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August 16, 2017

VIA ELECTRONIC FILING

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

RE: Annual Automatic Adjustment and True-Up Reports for 2016
Docket Nos. G022/AA-16-524 and G022/AA-16-715

Dear Mr. Wolf:

Greater Minnesota Gas, Inc. (“GMG”) filed its 2016 Annual Automatic Adjustment and True-Up Reports for 2016 on August 31, 2016. The Minnesota Department of Commerce, Division of Energy Resources (“the Department”) filed its Comments on August 7, 2017. This letter serves as GMG’s Reply, provided in lieu of filing Reply Comments.

GMG appreciates the Department’s recommendation that the Commission accept GMG’s FYE16 true-up report and allow it to implement the true-up as shown in its AAA report. In addition to its recommendation that the reports be accepted, the Department noted in its Comments that GMG had a negative LUF number and, therefore, requested that GMG provide explanation regarding the “found” gas on its system during FYE16.

GMG attributes the negative LUF number to two general circumstances. As the Department and Commission are aware, GMG serves a substantial number of poultry farms. During 2015, poultry operations were affected by an avian flu scare and poultry farmers took many safety measures, including limiting entrance to their farms. GMG worked with its poultry operation customers to use estimated meter reads until the growers felt the avian flu threat had passed. Hence, GMG estimated gas usage for multiple poultry farms from early 2015 through August of 2015. When it was safe to read the meters, GMG booked the difference. Some of the estimates were incorrect, as is the nature of estimation. In order to prevent similar circumstances in the future, GMG converted the poultry operation meters to automatically read meters. The second circumstance relates to initiating service for GMG in the St. Clair district. GMG began receiving gas in the St. Clair area in 2015. Initially, there was a problem with the interstate pipeline metering. GMG did not get billed for gas usage until July 1, 2015 but had taken receipts prior to that time. GMG passed on the benefits of the negative LUF to its customers and takes commercially reasonable measures to minimize LUF impacts on the Company and its rate payers.



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Thank you. Please do not hesitate to contact me should there be any questions or concerns.

Sincerely,

GREATER MINNESOTA GAS, INC.

/s/

Kristine A. Anderson
Corporate Attorney

cc: Service Lists