

Minnesota Public Utilities Commission
Addendum 2 to Staff Briefing Papers

Meeting Date: September 24, 2014Agenda Item # 6

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 2 to Staff Briefing Papers

Tables: Rate Design and Customer Charge Impacts

Staff notes that the following Tables in Addendum 2 are based upon tables and spreadsheets provided by MERC to Staff on September 19, 2014. In the following tables MERC included 100% of the CCRC revenues within base rates. This results in an increase in total revenues over the total revenues that were represented in Addendum 1 to Staff Briefing Papers of approximately \$9.4 million.

Customer Charges*

	# 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%

*Fixed Revenues include revenues from DFC charge

Distribution 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	\$0.22421	\$38,027,386	\$0.02667	13.50%	\$4,523,395	13.50%
SC&I	10,622,007	\$0.18525	\$1,967,727	\$0.18828	\$1,999,911	\$0.00303	1.64%	\$32,185	1.64%
LC&I	85,652,099	\$0.16868	\$14,447,796	\$0.16978	\$14,542,013	\$0.00110	0.65%	\$94,217	0.65%
SVI	22,525,986	\$0.10647	\$2,398,342	\$0.08695	\$1,958,634	(\$0.01952)	-18.33%	(\$439,707)	-18.33%
LVI	13,110,515	\$0.03568	\$467,783	\$0.04643	\$608,721	\$0.01075	30.13%	\$140,938	30.13%
Total Sales	301,516,717		\$52,785,639		\$57,136,666			\$4,351,028	8.24%
Transportation									
SVI	6,501,922	\$0.10647	\$692,260	\$0.08695	\$565,342	(\$0.01952)	-18.33%	(\$126,918)	-18.33%
LVI	81,485,303	\$0.03568	\$2,591,157	\$0.04643	\$3,271,695	\$0.01075	30.13%	\$680,539	26.26%
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		\$1,373,104		#DIV/0!	\$36,302	2.72%
Total Transportation	388,108,787		\$5,158,335		\$5,748,259			\$589,923	11.44%
Total Sales & Transportation	689,625,504		\$57,943,974		\$62,884,925			\$4,940,951	8.53%

*LVI and SLVI Transportation customers include CIP Exempt customers with a lower volumetric or delivery rate per therm to calculate total Delivery Revenues.

Total Revenue

	Current Revenue	Proposed Revenue	Increase	% Increase
Sales				
Residential	\$53,147,831	\$59,982,266	\$6,834,435	12.86%
SC&I	\$3,874,651	\$4,367,127	\$492,477	12.71%
LC&I	\$18,863,151	\$20,218,898	\$1,355,747	7.19%
SVI	\$3,121,213	\$2,753,679	(\$367,534)	-11.78%
LVI	\$610,058	\$759,126	\$149,068	24.44%
Total Sales	\$79,616,904	\$88,081,097	\$8,464,193	10.63%
Transportation				
SVI	\$852,307	\$758,605	(\$93,703)	-10.99%
LVI	\$2,960,065	\$3,702,268	\$742,203	25.07%
Transfer For Resale	\$15,469	\$16,069	\$600	3.88%
LVI (FLEX)	\$592,759	\$601,699	\$8,940	1.51%
SLVI	\$1,702,764	\$1,766,337	\$63,572	3.73%
Total Transportation	\$6,123,364	\$6,844,976	\$721,613	11.78%
Total Sales & Transportation	\$85,740,268	\$94,926,074	\$9,185,806	10.71%