

State of Minnesota Public Utilities Commission
Utility Information Request
Docket Number: G-6956/M-15-856

This is the response from Community Co-ops of Lake Park in regards to the request for information under Docket Number G-6956/M-15-856 in regards to the Small Gas Utility Franchise Exemption that we currently operate under as granted by the State of Minnesota Public Utilities Commission.

Request #1: Community Co-ops as of December 31, 2017 currently serves a total of 699 customers. Six hundred forty-seven fall within the boundaries of a municipality and fifty-two fall outside of the municipal boundaries and are classified as "Incidental Service". The breakdown of the municipal customers is four hundred ninety-nine residential, one hundred thirty-nine small commercial, seven large commercial and two ag drying. The non-municipal customers are forty-two residential, one small commercial one large commercial and eight ag drying.

Request #2: Our accounting and records system does not track customers and sales by customer class or within or outside municipal boundaries so this question is answered using actual data from some of the larger users and estimates on others. Based on this method our annual gas revenues within municipal boundaries is \$1,436,502.68. Residential \$430,387.50, small commercial \$164,020.00 and large commercial \$597,940.50 and ag heating/drying \$244,154.68. Outside municipal boundaries are \$395,355. Residential \$36,225.00, small commercial \$1531.02 and Ag heating and drying \$357,599.71. The only non-gas revenue source is meter fees and these are \$104,040 within municipal boundaries and \$16,080 outside municipal boundaries.

Request #3: I have used estimates based on revenues to calculate throughput volumes as we do not track this by customer class or municipal vs incidental. Municipal breakdown as follow is residential 43474 dekatherms, small commercial 17449 dekatherms, large commercial 67184 dekatherms and ag heating/drying 37562 dekatherms. Incidental residential 3659 dekatherms, small commercial 163 dekatherms, ag heating/drying 11809 dekatherms and one transport customer 56110 dekatherms.

Request #4: We have done three different projects over the last three years so each one is at a different point in its maturity. When I combine all of the estimates from each community we are currently at 47 percent of the projected residential customers we have 546 of a projected 1150. On the commercial and ag heating/drying we are at 87 percent with 153 of a projected 175 customers. With this level of customer take we are at 85 percent of our projected throughput at this time compared to initial long-term estimates and we are well ahead of what

was projected for the three-year time period. We never separated projections by municipal or incidental customers so I have no data for comparison.

Request #5: At the current rate of annual new customer take we are projected to reach 100 percent of our throughput projections in three years and should reach saturation on the number of customers 2025. We had no estimates for this based on inside or outside the municipality.

Request #6: All of our rates by customer class are the same whether you are based inside the municipality or outside the municipality and those are all listed in our Rate/Service book that was submitted to the Minnesota Public Utilities Commission.

Request #7: The net plant in service is \$3,878,216.25. Refer to Attachment A.

Request #8: The governance structure used for overseeing rates and terms of the natural gas service is a seven-member committee comprised of four city council members, two directors from Community Co-ops and the Manager of Community Co-ops. The four city council members are from Twin Valley, Mahnomon, Red Lake Falls and Fertile and are made up of three mayors and one city council person. The committee meets annually and we have moved the location to a different city each year. We have had 100 percent attendance each year by committee members and have not had any citizens attend. Community Co-op has not sent out any notice to customers prior to the meeting but notice is sent afterwards of the rate changes for the current year.

Request #9: We do not have a written record of complaints received from customers from inside or outside a municipality as we have no reason to track complaints by this manner. We have had very few complaints and usually only receive questions about the amount of gas used on a particular month. We have AMR's that allow us to show the customer consumption by day and hour and this usually satisfies any questions in regards to usage issues.

Request #10: These items including main lines, service lines and line extensions are all covered within our Rates/Services & Regulations Book that is already submitted to the Minnesota Public Utilities Commission.

Request #11: We have not had any incidental customers that have paid for any line extensions but we have required a couple of customers to sign three-year minimum use agreements.

Request #12: N/A as answered in request #11.

Request #13: As with our initial filing under the Small Gas Utilities Exemption the main requirement of qualification is number of customers and this was not based on municipal or incidental. An annual filing of the number of customers being served would be understandable but I would be opposed to a break down by municipal vs incidental as we treat them the same by rate class. Based on some of the questions in the information request it appears you have

an interest in revenue and throughput by rate class but this information is not easy to obtain. Since we were not required to supply this as a condition of our approval of the Small Gas Utilities Exemption our system was not set up and coded to create these separate reports so the best we can do with this is give estimates based on assumptions of annual usage by different rate classes. As far as an appropriate time of year for filings my suggestion would be within four months of a year end or by May 1st when you have a calendar year end. I would just like to caution that making an annual filing too complex or lengthy will just add additional costs to operations that we are trying to keep to a minimum for the benefit of our customers. We are small utility operations that are working to provide cost effective natural gas to the people of rural Minnesota to help sustain these smaller communities.


David Blomseth
General Manager
Community Co-ops of Lake Park

Dept 753 Natural Gas Infrastructure Schedule	Acquired	Life	Cost	Depreciation		Ending Depr
				Prior Depr	Current Depr	
Natural Gas Infrastructure Mahn/TV	2015	30	\$1,667,432.02	\$138,952.68	\$55,581.07	\$194,533.75
Natural Gas Infrastructure	2016	30	\$1,869,897.86	\$83,106.57	\$62,329.93	\$145,436.50
Natural Gas Infrastructure Additions 2017	2017	30	\$716,691.18	\$11,944.85	\$23,889.71	\$35,834.56
Total Plant In Service			\$4,254,021.06			
Total				\$234,004.10	\$141,800.71	\$375,804.81
Net Plant In Service			\$3,878,216.25			