division of energy resources
Minnesota Department of Commerce

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September 16, 2013

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. G022/M-13-730

Dear Dr. Haar:

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

> A Request by Greater Minnesota Gas, Inc. (Greater Minnesota or Company) for Approval by the Minnesota Public Utilities Commission (Commission) of a Change in Contract Demand Entitlement Units Effective November 1, 2013.

The filing was submitted on August 19, 2013. The petitioner is:

> Kristine A. Anderson
> Corporate Attorney
> Greater Minnesota Gas, Inc.
> 202 South Main Street, P.O. Box 68
> Le Sueur, Minnesota 56058

The Department recommends that the Commission withhold decision on Greater Minnesota's *Petition* subject to the provision of additional information regarding its reserve margin and total entitlement level in *Reply Comments*.

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

Sincerely,

/s/ ADAM J. HEINEN
Rates Analyst
651-539-1825

AJH/ja
Attachment

division of energy resources
Minnesota Department of Commerce

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE, DIVISION OF ENERGY RESOURCES

DOCKET NO. G022/M-13-730

I. BACKGROUND

Pursuant to Minnesota Rules 7825.2910, subpart 2, Greater Minnesota Gas, Inc. (Greater Minnesota or Company) filed a *Petition for Approval of Changes in Contract Demand Entitlements* (*Petition*) on August 13, 2013. Historically, demand entitlement filings have been made concurrent with the changes in demand, which is typically November 1st of each year;[1] however, at the Minnesota Department of Commerce, Division of Energy Resources' (Department) request, utilities have agreed to submit annual demand entitlement filings in mid to late summer to enable review prior to the heating season. The Department has not requested that Greater Minnesota file its demand entitlement petition early, but the Company has made an early filing on its own volition. The Department appreciates this decision.

In its *Petition*, Greater Minnesota requests that the Minnesota Public Utilities Commission (Commission) accept the following changes in the Company's overall level of contracted capacity.

[1] Greater Minnesota did not file a 2011-2012 heating season demand entitlement analysis because the Company made no changes in entitlement.

Greater Minnesota's Proposed Total Entitlement Changes	
Type of Entitlement	**Proposed Changes Increase (decrease) (Dth)[2]**
TF-7 (Apr.-Oct.)*	(300)
TF-12 (Nov.-Oct.)*	420
TFX-5 (Nov.-Mar.)	2,600
Viking Zone 1**	2,000
TFX-5 (Nov.-Mar.)	180
Delivery Contract	950

* These contracts denote therms that are used to meet non-heating season demand. Therefore, these volumes are not included in the design-day calculation.
** This contract is transport only and does not increase peak day entitlement.

The Company's proposal would increase the Company's proposed design-day (winter) capacity by 4,150 Dth/day.

The Company also added 420 Dth/day of TF-12 capacity for non-peak periods in the November 2013 PGA compared to the October 2013 PGA.

The Department discusses the various effects on the Company's rates for different customer classes below; however, Greater Minnesota's proposal would increase capacity and decrease demand rates for residential heating customers by $7.54 for customers using 87 Dth per year.

The Company describes the factors contributing to the need for changing demand entitlements as follows:

- Growth during the previous heating season requires an increase in demand entitlement;
- Continued growth in the number of customers during the upcoming heating season; and
- Addition of two new service areas, one which is located near the Company's existing service territory and a second that is located outside of Greater Minnesota's existing service territory along the Viking Gas Transmission (VGT) interstate pipeline in Central Minnesota.

The Department reviews Greater Minnesota's *Petition* in greater detail below.

[2] Dekatherms (Dth).

II. THE DEPARTMENT'S ANALYSIS OF THE COMPANY'S PROPOSAL

The Department's analysis of the Company's request includes the following sections:

- the proposed overall demand entitlement level;
- the design-day requirement;
- the reserve margin; and
- the PGA cost recovery proposal.

A. THE COMPANY'S DEMAND ENTITLEMENT LEVEL

1. Proposed Overall Demand Entitlement Level

As indicated in DOC Attachment 2, the Company proposed to increase its total entitlement level in Dth as follows:

Previous Entitlement (Dth)	Proposed Entitlement (Dth)	Entitlement Changes (Dth)	% Change From Previous Year
5,209	**9,359**	**4,150**	**79.67**

The Department analyzes below the proposed changes, the proposed design day requirement, and proposed reserve margin. The significant increase in entitlement levels is driven by the addition of two new service areas to the Company's system. The Department reviews the entitlements related to these new customers below. The Department concludes that the Company's proposed recovery of overall demand costs is likely reasonable despite some concerns regarding the reserve margin.

2. Design-Day Requirement

Based on the addition of new service areas, Greater Minnesota uses a two-part process to determine its design-day consumption. The first part is used to estimate usage for its existing service territory, and the second part is used to determine consumption for its new service areas.

a. Existing Service Territory

To estimate usage for its existing service territory, Greater Minnesota employed a design-day analysis which is similar to what it used in its most recent demand entitlement filings. The Company used Ordinary Least Squares (OLS) regression to calculate the projected design day for the existing service territory using three separate regression models, one for each area the Company serves (Mankato, Faribault, and Shakopee), assuming area-specific weather parameters. The Company's analysis was based on actual daily heating season throughput and

weather data over the period November 1, 2010 to March 31, 2013. From these three separate regression equations, the Company estimated baseload usage and average use per heating degree day (HDD).

The Department notes that Greater Minnesota's regression models estimate negative baseload (non-heat sensitive load). At first glance, this result appears inappropriate because baseload, by definition, is a specific, positive amount. However, it appears that the decision to report negative baseload is solely a result of the regression outputs, and not a real expectation. When interpreting a regression output for gas consumption, the constant term is analogous to baseload; however, it is possible that a model is correctly specified, and appropriate, but still produces a negative constant value. When the regression output returns a negative value for the constant, it is inappropriate to use this term as an estimate for baseload. The Department believes that Greater Minnesota should have, instead, estimated baseload consumption, in this instance and any other time when the Company's regression results report a negative term for the constant, by examining actual consumption data from the summer months. However, in terms of system reliability, the Company's decision to use negative baseload values does not harm ratepayers in this instance. Since baseload consumption is subtracted from design-day calculations in Greater Minnesota's analysis, the Company's decision to use negative baseload over-estimates peak day consumption per customer. However, the Department recommends that, in future demand entitlement filings, Greater Minnesota use different baseload consumption estimation techniques when negative constant values are produced through the Company's regression analyses.

With the baseload and average use per HDD calculated, Greater Minnesota used 90 HDDs (approximately the coldest average daily temperature for the Company's existing service territory in the past 20 years) to estimate the amount of peak-day use. According to the Company's analyses, a peak-day event would result in 4,972 Dth/day of usage on Greater Minnesota's system, which is 731 Dth/day greater than the same estimate in the Company's last demand entitlement filing. Based on the Company's average customer count (4,417 customers), its design-day use-per-customer is approximately 1.1257 Dth/day. Multiplying this figure by Greater Minnesota's estimate of firm customers during the 2013-2014 heating season (5,204 customers) results in a design-day estimate of approximately 5,858 Dth/day, which is 894 Dth/day greater than the estimated design-day estimate of 4,964 Dth/day in Greater Minnesota's last demand entitlement filing.

The Department analyzed Greater Minnesota's design-day proposal by multiplying the Company's all-time per-customer peak-day sendout of 1.1315 Dth/day (from the 2008-2009 heating season) by its projected customer counts for the 2013-2014 heating season (5,204 customers) to determine whether Greater Minnesota's proposed entitlement level, for its existing service territory, would be sufficient under most circumstances. The result is a throughput amount of approximately 5,888 Dth/day. This estimated peak-day throughput is greater than the design-day entitlement level that the Company procured for the 2013-2014 heating season;

however, when a 5 percent reserve margin is considered, the throughput estimate based on the 2008-2009 heating season is less than the Company's total entitlement level.

It is important to note, however, that Greater Minnesota's all-time sendout during the 2008-2009 heating season occurred on a day when average HDDs were 70, which is 20 HDDs warmer than the 90 HDD figure used by the Company to calculate its design day. If natural gas consumption becomes more intensive at colder temperatures (*i.e.,* greater per-customer consumption) the fact that Greater Minnesota's all-time peak day occurred on a day warmer than 90 HDD suggests that demand for natural gas by firm customers on a peak day may be even higher than the Company's projected peak-day estimate calculated above. However, any impact on throughput can be difficult to quantify.

b. New Service Territory

For the new service territory, the Company does not have natural gas consumption data, so Greater Minnesota estimated design-day consumption based on historical propane consumption, since these customers were formerly propane users. The Company arrived at estimated design-day load for these customers by multiplying reported historical propane consumption in gallons by 0.0915[3] to arrive at anticipated annual Dth of natural gas consumption. Greater Minnesota then assumed that each customer would use 1 percent of the annual consumption figure on a peak day. The Department concludes that it is appropriate to estimate future usage based on historical data. However, the Company does not provide evidence in its *Petition* supporting its assumptions and calculations; particularly, its assumption that 1 percent of annual use is used on a peak day. As such, the Department recommends that Greater Minnesota provide additional discussion in its *Reply Comments* supporting the calculations and assumptions regarding its estimation of peak-day use for its new customers.

Based on its assumptions and calculations, the Company estimated that these new areas will consume 3,059 Dth/day, of which 642 Dth/day is associated with what the Company refers to as Project 1, and 2,417 Dth/day is associated with Project 2. Project 1 is located in the general vicinity of Greater Minnesota's existing, historical service territory and Project 2 is situated outside the Company's historical service territory along the VGT pipeline in Northern Minnesota. The manner in which Greater Minnesota intends to serve Project 2 off of the VGT line is of particular interest to the Department.

Greater Minnesota stated in its *Petition* that it has secured an independent supply of gas to support Project 2 that can be used, if needed, to serve other areas of the Company's service territory. The ability to serve other areas of the Company's service territory is possible via Greater Minnesota's plan to backhaul gas along VGT from the North Branch interconnection

[3] This factor is based on the assumption that one gallon of propane produces 91,500 British Thermal Units (BTUs), and one Dth is equivalent to one MMBtu.

with Northern Natural Gas (Northern). A backhaul is a standard contract type that allows a utility, through financial means, to move natural gas volumes in a backward direction to standard flow. These backhaul volumes are supported by actual gas molecules that are forward hauled on the gas pipeline. This arrangement is necessary because actual gas molecules do not flow backward under this situation. As noted in the Company's *Petition*, Greater Minnesota stated that the supply needs for Project 2 will be met through a forward haul contract from Emerson, Manitoba and the Company contends that Project 2 customers can be served under any condition.

It is not entirely clear from Greater Minnesota's *Petition*, but it appears that Attachment C in the *Petition* shows 2,950 Dth/day are procured for the purposes of serving Project 2. Assuming that these are the volumes procured for Project 2, and the Company's peak day calculations for these customers are accurate, there are likely sufficient firm supplies to serve this area on a peak day because Greater Minnesota projects peak-day consumption of 2,417 Dth/day. In the interest of clarity, the Department recommends that the Company fully explain, in its *Reply Comments*, whether the Viking Zone 1 (2,000 Dth) and Delivery Contract (950 Dth) line items on Attachment C relate to Project 2.

Further, the Department reviewed the throughput numbers associated with the various design-day calculations (*i.e.,* OLS regression for existing service territory, Project 1, Project 2) and concludes that peak-day reliability is predicated on the ability of Greater Minnesota to operate as a fully integrated system and to have 950 Dth/day in capacity to deliver to Project 2. Greater Minnesota claimed that this is possible, but, given the design-day issues identified in Docket G022/M-12-1279, the Department believes additional discussion is necessary. Specifically, the Department recommends that Greater Minnesota provide, in *Reply Comments*, a hypothetical peak-day example of how the Company would be able to operate its system in a fully integrated manner and the contract containing the conditions of delivery to Project 2 for the 950 Dth/day of peak day capacity.

The Department withholds recommendation on Greater Minnesota's design-day analysis, and accompanying total entitlement level, until the Company provides additional supporting information in *Reply Comments*.

4. Reserve Margin

As indicated in DOC Attachment 2, the reserve margin is as follows:

Total Entitlement (Dth)	Design-day Estimate (Dth)	Difference (Dth)	Reserve Margin %	% Change From Previous Year[4]
9,359	**8,917**	**442**	**4.96%**	**0.02%**

The figures in the above table include design-day estimates from the Company's regression models for the existing service territory and design-day consumption estimates for Greater Minnesota's new service areas. The reserve margin is necessary since it provides an extra cushion which ensures firm reliability on a peak day; however, carrying too great a reserve margin results in customers paying higher demand costs than are necessary to provide reasonable service. The Department has generally used a 5 percent reserve margin as an indicator of an adequate reserve margin, and the Company proposed a reserve margin that is slightly below 5 percent. However; for Greater Minnesota, the Department has recommended, in previous demand entitlement filings, that the Commission accept higher reserve margins given the system dynamics, the higher level of growth experienced by this utility, and the fact that Greater Minnesota is a small utility with limited operational history. As noted by the Department in previous demand entitlement filing comments, Greater Minnesota was not in operation when the most recent 90 HDD peak-day event (January 1996) occurred in the Company's service territory. Therefore, it is unclear how the Company's distribution system would react and perform under 90 HDD peak-day conditions, which creates greater forecast uncertainty.

Further, since Greater Minnesota is a small utility, unexpected customer additions can have a significant impact on throughput. In fact, the unexpected customer addition scenario occurred during the last heating season. As noted in the Department's July 16, 2013 *Response Comments* in Docket No. G022/M-12-1279, the Company added a significantly greater number of customers than initially forecasted and likely would not have had sufficient entitlements to serve customers on a 90 HDD peak day. Further, as explained by Greater Minnesota in its initial *Petition*, the upcoming heating season will be the first winter that it serves its two new service territories and, since these customers previously used propane, actual natural gas consumption data for these customers does not exist. There is an energy relationship at a British Thermal Unit (Btu) level between propane and natural gas, so usage estimates can be made, but there may be a greater projection error given that there is no historical gas consumption data available. Once a sufficient amount of historical, actual natural gas consumption data are available, this additional level of projection error will disappear, but, until that time arrives, this is a circumstance that needs to be considered in the Company's analysis.

[4] As shown on DOC Attachment 2, the Company's average reserve margin since 1996 is 13.69 percent.

Based on the Company's total entitlement concerns in its previous demand entitlement and the addition of two large, new service areas, the Department is concerned about whether a roughly 5 percent reserve margin is appropriate. The Department is aware that the 5 percent reserve margin has been used as a rule of thumb to assess the reasonableness of a reserve margin; however, as has also been noted in other demand entitlement filings, the 5 percent level was derived from operational characteristics on a different utility system; as such, this level of reserve capacity may not be appropriate for the Greater Minnesota system. The Department notes that the Company indicated that, "to the extent that the Commission feels that a higher reserve margin is necessary . . . GMG's contract demand entitlement request will be adjusted accordingly." Therefore, to ensure that the Commission has adequate information in the record upon which a determination of the appropriate reserve margin can be made, the Department recommends that the Company provide the following in its *Reply Comments*:

- a detailed discussion of why it believes its proposed reserve margin is reasonable given the entitlement issues during the 2012-2013 heating season and the addition of two new service areas;
- a detailed discussion of how Greater Minnesota would serve firm customers, and at what estimated cost, if peak day consumption exceeded its planned reserve margin; and
- a detailed discussion regarding the current availability of additional entitlements if they are deemed necessary.

5. The Company's PGA Cost Recovery Proposal

The demand entitlement amounts listed in DOC Attachment 1 represent the demand entitlements for which the Company's firm customers will pay. In Attachment E to its *Petition*, the Company compared its November 2012 PGA assuming no demand entitlement changes to its November 2013 PGA with the Company's proposed changes as a means of calculating the bill impact of its proposed changes. According to the Company, Greater Minnesota's demand entitlement proposal would result in the following annual rate impacts:

- Annual bill decrease of $7.54, or approximately 1.77 percent, for the average Residential customer consuming 87.1 Dth annually; and
- Annual bill decrease of $118.23, or approximately 1.77 percent, for the average Commercial and Industrial Firm customer consuming 1,365.2 Dth annually.

At first glance, a projected decrease in cost seems unusual given the fact that Greater Minnesota is adding 4,150 Dth/day of additional capacity. However, the decrease in the per-unit rate is correct because the additional customers to the Greater Minnesota system more than counteract, on a rate basis, the additional level of capacity (*i.e.,* in the per-unit calculation, the denominator increases more than the numerator increases). Subject to possible changes in anticipated entitlements between now and November 1, 2013, the Department recommends that the

Commission allow recovery of associated demand costs effective November 1, 2013. Given the possibility of changes in final entitlements, and costs, the Department also recommends that Greater Minnesota make a supplemental filing on November 1, 2013 with final demand costs.

III. THE DOC'S RECOMMENDATIONS

The Department recommends that the Commission withhold decision on Greater Minnesota's *Petition* subject to the provision of additional information regarding its reserve margin and total entitlement level in *Reply Comments*. Specifically, the Department recommends that Greater Minnesota provide the following in *Reply Comments*:

- additional discussion supporting the calculations and assumptions regarding its estimation of natural gas consumption based on propane usage data;
- a full explanation detailing whether the Viking Zone 1 and Delivery Contract line items on Attachment C relate to Project 2;
- a hypothetical peak day example of how the Company would be able to operate its system in a fully integrated manner and the contract explaining the conditions of delivery to Project 2 for the 950 Dth/day of peak-day capacity;
- a detailed discussion of why the Company believes its proposed reserve margin is reasonable given the entitlement issues during the 2012-2013 heating season and the addition of two new service areas;
- a detailed discussion of how Greater Minnesota would serve firm customers, and at what estimated cost, if peak-day consumption exceeded its planned reserve margin; and
- a detailed discussion regarding the current availability of additional entitlements if they are deemed necessary.

Given the possibility of changes in final entitlements, and costs, the Department also recommends that Greater Minnesota make a supplemental filing on November 1, 2013 with final demand costs.

/ja

DOC Attachment 1
Details of Greater Minnesota Gas's Demand Entitlements Historical and Current Proposal

2008-2009 Heating Season	Quantity (Mcf)
TF-7 (Apr.-Oct.)	300
TF-8 (Oct.-May)	
TFX-3 (Dec.-Feb.)	
TFX-5 (Nov.-Mar.)	4,244
Capacity Release	0
SMS	1,300
Total Demand Entitlement	4,544
Total Transportation	4,544
Total Annual Transportation	300
Total Seasonal Transport	4,244
Percent Annual on Greater Minnesota System	6.60%
Percent Seasonal on Greater Minnesota System	93.40%

2009-2010 Heating Season	Quantity (Mcf)	Change in Quantity
TF-7 (Apr.-Oct.)	300	0
TFX (Summer-Apr.-Oct.)	0	0
TFX-5 (Nov.-Mar.)	300	300
TFX-5 (Nov.-Mar.)	4,244	0
Viking Zone 1	0	
Delivery Contract		
TFX (Apr. and Oct.)	0	0
TFX (Nov.-Mar.)	0	
TFX (Nov.-Mar.)	0	
SMS	1,300	
Total Demand Entitlement	4,544	300
Total Transportation	4,644	300
Total Annual Transportation	300	0
Total Seasonal Transport	4,544	300
Percent Annual on Greater Minnesota System	6.19%	-0.41%
Percent Seasonal on Greater Minnesota System	93.81%	0.41%

2010-2011 Heating Season	Quantity (Mcf)	Change in Quantity
TF-7 (Apr.-Oct.)	300	0
TFX (Summer-Apr.-Oct.)	210	210
TFX-5 (Nov.-Mar.)	0	(300)
TFX-5 (Nov.-Mar.)	4,244	0
Viking Zone 1	0	
Delivery Contract		
TFX (Apr. and Oct.)	500	500
TFX (Nov.-Mar.)	300	300
TFX (Nov.-Mar.)	500	500
SMS	1,300	1,300
Total Demand Entitlement	5,044	500
Total Transportation	5,254	410
Total Annual Transportation		(300)
Total Seasonal Transport	5,044	500
Percent Annual on Greater Minnesota System	0.00%	-6.19%
Percent Seasonal on Greater Minnesota System	96.00%	2.20%

2012-2013 Heating Season	Quantity (Mcf)	Change in Quantity
TF-7 (Apr.-Oct.)	300	0
TFX (Summer-Apr.-Oct.)	210	0
TFX-5 (Nov.-Mar.)	0	0
TFX-5 (Nov.-Mar.)	4,244	0
Viking Zone 1	0	
Delivery Contract		
TFX (Apr. and Oct.)	565	165
TFX (Nov.-Mar.)	300	0
TFX (Nov.-Mar.)	665	165
SMS	1,300	0
Total Demand Entitlement	5,209	165
Total Transportation	5,419	165
Total Annual Transportation		0
Total Seasonal Transport	5,209	165
Percent Annual on Greater Minnesota System	0.00%	0.00%
Percent Seasonal on Greater Minnesota System	96.12%	0.12%

2013-2014 Heating Season	Quantity (Mcf)	Change in Quantity
TF-7 (Apr.-Oct.)	0	(300)
TF12 (Nov.-Oct.)	630	420
TFX-5 (Nov.-Mar.)	270	270
TFX-5 (Nov.-Mar.)	8,844	2,600
Viking Zone 1	2,000	2,000
Delivery Contract	950	
TFX (Apr. and Oct.)	665	0
TFX (Nov.-Mar.)	0	(300)
TFX (Nov.-Mar.)	0	(665)
SMS	1,300	0
Total Demand Entitlement	9,359	4,150
Total Transportation	11,359	5,940
Total Annual Transportation		0
Total Seasonal Transport	9,359	4,150
Percent Annual on Greater Minnesota System	0.00%	0.00%
Percent Seasonal on Greater Minnesota System	62.39%	-13.73%

DOC Attachment 2
Details of Greater Minnesota Gas's Demand Entitlements Historical and Current Proposal

	Number of Firm Customers			Design Day Requirement			Total Entitlement + Peak Shaving + Peak Shaving			Reserve Margin
	(1)	(2)	(3)	(4)	(5)	(6)	2013-2014 Heating Season	(8)	(9)	(10)
Heating Season *	Number of Design Day Customers	Change from Previous Year	% Change From Previous Year	Design Day (Mcf)	Change from Previous Year	% Change From Previous Year	Total Entitlement (Mcf)	Change from Previous Year	% Change From Previous Year	% of Reserve Margin [(7)-(4)]/(4)
2013-2014*	5,204	430	9.01%	8,917	3,953	79.63%	9,359	4,150	79.67%	4.96%
2012-2013	4,774	558	13.24%	4,964	514	11.55%	5,209	165	3.27%	4.94%
2011-2012	4,216	296	7.55%	4,450	0	0.00%	5,044	0	0.00%	13.35%
2010-2011	3,920	198	5.32%	4,450	239	5.68%	5,044	500	11.00%	13.35%
2009-2010	3,722	162	4.55%	4,211	(71)	-1.66%	4,544	300	7.07%	7.91%
2008-2009	3,560	182	5.39%	4,282	566	15.23%	4,244	244	6.10%	-0.89%
2007-2008	3,378	170	5.30%	3,716	166	4.68%	4,000	350	9.59%	7.64%
2006-2007	3,208	237	7.98%	3,550	583	19.65%	3,650	350	10.61%	2.82%
2005-2006	2,971	290	10.82%	2,967	270	10.01%	3,300	300	10.00%	11.22%
2004-2005	2,681	336	14.33%	2,697	697	34.85%	3,000	600	25.00%	11.23%
2003-2004	2,345	181	8.36%	2,000	(200)	-9.09%	2,400	(200)	-7.69%	20.00%
2002-2003	2,164	300	16.09%	2,200	400	22.22%	2,600	400	18.18%	18.18%
2001-2002	1,864	301	19.26%	1,800	400	28.57%	2,200	500	29.41%	22.22%
2000-2001	1,563	393	33.59%	1,400	300	27.27%	1,700	300	21.43%	21.43%
1999-2000	1,170	279	31.31%	1,100	250	29.41%	1,400	150	12.00%	27.27%
1998-1999	891	289	48.01%	850	350	70.00%	1,250	750	150.00%	47.06%
1997-1998	602	339	128.90%	500	200	66.67%	500	200	66.67%	0.00%
1996-1997	263	263		300	300		300	300		
Average Change Per Year:			21.71%			24.39%			26.61%	13.69%

Firm Peak Day Sendout

Heating Season *	(11) Firm Peak Day Send out (Mcf)	Change from Previous Year	% Change From Previous Year	Excess per Customer [(7) - (4)]/(1)	Design Day per Customer (4)/(1)	Entitlement per DD Customer (7)/(1)	Peak Day Sendout per DD Customer (11)/(1)
2013-2014				0.0849	1.7135	1.7984	
2012-2013	5,025	1,368	37.41%	0.0513	1.0398	1.0911	1.0526
2011-2012	3,657	(248)	-6.35%	0.1409	1.0555	1.1964	0.8674
2010-2011	3,905	251	6.87%	0.1515	1.1352	1.2867	0.9962
2009-2010	3,654	(374)	-9.29%	0.0895	1.1314	1.2208	0.9817
2008-2009	4,028	(72)	-1.76%	(0.0107)	1.2028	1.1921	1.1315
2007-2008	4,100	550	15.49%	0.0841	1.1001	1.1841	1.2137
2006-2007	3,550	738	26.24%	0.0312	1.1066	1.1378	1.1066
2005-2006	2,812	285	11.28%	0.1121	0.9987	1.1107	0.9465
2004-2005	2,527	185	7.90%	0.1130	1.0060	1.1190	0.9426
2003-2004	2,342	587	33.45%	0.1706	0.8529	1.0235	0.9987
2002-2003	1,755	747	74.11%	0.1848	1.0166	1.2015	0.8110
2001-2002	1,008	(180)	-15.15%	0.2146	0.9657	1.1803	0.5408
2000-2001	1,188	291	32.44%	0.1919	0.8957	1.0877	0.7601
1999-2000	897	95	11.85%	0.2564	0.9402	1.1966	0.7667
1998-1999	802	397	98.02%	0.4489	0.9540	1.4029	0.9001
1997-1998	405	233	135.47%	0.0000	0.8306	0.8306	0.6728
1996-1997	172	172		0.0000	1.1407	1.1407	0.6540
Average Change Per Year:			28.62%	0.1286	1.0603	1.1889	0.9025

* Reserve margin for this heating season is 5 percent. The reported reserve margin of 59.76 percent is the difference between total entitlements and regression model based design-day entitlements; as such, the figure does not incorporate usage by new service area customers.

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. G022/M-13-730

Dated this **16th** day of **September, 2013**

/s/Sharon Ferguson

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