

July 31, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G008/M-20-453

Dear Mr. Seuffert:

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

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

The Report was filed on May 1, 2020 by:

Amber S. Lee
Director of Regulatory Affairs
CenterPoint Energy
505 Nicollet Mall
P.O. Box 59038
Minneapolis, MN 55459

Based on its review of CenterPoint's 2019 Report to date, the Department recommends that the Company provide further information to support its Report; the Department intends to provide further comments, subsequent to reviewing additional information from CenterPoint.

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

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JK/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. G008/M-20-453

I. INTRODUCTION

Over the past decade or so, the Minnesota Public Utilities Commission (Commission) initiated and increased the reporting requirements for natural gas local distribution companies (LDCs) regarding service quality and reliability.¹ The primary proceeding was Docket No. G999/CI-09-409 and the key Commission Order was dated August 10, 2010.^{2,3} As a result, Minnesota natural gas local distribution companies are required to file annual reports with information pertaining to service quality standards.

The Commission also began to refine the required information that the LDC's provided in the fifteen different reporting requirements. For example, in an Order dated March 6, 2012 in Docket No. G002/M-11-360 *et al.*, the Commission directed all regulated Minnesota natural gas utilities to provide additional information on the following topics – 1) call center response times, 2) estimated meter reads, 3) service extension requests, 4) customer deposits, 5) MnOPS emergency calls, and 6) call center complaints.⁴

The Commission provided further refinement to the Call Center Response Time metric in its November 25, 2015 *Order* in Docket No. G008/M-15-414. This Order required CenterPoint Energy Minnesota Gas (CenterPoint or the Company) to provide interactive voice response (IVR) system “zero-out” data in future reports.⁵

In its Order in Docket No. G008/M-09-1190, issued on March 15, 2010⁶ the Commission required CenterPoint to submit information on the costs associated with steel service line relocation and the relocation of meters operating at pressures of 630 cubic feet per hour (CFH) or greater.

The Commission's April 12, 2019 *Order Accepting Report and Setting Additional Reporting Requirements* in Docket No. G-008/M-18-312 required CenterPoint to provide additional information in the Company's 2018 report:

¹ These requirements are modeled after the electric utility standards contained in Minn. Rules, Chapter 7826.

² *In the Matter of a Commission Investigation Into Gas Utility Service Quality Standards*, Order Setting Reporting Requirements.

³ Table 1 in Attachment A to these comments summarizes the requirements listed in that Order.

⁴ Table 2 in Attachment A lists those additional requirements relative to the original metrics.

⁵ When customers call CenterPoint, their calls are initially routed to the IVR (an automated system). CenterPoint “zeroes-out” of the IVR system customers who request to be transferred to speak to a Company representative.

⁶ *In the Matter of a Request by CenterPoint Energy, a Division of CenterPoint Energy Resources Corp. a Delaware Corporation, for Approval of the Company's Proposed Charges for Customer-Requested Work, Including Service Alterations and Winter Construction*.

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

In addition, condition 10 of the *Stipulation*⁷ in Docket No. G008/AI-18-517⁸ required the Company to work with the Department and the Office of the Attorney General, Residential Utilities Division (OAG) to develop metrics and reporting requirements related to the Company's investments under its Distribution and Transmission Integrity Management Plans (DIMP and TIMP, respectively). Specifically, condition 10 required CenterPoint to work with these parties to consider metrics and/or reporting requirements, including, but not limited to:

- (1) leak rate by pipe material,
- (2) causes of leaks/incidents,
- (3) quantification of system risk
- (4) quantification of reduction to system risk,
- (5) unit cost by pipe material,
- (6) comparison of budgeted to actual costs, and
- (7) quantification of cost savings resulting from reduced leaks.

On March 22, 2019, the Department filed Comments in Docket No. G008/GR-17-285, requesting that "for the Company's 2018 and 2019 Safety, Reliability, and Service Quality Reports, CPE provide a discussion regarding the impact of the interim rate refund issues on its service quality (as may be reflected in its customer complaint, call center response time, call center volume, and any other impacted metric)."⁹

⁷ The *Stipulation* was filed by CenterPoint on October 26, 2018 under Docket No. G008/AI-18-517.

⁸ *In the Matter of the Petition of CenterPoint Energy for Approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited.*

⁹ See the Department's initial Comments in Docket No. G008/GR-17-285 at page 6.

On January 7, 2020, the Commission issued its *Order Setting Reporting Requirements* in Docket No. G008/M-19-300. In that Order, at Ordering paragraph 1, the Commission required CenterPoint to annually file the Transmission Integrity Management Program (TIMP) and Distribution Integrity Management Program (DIMP) data addressing the 29 metrics that CenterPoint had been reporting and to update the three-year averages each year.

CenterPoint filed its 2019 annual service quality report (Report) on May 1, 2019.¹⁰

II. DEPARTMENT ANALYSIS

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

Although the Department did not identify areas of significant concern regarding CenterPoint's 2019 Report, we do request that the Company provide additional information on several subjects. The Department's analysis provides further detail and discussion on each service quality reporting requirement in the following sections.

A. CALL CENTER RESPONSE TIME

CenterPoint provided call response data that excluded calls answered and resolved through its interactive voice response (IVR) system; however, the Company has provided complete call center response time data, including calls answered and resolved via IVR, beginning in 2012.¹¹ Tables 1 and 1(a) provide details on CenterPoint's call center response times.

With the exception of the year 2014, CenterPoint has demonstrated that, on average, its call center answers at least 80 percent of non-IVR calls in 20 seconds or less.¹² The Company's average IVR call answering speed consistently exceeds 20 seconds from year to year.

¹⁰ The Company included an apparently complete set of reporting requirements in Attachment C of that document.

¹¹ At the request of the workgroup tasked with improving reporting consistency, the Company began including IVR-answered calls in its call center response data.

¹² This benchmark of answering 80 percent of calls in 20 seconds or less is located in the Commission's Order in Docket No. G999/CI-09-409 dated August 26, 2010.

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

<i>Calendar Year</i>	<i>Average Percentage (%) of Calls Answered in 20 Seconds or Less</i>	<i>Average Number of Seconds Before Calls were Answered</i>	<i>Total Number of Calls Answered</i>
2010 ¹³	84	24	916,168
2011	83	21	896,851
2012	82	25	738,637
2013	81	25	854,898
2014 ¹⁴	67	47	943,870
2015	82	23	977,155
2016	82	25	845,956
2017	80	23	805,360
2018	81	21	849,828
2019	81	21	834,873

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

<i>Calendar Year</i>	<i>Average Percentage (%) of Calls Answered in 20 Seconds or Less</i>	<i>Average Number of Seconds Before Calls were Answered</i>	<i>Total Number of Calls Answered</i>
2012	88	17	1,171,297
2013	88	16	1,330,798
2014	80	28	1,606,827
2015	90	13	1,750,366
2016	90 ¹⁵	13	1,631,160
2017	90	12	1,601,296
2018	90	10	1,747,231
2019	91	10	1,777,600

After accounting for calls answered via IVR in the call center data, the Company has consistently reported answering greater than 80 percent of all calls in 20 seconds or less from 2012 through 2019. In addition, the average answering speed associated with all calls (both IVR and non-IVR) was faster than 20 seconds for all reported years, except 2014.

¹³ The percentage of calls answered in 20 seconds or less was not tracked for the first three months of 2010; however, the average number of seconds before calls were answered and the total number of calls answered include data reported by the Company for all months in 2010.

¹⁴ CenterPoint provided revised 2014 call center response time data in its 2016 annual service quality report; the revised data are reflected in Tables 1 and 1(a) of these Comments.

¹⁵ Upon reviewing the 2016 CenterPoint call center data and the corresponding calculations, the Department noted that the average percentage of calls answered in 20 seconds or less was equal to 90.5833%, or 91%, when rounded. CenterPoint reported this average figure at 90%. The Department believes the discrepancy between these percentages is immaterial and due to rounding differences. The Department will continue to report this figure at 90%.

The Company provided the relevant data in its Report, showing that 0% of customers “zeroed out” of the IVR system during 2019.

The Department concludes that for 2019, the Company has met the call center service quality reporting requirements.

B. METER READING PERFORMANCE

Table 2 below documents the Company’s meter reading performance data for years 2010 through 2019.

Table 2: Meter Reading Performance for CenterPoint

<i>Calendar Year</i>	<i>Average Number of Active Meters</i>	Percentage (%) of Active Meters Read by:		Monthly Average of the Number of Meters Not Read for:		Average Number of Meter Reading Personnel:	
		<i>CenterPoint</i>	<i>Customers</i>	<i>6 - 12 Months</i>	<i>Over 12 Months</i>	<i>Minneapolis Metro Area</i>	<i>Greater Minnesota</i>
2010	807,935	97.83	0.0004	223	216	10	20
2011	814,339	97.78	0.0002	241	129	10	19
2012	827,468	98.31	0.0001	196	75	10	17
2013	826,555	98.21	0.0001	141	68	10	17
2014	835,010 ¹⁶	98.09	0.0001	203	101	8	14
2015	844,010	98.31	<0.0001	163	112	7	11
2016	852,190	98.39	0.0001	133	68	7	11
2017	861,929	98.45	<0.0001	85	40	6	10
2018	871,388	99.58	<0.0001	41	28	6	9
2019	880,309 ¹⁷	98.90	<0.0001	43	10	6	8

Table 2 shows that while the average number of meter reading personnel on staff has trended downward between 2010 and 2019, CenterPoint has consistently reported reading a very high percentage of its meters, with customers providing less than 1 percent of all meter readings. Relative to the total number of active meters, a small number of meters remain unread for 6 or more months for all years documented. In addition, the number of meters unread for both categories of 6 or more months and Over 12 months have declined each year since 2015. The Company explained that estimated billings account for the difference between the total active meters and the percentage of active meters read by CenterPoint or its customers. Estimated billings include, but are not necessarily

¹⁶ Department correction: previous Department Comments reported the average number of active meters in 2014 as 829,307. The correct average for this data point is 835,010.

¹⁷ Centerpoint corrected this figure in its response to DER Information request no. 1. Attachment B contains a copy of the Company’s response.

limited to, estimated meter readings, billing adjustments, and rebilling.¹⁸ The Department concludes that for 2019, the Company has met the meter reading reporting requirements.

C. INVOLUNTARY SERVICE DISCONNECTION

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

Table 3: Involuntary Service Disconnections for CenterPoint

<i>Calendar Year</i>	<i>Number of Disconnection Notices Mailed to Customers</i>	<i>Number of Cold Weather Rule (CWR) Requests</i>	<i>Percentage (%) of CWR Requests Granted</i>	<i>Number of Involuntary Disconnections</i>	<i>Percentage (%) of Involuntary Disconnections Restored within 24 Hours</i>
2010	152,317	75,818	100	26,773	87
2011	206,533	72,944	100	23,022	85
2012	239,378	61,602	97	26,573	79
2013	306,515	60,413	97	30,347	82
2014	327,527	58,087 ¹⁹	98	21,064	83
2015	274,007	40,088	99	32,809	84
2016	261,852	88,518	99	33,327	83
2017	271,919	33,753	96	30,877	80
2018	288,265	34,321	96	30,455	84
2019	273,416	34,400	96	24,567	85

Table 3 shows that the number of disconnection notices mailed to customers, CWR requests, and involuntary disconnections fluctuates from year to year. This information does not demonstrate consistent increasing or decreasing trends. CenterPoint has reported 279,814 involuntary disconnections over the last ten years, and, of that total, 90,299 have occurred in the months of May and June (approximately 32 percent), coinciding with the termination of the CWR in April. The Department concludes that the Company has met the involuntary service disconnection reporting requirements for 2019.

¹⁸ Report at page 2.

¹⁹ Department correction: previous Department Comments reported the number of CWR requests in 2014 as 58,085. The correct number for this data point is 58,087.

D. SERVICE EXTENSION REQUESTS

In its 09-409 *Order*, the Commission required CenterPoint to provide in its annual report the service extension request information described in items A and B of Minnesota Rule 7826.1600,²⁰ with the exception of information already provided as outlined in Minnesota Statutes §§ 216B.091 and 216B.096, Subdivision 11. The Report presents data on service requested and subsequently extended to (1) locations that were *not* previously connected to the utility's system and (2) locations previously connected to the system.

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

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

<i>Calendar Year</i>	Residential Customers		Commercial Customers	
	<i>Number of Service Installations</i>	<i>Average²¹ Number of Days to Complete Installation</i>	<i>Number of Service Installations</i>	<i>Average Number of Days to Complete Installation</i>
2010	1,006	n/a	31	n/a
2011	3,057	n/a	294	n/a
2012	3,646	6	84	10
2013	4,432	8	370	9
2014	4,670	8	496	8
2015	4,786	8	541	8
2016	5,276	8	462	8
2017	5,803	9	467	8
2018	5,643	8	483	8
2019	5,459	9	524	8

²⁰ Minnesota Rule 7826.1600 requires that the annual service quality report include information on the utility's service extension request response times for each customer class and month; the utility is required to separately identify customer request data for locations not previously served *and* locations previously served.

²¹ Department update: For both residential and commercial customers, the average number of days to complete installation for a given year was calculated by the Department as (Sum of the monthly averages of days to complete service installation/Number of months in which the Company actually performed service installations). This calculation is not the weighted average used by the Department in its prior year Comments. The Department believes its average calculation used in Tables 4 and 4(a) provides a more representative average figure.

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

<i>Calendar Year</i>	Residential Customers		Commercial Customers	
	<i>Number of Service Installations</i>	<i>Average Number of Days to Complete Installation</i>	<i>Number of Service Installations</i>	<i>Average Number of Days to Complete Installation</i>
2010	304	n/a	3	n/a
2011	238	n/a	42	n/a
2012	354	7	16	8
2013	419	10	32	10
2014	546	9	50	8
2015	591	9	69	9
2016	559	9	63	8
2017	564	9	51	8
2018	525	9	32	8
2019	476	9	49	9

Tables 4 and 4(a) demonstrate that the average number of days to complete service installations has remained relatively stable from year to year for both newly and previously served locations. No significant difference is apparent between the average installation speeds for the newly or previously served locations. The Department concludes that the Company has met the service extension request reporting requirements for 2019.

E. CUSTOMER DEPOSITS

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

CenterPoint explained on page 3 of its Report that the Company “reports the number of new deposits required as a condition of service from customers that are subject to disconnection or have been disconnected for non-payment in Schedule 5.” In addition, the Company notes that its current deposit policy is exclusively applicable to commercial customer accounts.

According to the data submitted by CenterPoint, the number of customer deposits collected as a condition of service in 2019 constituted less than 1 percent of the total number of service connections performed by the Company. The Department concludes that the Company has met the customer deposit reporting requirements for 2019.

Table 5: Customer Deposits for CenterPoint

<i>Calendar Year</i>	<i>Number of Customer Deposits Collected</i>	<i>Number of Customer Deposits Held by CenterPoint at December 31</i>
2010	950	n/a
2011	590	2,531
2012	397	2,343
2013	528	2,185
2014	533	2,132
2015	512	2,192
2016	534	2,106
2017	435	2,018
2018	569	2,070
2019	563	2,042

F. CUSTOMER COMPLAINTS

Table 6 summarizes select customer complaint data submitted by the Company and demonstrates that customer complaints have been increasingly resolved upon initial inquiry over the years documented.

Table 6: Customer Complaints for CenterPoint

<i>Calendar Year</i>	<i>Number of Complaints Received</i>	<i>Number of Complaints Forwarded from the Consumer Affairs Office</i>	<i>Percentage (%) of Complaints Resolved Upon Initial Inquiry</i>
2010	5,835 ²²	94	57 ²³
2011	6,772 ²⁴	81	52 ²⁵
2012	5,000	77	60
2013	6,218	89	67
2014	6,770	88	75
2015	7,113	113	77
2016	6,739	58	79
2017	7,629	91	83
2018	7,298	135	82
2019	5,620	114	78

²² Department correction: previous Department Comments reported the total number of complaints as 10,634 for 2010. The correct number for this data point is 5,835.

²³ Department correction: previous Department Comments reported the percentage of complaints resolved upon initial inquiry as 31% for 2010. The correct number for this data point is 57%.

²⁴ Department correction: previous Department Comments reported the total number of complaints as 11,590 for 2011. The correct number for this data point is 6,772.

²⁵ Department correction: previous Department Comments reported the percentage of complaints resolved upon initial inquiry as 30% for 2011. The correct number for this data point is 52%.

However, the Department is concerned about the decrease in the percentage of complaints resolved upon initial inquiry between 2018 and 2019 and asks that CenterPoint address this issue in Reply Comments.

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

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

<i>Calendar Year</i>	Percentage (%) of Customer Complaints Resolved by:				
	<i>Agreement with Customer</i>	<i>Compromise with Customer</i>	<i>Demonstrate that Circumstances are out of Company Control</i>	<i>Refuse Customer Request</i>	<i>Resolution Not Categorized</i>
2010	28	10	16	6	40
2011	43	13	33	11	0
2012	39	13	36	12	0
2013	35	14	41	10	0
2014	32	15	45	8	0
2015	28	16	49	7	0
2016	25	13	56	6	0
2017	26	10	58	5	1
2018	22	9	65	4	1
2019	15	16	63	6	1

This is second area that merits further discussion in CenterPoint’s Reply Comments. The Department is interested to know the drivers for the decrease in the percentages related to the category “Agreement with Customer” and the increase in the percentage of the category “Compromise with Customer”.

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

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

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

The Department concludes that the Company has met the customer complaint reporting requirements for 2019 and requests further information as indicated above and listed below.

G. GAS EMERGENCY TELEPHONE CALLS

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

Table 7: Gas Emergency Phone Calls Received by CenterPoint

<i>Calendar Year</i>	<i>Number of Gas Emergency Calls</i>	<i>Average Number of Seconds Before Calls were Answered</i>	<i>Percentage (%) of Calls Answered in 20 Seconds or Less</i>
2010	80,627	17	n/a
2011	77,042	21	83
2012	69,207 ²⁶	13	90
2013	78,629	15 ²⁷	86
2014	89,576	21	77
2015	75,215	13	86
2016	77,111	12	89
2017	70,305	10	90
2018	75,193	17	86
2019	79,076	15	88

With the exception of year 2014, CenterPoint answered, on average, more than 80 percent of its emergency phone calls in 20 seconds or less. The number of emergency phone calls made to the Company has fluctuated from year to year, without showing a consistent upward or downward trend. The Department concludes that the Company has met the gas emergency phone call reporting requirements for 2019.

²⁶ Department correction: previous Department Comments reported the total number of gas emergency calls in 2012 as 67,621. The correct number for this data point is 69,207.

²⁷ Department correction: previous Department Comments reported the average number of seconds before calls were answered in 2013 as 16. The correct number for this data point is 15.

H. GAS EMERGENCY RESPONSE TIME

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

Table 8: Gas Emergency Response Time for CenterPoint

<i>Calendar Year</i>	<i>Number of Emergency Calls Requiring Response</i>	<i>Percentage (%) of Calls Responded to in Less than One Hour</i>	<i>Percentage (%) of Calls Responded to in Greater than One Hour</i>	<i>Average Response Time in Minutes</i>
2010	40,570	88	12	52
2011	39,655	89	11	34
2012	34,481	94	6	30
2013	33,522	92	8	31
2014	37,339	90	10	34
2015	38,843	92	8	32
2016	39,167	90	10	35
2017	39,338	93	7	32
2018	41,795	92	8	33
2019	45,683	90	10	33

Table 8 demonstrates that CenterPoint has consistently responded to the majority of gas emergencies in less than one hour, with the Company's longest average response time being reported in the year 2010 at 52 minutes. Despite an increase of 3,888 in the number of emergency calls requiring a response between 2018 and 2019, CenterPoint was able to respond to 90 percent of the 2019 calls within one hour. The Department concludes that the Company has met the gas emergency response time reporting requirements for 2019.

I. MISLOCATES

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

Table 9: Mislocates for CenterPoint

<i>Calendar Year</i>	<i>Number of Locate Tickets</i>	<i>Number of Mislocates</i>	<i>Percentage (%) of Mislocates Relative to Locate Tickets</i>	<i>Mislocates per 1,000 Locate Tickets</i>
2010	235,790	64	0.03	0.27
2011	256,716 ²⁸	95	0.04	0.37
2012	264,733	97	0.04	0.37
2013	282,915	49	0.02	0.17
2014	299,354	81	0.03	0.27
2015	330,306	91	0.03	0.28
2016	342,140	98	0.03	0.29
2017	349,592	127	0.04	0.36
2018	344,541	167	0.05	0.48
2019	351,086	165	0.05	0.47

Table 9 shows that the Company's mislocates are consistently <1 percent relative to the total number of locate tickets for all years from 2010 through 2019. The total number of mislocates, percentage of mislocates relative to total locate tickets, and ratio of mislocates per 1,000 locate tickets each reached an all-time high in 2018 compared to prior reporting years and only declined slightly in 2019. The number of mislocates and related mislocate metrics have generally trended upward since 2013 and this continues to be a concern. This trend and CenterPoint's intended approach to address mislocate issues were previously discussed in the Department's initial Comments in Docket No. G008/M-18-312.²⁹

The Department concludes that the Company has met the mislocate reporting requirements for 2019. However, due to the small decrease in the Company's reported mislocate metrics, the Department asks that CenterPoint provide in its Reply Comments a discussion on the effectiveness of the Company new strategies to mitigate mislocate incidents going forward.

J. DAMAGED GAS LINES

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

²⁸ Department correction: previous Department Comments reported the total number of locate tickets in 2011 as 256,711. The correct number for this data point is 256,716.

²⁹ See Department initial Comments for Docket No. G008/M-18-312 at page 11. CenterPoint discussed its intention to use the following reports to better track and address its mislocate issues: (1) a monthly audit report, produced by each locate group, effective February 2018 and (2) a weekly report, listing all at-fault damages by locator.

Table 10: Damaged Gas Lines for CenterPoint

<i>Calendar Year</i>	Number of Gas Lines Damaged:			<i>Miles of Gas Line Operated in Minnesota</i>	<i>Damage Incidents per 100 Miles of Gas Line</i>
	<i>Caused by CenterPoint (A)</i>	<i>Caused by Factors Outside of CenterPoint's Control (B)</i>	<i>Total (A + B)</i>		
2010	93	601	694	24,642	2.82
2011	93	667	760	24,733	3.07
2012	152	681	833	24,819	3.36
2013	124	538	662	24,874	2.66
2014	162	629	791	25,394	3.11
2015	195	738	933	25,427	3.67
2016	190	722	912	25,755	3.54
2017	190	740	930	25,911	3.59
2018	238	694	932	26,058	3.58
2019	234	715	949	26,160	3.63

For all years documented, factors outside the Company's control have caused the majority of gas line damages. CenterPoint reported a slight decrease in damage incidents caused by factors within the Company's control in 2019 compared with 2018; however, gas lines damaged by factors outside of CenterPoint's control increased somewhat. The Department invites CenterPoint to provide in its Reply Comments an explanation or additional context around the increase in gas lines damaged by factors outside of CenterPoint's during 2019.

The Department concludes that the Company has met the gas line damage reporting requirements for 2019.

K. SERVICE INTERRUPTIONS, INCLUDING MNOPS REPORTABLE EVENTS

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

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

Table 11: Service Interruptions for CenterPoint

<i>Calendar Year</i>	Number of Service Interruptions:			<i>Total Number of Customers Affected</i>	<i>Average Duration of Interruption in Minutes (total outage minutes/total customers affected)</i>
	<i>Caused by CenterPoint (A)</i>	<i>Caused by Factors Outside of CenterPoint's Control (B)</i>	<i>Total (A + B)</i>		
2010	69	465	534	4,706	n/a
2011	174	459	633	5,317	62 ³⁰
2012	119	570	689	1,554	51
2013	224	317	541	1,073	62
2014	100	538	638	1,181	70
2015	135	618	753	1,745	47
2016	115	646	761	1,430	68
2017	124	486	610	1,406	49
2018	144	468	612	1,545	52
2019	157	461	618	4,356	209

In 2019, 4,356 customers were affectedd by 618 gas service interruptions. This represents the highest number of affected customers since 2010 and an increase of 182 percent. The average duration of gas-service interruptions in 2019 was 209 minutes compared to 52 minutes in 2018. This resulted in another large annual percentage increase -- 302 percent.

According to the Company, these increases were partly due to better reporting, the discovery of an error in how CenterPoint calculated average outage duration in previous years and three large outages that affected 2,522 customers.

The Department acknowledges that CenterPoint has fulfilled the natural gas service interruption data requirements of the 09-409 *Order*.

Table 12 provides the historical data on the Company's MNOPS reportable interruptions. The Company noted that the 71 MNOPS reportable interruptions during 2019 did not include any integrity outages.³¹

According to Schedule 11 of the Report, the majority of the 2019 MNOPS reportable interruptions were caused by damaged gas mains, damaged gas service, or fire incidents. In 2019, the Company was most often notified of reportable interruptions by 911 emergency services. The longest 2019 MNOPS reportable interruption disclosed by the Company had an outage time of 9 to 24 hours and affected 1407 customers.³²

³⁰ Department correction: previous Department Comments reported the average interruption duration in 2011 as 18 minutes. The correct number for this data point is 62.

³¹ See Report at page 8.

³² See page 1 of Report Schedule 11. This reportable interruption occurred on November 19, 2019 at Minnie St. & Washburn Ave., Paynesville. CenterPoint reported the cause of the incident as a damaged gas main.

Table 12: MNOPS Reportable Interruptions for CenterPoint

<i>Calendar Year</i>	<i>Number of MNOPS Reportable Interruptions</i>
2010	18
2011	47
2012	63
2013	66
2014	97
2015	80
2016	56
2017	89
2018	93
2019	71

The Minnehaha Academy gas explosion in 2017 is not addressed in the 2019 Report, as it occurred outside the time period covered. Centerpoint has provided a large amount of information regarding the technical and engineering issues related to that event to MnOPS and the National Transportation Safety Board. The Department appreciates the Company's efforts in that regards and notes that issues involving this tragic event are being addressed in CenterPoint's concurrent general rate case, Docket No. G008/GR-19-524.

The Department concludes that the Company has met the service interruption reporting requirements for 2019.

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

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

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

<i>Calendar Year</i>	<i>Customer Service O&M Expense Plus Payroll Taxes & Benefits: Total in Dollars (\$)</i>	<i>Customer Service O&M Expense Plus Payroll Taxes & Benefits: Monthly Average in Dollars (\$)</i>
2010	24,988,500	2,082,375
2011	25,403,000	2,116,917
2012	24,900,000	2,075,000
2013	24,860,508	2,071,709
2014	27,675,521	2,306,293
2015	34,111,598	2,842,633
2016	30,520,581	2,543,382
2017	30,178,171	2,514,848
2018	32,655,881	2,721,323
2019	30,530,325	2,544,194

Total and average O&M expenses plus payroll taxes and benefits has fluctuated over the reported years, but does show a consistent upward trend over the period studied (\$5,541,825 or 2.5 percent annually on average). CenterPoint reported its third largest total of O&M expenses plus payroll taxes in 2019.

The Department concludes that the Company has met the expenditure reporting requirements for 2019.

M. STEEL SERVICE LINE AND METER RELOCATION EXPENSES

In its *Order* in Docket No. G008/M-09-1190, issued on March 15, 2010,³³ the Commission required CenterPoint to submit information on the costs associated with steel service line relocation and the relocation of meters operating at 630 cubic feet per hour (CFH) or greater. The Department reviewed the data provided by the Company and noted that the number of projects and cost per project continue to be highly variable. For example, the average cost associated with steel service line relocation decreased between 2018 and 2019, dropping to \$4,714 from \$5,959. In addition, both the highest and lowest reported costs for steel service line relocation in 2019 were less than the corresponding figures reported in 2018. The 2019 costs reported for the relocation of meters operating at 630 CFH or greater were higher than the equivalent 2018 costs.³⁴ As it has done in the 09-1190 proceeding and past annual service quality filings, the Company explained in its Report that the costs of these relocations are driven by the unique circumstances of each project.

The Department concludes that the Company has met the steel service line and meter relocation expense reporting requirements for 2019.

³³ *In the Matter of a Request by CenterPoint Energy, a Division of CenterPoint Energy Resources Corp. a Delaware Corporation, for Approval of the Company's Proposed Charges for Customer-Requested Work, Including Service Alterations and Winter Construction.*

³⁴ See Report at page 10.

N. TRANSMISSION AND DISTRIBUTION SYSTEM PERFORMANCE MEASURES

The Commission *Order* in Docket No. G008/M-19-300, issued November 14, 2019, required CenterPoint to report the TIMP/DIMP data addressing the 29 metrics developed in its affiliated interest docket, updating the three-year averages each year.

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

1. Transmission and Distribution Integrity Management Plan Performance Measures

CenterPoint submitted select information on its TIMP and DIMP and provided a 2016 - 2018 three-year average as a baseline for data comparison. Table 14 summarizes the cause of leak incidents experienced by the Company.

Table 14: The Cause of Leaks for CenterPoint

Leak Cause	3-Year Average for Years 2016 - 2018			Year 2019		
	Above Ground Facility Leaks ³⁵	Main Leaks ³⁶	Service Leaks ³⁷	Above Ground Facility Leaks	Main Leaks	Service Leaks
Corrosion	154	72	160	140	71	165
Equipment Failure	4,444	95	275	5,062	143	324
Excavation	34	110	604	38	133	595
Incorrect Operations	62	26	70	55	54	126
Natural Force Damage	55	18	107	135	6	46
Other	5	5	10	2	9	16
Other Outside Force Damage	77	17	55	79	17	107
Pipe, Weld, or Joint Failure	112	24	85	107	26	46
Total	4,943	367	1,366	5,618	459	1,425

Chart 1 provides this information in a visual format. The 2019 figures are concerning in that the 2019 results in each category are all higher than the 2016 through 2018 averages. For example, the number of Above Ground Gas Facility Leaks (ABGL) reported in 2019 was 13.7 percent above the 2016-2018 three-year average. Main leaks in 2019 were 25 percent higher than the 2016 to 2018 average and service leaks were 4.3 percent higher than that same average.

³⁵ Data for Above Ground Facility Leaks was retrieved from Report Schedule 18a.

³⁶ Data for Main Leaks was retrieved from Report Schedule 18b.

³⁷ Data for Service Leaks was retrieved from Report Schedule 18c.

Natural gas leaks are concerning for several reasons, including higher costs charged to all customers in the Purchased Gas Adjustment and more emissions in the atmosphere. The Department asks that CenterPoint explain in Reply Comments how it is cost-effectively addressing these rising leak counts.

Chart 1 – Leaks by Facility Type 3 Yr. Avg. vs. 2019

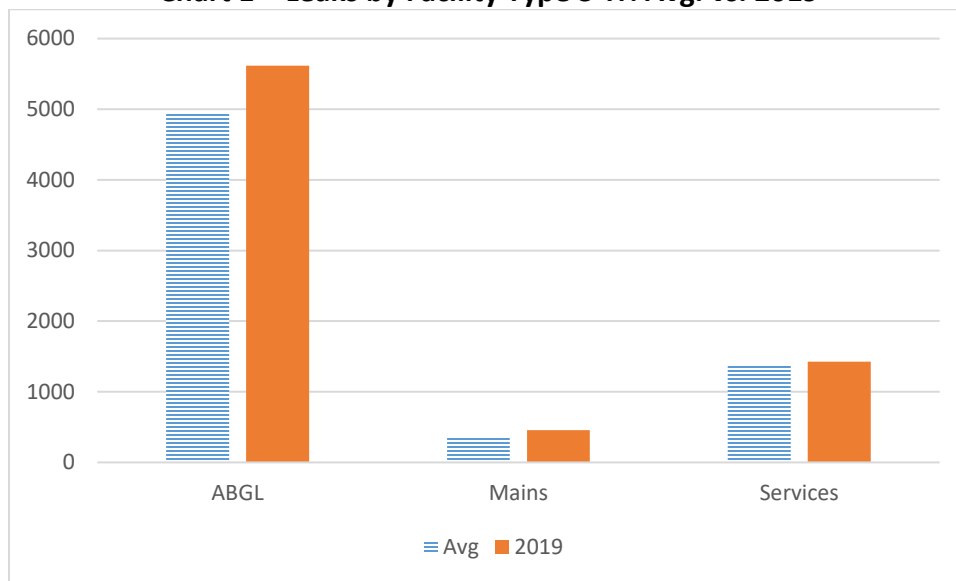


Table 14(a) provides data on the number of main and service line leaks associated with different pipeline materials.

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

Gas Line Material	3-Year Average for Years 2016 - 2018		Year 2019	
	Main Leaks ³⁸	Service Leaks ³⁹	Main Leaks	Service Leaks
Bare Steel	66	48	79	52
Coated Steel	102	71	187	118
Not Assigned/Unknown	70	39	14	18
Plastic-PE	80	719	136	763
Plastic-PE Aldyl A	50	320	43	294
PVC	n/a	2	n/a	0
Copper	n/a	167	n/a	180
Total⁴⁰	368	1,366	459	1,425

³⁸ Data for Main Leaks was retrieved from Report Schedule 18d.

³⁹ Data for Service Leaks was retrieved from Report Schedule 18e.

⁴⁰ In Table 14(a), the totals under the 3-year average columns for both main leaks and service leaks do not match the corresponding totals shown in Table 14. The slight discrepancies in these totals is likely due to rounding differences between the averages calculated and not indicative of an error or inaccuracy.

Tables 14(a) shows that (1) main leaks occur most commonly in coated steel and plastic-PE line and (2) service leaks occur most commonly in plastic-PE and plastic-PE Aldyl A lines.

Tables 14(b), 14(c), and 14(d) on the following pages show select cost data for certain Company projects and repairs during 2019.

Table 14(b): 2019 Unit Cost by Project Category vs. 2016 – 2018 Avg⁴¹

<i>Project</i>	3-Year Average for Years 2016 - 2018			Year 2019		
	<i>Total Cost (\$)</i>	<i>Quantity (unit)</i>	<i>Unit Cost (\$/unit)</i>	<i>Total Cost (\$)</i>	<i>Quantity (unit)</i>	<i>Unit Cost (\$/unit)</i>
Transmission Pipe Integrity	7,839,606	10,804	793	13,545,333	7,523	1,801
Transmission Pipeline Replacement	40,755,825	38,904	1,046	36,815,986	25,824	1,426
Remote Control Valves	48,482	1	48,482	0	0	0
Bare Steel Mains	6,432,145	62,783	104	18,531,169	115,260	161
Cast Iron Mains	5,021,581	14,690	385	0	0	0
Copper Service Lines	640,814	228	3,003	1,225,054	405	3,025
Inside Meters	7,710,936	2,319	3,361	8,610,296	1,455	5,918
Vintage Plastic Pipe	1,908,451	785	2,429	1,882,122	650	2,896

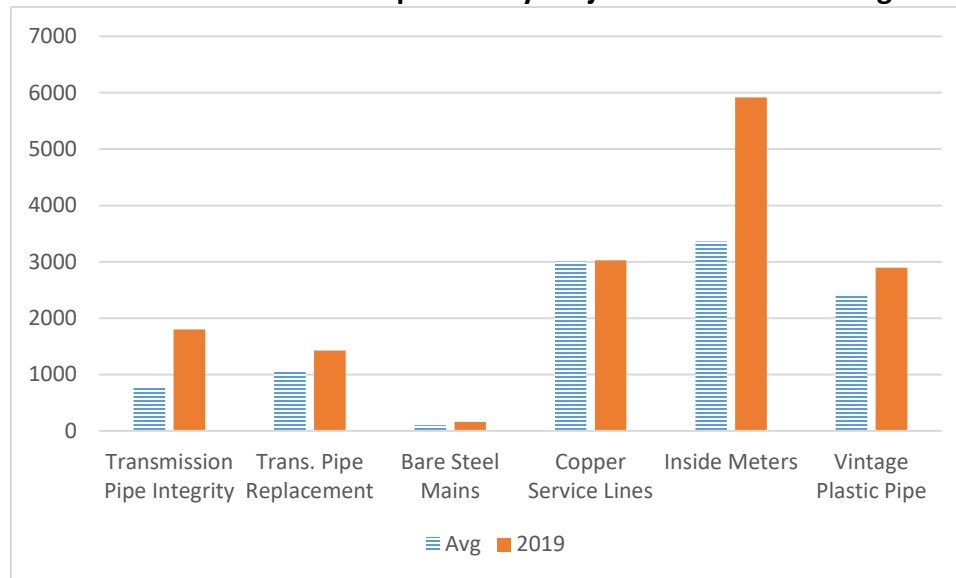
Chart 2 provides this information in a visual format. The 2019 figures are concerning in that the 2019 per-unit costs are all much higher than the 2016 through 2018 averages. For example, the unit costs for the following project categories increased significantly in 2019:

- Transmission Pipe Integrity increased from \$793/ft to \$1,801/ft (127%).
- Transmission Pipeline Replacement increased from \$1,046/ ft. to \$1,426 per ft (36%).
- Bare Steel Mains increased from \$104/ft to \$161/ft (55%)⁴²
- Copper Service Lines increase slightly from \$3,003 per service line to \$3,025 per service line (1%)
- Inside Meters increased from \$3361/meter to \$5,918/meter (76%).
- Vintage Plastic Pipe increased from \$2,429 per service line to \$2,896 per service line (19%).

⁴¹ Data in Table 14(b) was retrieved from Schedule 18k.

⁴² The Company did provide some additional information on this cost increase in its Report at page 11.

Chart 2 – Unit Cost Comparison by Project – 2019 to 3 Yr. Avg.



The Department asks that CenterPoint support these unit cost increases in 2019 in Reply Comments.

Table 14(c): 2019 Budget Variances versus Average Budget Variances by Project⁴³

Project	3-Year Average for Years 2016 - 2018			Year 2019		
	Forecast (\$)	Actual (\$)	Variance (\$)	Forecast (\$)	Actual (\$)	Variance (\$)
Transmission Pipe Integrity (TIMP Capital)	13,275,100	11,659,510	(1,615,590)	16,635,000	15,511,783	(1,123,217)
Transmission Pipe Integrity (TIMP Expense)	6,504,412	4,178,005	(2,326,407)	5,891,377	4,405,824	(1,485,553)
Transmission Pipeline Replacement	37,166,733	40,755,825	3,589,092	39,710,000	36,815,986	(2,894,014)
Remote Control Valves	500,000	231,657	(268,343)	400,000	63,422	(336,578)
Bare Steel Mains	6,531,227	6,765,322	234,095	15,100,000	18,531,169	3,431,169
Cast Iron Mains	3,922,571	7,255,968	3,333,396	0	0	0
Copper Service Lines	524,800	601,083	76,283	1,027,890	1,225,054	197,164
Inside Meters	7,999,133	7,710,936	(288,198)	7,995,420	8,610,296	614,876
Vintage Plastic Pipe	1,998,500	2,161,079	162,579	2,354,670	1,862,122	(472,548)
Total	78,422,476	81,319,385	2,896,909	89,114,357	87,025,656	(2,088,701)

The information in the table above suggests that CenterPoint is improving in terms of managing its capital spending in aggregate for the eight project categories listed. The total variance for the 3-year average is 4 percent (\$2,896,909/\$78,422,476). The variance for 2019 for those same nine projects is minus 2 percent ((\$2,088,701)/\$89,114,357).

⁴³ Data in Table 14(c) was retrieved from Schedule 18l.

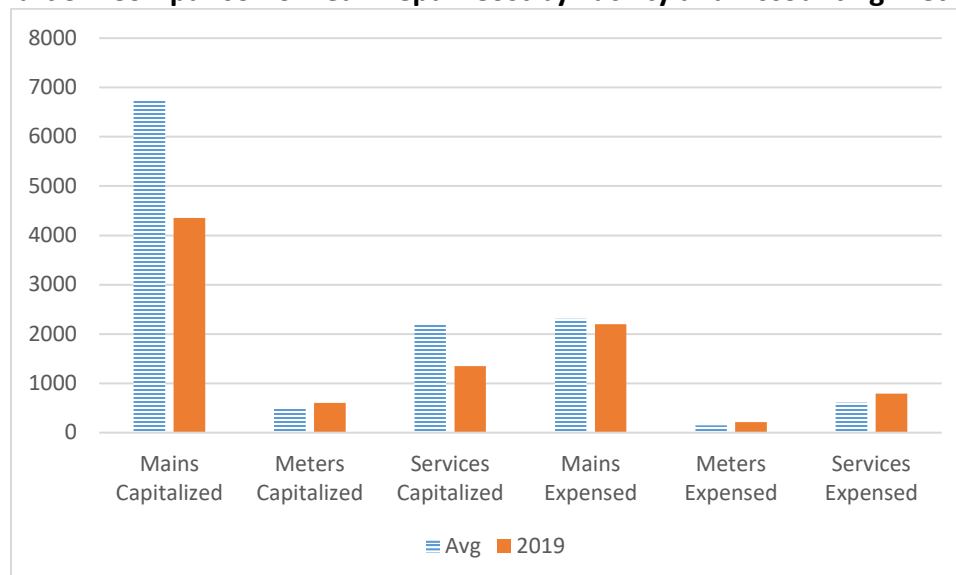
Table 14(d): 2019 Average Annual Cost to Repair Leaks by Facility versus Average Cost for 2016-2018⁴⁴

<i>Description</i>	3-Year Average for Years 2016 - 2018			Year 2019		
	<i>Number</i>	<i>Repair Cost</i>	<i>Avg Cost</i>	<i>Number</i>	<i>Repair Cost</i>	<i>Avg Cost</i>
All Leak Repairs	N/A	N/A	N/A	15,858	\$6,713,714	\$423
All Mains	463	\$1,287,171	\$2,778	644	\$1,658,238	\$2,575
All Meters	10,029	\$1,630,753	\$163	12,844	\$2,945,015	\$229
All Services	1,899	\$1,358,732	\$716	2,370	\$2,110,461	\$890
Capitalized Leak Repairs	N/A	N/A	N/A	997	\$1,341,498	\$1,346
Mains (capitalized)	49	\$332,165	\$6,733	112	\$487,982	\$4,357
Meters (capitalized)	365	\$176,120	\$483	455	\$274,385	\$603
Services (capitalized)	125	\$274,972	\$2,200	430	\$579,131	\$1,347
Expensed Leak Repairs	N/A	N/A	N/A	14,861	\$5,372,216	\$361
Mains (expensed)	414	\$955,006	\$2,307	532	\$1,170,256	\$2,200
Meters (expensed)	9,664	\$1,454,633	\$151	12,389	\$2,670,630	\$216
Services (expensed)	1,774	\$1,083,761	\$611	1,940	\$1,531,330	\$789

Chart 3 provides information for the capitalized and expensed leak repair categories in a visual format.

For the capitalized category, the 2019 unit costs are mixed in that the 2019 unit costs for mains and services are lower than the 3-year average (-35 and -38 percent respectively) while the meter unit cost is higher (25 percent). The 2019 unit cost results for the expensed category are mixed as well. The mains unit cost is lower (-4.6 percent) while the meters and services unit costs are higher (43 and 29 percent respectively).

Chart 3 – Comparison of Leak Repair Cost by Facility and Accounting Method



⁴⁴ Data in Table 14(d) was retrieved from Schedule 18m.

Summary

The TIMP and DIMP information provided for 2019 is somewhat concerning. The number of Above Ground Facility Leaks reported in 2019 was 13.7 percent above the 2016-2018 three-year average. Main leaks in 2019 were 25 percent higher than the 2016 to 2018 average and service leaks were 4.3 percent higher than that same average. Turning to unit costs, many of the 2019 unit costs identified were significantly higher than the three-year average provided as a comparison. The unit costs for the six following projects increased:

- Transmission Pipe Integrity increased from \$793/ft to \$1,801/ft (127%).
- Transmission Pipeline Replacement increased from \$1,046/ ft. to \$1,426 per ft (36%).
- Bare Steel Mains increased from \$104/ft to \$161/ft (55%)
- Copper Service Lines increase slightly from \$3,003 per service line to \$3,025 per service line (1%)
- Inside Meters increased from \$3361/meter to \$5,918/meter (76%).
- Vintage Plastic Pipe increased from \$2,429 per service line to \$2,896 per service line (19%).

The aggregate capital spending variance declined in 2019, but CenterPoint still had significant variances, both positive and negative for different TIMP and DIMP projects. Finally, the unit costs for capitalized and expensed leak repair costs were at least mixed with some increasing and some decreasing.

The Department asks that CenterPoint address these concerns in its Reply comments.

TIMP/DIMP Risk Levels

CenterPoint also provided information as to the risk levels corresponding to different causes of repairs are provided by the Company in Schedules 18f - 18h in the Report.⁴⁵ The Department did not analyze this information on a comparative basis due to the fact that the “numbers reported in schedules 18f-18j were produced using a revised model and as such are different than the risk numbers reported in last year’s service quality report”.⁴⁶

2. Emergency Response Violations Cited by MNOPS

CenterPoint reported that MNOPS cited the Company for 32 emergency response violations in 2019. The Company documented details around these citations in Schedule 11a of its Report. The incidents listed (CPE referred to them as “MNOPS Reportables”) were caused by various issues, such as fire, damaged service or mains, and leaks. The Commission may wish to clarify whether the information provided was the information that the Commission wanted to receive.

⁴⁵ Report Schedules 18f – 18h show data on repairs that include, but are not limited to, the Company’s leak repairs.

⁴⁶ See Report, page 11.

a. Violation Letters Received from MNOPS

The same information provided to fulfill the Emergency Response Violations reporting requirement (Schedule 11a to the Report) was provided to fulfill the Violation Letters Received reporting requirement. CenterPoint reported receiving the same number (32) of violation letters as emergency response violation citations from MNOPS in 2019.

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

The Company filed its information in a format that was consistent with that recommended in Docket No. G008/M-19-300. It reported that during 2019 it had: (1) an estimated 193,204 total number of services with EFVs and (2) an estimated 1,511 services with manual shutoff valves. It appears that CenterPoint installed 6,283 EFVs and 521 manual shut-off valves in 2019.⁴⁷ Additionally, the Company stated at page 16 of its Report that it “will continue to report on these installation metrics in [its] annual Service Quality filings.”

4. Conclusion

The Department concludes that CenterPoint met the majority of the reporting requirements pursuant to the Commission’s *Order* in Docket No. G008/M-18-312 and the reporting metrics developed pursuant the Commission’s *Order* in Docket No. G008/AI-18-517. However, CenterPoint did not provide information quantifying the reduction to system risk and the cost savings resulting from reduced leaks. Granted, the Company did not experience reduced leaks; instead, there were higher leaks. Nonetheless, the Company should provide information about the average risk and costs of leaks. Thus, the Department asks that Centerpoint include that information in its Reply comments. The Department also has concerns regarding the Company’s number of leak repairs and increasing unit costs and asks that CenterPoint address those concerns in its Reply Comments as discussed above.

O. IMPACT OF INTERIM RATE REFUND ISSUES ON SERVICE QUALITY

CenterPoint provided a discussion on interim rate refund issues at pages 12 and 13 of its Report.

The Company concluded that it “was unable to determine to what extent the interim rate refund issue drove the increase in call volumes.” While CenterPoint did note that the number of customer calls received in January 2019 was higher than in the corresponding month during 2018, the Company found it difficult to determine whether the increase was due to the interim rate refund or other factors.

The Department concludes that the Company met the requirement to include a discussion about the interim rate refund impact on service quality.

⁴⁷ EFV calculation is 193,204 – 186,921. Shut-off valve calculation is 1,511 – 990.

III. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS

Based on its review, the Department recommends that the Company provide further information in its reply comments relating to its Report:

- Explain why there was a decrease in the percentage of complaints resolved upon initial inquiry between 2018 and 2019;
- Provide the drivers for the decrease in the percentages of complaints related to the category “Agreement with Customer”;
- Provide the drivers for the increase in the percentage of the complaint category “Compromise with Customer”;
- Discuss the effectiveness of the Company new strategies to mitigate mislocate incidents going forward, given the small decrease in the Company’s reported mislocate metrics;
- Provide an explanation or additional context around the increase in gas lines damaged by factors outside of CenterPoint’s during 2019;
- Explain how CenterPoint is cost-effectively addressing rising leak counts;
- Support and explain the material increases in per-unit costs for various facilities in 2019; and
- Provide information about the average risks and costs of leaks.

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

In addition, the Department has concerns regarding the Company’s number of leak repairs and increasing unit costs and asks that CenterPoint address those concerns in its Reply Comments.

Finally, the Department intends to provide its final recommendations after reviewing CenterPoint’s Reply Comments.

/ar

Attachment A – List of Commission Natural Gas Local Distribution Company Reliability and Customer Service Reporting Requirements by Docket and Order Date

**Table 1 – Reporting Requirements included in Docket No. G999/CI-09-409,
Order dated August 26, 2010**

Number	Metric	Requirement
1.1	Call center response times	Percentage of calls answered within 20 seconds
1.2	Meter reading performance data included in Minn. Rules, part 7826.1400	The number and percentage of customer meters 1) read by utility personnel, 2) by self-read customers, and 3) not been read by utility personnel for periods of six to 12 months and longer than 12 months, along with data on meter-reading staffing levels by work center or geographical area
1.3	Involuntary service disconnection data as referenced under Minn. Stat. §§ 216B.091 and 216B.096, subd. 11 in lieu of reporting data on involuntary service disconnections contained in Minn. Rules part 7826.1600, items A and B	Detailed monthly reports on residential service disconnections with additional requirements for the winter season – October through April. All requirements listed in Attachment 1. Number of customers whose service is disconnected or remains disconnected for nonpayment beginning in October and a weekly report beginning in November with that same information
1.4	Service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B, except the data reported under Minn. Stat. 216B.091 and 216B.096, subd. 11 is not required	The number of customers requesting a service extension by customer class, the interval between the date the service was installed and the latter of the customer-requested in- service date or the date the premises were ready for service and the number of customers requesting service at a location previously served by the utility and the intervals between the date service was installed and the later of the in-service dates listed above.
1.5	Customer deposit data identified in Minn. Rules part 7826.1900	Must include the number of customers who were required to make a deposit as a condition of receiving service
1.6	Customer complaint data contained in Minn. Rules part 7826.2000.	See Attachment 2 for a complete list
1.7	Gas emergency phone line calls telephone answer time	Telephone answer time
2.0	Mislocates data	Also includes the number of times a line is damaged due to mismarked line or failure to mark a line.

3.1	Gas lines damaged data	Categorized as to cause – 1) utility employees or contractors or 2) unplanned causes.
Number	Metric	Requirement
3.2	Service interruptions	Categorized as to cause – 1) utility employees or contractors or 2) any other unplanned cause.
3.3	Summary of major events that are immediately reportable to the MnOPS in annual report	Shall provide summaries of all service interruptions caused by service integrity pressure issues.
3.4	MnOPS events to Commission and Department	Location and cause of event, the number of customers affected, the expected duration of the event and an estimate of when service will be restored.
3.4	Gas emergency response times	Percentages of emergencies responded to within one hour and within more than one hour
4.0	Customer-service related operations and maintenance expenses	Minnesota-regulated, customer-service expenses, which shall be based on costs in FERC accounts 901 and 903 plus payroll taxes and benefits.

Table 2 – Reporting Requirements included in Docket Nos. E,G002/M-09-224 and G002/CI-08-871 in Order dated November 30, 2010

Number	Metric	Requirement
15.	Field Orders	Volume of Investigation and Remediate Volume of Investigate and Refer Volume of Remediate upon Referral field orders Average Response Time for each of the above categories by month and year Minimum days, maximum days and standard deviations for each category Volume of excluded field orders

Table 3 – Refinement of Reporting Requirements included in Docket No. G002/M-11-360 *et. al.* for Xcel Energy

# from Table 1 or 2	Metric	Requirement
1.	Call Center Response Times	Reconcile gas-related call center complaints with the categories contained in Minn. Rules, part 7826.2000
2.	Meter Reading	Explain whether the difference between the total percentage of meters (100%) and the percentage of meters read (by both the utility and customers) is equal to the percentage of estimated meter reads.
4.	Service Extensions	Require reporting on the types of extension requests for both locations previously and not previously served
5.	Customer Deposits	Require reporting of the different types of deposits included in the reported number of “required customer deposits”
10.	Service Interruptions	Require additional reporting on whose service was interrupted and the average duration of the interruptions.
13.	Gas emergency response times	Require the types of gas emergency calls included in their emergency response times and types of emergency calls included in reports to MnOPS. Also requires an explanation of any difference between the reports provided to the Commission and MnOPS.

**State of Minnesota
Minnesota Department of Commerce**

Utility Information Request

Docket Number: G-008/M-20-453 - 2019 Service Quality
Report
Requested From: CENTERPOINT ENERGY MINNESOTA
GAS

Date of Request: 7/8/2020

Response Due: 7/20/2020

Analyst Requesting Information: John Kundert

Type of Inquiry: Other

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

Request No.	
DOC 001	Topic: Average Meter Count Reference(s): Schedule 2, page 1 a. Please explain why average the average monthly meter count between September 2019 and October 2019 increased by 345,031 meters or 40 percent. b. Please explain why the average monthly meter count between November 2019 and December 2019 increased by 138,566 or 12.6 percent. Response: Meters are counted when they are billed. CenterPoint Energy has 21 bill cycles, but not all bill cycles are read each month which can cause fluctuations month to month if in one month only 20 bill cycles are read and the following month a total of 22 bill cycles are read. In regards to the meter count increase in October - December of 2019, CenterPoint Energy found that Schedule 2 was including Home Service Plus customers in the meter count. Please see the attachment DOC_001_Schd2_update.pdf which has the corrected October - December 2019 data highlighted in yellow.

Response By: Erica Larson
Title: Senior Analyst, Regulatory & Rates
Department: Mng Smr Reg Svc Rev Req
Telephone: 612-321-4334

Docket No. G-008/M-20-453
CenterPoint Energy Minnesota Gas Response to DOC 001
Attachment DOC_001_Schd2_update.pdf

**CenterPoint Energy
2019 Service Quality Report**

Meter Reading Performance

**Schedule 2
Page 1 of 5**

	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	YTD 2019
Total number of customer meters													
Residential	846,368	764,336	805,409	808,193	849,064	740,519	811,765	837,698	783,484	881,240	745,498	842,727	9,716,301
Commercial	74,061	68,698	71,195	71,416	73,635	66,413	70,700	72,883	68,480	73,472	64,991	71,468	847,412
Monthly Total	920,429	833,034	876,604	879,609	922,699	806,932	882,465	910,581	851,964	954,712	810,489	914,195	10,563,713
Number and percentage of customer meters read by utility personnel													
Residential	837,978	757,294	798,761	798,910	841,301	730,150	797,828	825,499	774,192	873,623	737,699	838,388	9,611,623
Commercial	72,749	67,508	69,856	70,375	72,288	65,489	69,743	71,976	67,835	72,819	64,207	70,848	835,693
Monthly Total	910,727	824,802	868,617	869,285	913,589	795,639	867,571	897,475	842,027	946,442	801,906	909,236	10,447,316
Percentage	98.9459%	99.0118%	99.0889%	98.8263%	99.0127%	98.6005%	98.3122%	98.5607%	98.8336%	99.1338%	98.9410%	99.4576%	98.8981%
Number and percentage of customer meters self-read by cutomers													
Residential	0	0	1	0	0	0	1	0	0	0	0	0	2
Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0
Monthly Total	0	0	1	0	0	0	1	0	0	0	0	0	2
Percentage	0.0000%	0.0000%	0.0001%	0.0000%	0.0000%	0.0000%	0.0001%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

Meter Reading Staffing Levels by Area:

Minneapolis Metro Area	6	6	6	6	6	6	6	6	6	6	6	6	6
Greater Minnesota	9	9	9	9	9	8	8	8	8	8	8	8	8.4

3 Year Average Calculations (2016 - 2018)

% of Meters Read by Utility Personnel	
Year 2016	98.42%
Year 2017	98.45%
Year 2018	98.58%
3 Year Avg	98.48%

**CenterPoint Energy
2019 Service Quality Report**

Docket No. G-008/M-20-453
CenterPoint Energy Minnesota Gas Response to DOC 001
Attachment DOC_001_Schd2_update.pdf

Meter Reading Performance

Schedule 2

Page 2 of 5

Number and percentage of customer meters Not Read 6-12 Months & Reasons

	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	2019
Residential													
Bad Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Road	0	0	0	0	0	0	0	0	0	0	0	0	0
Blocked	0	0	0	0	0	0	0	0	0	0	0	0	0
Can't Locate	0	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0	0
Damaged	0	0	0	0	0	0	0	0	0	0	0	0	0
Denied Entry	0	0	0	0	0	0	0	0	0	0	0	0	0
Dirty Index	0	0	0	0	0	0	0	0	0	0	0	0	0
Dog	0	0	0	0	0	0	0	0	0	0	0	0	0
Door Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
ERT Not Responding	22	16	18	19	17	16	11	17	13	15	37	33	234
Gate Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Changed	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Removed	0	0	0	0	0	0	0	0	0	0	0	0	0
No Access	0	0	0	0	0	0	0	0	0	0	0	0	0
No Answer	0	0	0	0	0	0	0	0	0	0	0	0	0
No Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Attempted	1	1	2	4	1	1	0	0	1	0	0	3	14
Not Home	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing Correction	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow/Ice	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsafe	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Total	23	17	20	23	18	17	11	17	14	15	37	36	248

Docket No. G-008/M-20-453

CenterPoint Energy Minnesota Gas Response to Schedule 2

Page 3 of 5

Attachment DOC_001_Schd2_update.pdf

CenterPoint Energy
2019 Service Quality Report

Meter Reading Performance

Commercial	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	YTD 2019
Bad Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Road	0	0	0	0	0	0	0	0	0	0	0	0	0
Blocked	0	0	0	0	0	0	0	0	0	0	0	0	0
Can't Locate	0	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0	0
Damaged	0	0	0	0	0	0	0	0	0	0	0	0	0
Denied Entry	0	0	0	0	0	0	0	0	0	0	0	0	0
Dirty Index	0	0	0	0	0	0	0	0	0	0	0	0	0
Dog	0	0	0	0	0	0	0	0	0	0	0	0	0
Door Locked	0	0	0	0	0	0	0	1	0	0	0	0	1
ERT Not Responding	36	37	42	30	26	26	8	11	10	14	15	6	261
Gate Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Changed	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Removed	0	0	0	0	0	0	0	0	0	0	0	0	0
No Access	0	0	0	0	0	0	0	0	0	0	0	0	0
No Answer	0	0	0	0	0	0	0	0	0	0	0	0	0
No Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Attempted	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Home	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing Correction	0	0	0	0	0	0	0	0	1	0	0	0	1
Snow/Ice	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsafe	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Total	36	37	42	30	26	26	8	12	11	14	15	6	263
Monthly Total	59	54	62	53	44	43	19	29	25	29	52	42	511
Percentage	0.0064%	0.0065%	0.0071%	0.0060%	0.0048%	0.0053%	0.0022%	0.0032%	0.0029%	0.0030%	0.0064%	0.0046%	0.0048%

3 Year Average Calculations (2016 - 2018)

% of Meters Not Read in 6-12 Months

Year 2016	0.0156%
Year 2017	0.0099%
Year 2018	0.0047%
3 Year Avg	0.0101%

Schedule 2

Page 4 of 5

**CenterPoint Energy
2019 Service Quality Report**

Docket No. G-008/M-20-453

CenterPoint Energy Minnesota Gas Response to DOC 001

Attachment DOC_001_Schd2_update.pdf

Meter Reading Performance

Number and percentage of customer meters Not Read 13+ Months & Reasons

	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	YTD 2019
Residential													
Bad Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Road	0	0	0	0	0	0	0	0	0	0	0	0	0
Blocked	0	0	0	0	0	0	0	0	0	0	0	0	0
Can't Locate	0	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	0	0	0
Damaged	0	0	0	0	0	0	0	0	0	0	0	0	0
Denied Entry	0	0	0	0	0	0	0	0	0	0	0	0	0
Dirty Index	0	0	0	0	0	0	0	0	0	0	0	0	0
Dog	0	0	0	0	0	0	0	0	0	0	0	0	0
Door Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
ERT Not Responding	13	10	11	10	10	9	7	7	8	5	7	4	101
Gate Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Changed	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Removed	0	0	0	0	0	0	0	0	0	0	0	0	0
No Access	0	0	0	0	0	0	0	0	0	0	0	0	0
No Answer	0	0	0	0	0	0	0	0	0	0	0	0	0
No Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Attempted	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Home	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing Correction	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow/Ice	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsafe	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Total	13	10	11	10	10	9	7	7	8	5	7	4	101

CenterPoint Energy
2019 Service Quality Report

Docket No. G-008/M-20-453
 CenterPoint Energy Minnesota Gas Response to Schedule 2
 Attachment DOC_001_Schd2_update.pdf
 Page 5 of 5

Meter Reading Performance

Commercial	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	YTD 2019
Bad Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Road	0	0	0	0	0	0	0	0	0	0	0	0	0
Blocked	0	0	0	0	0	0	0	0	0	0	0	0	0
Can't Locate	0	0	0	0	0	0	0	0	0	0	0	0	0
Closed	0	0	0	0	0	0	0	0	0	0	2	0	2
Damaged	0	0	0	0	0	0	0	0	0	0	0	0	0
Denied Entry	0	0	0	0	0	0	0	0	0	0	0	0	0
Dirty Index	0	0	0	0	0	0	0	0	0	0	0	0	0
Dog	0	0	0	0	0	0	0	0	0	0	0	0	0
Door Locked	0	0	0	0	0	0	0	0	0	0	1	0	1
ERT Not Responding	1	2	0	1	3	1	2	1	1	0	0	1	13
Gate Locked	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Changed	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Removed	0	0	0	0	0	0	0	0	0	0	0	0	0
No Access	0	0	0	0	0	0	0	0	0	0	0	0	0
No Answer	0	0	0	0	0	0	0	0	0	0	0	0	0
No Key	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Attempted	0	0	0	0	0	0	0	0	0	0	0	0	0
Not Home	0	0	0	0	0	0	0	0	0	0	0	0	0
Billing Correction	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow/Ice	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsafe	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Total	1	2	0	1	3	1	2	1	1	0	3	1	16
Monthly Total	14	12	11	11	13	10	9	8	9	5	10	5	117
Percentage	0.0015%	0.0014%	0.0013%	0.0013%	0.0014%	0.0012%	0.0010%	0.0009%	0.0011%	0.0005%	0.0012%	0.0005%	0.0011%

3 Year Average Calculations (2016 - 2018)

% of Meters Not Read in 13+ Months	
Year 2016	0.0080%
Year 2017	0.0046%
Year 2018	0.0032%
3 Year Avg	0.0053%

% of Meters Estimated (not accounted for above)	
Year 2016	1.65%
Year 2017	1.54%
Year 2018	1.41%
3 Year Avg	1.53%

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G008/M-20-453

Dated this **31st** day of **July 2020**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_20-453_M-20-453
James J.	Bertrand	james.bertrand@stinson.com	STINSON LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453
Brenda A.	Bjorklund	brenda.bjorklund@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-453_M-20-453
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_20-453_M-20-453
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_20-453_M-20-453
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_20-453_M-20-453
Robert	Harding	robert.harding@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	OFF_SL_20-453_M-20-453
Amber	Lee	Amber.Lee@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_20-453_M-20-453
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_20-453_M-20-453

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_20-453_M-20-453
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453
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_20-453_M-20-453
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_20-453_M-20-453
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_20-453_M-20-453
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_20-453_M-20-453
Peggy	Sorum	peggy.sorum@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_20-453_M-20-453

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_20-453_M-20-453