

August 9, 2019

**PUBLIC DOCUMENT**

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

**RE: PUBLIC Comments of the Minnesota Department of Commerce, Division of Energy Resources**

Docket Nos. G6915/M-13-672, G6956/M-15-856, G6960/M-16-214, G6915/M-16-756, and G6977/M-17-186

Dear Mr. Wolf:

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides the following comments in response to the Minnesota Public Utilities Commission's (Commission) Request for Comments dated July 5, 2019 in the following matters:

Dooley's Natural Gas LLC's Petition for Exemption for Small Gas Utility Franchise (Docket No. G6915/M-13-672).

Community Co-ops of Lake Park's Petition for Exemption for Small Gas Utility Franchise (Docket No. G6956/M-15-856).

United Natural Gas LLC's Petition for Exemption for Small Gas Utility Franchise (Docket No. G6960/M-16-214).

Dooley's Natural Gas II LLC's Petition for Approval of a Small Gas Utility Franchise (Docket No. G6915/M-16-756).

Lake Region Energy Services Petition for Approval of a Small Gas Utility Franchise (Docket No. G6977/M-17-186).

The Department recommends that the Commission approve the 2019 compliance filings for the above five dockets. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE LUSTI  
Financial Analyst  
/ar

/s/JOHN KUNDERT  
Financial Analyst



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket Nos.

G6915/M-13-672, G6956/M-15-856,

G6960/M-16-214, G6915/M-16-756

G6977/M-17-186

#### I. RECENT PROCEDURAL HISTORY

On July 5, 2019 the Minnesota Public Utilities Commission (Commission) issued a notice of comment period (Notice) relevant to these five proceedings. The Notice asked: “Should the Commission accept the compliance filings submitted by Community Co-Ops of Lake Park, United Natural Gas, LLC, Lake Region Energy Services Inc., Dooley’s Natural Gas LLC and Dooley’s Natural Gas II, LLC?”

The Notice identified two topics for comments:

- Have the small gas utilities complied with the Commission’s November 9, 2018 Order?
- Are there any other issues or concerns related to this matter?

In its November 9, 2018 ORDER DETERMINING COMPLIANCE WITH COMMISSION ORDERS AND ESTABLISHING FILING REQUIREMENTS (Order), the Commission standardized the annual reporting requirements for the five small gas utilities covered by this Order and required them to file a report on May 1, 2019 providing:

- A. Updated customer counts, plus a statement that the utility does not discriminate between in-muni/out-muni customers, and if it does, why;
- B. Any municipality-approved rate changes that occurred in the prior year and when these changes went into effect. All small gas utilities must comply with Minn. Stat. § 216B.16, subp. 12 (b), which states “The public utility shall file with the commission and the department all initial and subsequent changes in rates, tariffs, and contracts for service outside the municipality at least 30 days in advance of implementation.

- C. All changes to its tariff book in redlined and final revised tariff form;
- D. A copy of its cold weather disconnection notice sent to the customers, including how the notice was communicated and date communicated (Minn. Stat. § 216B.096, Minnesota's Cold Weather Rule);
- E. A copy of any utility disconnection reports served to any of the municipalities as required by Minn. Stat. § 216B.0976 – Minnesota's Notice to Cities of Utility Disconnection;
- F. A copy of its notice sent to customers who are in arrears, pursuant to the utility's obligation under Minn. Stat. § 216B.098 – Minnesota's Residential Customer Protections, along with any policy not clearly identified in the tariffs regarding budget billing plans, payment arrangements, and under-charge repayment.

Four of the five companies filed their annual compliance reports on or before the Commission's May 1 deadline. Lake Region Energy Services filed its annual compliance report on May 6, 2019.

## **II. DEPARTMENT ANALYSIS**

The Department reviewed the Companies' 2019 compliance filings to determine if they were consistent with the requirements contained in the Commission's Order. The Department organized these comments by docket number using a standardized checklist.

A. *COMPLIANCE FILINGS*

1. *DOOLEY'S NATURAL GAS LLC (DOCKET NO. G6915/M-13-672)*

Table 1 summarizes Dooley's Natural Gas LLC 2019 compliance filing and ensuing communications.

**Table 1 – Dooley's Natural Gas LLC Compliance Filing Checklist**

<b>Requirement</b>	<b>Information Included</b>	<b>Notes/Comments</b>
Customer Count	Yes	Summary information only. Also included statement that no municipality has more than 650 customers.
Non-discrimination statement or explanation	Yes	Company supplemented in an email.
List of municipality approve rate changes	Yes	No rate changes.
List of municipality approve tariff changes	Yes	No tariff changes.
Copy of Cold Weather disconnection notice	Yes	
Date and delivery method for Cold Weather disconnection notice	Yes	Company supplemented in an email
Copies of any utility disconnection reports served to any of the municipalities required by statute	Not in initial filing	Company provided generic copies of disconnection notices sent to customers. Identified by email the number of customers disconnected.
Copy of customer arrearage forms	Yes	
Copy of any policy not included in tariff related to budget billing plans, payment arrangements and under-charge repayment	Not in initial filing	Company supplemented in an email.

The Department concludes that Dooley's Natural Gas LLC has now complied with the Order's requirements for Docket No. G6915/M-13-672.

2. *COMMUNITY CO-OPS OF LAKE PARK, DOCKET NO. G6956/M-15-856*

Table 2 summarizes Community Co-Ops of Lake Park’s 2019 compliance filing.

**Table 2 – Community Co-Op of Lake Park’s Compliance Filing Checklist**

<b>Requirement</b>	<b>Information Included</b>	<b>Notes/Comments</b>
Customer Count	Yes	Summary information only.
Non-discrimination statement or explanation	Yes	
List of municipality approve rate changes	Yes	No rate changes.
List of municipality approve tariff changes	Yes	No tariff changes.
Copy of Cold Weather disconnection notice	Yes	
Date and delivery method for Cold Weather disconnection notice	Yes	August 21, 2018, U.S. mail.
Copies of any utility disconnection reports served to any of the municipalities required by statute	Yes	Stated: “As per statute since none of the municipalities request notice of disconnection we currently are not sending any notices to them.”
Copy of customer past due/arrearage forms	Yes	
Copy of any policy not included in tariff related to budget billing plans, payment arrangements and under-charge repayment	Yes	

The Department concludes that Community Co-Ops of Lake Park complied with the Order’s requirements for Docket No.G6956/M-15-856.

3. UNITED NATURAL GAS LLC (DOCKET NO. G6960/M-16-214)

Table 3 summarizes United Natural Gas’s 2019 compliance filing.

**Table 3 – United Natural Gas’s Compliance Filing Checklist**

<b>Requirement</b>	<b>Information Included</b>	<b>Notes/Comments</b>
Customer Count	Yes	Customer information provided by class and by municipal/incidental jurisdiction.
Non-discrimination statement or explanation	Yes	
List of municipality approve rate changes	Yes	No approved rate changes.
List of municipality approve tariff changes	Yes	No approved tariff changes.
Copy of Cold Weather disconnection notice	Yes	
Date and delivery method for Cold Weather disconnection notice	Yes	October 2, 2018 by U.S. Mail
Copies of any utility disconnection reports served to any of the municipalities required by statute	Yes	United stated that it didn’t disconnect any customers in 2018 or 2019.
Copy of customer past due/arrearage forms	Yes	
Copy of any policy not included in tariff related to budget billing plans, payment arrangements and under-charge repayment	Yes	

The Department concludes that United Natural Gas complied with the Order’s requirements for Docket No. G6960/M-16-214.

*4. DOOLEY'S NATURAL GAS II LLC (DOCKET NO. G6915/M-16-756)*

Table 4 summarizes the Department's review of Dooley's Natural Gas LLC II 2019 compliance filing.

**Table 4 – Dooley's Natural Gas II LLC Compliance Filing Checklist**

<b>Requirement</b>	<b>Information Included</b>	<b>Notes/Comments</b>
Customer Count	Yes	Summary information only. Also included statement that no municipality has more than 650 customers.
Non-discrimination statement or explanation	No	Company supplemented in an email.
List of municipality approve rate changes	Yes	No approved rate changes.
List of municipality approve tariff changes	Yes	No approved tariff changes.
Copy of Cold Weather disconnection notice	Yes	
Date and delivery method for Cold Weather disconnection notice	No	Company supplemented in an email.
Copies of any utility disconnection reports served to any of the municipalities required by statute	Not in initial filing	Company provided generic copies of disconnection notices sent to customers. Supplemented in an email by identifying the number of customers disconnected.
Copy of customer arrearage forms	Yes	
Copy of any policy not included in tariff related to budget billing plans, payment arrangements and under-charge repayment	Not in initial filing	Company supplemented in an email.

The Department's review concludes that Dooley's Natural Gas II LLC has now complied with the Order's requirements for Docket G6915/M-16-756.

*5. LAKE REGION ENERGY SERVICES (DOCKET NO. G6977/M-17-186)*

Table 5 summarizes Lake Region Energy Services 2019 compliance filing.

**Table 5 – Lake Region Energy Services LLC Compliance Filing Checklist**

<b>Requirement</b>	<b>Information Included</b>	<b>Notes/Comments</b>
Customer Count	Yes	Customer by class information provided
Non-discrimination statement or explanation	Yes	
List of municipality approve rate changes	Yes	No approved rate changes.
List of municipality approve tariff changes	Yes	No approved tariff changes.
Copy of Cold Weather disconnection notice	Yes	
Date and delivery method for Cold Weather disconnection notice	Yes	LRES Fall Newsletter, no date and delivery method
Copies of any utility disconnection reports served to any of the municipalities required by statute	Yes	Stated: "LRES has provided no municipalities with disconnection reports pursuant to Minn. Stat. § 216B.0976. No municipality served by LRES has requested any such reports."
Copy of customer arrearage forms	Yes	
Copy of any policy not included in tariff related to budget billing plans, payment arrangements and under-charge repayment	No	

The Department appreciates LRES's efforts, as its 2019 compliance filing was very thorough. LRES included an updated tariff that it is in the process of implementing. The Department's understanding is that the Company will request approval from the appropriate municipalities of this revised tariff in the fall of 2019. LRES will make a separate filing to the Commission once the affected municipalities act on the tariff, consistent with the requirements of Minn. Stat. § 216B. subd. 12.



The Department concludes that Lake Region Energy Services complied with the Order's requirements for Docket No. G6977/M-17-186.

*B. OTHER TOPICS*

The Department notes that, based on information that all the affected natural gas utilities provided, the total number of customers served by all of the companies at the end of 2018 **[TRADE SECRET INFORMATION HAS BEN EXCISED]** compared to 2017. **TRADE SECRET** Attachment A summarizes this information.

**III. Recommendation**

The Department recommends that the Commission approve the 2019 compliance filings for these five dockets.

/ar

**Community Co-Ops of Lake Park (Docket No. G6956/M-15-856)**

Customer Class	Number of Customers		Nominal Change	Percentage Change
	2017	2018		
Total	699	794	95	13.6%

**Dooley's I LLC & Dooley's II LLC (Docket Nos. G6915/M-13-672 and G6915/M-16-756)**

Customer Class	2017	2018	Nominal Change	Percentage Change
Residential				
Commercial				
Industrial				
Ag Heating				
Ag Drying				
Total				

[TRADE SECRET DATA HAS BEEN EXCISED]

**Lake Region Energy Services (Docket No. G6977/M-17-186)**

Customer Class	2017	2018	Nominal Change	Percentage Change
Residential	126	457	331	262.7%
Small Commercial	14	16	2	14.3%
Large Commercial	1	4	3	300.0%
Ag Heating & Drying	6	10	4	66.7%
Interruptible	9	10	1	11.1%
Small Volume Transport	0	0	0	Not Applicable
Sub-total	156	497	341	218.6%

**United Natural Gas (Docket No. G6960/M-16-214)**

Municipal Customers	2017	2018	Nominal Change	Percentage Change
Residential	298	302	4	1.3%
Small Commercial	36	38	2	5.6%
Large Commercial	12	9	(3)	-25.0%
Interruptible	1	1	0	0.0%
Sub-total	347	350	3	0.9%

  

Incidental Customers	2017	2018	Nominal Change	Percentage Change
Residential	72	96	24	33.3%
Small Commercial	7	6	(1)	-14.3%
Large Commercial	25	32	7	28.0%
Interruptible	19	18	(1)	-5.3%
Sub-total	123	152	29	23.6%

  

Total # of Customers	2017	2018	Nominal Change	Percentage Change
Residential	370	398	28	7.6%
Small Commercial	43	44	1	2.3%
Large Commercial	37	41	4	10.8%
Interruptible	20	19	(1)	-5.0%
Total	470	502	32	6.8%

**Total**

Customer Class	Number of Customers		Nominal Change	Percentage Change
	2017	2018		
Residential				
Commercial/Industrial				
Interruptible				
Other				
Total				

[TRADE SECRET DATA HAS BEEN EXCISED]

## **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  
Public Comments**

**Docket No. G6915/M-13-672, G6956/M-15-856, G6960/M-16-214, G6915/M-16-756, and G6977/M-17-186**

Dated this **9<sup>th</sup>** day of **August 2019**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_13-672_M-13-672
Randy	Dooley	rdooley@dooleypetro.com	Dooley's Natural Gas LLC	PO Box 100  Murdock, MN 56271	Electronic Service	No	OFF_SL_13-672_M-13-672
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_13-672_M-13-672
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-672_M-13-672
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_13-672_M-13-672
Steve	Sarvi	rushford@acegroup.cc	Rushford Electric Dept.	PO Box 430  Rushford, MN 55971	Electronic Service	No	OFF_SL_13-672_M-13-672
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	200 S 6th St Ste 470  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_13-672_M-13-672
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_13-672_M-13-672

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Blomseth	davidb@communitycoops.com	Community Co-ops of Lake Park	PO Box 329 14583 Hwy 10 W Lake Park, MN 56554	Electronic Service	No	OFF_SL_15-856_M-15-856
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_15-856_M-15-856
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_15-856_M-15-856
Jessica	Halvorson	jhalvor@arvig.net	Wambach & Hanson Law Office, P.C.	PO Box 340  Mahnomen, MN 56557	Electronic Service	No	OFF_SL_15-856_M-15-856
Elroy E.	Hanson	ehanson@arvig.net	Wambach & Hanson Law Office PC	304 N Main St PO Box 340 Mahnomen, MN 56557	Electronic Service	No	OFF_SL_15-856_M-15-856
Bruce	Nelson	tbnelson@loretel.net	Community Co-ops of Lake Park	PO Box 329 14583 Hwy 10 W Lake Park, MN 56554	Electronic Service	No	OFF_SL_15-856_M-15-856
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_15-856_M-15-856
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-856_M-15-856

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_16-214_Official
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_16-214_Official
Gregory	Hauptert	ghauptert@parthenonagency.com	Sobalvarro & Hauptert	11 7th Ave. N., Suite 100  St. Cloud, Minnesota 56303	Electronic Service	No	OFF_SL_16-214_Official
Robert	Larsen	robert.larsen@lowersioux.com	Lower Sioux Indian Community	PO Box 308 39527 Reservation Highway 1 Morton, MN 56270	Electronic Service	No	OFF_SL_16-214_Official
Douglas	Lund	doug.lund@ufcmn.com	United Natural Gas, LLC	705 E. 4th Street PO Box 461 Winthrop, MN 55396	Electronic Service	No	OFF_SL_16-214_Official
Brian	Pendleton	N/A		PO Box 308 39527 Reservatio Hwy 1 Morton, MN 56270	Paper Service	No	OFF_SL_16-214_Official
Al	Poehler	ctclerk@comcast.net	City of Courtland	300 Railroad St  Courtland, MN 56021	Electronic Service	No	OFF_SL_16-214_Official
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_16-214_Official
Darren	Saffert	lafcityclerk@gmail.com	City of Lafayette	700 Ninth St PO BOX 375 Lafayette, MN 56054	Electronic Service	No	OFF_SL_16-214_Official
Lenor	Scheffler Blaeser	Lenor.scheffler@lowersioux.com	Lower Sioux Indian Community	PO Box 308 39527 Reservation Highway 1 Morton, MN 56270	Electronic Service	No	OFF_SL_16-214_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James	Stenson		Nicollet County	501 South Minnesota Avenue  St. Peter, MN 56082	Paper Service	No	OFF_SL_16-214_Official
Teresa	Wenninger	teresa.wenninger@ufcmn.com	United Farmers Cooperative	PO Box 461  Winthrop, MN 55396	Electronic Service	No	OFF_SL_16-214_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 55102147	Electronic Service	Yes	OFF_SL_16-214_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_16-756_M-16-756
Randy	Dooley	rdooley@dooleypetro.com	Dooley's Natural Gas LLC	PO Box 100  Murdock, MN 56271	Electronic Service	No	OFF_SL_16-756_M-16-756
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_16-756_M-16-756
Brian	Meloy	brian.meloy@stinson.com	STINSON LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_16-756_M-16-756
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_16-756_M-16-756
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_16-756_M-16-756



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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-186_M-17-186
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_17-186_M-17-186
Ryan D	Fullerton	r.fullerton@pemlaw.com	Pemberton, Sorlie, Rufer & Kershner	110 North Mill St  Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_17-186_M-17-186
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_17-186_M-17-186
Tim	Thompson	tthompson@lrec.coop	Lake Region Electric Cooperative	PO Box 643 1401 South Broadway Pelican Rapids, MN 56572	Electronic Service	No	OFF_SL_17-186_M-17-186
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_17-186_M-17-186