

Minnesota Public Utilities Commission

Addendum 1 to Staff Briefing Papers

Meeting Date: September 18& 24, 2014 Agenda Item # 2

Company: Minnesota Energy Resources Corporation (MERC or the Company)

Docket No. G-011/GR-13-617
In the Matter of a Petition by Minnesota Energy Resources Corporation for Authority
to Increase Natural Gas Rates in Minnesota

Addendum 1 to Staff Briefing Papers

Tables: Rate Design and Customer Charge ilmpacts

CUSTOMER CHARGE

	# Customer	Current		Proposed		Fixed Charge Difference	% Increase Fixed Charge	Fixed Revenue Increase	% Increase Fixed Revenue
		Fixed Charge	Fixed Revenue	Fixed Charge	Fixed Revenue				
Sales									
Residential	2,311,040	\$8.50	\$19,643,840	\$9.50	\$21,954,880	\$1.00	11.76%	\$2,311,040	11.76%
SC&I	131,512	\$14.50	\$1,906,924	\$18.00	\$2,367,216	\$3.50	24.14%	\$460,292	24.14%
LC&I	126,153	\$35.00	\$4,415,355	\$45.00	\$5,676,885	\$10.00	28.57%	\$1,261,530	28.57%
SVI	4,761	\$150.00	\$722,872	\$165.00	\$795,045	\$15.00	10.00%	\$72,173	9.98%
LVI	813	\$175.00	\$142,275	\$185.00	\$150,405	\$10.00	5.71%	\$8,130	5.71%
Total Sales	2,574,279		\$26,831,266		\$30,944,431			\$4,113,165	15.33%
Transportation									
SVI	538	\$220.00	\$160,048	\$275.00	\$193,263	\$55.00	25.00%	\$33,215	20.75%
LVI	1,031	\$245.00	\$368,908	\$295.00	\$430,573	\$50.00	20.41%	\$61,664	16.72%
Transfer For Resale	12	\$245.00	\$2,940	\$295.00	\$3,540	\$50.00	20.41%	\$600	20.41%
LVI (FLEX)	108	\$245.00	\$67,170	\$295.00	\$76,110	\$50.00	20.41%	\$8,940	13.31%
SLVI	303	\$370.00	\$365,963	\$460.00	\$393,233	\$90.00	24.32%	\$27,270	7.45%
Total Transportation	1,992		\$965,029		\$1,096,718			\$131,689	13.65%
Total Sales & Transportation	2,576,271		\$27,796,294		\$32,041,149			\$4,244,855	15.27%

**Data from these tables are taken from Attachment B to MERC's August 25 Compliance filing

DELIVERY CHARGE

	Therms	Current		Proposed		Delivery Charge Difference	% Increase Delivery Charge	Delivery Revenue Increase	% Increase Delivery Revenue
		Delivery Charge	Delivery Revenue	Delivery Charge	Delivery Revenue				
Sales									
Residential	169,606,110	\$0.19754	\$33,503,991	\$0.18829	\$31,935,134	(\$0.00925)	-4.68%	(\$1,568,857)	-4.68%
SC&I	10,622,007	\$0.18525	\$1,967,727	\$0.14745	\$1,566,215	(\$0.03780)	-20.40%	(\$401,512)	-20.40%
LC&I	85,652,099	\$0.16868	\$14,447,796	\$0.14637	\$12,536,898	(\$0.02231)	-13.23%	(\$1,910,898)	-13.23%
SVI	22,525,986	\$0.10647	\$2,398,342	\$0.07495	\$1,688,323	(\$0.03152)	-29.60%	(\$710,019)	-29.60%
LVI	13,110,515	\$0.03568	\$467,783	\$0.03634	\$476,436	\$0.00066	1.85%	\$8,653	1.85%
Total Sales	301,516,717		\$52,785,639		\$48,203,006			(\$4,582,633)	-8.68%
Transportation									
SVI	6,501,922	\$0.10647	\$692,260	\$0.07495	\$487,319	(\$0.03152)	-29.60%	-\$204,941	-29.60%
LVI	81,485,303	\$0.03568	\$2,591,157	\$0.03634	\$2,961,176	\$0.00066	1.85%	\$370,019	14.28%
Transfer For Resale	174,008	\$0.07200	\$12,529	\$0.07200	\$12,529	\$0.00000	0.00%	\$0	0.00%
LVI (FLEX)	40,337,375		\$525,589		\$525,589		#DIV/0!	\$0	0.00%
SLVI	259,610,179		\$1,336,802		\$1,278,058		#DIV/0!	-\$58,744	-4.39%
Total Transportation	388,108,787		\$5,158,335		\$5,264,670			\$106,335	2.06%
Total Sales & Transportation	689,625,504		\$57,943,974		\$53,467,676			-\$4,476,298	-7.73%

TOTAL REVENUE

	Current Revenue	Proposed Revenue	Increase	% Increase
Sales				
Residential	\$53,147,831	\$53,890,014	\$742,183	1.40%
SC&I	\$3,874,651	\$3,933,431	\$58,780	1.52%
LC&I	\$18,863,151	\$18,213,783	(\$649,368)	-3.44%
SVI	\$3,121,213	\$2,483,368	(\$637,846)	-20.44%
LVI	\$610,058	\$626,841	\$16,783	2.75%
Total Sales	\$79,616,904	\$79,147,437	(\$469,467)	-0.59%
Transportation				
SVI	\$852,307	\$680,582	-\$171,726	-20.15%
LVI	\$2,960,065	\$3,391,748	\$431,683	14.58%
Transfer For Resale	\$15,469	\$16,069	\$600	3.88%
LVI (FLEX)	\$592,759	\$601,699	\$8,940	1.51%
SLVI	\$1,702,764	\$1,671,291	-\$31,474	-1.85%
Total Transportation	\$6,123,364	\$6,361,388	\$238,024	3.89%
Total Sales & Transportation	\$85,740,268	\$85,508,825	-\$231,444	-0.27%