

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer  
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Thomas Pugh  
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Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of CenterPoint Energy's  
Implementation of the Cold Weather Rule and  
Reconnection Policies

ISSUE DATE: January 4, 2005

DOCKET NO. G-008/CI-04-2001

ORDER OPENING INVESTIGATION,  
REQUIRING CONTINUING EFFORTS TO  
RECONNECT AND WEEKLY REPORTING

**PROCEDURAL HISTORY**

During October and November of 2004, the Commission's Consumer Affairs Office (CAO) received several customer complaints regarding CenterPoint Energy's (CPE or the Company) application of the Commission's Cold Weather Rules.<sup>1</sup> Customers, including customers who had qualified for Energy Assistance, complained that they were denied reconnection without payment in full of their total outstanding balance.

On November 10, 2004, CAO met with the Company to discuss CPE's compliance with Minn. Rules part 7820.2300, "Reconnection at Beginning of Cold Weather Months." At the meeting the Company agreed to respond to the CAO's concerns at a later date.

On November 24, 2004, CPE responded to the CAO's concerns. CPE stated that their practices were in compliance with Minnesota rules and statutes.

The matter came before the Commission on December 21, 2004, when the following parties appeared: CenterPoint Energy, Residential and Small Business Utilities Division of the Office of the Attorney General (RUD-OAG), Energy Cents Coalition(ECC), and Legal Aid Society of Minneapolis.

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<sup>1</sup> Minn. Rules part 7820.1500 to 7820.2300.

## FINDINGS AND CONCLUSIONS

### **I. Background**

The Commission's Consumer Affairs Office received several customer complaints during the months of October and November 2004, regarding CPE's application of the Commission's Cold Weather Rules. Some of the complaints specifically addressed the Company's application of the Reconnection Plan.<sup>2</sup> These customers complained that, even though they qualified for the Energy Assistance Program (EAP), CPE claimed that payment in full of the outstanding balance was required before reconnection.

### **II. Applicable Law**

Minnesota Rules provide in part:

#### **7820.2300 RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS**

**Subpart 1. Reinstatement of service.** The utility shall reinstate service that in any way affects the primary heat source of a residential unit if the service remains disconnected as of October 15 and if the residential customer applies for reinstatement and enters either a reconnection plan or a payment schedule. A residential customer may enter a reconnection plan only if the customer's monthly household income is less than 50 percent of the state median income.

**Subpart 2. Reconnection plan.** Under a reconnection plan, the residential customer must pay the current utility bills and arrearages in monthly installments during the cold weather months. Each monthly installment must not exceed ten percent of a residential customer's monthly income. The reconnection plan applies only to the cold weather months.

The rule also includes appeal rights and addresses rights regarding a payment schedule.

### **III. Parties' Positions**

#### **A. CenterPoint Energy**

At hearing, CPE stated its preference to work this matter out informally.

On December 16, 2004, CPE stated that there were at that time 1074 accounts with outstanding balances from \$3.00 to \$5573.00 that remain disconnected. At hearing, the Company indicated that about 300 of these accounts were related to customers in the Energy Assistance program.

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<sup>2</sup> Minn. Rules part 7820.2300, subp.2.

At hearing, the Company indicated that it was working to contact disconnected customers but it has been unable to reach many of them. The Company stated that it was its intention to continue to make efforts to reach disconnected customers and to reconnect them. It stated that for safety reasons it is unable to reconnect without the customer being present to allow the Company access. Further, the Company stated that the fire department needs to be present when a customer is reconnected.

The Company, in its response to CAO's concerns indicated, among other things, that:

- a) customer service representatives quote the amount of the unpaid bill at the time a customer asks for reconnection;
- b) if a customer states that payment in full is not possible, the customer service representative refers the customer to assistance agencies and/or negotiates with the customer to reach a payment that is acceptable to both parties;
- c) when negotiating with the customer who has indicated an inability to pay in full, the customer service representative may start by asking for fifty percent of the total bill;
- d) the customer service representative requests some form of payment in order to restore service;
- e) if a customer qualifies for Energy Assistance, the representative is then able to make an arrangement on the balance;
- f) the representative does not offer the Reconnection Plan to customers at the time they are requesting reconnection because the customer had been previously notified of the plan and could request it, if interested.

**B. Residential and Small Business Utilities Division of the Office of the Attorney General**

At hearing, the RUD-OAG reported that within the last three months there has been an increase in customer complaints to its office.

At hearing, RUD-OAG also stated that the Company should be required to inform an eligible customer of the availability of the Reconnection Plan, as described in Minn. Rules part 7820.2300.

RUD-OAG indicated its willingness to work with the Commission's CAO in order to investigate this matter.

**C. Energy Cents Coalition**

At hearing, Energy Cents Coalition supported a Commission investigation and also argued that the Commission should require the Company to continue efforts to reconnect affected customers.

#### **D. Legal Aid Society of Minneapolis**

At hearing, Legal Aid Society of Minneapolis stated that it supported a Commission investigation into this matter.

#### **IV. Commission Action**

The Commission will open an investigation, under to Minn. Stat. 216B.17, subd. 1, into CenterPoint Energy's application of Minn. Rules part 7820.1500 to 7820.2300, which address disconnection during cold weather, including reconnection at the beginning of the cold weather months. The Commission will accept the RUD-OAG's offer to work with the Commission in conducting this investigation.

The Commission finds that there is good cause to open such an investigation. CPE has stated that it currently has over 1000 disconnected customers with outstanding balances from \$3.00 to \$5573.00 that remain disconnected. Furthermore, CPE indicated that about 300 of these customers are participants in the Energy Assistance program. Clearly, these numbers raise questions as to whether the Company is complying with Minnesota Cold Weather Rules.

Further, the complaints presented to the CAO by customers who were unable to reconnect because they could not pay their balance in full and the Company's own statement that its policy is to wait for an eligible customer to request a Reconnection Plan support an investigation to determine whether the Company is conforming to the Cold Weather Rule requirements. For all of these reasons the Commission has good cause to investigate this matter further and will do so.

In addition, the Commission recognizes that an investigation may take some time and it is important that there be immediate relief for the customers who remain disconnected. Toward this end, the Commission relies on the representations of the Company that it is working to reconnect these customers and will require the Company to continue to make all efforts to reach and reconnect customers who have been disconnected. Further, the Commission will direct the Company to use all available community resources to aid it in its efforts to identify, contact and reconnect these customers.

Because of the serious and immediate nature of this matter, the Commission will require the Company to file weekly reports with the Commission and the RUD-OAG advising on the progress of the Company in its efforts to reconnect previously disconnected customers.

#### **ORDER**

1. The Commission hereby opens an investigation into whether CenterPoint Energy's practices, acts or omissions with respect to Minn. Rules, part 7820.1500 to 7820.2300 are in any way unreasonable or insufficient, or improperly prevent service from being obtained.

2. The Commission accepts the offer of the Residential and Small Business Utilities Division of the Office of the Attorney General to work with the Commission staff in conducting this investigation.
3. CenterPoint Energy shall continue to make efforts to reconnect customers who remain disconnected.
4. CenterPoint Energy shall use all available community resources to assist in identifying and finding those customers who remain disconnected.
5. CenterPoint Energy shall file weekly reports with the Commission and RUD-OAG advising on the progress of the Company in its efforts to reconnect previously disconnected customers;
6. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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