(d): 2018 Average Annual Cost to Repair Leaks by Facility for CenterPoint⁵⁰

| <i>Leak Category</i> | <i>Number of Repairs</i> | <i>Total Repair Cost in Dollars (\$)</i> | <i>Average Cost per Repair in Dollars (\$)</i> |
|---------------------------------|--------------------------|--|--|
| <i>All Leak Repairs</i> | 13,122 | 5,676,252 | 433 |
| Mains | 608 | 1,890,446 | 3,109 |
| Meters | 10,333 | 1,920,610 | 186 |
| Service Lines | 2,181 | 1,865,196 | 855 |
| <i>Capitalized Leak Repairs</i> | 597 | 1,120,359 | 1,877 |
| Mains | 58 | 582,904 | 10,050 |
| Meters | 399 | 214,996 | 539 |
| Service Lines | 140 | 322,459 | 2,303 |
| <i>Expensed Leak Repairs</i> | 12,525 | 4,555,893 | 364 |
| Mains | 550 | 1,307,542 | 2,377 |
| Meters | 9,934 | 1,705,614 | 172 |
| Service Lines | 2,041 | 1,542,737 | 756 |

2. Emergency Response Violations Cited by MNOPS

CenterPoint reported that MNOPS cited the Company for 32 emergency response violations in 2018. The Company documented details around these citations in Schedule 11a of its Report. The incidents listed (CPE referred to them as “MNOPS Reportables”) were caused by various issues, such as fire, damaged service or mains, and leaks. It is not clear that any related to CenterPoint emergency response capabilities. The Commission may wish to clarify whether the information provided was the information the Commission wanted to receive.

3. Violation Letters Received from MNOPS

The same information provided to fulfill the Emergency Response Violations reporting requirement (Schedule 11a to the Report) was provided to fulfill the Violation Letters Received reporting requirement; CenterPoint reported receiving the same number (32) of violation letters as emergency response violation citations from MNOPS in 2018.

⁵⁰ Data in Table 14(d) was retrieved from Schedule 18m in the Company’s May 10, 2019 supplemental filing to its 2018 Report.

4. *Monitoring and Metrics for Excess Flow Valve (EFV) Deployment and Manual Service Line Shutoff Valves*

The Company reported that during 2018 it had (1) an estimated 186,921 total number of services with EFVs and (2) an estimated 990 services with manual shutoff valves. As a component of these estimated total figures, CenterPoint reported installing 10,227 EFVs and 441 manual shut-off valves in 2018.⁵¹ Additionally, the Company stated at page 16 of its Report that it “will continue to report on these installation metrics in [its] annual Service Quality filings.”

5. *Conclusion*

The Department concludes that CenterPoint met the reporting requirements pursuant to the Commission’s *Order* in Docket No. G008/M-18-312, with the potential exception of emergency response violations cited by MNOPS, and the reporting metrics developed pursuant the Commission’s *Order* in Docket No. G008/AI-18-517.

O. IMPACT OF INTERIM RATE REFUND ISSUES ON SERVICE QUALITY

On March 22, 2019, the Department filed Comments in Docket No. G008/GR-17-285, requesting that “for the Company’s 2018 and 2019 Safety, Reliability, and Service Quality Reports, CPE provide a discussion regarding the impact of the interim rate refund issues on its service quality (as may be reflected in its customer complaint, call center response time, call center volume, and any other impacted metric).”⁵² As requested,⁵³ CenterPoint provided a discussion on interim rate refund issues at pages 16 and 17 of its Report.

The Company concluded that it had no evidence to suggest that its service quality levels were impacted by its interim rate refund issues. While CenterPoint did note that the number of customer calls received in November and December of 2018 were higher than in the corresponding months during 2017, the Company found it difficult to determine whether the increase was due to the interim rate refund or other factors. The structure of the Company’s complaint categories and the nature of the automated IVR system do not currently support a precise tracking of customer calls made regarding interim rate refunds. CenterPoint also emphasized that it achieved the service quality standard of answering at least 80 percent of all customer calls in 20 seconds or less during 2018.

When the Department requested that CenterPoint provide a discussion around the impact of the interim rate refund on service quality, it intended for the Company to offer meaningful insight that would allow the Department and Commission to better assess the effectiveness of

⁵¹ See Report at page 16.

⁵² See Department initial Comments in Docket No. G008/GR-17-285 at page 6.

⁵³ The Report was filed before the Commission’s deliberation and decision on the matter, which occurred at its May 2, 2019 Agenda Meeting.

CenterPoint's customer-facing actions when working to resolve the issues connected to the interim rate refund process. The Department acknowledges the Company's point that, despite the interim rate refund issues documented in Docket No. G008/GR-17-285, the Company's relevant service quality metrics for 2018 appear reasonable relative to prior reporting years. The Department is also aware, however, that CenterPoint might not track complaint data at a level that is granular enough to isolate this issue.

The Department concludes that the Company has met the requirement to include a discussion about the interim rate refund impact on service quality. However, the Department believes that additional insight might be gained from a more detailed analysis of select customer call and complaint data. Department Attachment 1 provides a compilation of select customer call and complaint statistics, the purpose of which is to develop additional context around this service quality data during the months in which the interim rate refund issues occurred. The Department included certain data points from prior years (2014 - 2017) to establish a base of information against which the 2018 and 2019 data may be compared. In addition, the Department chose to include in its Attachment 1 the complaint categories that, based on their descriptions,⁵⁴ would be the most likely categories impacted by the interim rate refund issues.⁵⁵

The Department requests that CenterPoint provide in its Reply Comments the January 2019 data that corresponds to the data presented in Department Attachment 1 and, if applicable, (2) the percentage of customer complaints received during January 2019 in any complaint categories not already included in Department Attachment 1 that the Company believes could be relevant to the interim rate refund issues.

III. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS

Based on its review, the Department concludes that the Company has met all the applicable reporting requirements and recommends that the Commission accept CenterPoint's 2018 Annual Service Quality Report.

The Department also recommends that the Commission continue to require CenterPoint to report the metrics outlined in item 3 of the Commission *Order* in Docket No. G008/M-18-312, issued April 12, 2019, with any clarifications deemed necessary.

Given the spike in Company-caused gas line damage incidents between 2017 and 2018, the Department invites CenterPoint to provide in its Reply Comments an explanation or additional context around the increase observable in this metric for 2018.

⁵⁴ CenterPoint provided descriptions of its complaint categories in its Report Attachment A.

⁵⁵ Interim rate refund issues may include, but would not necessarily be limited to, credits or charges incorrectly applied to customer bills.

In addition, due to the upward trend in the Company's reported mislocate metrics, the Department asks that CenterPoint provide in its Reply Comments (1) additional context around or an explanation for the increase in its mislocate metrics between 2017 and 2018 and (2) a discussion on whether the Company has implemented or intends to implement any new strategies to mitigate mislocate incidents going forward.

The Department further requests that CenterPoint confirm in Reply Comments that in 2018 there were no further developments related to the natural gas explosion at the Minnehaha Academy.

Finally, the Department requests that CenterPoint provide in its Reply Comments the January 2019 data that corresponds to the data presented in Department Attachment 1 and, if applicable, (2) the percentage of customer complaints received during January 2019 in any complaint categories not already included in Department Attachment 1 that the Company believes could be relevant to interim rate refund issues.

/ja

Select Customer Call and Complaint Data for 2017, 2018, and 2019

| Year | Month | Number of Calls Received, Including IVR-Answered Calls | Number of Complaints Received | Percentage of Complaints Resolved Upon Initial Inquiry | Percentage of Complaints Resolved by Agreement with the Customer | Percentage of Complaints Received for Billing Errors** | Percentage of Complaints Received for Disputed Charges | Percentage of Complaints Received for Payment Issues |
|------|----------|--|-------------------------------|--|--|--|--|--|
| 2014 | January | 119,971 | 493 | 79% | 20% | 9% | 20% | 9% |
| | November | 124,644 | 475 | 69% | 35% | 12% | 13% | 11% |
| | December | 162,920 | 565 | 75% | 35% | 10% | 13% | 14% |
| 2015 | January | 165,874 | 535 | 76% | 31% | 16% | 13% | 16% |
| | November | 131,478 | 507 | 74% | 25% | 14% | 13% | 9% |
| | December | 134,610 | 573 | 74% | 28% | 18% | 10% | 14% |
| 2016 | January | 136,764 | 553 | 78% | 22% | 15% | 8% | 13% |
| | November | 118,911 | 375 | 78% | 25% | 17% | 7% | 12% |
| | December | 129,392 | 509 | 79% | 30% | 24% | 8% | 14% |
| 2017 | January | 143,123 | 745 | 83% | 36% | 23% | 11% | 13% |
| | November | 127,766 | 523 | 84% | 28% | 13% | 17% | 15% |
| | December | 130,499 | 486 | 84% | 29% | 12% | 15% | 18% |
| 2018 | January | 144,624 | 612 | 84% | 25% | 11% | 13% | 18% |
| | November | 140,111 | 383 | 77% | 18% | 16% | 10% | 14% |
| | December | 152,722 | 455 | 78% | 20% | 23% | 11% | 14% |
| 2019 | January | | | | | | | |

2019 data to be filled in by CenterPoint.

Figures in this column are based on the number of complaints reported under the **subcategory titled “Billing Errors” and *not* the total number of complaints documented in the overarching “Billing Errors” category.

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
Comments**

Docket No. G008/M-19-300

Dated this 14th day of June 2019

/s/Sharon Ferguson

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|----------------|--------------------|--|------------------------------------|---|--------------------|-------------------|------------------------|
| David | Aafedt | daafedt@winthrop.com | Winthrop & Weinstine, P.A. | Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| James J. | Bertrand | james.bertrand@stinson.com | STINSON LLP | 50 S 6th St Ste 2600 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Brenda A. | Bjorklund | brenda.bjorklund@centerpointenergy.com | CenterPoint Energy | 505 Nicollet Mall Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Generic Notice | Commerce Attorneys | commerce.attorneys@ag.state.mn.us | Office of the Attorney General-DOC | 445 Minnesota Street Suite 1800 St. Paul, MN 55101 | Electronic Service | Yes | OFF_SL_19-300_M-19-300 |
| Ian | Dobson | 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_19-300_M-19-300 |
| 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_19-300_M-19-300 |
| Edward | Garvey | garveyed@aol.com | Residence | 32 Lawton St Saint Paul, MN 55102 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Robert | Harding | robert.harding@state.mn.us | Public Utilities Commission | Suite 350 121 7th Place East St. Paul, MN 55101 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Amber | Lee | Amber.Lee@centerpointenergy.com | CenterPoint Energy | 505 Nicollet Mall Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Pam | Marshall | pam@energycents.org | Energy CENTS Coalition | 823 7th St E St. Paul, MN 55106 | Electronic Service | No | OFF_SL_19-300_M-19-300 |

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
|------------|----------------|-----------------------------------|------------------------------------|---|--------------------|-------------------|------------------------|
| David | Moeller | dmoeller@allete.com | Minnesota Power | 30 W Superior St Duluth, MN 558022093 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Andrew | Moratzka | andrew.moratzka@stoel.com | Stoel Rives LLP | 33 South Sixth St Ste 4200 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Samantha | Norris | samanthanorris@alliantenergy.com | Interstate Power and Light Company | 200 1st Street SE PO Box 351 Cedar Rapids, IA 524060351 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Janet | Shaddix Elling | jshaddix@janetshaddix.com | Shaddix And Associates | 7400 Lyndale Ave S Ste 190 Richfield, MN 55423 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Peggy | Sorum | peggy.sorum@centerpointenergy.com | CenterPoint Energy | 505 Nicollet Mall Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| James M | Strommen | jstrommen@kennedy-graven.com | Kennedy & Graven, Chartered | 200 S 6th St Ste 470 Minneapolis, MN 55402 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Eric | Swanson | eswanson@winthrop.com | Winthrop & Weinstine | 225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629 | Electronic Service | No | OFF_SL_19-300_M-19-300 |
| Daniel P | Wolf | dan.wolf@state.mn.us | Public Utilities Commission | 121 7th Place East Suite 350 St. Paul, MN 551012147 | Electronic Service | Yes | OFF_SL_19-300_M-19-300 |