

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: **April 1, 2014***Agenda Item #5

Companies: CenterPoint Energy (CPE)

Docket No. G008/M-12-425

In the Matter of Center Point Energy's 2011 Annual Gas Service Quality Report

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

Staff: Marc Fournier651-201-2214

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, 2012

Comments of the Minnesota Department of Commerce
Division of Energy Resources. June 29, 2012

Reply Comments of CenterPoint Energy.....July 10, 2012

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Statement of the Issues

Should the Commission accept the Company's Annual Service Quality Report for 2011?

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.

In the 11-360 Order, the Commission also specifically directed CPE to:

- Beginning in its 2011 annual report, provide the number of miles of pipe it operates in Minnesota;
- Explain how it calculates its 2011 "percentage of calls answered within 20 seconds;"
- Beginning in its 2011 annual report, provide the number of locate requests; and

- Beginning in its 2011 annual report, report all gas service interruptions on its system (not only those service interruptions immediately reportable to the Minnesota Office of Pipeline Safety).

On May 1, 2012, the Company filed its calendar year 2011 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) 2011 Gas Service Annual Report

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

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

CPE: For 2011 the percent of calls answered in 20 seconds or less is 82%, in 2010 the percent of calls answered in 20 seconds or less was 84%, this is a slight decrease from the prior year. The average speed of answer increased from an annual weighted average of 19 seconds in 2010 to an average of 20 seconds in 2011. (In 2010 we reported an annual average speed of answer of 24 seconds using a simple 12 month average; CPE has changed to using a weighted average based on monthly call volume). The number of calls answered has decreased, in 2010 there were a total of 916,168 calls answered and in 2011 there were 896,851.

DOC: On an annual basis, the Company was able to answer 82 percent of its calls in 20 seconds or less, which exceeds its goal of 80 percent of calls in 20 seconds or less. However, there were 5 months, including the entire first quarter of 2011, where CenterPoint was unable to achieve the 80 percent in 20 second Commission-prescribed standard. This is in contrast to the April through December 2010 timeframe, for which data was available in the last service quality report, where CenterPoint was able to achieve the reporting goal in each month. The difference in response is not great between the two years; however, the DOC is somewhat concerned by the Company's inability to reach the 80/20 service level during the whole of the first quarter in 2011. The DOC notes that CenterPoint's Report indicated that the number of calls made to the Company's call center in 2011 decreased by 2.15 percent over 2010 call volume. The DOC recommends that CenterPoint fully explain, in its Reply Comments, why its call center response levels decreased between 2010 and 2011 and also why it did not reach the 80 percent of calls in 20 seconds standard during any month in the first quarter of 2011.

The average call response time for CenterPoint's call centers for all of 2011 was 20 seconds, CenterPoint explains in its Report that it changed from a simple average to a weighted average to report call center response between its previous and current service quality reports. The DOC intends to ensure that the calculation method is standardized for all utilities through the ongoing

workgroup meetings required by the Commission in its Order dated March 6, 2012 in Docket 11-360.

CPE Reply: There are seasonal peaks and valleys in call volume and service level so it is important to look at the annual average more than a single point in time number. Also, other factors play into service levels, such as attrition and sick/FMLA rates, call mix (i.e. credit vs. billing), and specific events and/or conditions. Additionally, the Average Handle Time (“AHT”) for calls has increased as CPE continues to drive more straight forward calls (that tend to take less time) to self-service options. While in general, call volume and AHT are the primary drivers, they are not the only ones that may influence variations when comparing like time periods.

In response to why the Company changed its call response time methodology, CenterPoint Energy believes that it is more representative of the actual experience the customer realizes when an overall/weighted average is used instead of a simple average of twelve individual monthly results.

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 2011 annual Gas Service Quality Report.

97.83% of meters were read by CenterPoint Energy personnel in 2010 and 97.78% were read in 2011, 0.03% of meters were not read between a 6-12 month time period in both 2010 and 2011, and 0.03% of meters have not been read in over 12 months for 2010 and 0.02% of meters have not been read in over 12 months for 2011. Staffing levels have not changed.

DOC: CenterPoint reported that of a potential total of 9,772,068 meters to be read throughout 2011, 9,555,189, or approximately 97.8 percent, of meters were read by Company personnel. Customers self-read 19 meters, or 0.0002 percent of the total, which is a decrease of 17 meters over 2010. The DOC notes that the number of meters read by utility personnel, when added to the

number of meters self-read by customers, does not equal the total number of meters. The DOC requests that CenterPoint explain, in Reply Comments, the status of these remaining meters (e.g. were these meters estimated). The Company reported that 2,889 meters, 0.03 percent, have not been read for periods of six to 12 months. The 2011 figure represents an increase in unread meters of 216 over 2010. CenterPoint also reported that 1,548 meters (0.02 percent) have not been read for periods exceeding 12 months. In terms of meters not read for periods exceeding 12 months, the 2011 data reflects a decrease of 1,045, or 67.5 percent, over 2010. Given the large amount of meters on CenterPoint's system, these statistics are fairly reasonable; as such, the DOC notes that the decrease in unread meters in this category is a positive development and encourages the Company to continue to achieve, or exceed, these results in future service quality reports. In addition, for both categories of unread meters, "ERT not responding" is the leading reason reported for not reading the meters. Reported 2011 meter-reading staffing levels were unchanged at 10 in the Minneapolis Metro Area and decreased from 20 to 17 during the final quarter of 2011 in CenterPoint's Greater Minnesota Area. With two full years of data, the DOC has been able to compare meter reading performance on a basic level. Until additional years of data are available, any meaningful comparison of trends, or reasonable performance levels, will not be measurable. As such, the DOC does not provide additional comparative analysis on this metric at this time.

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.

Overall delinquency is down. This could partially be attributed to slightly warmer winter weather and lower gas prices. LIHEAP dollars collected are lower than 2010; however, the number of LIHEAP recipients remained relatively constant.

DOC: The DOC notes that the top month for cold-weather protection requests was January 2011, with a total of 17,292 requests. This represents an increase of approximately 1,500 requests over the maximum request month (March) during 2010. March 2011 had the most disconnections lasting 24 hours or more at 1,092 customers, which is approximately 500 customers less than the maximum monthly disconnections in 2010. January 2011 had the most requests for setting up a

payment schedule at 17,099, only two of which did not result in a mutually agreed upon schedule.

While reviewing these data, the DOC observed that there were a significant number of past due residential accounts during each month in 2011. Specifically, the DOC notes that the lowest number of past due accounts happened in October 2011 (83,222 or roughly 11 percent) and the greatest number of past due accounts occurred in January 2011 (163,366 or roughly 22 percent). The DOC recommends that CenterPoint fully explain, in its Reply Comments, whether the level of past due accounts in 2011 is typical and what initiatives are in place, or planned, to decrease the overall number of past due accounts.

CPE Reply: The average number of delinquent accounts was slightly lower during 2011 than the previous two years. The Company's collections practices are designed to give customers options in paying their bills and uses disconnection of service as a last resort when customers do not respond to collection efforts. The Company utilizes a variety of outreach and communication methods to urge late payers to contact us to work out a payment plan, to sign up for Energy Assistance, or receive an extension on their account. In addition, the Company has implemented several self-service web/telephone options over the past few years, whereby customers can easily find information on their account; make a payment or sign up to receive reminders when their bill is due. Customers can also go online or call into CPE's Call Center to obtain information on Energy Assistance, GAP and conservation programs.

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 average days to complete commercial new extension is 23 days and residential new extensions is 17 days in 2011. The average days to complete commercial renewed service extensions is 14 days and renewed residential extensions is 18 days. CenterPoint Energy was able to provide only partial information for 2010; therefore a comparison to 2011 cannot be made.

DOC: CenterPoint extended service to 3,057 new residential locations in an average span of 17 days, and to 238 previously served residential locations in an average span of 18 days. The Company extended service to 294 new commercial locations in an average span of 23 days, and to 42 previously served commercial locations in an average span of 14 days.

Since this is the first full calendar year that data are available regarding service extensions, the DOC cannot make definitive conclusions because it is unaware of underlying trends or historical patterns. That being said, the DOC is concerned with the amount of time needed to extend service, especially to existing properties. All else being equal, one would expect renewed services to be completed substantially sooner than new service extensions. In fact, the average number of days for renewed residential service was longer than extending new service to residential customers. The DOC recommends that CenterPoint fully explain, in its Reply Comments, why its service extension times are greater than 10 days across all categories and also why the length of time for service extensions to renewed residential customers was longer than new residential service extensions during calendar year 2011.

CPE Reply: In reviewing the DOC's comments, the Company discovered that the data on renewed service orders was not reported the same way as new service orders. For renewed services, the 'site ready' status was not always changed when the work was dispatched so the time to complete the work may have been overstated; as such, the data is not comparable to new orders. CPE is evaluating the current processes and will make changes to better capture the 'site ready' date which will be reflected in future service quality reports.

In response to the DOC's comments on the length of time for service extensions, there may be significant work required prior to construction which can result in more than a 10 day timeframe to extend service. The service needs to be designed, customers need to sign the service agreement, and permits may be required. Additionally, the main distribution line may need to be extended to accommodate the individual customer's needs, the site grade needs to be established prior to installation, the foundation must be installed and the door and operable windows need to be clear of the proposed meter location before service can be extended. Due to the required pre-work, customers are told that it takes between 4 and 6 weeks for a new service extension.

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.

Please note that the information reported in 2010 is being restated from what was originally reported last year (which was the 1st year this information was reported). In the process of compiling this year's report, CPE discovered that the date used to determine the 2010 counts did not reflect the actual activity. In the 2010 report the potential of multiple counts for a single request

may have occurred, therefore CPE has restated the counts using the actual date of request to determine the counts. In 2010 the restated number of new customer deposits is 539 in 2011 the Company is reporting 590 new customer deposits required as a condition of service.

DOC: CenterPoint had a total of 590 such customers, or approximately 0.36 percent of service connections, in calendar year 2011. This represents an increase in deposits of 51 over calendar year 2010. The DOC notes that the top months for requesting deposits were October (140 customers) and November (123 customers). The DOC further notes that the number of deposit requests in these two months are significantly higher than the next closest month, June 2011, where the Company requested deposits from 56 customers.

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.

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

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

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

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

DOC: The Company reported 6,772 total complaints in 2011. This represented an increase of 937, or approximately 16 percent, over the 5,835 complaints reported in 2010. This is a fairly significant increase in complaints; as such, CenterPoint includes a brief discussion of the reasons for this increase in its Report. The Company notes that 2010 marked the first year of its expanded complaint tracking system. CenterPoint speculated that the increase in complaints between 2010 and 2011 is related to its Customer Service Staff becoming more comfortable with the new complaint systems and its unique characteristics. This conclusion is not unreasonable; therefore, the DOC does not have concerns at this time related to the total number of complaints and will continue to monitor this metric going forward.

The DOC observes that there was a large spike in the number of complaints during August and

September 2011. Specifically, each month had approximately 700 complaints a piece while the average monthly complaint level was 564. The DOC recommends that the Company fully explain, in its Reply Comments, why complaints spiked during August and September 2011.

The DOC notes that in 2011, just like 2010, “disputed charges” was the largest category of customer complaints for both Commercial (12.84 percent of a total of 436 complaints) and Residential (22.27 percent of a total of 6,336 complaints) customers. A majority of both Commercial and Residential customer complaints were resolved immediately in 2011, at 51.38 percent for Commercial customers and 51.63 percent for Residential customers. The DOC notes that this was a decrease in the number of complaints resolved immediately compared to 2010 for both classes. The decrease in performance is especially pronounced for the Commercial rate class where nearly 63 percent of complaints were resolved immediately in 2010. The DOC recommends that the Company fully explain, in its Reply Comments, why the number of complaints resolved immediately decreased between 2010 and 2011.

CenterPoint’s Inverted Block Rate Mechanism (IBR) and Decoupling were important issues for ratepayers and the Commission during 2011. There was significant media attention and discussion regarding the Inverted Block Rate Mechanism and this program was eventually suspended by the Commission in October 2011. Although constituting a relatively small portion of total complaints, 2.52 percent for Commercial customers and 6.25 percent for residential customers, the DOC notes that complaints regarding these programs were high in the first quarter of 2011, in fact nearly one-third of residential complaints in January 2011 were related to the IBR, but the number of complaints decreased to less than one percent of residential complaints by the fourth quarter of 2011. The DOC will continue to monitor these complaints as long as these rates are charged to CenterPoint customers.

Despite not being strictly comparable from year-to-year, the number of complaints forwarded from the Commission to CenterPoint dropped from 250 in 2010 to 72 in 2011. The DOC does note that a further 42 complaints were forwarded from the Better Business Bureau and 129 from the Office of the Attorney General. In total, the Company received 252 complaints that were forwarded from these sources, which is comparable to the number of calls forwarded from the Commission in 2010.

CPE Reply: Customer complaints were higher in August and September 2011 mainly due to an increase in Credit Arrangement complaints. This category is typically higher during the non-CWR months. However, several factors contributed to the increase compared to 2010, including the following:

- Due to the Minnesota government shutdown (July 1st through July 21st), CenterPoint Energy delayed residential disconnections (more than 2,000 fewer DNP in July 2011 vs. July 2010)
- As a result, 2,438 more notices of proposed disconnection (DNP notices) were mailed in August and September 2011 compared to the same time period in 2010 (37,379 vs. 34,941)

- Additionally, as part of the dunning process, more attempts to reach customers to prevent DNP were made
 - 2,370 more outbound calls (25,394 vs. 23,024)
 - 924 more door tags from unsuccessful DNP attempts (4,787 vs. 3,863)

The above factors contributed to an increase in customers who had previously broken arrangements again becoming eligible for disconnection in August and September. If a customer cannot agree to a payment arrangement with a CSR, a complaint is created and escalated for further negotiation.

CenterPoint Energy transitioned to its current reporting format in 2010. As such, some adjustments and refinements were made to definitions, including what constituted an ‘Immediately’ resolved complaint. In 2010, ‘Immediately’ included complaints resolved in zero to one day.

This metric was changed in 2011 to only reflect complaints resolved in zero days. In addition, the number of escalated calls (compared to CSR completed complaints) increased from 3,875 in 2010 to 5,114 in 2011. Furthermore, the transition from 2010 represented a significant loss in experienced Leads due to promotions, etc. While CPE did hire new Leads to bring the group to complement, the Company recognizes it may take months before a new Lead is fully trained and proficient, including complaint handling.

Lastly, during 2011, CenterPoint Energy made great efforts to reduce the complaint handling timeframe for all complaints. Compared to 2010, the number of complaints that took greater than ten days was significantly reduced.

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 2011 annual Gas Service quality Report.

The percent of calls answered in 20 seconds or less cannot be compared to 2010, in 2010 the Company reported a partial year. The average speed of answer in 2011 is 24 seconds and in 2010 the average speed of answer for 2010 was 17 seconds. There were 77,042 calls received in 2011 and 75,677 in 2010. (In 2010 we reported an annual average speed of answer of 17 using a simple 12 month average; we have changed to using a weighted average).

CNP had a few significant events in September and October that increased the number of calls placed to the Company’s phone center within a relatively short period of time. Gas outages occurred in Morris/Benson/Hancock and in Mankato and a mechanical failure at an odorizer caused a temporary over-odorization of gas on a portion of CPE’s system creating a significant number of customer gas leak calls to the phone center.

DOC: The average percentage of emergency line calls answered in 20 seconds or less was 81 percent in 2011, which is comparable to the 7 months of data available in 2010 (82 percent). The average answer time was 24 seconds for 2011, which is 7 seconds longer than for 2010, while the total emergency line calls answered for the year was 77,042, which is an increase of 1,365 calls over 2010. CenterPoint explained in the Report that the increase in answer time was the result of using a weighted average to calculate answer time rather than the simple average used in 2010. The DOC intends to ensure that the calculation method emergency call response time is standardized for all utilities through the ongoing workgroup meetings required by the Commission in its Order dated March 6, 2012 in Docket No. G008/M-10-378.

8. Gas Emergency Response Times

Standard: Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and 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 2011, the percent of emergency gas calls responded to in less than one hour was 88.72% in 2010 it was 87.90%. 2011 there were 39,655 calls received, in 2010 there were a total of 40,570 calls received. In 2011 it took an average of 46 minutes to respond to an emergency, in 2010 it took an average of 42 minutes.

The increase in the emergency response times, while encouraging, cannot be tied to a particular initiative. The Company's belief is the response rate is in line with last year's rate and that a fluctuation of less than one percentage point is not statistically significant.

CPE's current initiatives center around managing and reporting associated with CPE's dispatch group. The Company has expanded its reporting metrics related to emergency response to the individual dispatcher level in order to more effectively coach the employees within this group, both on a daily basis and the Company has incorporated a measure into their quarterly review.

DOC: The percentage of emergency gas calls responded to in one hour or less was 88.72 percent, which is an improvement of less than one percent over the 87.90 percent reported in 2010. Despite the slight improvement in performance, the 2011 results are still below the 90.02 percent level of efficiency reported in 2009. Given the relatively small improvement in performance, the Company did not believe particular initiatives were responsible and that the performances between 2010 and 2011 are statistically similar. CenterPoint did state that it is continuing to improve training of its dispatch group so that future performance will improve. In terms of call volume, the Company

reported 39,655 calls received in 2011 compared to 40,570 calls received in 2010. This is a small decrease, approximately 2 percent, and may have contributed to the small improvement in emergency response time between the two years.¹ The DOC did not observe any other concerns regarding this reporting metric and recommends that the Company continue its training programs such that dispatch times continue to improve going forward.

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: Mislocate metrics are reported on Schedule 8 of the annual Gas Service Quality Report.

Mislocates increased from 64 in 2010 to 95 in 2011. The number of mislocates per 1,000 tickets increased from 0.27 in 2010 to 0.37 in 2011. Due to the nature and significant increase in communication fiber installation CPE saw an increase in missed or not located services which included stubbed services. The Company is addressing this issue by adding all stubs services to CPE's Geographic Information System (GIS) maps to better assist the locator.

DOC: In calendar year 2011, CenterPoint Energy had a total of 95 mislocates, an increase of 31 over 2010, out of a total of 256,716 locate tickets, which is 20,926 greater than 2010. The rate of mislocates per 1,000 locate tickets was 0.37 for 2011, which is 0.10 mislocates per 1,000 tickets greater than 2010. The Company explained in its Report that mislocates increased due to the nature and significant increase in communication fiber (fiber optic wire) installed during calendar year 2011. In an effort to remedy this development, the Company stated that it is adding stub services to its Geographic Information System (GIS) maps to better assist utility locators in identifying services. The DOC notes that increases in construction activity, as illustrated by the increase in new service extension in 2011 over 2010, may have also contributed to the increase in mislocates.

The DOC commends CenterPoint for actively identifying potential causes of mislocates and implementing a system to correct the issue. The DOC looks forward to reviewing next year's report for indications showing that the Company's solution was successful.

10. Gas System Damage

Standard: Each utility shall report data on the number of gas lines damaged. The damage shall be

¹ There are several other pieces to this metric besides dispatch time. Travel is another (which can be limited if the correct person is dispatched). Nevertheless, travel time can be dependent on congestion and traffic. Securing the area upon arrival at the scene is another big factor. Also, this is dependent on dispatching the correct person or team to the site of the incident.

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.

DOC: The Company reported 759 incidences of gas system damage for 2011, which is an increase of 77, or approximately 11 percent, over 2010. There were 155 incidences due to the actions of Company employees or its contractors, an increase of 66 or approximately 74 percent over 2010, and 604 incidences arising from all other causes, an increase of 9 or approximately 1.5 percent, over 2010. The 2009 gas system damage total was 768, which is comparable to the figures for 2011. CenterPoint explained that the increased number of street and road construction projects (152 in 2011 versus 93 in 2010) and significant increases in communication fiber installation were the driving factors behind the increase in gas system damage. In fact, the Company stated that 70 percent of below ground damage in 2011 was related to these types of projects. The DOC appreciates CenterPoint's explanations regarding this issue and recommends that the Company continue to work to minimize utility-related damage incidences going forward.

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 2011 annual Gas Service Quality Report.

In 2011 there were 5,317 customers affected by service interruptions, there were 633 outages that lasted on average 62 minutes. In 2010 there were 4,728 customers affected, 555 outages and an average of 143 minutes.

DOC: Unplanned service interruptions are those due to CenterPoint Energy employees and contractors, or other unplanned causes. This Report marks the first year that the Company had data available for the entire calendar year.

The total number of customers affected by natural gas service interruptions in 2011 was 5,317 resulting from 633 outages. CenterPoint reported that the average duration of these outages was 62 minutes. When broken down by type of interruption, incidences related to utility employees or contractors accounted for 174, or approximately 28 percent, of the total outages and 3,889, or approximately 73 percent, of affected customers. In terms of all other causes, 1,428 customers were affected by 459 interruptions in 2011. In terms of outage duration, the outages caused by CenterPoint employees or contractors averaged 51 minutes in duration while those associated with

other causes lasted an average of 66 minutes.

When looking at the annual totals, it is somewhat concerning that outages related to the Company account for significantly more impacted customers than those associated with other causes. However, when looking at the numbers more closely, 3,670, or approximately 94 percent, of the utility caused interruptions occurred in the month of November. This significant spike suggests that a large, single event outage occurred in this month; however, the Company does not identify the cause of this outage in its Report. The DOC recommends that the Company fully explain, in its Reply Comments, what caused the large number of interruptions in November and what circumstances led to the large number of impacted customers.

In addition, the DOC observed average outage lengths well in excess of two hours during the months of January and February. These are of particular concern since long outages in the winter can cause harm to life and property. The Company does not provide an explanation of the events surrounding these long outages; therefore, the DOC recommends that the Company fully explain, in its Reply Comments, the circumstances surrounding these long duration outages in January 2011 and February 2011.

CPE Reply: As discussed on page 10 of the 2011 Service Quality Report, the incidents appear on the Company's report in the month the investigation is complete. These are extensive investigations that typically take more time. For example the Morris, Benson and Hancock outage occurred in September and the investigation was complete in November. There were approximately 3,600 customers impacted when the Northern Natural Gas pipeline was damaged and service was lost to the towns of Morris, Benson and Hancock. Customer meters were shut off and only after the repairs were completed was the Company able to re-light all meters.

In January the city of St Louis Park was working to repair a water leak when they damaged CPE's facilities. The excess of water, cutting through the street and extreme temperatures made the repair more difficult.

In February there was a leak on a service line in Mankato and CPE had to cut a large hole in the street and through the frost cap to complete the repair.

In both cases the frost, weather and cutting in the street caused the repairs to take more time. The Company continually attempts to minimize damages. Current activity includes:

- The Company has been attending Ticket Meets at the start of projects for excavators that have a history of multiple damages to address any concerns and build communication. The Company will look at the effectiveness of this plan but at this point think CPE is seeing some better results from those excavators. This is to address the larger volume of damages on extended projects.
- The Company is working to develop a door hanger as a leave behind for homeowners that have a One Call ticket and are working on their own property. The door hanger is

additional education explaining the process for hand digging safely to address shovel damages.

- Gopher State One call is also kicking off a Call Before You Dig campaign with Kowalski's Market by distributing homeowner literature for safe digging (estimated 100,000 pieces). They are also looking at their marketing plans in light of the increase in damages. In addition CPE is working with Gopher State One Call and they are also implementing a plan to send an email to homeowners after they request a ticket with more detailed safe digging information.
- The Company has contacted local media to discuss concerns about increased damages this year, safe digging and the importance of having a One Call ticket before you dig.
- It is CPE's understanding that MNOPS uses the Company's monthly reports to address and fine a damaging party that does not have a One Call ticket.

12. MOPS Summaries K

Standard: 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 2011 there were 47 MOPS reportable out-ages and 2 integrity outages. In 2010 there were 18 reportable outages and 3 integrity outages.

The two integrity outages were the Benson, Hancock and Morris outages, and the other was the Kimball Outage.

Kimball Outage

12/6/2011, 364 reported outages. The loss of downstream pressure to the town of Kimball was the result of the freezing of moisture within the Series 20 pilot in the ports below its diaphragm. To

immediately mitigate future icing at this station, the entire actuator and pilot were replaced with a new actuator and pilot assembly. A CATCO instrument catalytic heater (CATCO Instrument Gas PreHeater, Model CGA2600SS1G) was added to warm the pilot inlet line.

Benson/Morris/ Hancock Outage

9/23/2011, Approximately 3,600 outages due to damage to the Northern Natural Gas facility. The towns of Benson, Hancock and Morris were without service.

Additionally, CenterPoint Energy also submitted e-mail notifications to the PUC of incidents that did not meet the MOPS Reportable Outages criteria of a “reportable incident”, however we notified the PUC due to the number of customers affected, media attention, etc.

DOC: CenterPoint had 47 MnOPS-reportable events and 2 integrity outages in 2011, compared to 18 reportable events and 3 integrity outages in 2010. The DOC is concerned that the number of MnOPS reportable events increased between 2010 and 2011, but it is important to remember that many of these events may be outside of the Company’s control. Given this, the DOC does not have an issue with the number of events at this time, but does recommend that CenterPoint continue to minimize such events whenever possible.

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 increased from \$24.9 million in 2010 to \$25.4 million in 2011.

DOC: The report included only expenses for Minnesota-regulated operations of the Company. CenterPoint reported that service-related expenses rose from \$25.0 million in 2010 to \$25.4 million in 2011. The Company did not provide an explanation regarding the increase in cost; however, given the relatively small increase, the DOC does not have any concerns regarding these expenses at this time.

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

Standard: Based on DOC’s request and recommendation that CPE report this information.

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 2010 steel service line relocations:

<u>Year</u>	<u>#Jobs</u>	<u>High Cost</u>	<u>Low Cost</u>	<u>Average Cost</u>
2011	9	\$109,303.80	\$1,143.53	\$26,157.64
2010	2	\$1,422.12	\$975.52	\$1,198.82

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

<u>Year</u>	<u>#Jobs</u>	<u>High Cost</u>	<u>Low Cost</u>	<u>Average Cost</u>
2011	21	\$109,303.80	\$1,845.53	\$12,568.96
2010	61	\$20,271.80	\$37.32	\$1,928.78

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: In 2011, there were 9 steel-service line relocations resulting in a total cost of \$235,418.76. This represents a significant increase of 7 jobs and \$233,021.12 over the equivalent figures for 2010. The Company does not provide an explanation for the increased steel-service line relocation activity and associated costs. The DOC recommends that CenterPoint provide a full discussion, in its Reply Comments, for the significant increase in steel-service line relocation activity and associated costs in 2011 as compared to 2010.

In terms of meter relocations, the total costs reported in 2011 were \$263,948.26, which is an increase of \$156,378.54 over relocation costs in 2010. The DOC notes that the Company does not provide an explanation detailing why these costs were higher. This is especially troubling considering that CenterPoint reported only 21 meter relocations in 2011 compared to 61 in 2010. Further, some of the cost data provided for the meter relocations appear similar, or identical, to certain steel-service line cost data. The DOC requests that the Company provide a full explanation, in its Reply Comments, detailing why meter relocation costs were higher in 2011 than 2010 and also why certain cost meter relocation data are the same as those data provided in the steel-service line cost summary.

CPE Reply: In its Comments, the DOC requests that the Company provide a full explanation detailing why meter relocation costs were higher in 2011 than 2010 and also why certain cost

meter relocation data are the same as those data provided in the steel-service line cost summary.

As discussed in the G008/M-09-1190 and G008/M-12-135 dockets, the costs incurred to complete these types of jobs vary significantly from customer to customer due to variances in work location, equipment, crew requirements and potential above and below ground obstacles that may be encountered. Due to the uniqueness of each situation, costs vary significantly impacting the average costs year over year.

In 2011 there were 3 installation jobs that drove the average cost up for both steel and medium/large meter relocations due to special multiple associated work orders.

Installation Number	Total Cost
2944187	\$22,767.75
3156112	\$109,459.80
3172509	\$31,459.14

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.

Staff Analysis

Staff recommends that the Commission accept CPE's filing. It appears that CPE in reply comments addressed all of the issues raised by the DOC. These issues include Call Center Response Time, Meter Reading Performance, Involuntary Disconnections, Service Extension Request Response Times, Detailed Information About Customer Complaints, Natural Gas Service Interruptions, and Relocation Expenses – Steel-Service Line And Meters At 630 CFH or Greater.

Commission Options

1. Accept CPE's 2011 Service Quality Report.
2. Do not accept CPE's 2011 Service Quality Report.

Recommendation

Staff recommends that the Commission adopt alternative number 1.