

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
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Commissioner

In the Matter of the Request by CenterPoint Energy to Temporarily Waive Tariff Provisions Relating to Reconnection Fees and Deposit Requirements for Certain Low Income Customers During the 2005-2006 Cold Weather Rule Period

ISSUE DATE: December 7, 2005

DOCKET NO. G-008/M-05-1831

ORDER APPROVING TARGETED WAIVER OF RECONNECTION FEES AND CUSTOMER DEPOSITS

PROCEDURAL HISTORY

On January 4, 2005, the Commission issued an Order initiating an investigation into whether CenterPoint Energy's practices, acts or omissions with respect to Minn. Rules, parts 7820.1500 to 7820.2300 are in any way unreasonable or insufficient, or improperly prevent service from being obtained. The Commission accepted the offer of the Residential and Small Business Utilities Division of the Office of the Attorney General (RUD-OAG) to work with the Commission's Consumers Affairs Office (CAO) in conducting the investigation.

On October 20, 2005, the Commission held an informational meeting on natural gas costs for the 2005-2006 heating season, with presentations or comments by natural gas utilities, the Minnesota Department of Commerce (the Department), the Residential Utilities Division of the Office of the Attorney General (RUD-OAG), and the Energy Cents Coalition. In the course of that of that meeting, the RUD-OAG representative read a letter dated October 19, 2005 from Minnesota Attorney General Mike Hatch, which asked natural gas utilities to "waive reconnection fees and suspend deposit requirements for customers receiving benefits through the federal Low-Income Home Energy Assistance Program (LIHEAP) during the Cold Weather Rule period."

On November 2, 2005, CenterPoint Energy (CPE or the Company) sent a letter to the Commission stating its willingness to waive reconnection fees and customer deposit requirements prospectively for customers receiving LIHEAP funds, if the Commission were to approve the waivers.

On November 18, 2005, the Commission issued a Notice informing potentially interested persons that it would treat the November 2, 2005 letter from CPE as a formal request to waive its reconnection and deposit tariffs, and would consider the matter at its December 1, 2005 agenda meeting. The

notice encouraged interested persons to file comments in writing by November 29, 2005 and to notify Commission staff if they were not going to submit comments, but intended to speak at the meeting.¹

On November 18, 2005 in a separate Notice, the Commission established Docket No. G-999/CI-05-1832 and requested other natural gas distribution utilities who intended to respond to the Attorney General's waiver suggestions to do so in writing by November 29, 2005.

The Commission met on December 1, 2005 to consider this matter.

FINDINGS AND CONCLUSIONS

I. CenterPoint's Proposal

CenterPoint proposed to prospectively waive both reconnection fees and customer deposits for the remaining portion of the 2005-2006 Cold Weather Rule period. The waivers are to apply only to customers receiving LIHEAP funds during the current Cold Weather Rule period, and would not apply in cases of unauthorized use of gas or tampering.

II. RUD-OAG and Energy Cents Coalition

At the hearing, Energy Cents and the RUD-OAG, noting that not all low income persons are LIHEAP recipients, recommended that the Commission increase the scope of the waiver to include all income eligible customers rather than just LIHEAP recipients. They also suggested that the waiver should be made effective retroactive to October 15, 2005, the official beginning of the Cold Weather Season under the Cold Weather Rules. Both parties commented on the relatively small impact that the proposal would have on the status quo, i.e., the overall payment problem that low-income CPE ratepayers are facing this winter and beyond.

III. Commission Analysis and Action

The Commission recognizes that the ongoing problem of the large number of CPE customers remaining disconnected² is larger than any one single step proposed to address an aspect of the problem. However, the Company's proposal is a step in the right direction, is commendable, and is certainly worth taking. Overall assessment of what additional measures may be productive and warranted is not before the Commission at this time.

¹ On November 2, 2005, Aquila and Great Plains proposed waivers by filing letters almost identical to CPE's November 2, 2005 letter. The Aquila and Great Plains proposals were assigned to Docket No. G-008/M-05-1832.

² As part of its investigation into CPE's implementation of the Cold Weather Rule in Docket No. G-002/ CI-04-2001, the Commission has been closely monitoring the Company's current implementation of the Cold Weather Rule through the weekly reports filed by the Company. CPE's weekly report for the week ending October 20, 2005, five days after the beginning of the Cold Weather Rule Season (October 15), showed that 2,388 CPE customers remained disconnected. Its report for the week ending November 23, 2005 showed 1,035 disconnected customers.

The Commission therefore will approve the Company's proposal and commend discussion of the larger picture and the development of any general assessment and additional proposals to an advisory stakeholder group to be facilitated by the Department of Commerce, as referenced in a companion Order in Docket No. G-999/CI- 05-1832.

Because CPE's proposal is in the nature of a request to change a tariff, the Commission will direct the Company to make a compliance filing within ten days of the order which contains language to be included in CenterPoint's tariff book to implement the approved waivers.

ORDER

1. The Commission hereby approves the CenterPoint Energy proposal to waive the provisions of its tariffs contained in Section VI, Part 11.01, Paragraph 7 (Reconnection Fees) and Section VI, part 7.00 (Customer Deposits) for the remaining portion of the 2005-2006 Cold Weather Rule period for customers receiving federal Low-Income Home Energy Assistance Program (LIHEAP) benefits.
2. Within ten days of this Order, CenterPoint Energy shall make a compliance filing which contains language to be included in CenterPoint's tariff book to implement the waivers approved in Order Paragraph 1.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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