division of energy resources
Minnesota Department of Commerce

85 7th Place East, Suite 500, St. Paul, MN 55101-2198
main: 651.296.4026
tty: 651.296.2860
fax: 651.297.7891
www.energy.mn.gov

March 12, 2012

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G007/M-11-1088

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (DOC or Department) in the following matter:

> A request by Minnesota Energy Resources Corporation-PNG (MERC or the Company) for approval by the Minnesota Public Utilities Commission (Commission) of a change in demand entitlement for its Northern Minnesota Utilities (NMU) System Purchased Gas Adjustment (PGA) effective November 1, 2011.

The filing was submitted on November 1, 2011. The petitioner is:

> Gregory J. Walters
> Minnesota Energy Resources Corporation
> 3460 Technology Drive NW
> Rochester, MN 55901

Based on its investigation, the Department recommends that the Commission:

- **accept** the Company's peak day analysis; and
- **withhold approval of** the Company's proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2011 until the Company provides in its *Reply Comments* clarification on its *Petition* as requested herein by the Department.

The Department will provide its recommendations after reviewing the MERC's *Reply Comments* and is available to answer any questions that the Commission may have.

Sincerely,

/s/ SACHIN SHAH
Rates Analyst

SS/jl
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. G007/M-11-1088

I. SUMMARY OF COMPANY'S PROPOSAL

Pursuant to Minnesota Rules 7825.2910, subpart 2, Minnesota Energy Resources Corporation-PNG (MERC-NMU, MERC or Company) filed a change in demand entitlement petition (*Petition)* on November 1, 2011 for its Northern Minnesota Utilities (NMU) Purchased Gas Adjustment (PGA) system. In its *Petition*, MERC requests that the Minnesota Public Utilities Commission (Commission) accept the following changes in the Company's overall level of contracted capacity.

The Company's Proposed Total Entitlement Changes	
Type of Entitlement	Proposed Changes: increase (decrease) (Dkt)[1]
TF 12 Base and Variable	(529)
TF5	(226)
TFX-12	(227)
TFX-5	(633)
NNG Zone GDD Call Option	1,265
LS Power Peaking	(3,149)
NNG Subtotal	**(3,499)**
GLGT FT16 155 (12)	(2,863)
GLGT FT16 155 (5)	100
GLGT FT8466	(3,000)
GLGT FT15782	5,536
GLGT Subtotal	**(227)**
VGT AF0012	(255)
VGT AF0014	678
VGT AF0102	1,234
VGT AF0183	1,852
Wadena Option	(5,902)
VGT Subtotal	**(2,393)**
Sum of Increase	11,701
Sum of Decrease	(17,820)
Total Entitlement Net Change	**(6,119)**

MERC's design-day requirements (customer needs) increased by 327 Dkt per day. The Company's proposal would decrease the Company's proposed design-day (winter) capacity by 6,119 Dekatherms (Dkt). Because MERC-NMU's reserve requirement was so large previously, the proposal to decrease MERC-NMU's capacity has a reasonable basis. The Department discusses this issue further below.

The Company describes the factors contributing to the change in demand entitlements as follows[2]:

- Demand entitlement decreased on NNG by (3,499 Dkt), primarily due to the elimination of the LS Power peaking service (3,149 Dkt);

- MERC-NMU replaced the LS Power peaking capability with a physical delivered gas daily call option (overall 12,500 Dkt, NMU allocation is 1,265 Dkt);

- The Company reduced the amount of capacity on Great Lakes Gas Transmission (GLGT) due to the timing of contract expiration. Capacity on GLGT was allocated between NMU and MERC-PNG-GLGT based on design day numbers. Due to the

[1] Dekatherms (Dkt).
[2] MERC *Petition* pages 16-17

reduction in capacity and the allocation factor, GLGT capacity on NMU was decreased by 227 Dkt;[3] and

- MERC purchased firm capacity from Viking Gas Transmission (VGT), which replaced the Wadena Call Option from the previous year. Capacity on VGT was allocated between MERC-NMU and MERC-PNG-VGT based on design day numbers. Due to the acquired firm capacity and the allocation factor change, VGT capacity on MERC-NMU decreased by 2,393 Dkt.[4]

The Company also proposed changes to non-capacity items in the November 2011 PGA compared to the October 2011 PGA as follows:

- changes to its AECO Storage as mentioned on page 19 of MERC's *Petition*;[5]
- changes to its Bison/NBPL capacity as mentioned on page 16 of MERC's *Petition*;[6]
- Decrease in the amount of volumes associated with its TFX April and TFX October contracts; and
- Increase in the amount of volumes associated with its Firm Deferred Delivery (FDD) (storage) contracts.

The Department discusses the various effects on the Company's rates for different customer classes below, but notes that MERC-NMU's proposal would decrease demand rates for General Service customers (which include residential customers) by $0.0064 per Dkt or approximately $0.57[7] per year for customers using 90 Mcf. The Company requested that the Commission allow recovery of the associated demand costs in its monthly PGA effective November 1, 2011.

---

[3] This issue is discussed in greater detail in MERC's companion Docket No. G011/M-11-1082 and in the Department's *Comments* dated January 3rd, 2012.

[4] This issue is discussed in greater detail in MERC's companion Docket No. G011/M-11-1083 and in the Department's *Comments* dated January 10th, 2012.

[5] The Company states the following:

> MERC has AECO Storage, to deliver the supply from storage to MERC-NMU's markets, MERC entered in an AECO/Emerson swap. MERC sells gas at the storage point (AECO) to a supplier and buys an equivalent volume at Emerson/Spruce, which MERC then transports to its PNGGLGT, PNG-VGT and NMU (GLGT, VGT and Centra) customers. The swap substituted the need to contract for firm transport on TransCanada Pipeline (TCPL) to transport the gas from AECO to Emerson/Spruce. The cost of TCPL would have been approximately $927,919 compared to the $417,042 to swap the gas.

[6] MERC previously contracted for 50,000 Dkt/day capacity on Bison Pipeline (Bison) which went into service on January 14, 2011. NNG, Bison and Northern Border Pipeline (NBPL) capacity is allocated between MERC-PNG and MERC-NMU based on design day numbers. MERC-PNG's prorated percentage of NNG capacity is approximately 89.88% and MERC-NMU's prorated percentage is approximately 10.12%. Due to the proration, there was an increase of 1,615 Dkt in MERC-PNG winter capacity, and a 351 Dkt increase in MERC-PNG Bison and NBPL capacity. This arrangement allows MERC to access gas supplies in the Rocky Mountain region. This agreement, and the specifics associated with the Bison Project are discussed in greater detail in Docket No. G007,011/M-08-698 as well as the Department's *Comments* in Docket Nos. G011/M-10-1168 and G007/M-10-1166.

[7] MERC Attachment 4, Page 1 of 6, and Attachment 7, Page 1 of 2.

MERC included an attachment showing the rate impacts resulting from moving cost recovery of storage contracts from the demand cost recovery portion of the monthly PGA to the commodity portion.[8] On this attachment, MERC calculated that there would be a decrease in demand rates for the General Service Residential customer class when storage contract costs are included in the commodity portion of the PGA. Specifically, MERC's calculations indicate that shifting storage costs to the commodity portion of the PGA would decrease the demand rates per year by $0.2462 per Dkt, or approximately $22.16, for General Service Residential customers using 90 Mcf.

II. THE DEPARTMENT'S ANALYSIS OF THE COMPANY'S PROPOSAL

The Department's analysis of the Company's request includes the following sections:

- the proposed overall demand entitlement level;
- the changes to non-capacity items;
- the design-day requirement;
- the reserve margin;
- the PGA cost recovery proposal; and
- the Department's inquiries regarding annual demand entitlement filings.

A. THE COMPANY'S DEMAND ENTITLEMENT LEVEL

1. Proposed Overall Demand Entitlement Level

As indicated in Department's Attachment 1, the Company has proposed to decrease its total entitlement level in Dkt as follows:

Previous Entitlement (Dkt)	Proposed Entitlement (Dkt)	Entitlement Changes (Dkt)	% Change From Previous Year
68,219	62,100	(6,119)	-8.97%

The Department analyzes below the proposed changes, the proposed design day requirement, and the proposed reserve margin.

The Department understands that there could be several reasonable explanations as to why the Company reduced its entitlements by 6,191 Dkt when its design day increased by 327 Dkt, including:

- an attempt to address the large positive reserve margin that was filed in the previous year's demand entitlement filing;

[8] MERC Attachment 4, Pages 4 through 6 of 6, and Attachment 7 page 2 of 2.

- the potential impact of slow economic growth; and
- the lack of actual data in the design-day analysis regarding non-firm usage. Please see the Department's *Response Comments* dated November 15, 2011, in Docket No. G011/M-10-1168, G007/M-10-1166 and G011/M-10-1167 wherein the following was stated on page 6:

> The Department and MERC have been working cooperatively on this issue in recent demand entitlement filings. The DOC agrees that having to estimate non-firm usage adds volatility to the design-day forecast and, as such, an additional level of forecasting error is introduced into the analyses. As noted by the Company in its *Reply Comments*, MERC received Commission approval in its 2008 rate case, Docket No. G007,011/GR-08-835, to install telemetry on all its non-firm customers (excluding farm taps). Once the telemetry is fully installed, and operational, the Company will be able to adequately track non-firm usage and more effectively forecast peak-day use by firm customers. These data should be available in the coming years and, once these data is available, the issue of estimating non-firm usage will be resolved.

> The Company also provides additional discussion regarding the high reserve margins on its Northern, NMU, and Great Lakes PGA systems. In this discussion, MERC reiterates its concerns regarding slow economic growth and lack of actual non-firm data. The Company also discusses its responsibility in terms of balancing the overall MERC system. In particular, the Company states that it does not contract for firm capacity to meet non-firm usage, but it still has the responsibility to balance the entire system with respect to each interstate pipeline.

However, had MERC not terminated its LSP peaking provision with LS Power and retained the Wadena call option it would have had an increase in overall entitlements and a higher resulting reserve margin. In its *Petition,* MERC states that it replaced the peaking capability with the NNG Zone GDD Option. The Department addresses the issue of MERC acquiring the NNG Zone GDD Option in its *Comments* in the companion Docket No. G011/M-11-1084 for MERC-PNG and will not repeat that discussion here other than to reiterate the same concerns and requests for clarification.

With regards to Contract No. 112486 with TFX-5 service, the Department refers to its discussion in companion Docket No. G011/M-11-1084 and requests that MERC provide the requested clarification in its *Reply Comments*.

These requests for clarification are listed at the end of these comments.

MERC-NMU decreased its GLGT capacity by 227 Dkt as mentioned above. MERC-NMU had capacity that was expiring October 31, 2011, and, as MERC-NMU states, this circumstance presented the opportunity to reduce the amount of firm capacity for customers served off of GLGT. The Department concludes that the decrease in GLGT capacity in the amount of 227 Dkt is reasonable.[9]

As mentioned above, the DOC notes that MERC-NMU is decreasing its VGT capacity by approximately 2,393 Dkt as a result of terminating its Wadena Option and acquiring newer capacity in Viking FT-A contracts AF0014, AF0102, and AF0183. The Company also listed a balancing agreement of 4,607 units under contract ML0021. This swap has the effect of increasing the VGT capacity costs. The Department does not oppose MERC's proposal at this time. However, in order to ensure the validity of MERC's decision to acquire the newer capacity, the Department seeks clarification and requests MERC to provide additional information including, but not limited to, the following:

- Details on the balancing agreement contract ML0021 and explanations on why only the firm customers are paying for this service; and
- A comparable cost/benefit analysis to the Wadena Call Option assuming that winter capacity may be available on VGT.

The Department will provide its conclusions regarding the Company's proposed recovery of overall demand costs after reviewing the Company's *Reply Comments* as discussed in further detail below.

2. Changes to Non-Capacity Items

In its Petition, MERC discusses the FDD storage contract changes as well as the Bison/NBPL changes which have the effect of increasing costs.

The DOC notes that it has advocated in several recent demand entitlement filings[10] that demand costs associated with storage should be recovered through the commodity portion of the PGA since all customers, not just firm customers, benefit from storage gas. Although the Company has agreed to do so, the Commission has not yet determined whether storage costs are more appropriately recovered through the commodity or through the demand portion of MERC's PGA.[11] The Department continues to prefer that MERC include storage gas contract costs in the commodity portion of the PGA rather than the demand portion and recommends that the

---

[9] This issue is discussed in greater detail in MERC's companion Docket No. G011/M-11-1082 and in the Department's *Comments* (pages 3-4) dated January 3rd, 2012.
[10] Please see the Department's Comments in Docket Nos. G011/M-07-1405, G011/M-08-1328 and G011/M-09-1285.
[11] The Department notes that the Commission's February 28, 2012 Order in Docket No. G007/M-11-1078 allows CenterPoint Energy to allocate 34.31 percent of storage costs to the commodity cost portion of CenterPoint Energy's PGA.

Commission determine that all customers, not just firm customers, should pay for costs of storage gas.

With regards to the storage contracts the Department has additional discussion in the MERC-PNG companion Docket No. G011/M-11-1084 and will not repeat that discussion here other than to reiterate the same concerns and request for clarification.

With regards to the Bison/NBPL costs, the Department has additional discussion in the MERC-PNG companion Docket No. G011/M-11-1084 and will not repeat that discussion here other than to maintain its recommendations in the previous demand entitlement filings regarding Bison/NBPL costs. Again, these requests for clarification are listed at the end of these comments.

3. Design-Day Requirement

MERC provided significant discussion regarding its design-day calculation. The Department notes that the Company's design-day analysis is similar to the process that it has used in prior demand entitlement filings. MERC explored the use of additional weather variables in its review of other design-day regression models but did not use the variables in the Company's final design-day analysis. The Department does not oppose MERC's evaluation of other weather determinants in its efforts to produce the most robust design-day estimates possible; however, the Department notes that some of these additional data were taken from a proprietary source. When a utility uses proprietary data in its analysis, the Department cannot fully verify that the results of the analysis are correct. Please see discussion in the Department's January 3rd and 10th, 2012 *Comments* in Docket Nos.G011/M-11-1082 and G011/M-11-1083 respectively.

4. Reserve Margin

As indicated in the Department's Attachment 2, MERC-NMU's reserve margin is as follows:

Total Entitlement (Dkt)	Design-day Estimate (Dkt)	Difference (Dkt)	Reserve Margin[12] %	% Change From Previous Year
62,100	57,989	4,111	7.09%	-11.22%

The proposed reserve margin of 7.09 percent represents a significant decrease over last year's reserve margin, yet is still higher than the approximate 5 percent reserve margin typically used in reliability analyses. Based on this information and the DOC's analysis of the Company's design-day analysis, the DOC concludes that the reserve margin appears to be reasonable at this time.

[12] As shown on Department Attachment 2, the Company's average reserve margin excluding 2003-2004 is 4.68%

B. THE COMPANY'S PGA COST RECOVERY PROPOSAL

The demand entitlement amounts listed in DOC Attachment 1 represent the demand entitlements for which the Company's firm customers would pay. In its Petition, the Company compared its October 2011 PGA to its November 2011 PGA as a means of highlighting its changes in demand costs (MERC Attachment 4, Page 1 of 6). The Company's demand entitlement proposal would result in the following annual demand cost impacts:

- Annual bill decrease of $0.57 related to demand costs, or approximately 0.52 percent, for the average General Service customer consuming 90 Dkt annually;[13]

- Annual bill decrease of $31.34 related to demand costs, or approximately 0.52 percent, for the average Large General Service customer consuming 4,932 Dkt annually; and

- No demand charge impacts related to MERC's other rate classes.

Table 1 below shows MERC-NMU's calculation of the changes in the average annual total cost of gas in the November PGA compared with the October PGA in two scenarios: Column A - storage costs included in the demand portion of the PGA, and Column B - storage costs included in commodity portion. As mentioned before, it has been the Department's position that storage costs should be included in the commodity portion of the PGA rather than the demand portion because all ratepayers benefit from storage gas. The Department continues to recommend that MERC include storage gas contract costs in the commodity portion of the PGA rather than the demand portion.

Table 1: Changes in Average Annual Total Cost of Gas[14]– Storage Cost Treatment

Customer Class	(A) Storage Costs Included in Demand Charge[15]	(B) Storage Costs Included in Commodity Charge[16]
General Service Residential 90 Dkt Annual Use	$22.95	$15.10
Large General Service 4,932 Dkt Annual Use	$1,257.39	$827.63
Small Volume Interruptible 6,068 Dkt Annual Use	$1,585.57	$2,512.28
Large Volume Interruptible 40,821 Dkt Annual Use	$10,666.53	$16,900.78

[13] The bill impacts recommended by the Company do not take into account a shift in storage costs from the demand portion of the monthly PGA to the commodity portion of the monthly PGA.
[14] Includes Commodity Cost of Gas (WACOG), Demand Cost and Commodity Margin.
[15] MERC Attachment 4, Page 1 of 6, and Attachment 11, Page 1 of 2
[16] MERC Attachment 4, Page 4 of 6, and Attachment 11, Page 2 of 2

C. DEPARTMENT INQUIRIES REGARDING ANNUAL DEMAND ENTITLEMENT FILINGS

The Department issued discovery to each regulated Minnesota gas utility requesting input regarding the annual demand entitlement filing timeline and the reasonableness of acquiring capacity contracts for the upcoming heating season in excess of the amount estimated by the design-day analysis. The Department discussed this in more detail in its *Comments* in MERC's companion docket nos. G011/M-11-1082 and G011/M-11-1083 respectively and will not repeat the same discussion here.

1. Timeline

Based on the discovery responses, there is universal agreement that the demand entitlement filings could be filed in the summer rather than in the fall. In particular, the utilities stated that they could make their filings either on July 1st or August 1st of each year. In its *Reply Comments* dated January 13, 2012 in Docket 11-1083, MERC states that it will comply with the Department's recommended initial filing date of August 1 and that MERC is willing to further discuss with the Department the proposed changes in procedure to the demand entitlement filings. The Department appreciates MERC's response.

2. Excess Capacity

Regarding excess capacity, MERC states the following in its *Reply Comments* dated January 13, 2012 in Docket 11-1083:

> Regarding additional and reserve capacity, IPL pointed out that it is important to hold approximately five percent reserve margin to ensure reliability for customers because of forecasting variances. MERC does not have daily reads for all customer classes and agrees that a five percent reserve margin is necessary and reasonable.
>
> Regarding phased in capacity and excess capacity costs, MERC utilizes the capacity release market to address excess capacity. IPL reports that it primarily relies on temporary non-recallable capacity releases to alleviate the issue of excess capacity. MERC could explore the use of non-recallable capacity releases, but it would only do so for volumes in excess of the positive five percent reserves.

The Department suggests that, if MERC wants to explore the use of non-recallable capacity releases above an adequate reserve margin calculated for the upcoming heating season, then MERC should provide information substantiating that these additional volumes will not be necessary in the current as well as future heating seasons or up until the time when such capacity is needed for design day and peak-day conditions to reliably serve its firm customers.

III. THE DEPARTMENT'S RECOMMENDATIONS

Based on its investigation, the Department recommends that the Commission:

- accept the Company's peak-day analysis;
- withhold approval of the Company's proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2011 until the Company provides in its *Reply Comments* clarification on its Petition as requested herein for the following items:
  - clarification and additional information on the NNG Zone GDD Option;
  - clarification and additional information on the newer VGT capacity and the balancing agreement contract ML0021;
  - whether it increased its capacity on contract 112486 (TFX-5) or if there was an error in the allocation between MERC-PNG and MERC-NMU; and
  - explanation for the storage contract number changes and verification of the storage cycle volumes, the MSQ numbers and the storage reservation numbers and all of the calculations that are shown in DOC Attachment 3 for both MERC-PNG and MERC-NMU.

The Department will provide its conclusion regarding the Company's proposed recovery of overall demand costs and the proposed level of entitlements after reviewing the Company's *Reply Comments*.

/jl

DOC Attachment 1
Demand Entitlement Portfolio Changes for NMU Customers
Docket No. G007/M-11-1088

Docket No. G007/M-11-1088	06-1535 NMU GS	07-1402 NMU GS	Proposed Change	08-1329 NMU GS	Proposed Change	09-1282 NMU GS	Proposed Change	10-1166 NMU GS	Proposed Change	11-1088 NMU GS	Proposed Change
NNG Design Day	21,635	21,491		21,791		24,680		23,615		23,778	
Customer Requirements moving to Transportation	0	0		0		0		0		0	
Adjusted Design Day	21,635	21,491	(144)	21,791	300	24,680	2,889	23,615	(1,065)	23,778	163
Total NMU Design Day Capacity	61,060	61,009	(51)	63,726	2,717	60,916	(2,810)	57,662	(3,254)	57,989	327
NNG Allocated Entitlements in PGA											
TF12B	7,340	2,954	(4,386)	2,653	(301)	7,513	4,860	4,232	(3,281)	4,774	542
TF12V	5,930	9,802	3,872	6,643	(3,159)	5,243	(1,400)	3,919	(1,324)	2,848	(1,071)
TF(5)	2,102	1,991	(111)	5,451	3,460	1,991	(3,460)	3,493	1,502	3,267	(226)
TFX12 (112486)	0	0	0	0	0	0	0	1,171	1,171	1,095	(76)
TFX(5) (112486)	5,514	6,139	625	6,139	0	6,139	0	6,208	69	5,806	(402)
TFX(5) (112561)	0	0	0	0	0	0	0	649	649	607	(42)
TFX(5) (112486)	0	0	0	0	0	0	0	195	195	182	(13)
TFX(5) (12-V)	0	0	0	0	0	0	0	0	0	0	0
TFX12 (111866)	0	0	0	0	0	0	0	139	139	130	(9)
TFX12 (111866)	0	0	0	0	0	0	0	895	895	837	(58)
TFX5 (111866)	0	0	0	0	0	0	0	2,707	2,707	2,531	(176)
Windom	0	0	0	0	0	0	0	0	0	0	0
LS Power	0	2,777	2,777	2,777	0	2,725	(52)	3,149	424	0	(3,149)
Northwestern Energy (Ortonville)	0	0	0	0	0	0	0	0	0	0	0
NNG Zone GDD Call Option	0	0	0	0	0	0	0	0	0	1,265	1,265
TFX7 chg to TFX12 (111866)*	0	0	0	0	0	0	0	1,290	1,290	1,206	(84)
Total NNG Allocated Entitlements in PGA	20,886	23,663	2,777	23,663	0	23,611	-52	28,047	4,436	24,548	-3,499
Other Pipelines Entitlements in PGA											
Viking FT-A (AF 0012)	7,966	7,966	0	7,966	0	7,966	0	7,966	0	7,711	(255)
Viking FT-A backhaul	4,625	4,987	362	5,902	915	5,902	0	0	(5,902)	0	0
Viking FT-A (AF 0014)	0	0	0	0	0	0	0	0	0	678	678
Viking FT-A (AF 0102)	0	0	0	0	0	0	0	0	0	1,234	1,234
Viking FT-A (AF 0183)	0	0	0	0	0	0	0	0	0	1,852	1,852
Viking Chisago TF 12 (112495) B	2,546	782	(1,764)	926	144	1,368	442	0	(1,368)	0	0
Viking Chisago TF 12 (112495) V	0	0	0	0	0	955	955	0	(955)	0	0
Viking Chisago TF 5 (112495)	2,078	1,765	(313)	2,089	324	563	(1,526)	0	(563)	0	0
Viking Chisago TF 12 (112486)	0	1,963	1,963	2,324	361	2,089	(235)	0	(2,089)	0	0
Viking Chisago TF 5 (112486)	0	476	476	563	87	926	363	0	(926)	0	0
Great Lakes T-16 & T-155 -12	11,308	11,308	0	11,308	0	11,308	0	11,308	0	8,445	(2,863)
Great Lakes T-16 & T-155 -5	2,138	2,138	0	2,138	0	2,138	0	2,138	0	2,238	100
Great Lakes FT8466-12	0	4,500	4,500	4,000	(500)	3,000	(1,000)	3,000	0	0	(3,000)
Great Lakes FT15782-12	0	0	0	0	0	0	0	0	0	5,536	5,536
Centra FT-1	9,858	9,858	0	9,858	0	9,858	0	9,858	0	9,858	0
Centra -Boise	0	0	0	0	0	0	0	0	0	0	0
Nexen Storage	6,000	0	(6,000)	0	0	0	0	0	0	0	0
Tenaska PSO GL	0	0	0	0	0	0	0	0	0	0	0
Wadena Delivered Option	0	0	0	0	0	0	0	5,902	5,902	0	(5,902)
Tenaska PSO Centra	0	0	0	0	0	0	0	0	0	0	0
ANR Storage	0	0	0	0	0	0	0	0	0	0	0
Total Capacity	62,780	64,419	1,639	64,835	416	63,782	-1,053	68,219	4,437	62,100	-6,119
Total NNG Transportation	20,886	23,663	2,777	23,663	0	23,611	-52	28,047	4,436	24,548	-3,499
Total Transportation	62,780	64,419	1,639	64,835	416	63,782	-1,053	62,317	-1,465	62,100	-217
Total Seasonal Transportation	7,616	8,130	514	11,590	3,460	8,130	-3,460	16,747	8,617	15,661	-1,086
Percent Seasonal on NNG	36.5%	34.4%		49.0%		34.4%		59.7%		63.8%	
Reserve Margin	2.82%	5.59%		1.74%		4.70%		18.31%		7.09%	
Other Entitlements not included in Peak Day Deliverability											
Field TF (TFF) (NMU direct assigned)	0	0	0	0	0	0	0	0	0	0	0
TFX Offpeak Old Oct. (60,000)	0	0	0	0	0	0	0	0	0	0	0
TFX Offpeak Old Oct. (35,000)	0	0	0	0	0	0	0	0	0	0	0
TFX Offpeak New Oct. (14,600)	0	0	0	0	0	0	0	0	0	0	0
TFX Offpeak New Apr. (39,600)	0	0	0	0	0	0	0	0	0	0	0
TFX Oct	0	0	0	0	0	0	0	216	216	202	(14)
TFX Apr	0	0	0	0	0	0	0	216	216	202	(14)
TFX7 chg to TFX12 (111866)*	0	0	0	0	0	0	0	0	0	0	0
TFX Apr-Oct	0	0	0	0	0	0	0	0	0	0	0
TFX May-Sept	0	0	0	0	0	0	0	0	0	0	0
FDD Storage reservation (112490)	6,343	7,128	785	7,128	0	6,833	(295)	8,164	1,331	7,634	(530)
FDD Storage capacity MSQ 1/	365,682	410,939	45,257	410,939	0	393,949	(16,990)	470,684	76,735	440,149	(30,535)
FDD Storage reservation (113704)	0	492	492	0	(492)	0	0	0	0	0	0
FDD Storage capacity MSQ 2/	0	28,345	28,345	0	(28,345)	0	0	0	0	0	0
FDD Storage reservation (118215)	0	0	0	328	328	482	154	751	269	702	(49)
FDD Storage capacity MSQ 3/	0	0	0	18,900	18,900	27,822	8,922	43,301	15,479	40,491	(2,811)
FDD Storage reservation (118657)	0	0	0	524	524	515	(9)	601	86	562	(39)
FDD Storage capacity MSQ 4/	0	0	0	30,235	30,235	29,665	(570)	34,630	4,965	32,385	(2,245)
ANR Capacity	0	0	0	0	0	0	0	0	0	0	0
Nexen PSO	600,000	669,700	69,700	684,604	14,904	684,604	0	0	(684,604)	0	0
Tenaska PSO	15,807	17,763	1,956	0	(17,763)	0	0	0	0	0	0
NGPL	0	0	0	0	0	0	0	0	0	0	0
SMS	1,907	2,172	265	2,143	(29)	2,103	(40)	2,454	351	2,295	(159)
SBA	0	0	0	0	0	0	0	0	0	0	0
Upstream Demand per Mo	0	0	0	0	0	0	0	0	0	0	0
Bison/NBPL (FT0003 & T8673F)	0	0	0	0	0	0	0	5,411	5,411	5,060	(351)
AECO Storage	0	0	0	0	0	0	0	665,043	665,043	666,223	1,180
1/ Cycled Volumes =	73,136	82,188	9,052	82,188	0	78,790	(3,398)	94,137	15,347	88,030	(6,107)
2/ Cycled Volumes =	0	5,669	5,669	0	(5,669)	0	0	0	0	0	0
3/ Cycled Volumes =	0	0	0	3,779	3,779	5,563	1,784	8,658	3,095	8,096	(562)
4/ Cycled Volumes =	0	0	0	6,047	6,047	5,933	(114)	6,926	993	6,477	(449)

*** = See MERC Reply Comments and DOC Response Comments in Docket No. 09-1284**

DOC Attachment 2
Demand Entitlement Analysis
NMU's Customers
As Proposed by MERC-NMU
Docket No. G007/M-11-1088

MERC-NMU

	Number of Firm Customers			Design Day Requirement			Total Entitlement + Peak Shaving			Reserve Margin
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Heating Season	DD No.of Customers	Change from Previous Year	% Change From Previous Year	Design Day (Mcf)	Change from Previous Year	% Change From Previous Year	Total Entitlement (Mcf)*	Change from Previous Year	% Change From Previous Year	% of Reserve Margin [(7)-(4)]/(4)
2011-2012	40,470	70	0.17%	57,989	327	0.57%	62,100	(6,119)	-8.97%	7.09%
2010-2011	40,400	(735)	-1.79%	57,662	(3,256)	-5.34%	68,219	4,436	6.95%	18.31%
2009-2010	41,135	2,023	5.17%	60,918	(2,808)	-4.41%	63,783	(1,052)	-1.62%	4.70%
2008-2009	39,112	854	2.23%	63,726	2,718	4.46%	64,835	415	0.64%	1.74%
2007-2008	38,258	(225)	-0.58%	61,008	(52)	-0.09%	64,420	1,639	2.61%	5.59%
2006-2007	38,483	275	0.72%	61,060	(922)	-1.49%	62,781	(1,553)	-2.41%	2.82%
2005-2006	38,208	(1,608)	-4.04%	61,982	1,279	2.11%	64,334	2,668	4.33%	3.79%
2004-2005	39,816	2,740	7.39%	60,703	(1,491)	-2.40%	61,666	(2,672)	-4.15%	1.59%
2003-2004	37,076	612	1.68%	62,194	7,968	14.69%	64,338	7,945	14.09%	3.45%
2002-2003	36,464	362	1.00%	54,226	(344)	-0.63%	56,393	260	0.46%	4.00%
2001-2002	36,102	415	1.16%	54,570	(1,099)	-1.97%	56,133	0	0.00%	2.86%
2000-2001	35,687	717	2.05%	55,669	1,118	2.05%	56,133	1,210	2.20%	0.83%
1999-2000	34,970	1,097	3.24%	54,551	119	0.22%	54,923	151	0.28%	0.68%
1998-1999	33,873	968	2.94%	54,432	1,551	2.93%	54,772	3,918	7.70%	0.62%
1997-1998	32,905	1,362	4.32%	52,881	2,176	4.29%	50,854	0	0.00%	-3.83%
1996-1997	31,543	790	2.57%	50,705	1,342	2.72%	50,854	(10,270)	-16.80%	0.29%
1995-1996	30,753			49,363			61,124			23.83%
Average:			1.76%			1.11%			0.33%	4.61%
Average (Ex. 2003-2004):			1.77%			0.20%			-0.59%	4.68%

Firm Peak Day Sendout

	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)***	(19)
Heating Season	Number of Peak Day Customers	Firm Peak Day Sendout (Mcf)	Change from Previous Year	% Change From Previous Year	Excess/Def. per Cust. [(7) - (4)]/(1)	Design Day per Customer* (4)/(1)	Entitlement per Customer (7)/(1)	Peak Day Sendout per PD Customer (12)/(11)	Peak Day Sendout per DD Customer (12)/(1)
2011-2012	unknown	unknown			0.1016	1.4329	1.5345	unknown	unknown
2010-2011	40,400	43,649	(4,284)	-8.94%	0.2613	1.4273	1.6886	1.0804	1.0804
2009-2010**	40,588	47,933	1,532	3.30%	0.0696	1.4809	1.5506	1.1810	1.1653
2008-2009	40,694	46,401	(7,714)	-14.25%	0.0284	1.6293	1.6577	1.1402	1.1864
2007-2008	38,258	54,115	24,019	79.81%	0.0892	1.5946	1.6838	1.4145	1.4145
2006-2007	38,483	30,096	(16,324)	-35.17%	0.0447	1.5867	1.6314	0.7821	0.7821
2005-2006	38,208	46,420	5,014	12.11%	0.0616	1.6222	1.6838	1.2149	1.2149
2004-2005	38,394	41,406	2,123	5.40%	0.0242	1.5246	1.5488	1.0784	1.0399
2003-2004	37,632	39,283	(5,858)	-12.98%	0.0578	1.6775	1.7353	1.0439	1.0595
2002-2003	37,076	45,141	10,769	31.33%	0.0594	1.4871	1.5465	1.2175	1.2380
2001-2002	36,500	34,372	(9,950)	-22.45%	0.0433	1.5116	1.5548	0.9417	0.9521
2000-2001	35,956	44,322	3,967	9.83%	0.0130	1.5599	1.5729	1.2327	1.2420
1999-2000	35,822	40,355	(8,001)	-16.55%	0.0106	1.5599	1.5706	1.1265	1.1540
1998-1999	34,970	48,356	8,320	20.78%	0.0100	1.6069	1.6170	1.3828	1.4276
1997-1998	33,873	40,036	(7,904)	-16.49%	-0.0616	1.6071	1.5455	1.1819	1.2167
1996-1997	33,064	47,940	16,790	53.90%	0.0047	1.6075	1.6122	1.4499	1.5198
1995-1996	32,112	31,150			0.3824	1.6051	1.9876	0.9700	1.0129
Average:				5.98%	0.0706	1.5601	1.6307	1.1524	1.1691
Average (Ex. 2003-2004):				7.33%	0.0714	1.5527	1.6241	1.1596	1.1764

* The total entitlement includes the 864 Mcf/day of entitlement permanently released to Cornerstone in 2002-2003.
** The number of peak day customers is calculated using firm customer count numbers provided in MERC-NMU's *Initial Filing* , Attachment 12.

DOC Attachment 3
Allocation and Direct Assignment
of NNG, GLGT, VGT and Centra Demand Entitlements

	Total NNG	Iowa GS	Nebraska GS	**05-1728 Peoples Mn GS**	05-1727 NMU GS	Total
NNG Design Day	618,821	187,499	207,704	**200,421**	23,197	618,821
Customer Requirements moving to Transportation	25,490	6,330	18,635	**400**	125	25,490
For NMU - VGT Design Day					11,506	
For NMU - GLGT Design Day					17,688	
For NMU - Centra Deisgn Day					9,716	
Adjusted NNG Design Day	593,331	181,169	189,069	**200,021**	23,072	593,331
Adjusted NNG Design Day Percentages	100.00%	30.53%	31.87%	**33.71%**	3.89%	100.00%
Total NNG Design Day Capacity	623,310	190,323	198,622	**210,127**	24,238	623,310
Total NMU Design Day Capacity					61,982	
Less: NGPL adjusted for nonrecallable releases	(89,276)	(2,795)	(86,481)	**0**	0	(89,276)
Less: Windom	(2,500)	0	0	**2,500**	0	2,500
Less: LS Power	(29,120)	0	(23,000)	**6,120**	0	(16,880)
Less: Northwestern Energy (Ortonville)	0	0	0	**0**	0	0
Less: Chisago delivery to Viking	0	0	0	**0**	0	0
Less: TF12B	(9,216)	(2,738)	(551)	**5,927**	0	2,638
Less: TF5	(28,009)	(10,312)	(15,624)	**2,073**	0	(23,863)
Less: TFX(5)	(37,656)	(12,656)	(25,000)	**0**	0	(37,656)
Less: Contract Demand Units	(100)	(100)		**0**	0	(100)
Total Design Day Capacity (excluding direct assignments)	427,433	161,722	47,966	**193,507**	24,238	427,433
Factors for All Winter Capacity	100.00%	37.84%	11.22%	**45.27%**	5.67%	100.00%
<u>Allocated Entitlements in PGA</u>						
TF12B	151,892	57,469	17,045	**68,765**	8,613	151,892
TF12V				**0**	0	0
TF5	187,122	70,799	20,999	**84,713**	10,611	187,122
TFX12 (112486)				**11,318**	0	11,318
TFX(5) (112486)				**0**	0	0
TFX(5) (112561)				**0**	0	0
TFX(5) (112486)	49,917	18,886	5,602	**22,598**	2,831	49,917
TFX(5) (12-V)	13,502	5,109	1,515	**6,113**	766	13,502
TFX12 (111866)				**0**	0	0
TFX12 (111866)				**0**	0	0
TFX5 (111866)	25,000	9,459	2,805	**0**	1,418	13,682
Total Allocated Entitlements in PGA	427,433	161,722	47,966	**193,507**	24,238	427,433
<u>Direct Assigned Entitlements in PGA (NNG)</u>						
NGPL	89,276	2,795	86,481	**0**	0	89,276
Windom	2,500			**2,500**	0	2,500
LS Power	29,120		23,000	**6,120**	0	29,120
Northwestern Energy (Ortonville)				**0**	0	0
NNG Zone GDD Call Option				**0**	0	0
TFX(5)	9,216	2,738	551	**5,927**	0	9,216
TFX(7)	28,009	10,312	15,624	**2,073**	0	28,009
TFX(5)	37,656	12,656	25,000	**0**	0	37,656
TFX7 chg to TFX12 (111866)*				**0**	0	0
Total Direct Assignments	195,777	28,501	150,656	**16,620**		195,777
Total Capacity before Peak Shaving	623,210	190,223	198,622	**210,127**	24,238	623,210
LP Peak Shaving	0	0	0	**0**	0	0
Total Design Day Capacity w/o Contract Demand	623,210	190,223	198,622	**210,127**	24,238	623,210
Total Transp. (with TFX Offpeak less LSP)				**262,081**		
Total Annual Transportation				**68,765**		
Total Seasonal Transportation				**115,497**		
Total Percent Seasonal				**55.0%**		
LS Power as % of Total DD Capacity				**2.9%**		
Reserve Margin				**5.05%**		
<u>Direct Assigned Entitlements in PGA (NMU)</u>						
Viking FT-A (AF 0012)					8,366	
Viking FT-A backhaul					1,900	
Viking FT-A (AF 0014)					0	
Viking FT-A (AF 0102)					0	
Viking FT-A (AF 0183)					0	
Viking Chisago TF 12 (112495) B					1,303	
Viking Chisago TF 12 (112495) V					0	
Viking Chisago TF 5 (112495)					2,839	
Viking Chisago TF 12 (112486)					0	
Viking Chisago TF 5 (112486)					0	
Great Lakes T-16 & T-155 -12					13,130	
Great Lakes T-16 & T-155 -5					0	
Great Lakes FT8466-12					0	
Great Lakes FT15782-12					0	
Centra FT-1					8,358	
Centra -Boise					1,500	
Nexen Storage					4,600	
Tenaska PSO GL					86,549	
Wadena Delivered Option					0	
Tenaska PSO Centra					62,000	
ANR Storage	0	0	0	**0**	0	0
Total Capacity					212,883	
Total NNG transportation					24,238	
Total Annual Transportation					59,734	
Total Seasonal Transportation NNG					15,625	
Total Percent Seasonal on NNG					64.5%	
Reserve Margin					**3.79%**	

	Total NNG	Iowa GS	Nebraska GS	**05-1728 Peoples Mn GS**	05-1727 NMU GS	Total
Direct Assigned Demand Not in PGA						
TF-12-B Contract Demand	100	100	0	**0**	0	100
Total Design Day Capacity w/ contract demand	623,310	190,323	198,622	**210,127**	24,238	623,310
Factors	100.00%	30.53%	31.87%	**33.71%**	3.89%	100.00%
Other Entitlements not included in Peak Day Deliverability						
Field TF (TFF) (NMU direct assigned)				**0**		
TFX Offpeak Old Oct. (60,000)	60,000	18,321	19,119	**20,227**	2,333	60,000
TFX Offpeak Old Oct. (35,000)	35,000	10,687	11,153	**11,799**	1,361	35,000
TFX Offpeak New Oct. (14,600)	14,600	4,458	4,652	**4,922**	568	14,600
TFX Offpeak New Apr. (39,600)	39,600	12,092	12,619	**13,350**	1,540	39,600
TFX Oct				**0**	0	
TFX Apr				**0**	0	
TFX7 chg to TFX12 (111866)*				**0**	0	
TFX Apr-Oct	8,469	2,586	2,699	**2,855**	329	8,469
TFX May-Sept	14,600	4,458	4,652	**4,922**	568	14,600
FDD Storage reservation (112490)	138,913	42,416	44,266	**46,830**	5,402	138,913
FDD Storage capacity MSQ **1/**	8,009,080	2,445,510	2,552,148	**2,699,984**	311,437	8,009,080
FDD Storage reservation (113704)	0	0	0	0	0	0
FDD Storage capacity MSQ **2/**	0	0	0	0	0	0
FDD Storage reservation (118215)	0	0	0	0	0	0
FDD Storage capacity MSQ **3/**	0	0	0	0	0	0
FDD Storage reservation (118657)	0	0	0	0	0	0
FDD Storage capacity MSQ **4/**	0	0	0	0	0	0
ANR Capacity	0	0	0	**0**	0	0
Nexen PSO	255,000	77,862	81,258	**85,964**	9,916	255,000
Tenaska PSO	500,000	152,671	159,328	**168,558**	19,443	500,000
NGPL	3,558,225	1,086,476	1,133,853	**1,199,532**	138,364	3,558,225
SMS	54,000	16,488	17,207	**18,204**	2,100	54,000
SBA				**0**	0	0
Upstream Demand per Mo				**0**	32	32
Bison/NBPL (FT0003 & T8673F)				**0**	0	0
AECO Storage				**0**	0	0
1/ Cycled Volumes =				**787,676**	5,402	793,078
2/ Cycled Volumes =				**0**	0	0
3/ Cycled Volumes =				**0**	0	0
4/ Cycled Volumes =				**0**	0	0

*** = See MERC Reply Comments and DOC Response Comments in Docket No. 09-1284**

DOC Attachment 3
Allocation and Direct Assignment
of NNG, GLGT, VGT and Centra Demand Entitlements

	06-1536 Peoples Mn GS	06-1535 NMU GS	Total	07-1405 Peoples Mn GS	07-1402 NMU GS	Total
NNG Design Day	**200,484**	21,635	222,119	**202,263**	21,491	223,754
Customer Requirements moving to Transportation	**0**	0	0	**0**	0	0
For NMU - VGT Design Day		11,179			12,331	
For NMU - GLGT Design Day		18,422			17,497	
For NMU - Centra Deisgn Day		9,824			9,690	
Adjusted NNG Design Day	**200,484**	21,635	222,119	**202,263**	21,491	223,754
Adjusted NNG Design Day Percentages	**90.26%**	9.74%	100.00%	**90.40%**	9.60%	100.00%
Total NNG Design Day Capacity	**227,526**	21,635	249,161	**226,785**	21,491	248,276
Total NMU Design Day Capacity		61,060			61,009	
Less: NGPL adjusted for nonrecallable releases	**0**	0	0	**0**	0	0
Less: Windom	**2,500**	0	2,500	**2,500**	0	2,500
Less: LS Power	**29,100**	0	29,100	**26,323**	2,777	29,100
Less: Northwestern Energy (Ortonville)	**0**	0	0	**0**	0	0
Less: Chisago delivery to Viking	**7,000**	0	7,000	**7,000**	0	7,000
Less: TF12B	**0**	0	0	**0**	0	0
Less: TF5	**0**	0	0	**0**	0	0
Less: TFX(5)	**0**	0	0	**0**	0	0
Less: Contract Demand Units	**0**	0	0	**0**	0	0
Total Design Day Capacity (excluding direct assignments)	**188,926**	82,695	271,621	**190,962**	85,277	276,239
Factors for All Winter Capacity	**69.56%**	30.44%	100.00%	**69.13%**	30.87%	100.00%
Allocated Entitlements in PGA						
TF12B	**42,170**	7,340	49,510	**43,858**	2,954	46,812
TF12V	**34,070**	5,930	40,000	**15,946**	9,802	25,748
TF5	**36,772**	2,102	38,874	**29,619**	1,991	31,610
TFX12 (112486)	**9,724**	0	9,724	**9,724**	0	9,724
TFX(5) (112486)	**65,117**	5,514	70,631	**46,558**	6,139	52,697
TFX(5) (112561)	**6,000**	0	6,000	**6,000**	0	6,000
TFX(5) (112486)	**2,073**	0	2,073	**3,996**	0	3,996
TFX(5) (12-V)	**0**	0	0	**0**	0	0
TFX12 (111866)	**0**		0	**414**	0	414
TFX12 (111866)	**0**	0	0	**8,271**	0	8,271
TFX5 (111866)	**0**	0	0	**33,576**	0	33,576
Total Allocated Entitlements in PGA	**195,926**	20,886	216,812	**197,962**	20,886	218,848
Direct Assigned Entitlements in PGA (NNG)						
NGPL	**0**	0	0	**0**	0	0
Windom	**2,500**	0	2,500	**2,500**	0	2,500
LS Power	**29,100**	0	29,100	**26,323**	2,777	29,100
Northwestern Energy (Ortonville)	**0**	0	0	**0**	0	0
NNG Zone GDD Call Option	**0**	0	0	**0**	0	0
TFX(5)	**0**	0	0	**0**	0	0
TFX(7)	**0**	0	0	**0**	0	0
TFX(5)	**0**	0	0	**0**	0	0
TFX7 chg to TFX12 (111866)*	**0**	0	0	**0**	0	0
Total Direct Assignments	**31,600**		31,600	**28,823**	**2,777**	31,600
Total Capacity before Peak Shaving	**227,526**	20,886	248,412	**226,785**	23,663	250,448
LP Peak Shaving	**0**	0	0	**0**	0	0
Total Design Day Capacity w/o Contract Demand	**227,526**	20,886	248,412	**226,785**	23,663	250,448
Total Transp. (with TFX Offpeak less LSP)	**198,426**			**200,462**		
Total Annual Transportation	**76,240**			**59,804**		
Total Seasonal Transportation	**38,845**			**67,191**		
Total Percent Seasonal	**17.1%**			**29.6%**		
LS Power as % of Total DD Capacity	**12.8%**			**11.6%**		
Reserve Margin	**13.49%**			**12.12%**		
Direct Assigned Entitlements in PGA (NMU)						
Viking FT-A (AF 0012)		7,966			7,966	
Viking FT-A backhaul		4,625			4,987	
Viking FT-A (AF 0014)		0			0	
Viking FT-A (AF 0102)		0			0	
Viking FT-A (AF 0183)		0			0	
Viking Chisago TF 12 (112495) B		2,546			782	
Viking Chisago TF 12 (112495) V		0			0	
Viking Chisago TF 5 (112495)		2,078			1,765	
Viking Chisago TF 12 (112486)		0			1,963	
Viking Chisago TF 5 (112486)		0			476	
Great Lakes T-16 & T-155 -12		11,308			11,308	
Great Lakes T-16 & T-155 -5		2,138			2,138	
Great Lakes FT8466-12		0			4,500	
Great Lakes FT15782-12		0			0	
Centra FT-1		9,858			9,858	
Centra -Boise		0			0	
Nexen Storage		6,000			0	
Tenaska PSO GL		0			0	
Wadena Delivered Option		0			0	
Tenaska PSO Centra		0			0	
ANR Storage	**0**	0	0	**0**	0	0
Total Capacity		62,780			64,419	
Total NNG transportation		20,886			23,663	
Total Annual Transportation		56,780			61,642	
Total Seasonal Transportation NNG		7,616			8,130	
Total Percent Seasonal on NNG		36.5%			34.4%	
Reserve Margin		**2.82%**			**5.59%**	

	06-1536 Peoples Mn GS	06-1535 NMU GS	Total	07-1405 Peoples Mn GS	07-1402 NMU GS	Total
Direct Assigned Demand Not in PGA						
TF-12-B Contract Demand	**0**	0	0	**0**	0	0
Total Design Day Capacity w/ contract demand	**227,526**	20,886	248,412	**226,785**	23,663	250,448
Factors	**90.26%**	9.74%	100.00%	**90.40%**	9.60%	100.00%
Other Entitlements not included in Peak Day Deliverability						
Field TF (TFF) (NMU direct assigned)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (60,000)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (35,000)	**0**	0	0	**0**	0	0
TFX Offpeak New Oct. (14,600)	**0**	0	0	**0**	0	0
TFX Offpeak New Apr. (39,600)	**0**	0	0	**0**	0	0
TFX Oct	**2,000**	0	2,000	**2,000**	0	2,000
TFX Apr	**0**	0	0	**2,000**	0	2,000
TFX7 chg to TFX12 (111866)*	**0**	0	0	**10,837**	0	10,837
TFX Apr-Oct	**0**	0	0	**0**	0	0
TFX May-Sept	**0**	0	0	**0**	0	0
FDD Storage reservation (112490)	**69,094**	6,343	75,437	**68,309**	7,128	75,437
FDD Storage capacity MSQ **1/**	**3,983,639**	365,682	4,349,321	**3,938,382**	410,939	4,349,321
FDD Storage reservation (113704)	0	0	0	**4,712**	492	5,204
FDD Storage capacity MSQ **2/**	0	0	0	**271,655**	28,345	300,000
FDD Storage reservation (118215)	0	0	0	**0**	0	0
FDD Storage capacity MSQ **3/**	0	0	0	**0**	0	0
FDD Storage reservation (118657)	0	0	0	**0**	0	0
FDD Storage capacity MSQ **4/**	0	0	0	**0**	0	0
ANR Capacity	**0**	0	0	**0**	0	0
Nexen PSO	**0**	600,000	600,000	**0**	669,700	669,700
Tenaska PSO	**172,193**	15,807	188,000	**170,237**	17,763	188,000
NGPL	**0**	0	0	**0**	0	0
SMS	**20,773**	1,907	22,680	**20,537**	2,172	22,709
SBA	**0**	0	0	**0**	0	0
Upstream Demand per Mo	**0**	0	0	**0**	0	0
Bison/NBPL (FT0003 & T8673F)	**0**	0	0	**0**	0	0
AECO Storage	**0**	0	0	**0**	0	0
1/ Cycled Volumes =	**796,728**	73,136	869,864	**787,676**	82,188	869,864
2/ Cycled Volumes =	**0**	0	0	**54,331**	5,669	60,000
3/ Cycled Volumes =	**0**	0	0	**0**	0	0
4/ Cycled Volumes =	**0**	0	0	**0**	0	0

*** = See MERC Reply Comments and DOC Response Com**

DOC Attachment 3
Allocation and Direct Assignment
of NNG, GLGT, VGT and Centra Demand Entitlements

	08-1328 Peoples Mn GS	08-1329 NMU GS	Total	09-1284 Peoples Mn GS	09-1282 NMU GS	Total
NNG Design Day	**225,397**	21,791	247,188	**203,360**	24,680	228,040
Customer Requirements moving to Transportation	**0**	0	0	**0**	0	0
For NMU - VGT Design Day		10,129			12,198	
For NMU - GLGT Design Day		24,195			14,848	
For NMU - Centra Deisgn Day		7,611			9,190	
Adjusted NNG Design Day	**225,397**	21,791	247,188	**203,360**	24,680	228,040
Adjusted NNG Design Day Percentages	**91.18%**	8.82%	100.00%	**89.18%**	10.82%	100.00%
Total NNG Design Day Capacity	**226,785**	21,791	248,576	**231,064**	24,680	255,744
Total NMU Design Day Capacity		63,726			60,916	
Less: NGPL adjusted for nonrecallable releases	**0**	0	0	**0**	0	0
Less: Windom	**2,500**	0	2,500	**2,500**	0	2,500
Less: LS Power	**26,323**	2,777	29,100	**26,375**	2,725	29,100
Less: Northwestern Energy (Ortonville)	**0**	0	0	**0**	0	0
Less: Chisago delivery to Viking	**7,000**	0	7,000	**7,000**	0	7,000
Less: TF12B	**0**	0	0	**0**	0	0
Less: TF5	**0**	0	0	**0**	0	0
Less: TFX(5)	**0**	0	0	**0**	0	0
Less: Contract Demand Units	**0**	0	0	**0**	0	0
Total Design Day Capacity (excluding direct assignments)	**190,962**	88,294	279,256	**195,189**	88,321	283,510
Factors for All Winter Capacity	**68.38%**	31.62%	100.00%	**68.85%**	31.15%	100.00%
Allocated Entitlements in PGA						
TF12B	**29,906**	2,653	32,559	**35,221**	7,513	42,734
TF12V	**32,690**	6,643	39,333	**24,583**	5,243	29,826
TF5	**26,827**	5,451	32,278	**29,619**	1,991	31,610
TFX12 (112486)	**9,724**	0	9,724	**9,724**	0	9,724
TFX(5) (112486)	**46,558**	6,139	52,697	**48,754**	6,139	54,893
TFX(5) (112561)	**6,000**	0	6,000	**6,000**	0	6,000
TFX(5) (112486)	**3,996**	0	3,996	**1,800**	0	1,800
TFX(5) (12-V)	**0**	0	0	**0**	0	0
TFX12 (111866)	**414**	0	414	**414**	0	414
TFX12 (111866)	**8,271**	0	8,271	**9,140**	0	9,140
TFX5 (111866)	**33,576**	0	33,576	**25,013**	0	25,013
Total Allocated Entitlements in PGA	**197,962**	20,886	218,848	**190,268**	20,886	211,154
Direct Assigned Entitlements in PGA (NNG)						
NGPL	**0**	0	0	**0**	0	0
Windom	**2,500**	0	2,500	**2,500**	0	2,500
LS Power	**26,323**	2,777	29,100	**26,375**	2,725	29,100
Northwestern Energy (Ortonville)	**0**	0	0	**0**	0	0
NNG Zone GDD Call Option	**0**	0	0	**0**	0	0
TFX(5)	**0**	0	0	**0**	0	0
TFX(7)	**0**	0	0	**0**	0	0
TFX(5)	**0**	0	0	**0**	0	0
TFX7 chg to TFX12 (111866)*	**0**	0	0	**11,921**	0	11,921
Total Direct Assignments	**28,823**	**2,777**	31,600	**40,796**	**2,725**	43,521
Total Capacity before Peak Shaving	**226,785**	23,663	250,448	**231,064**	23,611	254,675
LP Peak Shaving	**0**	0	0	**0**	0	0
Total Design Day Capacity w/o Contract Demand	**226,785**	23,663	250,448	**231,064**	23,611	254,675
Total Transp. (with TFX Offpeak less LSP)	**200,462**			**204,689**		
Total Annual Transportation	**62,596**			**59,804**		
Total Seasonal Transportation	**64,399**			**56,432**		
Total Percent Seasonal	**28.4%**			**24.4%**		
LS Power as % of Total DD Capacity	**11.6%**			**11.4%**		
Reserve Margin	**0.62%**			**13.62%**		
Direct Assigned Entitlements in PGA (NMU)						
Viking FT-A (AF 0012)		7,966			7,966	
Viking FT-A backhaul		5,902			5,902	
Viking FT-A (AF 0014)		0			0	
Viking FT-A (AF 0102)		0			0	
Viking FT-A (AF 0183)		0			0	
Viking Chisago TF 12 (112495) B		926			1,368	
Viking Chisago TF 12 (112495) V		0			955	
Viking Chisago TF 5 (112495)		2,089			563	
Viking Chisago TF 12 (112486)		2,324			2,089	
Viking Chisago TF 5 (112486)		563			926	
Great Lakes T-16 & T-155 -12		11,308			11,308	
Great Lakes T-16 & T-155 -5		2,138			2,138	
Great Lakes FT8466-12		4,000			3,000	
Great Lakes FT15782-12		0			0	
Centra FT-1		9,858			9,858	
Centra -Boise		0			0	
Nexen Storage		0			0	
Tenaska PSO GL		0			0	
Wadena Delivered Option		0			0	
Tenaska PSO Centra		0			0	
ANR Storage	**0**	0	0	**0**	0	0
Total Capacity		64,835			63,782	
Total NNG transportation		23,663			23,611	
Total Annual Transportation		62,058			61,057	
Total Seasonal Transportation NNG		11,590			8,130	
Total Percent Seasonal on NNG		49.0%			34.4%	
Reserve Margin		**1.74%**			**4.70%**	

	08-1328 Peoples Mn GS	08-1329 NMU GS	Total	09-1284 Peoples Mn GS	09-1282 NMU GS	Total
Direct Assigned Demand Not in PGA						
TF-12-B Contract Demand	**0**	0	0	**0**	0	0
Total Design Day Capacity w/ contract demand	**226,785**	23,663	250,448	**231,064**	23,611	254,675
Factors	**91.18%**	8.82%	100.00%	**89.18%**	10.82%	100.00%
Other Entitlements not included in Peak Day Deliverability						
Field TF (TFF) (NMU direct assigned)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (60,000)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (35,000)	**0**	0	0	**0**	0	0
TFX Offpeak New Oct. (14,600)	**0**	0	0	**0**	0	0
TFX Offpeak New Apr. (39,600)	**0**	0	0	**0**	0	0
TFX Oct	**2,000**	0	2,000	**2,000**	0	2,000
TFX Apr	**2,000**	0	2,000	**2,000**	0	2,000
TFX7 chg to TFX12 (111866)*	**10,837**	0	10,837	**0**	0	0
TFX Apr-Oct	**0**	0	0	**0**	0	0
TFX May-Sept	**0**	0	0	**0**	0	0
FDD Storage reservation (112490)	**68,309**	7,128	75,437	**66,871**	6,833	73,704
FDD Storage capacity MSQ **1/**	**3,938,382**	410,939	4,349,321	**3,855,372**	393,949	4,249,321
FDD Storage reservation (113704)	**0**	0	0	**0**	0	0
FDD Storage capacity MSQ **2/**	**0**	0	0	**0**	0	0
FDD Storage reservation (118215)	**3,141**	328	3,469	**4,722**	482	5,204
FDD Storage capacity MSQ **3/**	**181,100**	18,900	200,000	**272,177**	27,822	300,000
FDD Storage reservation (118657)	**5,026**	524	5,550	**5,035**	515	5,550
FDD Storage capacity MSQ **4/**	**289,765**	30,235	320,000	**290,335**	29,665	320,000
ANR Capacity	**0**	0	0	**0**	0	0
Nexen PSO	**0**	684,604	684,604	**0**	684,604	684,604
Tenaska PSO	**0**	0	0	**0**	0	0
NGPL	**0**	0	0	**0**	0	0
SMS	**20,537**	2,143	22,680	**20,577**	2,103	22,680
SBA	**0**	0	0	**0**	0	0
Upstream Demand per Mo	**0**	0	0	**0**	0	0
Bison/NBPL (FT0003 & T8673F)	**0**	0	0	**0**	0	0
AECO Storage	**0**	0	0	**0**	0	0
1/ Cycled Volumes =	**787,676**	**82,188**	869,864	**771,074**	**78,790**	849,864
2/ Cycled Volumes =	**0**	**0**	0	**0**	**0**	0
3/ Cycled Volumes =	**36,221**	**3,779**	40,000	**54,437**	**5,563**	60,000
4/ Cycled Volumes =	**57,953**	**6,047**	64,000	**58,067**	**5,933**	64,000

*** = See MERC Reply Comments and DOC Response Com**

DOC Attachment 3
Allocation and Direct Assignment
of NNG, GLGT, VGT and Centra Demand Entitlements

	10-1168 Peoples Mn GS	10-1166 NMU GS	Total	11-1084 Peoples Mn GS	11-1088 NMU GS	Total
NNG Design Day	194,598	23,615	218,213	211,182	23,778	234,960
Customer Requirements moving to Transportation	0	0	0	0	0	0
For NMU - VGT Design Day		10,835			11,046	
For NMU - GLGT Design Day		14,964			14,870	
For NMU - Centra Deisgn Day		8,248			8,295	
Adjusted NNG Design Day	194,598	23,615	218,213	211,182	23,778	234,960
Adjusted NNG Design Day Percentages	89.18%	10.82%	100.00%	89.88%	10.12%	100.00%
Total NNG Design Day Capacity	233,627	23,615	257,242	221,436	23,778	245,214
Total NMU Design Day Capacity		57,662			57,989	
Less: NGPL adjusted for nonrecallable releases	0	0	0	0	0	0
Less: Windom	2,500	0	2,500	2,500	0	2,500
Less: LS Power	25,951	3,149	29,100	0	0	0
Less: Northwestern Energy (Ortonville)	0	0	0	910	0	910
Less: Chisago delivery to Viking	0	0	0	0	0	0
Less: TF12B	0	0	0	0	0	0
Less: TF5	0	0	0	0	0	0
Less: TFX(5)	0	0	0	0	0	0
Less: Contract Demand Units	0	0	0	0	0	0
Total Design Day Capacity (excluding direct assignments)	205,176	84,426	289,602	219,846	81,767	301,613
Factors for All Winter Capacity	70.85%	29.15%	100.00%	72.89%	27.11%	100.00%
Allocated Entitlements in PGA						
TF12B	34,875	4,232	39,107	42,396	4,774	47,170
TF12V	32,290	3,919	36,209	25,298	2,848	28,146
TF5	28,785	3,493	32,278	29,011	3,267	32,278
TFX12 (112486)	9,651	1,171	10,822	9,727	1,095	10,822
TFX(5) (112486)	51,163	6,208	57,371	51,383	5,806	57,189
TFX(5) (112561)	5,351	649	6,000	5,393	607	6,000
TFX(5) (112486)	1,605	195	1,800	1,800	182	1,982
TFX(5) (12-V)	0	0	0	0	0	0
TFX12 (111866)	1,144	139	1,283	1,153	130	1,283
TFX12 (111866)	7,376	895	8,271	7,434	837	8,271
TFX5 (111866)	22,306	2,707	25,013	22,482	2,531	25,013
Total Allocated Entitlements in PGA	194,546	23,608	218,154	196,077	22,077	218,154
Direct Assigned Entitlements in PGA (NNG)						
NGPL	0	0	0	0	0	0
Windom	2,500	0	2,500	2,500	0	2,500
LS Power	25,951	3,149	29,100	0	0	0
Northwestern Energy (Ortonville)	0	0	0	910	0	910
NNG Zone GDD Call Option	0	0	0	11,235	1,265	12,500
TFX(5)	0	0	0	0	0	0
TFX(7)	0	0	0	0	0	0
TFX(5)	0	0	0	0	0	0
TFX7 chg to TFX12 (111866)*	10,631	1,290	11,921	10,715	1,206	11,921
Total Direct Assignments	39,082	4,439	43,521	25,360	2,471	27,831
Total Capacity before Peak Shaving	233,628	28,047	261,675	221,437	24,548	245,985
LP Peak Shaving	0	0	0	0	0	0
Total Design Day Capacity w/o Contract Demand	233,628	28,047	261,675	221,437	24,548	245,985
Total Transp. (with TFX Offpeak less LSP)	207,677			221,437		
Total Annual Transportation	67,165			67,694		
Total Seasonal Transportation	52,696			53,293		
Total Percent Seasonal	22.6%			24.1%		
LS Power as % of Total DD Capacity	11.1%			0.0%		
Reserve Margin	20.06%			4.86%		
Direct Assigned Entitlements in PGA (NMU)						
Viking FT-A (AF 0012)		7,966			7,711	
Viking FT-A backhaul		0			0	
Viking FT-A (AF 0014)		0			678	
Viking FT-A (AF 0102)		0			1,234	
Viking FT-A (AF 0183)		0			1,852	
Viking Chisago TF 12 (112495) B		0			0	
Viking Chisago TF 12 (112495) V		0			0	
Viking Chisago TF 5 (112495)		0			0	
Viking Chisago TF 12 (112486)		0			0	
Viking Chisago TF 5 (112486)		0			0	
Great Lakes T-16 & T-155 -12		11,308			8,445	
Great Lakes T-16 & T-155 -5		2,138			2,238	
Great Lakes FT8466-12		3,000			0	
Great Lakes FT15782-12		0			5,536	
Centra FT-1		9,858			9,858	
Centra -Boise		0			0	
Nexen Storage		0			0	
Tenaska PSO GL		0			0	
Wadena Delivered Option		5,902			0	
Tenaska PSO Centra		0			0	
ANR Storage	0	0	0	0	0	0
Total Capacity		68,219			62,100	
Total NNG transportation		28,047			24,548	
Total Annual Transportation		57,878			55,865	
Total Seasonal Transportation NNG		12,408			11,604	
Total Percent Seasonal on NNG		44.2%			47.3%	
Reserve Margin		18.31%			7.09%	

	10-1168 Peoples Mn GS	10-1166 NMU GS	Total	11-1084 Peoples Mn GS	11-1088 NMU GS	Total
Direct Assigned Demand Not in PGA						
TF-12-B Contract Demand	**0**	0	0	**0**	0	0
Total Design Day Capacity w/ contract demand	**233,628**	28,047	261,675	**221,437**	24,548	245,985
Factors	**89.18%**	10.82%	100.00%	**89.88%**	10.12%	100.00%
Other Entitlements not included in Peak Day Deliverability						
Field TF (TFF) (NMU direct assigned)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (60,000)	**0**	0	0	**0**	0	0
TFX Offpeak Old Oct. (35,000)	**0**	0	0	**0**	0	0
TFX Offpeak New Oct. (14,600)	**0**	0	0	**0**	0	0
TFX Offpeak New Apr. (39,600)	**0**	0	0	**0**	0	0
TFX Oct	**1,784**	216	2,000	**1,798**	202	2,000
TFX Apr	**1,784**	216	2,000	**1,798**	202	2,000
TFX7 chg to TFX12 (111866)*	**0**	0	0	**0**	0	0
TFX Apr-Oct	**0**	0	0	**0**	0	0
TFX May-Sept	**0**	0	0	**0**	0	0
FDD Storage reservation (112490)	**67,273**	8,164	75,437	**67,803**	7,634	75,437
FDD Storage capacity MSQ **1/**	**3,878,642**	470,684	4,349,326	**3,909,172**	440,149	4,349,321
FDD Storage reservation (113704)	**0**	0	0	**0**	0	0
FDD Storage capacity MSQ **2/**	**0**	0	0	**0**	0	0
FDD Storage reservation (118215)	**6,187**	751	6,938	**6,236**	702	6,938
FDD Storage capacity MSQ **3/**	**356,700**	43,301	400,002	**359,510**	40,491	400,001
FDD Storage reservation (118657)	**4,949**	601	5,550	**4,988**	562	5,550
FDD Storage capacity MSQ **4/**	**285,370**	34,630	320,000	**287,615**	32,385	320,000
ANR Capacity	**0**	0	0	**0**	0	0
Nexen PSO	**0**	0	0	**0**	0	0
Tenaska PSO	**0**	0	0	**0**	0	0
NGPL	**0**	0	0	**0**	0	0
SMS	**20,226**	2,454	22,680	**20,385**	2,295	22,680
SBA	**0**	0	0	**0**	0	0
Upstream Demand per Mo	**0**	0	0	**0**	0	0
Bison/NBPL (FT0003 & T8673F)	**44,589**	5,411	50,000	**44,940**	5,060	50,000
AECO Storage	**0**	665,043	665,043	**0**	666,223	666,223
1/ Cycled Volumes =	**775,728**	**94,137**	869,865	**781,834**	**88,030**	869,864
2/ Cycled Volumes =	**0**	**0**	0	**0**	**0**	0
3/ Cycled Volumes =	**71,342**	**8,658**	80,000	**71,904**	**8,096**	80,000
4/ Cycled Volumes =	**57,074**	**6,926**	64,000	**57,523**	**6,477**	64,000

*** = See MERC Reply Comments and DOC Response Com**

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G007/M-11-1088

Dated this **12th** o**f** **March, 2012**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP	Suite 1500 50 South Sixth Street Minneapolis, MN 554021498	Electronic Service	No	OFF_SL_11-1088_11-1088
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	OFF_SL_11-1088_11-1088
Michael	Bradley	bradleym@moss-barnett.com	Moss & Barnett	4800 Wells Fargo Ctr 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	OFF_SL_11-1088_11-1088
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_11-1088_11-1088
Daryll	Fuentes	N/A	USG	550 W. Adams Street Chicago, IL 60661	Paper Service	No	OFF_SL_11-1088_11-1088
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_11-1088_11-1088
Richard	Haubensak	RICHARD.HAUBENSAK@CONSTELLATION.COM	Constellation New Energy Gas	Suite 200 12120 Port Grace Boulevard La Vista, NE 68128	Paper Service	No	OFF_SL_11-1088_11-1088
Jack	Kegel		MMUA	Suite 400 3025 Harbor Lane North Plymouth, MN 554475142	Paper Service	No	OFF_SL_11-1088_11-1088
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	900 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_11-1088_11-1088
Brian	Meloy	brian.meloy@leonard.com	Leonard, Street & Deinard	150 S 5th St Ste 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_11-1088_11-1088

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	apm@mcmlaw.com	Mackall, Crounse and Moore	1400 AT&T Tower 901 Marquette Ave Minneapolis, MN 55402	Paper Service	No	OFF_SL_11-1088_11-1088
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_11-1088_11-1088
Gregory	Walters	gjwalters@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	3460 Technology Dr. NW Rochester, MN 55901	Paper Service	No	OFF_SL_11-1088_11-1088