

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Katie Sieben	Chair
Joseph K. Sullivan	Vice-Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of the Petition by CenterPoint
Energy and the City of Minneapolis to
Introduce a Tariffed on Bill Pilot Program

MPUC DOCKET NO. G-008/M-21-377

**INITIAL COMMENTS OF THE
SUBURBAN RATE AUTHORITY**

INTRODUCTION

The Suburban Rate Authority (“SRA”) submits these initial comments to the proposed Tariff on Bill pilot program (“TOB”) submitted on September 1, 2021 by CenterPoint Energy (“CPE”) and the City of Minneapolis (“Minneapolis”) for Commission approval in this docket (“Petition”).

The SRA reviews this Petition with interest in its potential for cost efficient, broad-based residential customer assistance for home or apartment energy conservation improvement. It has also reviewed the Petition in light of the Commission’s March 1, 2021 Order in GR-19-524¹ requiring further development of TOB in addressing the numerous issues listed in the Order incorporating objections, criticisms and concerns raised by parties and public commenters in GR-19-524.² The interested parties have raised important operational and legal issues that CPE and Minneapolis have been directed to resolve through the Petition. These issues include protections

¹ *In the Matter of the Application by CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas for Authority to Increase Natural Gas Rates in Minnesota*, MPUC Docket No. G-008/GR-19-524, Order Accepting and Adopting Rates, and Initiating Developments of Conservation Programs for Renters, pp. 11-16 (Mar. 1, 2021) (“Order”).

² See Exceptions to ALJ Report of the Department of Commerce (“DOC”) (pp. 14-16, 24-25), Exceptions of Office of Attorney General (“OAG”); SRA Exceptions (pp. 4-7), GR-19-524 public comments and ALJ Report Exceptions of Legal Services Advocacy Project (“LSAP”) and Energy Cents Coalition (“ECC”) (Exceptions, pp. 2-10); Citizens Utilities Board (“CUB”), and Minnesota Realtors (“MR”) comments.

to vulnerable participants, the TOB Upgrade payment continuation upon property transfer or rental succession, disconnection upon customer non-payment, TOB administrative costs to participants and unrecovered TOB costs the general ratepayer asked to bear unrecovered cost, the cost of the program capital, and TOB implementation in relation to Conservative Improvement Programs (“CIP”).³ Also of interest to the SRA in light of the Petition’s silence on the issue is the plan for geographical balance of costs/resources in TOB budgeted funding among the CPE service areas that are now proposed for inclusion in the first year of TOB, i.e., Minneapolis, its CPE-served suburbs and CPE’s outstate customers. Such balance, not articulated in the Petition, is relevant to SRA interest in general ratepayer responsibility for unrecovered pilot costs.⁴

Though the SRA appreciates CPE and Minneapolis responsiveness in its stakeholder process and efforts on TOB, the SRA still has significant concerns with the TOB plan, discussed below. The SRA awaits the comments of the other interested parties relating to their previously expressed concerns or objections raised in GR-19-524. Despite additional plan detail and the laudable efforts of Minneapolis and CPE, the TOB does not appear to have resolved the important issues raised in GR-19-524.

COMMENTS

A. Should the Commission approve the tariff, its language, and agreements, exhibits?

The tariff and agreements should not be approved without modifications. The following address certain tariff provisions appropriate for modification.

³ Order at 13-16.

⁴ The Commission directed CPE in its GR-19-524 Order to “Describe the plans to expand the pilot program beyond Minneapolis” (Order at 11, item J). CPE responded by opening up TOB to the entire CPE service territory – now CPE suburban, rural and other outstate customers – without any discussion in the Petition of pilot funding allocation by geography.

1. Proposed Tariff, Ex. D: Successor Customers Section V, Page 31]

A Commission-approved tariff is a contract between the utility and its customer.⁵ It must therefore be interpreted as a contract using contract principles.⁶

This tariff provision and the Participant Owner Agreement with CPE overreach and expose vulnerable TOB Participants to financial peril for failing to procure the voluntary agreement of a Successor to pay for Upgrades purchased by the Participant. The tariff requires any property owner or tenant CPE customer participating in TOB (“Participant”) who still owes CPE for the Upgrades (which customer is prohibited from prepaying) to obtain the signed Acknowledgment of the new CPE customer purchasing or leasing the property that the new customer must continue to pay for the Upgrades while he or she is the occupant (during the 12-year payback period), or be disconnected by CPE.⁷ This tariff section further grants third-party beneficiary rights on CPE’s future customer(s) to terminate their lease or purchase agreement “without penalty,” presumably when they find out about the TOB Upgrade surcharge about which the previous CPE customer failed to notify them. No statute of limitations on such termination rights is contained in the tariff section thus raising the question of how long into the future such a future customer termination right exists, as granted by CPE in this tariff and the Agreements, below.

The tariff further bestows on the offending Participant with the continuing TOB Upgrade repayment obligation the burden of being “subject to any consequential damages resulting from the failure to provide the applicable notices.” While the TOB Participant will probably never see the tariff, he or she will see and must sign the Participant Owner Agreement or Participant Renter Agreement calling out the same provisions.⁸

⁵ *Info Tel Commc’ns, LLC v. Minn. Pub. Util. Comm’n*, 592 N.W.2d 880, 884 (Minn. Ct. App. 1999).

⁶ *Id.*

⁷ Pet., Ex. I at ¶¶ 3 and 4.

⁸ Pet., Exs. G and H.

Thus, in one short tariff provision, CPE has created by “contract” (if the Commission approves) a conceded damage exposure to the TOB Participant (or present Successor who signed the Acknowledgment) of unquantified “consequential damages” for failing to provide the notice of Upgrade obligation, and broad contract termination rights to a future CPE customer to a real estate transaction, plus the right to sue the neglecting predecessor CPE customer for consequential damages.

Consequential damages are a species of contract damages that go beyond the “foreseeable” general or direct damages recoverable for breach of contract.⁹ The *Despatch* opinion thoroughly discusses the broader scope of consequential damages arising out of contract in holding that the warrantor “prudent[ly]” disclaimed liability for consequential damages in the contract, thus limiting the recovery of the plaintiff.¹⁰ Yet here, CPE is intending to expose a Participant to such damages (more expressly in the Agreements) for the failure to provide a Notice and Acknowledgement that the Successor is to sign for voluntarily assumed liability for Participant’s remaining Upgrade obligation to CPE.

The unknown financial consequence of this “sword of Damocles” hanging over the head of a would-be Participant, who might forget giving the Acknowledgment Notice to a buyer or renter, would certainly give pause the person considering the TOB program. This would be particularly true among the vulnerable population the TOB is designed to assist. The SRA appreciates that CPE/Minneapolis have attempted to emphasize to the Participant the need to provide the Notice and obtain the Acknowledgement of responsibility for the Upgrade. But including customer agreement to consequential damages exposure is unreasonable. Such proposed language demonstrates the hit and miss nature of this attempted solution to the Upgrades Successor

⁹ *Despatch Oven Co. v. Rauenhurst*, 40 N.W.2d 73, 77-80 (Minn. 1949).

¹⁰ *Id.* at 79-80.

obligation without a recorded lien. If Participant were allowed to pre-pay for the Upgrade prior to transfer, thus enhancing the sale value and eliminating the Successor TOB problem, this tariff provision would not have the prominence has in the accumulating frequency of new CPE customers over 12 years at a TOB location. The rental context for this transfer seems to even introduce additional complexities and lease cancellation consequences giving rise to lease and purchase agreement, and damages disputes.

The SRA also notes Minnesota Realtors' January 11, 2022 letter comment on the TOB property transfer structure. As a joint powers organization of 32 suburban municipalities, SRA cities seek to promote unencumbered property transfer and rental property use. The Minnesota Realtors strong opposition to TOB as a hindrance to the transfer of property reflects a TOB term that could be increasingly problematic as the 12-year repayment period goes on, harm Participants, create disputes causing the need for added ordinance remedies and defeat the purposes of TOB. The SRA also doubts the LSAP will find this tariff and Agreement approach to property/rental transfer an acceptable solution to its criticism of TOB raised in GR-19-524.

2. Conservation Improvement Program (CIP) Incentives/Interface with TOB and TOB Cost-Effectiveness [Ex. D, Section V, Page 31]

These issues were raised as concerns in GR-19-524 and have been the subject of Information Requests from DOC, CEE, ECC and CUB. The SRA awaits their comments.

Up-front payments, co-pays and other charges to determine eligibility and total Participant payment for TOB is important to low-income applicants but also to persons whose homes are not clearly eligible for TOB due to later build dates, as is the case in many SRA cities. In that regard, the SRA sees the CEE programs as possible alternatives to moderate-income residential customers

obtaining energy improvement financing, without the added administrative costs of TOB that will be sought from ratepayers.

In the SRA's view, TOB is hampered by CPE as a funding source given its 7.42% rate of return, 4.92% of which will be sought from general ratepayers throughout the CPE service area. For example, CPE's response to CEE IR 21 regarding the \$1,000,000 capital expenditure for its design and build of software for the pilot is amortized over 15 years. While the 15-year period of TOB cost recovery from ratepayers lowers the range of monthly bills to \$.02 to \$.10, it constitutes a ratepayer charge consisting \$.01 of carrying charge for every \$.02 paid.¹¹ This raises both cost effectiveness issues and concerns discussed below as to where most of the TOB spending will be made.

3. Assurance of Savings [Ex. D, Section V, Page 31.a]

The SRA is also concerned with the numerous Participant and ratepayer TOB cost scenarios in this and similar tariff sections where the administrative costs and savings calculations come into question. The topic of TOB administrative cost efficiency and upfront costs to potential Participants of any income level have been the subject of Information Requests by the Center for Energy and Environment ("CEE"),¹² CUB, CPMN and ECC. The SRA will defer to their analysis and relevant IRs in their comments. With the cost of CPE capital and program operator, evaluator and other components of TOB, the administrative cost of TOB appears to weigh down the benefit to Participants and the supporting general ratepayer.

The tariff's Assurance of Saving section is one of several provisions in TOB that raise the specter of unrecovered CPE or program cost to be sought from the general ratepayer through a 15-

¹¹ CEE IR 21.

¹² The SRA notes that CEE's website reflects very similar programs to TOB with homeowner energy improvement loan amounts from \$1,000 to \$50,000 in the 4% range – with no additional rate of return cost recoverable from ratepayers, unfortunately a part of TOB (<https://www.mncee.org/>).

year surcharge for the three-year pilot. Here, if a billing audit shows less than the 80% cost savings threshold the program operator “shall investigate.” If it shows less than minimum savings that is potentially the fault of the Participant “due to a change in [energy usage] behavior [affecting savings],” an unrecovered cost issue is presented. The third paragraph provides that “reasonable doubt” as to cause of the failure “shall be resolved in favor of the Customer.” While that may be a statutorily consistent and proper standard, general ratepayer cost recovery is implicated in these situations and cannot be accurately estimated at this point. When a problem of unrealized savings is identified, it may be very difficult for a program operator to conclude “beyond a reasonable doubt” that it is the fault of the Customer. Even if such a conclusion is reached after an investigation, it is not clear that the cost associated with the failure can be recovered from such a Customer if, e.g., appliance damage of significant repair cost caused by a low-income Participant. Even with clear Participant fault the general ratepayer could be called upon to recover CPE’s unrecovered rate of return.

In the final paragraph, the tariff attempts to set forth the options of CPE when there is an inability to determine why the energy savings are not being realized by suspending future service charges or taking “other appropriate action.” This is so open-ended to allow most anything legally allowed. Again, the specter of unpredictable costs falling on the surcharge ratepayers is raised again.

4. Termination of Service Charge [Ex. D, Section V, Proposed Original Page 31.b]

This provision describes when service charges will no longer be billed but not how they will be recovered if the Customer does not pay the service charges. The SRA assumes, however, that CPE will seek to recover such charges from surcharged ratepayers, for whatever the reason of non-recovery CPE deems not its fault.

5. Repairs [Ex. D, Section V, Proposed Original Page 31.b]

The cost incurred in the described investigation of Upgrade functioning not caused by the Owner is another unpredictable cost-generation issue that will be sought from the surcharged ratepayer.

The foregoing create unrecovered cost issues would tend to increase with the age of the Upgrade and arise beyond the short three-year pilot when most Upgrades will be new. The first year is likely to be almost entirely start-up with the annual goal of 500 new Participants receiving their Upgrades prior to the first heating season in the pilot. Even the second and third years for the first Participants in this 12-year payback program will not see many of the disputes the could arise from changes in use or poor appliance performance resulting in reported lack of savings. It raises the question whether the three-year TOB pilot can adequately identify and evaluate the costs of these damages or underperformance or change in usage issues.

B. Proposed Participant Agreements

The proposed Agreements to be signed by Participant Owners and Renters, and Notices of Acknowledgement by Successors to the CPE-served dwelling raise the same concerns addressed above. Here, the Participants are required to enter into a contract with CPE for up to twelve years or more (para 2) wherein the Participant cannot prepay for the Upgrade (para 4) notwithstanding a 2.5% interest rate (and 4.92% (or more or less) for general ratepayers), must obtain the signature of a Successor (para 5 C) or “accep[t]” consequential damages in any action by a Successor Owner or Renter who may “break their lease or purchase agreement without penalty.” The Participant may be disconnected for non-payment (para 6) must maintain Upgrades for the contract term or be liable for repair costs (paras 7 and 8) he or she “negligently caused” as determined by the program operator (hired by CPE). Participant may appeal such a determination to CPE (para 10)

that must choose to bear the costs, or recover them from Participant by voluntary settlement or legal action, or recover the cost of the damaged Upgrades from the general ratepayer by surcharge.

This is a contract that would understandably cause a Participant to think twice about entering into it and, if represented by an attorney, would probably be advised not to sign it, i.e., not participate in TOB.

1. Exhibit G: Participant Owner Agreement

As noted above in comments to the tariff provision on Successor Customers and its broad and harsh effect on a Participant that fails to secure a subsequent occupant's commitment to pay the Upgrade bill surcharge, this Agreement would and should give any prospective Participant pause before signing.

The Agreement recitals and section 3 also include an assertion to which the Participant agrees that Utility is authorized to recover the cost of the Upgrades from gas customers subsequent to the Participant. It is the SRA's understanding that this proposition is not settled law and that a subsequent customer may have refused to sign the Acknowledgment of responsibility, or not received it. Such a recital and paragraph 3 agreement by Owner that "Future Customers at the Property" are obligated to pay should be settled law. Furthermore, asking a person to contractually agree to a legal conclusion that he or she cannot know or bind a non-party Successor to is without legal effect and unnecessary.

Also in paragraph 3, Payment Obligation, there is no acknowledgement by CPE that if the Participant successfully transfers the Upgrade payment obligation to the Successor, the Participant should be released from any further obligation to pay the remaining Upgrade amount if the Successor defaults and CPE cannot collect from the person. As one of the few assurances to the Participant in the Agreement, a clause should be added to paragraph 3 that "If Owner fulfills the

requirements of paragraph 5 A and B, Owner shall no longer be responsible to pay Utility for Upgrades after Owner no longer owns, leases or otherwise occupies the Property.”

Paragraph 5 C purportedly gives the future Renter or Owner, not a party to the Agreement, the right to “break” the lease or purchase agreement “without penalty” if the Acknowledgment is not provided to them. The Participant further agrees to be subject to their “consequential damages.”

This is a significant waiver of defense rights by the Participant. It goes beyond the similar tariff provision, which says that the Owner is “subject to” any consequential damages resulting from “failure to provide the applicable notices.”¹³ Paragraph 5 C has the potential for an unacceptable tangled web of responsibility for broken agreements and costs. As the other party to this Agreement, CPE is pulled into the resulting dispute(s) with the Successor Owner or Renter. Will CPE seek recovery of its legal costs for these proceedings from the general ratepayer?

2. Disconnection [Ex. G, p. 3 of 5, ¶ 6.]

This provision has been opposed by parties in GR-19-524 as requiring a variance from the disconnection Rules found in Minnesota Rule subparts 7820.1000 – 1300. Yet CPE asserts its right to disconnect the Participant and Successor for non-payment of Upgrades. This does not appear to resolve an important issue to the Commission and the objecting parties.

This provision would be confusing to the prospective Participant because the Agreement introduces legal doubt that the Utility may disconnect the property for nonpayment. The first clause “Subject to any other Minnesota Public Utilities Commission or Utility rules or policies” creates the ambiguity that another Commission rule may (or does) negate the representation that “the Upgrade Service Charges shall be considered as an essential part of the customer’s bill for gas

¹³ (emphasis added) Tariff Successor Customers, ¶ 1.

service” and therefore, “the Utility may disconnect natural gas service to the Property for non-payment of Upgrade Service Charges. . . .”

The section goes on to list a number of conditions and notice requirements that will be confusing and intimidating to Participants. Again, TOB is intended to be used with many low- and moderate-income residents who will understandably struggle to understand the terms and conditions leading to disconnection, consequential damages, and the other components of the TOB program requirements.

3. Repairs [Ex. G, p. 3 of 5, ¶ 8. B.]

This creates a discretionary cause of action for CPE to seek recovery of costs of repairs to the Upgrade that the program operator has determined the “Owner, Current or Future Customer” has deliberately or negligently caused the failure of the upgrades. The SRA is skeptical that CPE would ever incur the cost of pursuing a cause of action against such a Participant in conciliation court rather than seek recovery of such repair cost from the surcharged ratepayers for TOB costs. The second and third years of a pilot, will only begin to identify the number of times these situations arise and the behavior of CPE and the original or Successor Participants. Perhaps they will be rare. TOB, however, has too many opportunities for negative consequences to original and Successor Participants as well as for greater-than-anticipated costs CPE seeks to recover from surcharged ratepayers.

4. Appeal to Utility [Ex. G, p. 4 of 5, ¶ 10.]

CPE is an interested party to the Participant appeal process. A neutral third party would be more objective. This would be an intimidating process to the average Participant. The SRA is also not clear whether a final decision by the Utility is appealable by law. It is a contract right of the

Participant. Thus, if appealed to the Minnesota Court of Appeals, another TOB program cost would be introduced to the general ratepayer.

5. Termination [Ex. G, p. 4 ¶ 11 B]

Termination when the “Upgrades fail” and the Operator determines that such failure was not caused by the Participant’s deliberate or negligent action, the Utility may terminate the Agreement. In such case, the Utility would inevitably have unrecovered costs that, again, it could seek to recover for surcharge to the general ratepayer.

6. Exhibit H: Participant Renter Agreement

The above concerns in the Owner-based agreement in Exhibit G are applicable to the Renter Agreement. Further, given the additional issue of the sometimes non-CPE customer renter, landlords and the more frequent transfers of rental property leases, there is greater opportunity for foregoing described consequences to Participants and Successors, and to unrecovered costs sought by CPE to be recovered from surcharged ratepayers.

ADDITIONAL COMMISSION QUESTIONS

A. Is TOB likely to facilitate substantial energy savings?

It is the prospect of “substantial energy savings” to a wide range of residential customers of low- to moderate-incomes, especially, that has driven the SRA to support TOB at least a pilot to test its reach and operations.

The SRA has not engaged in a savings analysis to test the projections made by Minneapolis and its consultants. The SRA awaits comments by DOC, OAG, CEE, CUB and/or ECC that may address this issue. While the Upgrades have data from other program areas in the U.S., Minnesota’s colder climate suggests unique considerations in predicting the energy savings that can be realized.

The difficulty of home occupant changes and Upgrades maintenance are variables that hamper accurate predictions.

B. Is TOB efficient in delivery of savings?

The SRA has doubts that the TOB program will be efficient in cost/savings ratios. Estimates made for the cost of TOB administration and the range of potential unrecovered costs are too uncertain.¹⁴

As discussed in these comments, there are many situations in which Participants cannot or do not carry through with the necessary steps to achieve consistent savings.¹⁵ In these situations there are repeated risks that costs made for Upgrades are not recovered by the Utility and thus sought as recovered costs from ratepayers.

C. Is TOB operationally sound?

As discussed in these comments, the SRA believes that TOB is still very questionable in its ability to operate efficiently and effectively. It employs a multi-party process, multi-step process that ambitiously seeks to address homeowner and renter Upgrades. These parties, plus landlords that may unduly benefit from ratepayer assisted funding for improvements to property the landlord has neglected to maintain create a web of transactions required by the Utility – or disconnection may result, as well as disputes over “consequential” damages.

D. Is TOB Consistent with Minnesota law?

The language of the proposed Agreements appear to concede doubt about issues of property transfer and Utility disconnection rights for non-payment of Upgrades. These issues have been

¹⁴ DOC IR 15, range of spending estimates – cap and ratepayer impact ranges; CEE IR 10, CPE vague response to question of how savings realized or not realized will be determined by the program operator.

¹⁵ CEE IR 11, example of unrecovered CPE Upgrade cost due to malfunction defaulting to general ratepayer surcharge; CEE IR 13, unrealized savings not remedied for cost of Upgrades or savings not realized and cannot be remedied “will be paid by ratepayers.”; *See also* CEE IR 14; CEE IR 15, major change in participant behavior, appeal process in the event of dispute.

briefed by DOC, LSAP and OAG in GR-19-524 and questioned TOB's authority for relevant terms of the program. Nevertheless, the Petition appears to treat these issues in substantially the same way as originally presented. The SRA will be interested in further comments on these issues that arise out of the Petition.

E. Are there other factors the Commission should consider?

1. Allocation of Funding for Participants by Geography/Income

The SRA raises additional consideration as it relates to the Petition and general ratepayer surcharge allocation. The Petition contains no description of TOB administration of its program on a CPE system-wide basis.

As background, in its Order at item J, the Commission specifically directed CPE and Minneapolis to "Describe plans to expand the pilot program beyond Minneapolis."¹⁶ The context of the Order was the fact that TOB was initially presented as a first year "Minneapolis Only" program. As such, there was no description in its TOB Stipulation as to how the Minneapolis-focused criteria was to be rolled out and applied to CPE service area suburbs, exurbs and outstate communities.

The SRA is disappointed that CPE and Minneapolis chose to answer item J by simply taking the TOB plan it has developed for Minneapolis' "unique"¹⁷ conditions, with the same budget and apparent roll-out strategy, and apply the pilot to suburban and out-state CPE service territory.¹⁸ The Petition description has changed little from GR-19-524 to address its budget maximum and goal of 500 Participants per year within that budget in the far reaching CPE service area compromising most of central and southern Minnesota. While all CPE service area has homes

¹⁶ Order at 12.

¹⁷ Pet. at 5, Section B.

¹⁸ See Pet. II, Objectives of TOB.

and apartment dwellings potentially eligible for Upgrades, TOB is a largely unknown program outside of Minneapolis and communities outside of Minneapolis have housing stock age differences and rental property distinctions varying the appeal of TOB on those bases. Cities such as Bloomington or Chanhassen or Litchfield or Morris or Blue Earth (all served by CPE) may have a very different customer mix of eligibility for TOB.

The SRA supports the City's policy of both the low-income focus and availability of TOB to participants of all income levels. The Petition, however, does not give any detail on how that policy will be implemented in the first year throughout CPE territory. As a Minneapolis-created program, TOB apparatus appears ready to roll out in the City upon approval by the Commission.¹⁹ In contrast, customers in Minneapolis suburbs and outstate will be much more CPE-dependent to become educated about TOB and make informed decisions to apply for the evaluation and Upgrade process.

The SRA looks to CPE to describe implementation of its TOB education plan in its reply to these comments. In it, the SRA seeks to be assured that TOB budget allocations will be fairly made throughout CPE service territory by CPE-generated education about TOB home and apartment improvement opportunities. Relevant to the issue of general ratepayer surcharge for unrecovered TOB costs (section H, below) is how much TOB funding will be available to customers outside of Minneapolis. The SRA invites CPE comments on its plans for fair allocation of TOB budgeted funds by CPE service territory geography, and by customer income levels.

The Petition does not appear to allocate its fixed budget based on customer income, though the plan emphasizes "Serving Underserved Sectors" (in Minneapolis).²⁰ CPE and Minneapolis now must apply some policy toward income eligibility in a first year roll-out or TOB-budgeted

¹⁹ See, e.g., Pet. at 1, 5-8, 10.

²⁰ Pet. II, Objectives of TOB.

funds could be skewed toward the “first-in-time” Participant, whatever income level that might be. While that is issue even if TOB were only within Minneapolis the first year, it is made more complicated with CPE service area eligibility that is well behind Minneapolis in knowledge of the program.

The SRA will look to CPE’s reply that may provide answers to those questions not evident in the Petition.

2. Dwelling TOB Eligibility

Also of interest to the SRA is whether there is a general cutoff in recency of building age that likely makes interested possible Participants ineligible to receive Upgrades under TOB. The SRA recognizes that insulation generally improves with more recent building structure and state building code requirements govern increasing insulation minimums.²¹ Like Minneapolis, most if not all cities in CPE service territory will have data about the building age found in their city. The Commission can take administrative notice of home and apartment age in the various urban, suburban and outstate areas of CPE’s service territory. SRA member cities vary in age of home and apartment construction.

Minneapolis highlights the high percentage of pre-1960 housing stock and thus, need for TOB and other programs to improve dwelling energy efficiency.²² If a cutoff to the TOB home eligibility is, e.g., 1960 or 1960s, potential Participants in many SRA cities may be ineligible for TOB Upgrades because of substantial construction post-1960. The SRA’s assumption is that TOB can still be beneficial to energy efficiency for homeowners and renters residing in SRA cities. If, on the other hand, the criteria for Upgrade eligibility in the broader CPE service TOB still heavily

²¹ Minn. R., subp. 1322-1323, MN Energy Code.

²² Pet. at 5.

favors applicability of the 80% rule to Minneapolis housing stock, such data should be considered as part of educating the large CPE service wide TOB base.

G. Deferred Accounting is Appropriate for a Pilot of this Type

If TOB is approved, the SRA would support deferred accounting for TOB. This is based on the assumption of TOB plan modifications that eliminate the areas of concern expressed in these and other comments. TOB is new (in Minnesota) and unique. Its success could generate significant individual and system-wide energy savings during the heating season. The scope of allowed costs and length of cost recovery period are matters of concern to the SRA, however. For example, the 15-year ratepayer surcharge cost recovery period seemingly based on the CPE intention to design expensive, special software to use (if the pilot is successful) for 15 years, introduces a major cost, and carrying cost, that could be stranded or become obsolete well before such time.²³

H. The Cost Burden of the Pilot's Unrecovered Prudently-Incurred Costs Should be Borne After Review of TOB Budget Allocation CPE Service Area-wide

The Notice of Comment included the above question by the Commission. The SRA assumes that the question was posed while assuming the Petition would carry forward the pilot first year as Minneapolis only. This would maintain the GR-19-524 issue of ratepayer surcharges to CPE customers whose city/area would not be eligible to participate in TOB for the first year. Without other discernable change to the TOB plan, CPE and Minneapolis have confirmed that TOB is now proposed CPE system-wide beginning in year one.²⁴

First, this CPE service-wide eligibility removes the issue of ratepayer surcharge area to ratepayers in non-TOB eligible service areas. The SRA accepts that if TOB is approved, the

²³ CEE IR 21.

²⁴ Community Power MN ("CPMN") IR 2.

general ratepayer in all CPE service areas where TOB is available should contribute to prudently incurred, non-Participant recovered costs. Based on the lack of a plan for TOB's budget allocation by geography and income system-wide, however, the SRA does not consider the extent of general ratepayer surcharge responsibility by geographical location to be moot in terms of allocation. It is unknown under TOB's plan how the percentage of TOB budget will be spent in year one within each of CPE's three major geographical population identities – Minneapolis, Minneapolis suburbs and outstate service areas bordered generally by the cities of Morris to the northwest, Brainerd to the north, Blue Earth to the south and Luverne to the southwest.

Second, the SRA urges the Commission to defer a decision on any regionally-based allocation of general ratepayer surcharge for year one until such time it is necessary after TOB unrecovered costs are known and surcharges must be established and collected. The SRA makes this request because an implemented year one TOB process has unknown budget expenditures by CPE service territory location. For example, a best case ratepayer surcharge scenario from the SRA's perspective – if a pilot ready TOB can be constructed – is timely availability of TOB funds for Upgrade to those Participants who apply, with ample TOB qualifiers in proportion to population for needed Upgrades. In contrast, a far less desirable scenario for SRA cities (and outstate ratepayers) is a predominantly Minneapolis Participant-based budget expenditure total whereby interested applicants from suburban and outstate areas are either ineligible due to a housing stock disqualification and/or simply too late because TOB budgeted funds are quickly consumed for the more prepared and more TOB suited housing or rental population.

The latter scenario, in and of itself, is positive because it would represent a successful roll-out in Minneapolis, as designed. Such a scenario, however, represents the sum of SRA concerns about TOB as proposed – high administrative expenditures for predominantly Minneapolis

Participants that suburban and outstate ratepayers are asked to subsidize pro rata in unrecovered cost surcharges. TOB ratepayers outside of Minneapolis then lose out on Upgrade funding because they were too far back in line, not part of the renters group emphasized, do not live in housing that qualifies or do not fit the income profile prioritized. Such an outcome is not out of the question because the TOB plan says nothing about a CPE system-wide plan for implementation.

A prospective solution for the scenario of concern to the SRA is a Commission apportionment of TOB unrecovered cost surcharge by benefit conferred along the municipal or other boundaries that can be identified. Such proportioned surcharge would need to be based on adequate, accurate records and be discernable, and fair, taking into consideration all factors. The SRA realizes that such an apportionment may be difficult to define. The SRA points out, however, that in the 1980s local Northwestern Bell telephone rates were differentiated by municipal boundaries between city, suburb and outstate service areas; and that area codes in the Twin Cities and outstate have been drawn by municipal boundaries since the late 1990s. If warranted out of fairness to ratepayers, the SRA would propose such a review at the time it is presented, which the SRA does not believe is at this time. This proceeding establishes whether TOB will be approved. CPE recovery of TOB costs by surcharge will only be considered and known after the first year of such costs are known in amount, location and type.

That said, the solution to avoid or mitigate the above SRA concerns is for CPE and Minneapolis to articulate how the limited TOB funds will be fairly allocated across CPE service territory. A set allocation will assist in establishing a fair ratepayer surcharge policy for those TOB expenses that are justifiably recovered from ratepayers. The possibility of a Minneapolis heavy TOB expenditure is real when there are no set parameters/allocations for administering limited

budget funds.²⁵ Of course a Minneapolis-heavy pilot use of funds could be great for the Participants in Minneapolis if the concerns expressed with the plan are overblown and the predicted savings come about. Such a success, however, points to the fairness of TOB cost surcharges paid primarily by Minneapolis ratepayers. The Commission has had a consistent policy of surcharging the ratepayers of cities that create and benefit from programs established by the city. Cities that require utility franchise fees are for city benefit and therefore are borne by city ratepayers only. Further, such a policy also applies to city-required undergrounding of electric distribution lines in the cities that Xcel to serves. This Xcel tariff applies notwithstanding the fact that the safer right of way undergrounded lines benefit not only residents of the city requiring the underground, but all users of the rights of way whether city residents or not. Given the availability of TOB to ratepayers in all CPE service areas, however, this issue is a matter of proportion of surcharges not exemption from ratepayer surcharge.

All of above said, the SRA needs more answers on the above concerns to support approval of the TOB. The SRA awaits with high interest the comments of other parties on the issues, as well as CPE and Minneapolis' response in the reply.

Respectfully submitted,

Dated: February 4, 2022

KENNEDY & GRAVEN, CHARTERED

By: /s/ James M. Strommen
James M. Strommen (#0152614)
Joseph L. Sathe (#0401073)
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300
jstrommen@kennedy-graven.com
jsathe@kennedy-graven.com

²⁵ Pet. at B, Pilot Scope, Goals and Costs.

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 04	<p>On page 10 of CenterPoint Energy's September 1, 2021, <i>Petition by CenterPoint Energy and the City of Minneapolis to Introduce a Tariffed on Bill Pilot Program</i> (Petition) the company stated, "The Company will target [TOB] pilot marketing at high energy users and high energy burden customers including customers living in and property owners of single and multifamily rental buildings, with a particular focus on Minneapolis Green Zones, Minneapolis designated communities that have been deeply affected by pollution, racism and other factors."</p> <p>Does the company target these customers for its existing low-income Conservation Improvement Program (CIP) offerings, including Low-Income Rental Efficiency, Multi-Family Building Efficiency, Low-Income Weatherization, and Low-Income Home Energy Squad? If not, does the company have plans to target these customers for its CIP low-income offerings in the future?</p> <p>Response:</p> <p>The Minneapolis Green Zones have historically been an area of implicit if not explicit focus for the implementation of Low-Income Weatherization and Low-Income Rental Efficiency programs. Participation in energy assistance programs is relatively high in the Green Zones and participation in the Company's low-income programs has historically been higher than average. Recently approved geographic based low-income eligibility will potentially further reduce barriers to program participation in those areas and increase program participation.[1]</p> <p>CenterPoint Energy has also not previously engaged in targeted marketing campaigns in the Minneapolis Green Zones. The Company is working on</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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targeted marketing efforts for the Minneapolis Green Zones for the 2021/2022 heating season, but these marketing efforts are still in-progress.

[\[2\]](#)

[\[1\]](#) *In the Matter of CenterPoint energy's 2021-2023 Natural Gas Conservation Improvement Program Triennial Plan*, Docket No. G-008/CIP-20-478, Decision, (DOC, Nov. 1, 2021).

[\[2\]](#) Targeted marketing efforts are not solely focused on the Minneapolis green zones, but also include customers potentially in need of energy assistance services.

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 10	<p>On page 19 of the Petition, the company states, "The program operator will review gas and electric bills for each participating customer at a location and confirm that the total annual gas and electric bills for each customer decreased, on a weather-normalized basis, during the first year of program participation. If the program operator determines that savings were not realized they will conduct an investigation to determine the cause."</p> <p>Will the program operator determine if the savings are greater than the customer payments, or just that the "total annual gas and electric bills for each customer decreased"?</p> <p>When the company says, "If the program operator determines that savings were not realized they will conduct an investigation to determine the cause," what is meant by "savings were not realized"? Does this mean that if the predicted amount of energy savings were not realized or that any energy savings were not realized? Specifically, what criteria triggers the investigation?</p> <p>Response: The TOB Pilot Program Operator will investigate if, on a weather-normalized basis, the customer is paying more, including TOB program charges, than what they paid prior to TOB pilot participation. A billing review will take place at least one year after the installation of the upgrades and again if the participant requests it.</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot
Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 11	<p>On page 19 of the Petition, the company states, "if the program operator determines that savings did not materialize due to malfunction of measures installed, the program operator will arrange to have the equipment repaired."</p> <p>Who will pay for the repair of the equipment? For how long does this repair guarantee last? Additionally, the guarantee noted above only mentions "equipment." Does this guarantee apply to building shell measures such as air sealing and insulation as well?</p> <p>Response:</p> <p>The TOB pilot Program Operator will work with installation contractors and warranties and arrange for the repair of malfunctioning measures installed through the TOB program (Exhibit N). We anticipate, based on conversations regarding how existing programs operate, that in most cases, an equipment malfunction or contractor error will be covered under warranty and the installation contractor will cover the expense of the repair. If the program operator determines an owner or occupant at the property deliberately or negligently caused the failure, such as in the case of a remodel, the utility may seek to recover repair costs from the TOB participant owner (as described in Exhibit G and H). The requirement for CenterPoint Energy to repair failed measures includes all measures financed through the TOB program, including air sealing and insulation as applicable, and, pursuant to the Participant Owner Agreement, extends for the term of that agreement. Note, pursuant to paragraph 8B of the Participant Owner Agreement, that in the event that CenterPoint Energy determines that measures cannot be repaired or replaced in a cost-effective manner, we will waive recovery of outstanding TOB Program charges from the individual participant rather than repair or replace the measure.</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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Response By: Emma Schoppe
Title: Local Energy Policy Manager
Department: Mng Smr Reg Svc Enrgy Prog
Telephone: 612-321-4318

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 13	<p>National evaluations of residential energy modeling tools often site a margin of error between 10-30% in predicted energy savings or energy consumption. Errors in predicted savings could easily be the most common reason that expected energy savings are not realized for TOB program participants. Does CenterPoint Energy intend to investigate or determine instances where energy savings are not realized due to energy modeling errors? Who will pay for the cost of projects for which energy savings are not realized due to energy modeling errors?</p> <p>Response:</p> <p>CenterPoint Energy and Minneapolis agree that it will be important for estimates to be as accurate as possible, so a key consideration in selecting the Program Operator will be the quality of the energy modeling software and estimating protocols that the Program Operator will propose, as described on page 18 of the TOB pilot petition. The Company will attempt to determine and investigate instances of energy modeling errors that contribute to unrealized savings.</p> <p>The Company and Minneapolis designed the TOB pilot to hold the participant harmless in the event that the participant experiences higher bills due to failure to accurately predict energy savings and cost-effective TOB pilot payment amounts. The Company and Minneapolis propose several mechanisms outlined in the filing to predict and verify energy savings and take corrective measures if savings are not achieved. The cost of projects with unrealized savings that cannot be remedied will be paid by ratepayers, as described in the TOB pilot petition Exhibit L – Pilot Cost Estimate Details, page 2.</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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Note that a project is not eligible for inclusion in TOB unless expected energy savings will result in energy costs that are 20% lower or more than the pre-project baseline including TOB program charges. Accordingly, there is some cushion built into program design to protect against unpreventable errors in estimation and project modeling.

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 14	<p>On Page 19 of the Petition, the company states, "If the program operator cannot determine why savings did not materialize, CenterPoint Energy will terminate the location's participation in the program and waive remaining charges."</p> <p>Who pays for the remaining unpaid charges? Where, if anywhere, are those estimated costs in the program budget?</p> <p>Response: The cost of projects with unrealized savings that cannot be remedied will be paid by ratepayers, as described in the TOB pilot petition Exhibit L – Pilot Cost Estimate Details, page 2.</p>

Response By: Emma Schoppe
Title: Local Energy Policy Manager
Department: Mng Smr Reg Svc Enrgy Prog
Telephone: 612-321-4318

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: 0

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 15	<p>On page 19 of the Petition, the company states, "If the program operator determines that savings did not materialize due to a major change in participant behavior or because a participant deliberately or negligently caused damage to the installed measures, TOB pilot charges will continue for the customer."</p> <p>How does the company define "major change in participant behavior"? How will the program operator measure a change in participant behavior? Will the customer have an opportunity to appeal or respond to such a determination? If so, how?</p> <p>Response:</p> <p>The TOB pilot Program Operator will have a conversation with the TOB pilot participant and conduct a site visit to determine if behavioral changes, such as adding more occupants, adding new energy consuming equipment, or changing the thermostat settings, may have contributed to increased energy use at the property. The TOB pilot petition Exhibits G and H – Participant Agreements, Section 10, describe the owner or renter's right to appeal to the Utility if they disagree with the Program Operator's determination. The owner or renter initiates the appeal process by providing notice to the Utility's dedicated email or phone number. The appeal will be considered by the Utility and a decision provided within 30 days.</p>

Response By: Emma Schoppe
Title: Local Energy Policy Manager
Department: Mng Smr Reg Svc Enrgy Prog
Telephone: 612-321-4318

State of Minnesota
Center for Energy and Environment (CEE)

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 11/1/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 11/24/2021

Analyst Requesting Information: Audrey Partridge

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CEE 21	<p>Please provide a detailed breakdown of the activities and systems that will be funded through the "Start-Up" activities budget listed on Exhibit K of the company's TOB Petition?</p> <p>Response:</p> <p>The TOB pilot petition Exhibit L provides a spending estimate of \$1,756,500 for Start-Up activities. Start-Up activities include \$1,000,000 capital spend for the Company to design and build software systems and processes for customers to engage with the TOB pilot (specifically through bill payment processes online, over the phone, or by mail) and for the internal and external exchange of information (e.g. customer eligibility verification, data transfer security checks, processing and tracking payment details, third party coordination, integration with CIP, etc). The Utility Capital return on \$1,000,000 capital investment would be \$556,500 based on a rate of return of 7.42 over 15 years, the useful life of software. The Company estimates \$200,000 for Utility Administration to develop business systems and acquire resources (e.g. Program Operator, Installers, call center training) for TOB pilot delivery.</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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State of Minnesota
Minnesota Department of Commerce

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 12/16/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 12/27/2021

Analyst Requesting Information: Susan Peirce

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
DOC 015	<p>Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.</p> <p>Topic: Tariff on bill financing</p> <p>Please provide a Table in Excel spreadsheet format with formulae intact showing the calculation of utility rate of return on energy upgrades for ratepayer and participants.</p> <p>Response:</p> <p>Please see attached spreadsheet: DOC IR 15.xlsx.</p>

Response By: Emma Schoppe
Title: Local Energy Policy Manag
Department: Mng Smr Reg Svc Enrgy Prog
Telephone: 612-321-4318

Docket No. G-008/M-21-377

DOC IR #15

Please provide a Table in Excel spreadsheet format with formulae intact showing the calculation of the rate impact on residential ratepayers contained in Exhibit L, Table 4.

Response: Table 4 below shows the calculations for residential rate impact.

No.	Item	Description	Spending Estimate (\$)	Spending Cap (\$)
1	Start-Up Activities	See Table 5	1,756,500	1,756,500
2	Pilot Delivery	See Table 6	1,321,500	1,321,500
3	Utility Rate of Return	4.92% Rate Payers Portion	2,214,000	4,428,000
4	Total with Defaults (4%)		5,637,000	8,196,000
5	Total with Unrealized Savings (100%)		14,817,000	25,656,000

Table 4: Residential Rate Impact

	Spending Estimate (\$)		Spending Cap (\$)	
	Total	Monthly	Total	Monthly
Total with Defaults (4%)	4.11	0.02	5.97	0.03
Total with Unrealized Savings (100%)	10.80	0.06	18.70	0.10

Avg. Use/Residential Customer (Therms)	896
Total Throughput (Therms)	1,229,551,632

Source: CenterPoint Energy Gas Jurisdictional Annual Report for Calendar Year 2020, Compliance Filing Submitted May 1, 2021.

State of Minnesota
Community Power Minnesota

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 12/9/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 1/5/2022

Analyst Requesting Information: Alice Madden

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CPMN-AM 002	<p>Please confirm that this proposed pilot is service territory-wide. Has CenterPoint or the City of Minneapolis had other local jurisdictions express interest in the pilot program? Please share any detail about the interest from St. Louis Park, Suburban Rate Authority, and others and the Commission order if it included requirements to explore service-territory wide; add any detail about the equity considerations that caused Centerpoint and the City to expand the proposal.</p> <p>Response:</p> <p>In its March 1, 2021, Order in Docket No. G-008/GR-19-524, Order Point J, the Minnesota Public Utilities Commission required the Company to describe plans to expand the pilot program beyond Minneapolis. CenterPoint Energy and Minneapolis considered equity in expanding the geography of Minneapolis's initial pilot proposal to all eligible residential or multi-family participants across CenterPoint Energy's service area, described on page 13 of the September 1 TOB Petition.</p> <p>Minneapolis staff visited with the City of St. Louis Park Environment and Sustainability Commission on October 6, 2021, to discuss the pilot program. On December 6, 2021, the City of St. Louis Park submitted a letter supporting the TOB pilot petition. The Suburban Rate Authority participated in meetings for interested parties to engage in the development of the TOB pilot petition. City of Minneapolis staff also received a call from a municipal utility in Minnesota that is exploring energy efficiency program options in 2021.</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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State of Minnesota
Community Power Minnesota

Utility Information Request

Docket Number: G008/M-21-377 - Tariffed On Bill Pilot Program

Date of Request: 12/9/2021

Requested From: CenterPoint Energy Minnesota Gas

Response Due: 1/5/2022

Analyst Requesting Information: Alice Madden

Type of Inquiry: Other

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
CPMN-AM 006	<p>If the data is available, how many Minnesota households that are more than 10 years old and/or are under-insulated (or other data showing the scale of potentially leaky dwellings). This is important context to demonstrate the scale of need.</p> <p>Response:</p> <p>As TOB programs provide particular benefits for market segments that face barriers to participating in rebate and loan-based energy efficiency programs (such as low-and-moderate income households and renters), CenterPoint Energy and the City of Minneapolis considered the scale of these customer segments in the development of the TOB pilot petition. Statewide, 50% of households qualify as low-to-moderate income, and 28% are rental households.^[1] Regionally, the rental population is far greater in the Twin Cities (51%) than the state as a whole.^[2] Moreover, lower income populations are more likely to reside in older, under-insulated, housing stock^[3] and due to the split incentive, renters and rental property owners are less likely to take advantage of energy efficiency opportunities.</p> <p>As of December 15, 2021, of the approximately 12,000 Minneapolis homes for sale since January 2020 subject to the Minneapolis Truth-in-Sale-of-Housing (TISH) program, only about 500 homes (7%) were built since 1980,^[4] and almost 9,000 homes (74%) are under-insulated (meaning they had an attic and/or wall insulation improvement recommendation). Please see the attached document, "Madden IR 006 MPLS Wall and Attic Insulation Recommendations.docx" for additional</p>

Response By: Emma Schoppe

Title: Local Energy Policy Manager

Department: Mng Smr Reg Svc Enrgy Prog

Telephone: 612-321-4318

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detail. This data was compiled by the Center for Energy and Environment on behalf of the City of Minneapolis.

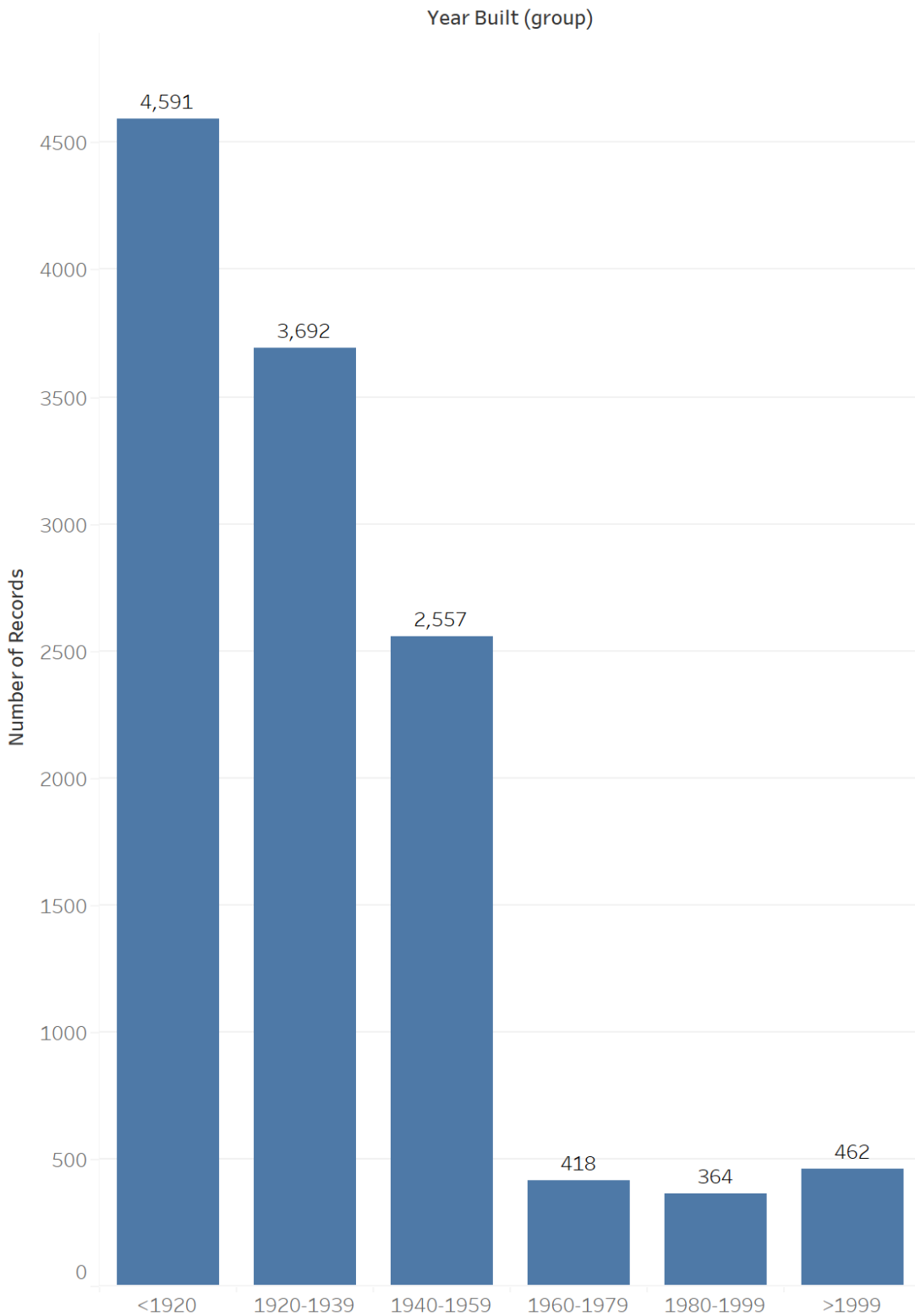
[\[1\]](#) Cadmus Group (2019), Tariffed On-Bill Financing Feasibility Assessment of Innovative Financing Structures for Minnesota Prepared for the Energy Transition Lab of the University of Minnesota.

[\[2\]](#) Id.

[\[3\]](#) Center for Energy and Environment, Optimal Energy and Seventhwave (2018). Minnesota Energy Efficiency Potential Study: 2020-2029 prepared for: Minnesota Department of Commerce, Division of Energy Resources.

[\[4\]](#) Most homes built prior to 1980s were not subject to energy codes and are more likely to be under-insulated.

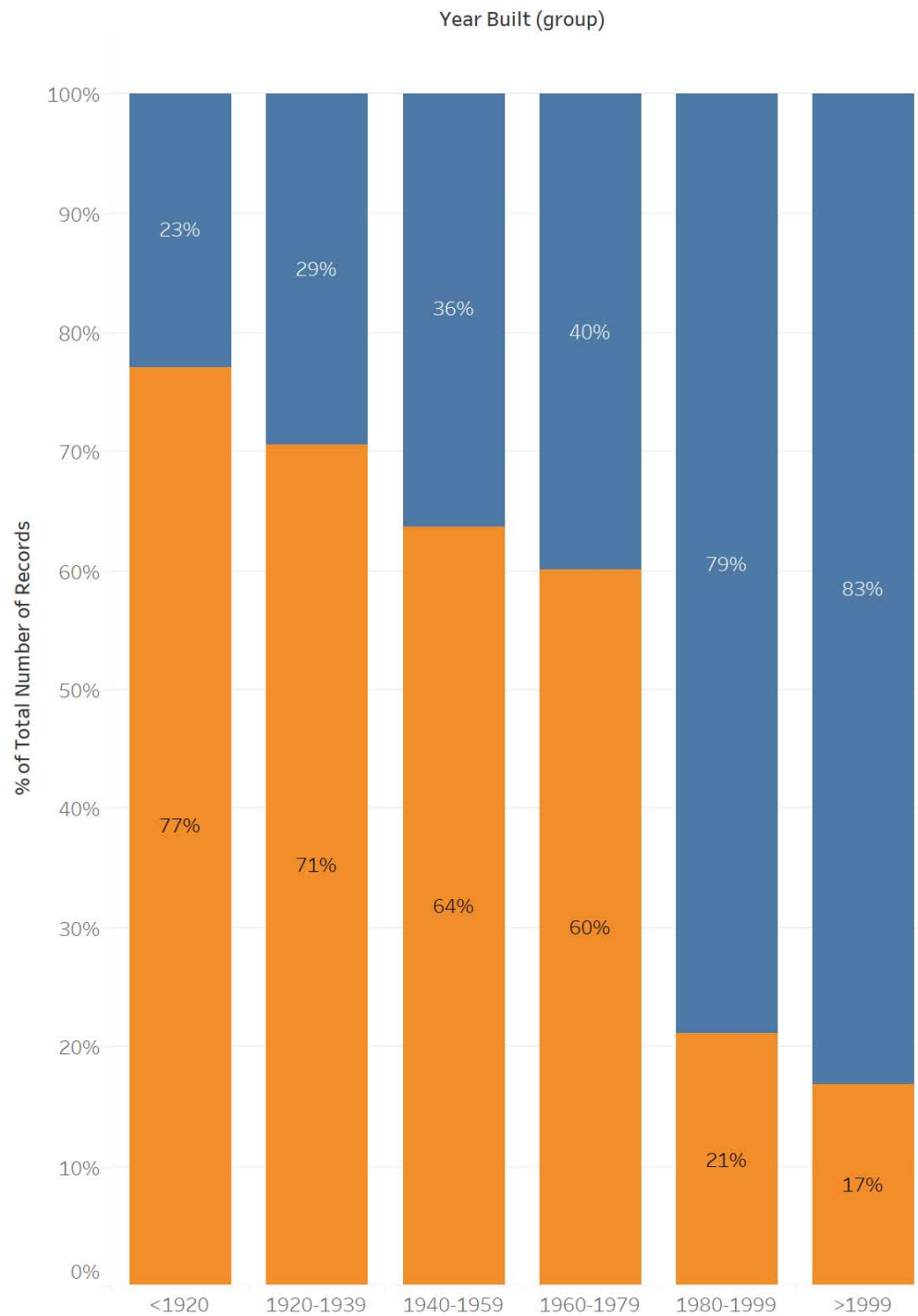
Existing houses by year built



Sum of Number of Records for each Year Built (group). The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members.

This data was compiled by the Center for Energy and Environment under contract with the City of Minneapolis for the Truth in Sale of Housing Insulation Evaluation. It includes data collected between Jan 1, 2020 and December 15, 2021.

Attic recommendations by year built



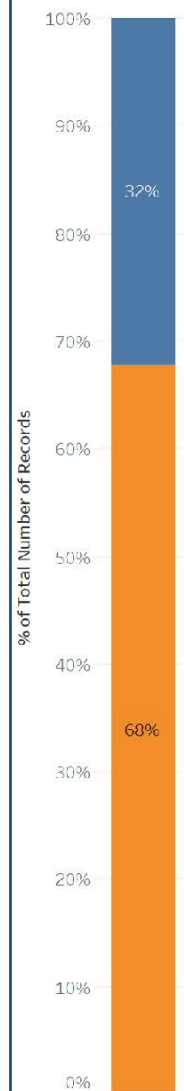
% of Total Number of Records for each Year Built (group). Color shows details about Attic Insulation Is Recommended. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

Attic Insulation Is Recommended

- False
- True

This data was compiled by the Center for Energy and Environment under contract with the City of Minneapolis for the Truth in Sale of Housing Insulation Evaluation. It includes data collected between Jan 1, 2020 and December 15, 2021.

Attic recommendations across all houses

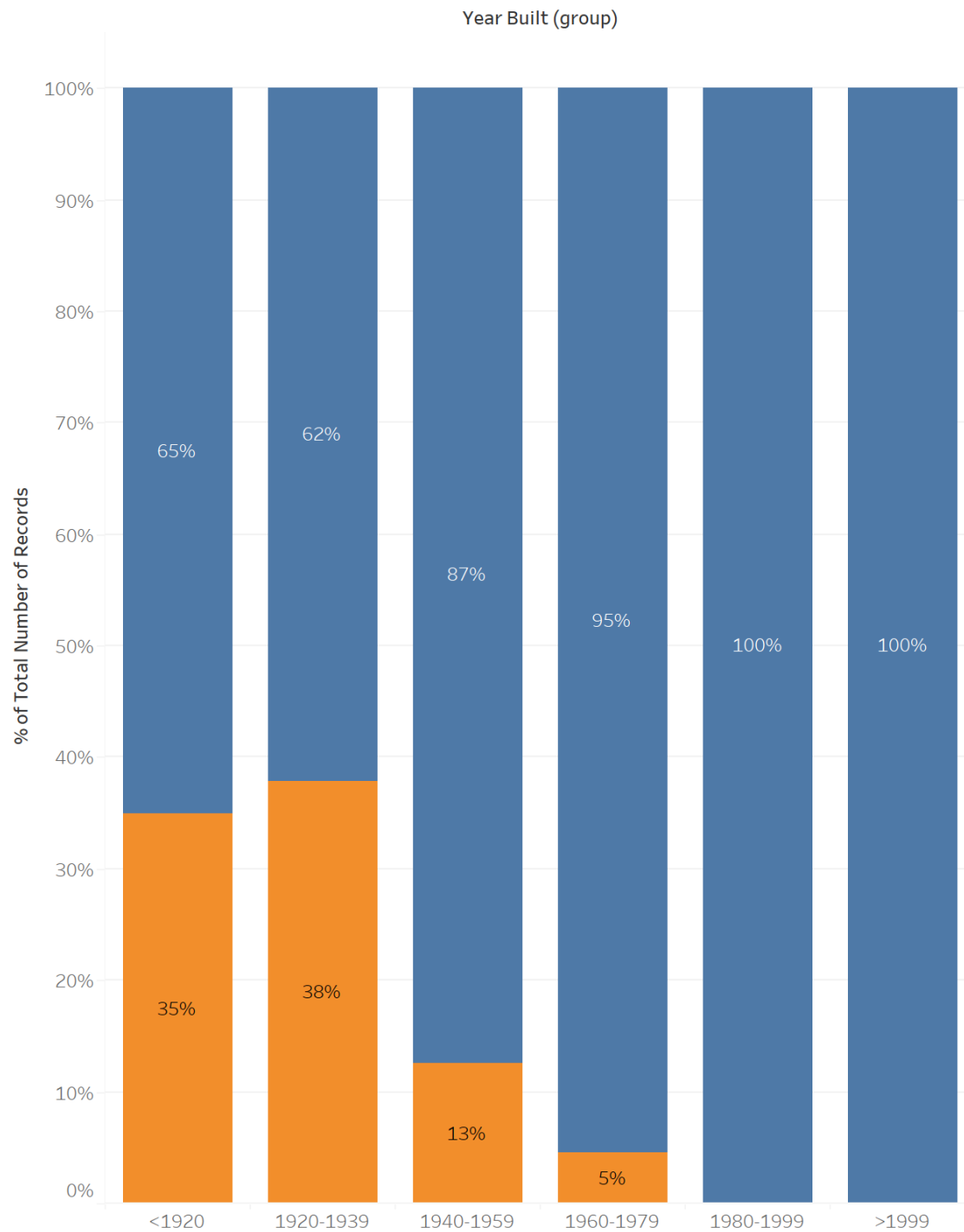


% of Total Number of Records. Color shows details about Attic Insulation Is Recommended. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

Attic Insulation Is Recommended

- False
- True

Wall insulation recommendations by year built



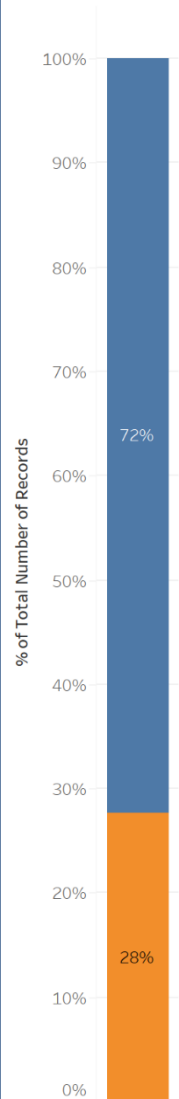
% of Total Number of Records for each Year Built (group). Color shows details about Wall Insulation Is Recommended. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

Wall Insulation Is Recommended

- False
- True

This data was compiled by the Center for Energy and Environment under contract with the City of Minneapolis for the Truth in Sale of Housing Insulation Evaluation. It includes data collected between Jan 1, 2020 and December 15, 2021.

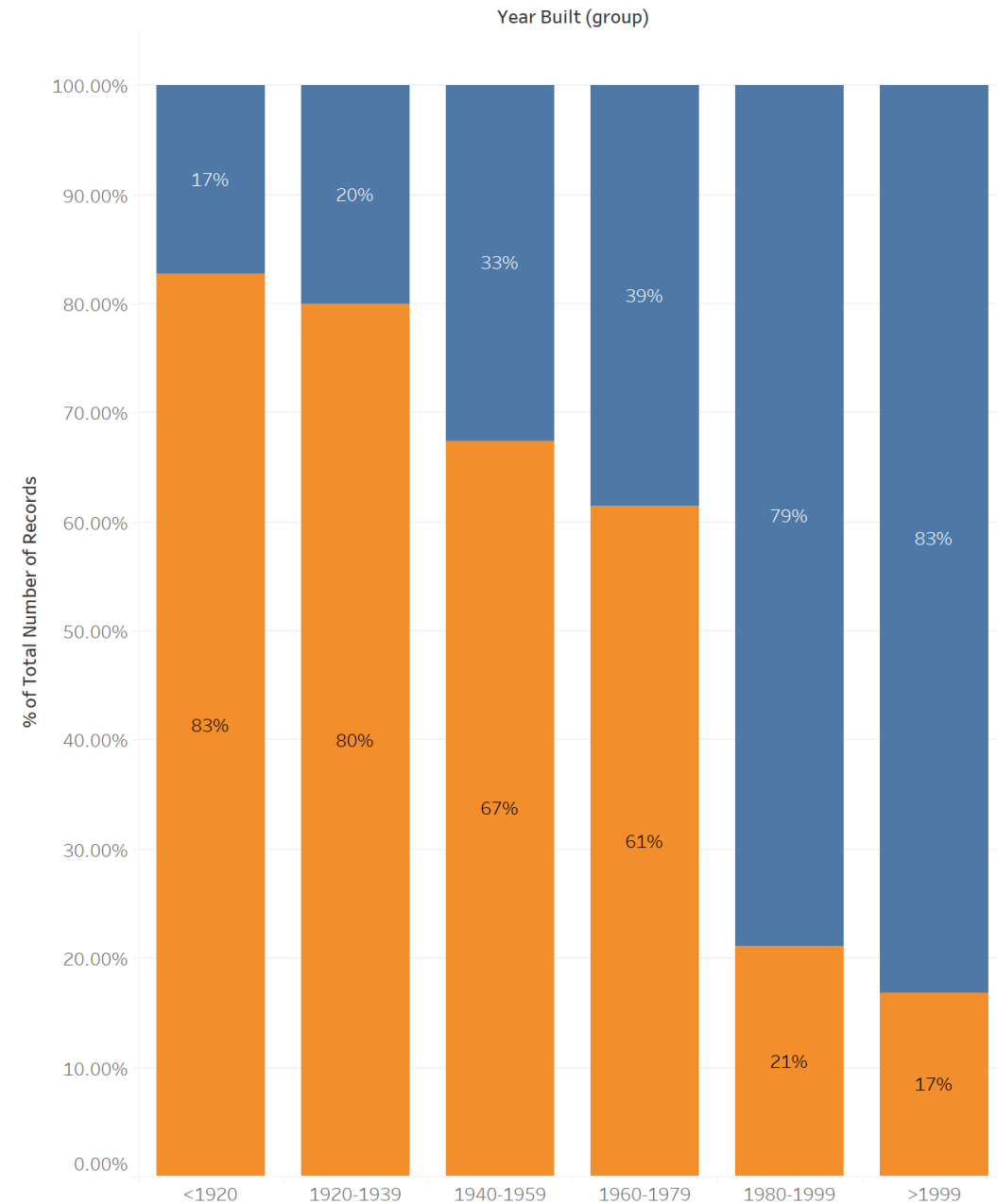
Wall insulation recommendations across all houses



% of Total Number of Records. Color shows details about Wall Insulation Is Recommended. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

- ### Wall Insulation Is Recommended
- False
 - True

Either attic or wall insulation recommendations by year built

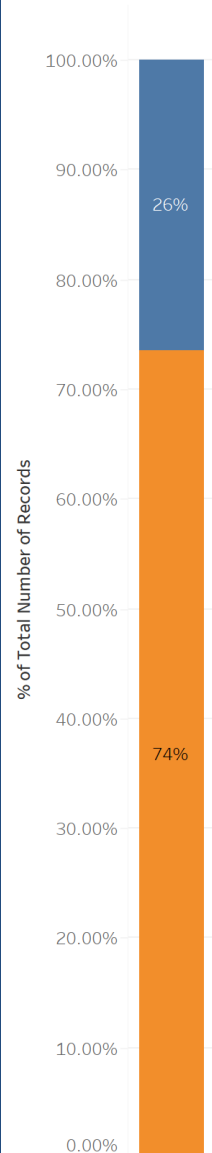


% of Total Number of Records for each Year Built (group). Color shows details about Attic or Wall ins. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

Attic or Wall ins

- False
- True

Either attic or wall insulation recommendations across all houses



% of Total Number of Records. Color shows details about Attic or Wall ins. The data is filtered on Action (Wall Insulation Is Recommended), which keeps 2 members. Percents are based on each column of the table.

Attic or Wall ins

- False
- True

This data was compiled by the Center for Energy and Environment under contract with the City of Minneapolis for the Truth in Sale of Housing Insulation Evaluation. It includes data collected between Jan 1, 2020 and December 15, 2021.



Offices in
Minneapolis
Saint Paul
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

JAMES M. STROMMEN

Attorney at Law
Direct Dial: (612) 337-9233
Email: jstrommen@kennedy-graven.com

February 4, 2022

VIA ELECTRONIC FILING

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

**Re: *In the Matter of the Petition by CenterPoint Energy and the City of Minneapolis to
Introduce a Tariffed on Bill Pilot Program***
MPUC DOCKET NO. G-008/M-21-377

Dear Mr. Seuffert:

On behalf of the Suburban Rate Authority, attached for filing in the above-referenced docket please find the Initial Comments of the Suburban Rate Authority. This document has been served on the parties on the attached Service List. A Certificate of Service is also attached.

Very truly yours,

KENNEDY & GRAVEN, CHARTERED

/s/ James M. Strommen

James M. Strommen

Attachment

cc: Service List

**Re: *In the Matter of the Petition by CenterPoint Energy and the City of Minneapolis to
Introduce a Tariffed on Bill Pilot Program***
MPUC DOCKET NO. G-008/M-21-377

CERTIFICATE OF SERVICE

I, Lisa Larson, hereby certify that I have this day served copies of the following document:

Initial Comments of the Suburban Rate Authority

on:

the list of persons on the attached Service List

by electronic filing and serving in the eDockets system, and/or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at Minneapolis, Minnesota.

Dated this 4th day of February, 2022.

/s/ Lisa Larson
Lisa Larson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_21-377_M-21-377
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.& Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_21-377_M-21-377
Dorothy	Barnett	barnett@climateandenergy.org	Climate + Energy Project	PO Box 1858 Hutchinson, KS 67504-1858	Electronic Service	No	OFF_SL_21-377_M-21-377
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Jocelyn	Bremer	jocelyn.bremer@minneapolismn.gov	City of Minneapolis	350 S Fifth St Ste 210 Minneapolis, MN 55415	Electronic Service	No	OFF_SL_21-377_M-21-377
C. Ian	Brown	office@gasworkerslocal340.com	United Association	Gas Workers Local 340 312 Central Ave SW Minneapolis, MN 55414	Electronic Service	No	OFF_SL_21-377_M-21-377
Melodee	Carlson Chang	melodee.carlsonchang@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Steve W.	Chriss	Stephen.chriss@walmart.com	Wal-Mart	2001 SE 10th St. Bentonville, AR 72716-5530	Electronic Service	No	OFF_SL_21-377_M-21-377
Generic Notice	Commerce Attorneys	commerce.attorneys@agate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-377_M-21-377

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Dean	Dalzell	ddalzell@caphennepin.org	Community Action Partnership of Hennepin County	8800 Highway 7 Ste 401 St. Louis Park, MN 55426	Electronic Service	No	OFF_SL_21-377_M-21-377
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_21-377_M-21-377
Paul	Eger	peger@mnrealtor.com	Minnesota Realtors	11100 Bren Road West Minnetonka, MN 55343	Electronic Service	No	OFF_SL_21-377_M-21-377
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_21-377_M-21-377
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-377_M-21-377
Kim	Havey	kim.havey@minneapolismn.gov	City of Minneapolis	350 South 5th Street, Suite 315M Minneapolis, MN 55415	Electronic Service	No	OFF_SL_21-377_M-21-377
Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_21-377_M-21-377
Bruce L.	Hoffarber	bhoffarber@kinectenergy.com	Kinect Energy Group	605 North Highway 169 Ste 1200 Plymouth, MN 55441	Electronic Service	No	OFF_SL_21-377_M-21-377
Mary	Holly	mholly@winthrop.com	Winthrop & Weinstine, P.A.	225 S Sixth St Ste 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_21-377_M-21-377

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Erica	Larson	erica.larson@centerpointenergy.com	CenterPoint Energy	505 Nicollet Avenue P.O. Box 59038 Minneapolis, Minnesota 55459-0038	Electronic Service	Yes	OFF_SL_21-377_M-21-377
Daniel	LeFevers	dlefevers@gti.energy	GTI	1700 S Mount Prospect Rd Des Plains, IL 60018	Electronic Service	No	OFF_SL_21-377_M-21-377
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_21-377_M-21-377
Roger	Leider	roger@mnpropane.org	Minnesota Propane Association	PO Box 220 209 N Run River Dr Princeton, MN 55371	Electronic Service	No	OFF_SL_21-377_M-21-377
Eric	Lindberg	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 Saint Paul, MN 55104-3435	Electronic Service	No	OFF_SL_21-377_M-21-377
Michael	Loeffler	mike.loeffler@nngco.com	Northern Natural Gas Co.	CORP HQ, 714 1111 So. 103rd Street Omaha, NE 681241000	Electronic Service	No	OFF_SL_21-377_M-21-377
Alice	Madden	alice@communitypowermn.org	Community Power	2720 E 22nd St Minneapolis, MN 55406	Electronic Service	No	OFF_SL_21-377_M-21-377
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-377_M-21-377
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_21-377_M-21-377
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_21-377_M-21-377

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Andrew	Moratzka	andrew.moratzka@stoel.com	Steel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
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_21-377_M-21-377
Mike	OConnor	moconnor@ibewlocal949.org	Local 949 IBEW	12908 Nicollet Ave S Burnsville, MN 55337	Electronic Service	No	OFF_SL_21-377_M-21-377
Janice	Owens		NARUC Nuclear Waste Program Office	1101 Vermont Avenue, NW Suite 200 Washington,, DC 20005	Paper Service	No	OFF_SL_21-377_M-21-377
Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc. & Greater MN Transmission, LLC	1900 Cardinal Ln PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_21-377_M-21-377
Generic Notice	Residential Utilities Division	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_21-377_M-21-377
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206 St. Paul, MN 551011667	Electronic Service	No	OFF_SL_21-377_M-21-377
Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377

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Emma	Schoppe	emma.schoppe@centerpointenergy.com	CenterPoint Energy Minnesota Gas	505 Nicolette Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_21-377_M-21-377
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-377_M-21-377
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377
Andrew	Sudbury	Andrew.Sudbury@CenterPointEnergy.com	CenterPoint Energy Minnesota Gas	505 Nicollet Mall PO Box 59038 Minneapolis, MN 55459-0038	Electronic Service	No	OFF_SL_21-377_M-21-377
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_21-377_M-21-377
Amelia	Vohs	avohs@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 St. Paul, Minnesota 55104	Electronic Service	No	OFF_SL_21-377_M-21-377
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_21-377_M-21-377
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-377_M-21-377

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Jonathan	Wolfgram	Jonathan.Wolfgram@state.mn.us	Office of Pipeline Safety	Minnesota Department of Public Safety 445 Minnesota Street Suite 147 St. Paul, MN 55101-1547	Electronic Service	No	OFF_SL_21-377_M-21-377