

May 1, 2019

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101

RE: Lake Region Energy Services, Inc.
Petition for Small Gas Utility Franchise Exemption
Docket No. G6977/M-17-186
Petition Filing Date: March 6, 2017

**COMPLIANCE FILING
ANNUAL COMPLIANCE REPORT (2019)**

Dear Mr. Wolf and the Minnesota Public Utilities Commission:

Lake Region Energy Services, Inc. (“LRES”) submitted a Petition for Exemption for Small Gas Utility on March 6, 2017 (the “Petition”). The Commission issued its Order dated July 28, 2017, granting the requests of LRES set forth in the Petition. The Commission subsequently set forth a uniform set of annual compliance filing requirements in its Order dated November 9, 2018.

Contained within that Order was a requirement that LRES provide the following information on an annual basis:

1. Updated customer counts.
2. A statement that LRES does not discriminate between customers within and outside the municipalities served by LRES or, if LRES does set separate rates, the rationale for those separate rates.
3. Any municipality-approved rate changes that occurred in the prior year and when these changes went into effect.
4. All rate book changes in redlined and final revised rate book form.

5. A copy of the cold weather disconnection notice sent to customers, including how the notice was communicated and the date it was communicated.
6. A copy of any utility disconnection reports served to any of the municipalities as required by Minn. Stat. § 216B.0976.
7. A copy of the notice form sent to customers who are in arrears pursuant to the utility's obligation under Minn. Stat. § 216B.098.

This filing, and the exhibits attached hereto, are collectively intended to comply with the above-stated annual reporting obligation.

ANNUAL COMPLIANCE REPORT (2019)

1. Customer Counts By Customer Class

LRES submits the following customer count, which is current as of April 1, 2019:

Total Customers by Rate Class	Year End
Residential	457
Small Commercial	16
Large Commercial	4
Agricultural Heating & Drying	10
Interruptible	10
Small Volume Transport	0

2. Non-Discrimination Statement

LRES does not discriminate between customers within and outside of the municipalities it serves. The rates established by LRES differ between classes of customers (*i.e.*, residential, commercial, industrial, interruptible, and small volume transport) but are uniform within each customer class whether a customer is located within or outside a municipality.

3. Municipality-Approved Rate Changes Since Last Filing

LRES has not changed its rates since LRES's last compliance filing, made on March 1, 2018.

4. Changes to Rate Book

A current and final version of LRES's rate book is attached hereto as Attachment A. A redlined version is attached as Attachment B. This iteration of LRES's rate book was last approved as of February 21, 2019.

5. Cold-Weather Disconnection Notices

A true and correct copy of the form cold weather disconnection notice used by LRES is attached hereto as Attachment C. LRES sends this form to appropriate customers on the 26th day of each month, with payment due on the 10th day of the following month. Also included in Attachment C is a true and correct copy of the LRES fall newsletter, which includes notice of the cold-weather disconnection rule.

6. Municipality Disconnection Reports

LRES has provided no municipalities with disconnection reports pursuant to Minn. Stat. § 216B.0976. No municipality served by LRES has requested any such reports.

7. Arrearage Notice Form

A true and correct copy of the notice form sent to customers who are in arrears pursuant to the utility's obligation under Minn. Stat. § 216B.098 is attached hereto as Attachment D.

CONFIRMATION OF OBLIGATIONS

Also included in the PUC's July 28, 2017 Order was a reminder that LRES is obligated to comply with certain statutory and regulatory consumer protection requirements. At this time, LRES confirms its understanding of the following future filing requirements:

1. Report any subsequent changes in rates, tariffs, and contracts for services outside the Municipalities at least 30 days before implementation.
2. Notify the Commission should the customer base expand beyond the 5,000 customer threshold.
3. Comply with the DOC's Minnesota Natural Gas Utility Information Reporting (Minn. Rules 7610.0800-7610.0860).
4. Comply with Minn. Stat. § 216B.098 with respect to customer protections.
5. Comply with Minn. Stat. § 216B.0976 with respect to disconnections.

Should any questions or concerns arise following the submission of this Compliance filing, please do not hesitate to contact the undersigned.

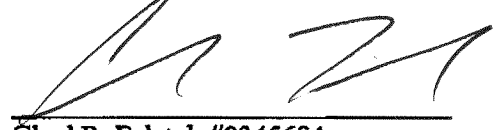
[Separate Signature Page Attached]

Dated: May 1, 2019



Tim Thompson, CEO
Lake Region Energy Services, Inc.
1401 South Broadway
Pelican Rapids, MN 56572

Respectfully submitted,



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Lake Region Energy Services, Inc.
Annual Compliance Filing

ATTACHMENT A

Final Rate Book
(As revised February 21, 2019)



Lake Region Energy Services Tariff Book

Rates / Services & Regulations

Revision History

Revision Number	Date	Nature of Revision	Approved by
0	01-2017	Origination	
1	08-23-2017	Amendment to add new territory	
2	02-21-2019	Slight revision of language for clarity	DH & LN

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Section 1: Contact Lists

The following lists the addresses, emergency contacts, and the responsible parties of Lake Region Energy Services.

Officers

President/CEO	Tim Thompson
Secretary/VP of Business Development	Dan Husted
Treasurer/CFO	Lloyd Nelson
VP Operations & Engineering	Al Fazio

Contacts

Main Office	Lake Region Energy Services 1401 S. Broadway Pelican Rapids, MN 56572 218-863-1171
Emergency Contact Manager	Lon Peterson Cell: 218-849-9026 Office: 844-645-1281
Systems Operations Specialist	Brady Roisum Cellular: 218-849-2247 Office: 218-863-1171

Section 2: List of areas served by Lake Region Energy Services

Lake Region Energy Services will supply gas service to the following cities and surrounding areas.

Cities	Townships
Deer Creek	Deer Creek
Parkers Prairie	Parkers Prairie
Miltona	Iman
Dent	Elmo
	Dead Lake
	Rush Lake
	Perham
	Edna
	Dora
	Star Lake
	Miltona
	Ida
	Leaf Valley
	Carlos

Section 3: Technical Terms and Abbreviations

Applicant

A person, firm, association, partnership, corporation, limited liability company, or other entity, and any agency or political subdivision of the federal, state, or local government requesting Lake Region Energy Services to supply gas service. A request for gas service is distinguished from an inquiry as to the availability of or charges for such service.

Customer

The person, firm, association, partnership, corporation, limited liability company, or other entity or any agency of the federal, state, or local government being supplied with gas service by Lake Region Energy Services in whose name service is rendered as evidenced by an application, contract, or agreement for service. In the absence of an application, contract, or agreement for service, the customer shall be the person receiving or paying bills issued in his/her or its name, regardless of the identity of the actual user of the service.

Gas Mains

Any pipe used or useable for the purpose of delivering and distributing gas to individual gas service lines or other gas mains.

Gas Main Extension

An extension of an existing gas main.

Gas Service Line

All pipe, valves, and fittings from and including the connection at the gas main up to the including the stopcock on the inlet side of the regulator or gas meter.

Gas Meter Set

All fittings, including regulator, meter and attachment bracket between the stopcock at the end of the gas service line and the connection to the customer's piping at the outlet of the meter.

Normal Gas Meter location

On the outside of the building to be served and on the face or within five feet of the corner of the building in closest proximity to the gas main to which the gas service pipe is to be attached.

Normal Gas Service Line

A gas service pipe installed in a straight line from the gas main to a normal gas meter location.

Notices

Unless otherwise specified, any notice from Lake Region Energy Services to a customer or from a customer to Lake Region Energy Services, may be oral or written.

A written notice from Lake Region Energy Services may either be delivered in person or via a nationally recognized delivery service (e.g., UPS) or mailed to the customer's last known address. A written notice from the customer may either be delivered or mailed to Lake Region Energy Services main office at 1401 S. Broadway PO Box 643, Pelican Rapids, MN 56572.

Person

An individual person, firm, association, partnership, corporation, limited liability company, or other entity, or any agency or political subdivision of the federal, state, or local government, or any applicant or customer as herein defined.

Premises

The structure or structures owned or occupied by a person including the lot or land upon which they are situated, and all other land owned or occupied by the persons contiguous thereto.

Regular Construction Season

The period beginning April 1 and ending October 31 of each year.

Commission or PUC

The Minnesota Public Utilities Commission

Date Issued

The date the rate schedule, contract, agreement, etc. is submitted to the municipality.

Municipality

Parkers Prairie, Deer Creek, Miliona, or Dent, MN

Standby Gas Service

Service continuously available through a permanent connection to provide gas for customer's use in case of failure of another regularly used source of energy.

Supplementary Gas Service

Service continuously available through a permanent connection to supplement or augment directly or indirectly on an intermittent basis another source of energy.

Emergency Gas Service

Service supplied through a temporary connection for customer's use when the usual source of energy has failed.

Residential Customer

A customer who uses gas for general household purposes in a space occupied as a living unit, such as a single private residence, single flat or apartment with less than five units, fraternity house, sorority or rooming house.

Commercial Customer

A customer who uses gas in the conduct of a business enterprise in space occupied and operated for commerce, such as stores, offices, shops, hotels, apartment hotels, multiple flats, or apartments with five or more units, wholesale houses, warehouses, garages, filling stations, greenhouses, turkey barns, agriculture, nurseries and kennels, schools, churches, hospitals, and other institutions of similar nature.

Agricultural Customer

A customer who uses gas primarily for heating large volume barns or for crop drying.

Industrial Customer

A customer who uses gas in a space dedicated to the production of articles of commerce through manufacturing, processing, refining, mining, or fabricating.

Contributions in Aid of Construction

Moneys deposited with Lake Region Energy Services by customers or applicants as non-refundable contributions to aid expansion of the distribution system, when Lake Region Energy Services determines that specific extensions of service are in excess of requirements allowed by this tariff without a contribution. Included are excess service charges, casing charges, and in some cases, excess main charges.

Advances for Construction

Moneys advanced to Lake Region Energy Services by customers or applicants as a refundable, non-interest-bearing advance for extension of the distribution system that are deemed not economically feasible or abnormal as determined by this tariff. These advances are refundable in full or part for only a specific period.

Therm

The billing unit used to determine the amount a customer pays for the natural gas they consume. A therm is a measurement of energy or heat equal to approximately 100,000 BTUs.

RATE SCHEDULES AND APPLICABLE PROVISIONS

Section 4: Lake Region Energy Services Gas Sales Service

Lake Region Energy Services Gas Sales Service

COST OF PURCHASED GAS:

This is the base price of gas per therm paid to suppliers to have gas delivered to our system. This cost is based on the following expenses:

	Firm	Interruptible
Cost of Gas	\$0.2949	\$0.2949
GMT Commodity Transmission Fee	\$0.0760	\$0.0760
Viking Commodity Charge	\$0.0045	\$0.0045
Viking Demand Charge	\$0.07460	none
Base Cost of Gas	\$0.4500	\$0.3754

The foregoing categories are used in determining the base cost of gas per therm, subject to occasional adjustment.

Section 5: Residential Sales Service

Availability

Residential Sales Service is available upon request to Residential Firm customers contingent on an adequate gas supply and distribution system capacity.

Rate

MONTHLY SERVICE CHARGE

\$10.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.6700	\$0.4500	\$1.12

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Minimum Monthly Bill

When no consumption occurs during the billing month, the service charge listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 6: Small Volume Commercial Sales Service

Availability

Small Volume Commercial Service is available to commercial customers whose annual usage is less than 2,500 therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for commercial service.

Rate

MONTHLY SERVICECHARGE
\$20.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.6200	\$0.4500	\$1.0700

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Minimum Monthly Bill

When no consumption occurs during the billing month, the monthly service charge listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 7: Large Volume Commercial and Industrial Sales Service

Availability

Large Volume Commercial and Industrial Sales Service is available to Commercial and Industrial firm customers whose annual usage is greater than 2,500 therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for commercial and industrial usage.

Rate

MONTHLY SERVICE CHARGE
\$45.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4700	\$0.4500	\$0.9200

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Minimum Monthly Bill

When no consumption occurs during the billing month, the monthly service charge listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 8: Agricultural Heating and Drying Sales Service

Availability

Agricultural Heating and Drying Sales Service is available for firm customers whose annual usage is greater than 5,000 therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for agricultural heating and drying usage.

Rate

MONTHLY SERVICE CHARGE

\$45.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4700	\$0.4500	\$0.9200

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Minimum Monthly Bill

When no consumption occurs during the billing month, the monthly service charge listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 9: Interruptible Sales Service

Availability

Interruptible Sales Service is available to commercial and industrial customers with requirements of 25 therms an hour or more and peak day requirements less than 2,000 therms, contingent on an adequate gas supply and distribution system capacity. This rate schedule shall apply to gas service consisting of a base level of firm gas volumes, supplemented by interruptible volumes.

Rate

MONTHLY SERVICE CHARGE

\$50.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4400	\$0.375400	\$0.8154

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Special Conditions Interruptible Volumes:

- 1) Customer must have and maintain adequate standby facilities and have available sufficient fuel supplies to maintain operations during periods of curtailment or agree to discontinue operations. Customer further agrees to curtail the use of gas on one (1) hour notice when requested by Lake Region Energy Services.
- 2) If a customer fails to discontinue use of gas within one hour of being requested to do so by Lake Region Energy Services, the customer will be deemed to have taken Unauthorized Gas. The penalty for unauthorized use of gas will be:
 - a. For the first occurrence of the gas year: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$1.00 per therm.
 - b. For subsequent occurrences: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$2.00 per therm.
 - i. For purposes of this provision, the gas year is the twelve-month period beginning November 1 each year.
 - c. Further, Lake Region Energy Services shall have the right to shut off customer's supply of gas in the event of failure to discontinue use after being requested to do so.

Special Conditions Interruptible

Customer may be required to install telemetry equipment. Customer is responsible for reimbursing Lake Region Energy Services for all incremental on-site plant investments, including telemetry equipment, required by Lake Region Energy Services for providing service to the customer. This investment shall remain the property of Lake Region Energy Services.

Due Date

The due date printed on customer bills will not be more than five days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 10: Small Volume Firm Transportation Service

Availability

Available to any firm customer whose annual requirements are more than 5,000 therms for the delivery of gas owned by the customer from a Lake Region Energy Services. Town border station(s) to a meter location on the customer's premise.

Rate

MONTHLY SERVICE CHARGE

\$150.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS DEMAND CHARGE
\$0.4500	\$0

- 1) Lake Region Energy Services may, at its option, take title to transportation gas, if necessary, to arrange interstate pipeline transportation to Lake Region Energy Services town border stations).
- 2) Customer will provide Lake Region Energy Services with a reasonable estimate of total monthly consumption at least five (5) working days prior to the end of the preceding month.
- 3) Customer is responsible for reimbursing Lake Region Energy Services for all incremental on-site plant investments, including telemetry equipment, required by Lake Region Energy Services for providing transportation services to the customer. This investment shall remain the property of Lake Region Energy Service.

Customer may choose to purchase firm transportation service under Lake Region Energy Services firm transportation (FT) rate as long as there will be no stranded costs for remaining firm service customers.

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psi, and a gas temperature of 60°F.

Nomination

Customer requesting changes to scheduled deliveries commencing at 9:00 a.m. central clock time (CCT), must directly advise Lake Region Energy Services by 9:00 a.m. CCT, on the preceding day (24 hours in advance), of the volumes to be delivered on its behalf from the town border station to the customer's premise. Lake Region Energy Services will utilize reasonable efforts to accommodate changes requested after the deadline.

Customer will provide Lake Region Energy Services with a concurrent copy of all nominations made to the transporting pipeline for deliveries nominated to Lake Region Energy Services's town border station(s).

Balancing

To maintain the operational integrity of Lake Region Energy Services's distribution system, the customer is responsible for:

- 1) Scheduling deliveries which accurately reflect customer's expected total daily consumption; and
- 2) Balancing deliveries to Lake Region Energy Services's system with volumes consumed at the delivery point

Daily Balancing

When daily volumes of natural gas delivered on behalf of customer to Lake Region Energy Services's town border station receipt points or natural gas received at customer's designated delivery point differ, above or below daily scheduled volumes, the customer is out-of-balance. It is the customer's sole responsibility to maintain balance between nominated volumes and actual use and the customer is responsible for any overrun penalties, balancing charges, and any out of balance penalties incurred from its transportation of gas by its pipeline suppliers.

Section 11: Standby Peaking Sales Service Rider

Availability

This rider applies to residential sales service customers and commercial and industrial sales service customers whose primary space heating energy is not natural gas and who require firm natural gas peaking service as a standby fuel during winter months. Customers receiving service under this rider are subject to all provisions of the residential sales service or commercial and industrial sales service tariffs, as applicable, except as noted.

Rates

Customers will be billed under the appropriate residential sales service or commercial and industrial sales service rate schedule. In addition, the following will apply:

Fixed Standby Monthly Charges

Residential Sales Service	\$5.00
Commercial Industrial Sales Service	\$9.00

Terms

Customers must enter into this rider for a minimum period of one (1) year.

Section 12: New Area Surcharge Rider (N/A)

(Reserved: Not Applicable at this time)

Section 13: Purchased Gas Adjustment Rider

Purchased Gas Adjustment (PGA)

When there is a change in the delivered base cost of gas purchased by Lake Region Energy Services that results in a billing rate change, there will be a purchased gas adjustment (PGA). This PGA will be added to or deducted from the monthly bill for all rate schedules. It shall be a product of the monthly consumption and the amount per therm to the nearest 0.001¢, by which the average annual purchased gas cost per therm at the new rate is more or less than the “base cost of gas”.

Cost of Gas by Component

- a) Commodity unit cost is defined as the system commodity related costs forecasted to be incurred during the next month for forecasted sales for the same month.
- b) GMT delivery fees is defined as the rate charged for transmission by GMT for transmission line delivery.
- c) Viking commodity and demand charge fees are defined as the commodity-based charge for sourcing and balancing the gas supply, the basis, transportation of the pipeline and the firm transport.
- d) Annual demand unit cost is defined as annual budgeted demand costs divided by annual budgeted demand sales volumes.

Annual Gas Cost Reconciliation:

For each twelve (12) month period ending June 30, an annual cost reconciliation by cost component will be determined based upon actual annual gas costs incurred by Lake Region Energy Services compared with annual gas costs recovered from volumes of gas sold. The annual cost recovered by cost component is the product of the total unit rate used in calculating the PGAs during the twelve (12) month period and the applicable gas sales volumes during the period when each of the total unit rates were in effect. The difference between actual cost and recovered cost for each component will be used in calculating a Gas Cost Reconciliation (GCR) factor for each rate schedule. The GCR factor will be applied to customers' billing on September 1 and will be in effect for a twelve (12) month period.

Refund Procedure:

Refunds and interest on the refunds that are received from the suppliers or transporters of purchased gas and attributable to the cost of gas previously sold, will be annually reconciled and refunded to the customers. Refunds will be allocated to customer classes in proportion to previously charged costs of purchased gas. Within classes, the refund amount per unit will be applied to bills on the basis of individual twelve (12) month usage.

Section 14: Statement of Purchased Gas Adjustments

Effective September 1, 2019, the rate schedules listed below will be changed as provided in the purchased gas Adjustment Rider.

RATE SCHEDULE PAGE	\$ PERTHERM		PGA EFFECTIVE
	PREVIOUS PGA EFFECTIVE	CURRENT ADJUSTMENT	
Residential Sales Service			
Small Volume Commercial			
Large Volume Commercial and Industrial			
Agricultural Heating and Drying			
Interruptible Sale Service			

Section 15: Franchise Fee Rider

Billing of Franchise Gross Earnings, Receipts or Revenue Tax, Excise Tax or Other Charges or Taxes, there shall be added to the customer's bill, an amount equal to any franchise gross earnings, excise or other charges or taxes now or hereafter imposed upon Lake Region Energy Services, whether imposed by ordinance, franchise or otherwise applicable to gas service supplied by Lake Region Energy Services to customer.

Lake Region Energy Services remits 100% of these fees collected from ratepayers to the local governmental unit. The company will notify the Minnesota Public Utilities Commission of any new, expired, or changed franchise fees, authorized by Minn. Stat. § 2168.36 to raise revenue, 60 days prior to its implementation. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise ordinance, or other operative document authorizing imposition of the fee.

Lake Region Energy Services will include the following language on the first bill of a customer on which a new or modified fee is listed:

The Municipality granted Lake Region Energy Services a franchise to operate within the city limits. The line item appears on your bill as "City Franchise Fee." Lake Region Energy Services remits 100% of this fee to the municipality.

Section 16: Credit Policy Rider

Applicability

Applicable to any customer who is reasonably expected to use more than 20,000 therms of natural gas in a twelve-month period. The reasonable expectation of usage shall be calculated based on historical consumption on the property, any increased or decreased heating and/or processing load and the customer's declared usage needs. Special conditions are listed below.

Method

1. Prior to providing gas service to new customers to whom the rider is applicable, or prior to continuing to provide gas service to existing customers to whom the rider is applicable, Lake Region Energy Services may request a credit report from an independent credit bureau. If an independent credit bureau report is not available, or if such report does not provide sufficient financial information, Lake Region Energy Services may ask the customer to provide their most recent financial information (e.g., income statement, balance sheet and cash flow statements).
2. In the case of existing customers, financial information may be requested on an annual basis for any customer expected to use more than 20,000 therms per year, or whenever:
 - a. the customer is planning a plant/facility expansion resulting in increased gas use of more than 20,000 therms per year;
 - b. there is a merger or acquisition with another party;
 - c. the customer is delinquent in paying their gas bill;
 - d. Lake Region Energy Services must upgrade its facilities to provide the customer with gas; or
 - e. there is evidence of other tangible economic or operational issues that may impact the customer's financial stability.
3. If Lake Region Energy Services determines that the customer's most recent financial information indicates objective reasons for concern that the customer may not be able to pay its bills, Lake Region Energy Services may require the customer to provide a credit enhancement.
 - a. The following are indications that a customer may not be able to pay its bills:
 - i. the customer has an unsatisfactory credit rating;
 - ii. the customer has an insufficient prior credit history upon which a credit rating may be based;
 - iii. the customer's audited financial reports indicate net losses from operations;
 - iv. the customer's audited financial reports indicate negative cash flow from operations;
 - v. the customer's audited financial reports indicate current liabilities that exceed their current assets;
 - vi. the customer's audited financial reports indicate deficit retained earnings;
 - vii. the customer has substantial unresolved claims against the company (i.e., lawsuits, guarantees of another's indebtedness, environmental issues);
 - viii. the customer's auditors' opinion discloses that there is doubt about the company's ability to continue as a going concern;
 - ix. the customers have bond ratings below "investment grade"; or
 - x. the customer is uninsurable or under-insurable.
4. Acceptable "credit enhancements" that Lake Region Energy Services may require to assure payment of bills include
 - a. A guarantee of payment by a third party with a financial condition acceptable to Lake Region Energy Services.
 - b. A deposit equal to 2 months' gas usage and, if the customer is a new customer or Lake Region Energy Services is incurring costs to upgrade its system to serve an existing customer, the amount of any capital incurred to serve the customer. For new customers or customers that are expected to increase their usage, the deposit calculation will be based on reasonable projections, any increased or decreased heating and processing load and the customer's intended usage.

- c. A surety bond or irrevocable letter of credit equal to 2 months' gas usage and, if the customer is a new customer or Lake Region Energy is incurring costs to upgrade its system to serve an existing customer, the amount of any capital incurred to serve the customer.
 - d. An agreement that the customer will be billed and will remit payment on a weekly basis.
 - e. An agreement, if applicable, that the customer will procure gas supplies from a third party and utilize Lake Region Energy only as a transport service to deliver the gas to its facility.
5. If Lake Region Energy Services does require a "credit enhancement," it may request financial information (either an independent credit report or financial information from the customer) on a monthly or quarterly basis to assess any changes in the customer's financial condition. In any case, Lake Region Energy Services will review the customer's financial condition at least annually.
- a. If the financial condition has improved, Lake Region Energy Services will refund any or all of the deposit required or reduce the amount of any bond or irrevocable letter of credit or otherwise reduce or remove the credit enhancement requirement.
 - b. If the customer does not agree to the required credit enhancement or becomes more than 30 days delinquent, Lake Region Energy Services may refuse to serve the customer (if a new customer) or initiate the disconnection of gas service process immediately (if an existing customer) unless the customer makes credit arrangements or provides other credit enhancements acceptable to Lake Region Energy Services prior to initiating the disconnection of gas service, Lake Region Energy Services will notify the customer of the disconnection action by phone and/or e-mail.

Special Conditions

- 1. All provisions of the rate schedule under which a customer currently takes service apply unless otherwise changed by this rider.
- 2. Deposits are not automatically used to cover an overdue bill.

Section 17: General Information

This tariff filed as part of the Lake Region Energy Services Rates and Services Regulations Book are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by Lake Region Energy Services, to set forth the terms and conditions under which gas service will be supplied and to govern all classes of service to the extent applicable, and are made a part of all agreements for the supply of gas service unless specifically modified in a particular rate schedule.

Lake Region Energy Services shall furnish service under this tariff and its rate schedules. Copies of this Rates and Services Regulations Book are available for inspection at the Lake Region Energy Services offices.

No representative of Lake Region Energy Services has authority to modify any provision contained in this Rate Book or to bind Lake Region Energy Services by any contrary promise or representation.

Section 18: Application for Gas Service

Application

Application for new gas service or turn on of existing gas service may be made by the owner, occupant or agent in control of the property, in person at Lake Region Energy Services's business offices, by telephone, by fax, online, or by mail. Application for service must be made and accepted by Lake Region Energy Services prior to the commencement of Lake Region Energy Services service.

Rejection of Application

Lake Region Energy Services may refuse applications for new gas service or turn on of existing gas service upon reasonable grounds. The following situations would qualify as reasonable grounds:

- 1) service is not economically feasible;
- 2) service to a new applicant might affect the supply of gas to other customers;
- 3) failure of customer to agree to comply with rules and regulations;
- 4) improper use of gas service or equipment; and
- 5) Lake Region Energy Services and/or its pipeline supplier are unable to provide the necessary gas supply.

Duration

Lake Region Energy Services will supply gas service to a customer until notified by the customer to discontinue service. The customer will be responsible for payment of all service provided to the date of the discontinuance. All service is subject to the rates, rules and regulations stated in Lake Region Energy Services tariff.

Authorized Connection of Qualifying Customer

New or existing customers that want to install gas equipment shall obtain such permits as may be required by appropriate municipality to install that piece of equipment. Lake Region Energy Services shall obtain permits necessary for all existing or prospective customers seeking an increased or new supply of natural gas from the appropriate authorities, including but not limited to the municipality, county, state, Department of Natural Resources or the highway department; permit costs will be reimbursed by the customer to Lake Region Energy Services.

When gas supplies are adequate and where the gas distribution system has sufficient capacity to provide the gas service requested without jeopardizing gas supply to the area being served by the existing gas distribution system, Lake Region Energy Services will authorize connection of customers who qualify under this tariff. If an application for gas service is denied by Lake Region Energy Services, it will be held for subsequent approval if gas supply conditions warrant.

Standby, Supplementary and Emergency Gas Service

Standby, supplementary and emergency gas service is available only by special arrangement and under specific individualized contracts.

Section 19: Gas Mains

Lake Region Energy Services will install mains under the following guidelines and conditions:

Gas Main Design and Ownership

Lake Region Energy Services will determine the location, size, and type of all gas mains, and the method and manner of installation.

All gas mains are the property of Lake Region Energy Services. No building, structure or slab shall be constructed over a gas main without Lake Region Energy Services prior written consent.

Location of Gas Mains

Gas mains will normally be installed in streets or alleys which have been dedicated as a public way, or in dedicated utility easements, all of which will be graded to within six (6) inches, if required, of a permanent established elevation.

Gas mains will not be installed on private property unless Lake Region Energy Services deems it necessary and desirable to do so and all necessary easements are obtained.

Permits

All permits, or blanket approvals, as may be required, must be issued to Lake Region Energy Services prior to installation of gas mains.

Economic Feasibility

Lake Region Energy Services will apply the general principle that the rendering of gas service to the applicant shall be economically feasible so that the cost of extending such service will not have an undue burden on other customers. In determining whether the expenditure for gas service is economically feasible, Lake Region Energy Services shall take into consideration the total cost of serving the applicant and the expected revenue from the applicant.

Once Lake Region Energy Services waives any additional customer charges for main and service extensions, Lake Region Energy Services cannot at any point recover those charges from ratepayers.

General Rules and Regulations Applicable to Firm Service Extensions

- A. Subject to the availability of gas supply and upstream pipeline transportation and the ability to install facilities in compliance with the pipeline safety regulations; the company will extend its gas mains and services to an applicant where such extensions meet the main extension criteria listed below. When such conditions are not met, an extension may be constructed if applicant makes an appropriate advance payment to the Lake Region Energy Services:
 1. When water and sewer service by a municipal or regional water authority have been or will be installed within the next twelve (12) months in the right-of-way serving potential customers.
 2. When economic feasibility, including future growth expectations and commercial and industrial loads provide projected annual gross margins (revenue - cost of gas) equal to or greater than 18% of the company's projected project costs. A gas service agreement specifying minimum use may be used to assure economic feasibility based on projected annual gross margin.
 3. When system capacity upgrades dictate installation of new mains to meet the capacity needs, where customer additions are secondary to the increased system capacity.
- B. In situations where customer contributions are required, each customer will be required to pay a contribution such that gross margins are projected to be 18% of estimated project costs after excluding costs equal to the customer's contribution in aide of construction.

Expense of Installation - Gas Mains

If, in the opinion of Lake Region Energy Services, gas service is not now, nor ever will be, economically feasible, Lake Region Energy Services will make an estimate of the cost of the project. The extension may be made only if the applicant pays a non-refundable contribution-in-aid-of-construction to Lake Region Energy Services for the portion of the capital expenditure and annual operating costs not justified by the annual revenue.

Lake Region Energy Services may install gas mains, without charge, to service residential, commercial or industrial users where it deems the anticipated revenue is sufficient to warrant such installation or in other cases where Lake Region Energy Services determines the conditions justify such installation.

Lake Region Energy Services may in its discretion install gas mains without charge to areas where water and sanitary sewer mains are in place.

When the gas main line is installed between November 1 and April 1, inclusive, work may be subject to a fixed winter construction charge. Winter construction generally occurs because the requirements set forth by Lake Region Energy Services to complete installation during normal construction were not met or because the customer's property, or the streets leading thereto, are not ready to receive the pipe. Lake Region Energy Services will not undertake winter construction where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season.

Advance for Construction Requirements

If the installation of a gas main is expected to be supported by future annual revenues, Lake Region Energy Services shall require the applicant to make a refundable cash advance or provide a letter of credit for construction of main extension from the gas main in excess of the 100 feet measured from the property line or 105 feet from the center of the publicly dedicated roadway, alley or public or private utility easement, whichever is greater. Gas main allowance per customer in a permanent structure using gas for primary space heating or other use is calculated at \$5.00 per foot for each foot of gas main in excess of the allowance. The advance must be received before construction begins.

Section 20: Gas Service Lines

Gas Service Line Design

Lake Region Energy Services will determine the location, size, and type of all gas service lines, the method and manner of installation, and their connection with the gas main and the customer's gas piping.

Ownership

All gas service lines are the property of Lake Region Energy Services.

Regular Use of Gas

The building to which the gas service pipe is installed must be permanent in nature and not a temporary or portable building. Lake Region Energy Services holds the sole right to determine whether a facility meets the stated qualifications before providing gas service. In making this determination, Lake Region Energy Services may consider the use for which the building is intended, the type of construction, the location of the building, the size of the building, the absence or presence of other utility services to the building, including water and sanitary sewer service and any other criteria it deems relevant.

Gas Service Line Installations

Gas service lines shall be constructed or installed only by Lake Region Energy Services or its authorized agents. No building, structure or slab shall be constructed over a gas service line without Lake Region Energy Services's prior written consent.

Lake Region Energy Services has the right to recover the costs of relocating services if the customer has impaired Lake Region Energy Services access to the service line.

A gas service line will not be installed through one person's private property in order to serve a premise located beyond unless Lake Region Energy Services deems it necessary and desirable to do so and all necessary easements are obtained without cost to Lake Region Energy Services. Gas service lines will not be extended beyond the outlet side of the gas meter.

Lake Region Energy Services will not install more than one gas service line to the same premise unless Lake Region Energy Services finds that an additional gas service line is the most practical way to serve the applicant for gas service or an applicant requests an additional gas service line, and in the opinion of Lake Region Energy Services, an unreasonable burden would be placed on the applicant if an additional gas service line were denied. When an additional gas service line is installed at the applicant's request, the applicant may be required to pay the cost incurred by Lake Region Energy Services in making the installation. Gas provided by each gas service line shall be billed as a separate account.

When the gas main line is installed between November 1 and April 1, inclusive, work may be subject to a fixed winter construction charge. Winter construction generally occurs because the requirements set forth by Lake Region Energy Services to complete installation during normal construction were not met or because the customer's property, or the streets leading thereto, are not ready to receive the pipe. Lake Region Energy Services will not undertake winter construction where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season.

Gas Service Line to Curb

Lake Region Energy Services may install gas service connections to the curb under the following conditions:

1. The street is at final width and grade.
2. Sanitary sewer, water mains, and service connections to the abutting property are installed in the street.
3. Lake Region Energy Services gas main is located in the street.
4. The street is scheduled for permanent paving or resurfacing.
5. Lake Region Energy Services determines that gas service to abutting property owners will be requested within five (5) years from the permanent paving or resurfacing.

Maintenance and Responsibility

Lake Region Energy Services will maintain all gas service lines to provide an adequate and continuous supply of gas to the customer, but it will not be liable for a failure to deliver gas, wholly or in part, by any cause not reasonably within its control including but not limited to the following: fire, explosion, flood, strike, unavoidable accident, rupture of pipe from ground disturbances, federal, state, or municipal interference, failure to receive an adequate supply of gas at suitable pressure from its supplier, or acts of God. Lake Region Energy Services will not be liable for any loss of profits or other consequential damages resulting from the use of service or any interruption or disturbance of service.

Alterations Requested by Customer or Contractor

All renewals, changes, alterations, disconnections or relocations of gas service line for the convenience of the customer or at the request of a contractor will be made by Lake Region Energy Services at the customer's or contractor's expense. (See Section VI, Part 15.00 for charge details.) If the service line alteration will result in additional sales, Lake Region Energy Services will calculate the alteration charge with consideration of the estimated incremental revenues resulting from the change.

Notice to Lake Region Energy Services Before Alterations

When it becomes necessary to alter, change, renew, disconnect or relocate a gas service line because of changes in remodeling or removing a building, installation of other utilities, for the convenience of a customer, or at the request of a contractor, Lake Region Energy Services shall be notified in ample time so that it may properly protect and care for its facilities.

Economic Feasibility

Lake Region Energy Services may install gas service lines without charge to service applicants where the anticipated revenues are sufficient to warrant such installation or in other cases where Lake Region Energy Services determines the conditions justify such installations.

Expense of Installation

Lake Region Energy Services will furnish and install a gas service line of suitable capacity from its gas main to a normal meter location. This installation will be subject to reasonable construction schedules, availability of materials, reasonable notice by the applicant, and subject to the following qualifications:

1. Lake Region Energy Services will install a gas service line to serve a customer in a permanent structure using gas for primary space heating or other use without charge to the extent of 100 feet measured from the property line or 105 feet from the center of the publicly dedicated roadway, alley or public or private utility easement, whichever is greater.

If additional gas service line is required, Lake Region Energy Services may require the applicant to make a non-refundable contribution in aid of construction calculated at \$5.00 per foot of gas service line in excess of the allowance provided for above. If approved, the customer may pay the contribution in equal monthly installments over a period not to exceed thirty six (36) months.

2. If it is not practical to locate the gas meter in the normal meter location and it is necessary to locate the gas meter at an alternate meter location, the customer will pay for the added gas service pipe beyond the service line allowance provided above.

Section 21: Gas Meters

Ownership, Care, and Control

All gas meters, regulators, gas service lines, and all other apparatus installed by Lake Region Energy Services upon the customer's premises for the purpose of delivering gas to the customer are the property of Lake Region Energy Services and may only be detached, removed, repaired, or replaced by Lake Region Energy Services or its authorized agent.

The customer shall exercise reasonable care to prevent the gas meters, regulators, gas service lines and other apparatus of Lake Region Energy Services upon the premises from being damaged or destroyed and shall not interfere or tamper with the facilities. If any defect in this equipment is discovered, the customer shall notify Lake Region Energy Services immediately. Lake Region Energy Services has the right to remove any and all of its facilities installed on the customer's premises at the termination of service.

Selection of Gas Meter

Lake Region Energy Services has the right to specify the type, and size of the gas meter to be installed.

Location of Gas Meter

Lake Region Energy Services shall approve the location of all gas meters prior to installation. The customer shall provide a safe and accessible place for installation of the gas meter in accordance with all applicable codes. If the customer selects a meter location(s) or alters their property in such a manner that exposes Lake Region Energy Services metering equipment to vehicular traffic, the customer will be charged for required guard post meter protection.

Lake Region Energy Services may refuse to install a gas meter, including but not limited to the following reasons:

1. In a hazardous or unprotected location
2. In any location where surrounding conditions or elements may expose the gas meter to damage
3. At any location where the gas meter is inaccessible for inspection, reading, testing, maintenance, or removal.

Gas meters will normally be installed on the outside of the building to be served on the face or at the corner of the building in closest proximity to the gas main to which the gas service line is to be attached. In certain cases, Lake Region Energy Services may, at its discretion, install a gas meter at other locations. In such cases, the gas meter will be installed at the point nearest where the gas service line enters the building, when practical.

Cost of Meter Installation and Relocation

Initial installation of the gas meter will be made at Lake Region Energy Services expense. Relocation of the gas meter may be made by Lake Region Energy Services at the customer's request and expense. If the meter change is made in conjunction with a service line alteration which will result in additional sales, Lake Region Energy Services will calculate the meter relocation charge with consideration of the estimated incremental revenues resulting from the change.

Lake Region Energy Services Right to Remove a Gas Meter

Lake Region Energy Services reserves the right to remove a gas meter, and any and all of its other facilities installed on the customer's premises at any time when deemed necessary to protect such property from fraud, theft, damage, destruction, or in the event that the customer connects to another natural gas supplier, or in the event no gas usage has occurred at an unlocked meter for at least twelve (12) months. Written notice of property removal shall be given to a bypass or non-use customer by registered mail at least twenty (20) days prior to removal of property by Lake Region Energy Services. Failure by the customer to respond to the notice shall be deemed as consent to the removal.

Lake Region Energy Services Right to Test a Gas Meter

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.3900, Adjustment of Gas Bills.

Lake Region Energy Services reserves the right to remove and test all gas meters.

A customer may request a test of the gas meter for accuracy. Lake Region Energy Services shall attach a tag to the meter being removed for the test that shows the date the meter was removed, the customer's name and the address from which the meter was removed. If the meter is inaccurate, the customer's billing will be adjusted, or a refund issued.

Section 22: Customer Deposits

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.4100 - 7820.4700, Deposit and Guarantee Requirements.

Amount of Deposit

Lake Region Energy Services may require a new or an existing customer to make a cash deposit to Lake Region Energy Services as security for the payment for gas service. The cash deposit shall not exceed an amount equal to the applicant's estimated two (2) months' gross bill or an existing customer's highest bills for two (2) months. All deposits shall be in addition to payment of outstanding bill or a part of such bill as has been resolved to the satisfaction of Lake Region Energy Services, except where such bill has been discharged in bankruptcy.

Lake Region Energy Services may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to Lake Region Energy Services whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months but shall automatically terminate after the customer has closed and paid the customer's account with Lake Region Energy Services, or at the guarantor's request upon 60 days' written notice to Lake Region Energy Services. Upon termination of a guarantee contract or whenever Lake Region Energy Services deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in part 7820.2400. Lake Region Energy Services shall mail the guarantor copies of all disconnect notices sent to the customer whose account the grantor has guaranteed unless the guarantor waives such notice in writing.

Lake Region Energy Services does not require a deposit or guarantee of any customer or applicant who has established good credit with Lake Region Energy Services. The company will not require a deposit of any customer without explaining, in writing, why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return.

Lake Region Energy Services will issue a non-negotiable receipt for each cash deposit received and will provide means whereby a depositor may establish a claim if a receipt is unavailable. The conditions, if any, under which the deposit will be diminished upon return will be specified in or along with such receipt.

Interest on Deposit

Interest shall be paid on deposits in excess of \$100.00. The rate of interest will be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate will be rounded to the nearest tenth of one percent. By December 15 of each year, the Commissioner of Commerce will announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year, and the company will pay such rate of interest as determined from time to time. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. Lake Region Energy Services may, at its option, pay the interest at intervals it chooses, but at least annually, by direct payment or as a credit on bills.

The deposit shall be refunded to the customer after twelve (12) consecutive months of prompt payment of all utility bills. Lake Region Energy Services may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice, any deposit of a customer may be applied by Lake Region Energy Services to a bill when the bill has been determined to be delinquent. Upon termination of service, any remaining deposit with accrued interest shall be credited to the final bill and the balance shall be returned to the customer within forty-five (45) days.

Section 23: Access to Customer Premises

Lake Region Energy Services policy is consistent with Minnesota Rule 7820.3100, Uniform Access to Customer's Premises.

Uniform Access

All properly authorized agents of Lake Region Energy Services shall have the right of access to the premises and property of the customer if an emergency situation involving imminent danger to life or property appears to exist.

Identification

Each employee of Lake Region Energy Services authorized to enter or go upon the customer's premises or property is provided with an identification card by Lake Region Energy Services. The identification card is signed by an officer of Lake Region Energy Services and by the employee. A customer may require the holder of the identification card to identify himself/herself by reproducing his/her signature for comparison. Customers are urged to ask for the employee's identification whenever there is doubt as to the card holder's identity.

Section 24: Billing

Amount of Gas Used

Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the municipality. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practical to thirty (30) day intervals. When Lake Region Energy Services is unable to gain access to a meter, it shall leave a meter reading form for the customer.

Lake Region Energy Services may permit the customer to supply meter readings, providing a Lake Region Energy Services representative reads the meter at least once every twelve (12) months, when there is a change in customers or when requested by the customer.

Estimated Meter Readings

When access to a meter cannot be gained and the customer does not supply a meter reading in time for the billing operation, an estimated bill will be rendered. Estimated bills are based on the customer's normal consumption for a corresponding period.

Lake Region Energy Services will regularly schedule estimated monthly meter readings throughout the year, but not over four (4) times in any twelve (12) month period. Only in unusual cases will more than two (2) consecutive estimated bills be rendered, unless the customer fails to provide meter readings for an inaccessible meter.

Section 25: Payment of Bills

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. Scheduled billing dates will not be less than twenty-five (25) days apart.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Payment Agreements

Lake Region Energy Services shall offer payment agreements for the payment of arrears. Such payment agreements will consider the customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement.

The company shall also offer a payment agreement to customers who have been undercharged, but only if no culpable conduct by the customer or a resident of the customer's household caused the undercharge. A payment agreement for the payment of undercharges under this section will cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable by the company and the customer, except that the duration of a payment agreement offered by the company to a customer whose household income is at or below fifty percent (50%) of the state median household income must consider the financial circumstances of the customer's household. No interest or delinquency fee will be charged as part of an undercharge agreement. If a customer inquiry or complaint results in the Company's discovery of an undercharge, the Company may bill for undercharges incurred after the date of the inquiry or complaint only if the company began investigating the inquiry or complaint within a reasonable time after it was made.

Section 26: Discontinuance or Refusal of Gas Service

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.1000 - 7820.3000 on Disconnection of Service.

Refusal or Discontinuance of Gas Service for Non-Payment

1. Lake Region Energy Services, with notice, may refuse gas service under the following conditions:
 - a. To a customer who owes a past due and unpaid balance for utility service at a former address
 - b. To an applicant requesting service to be implemented at an address where the current resident, who has accumulated a past due and unpaid balance, continues to reside
 - c. To a customer who fails to meet the utility's deposit and credit requirements
 - d. To a customer who fails to make proper application for service
 - e. To a customer who fails to furnish such service, equipment, and/or rights- of-way necessary to serve the customer as shall have been specified by the utility as a condition of obtaining service

Medically Necessary Equipment

Lake Region Energy Services shall reconnect or continue service to a residential customer's residence where a medical emergency exists or where medical equipment requiring utility service furnished by Lake Region Energy Services is necessary to sustain life is in use. Lake Region Energy Services must receive written certification, or initial certification by telephone and written certification within 5 business days from a licensed medical doctor, licensed physician assistant, advanced practice registered nurse, or from a registered nurse (only to the extent of verifying the current diagnosis or prescriptions made by a licensed medical doctor for the customer or member of the customer's household) that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. The certification may not extend beyond six (6) months from the date of a written certificate unless Lake Region Energy Services determines that a longer certification is appropriate given a particular customer's circumstances. In these cases, the certification may be extended to a duration of up to twelve (12) months. The customer, whose account is in arrears, must contact and enter into a payment agreement with Lake Region Energy Services. The payment agreement must consider the financial circumstances and any extenuating circumstances of the customer and the household.

Section 27: Discontinuance or Refusal of Gas Service During Cold Weather

Lake Region Energy Services will, at all times, comply with the requirements of Minnesota's "Cold Weather Rule" as set forth in Minnesota Statute § 216B.096, which sets forth the terms and conditions pursuant to which Lake Region Energy Services can disconnect and must reconnect residential customers from October 15 through April 15 of each year.

Section 28: Responsibility of the Customer and Lake Region Energy Services

Customer Responsibility

It shall be the customer's financial responsibility to furnish, install, operate, and keep in a safe condition all gas piping and gas burning equipment located or installed beyond the gas meter.

A customer shall immediately notify Lake Region Energy Services of any suspected gas leaks or a faulty gas supply. The customer shall reimburse Lake Region Energy Services for any loss of or damage to Lake Region Energy Services's property located on the premises when such loss or damage is not caused by any act or omission on the part of Lake Region Energy Services.

Termination of Lake Region Energy Services Responsibility

Lake Region Energy Services responsibility for installation and maintenance of all gas piping and equipment shall terminate at the gas meter. Lake Region Energy Services shall not be liable for any loss, injury, or damage occasioned or caused by the negligence or wrongful act of the customer or any of his agents, employees, or licensees in installing, maintaining, using, operating, or interfering with any gas piping or gas burning equipment.

Any inspection of the customer's piping or equipment by Lake Region Energy Services shall not be construed to impose any liability upon Lake Region Energy Services to the customer, or to any other person by reason thereof. Lake Region Energy Services shall not be liable or responsible for any loss, injury, or damage which may result from the use of or defects in the customer's gas piping or gas burning equipment.

Section 29: Customer Service

General

The goal of Lake Region Energy Services customer service is to provide service necessary for the safety and welfare of our customers as it relates to the use of gas and gas appliances.

"No Surcharge" Service

Lake Region Energy Services will provide "no surcharge" service for all customers as follows:

1. Emergency service for the investigation of suspected leaks or other unsafe conditions in customers' or Lake Region Energy Services's property.
2. Maintenance of Lake Region Energy Services-owned equipment on customers' premises including meters, regulators, or service lines.
3. Turn-on of gas meters for new customers.

"Charge" Service

Lake Region Energy Services may provide service for adjustment, repair, installation, or maintenance of appliances on a direct customer charge basis where the installation and equipment are approved by applicable codes and regulations, and where the equipment is reasonably accessible to service personnel and provisions have been made so that the health and safety of the service person will not be in jeopardy.

Section 30: Customer Requested Utility Work

This section details the costs for utility work requested by customers to be performed by Lake Region Energy Services at a charge to the customer.

- Customer requested work requires a signed application form and payment prior to commencement of work.
- If the alteration will result in additional sales, Lake Region Energy Services will calculate the alteration charge with consideration of the estimated incremental revenues resulting from the change.
- Any other customer or contractor requested utility work that is not listed in the No Surcharge service section will be completed at the customer's or contractor's expense. The charge will be determined individually by Lake Region Energy Services based upon the estimated cost of time and material to be incurred, with a minimum charge of \$75.00.

Winter Construction

Between November 1 and April 1, inclusive, work may be subject to a winter construction charge. Winter construction generally occurs because of failure of customer to meet all requirements of Lake Region Energy Services to complete installation during normal construction or because the customer's property, or the streets leading thereto, were not ready to receive the service pipe or gas main by such date.

Winter conditions include when six (6) or more inches of frost, snow removal, or plowing is required to install service, or burner(s) must be set at the main or underground facilities in order to install for the entire length of service or gas main installed.

Winter construction will not be undertaken by Lake Region Energy Services where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season, including, but not limited to, roadway crossings prohibited by local permitting authorities or construction equipment limitations due to winter conditions.

Customer will be responsible for the actual cost incurred at the time of construction plus an additional 15% for administrative fees.

Lake Region Energy Services, Inc.
Annual Compliance Filing

ATTACHMENT B

Rate Book (Redlined)
(As revised February 21, 2019)



Lake Region Energy Services Tariff Book

Rates / Services & Regulations

Revision History

Revision Number	Date	Nature of Revision	Approved by
0	01-2017	Origination	
1	08-23-2017	Amendment to add new territory	

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Section 1: Contact Lists

The following lists the addresses, emergency contacts, and the responsible parties of Lake Region Energy Services, Inc.

Officers

President/CEO	Tim Thompson
Secretary/VP of Business Development	Dan Husted
Treasurer/CFO	Lloyd Nelson
VP Operations & Engineering	Al Fazio

Contacts

Main Office	Lake Region Energy Services, Inc. 1401 S. Broadway Pelican Rapids, MN 56572 218-863-1171
Emergency Contact Manager	Lloyd Nelson Cellular: 701-306-8761 Office: 218-863-1171
Systems Operations Specialist	Brady Roisum Cellular: 218-849-2247 Office: 218-863-1171

Section 2: List of areas served by Lake Region Energy Services, Inc.

Lake Region Energy Services will supply gas service to the following cities and surrounding areas.

Cities	Townships
Deer Creek	Deer Creek
Parkers Prairie	Parkers Prairie
Miltona	Iman
Dent	Elmo
	Dead Lake
	Rush Lake
	Perham
	Edna
	Dora
	Star Lake
	Miltona
	Ida
	Leaf Valley
	Carlos

Section 3: Technical Terms and Abbreviations

Applicant

A person, firm, association, partnership, corporation, limited liability company, or other entity, and any agency or political subdivision of the federal, state, or local government requesting Lake Region Energy Services to supply gas service. A request for gas service is distinguished from an inquiry as to the availability of or charges for such service.

Customer

The person, firm, association, partnership, corporation, limited liability company, or other entity or any agency of the federal, state, or local government being supplied with gas service by Lake Region Energy Services in whose name service is rendered as evidenced by an application, contract, or agreement for service. In the absence of an application, contract, or agreement for service, the customer shall be the person receiving or paying bills issued in his/her or its name, regardless of the identity of the actual user of the service.

Gas Mains

Any pipe used or useable for the purpose of delivering and distributing gas to individual gas service lines or other gas mains.

Gas Main Extension

An extension of an existing gas main.

Gas Service Line

All pipe, valves, and fittings from and including the connection at the gas main up to the including the stopcock on the inlet side of the regulator or gas meter.

Gas Meter Set

All fittings, including regulator, meter and attachment bracket between the stopcock at the end of the gas service line and the connection to the customer's piping at the outlet of the meter.

Normal Gas Meter Location

On the outside of the building to be served and on the face or within five feet of the corner of the building in closest proximity to the gas main to which the gas service pipe is to be attached.

Normal Gas Service Line

A gas service pipe installed in a straight line from the gas main to a normal gas meter location.

Notices

Unless otherwise specified, any notice from Lake Region Energy Services to a customer or from a customer to Lake Region Energy Services, may be oral or written.

A written notice from Lake Region Energy Services may either be delivered in person or via a nationally recognized delivery service (e.g., UPS) or mailed to the customer's last known address. A written notice from the customer may either be delivered or mailed to Lake Region Energy Services main office at 1401 S. Broadway [PO Box??](#), Pelican Rapids, MN 56572.

Person

An individual person, firm, association, partnership, corporation, limited liability company, or other entity, or any agency or political subdivision of the ~~Federal~~ federal, state, or local government, or any applicant or customer as herein defined.

Premises

The structure or structures owned or occupied by a person including the lot or land upon which they are situated and all other land owned or occupied by the persons contiguous thereto.

Regular Construction Season

The period beginning April 1 and ending October 31 of each year.

Commission or PUC

The Minnesota Public Utilities Commission

Date Issued

The date the rate schedule, contract, agreement, etc. is submitted to the [Municipality](#).

Municipality

Parkers Prairie, Deer Creek, Miliona, or Dent, MN

Standby Gas Service

Service continuously available through a permanent connection to provide gas for customer's use in case of failure of another regularly used source of energy.

Supplementary Gas Service

Service continuously available through a permanent connection to supplement or augment directly or indirectly on an intermittent basis another source of energy.

Emergency Gas Service

Service supplied through a temporary connection for customer's use when ~~his~~ usual source of energy has failed.

Residential Customer

A customer who uses gas for general household purposes in a space occupied as a living unit, such as a single private residence, single flat or apartment with less than five units, fraternity house, sorority or rooming house.

Commercial Customer

A customer who uses gas in the conduct of a business enterprise in space occupied and operated for commerce, such as stores, offices, shops, hotels, apartment hotels, multiple flats, or apartments with five or more units, wholesale houses, warehouses, garages, filling stations, greenhouses, turkey barns, agriculture, nurseries and kennels, schools, churches, hospitals, and other institutions of similar nature.

Industrial Customer

A customer who uses gas in a space dedicated to the production of articles of commerce through manufacturing, processing, refining, mining, or fabricating.

Contributions in Aid of Construction

Moneys deposited with Lake Region Energy Services by customers or applicants as non-refundable contributions to aid expansion of the distribution system, when Lake Region Energy Services determines that specific extensions of service are in excess of requirements allowed by ~~these Rules and Regulations~~ [this tariff](#) without a contribution. Included are excess service charges, casing charges, and in some cases, excess main charges.

Advances for Construction

Moneys advanced to Lake Region Energy Services by customers or applicants as a refundable, non-interest bearing advance for extension of the distribution system that are deemed not economically feasible or abnormal as determined by ~~these Rules and Regulations~~ [this tariff](#). These advances are refundable in full or part for only a specific period.

Therm

The billing unit used to determine the amount a customer pays for their natural gas ~~they~~ [consume](#) consumed. A ~~Therm~~ [therm](#) is a measurement of energy or heat equal to [approximately](#) 100,000 BTUs.

RATE SCHEDULES AND APPLICABLE PROVISIONS

Section 4: Lake Region Energy Services Gas Sales Service

Lake Region Energy Services Gas Sales Service

COST OF PURCHASED GAS:

This is the base price of gas per ~~Therm~~therm paid to suppliers to have gas delivered to our system. This cost is based on the following expenses, and the final price will be determined when system is operational

	Firm	Interruptible
Cost of Gas	\$0.2949	\$0.2949
GMT Commodity Transmission Fee	\$0.0760	\$0.0760
Viking Commodity Charge	\$0.0045	\$0.0045
Viking Demand Charge	\$0.07460	none
Base Cost of Gas	\$0.4500	\$0.3754

The foregoing categories are used in determining the base cost of gas per ~~Therm~~therm, subject to occasional adjustment ~~from time to time~~.

Section 5: Residential Sales Service

Rate Schedules: Residential Firm Rates

Availability

Residential Sales Service is available upon request to Residential Firm customers contingent on an adequate gas supply and distribution system capacity.

Rate

MONTHLY ~~BASIC CHARGE~~ SERVICE
\$10.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.6700	\$0.4500	\$1.12

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 ~~PSI~~ Apsi, and a gas temperature of 60°~~F-degrees~~ Fahrenheit.

Minimum Monthly Bill

When no consumption occurs during the billing month, the ~~service charge listed above will apply. Monthly Basic Charge of \$10.00 will apply.~~

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. ~~However, customers who pay by automatic bank draft may select a due date which is greater than five days before the next scheduled billing date.~~

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

“Delinquent amount” is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, “delinquent amount” is the lesser of the unpaid account balance or past due scheduled payments.

All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 6: Small Volume Commercial Sales Service

Commercial Firm Rates Small

Availability

Small Volume Commercial Service is available to commercial customers whose annual usage is less than 5,000 Therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for commercial service.

Rate

MONTHLY BASIC SERVICE CHARGE
 Annual Demand Usage Less than 5,000 Therms
 \$20.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.6200	\$0.4500	\$1.0700

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Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 PSIApsi, and a gas temperature of 60°F-degrees Fahrenheit.

Minimum Monthly Bill

When no consumption occurs during the billing month, the Monthly Basic Charge applicable as listed above will apply monthly service charge listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. However, customers who pay by automatic bank draft may select a due date which is greater than five days before the next scheduled billing date.

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less. "Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 7: Large Volume Commercial and Industrial Sales Service

Large Volume Commercial and Industrial Firm Rates Large

Availability

Large Volume Commercial and Industrial Sales Service is available to Commercial and Industrial firm customers whose annual usage is greater than 5,000 Therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for commercial and industrial usage.

Rate

MONTHLY BASIC SERVICE CHARGE
Annual Usage Greater than 5,000 Therms
\$45.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4700	\$0.4500	\$0.9200

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 PSIA, and a gas temperature of 60° F. degrees Fahrenheit

Minimum Monthly Bill

When no consumption occurs during the billing month, the Monthly Basic Charge applicable monthly service charge as listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. ~~However, customers who pay by automatic bank draft may select a due date which is greater than five days before the next scheduled billing date.~~

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

~~“Delinquent amount” is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, “delinquent amount” is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.~~

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 8: Agricultural Heating and Drying Sales Service

Agricultural Heating and Drying Firm Rates-Large

Availability

Agricultural Heating and Drying Sales Service is available for firm customers whose annual demands are greater than 5,000 Therms contingent on an adequate gas supply and distribution system capacity. Their gas usage is primarily for agricultural heating and drying usage.

Rate

MONTHLY BASIC SERVICE CHARGE
Annual Usage Greater than 5,000 Therms
\$45.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4700	\$0.4500	\$0.9200

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psiPSIA, and a gas temperature of 60°F-degrees-Fahrenheit.

Minimum Monthly Bill

When no consumption occurs during the billing month, the ~~Monthly Basic Charge applicable as monthly service charge~~ listed above will apply.

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. ~~However, customers who pay by automatic bank draft may select a due date which is greater than five days before the next scheduled billing date.~~

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

"Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 9: Interruptible Sales Service

Availability

Interruptible Sales Service is available to commercial and industrial customers with requirements of 25 Therms an hour or more and peak day requirements less than 2,000 Therms, contingent on an adequate gas supply and distribution system capacity. This rate schedule shall apply to gas service consisting of a base level of firm gas volumes, supplemented by interruptible volumes.

Rate

MONTHLY BASIC SERVICE CHARGE
Annual Usage Less than 15,000 Therms
\$50.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS PER THERM	TOTAL COST OF DELIVERED GAS
\$0.4400	\$0.375400	\$0.8154

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 psiPSIA, and a gas temperature of 60°Fdegrees Fahrenheit.

Special Conditions Interruptible Volumes:

- 1) Customer must have and maintain adequate standby facilities and have available sufficient fuel supplies to maintain operations during periods of curtailment or agree to discontinue operations. Customer further agrees to curtail the use of gas on one (1) hour's notice when notice when requested by Lake Region Energy Services.
- 2) If a customer fails to discontinue use of gas within one hour of being requested to do so by Lake Region Energy Services, the customer will be deemed to have taken Unauthorized Gas. The penalty for unauthorized use of gas will be:
 - a. For the first occurrence of the gas year: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$1.00 per Therm.
 - b. For subsequent occurrences: the prevailing delivery charge plus the highest incremental supply cost for the day plus \$2.00 per Therm.
 - i. For purposes of this provision, the gas year is the twelve-month period beginning November 1 each year.
 - c. Further, Lake Region Energy Services shall have the right to shut off customer's supply of gas in the event of failure to discontinue use after being requested to do so.

Special Conditions Interruptible

Customer may be required to install telemetry equipment. Customer is responsible for reimbursing Lake Region Energy Services for all incremental on-site plant investments, including telemetry equipment, required by Lake Region Energy Services for providing service to the customer. This investment shall remain the property of Lake Region Energy Services.

Due Date

The due date printed on customer bills will not be more than five days before the next scheduled billing date. ~~However, customers who pay by automatic bank draft may select a due date which is greater than five days before the next scheduled billing date.~~

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

~~“Delinquent amount”~~ is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, ~~“delinquent amount”~~ is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

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Franchise Fee

A franchise fee will be added to the monthly bill computed at this rate schedule for those communities that impose a franchise fee.

Purchased Gas Adjustment Rider

The above rates are subject to the Purchased Gas Adjustment Rider. Bills will be automatically increased or decreased as provided in the rate adjustment clause to reflect changes in the base cost of purchased gas and fuel for supplemental gas.

Section 10: Small Volume Firm Transportation Service

Availability

Available to any firm customer whose annual requirements are more than 5000 ~~Therms-therms~~ for the delivery of gas owned by the customer from a Lake Region Energy Services. Town ~~Border-border~~ ~~Stationstation~~(s) to a meter location on the customer's premise.

Rate

MONTHLY ~~BASIC-SERVICE~~CHARGE
Annual Usage Greater than 5,000 Therms
\$150.00

DELIVERY CHARGE PER THERM	BASE COST OF GAS DEMAND CHARGE
\$0.4500	\$0

- 1) Lake Region Energy Services may, at its option, take title to transportation gas, if necessary, to arrange interstate pipeline transportation to Lake Region Energy Services ~~tTown~~ ~~Border-border~~ ~~Stationstations~~(s).
- 2) Customer will provide Lake Region Energy Services with a reasonable estimate of total monthly consumption at least five (5) working days prior to the end of the preceding month.
- 3) Customer is responsible for reimbursing Lake Region Energy Services for all incremental on-site plant investments, including telemetry equipment, required by Lake Region Energy Services for providing transportation services to the customer. This investment shall remain the property of Lake Region Energy Service.

Customer may choose to purchase firm transportation service under Lake Region Energy Services firm transportation (FT) rates as long as there will be no stranded costs for remaining firm service customers.

Therm Factor Adjustment

Customer metered usage will be adjusted to reflect the following: 1,000 Btu per cubic foot, base pressure of 14.73 ~~PSIApsi~~, and a gas temperature of 60°~~F-degrees-Fahrenheit~~.

Nomination

Customer requesting changes to scheduled deliveries commencing at 9:00 a.m. central clock time (CCT), must directly advise Lake Region Energy Services by 9:00 a.m. CCT, on the preceding day (24 hours in advance), of the volumes to be delivered on its behalf from the ~~tTown~~ ~~bBorder~~ ~~sStation~~ to the customer's premise. Lake Region Energy Services will utilize reasonable efforts to accommodate changes requested after the deadline.

Customer will provide Lake Region Energy Services with a concurrent copy of all nominations made to the transporting pipeline for deliveries nominated to Lake Region Energy Services ~~s~~ ~~tTown~~ ~~bBorder~~ ~~sStation~~(s).

Balancing

To maintain the operational integrity of Lake Region Energy Services' s distribution system, the customer is responsible for:

- 1) Scheduling deliveries which accurately reflect customer's expected total daily consumption; and
- 2) Balancing deliveries to Lake Region Energy Services' s system with volumes consumed at the delivery point

Daily Balancing

When daily volumes of natural gas delivered on behalf of customer to Lake Region Energy Services' s Town border station receipt points or natural gas received at customer's designated delivery point differ, above or below daily scheduled volumes, the customer is out-of-balance. It is the customer's sole responsibility to maintain balance between nominated volumes and actual use and the customer is responsible for any overrun penalties, balancing charges, and any out of balance penalties incurred from its transportation of gas by its pipeline suppliers.

Section 11: Standby Peaking Sales Service Rider

Availability

This rider applies to Residential Sales Service customers and Commercial and Industrial Sales Service customers whose primary space heating energy is not natural gas and who require firm natural gas peaking service as a standby fuel during winter months. Customers receiving service under this rider are subject to all provisions of the Residential Sales Service or Commercial and Industrial Sales Service tariffs, as applicable, except as noted.

Rates

Customers will be billed under the appropriate Residential Sales Service or Commercial and Industrial Sales Service rate schedule. In addition, the following will apply:

RESIDENTIAL SALES SERVICE PER MONTH
COMMERCIAL INDUSTRIAL SALES SERVICE PER MONTH

Fixed standby charges	\$5.00
	\$9.00

Fixed Standby Monthly Charges

Residential Sales Service	\$5.00
Commercial Industrial Sales Service	\$9.00

Terms

Customers must enter into this Rider-rider for a minimum period of one (1) year.

Section 12: New Area Surcharge Rider (N/A)

(Reserved: Not Applicable at this time)

Section 13: Purchased Gas Adjustment Rider

Purchased Gas Adjustment (PGA)

~~In the event there is a change in the delivered base cost of gas purchased that will result in a billing rate change to the gas to be sold under Lake Region Energy Services gas service rate schedules, there shall be added to or deducted from the monthly bill computed there under the product of the monthly consumption and the amount per Therm to the nearest 0.001 ¢ by which the average annual purchased gas cost per Therm at the new rate is more or less than the "base gas cost" which is the cost of purchased gas established in Lake Region Energy Services latest company rate filing by rate class, expressed as a cost per Therm.~~

When there is a change in the delivered base cost of gas purchased by Lake Region Energy Services that results in a billing rate change, there will be a purchased gas adjustment (PGA). This PGA will be added to or deducted from the monthly bill for all rate schedules. It shall be a product of the monthly consumption and the amount per therm to the nearest 0.001 ¢.

Cost of Gas by Component

- a) ~~Commodity U~~ Unit cCost is defined as the system commodity related costs forecasted to be incurred during the next month for forecasted sales for the same month.
- b) ~~GMT d~~ Delivery fFees is defined as the rate charged for transmission by GMT for transmission line delivery.
- c) ~~Viking c~~ Commodity and d Demand c Charge f Fees are defined as the commodity based charge for sourcing and balancing the gas supply, the basis, transportation of the pipeline and the firm transport.
- d) Annual demand unit cost is defined as annual budgeted demand costs divided by annual budgeted demand sales volumes.

Annual Gas Cost Reconciliation:

For each twelve (12) month period ending June 30, an annual cost reconciliation by cost component will be determined based upon actual annual gas costs incurred by Lake Region Energy Services compared with annual gas costs recovered from volumes of gas sold. The annual cost recovered by cost component is the product of the total unit rate used in calculating the PGAs during the twelve (12) month period and the applicable gas sales volumes during the period when each of the total unit rates were in effect. The difference between actual cost and recovered cost for each component will be used in calculating a Gas Cost Reconciliation (GCR) factor for each rate schedule. The GCR factor will be applied to customers' billings on September 1 and will be in effect for a twelve (12) month period.

Refund Procedure:

Refunds and interest on the refunds that are received from the suppliers or transporters of purchased gas and attributable to the cost of gas previously sold, will be annually reconciled and refunded to the customers. Refunds will be allocated to customer classes in proportion to previously charged costs of purchased gas. Within classes, the refund amount per unit will be applied to bills on the basis of individual twelve (12) month usage.

Section 14: Statement of Purchased Gas Adjustments

Effective _____, 2____, the rate schedules listed below will be changed as provided in the purchased gas Adjustment Rider.

\$ PERTHERM

RATE SCHEDULE PAGE (SECTION V)	PREVIOUS PGA EFFECTIVE	CURRENT ADJUSTMENT	PGA EFFECTIVE
Residential Sales Service			
Small Volume Commercial			
Large Volume Commercial and Industrial			
Agricultural Heating and Drying			
Interruptible Sale Service			

Section 15: Franchise Fee Rider

Billing of Franchise Gross Earnings, Receipts or Revenue Tax, Excise Tax or Other Charges or Taxes, there shall be added to the customer's bill, an amount equal to any franchise gross earnings, excise or other charges or taxes now or hereafter imposed upon Lake Region Energy Services, whether imposed by ordinance, franchise or otherwise applicable to gas service supplied by Lake Region Energy Services to customer.

~~The Company~~ Lake Region Energy Services remits 100% of these fees collected from ratepayers to the local governmental unit. The ~~c~~Company will notify the Minnesota Public Utilities Commission of any new, expired, or changed franchise fees, authorized by Minn. Stat. § 2168.36 to raise revenue, 60 days prior to its implementation. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise ordinance, or other operative document authorizing imposition of the fee.

~~The Company~~ Lake Region Energy Services Services will include the following language on the first bill of a customer on which a new or modified fee is listed:

The Municipality granted Lake Region Energy Services a franchise to operate within the city limits. A Gas franchise fee of xx of Gross Revenues/\$x.xx per Meter/\$x.xx per ~~t~~Term will be collected from customers effective MM/DD/YYYY. The line item appear on your bill as "City Franchise Fee." Lake Region Energy Services remits 100% of this fee to the ~~MUNICIPALITY~~ municipality.

Section 16: Credit Policy Rider

Applicability

Applicable to any customer who is reasonably expected to use more than 20,000 ~~cf~~therms of natural gas in a twelve-month period. The reasonable expectation of usage shall be calculated based on historical consumption on the property, any increased or decreased heating and/or processing load and the customer's declared usage needs. Special conditions are listed below.

Method

1. Prior to providing gas service to new customers to whom the rider is applicable, or prior to continuing to provide gas service to existing customers to whom the rider is applicable, Lake Region Energy Services may request a credit report from an independent credit bureau. If an independent credit bureau report is not available, or if such report does not provide sufficient financial information, Lake Region Energy Services may ask the customer to provide their most recent financial information (e.g., income statement, balance sheet and cash flow statements).
2. In the case of existing customers, financial information may be requested on an annual basis for any customer expected to use more than 20,000 ~~cf~~therms per year, or whenever:
 - a. the customer is planning a plant/facility expansion resulting in increased gas use of more than 20,000 ~~cf~~therms per year;
 - b. there is a merger or acquisition with another party;
 - c. the customer is delinquent in paying their gas bill;
 - d. Lake Region Energy Services must upgrade its facilities to provide the customer with gas; ~~or~~;
 - e. there is evidence of other tangible economic or operational issues that may impact the customer's financial stability.
3. If Lake Region Energy Services determines that the customer's most recent financial information indicates objective reasons for concern that the customer may not be able to pay its bills, Lake Region Energy Services may require the customer to provide a credit enhancement.
 - a. The following are indications that a customer may not be able to pay its bills:
 - i. ~~cf~~The customer has an unsatisfactory credit rating;
 - ii. ~~cf~~The customer has an insufficient prior credit history upon which a credit rating may be based;
 - iii. ~~cf~~The customer's audited financial reports indicate net losses from operations;
 - iv. ~~cf~~The customer's audited financial reports indicate negative cash flow from operations;
 - v. ~~cf~~The customer's audited financial reports indicate current liabilities that exceed their current assets;
 - vi. ~~cf~~The customer's audited financial reports indicate deficit retained earnings;
 - vii. ~~cf~~The customer has substantial unresolved claims against the company (i.e., lawsuits, guarantees of another's indebtedness, environmental issues);
 - viii. ~~cf~~The customer's auditors' opinion discloses that there is doubt about the company's ability to continue as a going concern;
 - ix. ~~cf~~The customers have bond ratings below "investment grade"; or
 - x. ~~cf~~The customer is uninsurable or under-insurable.
4. Acceptable "credit enhancements" that Lake Region Energy Services may require to assure payment of bills include:
 - a. A guarantee of payment by a third party with a financial condition acceptable to Lake Region Energy Services; ~~;~~
 - b. A deposit equal to 2 months' gas usage and, if the customer is a new customer or Lake Region Energy Services is incurring costs to upgrade its system to serve an existing customer, the amount of any capital incurred to serve the customer. For new customers or customers that are expected to increase their usage, the deposit calculation will be based on reasonable projections, any increased or decreased heating and processing load and the customer's intended usage.

- c. A surety bond or irrevocable letter of credit equal to 2 months' gas usage and, if the customer is a new customer or Lake Region Energy is incurring costs to upgrade its system to serve an existing customer, the amount of any capital incurred to serve the customer.
 - d. An agreement that the customer will be billed and will remit payment on a weekly basis.
 - e. An agreement, if applicable, that the customer will procure gas supplies from a third party and utilize Lake Region Energy only as a transport service to deliver the gas to its facility.
5. If Lake Region Energy Services does require a "credit enhancement," it may request financial information (either an independent credit report or financial information from the customer) on a monthly or quarterly basis to assess any changes in the customer's financial condition. In any case, Lake Region Energy Services will review the customer's financial condition at least annually.
- a. If the financial condition has improved, Lake Region Energy Services will refund any or all of the deposit required or reduce the amount of any bond or irrevocable letter of credit or otherwise reduce or remove the credit enhancement requirement.
 - b. If the customer does not agree to the required credit enhancement or becomes more than 30 days delinquent, Lake Region Energy Services may refuse to serve the customer (if a new customer) or initiate the disconnection of gas service process immediately (if an existing customer) unless the customer makes credit arrangements or provides other credit enhancements acceptable to Lake Region Energy Services prior to initiating the disconnection of gas service, Lake Region Energy Services will notify the customer of the disconnection action by phone and either e-mail or fax.

Special Conditions

- 1. All provisions of the rate schedule under which a customer currently takes service apply unless otherwise changed by this Rider.
- 2. ~~Any deposit is~~ Deposits are not automatically used to cover an overdue bill.

Section 17: General Information

~~These Rules and Regulations~~This tariff filed as part of the Lake Region Energy Services Rates and Services Regulations Book are intended to promote safe and adequate service to the public, to provide standards for uniform and reasonable practices by Lake Region Energy Services, to set forth the terms and conditions under which gas service will be supplied and to govern all classes of service to the extent applicable, and are made a part of all agreements for the supply of gas service unless specifically modified in a particular rate schedule.

Lake Region Energy Services shall furnish service under ~~these Rules and Regulations~~this tariff and its rate schedules. Copies of this ~~Rate Book~~Rates and Services Regulations Book are available for inspection at the Lake Region Energy Services offices.

No representative of Lake Region Energy Services has authority to modify any provision contained in this Rate Book or to bind Lake Region Energy Services by any contrary promise or representation.

Section 18: Application for Gas Service

Application

Application for new gas service or turn on of existing gas service may be made by the owner, occupant or agent in control of the property, in person at Lake Region Energy Services' business offices, by telephone, by fax, [online](#), or by mail. Application for service must be made and accepted by Lake Region Energy Services prior to the commencement of Lake Region Energy Services service.

Rejection of Application

Lake Region Energy Services may refuse applications for new gas service or turn on of existing gas service upon reasonable grounds. The following situations would qualify as reasonable grounds:

- 1) ~~S~~Service is not economically feasible;
- 2) ~~S~~Service to a new applicant might affect the supply of gas to other customers;
- 3) ~~F~~ailure of customer to agree to comply with ~~R~~ules and ~~R~~egulations;
- 4) ~~I~~mproper use of gas service or equipment; ~~and~~
- 5) Lake Region Energy Services and/or its pipeline supplier are unable to provide the necessary gas supply.

Duration

Lake Region Energy Services will supply gas service to a customer until notified by the customer to discontinue service. The customer will be responsible for payment of all service provided to the date of the discontinuance. All service is subject to the rates, rules and regulations stated in Lake Region Energy Services ~~Rate-Book~~[tariff](#).

Authorized Connection of Qualifying Customer

New or existing customers that want to install gas equipment shall obtain such permits as may be required by appropriate municipality to install that piece of equipment. Lake Region Energy Services shall obtain permits necessary for all existing or prospective customers seeking an increased or new supply of natural gas from the appropriate authorities, including but not limited to the municipality, county, state, Department of Natural Resources or the ~~h~~Highway ~~d~~Department; permit costs will be reimbursed by the customer to Lake Region Energy Services.

When gas supplies are adequate and where the gas distribution system has sufficient capacity to provide the gas service requested without jeopardizing gas supply to the area being served by the existing gas distribution system, Lake Region Energy Services will authorize connection of customers who qualify under ~~these Rules and Regulations~~[this tariff, in the order that their applications are received](#). If an application for gas service is denied by Lake Region Energy Services, it will be held for subsequent approval if gas supply conditions warrant, ~~in the order in which it was received~~.

Standby, Supplementary and Emergency Gas Service

Standby, supplementary and emergency gas service is available only by special arrangement and under specific individualized contracts.

Section 19: Gas Mains

Lake Region Energy Services will install mains under the following guidelines and conditions:

Gas Main Design and Ownership

Lake Region Energy Services will determine the location, size, kind and type of all gas mains, and the method and manner of installation.

All gas mains are the property of Lake Region Energy Services. No building, structure or slab shall be constructed over a gas main without Lake Region Energy Services prior written consent.

Location of Gas Mains

Gas mains will normally be installed in streets or alleys which have been dedicated as a public way, or in dedicated utility easements, all of which will be graded to within six (6) inches, if required, of a permanent established elevation.

Gas mains will not be installed on private property unless Lake Region Energy Services deems it necessary and desirable to do so and all necessary easements are obtained.

Permits

All permits, or blanket approvals, as may be required, must be issued to Lake Region Energy Services prior to installation of gas mains.

Economic Feasibility

Lake Region Energy Services will apply the general principle that the rendering of gas service to the applicant shall be economically feasible so that the cost of extending such service will not have an undue burden on other customers. In determining whether the expenditure for gas service is economically feasible, Lake Region Energy Services shall take into consideration the total cost of serving the applicant and the expected revenue from the applicant.

Once Lake Region Energy Services waives any additional customer charges for main and service extensions, Lake Region Energy Services cannot at any point recover those charges from ratepayers.

General Rules and Regulations Applicable to Firm Service Extensions

- A. Subject to the availability of gas supply and upstream pipeline transportation and the ability to install facilities in compliance with the pipeline safety regulations; the company will extend its gas mains and services to an applicant where such extensions meet the main extension criteria listed below. When such conditions are not met, an extension may be constructed if applicant makes an appropriate advance payment to the ~~Company~~Lake Region Energy Services:
1. When water and sewer service by a municipal or regional water authority have been or will be installed within the next twelve (12) months in the right-of-way serving potential customers.
 2. When economic feasibility, including future growth expectations and commercial and industrial loads provide projected annual gross margins (revenue - cost of gas) equal to or greater than 18% of ~~the c~~Company's projected project costs. A gas service agreement specifying minimum use may be used to assure economic feasibility based on projected annual gross margin. ~~A gas service agreement specifying minimum use may be used to assure economic feasibility based on projected annual gross margins.~~
 3. When system capacity ~~upgraded-upgrades~~ dictate installation of new mains to meet the capacity needs, where customer additions are secondary to the increased system capacity.
- B. In situations where customer contributions are required, each customer will be required to pay a contribution such that gross margins are projected to be 18% of estimated project costs after excluding costs equal to the customer's contribution in aide of construction.

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Expense of Installation - Gas Mains

If, in the opinion of Lake Region Energy Services, gas service is not now, nor ever will be, economically feasible, Lake Region Energy Services will make an estimate of the cost of the project. ~~T and the extension will may nevertheless~~ be made only if the applicant pays a non-refundable contribution-in-aid-of-construction to Lake Region Energy Services for the portion of the capital expenditure and annual operating ~~Costs-costs~~ not justified by the annual revenue.

Lake Region Energy Services may install gas mains, without charge, to service residential, commercial or industrial users where it deems the anticipated ~~r~~Revenue is sufficient to warrant such installation or in other cases where Lake Region Energy Services determines the conditions justify such installation.

Lake Region Energy Services may in its discretion install gas mains without charge to areas where water and sanitary sewer mains are in place.

When the gas main line is installed between November 1 and April 1, inclusive, work may be subject to a fixed winter construction charge . Winter construction generally occurs because the requirements set forth by Lake Region Energy Services to complete installation during normal construction were not met or because the customer's property, or the streets leading thereto, are not ready to receive the pipe. ~~such Work may be subject to a fixed winter construction charge. Lake Region Energy Services will not undertake w~~Winter construction ~~will not be undertaken by Lake Region Energy Services~~ where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season.

Advance for Construction Requirements

If the installation of a gas main is expected to be supported by future annual revenues, Lake Region Energy Services shall require the applicant to make a refundable cash advance or provide a ~~Letter-letter~~ of ~~Credit-credit~~ for construction of main extension from the gas main in excess of the 100 feet measured from the property line or 105 feet from the center of the publicly dedicated roadway, alley or public or private utility easement, whichever is greater. ~~G~~gas main allowance per customer in a permanent structure using gas for primary space heating or other use ~~is~~ calculated at \$5.00 per foot for each foot of gas main in excess of the allowance. The advance must be received before construction begins.

Section 20: Gas Service Lines

Gas Service Line Design

Lake Region Energy Services will determine the location, size, ~~kind,~~ and type of all gas service lines, the method and manner of installation, and their connection with the gas main and the customer's gas piping.

Ownership

All gas service lines are the property of Lake Region Energy Services.

Regular Use of Gas

The building to which the gas service pipe is installed must be permanent in nature and not a temporary or portable building. Lake Region Energy Services holds the sole right to determine whether a facility meets the stated qualifications before providing gas service. In making this determination, Lake Region Energy Services may consider the use for which the building is intended, the type of construction, the location of the building, the size of the building, the absence or presence of other utility services to the building, including water and sanitary sewer service and any other criteria it deems relevant.

Gas Service Line Installations

Gas service lines shall be constructed or installed only by Lake Region Energy Services or its authorized agents. No building, structure or slab shall be constructed over a gas service line without Lake Region Energy Services's prior written consent.

Lake Region Energy Services has the right to recover the costs of relocating services if the customer has impaired Lake Region Energy Services access to the service line.

A gas service line will not be installed through one person's private property in order to serve a premise located beyond unless Lake Region Energy Services deems it necessary and desirable to do so and all necessary easements are obtained without cost to Lake Region Energy Services. Gas service lines will not be extended beyond the outlet side of the gas meter.

Lake Region Energy Services will not install more than one gas service line to the same premise unless Lake Region Energy Services finds that an additional gas service line is the most practical way to serve the applicant for gas service or an applicant requests an additional gas service line, and in the opinion of Lake Region Energy Services, an unreasonable burden would be placed on the applicant if an additional gas service line were denied. When an additional gas service line is installed at the applicant's request, the applicant may be required to pay the cost incurred by Lake Region Energy Services in making the installation. Gas provided by each gas service line shall be billed as a separate account.

When the gas main line is installed between November 1 and April 1, inclusive, work may be subject to a fixed winter construction charge . Winter construction generally occurs because the requirements set forth by Lake Region Energy Services to complete installation during normal construction were not met or because the customer's property, or the streets leading thereto, are not ready to receive the pipe. Lake Region Energy Services will not undertake winter construction where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season.

~~When the gas service line is installed between November 1 and April 1, inclusive, because the requirements set forth by Lake Region Energy Services to complete installation during normal construction were not met or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe, such work may be subject to a fixed winter construction charge established annually. Winter construction will not be undertaken by Lake Region Energy Services where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season.~~

Gas Service Line to Curb

Lake Region Energy Services may install gas service connections to the curb under the following conditions:

1. The street is at final width and grade.
2. Sanitary sewer, water mains, and service connections to the abutting property are installed in the street.
3. Lake Region Energy Services gas main is located in the street.
4. The street is scheduled for permanent paving or resurfacing.
5. Lake Region Energy Services determines that gas service to abutting property owners will be requested within five (5) years from the permanent paving or resurfacing.

Maintenance and Responsibility

Lake Region Energy Services will maintain all gas service lines to provide an adequate and continuous supply of gas to the customer, but it will not be liable for a failure to deliver gas, wholly or in part, by any cause not reasonably within its control including but not limited to the following: fire, explosion, flood, strike, unavoidable accident, rupture of pipe from ground disturbances, federal, state, or municipal interference, failure to receive an adequate supply of gas at suitable pressure from its supplier, or acts of God. Lake Region Energy Services will not be liable for any loss of profits or other consequential damages resulting from these of service or any interruption or disturbance of service.

Alterations Requested by Customer or Contractor

All renewals, changes, alterations, disconnections or relocations of gas service line for the convenience of the customer or at the request of a contractor will be made by Lake Region Energy Services at the customer's or contractor's expense. (See Section VI, Part 15.00 for charge details.)

If the service line alteration will result in additional sales, Lake Region Energy Services will calculate the alteration charge with consideration of the estimated incremental revenues resulting from the change.

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Notice to Lake Region Energy Services Before Alterations

When it becomes necessary to alter, change, renew, disconnect or relocate a gas service line because of changes in remodeling or removing a building, installation of other utilities, for the convenience of a customer, or at the request of a contractor, Lake Region Energy Services shall be notified in ample time so that it may properly protect and care for its facilities.

Economic Feasibility

Lake Region Energy Services may install gas service lines without charge to service applicants where the anticipated revenues are sufficient to warrant such installation or in other cases where Lake Region Energy Services determines the conditions justify such installations.

Expense of Installation

~~Lake Region Energy Services will furnish and install a gas service line of suitable capacity from its gas main to a normal meter location. This installation will be~~ Subject to reasonable construction schedules, availability of materials, reasonable notice by the applicant, and upon application, Lake Region Energy Services will furnish and install a gas service line of suitable capacity from its gas main to a normal meter location, satisfactory to Lake Region Energy Services, subject to the following qualifications:

1. Lake Region Energy Services will install a gas service line to serve a customer in a permanent structure using gas for primary space heating or other use without charge to the extent of 100 feet measured from the property line or 105 feet from the center of the publicly dedicated roadway, alley or public or private utility easement, whichever is greater.

If additional gas service line is required, Lake Region Energy Services may require the applicant to make a non-refundable contribution in aid of construction calculated at \$5.00 per foot of gas service line in excess of the allowance provided for above. The customer may pay the contribution in equal monthly installments over a period not to exceed ninety (90) days interest free.

2. If it is not practicable-practical to locate the gas meter in the normal meter location and it is necessary to locate the gas meter at an alternate meter location, the customer will pay for the added gas service pipe beyond the service line allowance provided above.

Section 21: Gas Meters

Ownership, Care, and Control

All gas meters, regulators, gas service lines, and all other apparatus installed by Lake Region Energy Services upon the customer's premises for the purpose of delivering gas to the customer are the property of Lake Region Energy Services and may only be detached, removed, repaired, or replaced by Lake Region Energy Services or its authorized agent.

The customer shall exercise reasonable care to prevent the gas meters, regulators, gas service lines and other apparatus of Lake Region Energy Services upon the premises from being damaged or destroyed and shall not interfere or tamper with the facilities. If any defect in this equipment is discovered, the customer shall notify Lake Region Energy Services immediately. Lake Region Energy Services has the right to remove any and all of its facilities installed on the customer's premises at the termination of service.

Selection of Gas Meter

Lake Region Energy Services has the right to specify the type, ~~kind,~~ and size of the gas meter to be installed.

Location of Gas Meter

Lake Region Energy Services shall approve the location of all gas meters prior to ~~their~~ installation. The customer shall provide a safe and accessible place for installation of the gas meter in accordance with all applicable codes. If the customer selects a meter location(s) or alters their property in such a manner that exposes Lake Region Energy Services metering equipment to vehicular traffic, the customer will be charged for required guard post meter protection.

Lake Region Energy Services may refuse to install a gas meter, including but not limited to the following reasons:

1. In a hazardous or unprotected location;
2. In any location where surrounding conditions or elements may expose the gas meter to damage;
3. At any location where the gas meter is inaccessible for inspection, reading, testing, maintenance, or removal.

Gas meters will normally be installed on the outside of the building to be served on the face or at the corner of the building in closest proximity to the gas main to which the gas service line is to be attached. In certain cases, Lake Region Energy Services may, at its discretion, install a gas meter at other locations. In such cases, the gas meter will be installed at the point nearest where the gas service line enters the building, when practical.

Cost of Meter Installation and Relocation

Initial installation of the gas meter will be made at Lake Region Energy Services expense. Relocation of the gas meter may be made by Lake Region Energy Services at the customer's request and expense. If the meter change is made in conjunction with a service line alteration which will result in additional sales, Lake Region Energy Services will calculate the meter relocation charge with consideration of the estimated incremental revenues resulting from the change.

Lake Region Energy Services Right to Remove a Gas Meter

Lake Region Energy Services reserves the right to remove a gas meter, and any and all of its other facilities installed on the customer's premises at any time when deemed necessary ~~by Lake Region Energy Services~~ to protect such property from fraud, theft, damage, destruction, or in the event that the customer connects to another natural gas supplier, or in the event no gas usage has occurred at a ~~non-~~unlocked meter for at least twelve (12) months.

Written notice of property removal shall be given to a bypass or non-use customer by registered mail at least twenty (20) days prior to removal of property by Lake Region Energy Services. Failure by the customer to respond to the notice shall be deemed as consent to the removal.

Lake Region Energy Services Right to Test a Gas Meter

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.3900, Adjustment of Gas Bills.

Lake Region Energy Services reserves the right to remove and test all gas meters.

A customer may request a test of the gas meter for accuracy. Lake Region Energy Services shall attach a tag to the meter being removed for the test that shows the date the meter was removed, the customer's name and the address from which the meter was removed. If the meter is inaccurate, the customer's billing will be adjusted, or a refund issued.

Section 22: Customer Deposits

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.4100 - 7820.4700, Deposit and Guarantee Requirements.

Amount of Deposit

Lake Region Energy Services may require a new or an existing customer to make a cash deposit to Lake Region Energy Services as security for the payment for gas service. The cash deposit shall not exceed an amount equal to the applicant's estimated two (2) months' gross bill or an existing customer's highest bills for two (2) months. All deposits shall be in addition to payment of outstanding bill or a part of such bill as has been resolved to the satisfaction of Lake Region Energy Services, except where such bill has been discharged in bankruptcy.

Lake Region Energy Services may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to Lake Region Energy Services whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months but shall automatically terminate after the customer has closed and paid the customer's account with Lake Region Energy Services, or at the guarantor's request upon 60 days' written notice to Lake Region Energy Services. Upon termination of a guarantee contract or whenever Lake Region Energy Services deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in part 7820.2400. Lake Region Energy Services shall mail the guarantor copies of all disconnect notices sent to the customer whose account the grantor has guaranteed unless the guarantor waives such notice in writing.

Lake Region Energy Services does not require a deposit or guarantee of any customer or applicant who has established good credit with Lake Region Energy Services. The cCompany will not require a deposit of any customer without explaining, in writing, why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return.

Lake Region Energy Services will issue a non-negotiable receipt for each cash deposit received and will provide means whereby a depositor may establish a claim if a receipt is unavailable. The conditions, if any, under which the deposit will be diminished upon return will be specified in or along with such receipt.

Interest on Deposit

Interest shall be paid on deposits in excess of \$20.00. The rate of interest will be set annually and be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The interest rate will be rounded to the nearest tenth of one percent. By December 15 of each year, the Commissioner of Commerce will announce the rate of interest that must be paid on all deposits held during all or part of the subsequent year, and the cCompany will pay such rate of interest as determined from time to time. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. Lake Region Energy Services may, at its option, pay the interest at intervals it chooses, but at least annually, by direct payment or as a credit on bills.

The deposit shall be refunded to the customer after twelve (12) consecutive months of prompt payment of all utility bills. Lake Region Energy Services may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice, any deposit of a customer may be applied by Lake Region Energy Services to a bill when the bill has been determined to be delinquent. Upon termination of service, any remaining deposit with accrued interest shall be credited to the final bill and the balance shall be returned to the customer within forty-five (45) days.

Section 23: Access to Customer Premises

Lake Region Energy Services policy is consistent with Minnesota Rule 7820.3100, Uniform Access to Customer's Premises.

Uniform Access

All properly authorized agents of Lake Region Energy Services shall have the right of access to the premises and property of the customer if an emergency situation involving imminent danger to life or property appears to exist.

Identification

Each employee of Lake Region Energy Services authorized to enter or go upon the customer's premises or property is provided with an identification card by Lake Region Energy Services. The identification card is signed by an officer of Lake Region Energy Services and by the employee. A customer may require the holder of the identification card to identify himself/herself by reproducing his/her signature for comparison. Customers are urged to ask for the employee's identification whenever there is doubt as to the card holder's identity.

Section 24: Billing

Amount of Gas Used

Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the mMunicipality. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practicable-practical to thirty (30) day intervals.

When Lake Region Energy Services is unable to gain access to a meter, it shall leave a meter reading form for the customer.

Lake Region Energy Services may permit the customer to supply meter readings, providing a Lake Region Energy Services representative reads the meter at least once every twelve (12) months, when there is a change in customers or when requested by the customer.

If the billing period is longer or shorter than the normal billing period by more than five (5) days, the monthly customer charge on the bill shall be prorated on a daily basis.

Estimated Meter Readings

When access to a meter cannot be gained and the customer does not supply a meter reading in time for the billing operation, an estimated bill will be rendered. Estimated bills are based on the customer's normal consumption for a corresponding period.

Lake Region Energy Services will regularly schedule estimated monthly meter readings throughout the year, but not over four (4) times in any twelve (12) month period. Only in unusual cases will more than two (2) consecutive estimated bills be rendered, unless the customer fails to provide meter readings for an inaccessible meter.

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Section 25: Payment of Bills

Due Date

The due date printed on customer bills will not be more than five (5) days before the next scheduled billing date. ~~Scheduled billing dates will not be less than twenty-five (25) days apart. However, customers who pay by automated bank draft may select a due date which is greater than five days before the next scheduled billing date.~~

~~Scheduled billing dates will not be less than twenty five (25) days apart.~~

Late Payment Charge

Delinquent amounts are subject to a late payment charge of 1.5% per month of the delinquent amount or \$1.00, whichever is greater. No late payment charge will be applied if the delinquent amount is \$10.00 or less.

"Delinquent amount" is the portion of a customer's account representing charges for gas service past due. For customers on a budget plan or a deferred payment schedule, "delinquent amount" is the lesser of the unpaid account balance or past due scheduled payments. All payments received will be credited against the oldest outstanding account balance before application of any late payment charge. The late payment charge will be assessed on unpaid amounts at the next scheduled billing date.

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Payment Agreements

~~The Company~~ Lake Region Energy Services shall offer payment agreements for the payment of arrears. Such payment agreements will consider the customer's financial circumstances and any extenuating circumstances of the household. No additional service deposit may be charged as a consideration to continue service to a customer who has entered and is reasonably on time under an accepted payment agreement.

The cCompany shall also offer a payment agreement to customers who have been undercharged, but only if no culpable conduct by the customer or a resident of the customer's household caused the undercharge. A payment agreement for the payment of undercharges under this section will cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable by the cCompany and the customer, except that the duration of a payment agreement offered by the ~~Company~~ company to a customer whose household income is at or below fifty percent (50%) of the state median household income must consider the financial circumstances of the customer's household. No interest or delinquency fee will be charged as part of an undercharge agreement. If a customer inquiry or complaint results in the Company's discovery of an undercharge, the Company may bill for undercharges incurred after the date of the inquiry or complaint only if the ~~Company~~ company began investigating the inquiry or complaint within a reasonable time after it was made.

Section 26: Discontinuance or Refusal of Gas Service

Lake Region Energy Services policies and procedures are consistent with Minnesota Rules 7820.1000 - 7820.3000 on Disconnection of Service.

Refusal or Discontinuance of Gas Service for Non-Payment

1. Lake Region Energy Services, with notice, may refuse gas service under the following conditions:
 - a. To a customer who owes a past due and unpaid balance for utility service at a former address;
 - b. To an applicant requesting service to be implemented at an address where the current resident, who has accumulated a past due and unpaid balance, continues to reside;
 - c. To a customer who fails to meet the utility's deposit and credit requirements;
 - d. To a customer who fails to make proper application for service;
 - e. To a customer who fails to furnish such service, equipment, and/or rights-of-way necessary to serve the customer as shall have been specified by the utility as a condition of obtaining service;

Medically Necessary Equipment

Lake Region Energy Services shall reconnect or continue service to a residential customer's residence where a medical emergency exists or where medical equipment requiring utility service furnished by Lake Region Energy Services is necessary to sustain life is in use. Lake Region Energy Services must receive written certification, or initial certification by telephone and written certification within 5 business days from a licensed medical doctor, licensed physician assistant, advanced practice registered nurse, or from a registered nurse (only to the extent of verifying the current diagnosis or prescriptions made by a licensed medical doctor for the customer or member of the customer's household) ~~written certification, or initial certification by telephone and written certification within 5 business days~~ that failure to reconnect or continue service will impair or threaten the health or safety of a resident of the customer's household. The certification may not extend beyond six (6) months from the date of a written certificate unless Lake Region Energy Services determines that a longer certification is appropriate given a particular customer's circumstances. In in which case these cases, the certification may be extended to a duration of up to twelve (12) months. The customer, whose account is in arrears, must contact and enter into a payment agreement with Lake Region Energy Services. - The payment agreement must consider the financial circumstances and any extenuating circumstances of the customer and the household.

Section 27: Discontinuance or Refusal of Gas Service During Cold Weather

Lake Region Energy Services will, at all times, comply with the requirements of Minnesota's "Cold Weather Rule" as set forth in Minnesota Statute § 216B.096, which sets forth the terms and conditions pursuant to which Lake Region Energy Services can disconnect and must reconnect ~~Residential-residential Customers-customers~~ from October 15 through April 15 of each year.

Section 28: Responsibility of the Customer and Lake Region Energy Services

Customer Responsibility

It shall be the customer's financial responsibility to furnish, install, operate, and keep in a safe condition all gas piping and gas burning equipment located or installed beyond the gas meter.

A customer shall immediately notify Lake Region Energy Services of any suspected gas leaks or a faulty gas supply.

The customer shall reimburse Lake Region Energy Services for any loss of or damage to Lake Region Energy Services' property located on the premises when such loss or damage is not caused by any act or omission on the part of Lake Region Energy Services.

Termination of Lake Region Energy Services Responsibility

Lake Region Energy Services responsibility for installation and maintenance of all gas piping and equipment shall terminate at the gas meter. Lake Region Energy Services shall not be liable for any loss, injury, or damage occasioned or caused by the negligence or wrongful act of the customer or any of his agents, employees, or licensees in installing, maintaining, using, operating, or interfering with any gas piping or gas burning equipment.

Any inspection of the customer's piping or equipment by Lake Region Energy Services shall not be construed to impose any liability upon Lake Region Energy Services to the customer, or to any other person by reason thereof, and Lake Region Energy Services shall not be liable or responsible for any loss, injury, or damage which may result from the use of or defects in the customer's gas piping or gas burning equipment.

Section 29: Customer Service

General

The goal of Lake Region Energy Services customer service is to provide service necessary for the safety and welfare of our customers as it relates to the use of gas and gas appliances.

"No Surcharge" Service

Lake Region Energy Services will provide "no ~~Surcharge~~surcharge" service for all customers as follows:

1. Emergency service for the investigation of suspected leaks or other unsafe conditions in customers' or Lake Region Energy Services' property.
2. Maintenance of Lake Region Energy Services-owned equipment ~~of-on~~customers' premises including meters, regulators, or service lines.
3. Turn-on of gas meters for new customers.

"Charge" Service

Lake Region Energy Services may provide service for adjustment, repair, installation, or maintenance of appliances on a direct customer charge basis where the installation and equipment is approved by applicable codes and regulations, and where the equipment is reasonably accessible to service personnel and provisions have been made so that the health and safety of the service person will not be in jeopardy.

Section 30: Customer Requested Utility Work

This section details the costs for utility work requested by customers to be performed by Lake Region Energy Services at a charge to the customer.

- Customer ~~r~~Requested work requires a signed application form and payment prior to commencement of work.
- If the alteration will result in additional sales, Lake Region Energy Services will calculate the alteration charge with consideration of the estimated incremental revenues resulting from the change.
- Any other customer or contractor requested utility work that is not listed in the No Surcharge service section will be completed at the customer's or contractor's expense. The charge will be determined individually by Lake Region Energy Services based upon the estimated cost of time and material to be incurred, with a minimum charge of \$75.00.

Winter Construction

Between November 1 and April 1, inclusive, ~~work may be subject to a winter construction charge. Winter construction generally occurs~~ because of failure of customer to meet all requirements of ~~the Company- Lake Region Energy Services~~ to complete installation during normal construction ~~were not met or~~ because the customer's property, or the streets leading thereto, ~~are were~~ not ready to receive the service pipe or gas main by such date, ~~such work may be subject to a winter construction charge when winter conditions exist.~~

Winter conditions include when six ~~(6)~~ or more inches of frost, snow removal, or plowing is required to install service, or burner(s) must be set at the main or underground facilities in order to install for the entire length of service or gas main installed.

Winter construction will not be undertaken by Lake Region Energy Services where prohibited by law or where it is not practical or prudent to install gas service pipe during the winter season, including, but not limited to, roadway crossings prohibited by local permitting authorities or construction equipment limitations due to winter conditions.

Customer will be responsible for the actual cost incurred at the time of construction plus an additional 15% for administrative fees.

Lake Region Energy Services, Inc.
Annual Compliance Filing

ATTACHMENT C

Cold-Weather Disconnection Notice

Inability to Pay Declaration

(continued)

Return this form to us either

By Mail:

Lake Region Electric Cooperative /
Lake Region Energy Service
Collections Department
PO Box 643
Pelican Rapids, MN 56572

By Email:

lrec@lrec.coop

By Fax:

800.321.1053

You will be notified by Lake Region Electric / Energy Services within 14 days of receipt of the Inability to Pay Declaration. At that time we will update you on the status of your winter disconnection.

Appeal Process

Any disputes over a residential customer's inability to pay for service, income eligibility, reasonableness of payment schedule, or any other issue which could arise under the Cold Weather Law shall be referred for hearing, after reasonable notice, to an Appeal Board. The office staff and the customer shall have the right to present evidence at the hearing. The Appeal Board shall issue a written decision within 10 days following the hearing. No disconnection of service shall occur while a dispute is pending.

Copies of the Cold Weather Law

Copies of the Cold Weather Law are available from:

Lake Region Electric Cooperative /
Lake Region Energy Services
Collections Department
PO Box 643
Pelican Rapids, MN 56572
800-528-2392 or 800-498.6116

Time Payment Plan

A mutually acceptable payment plan is available to all residential customers. This plan enables the customer who is behind on their bill to make payments over a fixed period of time. The plan takes into consideration any arrears and the estimated future usage when determining the payments. Lake Region Electric / Energy Services will consider each customer's request for participation on a case by case basis to arrive at a mutually acceptable payment plan.

Minnesota Cold Weather Law Notice



Minnesota Cold Weather Rule is an option for protection it does completely prevent disconnection of service.

If you receive a disconnect notice you must act promptly and contact Lake Region Electric Coop or Lake Region Energy Services



Minnesota Statutes
Chapter 235, Section 216B.097
Chapter 235, Section 216B.096

*Communicated
by US mail +
email if signed up.
-Sent on 26th of each
month / due on the
10th.*

Provisions of the Law

Minnesota Statute for Cold Weather Rule provides that a cooperative electric association or public utility must not disconnect, and must reconnect, the utility service of a residential customer during the period between October 15 and April 15, if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met.

- Declares their inability to pay on a form provided by the coop/utility, and;
- Has a household income, not individual, that is less than 50% of the state median household income, (*verification required*) and;
- Payments of residential electric account for the billing period prior to October 15th are current or they have entered into a payment agreement and is reasonably current with scheduled payments.

A residential customer must meet all of the above conditions to qualify for winter shut-off protection.

Residential customers who cannot qualify for winter shut-off protection and cannot pay their full bill may contact the office directly to discuss a payment agreement. For payment agreements call Lake Region Electric / Lake Region Energy Services at 218.863.1171 or 800.552.7658 prior to the due date of the final notice.

Consumer Rights and Responsibilities

The purpose of this notice is to inform you of your rights and responsibilities under the Cold Weather Law. These rights and responsibilities are designed to help you with high winter utility bills. You must act PROMPTLY. If you choose not to assert your rights or choose not to enter into a mutually acceptable payment schedule, your electric service is subject to disconnection for nonpayment.

Specifically, your rights and responsibilities are:

THE RIGHT to declare an inability to pay your electric utility bill.

THE RESPONSIBILITY if you choose inability to pay to complete the attached "Inability to Pay" declaration form and return it to Lake Region Electric/Energy Services.

THE RIGHT to appeal a denial of inability to pay declaration.

THE RESPONSIBILITY to provide income documentation if requested to do so through the appeals process.

THE RIGHT to negotiate a mutually acceptable payment schedule with Lake Region Electric/Energy Services.

THE RESPONSIBILITY to make monthly payments under the payment schedule.

THE RIGHT to request that Lake Region Electric/Energy Services notify a third party if your electric service becomes subject to disconnection.

Possible Assistance

If you need help paying your electric utility bill, you may qualify for state or federal fuel assistance. For complete qualification and application information, contact your local county welfare or community/citizen's action council:

MAHUBE-OTWA - Becker County

1125 West River Road
PO Box 747
Detroit Lakes, MN 56502-0747
218-847-1385

MAHUBE-OTWA – Ottertail County

128 W Cavour Avenue
Fergus Falls, MN 56537
218-739-3011

MAHUBE-OTWA – Wadena County

311 Jefferson Street S
Wadena, MN 56482
218-632-3600

Otter Tail County Social Services

530 West Fir Ave
Fergus Falls, MN 56537
218.998.8150

Otter Tail County Social Services

118 N Main Ave
New York Mills, MN 56567
218-385-5450

Todd County Social Services

212 2nd Ave South
Long Prairie, MN 56357
320-732.4500

West Central Community Action

411 Industrial Park Boulevard
PO Box 956
Elbow Lake, MN 56531
218-685-4486 or 800-492-4805
For Counties of Clay, Wilkin, Grant & Douglas

Inability to Pay Declaration

(Please Print)

Name _____

Address _____

City _____

State _____ Zip _____

Home Phone _____

Cell Phone _____

Work Phone _____

Annual Household Income \$ _____

Source of Income (list all sources):

Do you qualify for Energy Assistance? _____

Total Number of Persons in household? _____

Please check if either condition exists in your home:

_____ Medical Emergency Equipment Used

_____ Disabled Person in Residence

By signing this form, I acknowledge that I have received, read and understand the enclosed Notice of Residential Customers Rights and Possible Assistance. I attest that the information provided is true and correct.

Signature: _____

Date _____

(over)



LRES
NATURAL GAS

LRES Natural Gas is Growing and Rates Remain Stable

Two years ago, we started out on a mission to bring natural gas service to unserved areas in Otter Tail and Douglas Counties. Thanks to the support of farmers, community leaders, businesses, and homeowners, the Lake Region Energy Service venture is growing and becoming successful.

As of this writing, we are completing the 2018 construction season and have connected over 500 customers. We provide service to approximately 300 customers in the communities of Dent, Deer Creek, and Parkers Prairie in Otter Tail County and Miliona in Douglas County, as well as approximately 200 rural and lake customers along the pipeline route. We want to thank all of you for signing up. We pledge to do our very best to earn your trust and loyalty in the years to come.

Good News: No Change in Natural Gas Rates

Managing Price of Gas Supply

Our main goal in regard to setting rates is to maintain rate stability. We are committed to providing the best possible energy value to our customers. LRES manages gas market risk by locking in the quantity and purchase price of natural gas in advance. We have proactively locked in low pricing for a significant portion of our natural gas supply for the upcoming winter and years forward. This means that even though gas markets may experience price volatility throughout the winter, LRES customers will benefit from better rate stability based on secure supply pricing. We are pleased to announce that there will be no changes to our base natural gas rates for the 2018-2019 heating season.

Will You Save Money?

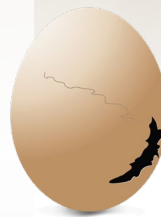
Now that you've made the switch to natural gas, you may be wondering how much you will save on your home heating costs. Natural gas is less expensive than heating oil or propane. Expressed in propane pricing terms, last winter the average LRES natural gas heated home paid the equivalent of \$1.09 per gallon propane. In comparison to cash propane prices, many customers saved well over \$300 last winter. This year propane pricing is higher, making the potential for savings even greater. Like we say when comparing natural gas to propane, "Choose natural gas and enjoy summer fill prices all winter long."



Tim Thompson,
LRES CEO



NATURAL GAS SAFETY



Natural gas leaks usually smell like sulfur or rotten eggs – but not always. So don't rely on your nose alone. Look and listen for other signs: a hissing or roaring sound, dirt spraying into the air, continual bubbling in water, or vegetation dying for no apparent reason.

If you suspect a natural gas leak, react like it's an emergency. Although rare, natural gas leaks can be dangerous and result in an explosion. Alert everyone nearby and leave the area immediately to an upwind location. Do not try to find or repair the leak.

Do not use anything that could be a source of ignition, including cell phones, flashlights, light switches, matches, or vehicles – even the tiniest spark could ignite the gas! Once you are in a safe location, call LRES at **(888) 295-8976**. If you can hear gas hissing or blowing, call 911.

THERE IS NO CHARGE FOR A LEAK INVESTIGATION. Safety is a priority at Lake Region Energy Services. As a trusted natural gas supplier, we take steps to protect the safety of our customers, employees, and the communities we serve. You can help us by learning how to recognize dangerous situations and take proper action.

Find us on

@lakeregionenergyservices





Lake Region Energy Services
 1401 South Broadway • P.O. Box 643
 Pelican Rapids, Minnesota 56572-0643

Presorted Standard
 U.S. Postage
PAID
 Detroit Lakes, MN
 56501
 Permit No. 251



Paying Your Bill

We have a number of convenient ways to pay your bill.

- **Automatic Bank Draft:** Your payment is drafted from your account. You still receive a monthly statement and your payment is always on time. Sign up at www.lakeregionenergy.com/smarthub to view your account and pay your bill.
- **Make a Payment Online:** Register for SmartHub at www.lakeregionenergy.com/smarthub to view and make payments on your account.
- **Pay by Mail:** Mail your payment and the bottom portion of the bill. Please allow time for payment to be received by due date. Write your account number on the check/money order.
- **Pay in Person:** Payment can be made in person at our office. Normal office hours are from 8 a.m.-4:30 p.m., Monday through Friday (closed for holidays).

Keep Meters and Vents Clear

Keep the area around gas meter equipment clear of snow and ice. Remove heavy snow and ice from above that could fall on and damage the meter and cause a gas leak. Carefully move snow and ice by hand to avoid damaging equipment.

Blocked vents can cause furnaces and water heaters to shut down, a potential build-up of carbon monoxide, or a costly service call. Use a long screwdriver to clear snow and ice from the end of the pipes.



GAS METER



GAS VENT

Understanding Your Bill

Check out the “Understanding Your Bill” section on the back side of your bill. It contains definitions of terms, as well as explanations of different areas of your bill.



SmartHub users can find a PDF version of their bill by logging into their account.

Cold Weather Rule

The Minnesota Cold Weather Rule (*MN Statute, Ch. 235, Sec. 216B.097*) protects residential utility customers during the cold winter months. Under this rule, your gas service will not be disconnected from October 15th through April 15th because of non-payment provided you meet ALL of the following conditions:

- You declare an inability to pay.
- Your total household, not individual, income is less than 50% of the state median income. You must provide the necessary documentation to support this condition.
- You enter into and make reasonable, timely payments under a payment agreement that considers the financial resources of the household.
- You receive referrals to energy assistance, weatherization, conservation, or other programs likely to reduce your energy bills.

If you do not meet all of the above conditions, then you do not qualify for the winter shut-off protection. However, you still can continue to receive gas service if you call us to make a mutually acceptable payment arrangement.

Residential customers who cannot qualify for winter shut-off protection and who cannot pay their full bill may make special payments over an extended period of time. To arrange for scheduled payments, call (800) 528-2392 (toll free) or (800) 498-6116 (toll free), or (218) 863-1171.

Lake Region Energy Services, Inc.
Annual Compliance Filing

ATTACHMENT D

Arrearage Notice Form



Lake Region Energy Services
PO Box 643
Pelican Rapids, MN 56572-0643

02/25/2019

Office Hours: 8 a.m. to 4:30 p.m. Monday - Friday
Visit us online at www.lakeregionenergy.com
Telephone: 218-863-9813 Toll-Free: 1-866-367-5732



1 19

.....

ACCOUNT NUMBER [REDACTED]	LOCATION NUMBER [REDACTED]
METER NUMBER [REDACTED]	METER READING [REDACTED]

Disconnection Notice

According to our records, the amount for gas service through 02/02/2019 of \$ [REDACTED] has not been paid. This is to notify you that if this bill is not paid in full by the date indicated below, service is subject to disconnection without further notice. If our representative is required to collect the amount due, a collection fee will be added to the amount due. In the event that service is discontinued for nonpayment, the amount due through the date of disconnection, the collection fee, a reconnection fee, and a two month security deposit must be paid before service will be restored. NOTE: THIS BILL MUST BE PAID AT OUR HEADQUARTERS IN PELICAN RAPIDS. IF MAILED, PLEASE BE SURE IT WILL REACH OUR OFFICE BY THE DUE DATE.

TO INSURE PROPER CREDIT, DETACH AND RETURN LOWER PORTION IN THE ENCLOSED ENVELOPE.



Lake Region Energy Services
PO Box 643
Pelican Rapids, MN 56572-0643

Office Hours: 8 a.m. to 4:30 p.m. Monday - Friday
Visit us online at www.lakeregionenergy.com
Telephone: 218-863-9813 Toll-Free: 1-866-367-5732

Due Date:	03/10/2019
Account Number:	[REDACTED]
Account Name:	[REDACTED]
Amount Due:	\$ [REDACTED]

AMOUNT ENCLOSED \$ _____

LAKE REGION ENERGY SERVICES
PO BOX 625
PELICAN RAPIDS MN 56572-0625 03



Winter



Summer

Collection Notice

Collection Notice

Date: _____
Amount Due: _____

Date: _____
Amount Due: _____

A representative from Lake Region Energy Services visited today in an effort to collect on a past due account. You do not meet the conditions of the Minnesota Cold Weather Rule and are not protected from winter disconnect. Because this account is past due, your gas meter may be locked due to non-payment.

A representative from Lake Region Energy Services visited today in an effort to collect on a past due account. Because this account is past due, your gas meter may be locked due to non-payment.

To avoid interruption of service please call 800.528.2392 by **9 a.m.** on _____ to discuss account status. The listed amount due can also be made by visiting our website at www.lakeregionenergy.com (Use PayNow or log into SmartHub and make payment.)

To avoid interruption of service please call 800.528.2392 by **9 a.m.** on _____ to discuss account status. The listed amount due can also be made by visiting our website at www.lakeregionenergy.com (Use PayNow or log into SmartHub and make payment.)

A **\$45 collection fee** will be added to your account for this visit. To avoid future collection fees, call our office and make arrangements to pay your account in full.

A **\$45 collection fee** will be added to your account for this visit. To avoid future collection fees, call our office and make arrangements to pay your account in full.