

June 2, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-14-316

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

2013 Annual Service Quality Report (Report) submitted by CenterPoint Energy Resources Corp, d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or Company).

The *2013 Annual Service Quality Report* was filed on May 1, 2014 by:

Pam Thomas
Regulatory Analyst
CenterPoint Energy Resources Corp.
800 LaSalle Avenue
Minneapolis, Minnesota 55402-2006

Based on its review of CenterPoint's *2012 Annual Service Quality Report*, the Department recommends that the Commission **accept** the Company's Report pending CenterPoint's response to various inquiries in *Reply Comments*.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ ZAC RUZYCKI
Public Utilities Rate Analyst
651-539-1856

ZR/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. G008/M-14-316

I. BACKGROUND

In the 2004 general rate case proceeding for CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or Company), the Minnesota Public Utilities Commission (Commission) requested that the Minnesota Department of Commerce, Division of Energy Resources (Department) and any other interested party review and comment on CenterPoint's quarterly service quality reports each year no later than February 28.¹ In its 2008 general rate case, CenterPoint agreed to continue to file quarterly service quality reports.² The Company also agreed to provide quarterly service quality reports in its Conservation Enabling Rider Evaluation Plan.³

On April 16, 2009, the Commission opened an investigation into natural gas service quality standards in Docket No. G999/CI-09-409 (09-409 Docket). In its August 26, 2010 *Order* (09-409 *Order*) in the 09-409 Docket, the Commission established uniform reporting requirements that Minnesota regulated natural gas utilities are to follow and a list of information that should be provided by each utility in a miscellaneous tariff filing to be made each May 1 reflecting service quality performance during the prior calendar year. This annual service quality reporting requirement superseded CenterPoint's quarterly service quality reporting. In the Commission's March 15, 2010 *Order* in Docket No. G008/M-09-1190 (09-1190 *Order*), the Company was further required to provide itemized costs associated with each steel service line relocation and each relocation of meters rated at 630 cubic feet per hour (CFH) or greater.

¹ See Ordering Paragraph No. 4 of the Commission's July 7, 2006 *Order Accepting 2005 Quarterly Reports and Requiring Additional Information in 2006 Quarterly Reports* in Docket No. G008/GR-04-901.

² *In the Matter of an Application by CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G008/GR-08-1075, Administrative Law Judge's Report, Finding 262.

³ See Ordering Paragraph No. 3.d., in the Commission's January 11, 2010 *Order* in Docket No. G008/GR-08-1075.

On April 29, 2011, CenterPoint filed its calendar year 2010 *Annual Service Quality Report* in Docket No. G008/M-10-378, including the information about steel service-line relocation and relocation of meters. This was the first annual report filed by the Company under the requirements of the 09-409 *Order*.

In its March 6, 2012 *Order— Accepting Reports and Setting Reporting Requirements* (March 6 *Order*) in Docket No. G008/M-10-378 et. al., the Commission supplemented the reporting requirements set out in its 09-409 *Order*. In addition, the Commission directed the Minnesota natural gas utilities subject to the 09-409 *Order* to convene a workgroup to address improving consistency in reporting and to address certain other reporting issues. The workgroup⁴ met on June 22, 2012 and developed more uniform reporting. Reporting changes as a result of the workgroup consensus are noted in the analysis below.

On May 1, 2012, CenterPoint filed its calendar year 2011 *Annual Service Quality Report* in Docket No. G008/M-12-425. This was the second annual report filed by CenterPoint. This report also included information related to steel service-line relocation and meter relocations, as prescribed by the Commission in the 09-1190 *Order*.

On May 1, 2013, CenterPoint filed its calendar year 2012 *Annual Service Quality Report*. This was the third annual report filed by CenterPoint. This report included information related to steel service-line relocation and meter relocations, as prescribed by the Commission in the 09-1190 *Order*.

On May 1, 2014, CenterPoint filed its calendar year 2013 *Annual Service Quality Report* (Report). This is the fourth annual report filed by CenterPoint. The Department provides its analysis below.

II. THE DEPARTMENT'S ANALYSIS

The Department notes that this Report marks the third year that CenterPoint has provided all of the required data for a full calendar year. As acknowledged in the 09-409 *Order*, the Company was unable to provide a full year's worth of data for certain metrics in CenterPoint's 2010 *Annual Service Quality Report*.

A. CALL CENTER RESPONSE TIME

The call center response time reporting metric requires utilities to report the percentage of calls to call centers answered within 20 seconds, and the average speed of answer. CenterPoint provided two sets of call center response time statistics; 1) reflecting all calls, including those handled by the Company's interactive voice response (IVR) system, and 2) calls excluding those handled by the IVR system. CenterPoint has consistently provided call response data reflecting IVR-excluded calls in its past reports; however, the Company has

⁴ Participating in the workgroup were Xcel Energy, CenterPoint Energy, Minnesota Energy Resources Corporation, Great Plains Natural Gas Company, Interstate Power and Light, and the Department.

provided complete call center data in only the 2012 and 2013 annual reports.⁵ Tables 1 and 2 below summarize CenterPoint's call center response time performance.

Table 1: Call Center Response Time Excluding IVR

	12-Month Avg	Service Level Monthly High	Service Level Monthly Low ⁶	Average Speed of Answer (seconds)	Total Calls
2010 ⁷	84.44%	90.00%	80.00%	24.08	916,168
2011	82.67%	92.00%	75.00%	21.42	896,851
2012	81.58%	90.00%	68.00%	24.92	738,637
2013	80.83%	91.00%	74.00%	25.08	854,898

Table 2: Call Center Response Time Including IVR

	12-Month Avg	Monthly High	Monthly Low ⁸	Average Speed of Answer (seconds)	Total Calls
2012	88%	93%	77%	17	1,171,297
2013	88%	95%	83%	16	1,330,798

Table 1 above indicates that the average annual call center response time excluding IVR calls appears to be worsening, although the Company continues to achieve the goal of answering 80 percent of calls within 20 seconds. The Department notes that CenterPoint's call center response performance statistics improve when the Company's IVR system data are included. Average speed of answer decreases to 16 seconds, percent of calls answered in 20 seconds or less increases to 88 percent, and the monthly low percentage of calls answered in 20 seconds or less increases to 83 percent, with no months falling below the 80 percent goal.

The Department notes that the data provided by the Company with regard to IVR does not include the number of customers that choose to 'zero out' of an IVR menu. This is a common complaint in many IVR systems and can lead to customer fatigue and frustration. The Department requests that the Company provide in *Reply Comments*, the number of customers that zero out of a menu while interacting with the IVR menu. The comparison of

⁵ At the request of the workgroup tasked with improving reporting consistency, the Company began including IVR-answered calls in its call center response data.

⁶ Service Level reports the highest and lowest percentage of calls answered under 20 seconds for a single month in a given year.

⁷ The Department notes that the percentage of calls answered in 20 seconds or less was not tracked for the first three months of 2010, though average answer time and total number of calls answered were reported and reflect all of 2010.

⁸ Monthly High/Low report the highest/lowest percentage of calls answered in under 20 seconds for a single month in a given year.

that number to the difference between the call response data including and excluding IVR would provide the Department with a clearer picture of the effectiveness of CenterPoint's IVR system and the level to which customers' expectations are satisfied.

The Department notes that there is insufficient data available at this time to perform a definitive analysis or determine with certainty the presence of patterns or trends in call center response time performance; however, the Department will continue to monitor this metric as additional data becomes available.

B. METER READING PERFORMANCE

In its 09-409 *Order*, the Commission required CenterPoint to report meter reading performance data in the same manner as prescribed in Minnesota Rule 7826.1400. In its Report, the Company provided the meter reading performance data per Minnesota Rules. Because the 2013 Report is only the fourth in which meter reading performance data has been provided, definitive conclusions cannot be drawn based on an analysis of the data.

CenterPoint reported that of a potential total of 9,918,664 meters⁹ to be read throughout 2013, 9,741,828, or approximately 98.21 percent, meters were read by Company personnel. This percentage is close to the 97.78 percent reported as company-read in 2011, and the 98.31 percent reported in 2012. Customers self-read 7 meters, or 0.0001 percent of the total, which is a decrease of 6 meters over 2012. Through its participation in the workgroup, CenterPoint agreed to exclude special or rebill meter readings from its reported meter reading data.

The Company reported that 1,696 meters, 0.02 percent, have not been read for periods of six to 12 months. The 2013 figure represents a decrease in unread meters of 655 from 2012, and 1,192 from 2011. CenterPoint also reported that 819 meters (0.01 percent) have not been read for periods exceeding 12 months. In terms of meters not read for periods exceeding 12 months this represents a decrease of 82 from the 901 reported in 2012. For both categories of unread meters, "ERT¹⁰ not responding" is the leading reason reported for not reading the meters.

The Department recognizes the significant improvement in this metric that the Company has achieved since 2010; the total number of meters unread for 12 or more months has decreased by 68.4 percent since 2010. The Department notes that reported 2013 meter-reading staffing levels were unchanged at 10 in the Minneapolis Metro Area and 17 in the Greater Minnesota Area. The Department encourages the Company to continue to make efforts towards reducing the number of unread meters.

⁹ This number represents the sum of meters to be read during calendar year 2012. Thus, most of the meter readings reported are for multiple (approximately 12) readings of the same, not distinct, meters.

¹⁰ ERT is the module that allows CenterPoint to read a customer's meter remotely.

C. INVOLUNTARY SERVICE DISCONNECTIONS

In its Report, the Company included the involuntary disconnection data that it reports under Minn. Stat. § 216B.091 and § 216B.096 in Docket No. E, G999/PR-11-02. The Company reported 30,347 involuntary disconnects in 2013, an increase of 3,774, or 14.2 percent, from the 26,573 involuntary disconnects reported in 2012. This figure is additionally up 31.82 percent from the 23,022 involuntary disconnects in 2011. CenterPoint reported 26,773 involuntary disconnects in 2010.

Table 3: Involuntary Service Disconnects

Year	Number of Involuntary Disconnects	Percent Change from Previous Year
2010	26,773	n/a
2011	23,022	-14.01%
2012	26,573	15.42%
2013	30,347	14.20%

In its *Comments* filed on CenterPoint's 2011 Report, the Department noted that past due accounts reached levels of 11 to 22 percent of total accounts for each month in 2011 and requested that the Company provide additional information in *Reply Comments*. In its July 10, 2012 *Reply Comments*, the Company responded by stating that the levels of past due accounts in 2011 were lower than in previous years and described initiatives used to decrease the number of past due accounts. The Company reported decreased levels of past due accounts in 2012, at an average of 10.95% of all accounts through the calendar year. In 2013, the level of past due accounts increased to 12.74%. Until 2013, levels of past due accounts have decreased for each year that the Company has reported them in its *Annual Service Quality Report*. As with the other reporting metrics, the Department will continue to monitor CenterPoint's involuntary service disconnection and past due account data as more information becomes available.

D. SERVICE EXTENSION REQUESTS

The metrics reported for service-extension requests are the days it takes to extend service to locations not previously served and to locations previously served.¹¹ This marks the second year where data are available for the entire calendar year. In its 2010 *Service Quality Report*, the Company only had Commercial customer data available for November and December, and Residential data available from June 2010 forward. The Company, in response to the Department's June 29 *Comments* in its 2011 *Annual Service Quality Report*, stated the following in its July 10, 2012 *Reply Comments* regarding its renewed service extension times in 2011:

¹¹ Locations with locked meters due to credit-related issues are excluded from the data on locations previously served.

...data on renewed service orders was not reported in the same way as new service orders. For new services, '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...

In its 2012 Report, CenterPoint stated that it had revised its service extension reporting methods so that new and renewed service orders would be reported consistently.

The following tables summarize CenterPoint's 2013 service extension requests and installation intervals.

Table 4: Number of Customers Requesting Installation (Monthly Averages)

Year	New Residential	New Commercial	Previously Installed Residential	Previously Installed Commercial
2010	143.71	15.50	43.43	1.50
2011	254.75	26.73	19.83	3.82
2012	303.83	7.00	29.50	1.33
2013	369.33	30.83	34.92	2.67

Table 5: Days between Request and Installation (Monthly Averages)

Year	New Residential	New Commercial	Previously Installed Residential	Previously Installed Commercial
2010	11.14	5.50	13.29	4.50
2011	17.08	18.36	17.58	13.27
2012	6.33	10.42	6.50	5.50
2013	7.83	8.92	9.58	6.58

As Table 5 indicates, CenterPoint's service extension installation intervals are slightly increased in 2013 from the information reported in 2012, yet still remain below the data from 2011.

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

E. CUSTOMER DEPOSITS

The sole reporting metric for customer deposits is the number of customers required to make a deposit as a condition of receiving service. CenterPoint required a total of 528 deposits in 2013, an increase of 131 over the 397 deposits required in 2012. The Department notes that the top months for requesting deposits were October (162 customers) and November (50 customers). The Department further notes that the number of deposit requests in these two months are significantly higher than the next closest month, December 2013, where the Company requested deposits from 39 customers. October and

November have seen the highest number of deposits in the data provided by CenterPoint for 2011, 2012, and 2013. The Department requests that the Company provide a discussion regarding possible reasons the same two months have provided the highest number of required deposits in the last three calendar years. The Department will continue to monitor this metric in future service quality reports.

F. CUSTOMER COMPLAINTS

The Commission's 09-409 *Order* requires Minnesota gas utilities to provide customer complaint data in the same manner as prescribed in Minnesota Rule 7826.2000. The Company provided, as an attachment to its Report, these customer complaint data per Minnesota Rules. CenterPoint collected data regarding customer complaints prior to 2010; however, these data did not align with the requirements set forth by the Commission in its 09-409 *Order*. As such, this Report marks that fourth year where comparable data are available.

CenterPoint received a total of 6,218 customer complaints in 2013, an increase of 1,218 from the number of complaints received in 2012. The monthly distribution of complaints received in 2012 was mostly constant, with an average of 518 complaints per month.

In terms of resolution time frames, CenterPoint reported a decrease in the amount of time it took to resolve customer complaints in 2013. 66 percent of complaints were resolved immediately in 2013, and over 95 percent were resolved within 10 days. In 2012, 60 percent of complaints were resolved immediately and over 95 percent were resolved within 10 days. In 2011, only 51.6 percent of customer complaints were resolved immediately with 93 percent resolved within 10 days.

In its 2013 Report, CenterPoint offered a new set of complaint categories than it has in the past. The most prevalent categories remain unchanged, but there are some categories of complaints from previous reports that have been altered in name, or have been removed entirely. This makes comparisons slightly more difficult to past years' reports, but the most often cited complaint categories remain.

CenterPoint categorized each residential and commercial complaint it received into one of 7 categories. Each category includes subcategories, for example: the Disputed Charges complaint is a subcategory under the Billing Errors category. The top five complaint categories reported for 2013 were, in order, Disputed Charges, Disconnection Issue, Service Issue, Online Customer Service, and Payment Issue. It is difficult to compare these results to those of past years as many of the names have changed in the call center complaint data reported by CenterPoint. In 2012, the top complaint categories were, in order, Disputed Charges, Payment Issue, Disconnect Non-Pay, Inadequate Service, and Credit Arrangements.

CenterPoint also provided the number of complaints that it was forwarded from the Commission's Consumer Affairs Office (CAO). In 2013 the Company was forwarded 89 complaints from the CAO, an increase from the 77 complaints in 2012. In 2011, there were

81 forwarded and 94 forwarded in 2010. In all four years for which this data is available the CAO has been the source of between 1 and 2 percent of all complaints received by the Company.

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

G. TELEPHONE ANSWER TIMES – GAS EMERGENCY CALLS

In its March 6 *Order*, the Commission required CenterPoint to track and report the total number of gas emergency calls received during each annual reporting period. The required metric for emergency line response time is the average percentage of calls answered within 20 seconds.

This marks the second full calendar year that CenterPoint has available data. The Company also reported the average speed of answer and the number of emergency line calls answered. Data for these latter two metrics were available for the entire 2010 calendar year, so this is the fourth year that these data are available.

In 2013, CenterPoint answered 85.67 percent of calls on its emergency line within 20 seconds. CenterPoint was able to answer 90.25 percent of its emergency line calls within 20 seconds in 2012, an improvement over the 83.17 percent achievement reported for 2011. On a monthly basis, CenterPoint had one month where it failed to answer 80 percent of its calls on the emergency line within 20 seconds.¹² The Department notes that CenterPoint was able to answer 90 percent (or more) of emergency line calls in under 20 seconds for 7 months in 2012, but achieved that level in only 3 months in 2013. The Department encourages CenterPoint's continued improvement in this metric to continue to achieve results such as those in 2012.

CenterPoint received a total of 78,629 emergency calls in 2013, a 14 percent increase from 2012 but a decrease from the 77,042 emergency calls in 2011 and the 80,627 calls received in 2010.

CenterPoint also saw a slight increase in average call answer times in 2013, when the average answer time was 16 seconds, an increase from the 13.17-second average reported in 2012. The 2013 data show that the Company is still at or below the average answer time achieved in 2010 and 2011. The Department will continue to monitor this metric in future service quality reports.

¹² October 2013 saw a speed of answer average of 18 seconds and 78 percent of calls were answered within 20 seconds.

H. MISLOCATES

The mislocate rate refers to the number of times that gas line is damaged due to a line being mismarked or unmarked. The required reporting metric is the total number of mislocates. The Company also provided the number of locate tickets and the number of mislocates per 1,000 locate tickets, information which it reports to the Minnesota Office of Pipeline Safety (MnOPS).

The table below summarizes the mislocate data from 2010 to 2013.

Table 6: Mislocates

Year	Mislocates	Locate Tickets	Mislocate Rate
2010	64	235,790	0.04%
2011	95	256,727	0.05%
2012	97	264,833	0.04%
2013	49	282,915	0.02%

In its 2011 Report the Company explained that mislocates increased due to the nature and significant increase in communication fiber (fiber optic wire) installed during calendar year 2011 and that, in an effort to remedy this development, it added stub services to its Geographic Information System (GIS) maps to better assist utility locators in identifying services. Although the information from which to draw conclusions is limited, the significant improvement in mislocates in 2013 could be attributed in part to these efforts by the Company. The Department applauds CenterPoint on its improvement in this area and will continue to monitor this reporting requirement and provide additional analysis and comment as warranted.

I. DAMAGED GAS LINES

The gas system damages metric indicates the number of incidents under the control of CenterPoint employees and contractors, and the number caused by other sources. The Company reported 663 incidents of damaged gas lines in 2013, a decrease from the 836 recorded incidences of gas system damage for 2012. There were 124 incidences due to the actions of Company employees or its contractors, a decrease from the 166 reported in 2012, and additionally a decrease from the 155 reported in 2011. There were 539 incidences arising from all other causes in 2013, which is the lowest recorded since 2010.

In previous reports, the Company has delineated the type of damage for the gas lines (i.e. Inadequate Hand Digging, etc.). In 2013, no such information was provided. The Department requests that the Company provide details regarding the 2013 gas line damages in *Reply Comments*, and provide this information in future reports.

Table 7: Gas Line Damages

	Damage by CPE	Damage by Others	Total	Miles of Line	Damage/ 100 Line miles
2010	89	593	682	24,642	2.77
2011	155	604	759	24,733	3.07
2012	166	670	836	24,819	3.37
2013	124	539	663	24,874	2.67

J. SERVICE INTERRUPTIONS

The reporting metrics for natural gas service interruptions are the number of firm customers that experienced an unplanned service interruption and the average duration of unplanned service disruptions. Unplanned service interruptions are those due to CenterPoint Energy employees and contractors, or other unplanned causes. This Report marks the third year that the Company had data available for the entire calendar year.

The total number of customers affected by natural gas service interruptions in 2013 was 1,073 resulting from 541 outages, a decrease from the 1,554 affected customers and related 689 outages reported in 2012. 2011 data show 5,317 customers affected from 633 interruptions. As for outage duration, the Company reports an average of 62 minutes per customer in 2013 compared to 51 minutes per customer in 2012, and 62 minutes per customer in 2011.

When broken down by type of interruption, incidents related to utility employees or contractors accounted for 224, or approximately 41 percent, of total incidents and caused 441 customers of the 1,073 customers affected. These numbers are up from the 119 incidents attributed to CenterPoint in 2012, comprising only 17 percent of the total outages. In 2011, utility employees were responsible for 174 damage incidents which caused outages for customers.

In terms of outage duration, the outages caused by CenterPoint employees or contractors averaged 60 minutes in duration while those associated with other causes lasted an average of 63 minutes. In 2012 the outages attributable to CenterPoint averaged 29 minutes in duration while those associated with other causes lasted an average of 66 minutes. In 2011, employee-caused outages lasted an average of 51 minutes and outages associated with other causes lasted an average of 62 minutes.

The Report indicated that monthly average outage lengths exceeded three hours in one month, and two hours in two other months.¹³ Previously, in 2012, only one month experienced outages in excess of two hours. The Department would like CenterPoint to provide a discussion in *Reply Comments* regarding the increased outage durations in 2013,

¹³ 184-minute average outage duration in March, 135-minute average outage duration in October, and 159-minute average duration outage in December.

including possible causes, and steps that can be taken in the future to reduce the average duration of outages, especially in winter months.

The Department notes that outages resulting from Company employees or contractors increased in 2013 despite a lower total number of outages, increasing the number of outages attributable to CenterPoint to 42 percent as compared to 17 percent in 2012. The Company stated in its 2012 report that the increase in the total number of outages reported is correlated to the increase in damages reported. Since the damages caused by CenterPoint increased in 2013 despite a lower total number of outages, the Department requests that the Company discuss, in Reply Comments, why the proportion of outages due to employees/contractors is significantly larger in 2013.

K. MnOPS REPORTABLE EVENTS

The 09-409 *Order* also required CenterPoint to provide summaries of all major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MnOPS) and provide contemporaneous reporting of these events to both the Commission and Department when they occur.

The Company began providing this information starting with its calendar year 2010 annual report, reporting 18 reportable events in 2010, 47 in 2011, and 63 reportable events in 2012. CenterPoint reported 66 MnOPS reportable events in 2013. The Company provided a brief summary of the reportable events in its Report. While the number of MnOPS reportable events continued to increase in 2013, the Department notes that many of these events may be outside of the Company's control. Given this context, and the limited data currently available, it is difficult to know what an average or acceptable level of events would be. The Department will continue to monitor and comment on this metric in future reports.

L. GAS EMERGENCY RESPONSE TIMES

The reporting metric is the time from the initial notification of an emergency until qualified emergency response personnel arrive at the incident location. Emergency response times are reported by region (metro and outstate), and are categorized in terms of calls responded to within one hour or less and calls responded to in more than one hour. CenterPoint also provided the average number of minutes it took to respond to an emergency. The metrics are reported to the MnOPS as Company aggregates. This is the fourth calendar year for which this information is available.

The percentage of emergency gas calls responded to in one hour or less in 2013 was 92.5 percent, a slight decrease from the 93.5 percent reported in 2012. In 2011, 88.9 percent of emergency calls were responded to in an hour or less, and 88.2 percent in 2010. The Department commends the Company on its continued ability to maintain response times at a high level in 2013.

In terms of call volume, the Company reported 33,522 gas emergency calls received in 2013, down slightly from the 34,481 calls received in 2012. In 2011, the Company received 39,655 gas emergency calls, and received 40,570 calls in 2010.

M. CUSTOMER SERVICE RELATED OPERATIONS AND MAINTENANCE EXPENSES

The Commission requires each gas utility to provide data regarding customer-service related operations and maintenance (O&M) expenses recorded in FERC Accounts 901 and 903. This Report is the fourth in which the Company has provided data addressing this reporting requirement. The Company provided monthly and annual costs. In 2013, the Company reported total customer service expenses at \$24,860,508, for a monthly average of \$2,071,709. This is comparable to costs reported in past years, \$24,900,000 in 2012, \$25,403,000 in 2011, and \$24,988,500 in 2010. The Department will continue to monitor this statistic and will offer further comments as more years of data are provided.

III. SUMMARY AND CONCLUSIONS

Based on its review of CenterPoint's 2013 *Annual Service Quality Report*, the Department recommends that the Commission accept the Company's Report pending the provision of responses to various inquiries in *Reply Comments*. The Department requests that the Company provide the following in *Reply Comments*:

- details regarding gas line damages in 2013 similar to those provided in 2012;
- data regarding customers who choose to zero out of a menu while interacting with IVR;
- discussion regarding reasons November and December have consistently provided the highest number of required deposits in the last three calendar years;
- discussion regarding the increased outage durations in 2013, including possible causes and measures that can or will be taken to reduce outage durations; and
- explanation for the significantly higher proportion of outages due to employees/contractors in 2013 compared with past years despite a lower number of outages overall;

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