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November 5, 2008

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation – PNG
for Approval of a Change in Demand Entitlement for its Northern Natural Gas
Transmission System; Docket No. G011/M-08-1328

Dear Dr. Haar:

Minnesota Energy Resources Corporation-PNG filed a Petition for Approval of a Change in Demand Entitlement for its Northern Natural Gas Transmission System on November 3, 2008. After submitting the filing, MERC realized that the current proposed commodity and demand costs had not been updated. Enclosed please find the following revised attachments reflecting the updated information:

- Attachment 4, Page 1 of 3; and
- Attachment 11.

These attachments should replace those included with the public and nonpublic versions of the initial filing.

Please feel free to contact me at (612) 340-2881 if you have any questions regarding this matter.

Sincerely yours,



Michael J. Ahern

cc: Service List

MINNESOTA ENERGY RESOURCES - PNG

RATE IMPACT OF THE PROPOSED DEMAND CHANGE

NOVEMBER 1, 2008

NNG

All costs in \$/MMBtu	Last Rate	Last Demand	Last Demand	Most Recent	Current	Result of Proposed Change			
	Case	Change	Change	PGA	Proposal	Change from	Change from	Change from	Change from
	G011/ MR03-1372	G011- M-06- Oct.06	G011- M-07- Oct.07	Oct. 2008	Effective Nov.1,2008	Last Rate Case	Last Demand Change	Last PGA	Last PGA \$

1) General Service: Avg. Annual Use:	127				Mcf				
Commodity Cost	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	\$3.9118	(\$0.1691)	12.04%	\$0.7199
Demand Cost	\$0.7886	\$1.1097	\$1.1741	\$1.0903	\$1.0883	\$0.2997	(\$0.0858)	-0.18%	(\$0.0020)
Commodity Margin	\$1.2628	\$1.1771	\$1.1771	\$1.6263	\$1.6263	\$0.3635	\$0.4492	0.00%	\$0.0000
Total Cost of Gas	\$4.8387	\$7.4702	\$9.2194	\$8.6958	\$9.4137	\$4.5750	\$0.1943	8.26%	\$0.7179
Avg Annual Cost	\$614.51	\$948.72	\$1,170.86	\$1,104.37	\$1,195.54	\$581.03	\$24.68	8.26%	\$91.1733
Effect of proposed commodity change on average annual bills:									\$91.43
Effect of proposed demand change on average annual bills:									(\$0.25)

2) Small Vol. Interruptible: Avg. Annual Use:	4,948				Mcf				
Commodity Cost	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	\$3.9118	(\$0.1691)	12.04%	\$0.7199
Demand Cost	\$0.0000								
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	\$0.3434	\$0.3434	0.00%	\$0.0000
Total Cost of Gas	\$3.6873	\$6.0834	\$7.7682	\$7.2226	\$7.9425	\$4.2552	\$0.1743	9.97%	\$0.7199
Avg Annual Cost	\$18,244.76	\$30,100.66	\$38,437.05	\$35,737.42	\$39,299.49	\$21,054.73	\$862.44	9.97%	\$3,562.0652
Effect of proposed commodity change on average annual bills:									\$3,562.07
Effect of proposed demand change on average annual bills:									\$0.00

3) Large Vol. Interruptible: Avg. Annual Use:	14,841				Mcf				
Commodity Cost	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	\$3.9118	(\$0.1691)	12.04%	\$0.7199
Demand Cost									
Commodity Margin	\$0.2600	\$0.2600	\$0.2600	\$0.3592	\$0.3592	\$0.0992	\$0.0992	0.00%	\$0.0000
Total Cost of Gas	\$3.0473	\$5.4434	\$7.1282	\$6.3384	\$7.0583	\$4.0110	(\$0.0699)	11.36%	\$0.7199
Avg Annual Cost	\$45,224.98	\$80,785.50	\$105,789.62	\$94,068.19	\$104,752.23	\$59,527.25	(\$1,037.39)	11.36%	\$10,684.0359
Effect of proposed commodity change on average annual bills:									\$10,684.04
Effect of proposed demand change on average annual bills:									\$0.00

4) Small Vol. Firm: Avg. Annual Use:	4,948				Mcf				
	25				Mcf				
Commodity Cost	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	\$3.9118	(\$0.1691)	12.04%	\$0.7199
Demand Cost	\$10.1223	\$12.9002	\$13.1430	\$12.0195	\$12.0195	\$1.8972	(\$1.1235)	0.00%	\$0.0000
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	\$0.3434	\$0.3434	0.00%	\$0.0000
Demand Margin	\$1.5000	\$1.5000	\$1.5000	\$2.0724	\$2.0724	\$0.5724	\$0.5724	0.00%	\$0.0000
Total Cost of Gas	\$3.6873	\$6.0834	\$7.7682	\$7.2226	\$7.9425	\$4.2552	\$0.1743	9.97%	\$0.7199
Total Demand Cost	\$11.6223	\$14.4002	\$14.6430	\$14.0919	\$14.0919	\$2.4696	(\$0.5511)	0.00%	\$0.0000
Avg Annual Cost	\$18,535.32	\$30,460.67	\$38,803.13	\$36,089.72	\$39,651.79	\$21,116.47	\$848.66	9.87%	\$3,562.0652
Effect of proposed commodity change on average annual bills:									\$3,562.07
Effect of proposed demand change on average annual bills:									\$0.00

5) Large Vol. Firm: Avg. Annual Use:	14,841				Mcf				
	75				Mcf				
Commodity Cost	\$1.6138	\$5.1834	\$6.8682	\$5.9792	\$6.6991	\$5.0853	(\$0.1691)	12.04%	\$0.7199
Demand Cost	\$10.1223	\$12.9002	\$13.1430	\$12.0195	\$12.0195	\$1.8972	(\$1.1235)	0.00%	\$0.0000
Commodity Margin	\$1.8069	\$0.2600	\$0.2600	\$0.3592	\$0.3592	(\$1.4477)	\$0.0992	0.00%	\$0.0000
Demand Margin	\$1.2000	\$1.2000	\$1.2000	\$1.6579	\$1.6579	\$0.4579	\$0.4579	0.00%	\$0.0000
Total Cost of Gas	\$3.4207	\$5.4434	\$7.1282	\$6.3384	\$7.0583	\$3.6376	(\$0.0699)	11.36%	\$0.7199
Total Demand Cost	\$11.3223	\$14.1002	\$14.3430	\$13.6774	\$13.6774	\$2.3551	(\$0.6656)	0.00%	\$0.0000
Avg Annual Cost	\$51,615.78	\$81,843.01	\$106,865.34	\$95,094.00	\$105,778.04	\$18,057.72	(\$1,087.31)	11.24%	\$10,684.0359
Effect of proposed commodity change on average annual bills:									\$10,684.04
Effect of proposed demand change on average annual bills:									\$0.00

Note: Average Annual Average based on PNG Annual Automatic Adjustment Report in Docket No. E_G999/AA-05-1403

MINNESOTA ENERGY RESOURCES - PNG

Attachment 11
Rate Impacts
NNG

1) General Service: Avg. Annual Use: 127 Mcf									
Recovery	Last Demand Change M-04-1766	Last Demand Change M-06-XXXX	Last Demand Change M-07-XXXX	Most Recent PGA Oct 1/08	Nov1/08 PGA w/ Proposed Demand Changes**	% Change From Last Rate Case	% Change From Last Demand Filing	% Change From Last PGA	\$ Change From Last PGA
Commodity Rate	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	140.34%	-2.46%	12.04%	\$0.7199
Demand Rate	\$0.7886	\$1.1097	\$1.1741	\$1.0903	\$1.0883	38.00%	-7.31%	-0.18%	(\$0.0020)
Margin	\$1.2628	\$1.1771	\$1.1771	\$1.6263	\$1.6263	28.79%	38.16%	0.00%	\$0.0000
Total Recovery	\$4.8387	\$7.4702	\$9.2194	\$8.6958	\$9.4137	94.55%	2.11%	8.26%	\$0.7179
Avg. Annual Bill*	\$614.51	\$948.72	\$1,170.86	\$1,104.37	\$1,195.54	94.55%	2.11%	8.26%	\$91.1733
Effect of proposed commodity change on average annual bills:									\$91.4273
Effect of proposed demand change on average annual bills:									(\$0.2540)
2) Small Volume Interruptible: Avg. Annual Use: 4,948 4,948 Mcf									
Recovery	Last Demand Change M-04-1766	Last Demand Change M-06-XXXX	Most Recent PGA M-07-XXXX	Most Recent PGA Oct 1/08	Nov1/08 PGA w/ Proposed Demand Changes**	% Change From Last Rate Case	% Change From Last Demand Filing	% Change From Last PGA	\$ Change From Last PGA
Commodity Rate	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	140.34%	-2.46%	12.04%	\$0.7199
Demand Rate									\$0.0000
Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000
Total Recovery	\$3.6873	\$6.0834	\$7.7682	\$7.2226	\$7.9425	115.40%	2.24%	9.97%	\$0.7199
Avg. Annual Bill*	\$18,244.76	\$30,100.66	\$38,437.05	\$35,737.42	\$39,299.49	115.40%	2.24%	9.97%	\$3,562.0652
Effect of proposed commodity change on average annual bills:									\$3,562.0652
Effect of proposed demand change on average annual bills:									\$0.0000
3) Large Volume Interruptible: Avg. Annual Use: 14,841 14,841 Mcf									
Recovery	Last Demand Change M-04-1766	Last Demand Change M-06-XXXX	Most Recent PGA M-07-XXXX	Most Recent PGA Oct 1/08	Nov1/08 PGA w/ Proposed Demand Changes**	% Change From Last Rate Case	% Change From Last Demand Filing	% Change From Last PGA	\$ Change From Last PGA
Commodity Rate	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	140.34%	-2.46%	12.04%	\$0.7199
Demand Rate									\$0.0000
Margin	\$0.2600	\$0.2600	\$0.2600	\$0.3592	\$0.3592	38.15%	38.15%	0.00%	\$0.0000
Total Recovery	\$3.0473	\$5.4434	\$7.1282	\$6.3384	\$7.0583	131.62%	-0.98%	11.36%	\$0.7199
Avg. Annual Bill*	\$45,224.98	\$80,785.50	\$105,789.62	\$94,068.19	\$104,752.23	131.62%	-0.98%	11.36%	#####
Effect of proposed commodity change on average annual bills:									#####
Effect of proposed demand change on average annual bills:									\$0.0000
4) Small Volume Firm: Avg. Annual Use: 4,948 Mcf 25 Mcf									
Recovery	Last Demand Change M-04-1766	Last Demand Change M-06-XXXX	Most Recent PGA M-07-XXXX	Most Recent PGA Oct 1/08	Nov1/08 PGA w/ Proposed Demand Changes**	% Change From Last Rate Case	% Change From Last Demand Filing	% Change From Last PGA	\$ Change From Last PGA
Commodity Rate	\$2.7873	\$5.1834	\$6.8682	\$5.9792	\$6.6991	140.34%	-2.46%	12.04%	\$0.7199
Demand Rate	\$10.1223	\$12.9002	\$13.1430	\$12.0195	\$12.0195	18.74%	-8.55%	0.00%	\$0.0000
Comm. Margin	\$0.9000	\$0.9000	\$0.9000	\$1.2434	\$1.2434	38.16%	38.16%	0.00%	\$0.0000
SV Dem. Margin	\$1.5000	\$1.5000	\$1.5000	\$2.0724	\$2.0724	38.16%	38.16%	0.00%	\$0.0000
Total Commodity Cost	\$3.6873	\$6.0834	\$7.7682	\$7.2226	\$7.9425	115.40%	2.24%	9.97%	\$0.7199
Total Demand Cost	\$11.6223	\$14.4002	\$14.6430	\$14.0919	\$14.0919	21.25%	-3.76%	0.00%	\$0.0000
Avg. Annual Bill*	\$18,535.32	\$30,460.67	\$38,803.13	\$36,089.72	\$39,651.79	113.93%	2.19%	9.87%	\$3,562.0652
Effect of proposed commodity change on average annual bills:									\$3,562.0652
Effect of proposed demand change on average annual bills:									\$0.0000
5) Large Volume Firm: Avg. Annual Use: 14,841 Mcf 75 Mcf									
Recovery	Last Demand Change M-04-1766	Last Demand Change M-06-XXXX	Most Recent PGA M-07-XXXX	Most Recent PGA Oct 1/08	Nov1/08 PGA w/ Proposed Demand Changes**	% Change From Last Rate Case	% Change From Last Demand Filing	% Change From Last PGA	\$ Change From Last PGA
Commodity Rate	\$1.6138	\$5.1834	\$6.8682	\$5.9792	\$6.6991	315.11%	-2.46%	12.04%	\$0.7199
Demand Rate	\$10.1223	\$12.9002	\$13.1430	\$12.0195	\$12.0195	18.74%	-8.55%	0.00%	\$0.0000
Comm. Margin	\$1.8069	\$0.2600	\$0.2600	\$0.3592	\$0.3592	-80.12%	38.15%	0.00%	\$0.0000
LV Dem. Margin	\$1.2000	\$1.2000	\$1.2000	\$1.6579	\$1.6579	38.16%	38.16%	0.00%	\$0.0000
Total Commodity Cost	\$3.4207	\$5.4434	\$7.1282	\$6.3384	\$7.0583	106.34%	-0.98%	11.36%	\$0.7199
Total Demand Cost	\$11.3223	\$14.1002	\$14.3430	\$13.6774	\$13.6774	20.80%	-4.64%	0.00%	\$0.0000
Avg. Annual Bill*	\$51,615.78	\$81,843.01	\$106,865.34	\$95,094.00	\$105,778.04	104.93%	-1.02%	11.24%	#####
Effect of proposed commodity change on average annual bills:									#####
Effect of proposed demand change on average annual bills:									\$0.0000

* Average Annual Bill amount does not include customer charges.
** Commodity includes Upstream costs.

Customer Class	Commodity Change (\$/Mcf)	Commodity Change (Percent)	Commodity Change (Percent)	Demand Change (\$/Mcf)	Demand Change (Percent)	Total Change (\$/Mcf)	Total Change (Percent)
All Firm	\$0.7199	12.04%	71.99%	(\$0.0020)	-0.18%	0.7179	8.26%
Sm Vol Inter. Service	\$0.7199	12.04%	71.99%	\$0.0000	0.00%	0.7199	9.97%
Lrg Vol Inter. Service	\$0.7199	12.04%	71.99%	\$0.0000	0.00%	0.7199	11.36%
Sm Vol Joint Service	\$0.7199	12.04%	71.99%	\$0.0000	0.00%	0.7199	*** 9.97%
Lrg Vol Joint Service	\$0.7199	12.04%	71.99%	\$0.0000	0.00%	0.7199	*** 11.36%

*** Joint total change includes only commodity change since not all joint customers purchase CD units.

AFFIDAVIT OF SERVICE

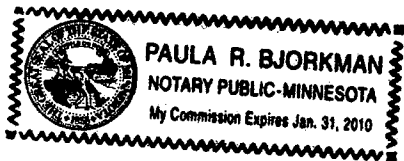
STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Sarah J. Kerbeshian, being first duly sworn on oath, deposes and states that on the 5th day of November, 2008, the attached document was electronically filed with the Minnesota Public Utilities Commission and the Minnesota Department of Commerce. A copy of the filing was provided via United States first class mail to the individuals on the attached service list at the Office of the Attorney General, and the cover letter was provided via United States first class mail to the remaining individuals on the attached service list.

Sarah J. Kerbeshian

Subscribed and sworn to before me
this 5th day of November, 2008.

Paula R. Bjorkman
Notary Public, State of Minnesota



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