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December 19, 2017

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

*RE: Reply Comments of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy) 2015 & 2016 Annual Service Quality Reports Docket Nos. G-008/M-16-377 & G-008/M-17-342*

Dear Mr. Wolf:

CenterPoint Energy (the Company) submits these *Reply Comments* in response to the *Comments* of the Minnesota Department of Commerce (Department) in the matter of the Company's 2015 and 2016 *Annual Service Quality Reports* (Reports). The Company appreciates the Department's thorough review and analysis of these Reports. In its *Comments*, the Department recommended acceptance of the Reports, pending the provision of responses regarding two inquiries in *Reply Comments*.

The Department requests the Company provide the following information in its *Reply Comments*:

- A detailed breakdown of gas line damage event causes for Years 2015 & 2016; and
- An explanation of the number of CenterPoint-controlled damage incidents during October, November and December 2016.

*Gas Line Damages – By Cause*

In its *Comments*, the Department requests the Company provide details regarding the 2015 and 2016 gas line damages by delineating the type of damage for the gas lines (e.g., Inadequate Hand Digging, etc.). The Company regrets not providing this information in its Reports and will provide the information in future reports.

2015

Inadequate Hand Digging accounted for 27% of our damages, which is a 1% reduction from the previous year, and No Locate Ticket Requested accounted for 19% of the damages, which is a 1% increase from the previous year. We worked with, and continue to work with, the Minnesota Office of Pipeline Safety and Gopher State One Call to help reduce these types of damages.

2016

Inadequate Hand Digging accounted for 26% of our damages, which is a 1% reduction from the previous year, and No Locate Ticket Requested accounted for 18% of the damages, which is a 1% reduction from the previous year. We worked with, and continue to work with, the Minnesota Office of Pipeline Safety and Gopher State One Call to help reduce these types of damages.

	<b>Project Work Street and Road Construction</b>	<b>Inadequate Hand Digging</b>	<b>No Locate Ticket Requested</b>
2011	70%		
2012		30%	21%
2013		26%	19%
2014		28%	18%
2015		27%	19%
2016		26%	18%

Gas Line Damages – October, November & December 2016

In its *Comments*, the Department requests the Company provide details explaining the number of CenterPoint-controlled damage incidents in October, November and December 2016.

In looking at the details on our reports we found that the numbers during Q4 of the 2016 report were transposed under the two categories “Damage under the control of CenterPoint Energy’s Employees/Contractors” and “Damage – all other causes”. The correct numbers for “Damage under the control of CenterPoint Energy’s Employees/Contractors” are: October (14), November (12), and December (21). These corrected numbers for the 4th quarter of 2016 show CenterPoint controlled damages in line with 2015’s percentage of total damages. As a result, we have included a revised 2016 Schedule 9.

Based upon this information, CenterPoint Energy respectfully requests the Commission consider the *Reply Comments* expressed above and accept CenterPoint Energy’s 2015 & 2016 Annual Service Quality Reports.

If you have any questions concerning this information, please contact me at 612.321.4677.

Sincerely,

/s/

Steven Lyons  
Regulatory Analyst

cc: Service List

**CenterPoint Energy**  
**2016 Service Quality Report - Revised 12/20/2017**

**Schedule 9**  
**Year 2016 - Revised**

**Gas System Damages**

	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Total	2015
Damage under the control of CenterPoint Energy's Employees/Contractors	5	2	2	9	13	8	20	21	21	14	12	21	148	192
Damage - all other causes	13	14	12	23	24	51	80	57	76	91	142	187	770	730
<b>Total Damages</b>	<b>18</b>	<b>16</b>	<b>14</b>	<b>32</b>	<b>37</b>	<b>59</b>	<b>100</b>	<b>78</b>	<b>97</b>	<b>105</b>	<b>154</b>	<b>208</b>	<b>918</b>	<b>922</b>
Miles of Pipe (as of December 31, 2015)													25,755	25,427
Damage per 100 miles of pipe:														
Under the control of CenterPoint Energy's Employees													0.57	0.76
Caused by all others													<u>2.99</u>	<u>2.87</u>
 <b>Total</b>													<b>3.56</b>	<b>3.63</b>