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April 29, 2016

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota, Docket No. G-007,011/GR-10-977

Compliance Filing, Revenue Decoupling Evaluation Report for 2015

Dear Mr. Wolf:

On July 13, 2012, the Minnesota Public Utilities Commission (the Commission) issued its Findings of Fact, Conclusions and Order in the above-referenced matter authorizing Minnesota Energy Resources Corporation (MERC) to implement a revenue decoupling pilot program. On December 21, 2012, the Commission issued an Order approving final implementation effective January 1, 2013. Order Point 11.A. to the Commission's July 13, 2012, Order required that MERC file annual reports with the Commission that specify the Revenue Decoupling Mechanism (RDM) adjustment to be applied to each rate class for the billing period and demonstrate annual progress toward achieving the 1.5 percent energy efficiency goal set forth in Minn. Stat. § 216B.241, along with an evaluation plan similar to the one used in CenterPoint Energy's decoupling pilot.

On August 11, 2015, the Commission issued an Order accepting MERC's 2014 Decoupling Evaluation Report, extending MERC's decoupling pilot until such time as the Commission makes a decision as to its permanence, and instructing MERC to file its 2015 evaluation report by May 1, 2016. MERC submits this 2015 Decoupling Annual Evaluation Report in compliance with the Commission's July 13, 2012, December 21, 2012, and August 11, 2015 Orders in the above-referenced docket.

Attachment A to the Report is a copy of the Moody's Report submitted in response to Part I.1 of the Report. Attachment B is MERC's 2012 Annual Gas Service Quality Report to serve as the "baseline" service quality level prior to implementation of the pilot program in accordance with Section I.2.e of the Report. Attachment C, which is filed separately as a Microsoft Excel file, is a summary of the RDM adjustment to be applied to each rate class for the billing period along with

supporting data for the calculations and a summary of each class's revenues with no decoupling, under full decoupling (both with and without a ten-percent cap), and under a Weather Normalized Decoupling (both with and without a ten-percent cap).

In accordance with the Commission's August 11, 2015 Order, MERC submitted testimony in its currently pending rate case in Docket No. G011/GR-15-736 regarding the possible extension of revenue decoupling to all customer classes. Whether MERC's revenue decoupling should be modified or terminated will be evaluated in MERC's pending rate case docket and MERC, the Department of Commerce, Division of Energy Resource, and the Minnesota Office of the Attorney General, Residential Utilities and Antitrust Division have submitted testimony related to the program.

Please contact me at (651) 322-8965 if you have any questions.

Sincerely,

/s/ Amber S. Lee

Amber S. Lee
Regulatory and Legislative Affairs Manager
Minnesota Energy Resources Corporation

cc: Service List
Enclosures

Minnesota Energy Resources Corporation

2015 Annual Revenue Decoupling Evaluation Report

May 1, 2016

2015 Annual Evaluation Report
Minnesota Energy Resources Corporation's (MERC)
Revenue Decoupling Mechanism (RDM)

Table of Contents

A. Timeline for Evaluation

A. Timeline for Evaluation

This Annual Revenue Decoupling Evaluation Report covers the period of January 1, 2015, through December 31, 2015. By Order dated September 26, 2014, the Minnesota Public Utilities Commission ("Commission") approved Minnesota Energy Resources Corporation's ("MERC" or the "Company") request to move the annual Decoupling Evaluation Report deadline to May 1 to coincide with MERC's Annual Conservation Improvement Program ("CIP") Status Report filing.

On July 13, 2012, the Commission issued its Findings of Fact, Conclusions and Order ("Rate Case Order") in MERC's 2010 General Rate Case authorizing MERC to conduct a full decoupling program on a pilot basis for three years under Minn. Stat. § 216B.2412, subd. 3. The Commission's Order stated that "[t]he decoupling program may remain in effect for no more than three years (i.e., thirty-six months), unless it is extended by Commission action." The period of the approved decoupling pilot was due to expire at the end of 2015 unless approved for extension by the Commission. In its May 1, 2015, decoupling evaluation plan, MERC requested that the Commission approve MERC's decoupling program on a permanent basis following completion of the pilot at the end of 2015. In its Order dated August 11, 2015, the Commission ordered MERC to extend its "decoupling pilot until such time as the Commission makes a determination as to its permanence." Currently, the appropriateness and design of MERC's decoupling program is being discussed in MERC's current rate case, Docket No. G011/GR-15-736. As reflected in this Decoupling Evaluation Report, MERC's decoupling program has been successful in removing the disincentive to promote energy efficiency and conservation that is a consequence of the way rates are set under traditional rate regulation, thereby achieving continued energy savings.

In its June 19, 2009, Order Establishing Criteria and Standards to be Utilized in Pilot Proposals for Revenue Decoupling, the Commission concluded it was not ready to establish final criteria and standards for decoupling, concluding instead that "the most promising approach is to examine the pilot proposals that will be submitted based on the criteria and standards established by this Order. After implementation and review of these pilot projects, utilities will be in the position to tackle the details of implementing an effective decoupling program." MERC has now implemented its decoupling program and has completed three full years of review of the program. During that time, as reflected in MERC's annual evaluation filings, MERC's decoupling program has proven successful at effectively removing the disincentive to promote energy efficiency.

MERC's Revenue Decoupling Mechanism went into effect on January 1, 2013. In its 2013 Decoupling Evaluation, MERC provided both qualitative and quantitative information showing changes in the results of MERC's CIP. As shown in that evaluation, MERC improved its energy savings for the Residential Sector under decoupling in 2013. MERC's total energy savings dropped significantly in 2014 in all sectors; however, many of the programs that were added as a result of decoupling continue to make inroads into their markets and produce savings. In

2015, overall CIP savings exceeded previous annual savings recorded in the years 2010 – 2014, which include a pre-decoupling time period, as well as years when decoupling was in effect.

B. Evaluation of MERC CIP Programs and Savings from 2010-2015

B. Evaluation of MERC CIP Programs and Savings from 2010-2015. Information related to MERC's CIP programs and activities are examined here. The evaluation uses the 2010-2012 CIP program activities for the baseline period prior to decoupling and will use the 2013-2015 CIP program activities for the post-decoupling implementation timeframe. The baseline for comparison is the average energy savings achieved for Residential and Commercial & Industrial customers for the period of 2010-2012.

Introduction

The following provides an evaluation of the MERC CIP Program and Savings from 2010 through 2015. Several factors should be noted in this report:

- Savings were reported in MCFs for the 2010-2012 Triennial Plan period ("Base Years"). Starting with the 2013-2015 Plan period ("Post Years"), savings are reported in Dekatherms ("Dth"). For simplicity, we use the terms interchangeably and savings were not recalculated based on BTU content or any other calculation.

- In the Base Years, CIP program portfolios, budget, and savings goals for Peoples Natural Gas ("PNG") and Northern Minnesota Utilities ("NMU") were separate. Starting with the Post Years, they were combined. We have reported accomplishments for both PNG and NMU separately, and we have also combined them for ease of comparison, as the Post Years no longer track them separately.

- In the Base Years, low-income projects were considered part of residential projects. However, because the Low-Income Sector has been separated out for the Post Years, it has been separated out for the Base Years as well.

- Low-income projects in the Base Years consisted only of Low-Income Weatherization. Starting with the Post Years, Low-Income Sector projects included both Low-Income Weatherization and the 4U2 projects. For ease of comparison, 4U2 has been incorporated into the Low-Income Sector for the Base Years. It should also be noted that in the 2010 program year, the 4U2 Project was a pilot and only offered through four Community Action Agencies in the PNG service territory.

- To minimize the impact of portfolio level costs from changes in projects, these costs have been reported separately. These costs include actual spending for CIP support (marketing, fulfillment and data entry into the tracking system, planning, legal, preparing filings and reports, DER assessments, etc.).

- At the time of writing this report, numbers for 2015 CIP activities have not been filed and consequently all numbers reported herein are preliminary.

- While the decoupling mechanism was approved in 2012 and implemented effective January 1, 2013, the initial activity surrounding increasing CIP commitment as a result of the decoupling started in 2012 with one-on-one meetings with a variety of stakeholders to obtain input on project ideas. These stakeholders included the Department of Commerce, Division of Energy Resources, the Isaak Walton League of America, the Minnesota Center for Environmental Advocacy, and the Clean Energy Resource Team. Meetings with other organizations did not occur for a variety of reasons. Based on these meetings, MERC made a modification filing in March 2013 to add two new measures and two new projects to the Post Years. These additions, proposed as a result of the decoupling pilot agreement, were approved in April 2013.

- CIP activity changes from year to year, especially for small utilities with large customers. For instance, for NMU for 2011, the C/I Sector achieved 132.7% of sector energy savings goal and in 2012, the C/I Sector achieved 232.8% of sector energy savings goal. For PNG, however, the Residential Sector achieved 106.2% of energy savings goal in 2011 and 89.1% in 2012, whereas the C/I Sector achieved approximately 70% in both 2011 and 2012. Due to the customer class makeup of NMU, the C/I Sector normally carried the energy savings, while for PNG, the opposite is true – the Residential Sector normally carried the bulk of the savings. To smooth out the impacts that can be made by large projects, the analysis has included an average over the 3-year Base Years. As Post Years progress, the analysis can compare year-to-year trends as well as averages.

- One change in the Post Years is the addition of an online energy audit tool. While this tool does not produce energy savings, we believe the educational value and the potential for lead generation for other measures fulfills a need in our portfolio as well meets a for a need of our customers.

- One of the major changes to the Post Years from the Base Years is the discontinuance of behavior-based projects. While the C/I project was very small and therefore did not have a large impact, the residential behavior-based program was large and had significant impact on results. Therefore, when relevant, we have provided two charts – one including the residential behavior project and one excluding the residential behavior project. The second chart better compares Base and Post Year activity, costs, and savings.

  In addition to the discontinuance of the behavior-based projects, goals decreased significantly for 2013-2014 due to several factors:

  - A significant increase in large customers who opted out

  - A decrease in the O&M savings allowed for the Building Operator Certification project

  - A saturation of the potential market for the large customer Turnkey Efficiency project

- A further decrease in 2014 was due to an anticipated increase in the baseline for high-efficiency furnaces, which reduced savings even though participation and measures remained the same.

- In 2015, as described in more detail in the Executive Summary, goals were increased as a result of the acquisition of Interstate Power & Light's Minnesota gas service territory and a change in the customers approved for opt-out which significantly decreased exempt throughput, increasing the threshold on which we calculate the goal for the CIP program.

	Energy Saving Goals		Percent of Retail Sales	
	PNG	NMU	PNG	NMU
2010	330,253	89,202	0.79%	0.68%
2011	387,583	103,796	0.93%	0.79%
2012	444,903	120,038	1.07%	0.90%
2013	394,948		1.12%	
2014	357,561		1.01%	
2015	453,193		1.05%	

Executive Summary

As a result of the Revenue Decoupling Mechanism and the input from various stakeholders, MERC implemented two new measures and two new projects in 2013:

- A residential heating system tune-up measure was implemented.
- A retro-commissioning measure was included as part of the C/I Custom Rebate.
- A Multifamily Direct Install Plus project was launched in July 2013.
- A Small Business Direct Install Plus project was launched in August 2013.

In 2015, MERC filed to extend the CIP program through the end of 2016. As part of this filing, we also made the following changes:

- Goals were increased in several projects to allow for participation by new natural gas customers from the acquisition of Interstate Power and Light Company's ("IPL") Minnesota natural gas distribution system.
- The overall goal of the CIP program was increased due to changes in actual customers approved for opt-out versus those assumed to have been approved, resulting in reduced opt-out throughput and higher non-exempt throughput.

The residential heating system tune-up measure is projected to achieve 1.8 Dth of savings per unit. We estimated 2,000 participants for 2013, 4,000 for 2014, and 6,000 for 2015. This would provide 3,200 Dths of savings in 2013, 6,400 Dths in 2014, and 9,600 Dths in 2015. Unfortunately, participation levels for this measure continue to fall short. In addition, MERC implemented an Authorized Insulation Contractor project starting in September 2013. This project was implemented to eliminate, to the extent possible, fraudulent activities in air sealing and insulation activities by a variety of organizations that use strong arm tactics in door-to-door marketing. Only work performed by Authorized Insulation Contractors would be eligible for a rebate. While we expected a lower number of rebate applications for this measure due to the change, the actual participation continues to be lower than projected. As a result, savings did not meet the lowered goal. However, the 2013-2015 Plan assumed an increase in the furnace baseline, starting in 2014, which did not materialize. Consequently, unexpected savings were recognized due to the lower efficiency baseline, helping to offset lower savings from tune-ups and insulation. These impacts continued through 2015.

The retro-commissioning measure is not a high-demand measure. Therefore, MERC estimated 2 participants in 2013, increasing to 6 in 2014, and 8 in 2015. Savings were estimated at 4,000 Dth per participant. In all three post-decoupling implementation years, there were no requests for retro-commissioning, even though the Turnkey implementation contractor provided

information on the availability of this measure to all C/I customers with whom they were in contact.

MERC issued a Request for Proposals for an implementation contractor for the Multifamily and Small Business projects. The vendor was selected in the summer of 2013 and the projects were implemented late summer. We were extremely pleased that the Multifamily project exceeded its energy savings goal in 2013, even though the project was in start-up mode. It continued to exceed its energy savings goal in 2014 and 2015. We are extremely pleased with the performance of this project.

The Small Business project only achieved approximately 30% of its energy savings goal in 2013, but achieved approximately 88% in 2014, a significant increase. It achieved 80.1% of its energy savings goal in 2015. Despite the increased participation in eligibility usage from 500 Dths per year to 2,000 Dths per year, the implementation contractor continues to struggle with obtaining participation. MERC is working together with the implementation contractor to implement special marketing campaigns targeting this "hard-to-reach" customer segment. It is most likely that we will run out of market potential for the next Triennial Plan period, which starts in 2017, and will discontinue the project.

MERC continues to be committed to and supportive of CIP.

In the past, the charts contained in Section B compared one year to the previous year (i.e. 2014 to 2013) and that year's achievement to the average of the Base Years (2014 to the average of the Base Years). This year, in addition to those two comparisons, we added a comparison of the average of the Base Years to the average of the Post Years.

B.1. Based on the results reported in the annual CIP Status Reports, by what amounts did the Company change its CIP program expenditures and its resulting natural gas MCF savings through Company-sponsored programs over the term of the RDM, relative to the 2010-2012 pre-decoupling period? What were the annual CIP savings (completed project basis) for 2014, for Residential and Commercial & Industrial compared to achieved MCF savings in the 2010-2012 (completed project basis) pre-decoupling period?

Changes to CIP Expenditures are detailed in Tables B1(A) and B1(B) below. Table B1(A) provides the information based on all programs, including the residential behavior program. Table B1(B) eliminates the residential behavior program, making the comparison relevant to the portfolio of programs offered in 2015.

Activity for Low-Income Weatherization has been declining for the past several years. Had 4U2 not been included in the low-income sector, this trend would be more obvious. This issue is discussed more thoroughly in Section H, which addresses low income. 4U2 has overcome marketing obstacles and now has a pipeline of customers waiting to be served. However, because 4U2 is unable to leverage Federal Weatherization Assistance Program funding, the total cost of improvements is borne by MERC, thereby increasing the cost per Dth saved. In addition, Federal Weatherization Assistance Program protocols have increased the health and safety issues that must be address in each home, increasing program costs without any resulting in additional savings. Furthermore, due to MERC's widespread service territory, it has been difficult to find qualified insulation contractors who are readily available to work on our projects in outstate Minnesota. These contractors are generally part of smaller businesses and, without a steady stream of business from MERC, are involved in other projects. It is difficult for these qualified insulation contractors to drop existing projects to work on MERC's projects. This has resulted in longer lead times for 4U2 work being completed. Despite this, Low-Income Sector spending increased from 2014 to 2015 and from the Base Years to the Post Years.

The Residential Sector spending increased in 2015 compared to 2014. The continued reduction in actual rebates for measures such as attic insulation and air sealing, one of the most expensive measures, contributes to the on-going decrease in expenditures in 2015. This issue and the over-projection of heating system tune-up rebates are the two main reasons that the average of the Post Years is lower than the average of the Base Years.

The C/I Sector expenditures were also lower than expected. The shift in spending resulted primarily from the reduction in market potential and project opportunities due to the impact of opt-outs, the market saturation in our Turnkey customers, and the decline in rebate applications in the Custom Rebate area. In spite of the above, expenditures increased in 2015 from 2014.

Overall, reduced opportunities resulted in reduced expenditures across the entire portfolio. The result was a decrease of 2.8% from Base Year average to the Post Year average. However, when the impact of the behavior program budget is removed, an increase of 4.7% is evident.

Changes to CIP expenditures are detailed in Tables B1(A) and B1(B) below. Table B1(A) provides the information based on all projects, including the residential behavior project. Table B1(B) eliminates the residential behavior project, making the comparison relevant to the portfolio of projects offered in 2014. Both charts also compare 2014 to 2015, 2015 to the average of the Base Years, and the average of the Base Years to the average of the Post Years.

Table B1 (A) - CIP Expenditures

All Projects	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Projects-PNG	$595,445	$467,377	$564,803	$542,542				
Low Income Projects-NMU	$173,617	$105,824	$193,307	$157,583				
Low Income Projects-Total	**$769,062**	**$573,201**	**$758,110**	**$700,124**	**$1,044,422**	**$950,752**	**$1,036,515**	**$1,010,563**
Residential Projects-PNG	$2,874,197	$3,558,117	$4,021,906	$3,484,740				
Residential Projects-NMU	$449,292	$459,060	$471,925	$460,092				
Residential Projects-Total	**$3,323,489**	**$4,017,176**	**$4,493,831**	**$3,944,832**	**$4,259,150**	**$3,215,396**	**$3,623,799**	**$3,699,448**
C/I Projects-PNG	$2,082,270	$1,694,020	$1,871,669	$1,882,653				
C/I Projects-NMU	$514,180	$925,118	$1,543,768	$994,355				
C/I Projects-Total	**$2,596,450**	**$2,619,138**	**$3,415,437**	**$2,877,008**	**$2,230,960**	**$2,089,208**	**$2,812,099**	**$2,377,422**
Portfolio Level Expenses-PNG	$652,607	$651,263	$975,455	$759,775				
Portfolio Level Expenses-NMU	$207,651	$206,396	$308,184	$240,744				
Portfolio Level Expenses-Total	**$860,258**	**$857,659**	**$1,283,639**	**$1,000,519**	**$1,095,706**	**$1,105,476**	**$1,398,226**	**$1,199,803**
Total Expenditures-PNG	$6,204,519	$6,370,776	$7,433,833	$6,669,709				
Total Expenditures-NMU	$1,344,740	$1,696,397	$2,517,185	$1,852,774				
Total Expenditures-Total	**$7,549,259**	**$8,067,174**	**$9,951,017**	**$8,522,483**	**$8,630,240**	**$7,360,832**	**$8,870,639**	**$8,287,237**
Change 2014 to 2015:				**1,509,807**	**17.5%**			
Change Base Years Average to 2015:				**348,156**	**4.1%**			
Change Base Years Average to Post Years Average:				**($235,246)**	**-2.8%**			

Table B1 (B) - CIP Expenditures

Projects Without Residential Behavior Project	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Projects-PNG	$595,445	$467,377	$564,803	$542,542				
Low Income Projects-NMU	$173,617	$105,824	$193,307	$157,583				
Low Income Projects-Total	**$769,062**	**$573,201**	**$758,110**	**$700,124**	**$1,044,422**	**$950,752**	**$1,036,515**	**$1,010,563**
Residential Projects-PNG	$2,445,335	$3,120,519	$3,466,413	$3,010,756				
Residential Projects-NMU	$326,918	$348,137	$314,502	$329,852				
Residential Projects-Total	**$2,772,253**	**$3,468,656**	**$3,780,916**	**$3,340,608**	**$4,259,150**	**$3,215,396**	**$3,623,799**	**$3,699,448**
C/I Projects-PNG	$2,082,270	$1,694,020	$1,871,669	$1,882,653				
C/I Projects-NMU	$514,180	$925,118	$1,543,768	$994,355				
C/I Projects-Total	**$2,596,450**	**$2,619,138**	**$3,415,437**	**$2,877,008**	**$2,230,960**	**$2,089,208**	**$2,812,099**	**$2,377,422**
Portfolio Level Expenses-PNG	$652,607	$651,263	$975,455	$759,775				
Portfolio Level Expenses-NMU	$207,651	$206,396	$308,184	$240,744				
Portfolio Level Expenses-Total	**$860,258**	**$857,659**	**$1,283,639**	**$1,000,519**	**$1,095,706**	**$1,105,476**	**$1,398,226**	**$1,199,803**
Total Expenditures-PNG	$5,775,657	$5,933,179	$6,878,340	$6,195,725				
Total Expenditures-NMU	$1,222,366	$1,585,475	$2,359,762	$1,722,534				
Total Expenditures-Total	**$6,998,023**	**$7,518,654**	**$9,238,102**	**$7,918,260**	**$8,630,240**	**$7,360,832**	**$8,870,639**	**$8,287,237**
Change 2014 to 2015:				**1,509,807**	**17.5%**			
Change Base Years Average to 2015:				**952,379**	**12.0%**			
Change Base Years Average to Post Years Average:				**$368,977**	**4.7%**			

Changes to CIP savings are detailed in Tables B1(C) and B1(D) below. Table B1(C) provides the information based on all projects, including the residential behavior project. Table B1(D) eliminates the residential behavior project, making the comparison relevant to the portfolio of projects offered in 2015. Both charts also compare 2014 to 2015, the average of the Base Years to 2015, and the average of the Base Years to the average of the Post Years.

Total savings in the Low-Income Sector slightly decreased in 2015 compared to 2014. While Low-Income Weatherization did slightly better in 2015 than in 2014, 4U2 did not. The Residential Sector increased in energy savings in 2015 compared to 2014. This increase is based primarily on higher than projected 95% AFUE and 97% AFUE furnace replacements, boiler replacements, rim joist and floor above unconditioned space insulation, and .67 EF and .90 EF

water heater replacements. Furthermore, the improvement in the economy continues to increase housing starts and the Home Energy Excellence new construction project again exceeded goals. Activity in the C/I Sector also increased in 2015 as compared to 2014, due to the success of the Multifamily project. Overall, the result over the entire portfolio is an increase of 29.3% from 2014 to 2015, an increase of 2.9% from the average of the Base Years to 2015, but a decrease of 10.5% from the average of Base Years to the average of the Post Years. However, removal of the behavior program demonstrates an overall improvement in all sectors, as well as the total portfolio.

Table B1 (C) - CIP Savings

All Projects	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Projects-PNG	8,337	6,009	5,710	6,685				
Low Income Projects-NMU	2,231	1,235	1,954	1,806				
Low Income Projects-Total	**10,567**	**7,244**	**7,664**	**8,492**	**11,207**	**8,139**	**8,114**	**9,153**
Residential Projects-PNG	194,455	205,978	200,156	200,196				
Residential Projects-NMU	37,754	34,504	31,933	34,731				
Residential Projects-Total	**232,209**	**240,482**	**232,090**	**234,927**	**208,071**	**180,137**	**209,604**	**199,271**
C/I Projects-PNG	146,083	144,398	153,171	147,884				
C/I Projects-NMU	56,977	65,624	141,671	88,091				
C/I Projects-Total	**203,060**	**210,022**	**294,842**	**235,975**	**205,542**	**180,792**	**275,664**	**220,666**
Total Savings-PNG	348,874	356,384	359,038	354,765				
Total Savings-NMU	96,962	101,363	175,558	124,628				
Total Savings	**445,836**	**457,748**	**534,596**	**479,393**	**424,821**	**369,068**	**493,382**	**429,090**
Change 2014 to 2015:				**124,314**	**29.3%**			
Change Base Years Average to 2015:				**13,988**	**2.9%**			
Change Base Years Average to Post Years Average:				**($50,303)**	**-10.5%**			

Table B1 (D) - CIP Savings

Projects Without Residential Behavior Project	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Projects-PNG	8,337	6,009	5,710	6,685				
Low Income Projects-NMU	2,231	1,235	1,954	1,806				
Low Income Projects-Total	**10,567**	**7,244**	**7,664**	**8,492**	**11,207**	**8,139**	**8,114**	**9,153**
Residential Projects-PNG	132,951	162,492	144,721	146,721				
Residential Projects-NMU	20,329	22,624	18,156	20,369				
Residential Projects-Total	**153,280**	**185,116**	**162,877**	**167,091**	**208,071**	**180,137**	**209,604**	**199,271**
C/I Projects-PNG	146,083	144,398	153,171	147,884				
C/I Projects-NMU	56,977	65,624	141,671	88,091				
C/I Projects-Total	**203,060**	**210,022**	**294,842**	**235,975**	**205,542**	**180,792**	**275,664**	**220,666**
Total Savings-PNG	287,370	312,898	303,602	301,290				
Total Savings-NMU	79,536	89,483	161,781	110,267				
Total Savings	**366,907**	**402,382**	**465,383**	**411,557**	**424,821**	**369,068**	**493,382**	**429,090**
Change 2014 to 2015:				**124,314**	**29.3%**			
Change Base Years Average to 2015:				**81,825**	**19.9%**			
Change Base Years Average to Post Years Average:				**$17,533**	**4.3%**			

B.2. What is the proportion of MCF savings from Company-sponsored CIP programs compared to overall weather normalized sales volumes, in total, and for Residential and Commercial & Industrial customers for each year 2010, 2011, 2012, 2013, and 2014?

The savings numbers for the Base Years are from the combination of PNG and NMU CIP Status Reports. The sales numbers have been taken from the combination of PNG and NMU Jurisdictional Reports with numbers adjusted to remove the sales of customers who were approved to opt-out of the CIP program and charges.

Changes to CIP savings as a percentage of sales are detailed in Table B2 below. A second table removing the impact of the residential behavior program was not included as the difference did

not significantly change the final result. Table B2 shows a consistent improvement in energy saved as a percentage of sales.

The sales included in Table B2 are the weather normalized sales.

Table B2 - CIP Savings as Percent of Sales (Dth)

All Projects	First Year Energy Savings	Non-CIP-Exempt Retail Sales	Energy Savings as Percent of Retail Sales
Base Year - 2010	449,436	54,862,275	0.82%
Base Year - 2011	457,747	54,862,275	0.83%
Base Year - 2012	534,596	54,862,275	0.97%
Post Year - 2013	424,827	35,297,938	1.20%
Post Year - 2014	369,068	35,297,938	1.05%
Post Year - 2015	493,382	35,297,938	1.40%

B.3. What were the associated lost margins from Company sponsored CIP, Residential and Commercial & Industrial customers for each year 2010, 2011, 2012, 2013, and 2014?

Lost margins for all projects are provided in Table B3 (A) and include all projects. These lost margins correspond to the savings detailed in Table B1(C).

Table B3 (A) - Lost Margins from CIP Participants

All Projects	2010	2011	2012	2013	2014	2015
Low Income-PNG	$14,795	$11,668	$11,087			
Low Income-NMU	$4,854	$2,987	$4,727			
Low Income Projects-Total	**$19,649**	**$14,655**	**$15,814**	**$22,138**	**$18,142**	**$17,693**
Residential-PNG	$345,080	$399,947	$388,643			
Residential-NMU	$82,149	$83,462	$77,243			
Residential Projects-Total	**$427,229**	**$483,409**	**$465,886**	**$411,023**	**$401,525**	**$457,062**
SCI Projects-PNG	$21,725	$21,907	$21,073			
LCI Projects-PNG	$197,221	$214,889	$230,105			
SCI Projects-NMU	$10,471	$12,500	$24,471			
LCI Projects-NMU	$100,927	$130,189	$283,720			
SCI Projects-Total	**$32,196**	**$34,407**	**$45,544**	**$42,798**	**$46,230**	**$61,085**
LCI Projects-Total	**$298,148**	**$345,078**	**$513,825**	**$307,738**	**$302,025**	**$401,120**
Total Lost Margins-PNG	$578,821	$648,411	$650,908			
Total Lost Margins-NMU	$198,401	$229,138	$390,161			
Total Lost Margins	**$777,222**	**$877,549**	**$1,041,069**	**$783,698**	**$767,922**	**$936,962**

B.4. During the 2010-2012 pre-decoupling time period as compared to the post-decoupling implementation time period of 2013 and 2014, did the Company change the scope or magnitude of any of its natural gas CIP programs?

MERC did not change the scope or magnitude of any individual CIP project, relative to other projects. The implementation of the Authorized Insulation Contractor requirement in

September 2013 has and will continue to decrease the number of insulation rebate applications MERC receives. Other changes are detailed in the Executive Summary.

B.5. What incremental program changes or expansions were implemented, and when, for the pre-decoupling time period of 2010-2012 as compared to the post-decoupling implementation time period of 2013 and 2014? Identify and describe each new, revised or expanded programmatic changes for Residential and Commercial & Industrial customers.

Behavior projects were discontinued after the Base Years. This included the Residential Home Energy Reports project by Opower and the Schools for Energy Efficiency project by Hallberg Engineering.

The Company made the following changes to the CIP programs for the Post Years. The changes were made to improve the overall efficiency of the programs.

- The Residential Online Energy Audit was added as part of the Residential Sector Support project. This is an easy-to-use online audit that generates leads for other programs. It is free to all participants and based on their score, leads are targeted to different projects within the residential portfolio.

- Direct installation of low-cost measures was added to In-Home Energy Audits. MERC's residential auditors now install up to 2 low-flow showerheads, up to 2 bathroom faucet aerators, a low-flow kitchen faucet aerator, and up to six feet of pipe insulation as appropriate for the home.

- Residential Dishwasher rebates were added. Dishwashers must be ENERGY STAR® certified to qualify for a rebate.

- The Residential Authorized Insulation Contractor ("AIC") program was introduced in September 2013. This program provides for quality insulation and air sealing work by a cadre of insulation contractors who have: 1) agreed to program rules for customer service and marketing tactics; 2) passed Residential Building Envelope Whole House Air Leakage Control Installer BPI Certification; 3) taken combustion air training through the Center for Energy and Environment; and 4) passed a stringent quality control process on their initial insulation jobs. Random quality control inspections will continue. Only insulation jobs performed by an AIC contractor will be eligible for a rebate. This requirement has drastically reduced the number of insulation rebates issued in the last quarter of 2013 and 2014, and this reduction is expected to continue throughout 2015.

The following projects were added as a direct result of input from stakeholder discussions as required by the decoupling mechanism approval:

- Residential Heating System Tune-Up Rebates were added. This rebate provides $35 for a 7-point heating system tune-up.

- Retro-Commissioning was added as a measure under C/I Custom Rebates.

- A Small Business project was added. This project targets the hard-to-reach small commercial customer who uses approximately 500 Dth per year or less. In 2015, this usage was increased to 2,000 Dth per year or less. This project provides for direct installation of low-cost measures such as faucet aerators and pre-rinse spray valves as appropriate. It installs and programs, or reprograms, setback thermostats to fit the businesses' needs. The project also provides a basic analysis of their energy use and investigates up to 3 additional high-value energy savings opportunities. Finally, the project offers assistance for completing these high-value savings opportunities.

- A Multifamily project was added. This project targets multifamily buildings with 5 or more units with a central gas meter, central heating, and central or individual water heating systems. It includes low-income housing, 55-and-over senior housing, assisted living, on-campus college housing, and apartments. The project provides for direct installation of low-flow showerheads and faucet aerators, heating system and other high-value energy savings opportunity analysis, programming or re-programming of existing boiler controls, and customer ventilation analysis and improvement as appropriate. In addition, low-income multifamily buildings are eligible for an additional 25% on the standard C/I rebate.

No major changes were implemented in 2015.

B.6. What new or revised customer educational, informational, and marketing programs related to CIP were implemented by the Company during 2014? What were the primary messages and estimated costs of each of these programs? Were any MCF savings attributed to such programs in the annual CIP Status Report, and if so, how much, and using what assumptions or studies?

As mentioned above, Residential Online Energy Audits were added during 2013 and continued in 2014 and 2015. This tool is an easy-to-use online audit that generates leads for other projects. The tool is free to all participants and, based on their score, leads are targeted to different projects within the residential portfolio. As this is an informational tool, there is no energy savings projected. The primary driver for deploying the tool is to drive greater energy efficiency program participation through the message: "get started using this easy tool to identify ways you can save energy and what services or rebates may be available through MERC to help you." The cost for MERC to utilize this software tool can be provided separately if desired, as it is a contractual agreement with the software vendor.

MERC invested in updating C/I customer NAICS codes in 2013 to enable C/I customer market segmentation and meaningful direct mail campaigns. The project cost effectively identified NAICS codes for 85% of the C/I customers. This project was handled internally and was absorbed into the marketing budget. In 2014 and 2015, this NAICS code was used to direct market specific measures and messages to targeted customer segments.

Trade ally email blasts were also implemented during 2013 and continued through 2015. Using information from past rebate application forms, MERC targeted specific trade ally groups with information pertinent to their customer base. The costs were mainly labor costs to gather email addresses, develop the email, and send the email.

Residential customer email outreach was also implemented in 2013 and continued through 2015. MERC consolidated information from online energy audit and in-home energy audit results and sent emails to customers informing them about the availability of rebates. To facilitate the ability of customers to unsubscribe from the email outreach and to track effectiveness of these email outreach, MERC subscribes to Constant Contact, a software tool that tracks the number of opened emails, click-throughs, and unsubscribe requests. The cost of this service is minimal (less than $150 per year). Other costs associated with this outreach effort were labor to develop the template, write the emails, and send them to customers. MERC also participated in a pilot a hard-copy version of our online audit in 2015 in three communities with great response. Due to this, we are considering implementing campaigns offering the mail-in version of the online audit.

B.7. What were the annual revenues collected in base rates from ratepayers to fund CIP programs by Residential and Commercial & Industrial customers for the pre-decoupling period of 2010-2012 as compared to the post-decoupling implementation period of 2013 and 2014?

Table B7 - Annual Revenues Collected in Base Rates

All Projects	2010	2011	2012	2013	2014	2015
Residential - PNG	$831,723	$876,866	$709,447			
Residential - NMU	$278,770	$304,250	$262,806	$2,692,461	$4,865,135	$3,943,080
C/I - PNG	$41,544	$43,879	$32,540			
C/I - NMU	$20,941	$19,376	$16,891	$181,945	$362,793	$258,141
Total	**$1,172,978**	**$1,244,371**	**$1,021,684**	**$2,874,406**	**$5,227,928**	**$4,201,221**

Revenues are adjusted for large customer opt-outs

B.8. What were actual annual CIP expenditures for 2010-2012? How were such amounts spent each year for Residential and Commercial & Industrial customers? Identify the total expenditures directly distributed to customers (by customer group), and the total expenditures for the administration and program delivery of the programs.

The actual annual CIP expenditures by sector are listed below. They are categorized by incentive and non-incentive expenditures. Incentive expenditures are rebates only and do not

consider costs for materials that are direct installed. Non-incentive expenditures are for administration, fulfillment and other delivery costs, marketing, and evaluation.

Actual CIP Expenditures by Type are detailed in Tables B8(A) and B8(B) below. Table B8(A) provides the information based on all projects, including the residential behavior project. Table B8(B) eliminates the residential behavior project, making the comparison relevant to the portfolio of projects offered in 2015.

Table B8 (A) - Actual Expenditures by Type

	2010			2011			2012		
All Projects	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**
Low Income Sector-PNG	$0	$595,445	$595,445	$0	$467,378	$467,378	$0	$564,803	$564,803
Low Income Sector-NMU	$0	$173,617	$173,617	$0	$105,824	$105,824	$0	$193,307	$193,307
Low Income Sector-Total	**$0**	**$769,062**	**$769,062**	**$0**	**$573,202**	**$573,202**	**$0**	**$758,110**	**$758,110**
Residential Sector-PNG	$1,649,675	$1,224,522	$2,874,197	$2,141,314	$1,416,802	$3,558,116	$2,488,687	$1,533,219	$4,021,906
Residential Sector-NMU	$207,119	$242,173	$449,292	$233,131	$225,929	$459,060	$213,440	$258,485	$471,925
Residential Sector-Total	**$1,856,794**	**$1,466,695**	**$3,323,489**	**$2,374,444**	**$1,642,731**	**$4,017,176**	**$2,702,127**	**$1,791,704**	**$4,493,831**
C/I Sector-PNG	$1,240,023	$842,247	$2,082,270	$561,367	$1,132,653	$1,694,020	$988,327	$883,342	$1,871,669
C/I Sector-NMU	$269,442	$244,738	$514,180	$516,849	$408,269	$925,118	$1,016,674	$527,094	$1,543,768
C/I Sector-Total	**$1,509,465**	**$1,086,985**	**$2,596,450**	**$1,078,216**	**$1,540,921**	**$2,619,138**	**$2,005,001**	**$1,410,436**	**$3,415,437**
Total-PNG	$2,889,698	$2,662,214	$5,551,912	$2,702,681	$3,016,833	$5,719,514	$3,477,014	$2,981,364	$6,458,378
Total-NMU	$476,561	$660,528	$1,137,089	$749,980	$740,021	$1,490,001	$1,230,114	$978,886	$2,209,000
Total	**$3,366,259**	**$3,322,742**	**$6,689,001**	**$3,452,661**	**$3,756,854**	**$7,209,515**	**$4,707,128**	**$3,960,250**	**$8,667,378**
Incentive vs non-incentive as a percent of total spending	**50.3%**	**49.7%**		**47.9%**	**52.1%**		**54.3%**	**45.7%**	
	2013			**2014**			**2015**		
	Incentive	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**
Low Income Sector	$0	$1,044,422	$1,044,422	$0	$950,752	$950,752	$0	$1,067,508	$1,067,508
Residential Sector	$2,993,564	$1,265,586	$4,259,150	$1,946,935	$1,268,462	$3,215,397	$2,296,764	$1,644,408	$3,941,172
C/I Sector	$1,196,127	$1,034,833	$2,230,960	$982,346	$1,106,862	$2,089,208	$1,566,309	$2,040,842	$3,607,150
Total	**$4,189,691**	**$3,344,842**	**$7,534,533**	**$2,929,281**	**$3,326,076**	**$6,255,357**	**$3,863,073**	**$4,752,758**	**$8,615,830**
Incentive vs non-incentive as a percent of total spending	**55.6%**	**44.4%**		**46.8%**	**53.2%**		**44.8%**	**55.2%**	

Table B8 (B) - Actual Expenditures by Type

Projects Without Residential Behavior	2010			2011			2012		
Project	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**
Low Income Sector-PNG	$0	$595,445	$595,445	$0	$467,378	$467,378	$0	$564,803	$564,803
Low Income Sector-NMU	$0	$173,617	$173,617	$0	$105,824	$105,824	$0	$193,307	$193,307
Low Income Sector-Total	**$0**	**$769,062**	**$769,062**	**$0**	**$573,202**	**$573,202**	**$0**	**$758,110**	**$758,110**
Residential Sector-PNG	$1,649,675	$795,660	$2,445,335	$2,141,314	$979,205	$3,558,116	$2,488,687	$977,726	$4,021,906
Residential Sector-NMU	$207,119	$119,799	$326,918	$233,131	$115,006	$459,060	$213,440	$101,062	$471,925
Residential Sector-Total	**$1,856,794**	**$915,459**	**$2,772,253**	**$2,374,444**	**$1,094,212**	**$4,017,176**	**$2,702,127**	**$1,078,788**	**$4,493,831**
C/I Sector-PNG	$1,240,023	$842,247	$2,082,270	$561,367	$1,132,653	$1,694,020	$988,327	$883,342	$1,871,669
C/I Sector-NMU	$269,442	$244,738	$514,180	$516,849	$408,269	$925,118	$1,016,674	$527,094	$1,543,768
C/I Sector-Total	**$1,509,465**	**$1,086,985**	**$2,596,450**	**$1,078,216**	**$1,540,921**	**$2,619,138**	**$2,005,001**	**$1,410,436**	**$3,415,437**
Total-PNG	$2,889,698	$2,233,352	$5,123,050	$2,702,681	$2,579,236	$5,719,514	$3,477,014	$2,425,871	$6,458,378
Total-NMU	$476,561	$538,154	$1,014,715	$749,980	$629,099	$1,490,001	$1,230,114	$821,463	$2,209,000
Total	**$3,366,259**	**$2,771,506**	**$6,137,765**	**$3,452,661**	**$3,208,335**	**$7,209,515**	**$4,707,128**	**$3,247,334**	**$8,667,378**
Incentive vs non-incentive as a percent of total spending	**54.8%**	**45.2%**		**47.9%**	**44.5%**		**54.3%**	**37.5%**	
	2013			**2014**			**2015**		
	Incentive	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**	**Incentive**	**Non-Incentive**	**Total**
Low Income Sector	$0	$1,044,422	$1,044,422	$0	$950,752	$950,752	$0	$1,067,508	$1,067,508
Residential Sector	$2,993,564	$1,265,586	$4,259,150	$1,946,935	$1,268,462	$3,215,397	$2,296,764	$1,644,408	$3,941,172
C/I Sector	$1,196,127	$1,034,833	$2,230,960	$982,346	$1,106,862	$2,089,208	$1,566,309	$2,040,842	$3,607,150
Total	**$4,189,691**	**$3,344,842**	**$7,534,533**	**$2,929,281**	**$3,326,076**	**$6,255,357**	**$3,863,073**	**$4,752,758**	**$8,615,830**
Incentive vs non-incentive as a percent of total spending	**55.6%**	**44.4%**		**46.8%**	**53.2%**		**44.8%**	**55.2%**	

B.9. How did MERC's natural gas Commissioner-approved conservation energy savings goal(s) compare to the reported CIP energy savings for 2010, 2011, 2012, 2013, and 2014 reported in the annual CIP Status Report? How did decoupling influence these results?

Actual versus Approved Energy Savings are detailed in Tables B9(A) and B9(B) below. Table B9(A) provides the information based on all projects, including the residential behavior project. Table B9(B) shows the effect of eliminating the residential behavior project, making the comparison relevant to the portfolio of projects offered in 2015. The percent of approved

energy savings achieved increased in 2015 compared to 2014. Despite the slight decrease in energy savings in 2014, MERC continues to exceed its goals in the Post Years at a higher rate on average than in the Base Years.

Table B9 (A) - Actual versus Approved Energy Savings

All Projects	2010	2011	2012	2013	2014	2015
Actual - PNG	348,874	356,384	359,038			
Actual - NMU	96,962	101,363	175,558			
Actual - Total	**445,836**	**457,748**	**534,596**	**424,821**	**369,068**	**493,382**
Approved - PNG	324,510	392,079	450,423			
Approved - NMU	89,326	105,188	121,682			
Approved - Total	**413,836**	**497,268**	**572,106**	**394,949**	**357,561**	**453,194**
Savings Over(Under) Achieved - PNG	24,364	(35,695)	(91,386)			
Savings Over(Under) Achieved - NMU	7,636	(3,825)	53,876			
Savings Over(Under) Achieved - Total	32,000	(39,520)	(37,510)	**29,872**	**11,507**	**40,188**
Percent Achieved	**107.7%**	**92.1%**	**93.4%**	**107.6%**	**103.2%**	**108.9%**

Table B9 (B) - Actual versus Approved Energy Savings

Projects Without Residential Behavior Project	2010	2011	2012	2013	2014	2015
Actual - PNG	287,370	312,898	303,602			
Actual - NMU	79,536	89,483	161,781			
Actual - Total	**366,907**	**402,382**	**465,383**	**424,821**	**369,068**	**493,382**
Approved - PNG	263,352	318,689	364,802			
Approved - NMU	71,284	83,538	96,423			
Approved - Total	**334,636**	**402,228**	**461,226**	**394,949**	**357,561**	**453,194**
Savings Over(Under) Achieved - PNG	24,018	(5,791)	(61,200)			
Savings Over(Under) Achieved - NMU	8,252	5,945	65,357			
Savings Over(Under) Achieved - Total	32,270	154	4,157	**29,872**	**11,507**	**40,188**
Percent Achieved	**109.6%**	**100.0%**	**100.9%**	**107.6%**	**103.2%**	**108.9%**

B.10. MERC shall include a comparison of lifetime energy savings that can be attributed to the Company's CIP before and after the implementation of revenue decoupling.

Lifetime Energy Savings are detailed in Tables B10(A) and B10(B) below. Table B10(A) provides the information based on all projects, including the residential behavior project. Table B10(B) eliminates the residential behavior project, making the comparison relevant to the portfolio of projects offered in 2015. Lifetime Energy Savings are detailed by utility, by Residential and C/I sectors, and by year.

MERC inadvertently did not include lifetime savings from Building Operator Training O&M savings, and Multifamily Direct Install Plus and Small Business Direct Install Plus projects in 2013 and 2014. The tables below have been corrected to include these projects. Overall lifetime savings have increased from Base Years to Post Years.

Table B10 (A)- Lifetime Energy Savings

All Projects	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Residential Projects-PNG	2,436,407	3,183,864	2,784,390	2,801,554				
Residential Projects-NMU	390,771	429,749	371,618	397,379				
Residential Projects-Total	**2,827,178**	**3,613,613**	**3,156,008**	**3,198,933**	**3,274,790**	**3,341,899**	**3,789,697**	**3,468,795**
C/I Projects-PNG	2,361,120	1,726,282	2,095,077	2,060,826				
C/I Projects-NMU	557,135	1,045,860	2,222,509	1,275,168				
C/I Projects-Total	**2,918,255**	**2,772,141**	**4,317,585**	**3,335,994**	**3,059,724**	**3,125,297**	**3,631,203**	**3,272,075**
Total Lifetime Savings-PNG	4,797,527	4,910,146	4,879,467	4,862,380				
Total Lifetime Savings-NMU	947,906	1,475,609	2,594,126	1,672,547				
Total Lifetime Savings	**5,745,433**	**6,385,754**	**7,473,593**	**6,534,927**	**6,334,514**	**6,467,196**	**7,420,900**	**6,740,870**

Lifetime savings for BOC, Multifamily and Small Business projects were inadvertently omitted in 2013 and 2014; above numbers include the correction.

Table B10 (B)- Lifetime Energy Savings

Projects Without Residential Behavior Project	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Residential Projects-PNG	2,374,903	3,140,370	2,728,955	2,748,076				
Residential Projects-NMU	373,345	417,871	357,840	383,019				
Residential Projects-Total	**2,748,249**	**3,558,241**	**3,086,795**	**3,131,095**	**3,274,790**	**3,341,899**	**3,789,697**	**3,468,795**
C/I Projects-PNG	2,361,120	1,726,282	2,095,077	2,060,826				
C/I Projects-NMU	557,135	1,045,860	2,222,509	1,275,168				
C/I Projects-Total	**2,918,255**	**2,772,141**	**4,317,585**	**3,335,994**	**3,059,724**	**3,125,297**	**3,631,203**	**3,272,075**
Total Lifetime Savings-PNG	4,736,023	4,866,652	4,824,032	4,808,902				
Total Lifetime Savings-NMU	930,480	1,463,730	2,580,349	1,658,187				
Total Lifetime Savings	**5,666,503**	**6,330,382**	**7,404,380**	**6,467,089**	**6,334,514**	**6,467,196**	**7,420,900**	**6,740,870**

Lifetime savings for BOC, Multifamily and Small Business projects were inadvertently omitted in 2013 and 2014; above numbers include the correction.

B.11. MERC shall include documentation in its evaluation and annual reports that shows for each existing CIP project any changes that have occurred in the number of participants, any reductions in gas use per participant, and any changes in the cost-effectiveness or any other measure that gauges the performance of these projects.

Due to the redesign of the CIP portfolio for the 2013-2015 Triennial CIP Plan, it was not possible to provide information for CIP project changes by project. For example, in 2012, the Community Energy Services project was a stand-alone project. In 2013, the workshop and In-Home Audit portions of the project were included in the Residential Sector Support project while the actual rebates for improvements were included in the Residential Rebates project. Therefore, information here has been provided by sector.

The first two tables below detail by sector, by utility, and by year, participation in the three customer sectors, including and excluding the residential behavior project (Tables B11(A) and B11(B) respectively). The residential behavior project had a significant impact on participation, as many customers received the Home Energy Report. Participation is one way of gauging the success of a project. Eliminating the impact of the Home Energy Reports, participation has increased significantly from Base Years to Post Years, by individual year as well as by average of Base and Post years. This is significant for a small utility like MERC.

Table B11 (A) - Participation

All Projects	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Sector-PNG	288	262	217	256				
Low Income Sector-NMU	86	34	69	63				
Low Income Sector-Total	**374**	**296**	**286**	**319**	**401**	**343**	**404**	**383**
Residential Sector-PNG	52,858	64,506	63,915	60,426				
Residential Sector-NMU	13,205	13,336	12,075	12,872				
Residential Sector-Total	**66,063**	**77,842**	**75,990**	**73,298**	**18,805**	**17,456**	**21,721**	**19,327**
C/I Sector-PNG	257	268	869	465				
C/I Sector-NMU	82	131	338	184				
C/I Sector-Total	**339**	**399**	**1,207**	**648**	**2,442**	**5,941**	**7,513**	**5,299**
All Sectors-PNG	53,403	65,036	65,001	61,147				
All Sectors-NMU	13,373	13,501	12,482	13,119				
All Sectors-Total	**66,776**	**78,537**	**77,483**	**74,265**	**21,648**	**23,740**	**29,638**	**25,009**

Table B11 (B) - Participation

Projects Without Residential Behavior Project	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Sector-PNG	288	262	217	256				
Low Income Sector-NMU	86	34	69	63				
Low Income Sector-Total	**374**	**296**	**286**	**319**	**401**	**343**	**404**	**383**
Residential Sector-PNG	14,418	15,815	12,660	14,298				
Residential Sector-NMU	2,314	2,207	1,408	1,976				
Residential Sector-Total	**16,732**	**18,022**	**14,068**	**16,274**	**18,805**	**17,456**	**21,721**	**19,327**
C/I Sector-PNG	257	268	869	465				
C/I Sector-NMU	82	131	338	184				
C/I Sector-Total	**339**	**399**	**1,207**	**648**	**2,442**	**5,941**	**7,513**	**5,299**
All Sectors-PNG	14,963	16,345	13,746	15,018				
All Sectors-NMU	2,482	2,372	1,815	2,223				
All Sectors-Total	**17,445**	**18,717**	**15,561**	**17,241**	**21,648**	**23,740**	**29,638**	**25,009**

Another way of gauging success is by evaluating the cost to produce energy savings. The tables below detail cost per Dth saved by sector, by utility, and by year. Charts highlighting cost per Dth saved are provided below in Table B11(C) and B11(D). Of special note is the decrease from the average of the Base Years ($19.24 per Dth saved) to the average of Post Years ($19.12 per Dth saved) without the impact of Home Energy Reports, which is a low-cost project. The decrease is in spite of rising costs to implement projects, the declining cost of gas resulting in longer payments requiring more marketing to obtain participation, and cost of living increases. These metrics attest to the efficiency with which MERC implements and manages its CIP program.

Table B11 (C) - Cost per Dth Saved

All Projects	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Sector-PNG	$71.42	$77.78	$98.91	$82.71				
Low Income Sector-NMU	$77.83	$85.70	$98.93	$87.49				
Low Income Sector-Total	**$72.78**	**$79.13**	**$98.92**	**$83.61**	**$93.19**	**$120.33**	**$131.57**	**$115.03**
Residential Sector-PNG	$14.78	$17.27	$20.09	$17.38				
Residential Sector-NMU	$11.90	$13.30	$14.78	$13.33				
Residential Sector-Total	**$14.31**	**$16.70**	**$19.36**	**$16.79**	**$20.47**	**$19.38**	**$18.81**	**$19.55**
C/I Sector-PNG	$14.25	$11.73	$12.22	$12.74				
C/I Sector-NMU	$9.02	$14.10	$10.90	$11.34				
C/I Sector-Total	**$12.79**	**$12.47**	**$11.58**	**$12.28**	**$10.85**	**$15.09**	**$13.08**	**$13.01**
Total Portfolio-PNG	$17.78	$17.88	$20.70	$18.79				
Total Portfolio-NMU	$13.87	$16.74	$14.34	$14.98				
Total Portfolio-Total	**$16.93**	**$17.62**	**$18.61**	**$17.72**	**$20.32**	**$19.56**	**$17.49**	**$19.12**

Table B11 (D) - Cost per Dth Saved

Projects Without Residential Behavior Project	2010	2011	2012	Base Years Average	2013	2014	2015	Post Years Average
Low Income Sector-PNG	$71.42	$77.78	$98.91	$82.71				
Low Income Sector-NMU	$77.83	$85.70	$98.93	$87.49				
Low Income Sector-Total	**$72.78**	**$79.13**	**$98.92**	**$83.61**	**$93.19**	**$120.33**	**$131.57**	**$115.03**
Residential Sector-PNG	$18.39	$19.20	$23.95	$20.52				
Residential Sector-NMU	$16.08	$15.39	$17.32	$16.26				
Residential Sector-Total	**$18.09**	**$18.74**	**$23.21**	**$20.01**	**$20.47**	**$19.38**	**$18.81**	**$19.55**
C/I Sector-PNG	$14.25	$11.73	$12.22	$12.74				
C/I Sector-NMU	$9.02	$14.10	$10.90	$11.34				
C/I Sector-Total	**$12.79**	**$12.47**	**$11.58**	**$12.28**	**$10.85**	**$15.09**	**$13.08**	**$13.01**
Total Portfolio-PNG	$20.10	$18.96	$22.66	$20.56				
Total Portfolio-NMU	$15.37	$17.72	$14.59	$15.62				
Total Portfolio-Total	**$19.07**	**$18.69**	**$19.85**	**$19.24**	**$20.32**	**$19.56**	**$17.49**	**$19.12**

The third way MERC gauges success is by the Societal Test. The Societal test results for each year of the Base and Post Years are based on post year analysis and are, therefore, actual results based on actual performance as approved in our past Status Reports. The 2015 Societal Test results are preliminary as the Status Report has not been approved.

Two things should be noted with respect to these tables. The first is that the Low-Income Sector was included in the Residential Sector for the base years. The second is that the

methodology and inputs for benefit-cost analysis were changed for the Post Years, primarily as a result of the low cost of gas.

Table B11 (E) - Societal Test Trend

All Projects	2010	2011	2012	2013	2014	2015
Low Income Sector-PNG	n/a	n/a	n/a			
Low Income Sector-NMU	n/a	n/a	n/a	1.07	0.88	0.84
Residential Sector-PNG	6.39	5.44	4.78			
Residential Sector-NMU	6.17	7.44	6.50	1.67	2.22	2.19
C/I Sector-PNG	5.91	6.47	6.14			
C/I Sector-NMU	9.21	3.84	6.36	3.64	2.57	3.05
Total Portfolio-PNG	5.75	5.45	4.85			
Total Portfolio-NMU	6.88	4.37	5.97	2.13	2.18	2.61

Residential Sector in Base Years included Low Income Sector

Table B11 (F) - Societal Test Trend

Projects Without Residential Behavior Project	2010	2011	2012	2013	2014	2015
Low Income Sector-PNG	n/a	n/a	n/a			
Low Income Sector-NMU	n/a	n/a	n/a	1.07	0.88	0.84
Residential Sector-PNG	4.88	4.66	3.80			
Residential Sector-NMU	3.97	5.83	6.22	1.67	2.22	2.19
C/I Sector-PNG	5.91	6.47	6.14			
C/I Sector-NMU	9.21	3.84	6.36	3.64	2.57	3.05
Total Portfolio-PNG	4.97	5.00	4.30			
Total Portfolio-NMU	5.99	3.98	5.69	2.13	2.18	2.61

Residential Sector in Base Years included Low Income Sector

The 2015 CIP Status Report has not yet been approved; therefore, the 2015 data in these tables should be considered preliminary.

B.12. MERC shall document any specific actions the Company has undertaken that demonstrate a shift or realignment in the Company's support for energy conservation initiatives (e.g., efforts that would strengthen energy efficiency requirements in building codes and appliance standards at the national, state or local level).

MERC actively participated in a task force led by Xcel Energy on Codes and Standards. Together with other utilities and the Department of Commerce, Division of Energy Resources, MERC has studied possible ways to support improved application of building codes and receive credit for the achievement.

C. Revenue Deferred and Collected Under the RDM Adjustment

C.1. What was the monthly, annual, and cumulative amount of revenue deferred and recovered by customer rate class through the decoupling mechanism during the period being evaluated? A discussion describing actions leading to these adjustments will be provided.

Each month, the average distribution revenue per customer on an actual basis was compared to the baseline forecast approved in Docket No. G011/GR-13-617. The resulting monthly deferrals, as well as the annual result and cumulative balances, are provided in the table below. 2015 had surcharges for both Residential and GS Small C&I customers associated with the 2015 decoupling mechanism. The 2015 deferral commenced with surcharges beginning March 1, 2016.

Table C1					
2015					
	Residential			GS Small C/I	
	Monthly	Cumulative		Monthly	Cumulative
Jan	$ (110,781)	$ (110,781)		$ 38,659	$ 38,659
Feb	43,134	(67,647)		74,665	113,324
Mar	(44,052)	(111,699)		53,102	166,426
Apr	28,780	(82,919)		-	166,426
May	(1,054,884)	(1,137,803)		(48,379)	118,047
Jun	(663,575)	(1,801,378)		(28,554)	89,493
Jul	(602,838)	(2,404,216)		(6,895)	82,598
Aug	(135,096)	(2,539,312)		3,345	85,943
Sep	(335,788)	(2,875,100)		(11,674)	74,269
Oct	(408,135)	(3,283,235)		(38,561)	35,708
Nov	-	(3,283,235)		(57,282)	(21,574)
Dec	-	(3,283,235)		(37,822)	(59,396)
Total 2015		$ (3,283,235)			$ (59,396)
Positive numbers represent refunds to customers and negative numbers represent customer surcharges.					

C.2. Has MERC made any changes to its methods or calculations of the decoupling deferral over the course of the pilot? Describe any such changes, their purpose, and impact on the deferral.

Beginning in July 2013, MERC consolidated its four PGA's into two. The decoupling mechanism was initially formatted to enter each PGA's customer class data separately under the four PGA setup. Starting in July 2013, instead of distinguishing between the various PGA's, the sales and customer count data were entered in at the total MERC level by customer class. This had no effect on the decoupling mechanism calculation as the decoupling calculation is done at the total level.

For MERC's 2014 decoupling mechanism, MERC updated the forecasted sales and customer counts to match what was approved in MERC's 2014 rate case, Docket No. G011/GR-13-617. This does have an effect on the margin calculation used in the decoupling mechanism model, but syncs up the margin with what was actually approved for rates in 2014.

In MERC's 2015 decoupling mechanism, MERC continued to use the forecasted sales and customer counts approved in MERC's 2015 rate case, Docket No. G011/GR-13-617. In addition, in May 2015, MERC finalized the acquisition of Gas Distribution Assets from IPL and began including the actual sales and customer counts into the revenue decoupling calculation. Since MERC's decoupling mechanism is done on a use-per-customer basis, the acquisition of the IPL assets only effects the calculation to the extent the former IPL customers average usage varies from the average use-per-customer approved in MERC's 2014 rate case, Docket No. G011/GR-13-617.

C.3. Were there any issues that arose regarding the methodology or input values for calculation of the accounting journal entries which implemented the decoupling deferral? Explain and quantify the impact of any changes in methodology or input values.

The consolidation during 2013 of MERC's four PGA's into two, as previously discussed, only affected the inputs into the decoupling model, but had no impact on the calculation of the decoupling deferral.

The update of sales and customer counts for the 2014 decoupling mechanism, as previously discussed, did not have any effect on the inputs, but did make the margin comparison of actuals to what was approved in rates consistent.

The inclusion of former IPL customers in the 2015 decoupling mechanism, as previously discussed, did not affect the type of data input into the calculation, but would have had an impact on the calculation to the extent the former IPL customers average usage varies from the average use-per-customer approved in MERC's 2014 rate case, Docket No. G011/GR-13-617. The impact of the former IPL customers is no different than if any other customer was added to the system, i.e. new subdivision, but, due to the number of customer additions, would have a more material effect on the calculation to the extent the former IPL customers have a difference in the average use-per-customer than that approved in Docket No. G011/GR-13-617.

C.4. What was the pretax margin and net income impact resulting from the recoverable revenue deferrals for the period being evaluated as a result of the pilot? What percentage of total pretax margins and net income for the Company's operations is represented by these deferrals in each year?

Table C4			
2015			
Line	Description	Reference	Amount
1	Decoupling Pre-Tax Margin		$ 3,324,631
2	Effective Tax Rate		38.32%
3	Net Income Effect of Decoupling	Line 1 x (1-Line 2)	$ 2,050,632
4	2015 Total Margin		$ 99,068,995
5	Decouple Margin as a % of Total Margin	Line 1 / Line 4	3.36%
6	2015 Net Income (1)		$ 9,338,690
7	Decoupling Net Income as a % of Total Net Income	Line 3 / Line 6	21.96%
	(1) Net Income represents total net income for MERC		

C.5. What was MERC's Residential and Commercial & Industrial recorded gas margin revenue and recorded gas margin revenue per customer for 2010 through the period being evaluated, before and after decoupling deferrals?

Table C5									
Distribution Margin (excluding CCRC in base rates)									
				2013 Pre-Decoupling	2013 Post Decoupling	2014 Pre-Decoupling	2014 Post Decoupling	2015 Pre-Decoupling	2015 Post Decoupling
	2010	2011	2012	Deferral	Deferral	Deferral	Deferral	Deferral	Deferral
Residential Gas Margin	$26,552,150	$32,647,483	$27,945,891	$33,070,295	$30,972,176	$38,984,778	$35,701,543	$ 29,944,555	$33,227,790
Residential Customers	187,603	187,125	189,630	192,428	192,428	193,436	193,436	200,979	200,979
Residential Gas Margin per Customer	$ 142	$ 174	$ 147	$ 172	$ 161	$ 202	$ 185	$ 149	$ 165
Small C/I Gas Margin	$ 1,255,943	$ 1,437,591	$ 1,243,583	$ 2,108,400	$ 1,845,305	$ 2,342,522	$ 2,176,096	$ 1,461,865	$ 1,521,261
Small C/I Customers	9,597	9,555	10,466	10,983	10,959	10,985	10,985	9,983	9,983
Small C/I Gas Margin per Customer	$ 131	$ 150	$ 119	$ 192	$ 168	$ 213	$ 198	$ 146	$ 152

C.6. What was the total amount of decoupling surcharge revenue collected from ratepayers each month of the period being evaluated?

No surcharge revenue was collected from ratepayers as a result of MERC's decoupling mechanism in 2015.

C.7. What is the monthly customer bill impact of the decoupling rate adjustment for customers during the recovery period? This should be expressed as an average monthly dollar amount collected and percentage based on the total decoupling amount to be collected divided by total estimated revenue for Residential customers.

In Docket No. G011/GR-13-617, the average residential customer was forecasted to use 73 therms per month. In the 2015 decoupling calculation, the surcharge rate was calculated to be $0.02022. Therefore, the average monthly surcharge per residential customer is expected to be $1.48.

In Docket No. G011/GR-13-617, the estimated average residential customer revenue was $69.35. Therefore, as a percentage, the average residential customer will see a surcharge of 2.13%.

D. Proportion of Margin Lost to Company-Sponsored CIP Relative to the RDM Adjustment

D.1. What was the annual amount of estimated lost margin due directly to Company CIP programs for Residential and Commercial & Industrial customers during 2014 relative to the RDM for the same customer groups? This analysis should display the estimated annual reduction in therms and margin ($).

Table D - 2015 Estimated Energy Savings and Lost Margin Due to CIP

Measures/Programs Added Due to Decoupling	Energy Savings (Therms)	Distribution Margin Rates	Lost Margin
Low Income Sector	81,140	$0.21806	$17,693
Residential Sector	2,096,040	$0.21806	$457,062
Small C/I Sector	337,137	$0.18116	$61,085
Large C/I Sector	2,419,503	$0.16579	$401,120
Total	**4,933,820**		$936,962

CIP Savings are from Table B1(C)
CIP Savings for C/I are not broken out by Small and Large C/I for purposes of this calculation. The CIP Savings were allocated based on sales usage.

CIP savings for the C/I Sectors are not broken out by Small and Large C/I for purposes of this calculation. The CIP savings were allocated based on sales usage.

In 2015, MERC recorded a Regulatory Asset (Surcharge to Customers) of $3,283,235 for the Residential Sector. This includes the Low-Income Sector as there is no distinction of low-income customers in the RDM. Also in 2014, MERC recorded a Regulatory Asset (Surcharge to Customers) of $59,398 for the General Service Small C/I Sector.

The Large C/I Sector is not included in MERC's RDM calculation; therefore, no Regulatory Liability or Asset has been calculated.

E. Impact of General Rate Cases During Implementation of the Pilot Program

E.1. Did MERC file any rate cases during the pilot period? If so, when?

MERC filed a rate case in Docket No. G011/GR-13-617 on September 30, 2013, which was based on a 2014 test year, and a subsequent rate case in Docket No. G011/GR-15-736 on September 30, 2015, which was based on a 2016 test year.

E.2. To the extent new base rates took effect during the pilot period, when did those new rates take effect and what impact did that have on the methods and mechanics of the deferral calculations? Please include changes to base therm sales, weather adjustments, and rate of return.

The 2014 decoupling mechanism was updated with the sales, customer counts, and distribution rates (less the CCRC) that were ultimately approved in Docket No. G011/GR-13-617.

The 2015 decoupling mechanism continued to use the same forecasted sales, customer counts, and distribution rates (less the CCRC) used in the 2014 decoupling mechanism since base rates set in 2014 and 2015 were both set in MERC's 2014 rate case.

F. New Customer Usage and Adjustment Under the RDM

F.1. What was the impact of new customers on the decoupling calculations for the period being evaluated? Specifically what was:

a. The number of customers used (by class) in the decoupling calculations;

b. The number of customers approved (by class) in the most recent general rate case;

c. The difference between a and b;

d. The margin associated with c; and

e. The per customer impact of d.

Table F1 - Customer Usage and Adjustment			
	Residential		**GS Small C&I**
Actual Customers in Decoupling Calculation	200,979		9,983
Approved Customers in Decoupling Calculation	192,587		10,959
Actual less Approved Customers	8,392		(976)
Difference in Customers x Average Actual Annual Use x Per Therm Rate	$ 1,250,883		$ (142,980)
Per Customer Impact of d	$ 6.22		$ (14.32)

Due to customer switches between GS Small C&I and GS Large C&I, MERC experienced a decrease in the overall number of GS Small C&I customers.

F.2. Did MERC implement any changes to the methodology to account for new customers during the course of the pilot?

No changes to the methodology to account for new customers during the course of the evaluation period were necessary. As described in the Direct Testimony of Ms. Valerie Grace in Docket No. G007,011/GR-10-977, MERC's decoupling mechanism is calculated on a per customer basis. The reason behind the per customer basis is to:

> …filter out any changes (increase or decrease) in the number of customers that would differ from those levels supporting the revenue approved by the Commission in a general rate case proceeded. Doing so will not only isolate the changes in usage and related distribution revenues for the number of customers that were used to determine the revenues approved in a general rate case proceeding; it will recognize the additional costs

incurred by MERC to provide service to new customers. These costs include the addition of new services and meters as well as other expenses to serve new customers joining the system. This approach will allow MERC to continue to recover the cost of connecting new customers. Moreover, it will also prevent MERC from recovering revenues for load losses associated with customers leaving the system.

F.3. What were the monthly numbers of customers served, by rate schedule, in the evaluation period being reported on?

Table F3 - Number of Customers

	Residential	Small C&I
Jan-15	197,402	11,220
Feb-15	194,642	10,948
Mar-15	194,926	10,978
Apr-15	196,433	11,014
May-15	198,030	11,289
Jun-15	205,182	10,029
Jul-15	209,451	9,889
Aug-15	203,131	9,580
Sep-15	203,924	9,601
Oct-15	218,692	9,328
Nov-15	183,675	7,358
Dec-15	206,256	8,560
Monthly Average	200,979	9,983

F.4. What was the actual average usage for customers subject to the decoupling rider for the evaluation period being reported on?

The average annual usage per Residential customer in 2015 was 770 therms.

The average annual usage per General Service Small C/I customer in 2015 was 935 therms.

F.5. In this section, please also refer to and discuss the data regarding total sales volumes and total gas margin revenues provided in response to questions G1 and G2 below.

In the responses to questions G1 and G2 below, MERC has identified, by rate schedule, sales and margin revenues for 2010 – 2015 actual as well as the 2016 forecast. These sales and margins are not weather normalized, and represent the actual data from year to year.

G. Related Rate and Customer Usage Information (Actual and Forecasted)

G.1. What were total therm sales volumes by rate schedule in the period being evaluated?

Table G1 - Therm Sales

	A C T U A L S						TOTAL
RATE SCHEDULE	TOTAL 2010	TOTAL 2011	TOTAL 2012	TOTAL 2013	TOTAL 2014	TOTAL 2015	FORECAST 2016
SC_INTERR	28,990,686	31,917,575	28,020,652	39,571,664	37,199,675	30,959,100	38,428,717
SC_JOINT	527,860	521,944	388,885	425,811	449,827	220,382	438,454
SC_LCI	79,999,173	85,965,329	74,202,360	96,596,507	106,101,306	83,496,419	95,729,721
SC_RES	159,126,553	163,964,334	137,124,435	181,296,462	201,388,459	154,688,267	180,058,590
SC_SCI	8,820,834	8,596,847	7,034,960	12,392,175	14,950,997	9,415,183	11,856,852
SC_TRNSP	442,458,897	455,923,761	522,937,889	497,478,521	554,826,052	473,628,027	536,238,898
Grand Total	719,924,003	746,889,790	769,709,181	827,761,140	914,916,316	752,407,378	862,751,232

G.2. What were total gas margin revenues by rate schedule in 2011 and each evaluation period?

Table G2 - Gas Margin Revenues

	A C T U A L S					TOTAL FORECAST
RATE SCHEDULE	2011	2012	2013	2014	2015	2016
SC_LCI	$14,954,066	$13,192,305	$17,421,453	$20,195,323	$15,004,750	**$15,871,030**
SC_RES	$32,647,483	$27,945,891	$37,479,743	$44,889,488	$34,190,323	**$39,263,576**
SC_SCI	$1,437,591	$1,234,583	$2,463,734	$3,125,356	$1,900,858	**$2,147,987**
Grand Total	**$49,039,140**	**$42,372,779**	**$57,364,930**	**$68,210,167**	**$51,095,931**	**$57,282,594**

G.3. What was the rate of average annual gas customer growth by rate schedule starting in 2011? How does this compare to MERC's historical levels of gas customer growth in the 2009-2010 period? What is the Company's forecast for future customer growth? What were the average annual customer count totals by rate schedule for the period being reported?

Part 1: Rate of Average Annual Gas Customer Growth by Rate Schedule.
Part 2: MERC's Forecasted Growth Rate.
Part 3: Average Annual Customer Count Totals by Rate Schedule.

Table G3 - Part 1 and 2

SERVICECLASS	Part 1: Growth Rate 2011 vs 2010	Part 1: Growth Rate 2012 vs 2011	Part 1: Growth Rate 2013 vs 2012	Part 1: Growth Rate 2014 vs 2013	Part 1: Growth Rate 2015 vs 2014	Part 2: Growth Rate 4cst 2016 vs 2015 Actual
SC_INTERR	-14%	-8%	0%	-1%	6%	7%
SC_JOINT	-22%	-24%	-19%	18%	-31%	52%
SC_LCI	-1%	-6%	-3%	0%	18%	-10%
SC_RES	0%	1%	1%	1%	4%	3%
SC_SCI	0%	10%	5%	0%	-10%	18%
SC_TRNSP	0%	0%	1%	3%	1%	3%
Grand Total	0%	1%	1%	0%	4%	3%

Table G3 - Part 3; Fix Charge Counts/Month

	A C T U A L S						Part 3:
	Part 3: AVERAGE	Part 3: AVERAGE	Part 3: AVERAGE	Part 3: AVERAGE	Part 3: AVERAGE	Part 3: AVERAGE	AVERAGE FORECAST
SERVICECLASS	2010	2011	2012	2013	2014	2015	2016
SC_INTERR	571	488	450	452	446	472	503
SC_JOINT	14	11	8	7	8	5	8
SC_LCI	11,516	11,436	10,731	10,412	10,429	12,321	11,089
SC_RES	187,603	187,125	189,630	192,428	193,436	200,979	207,687
SC_SCI	9,597	9,555	10,466	10,983	10,985	9,866	11,678
SC_TRNSP	165	165	165	166	171	173	179
Grand Total	209,465	208,780	211,451	214,449	215,475	223,816	231,144

G.4. What proportion of customers subject to decoupling was residential versus commercial during the pilot? What proportion of usage from customers subject to decoupling was residential versus commercial during the pilot?

Table G4 - Proportions of Customers and Usage		
	2015 Average	% of Customers
	Annual Customers	Applicable to Decoupling
Residential	200,979	95%
General Service Small C&I	9,983	5%
		% of Sales
	2015 Sales	Applicable to Decoupling
Residential	154,688,267	94%
General Service Small C&I	9,330,256	6%

G.5. On a rate schedule basis, how has actual annual gas use per customer changed during 2011 through the period being evaluated?

Table G5 - Change in Use per Customer	CHANGE IN USE PER CUST	CHANGE IN USE PER CUST	CHANGE IN USE PER CUST	CHANGE IN USE PER CUST	CHANGE IN USE PER CUST	CHANGE IN USE PER CUST
SERVICECLASS	2011 VS 2010	2012 VS 2011	2013 VS 2012	2014 VS 2013	2015 VS 2014	2016 4CST VS 2015 ACT.
SC_INTERR	14,544	-3,087	25,249	-4,106	-17,825	10,808
SC_JOINT	10,542	-1,133	16,881	-6,638	-13,966	10,730
SC_LCI	570	-602	2,362	896	-3,397	1,856
SC_RES	28	-153	219	99	-271	97
SC_SCI	-19	-228	456	233	-407	61
SC_TRNSP	91,358	395,716	-178,368	255,992	-507,179	258,014
Grand Total	117,023	390,512	-133,200	246,476	-543,044	281,566

G.6. What has been the change in the Company's natural gas delivered average monthly price per therm by rate schedule during 2011 through the period being evaluated? Provide a detailed incremental chronological listing (including Docket No.) and price per therm impact of all rate adjustments (commodity, general rate case, decoupling, etc.) during 2011 through the period being evaluated. What was the cumulative impact factoring in all rate adjustments from the beginning of 2011 through the period being evaluated?

NNG Residential							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.60675	0.17746	0	0.78421		Docket No. G007,011/GR-08-836
2011	2	0.61366	0.19417	0	0.80783	0.02362	Docket No. G007,011/GR-10-977
2011	3	0.60068	0.19417	0	0.79485	-0.01298	
2011	4	0.60902	0.19417	0	0.80319	0.00834	
2011	5	0.60584	0.19417	0	0.80001	-0.00318	
2011	6	0.60306	0.19417	0	0.79723	-0.00278	
2011	7	0.59986	0.19417	0	0.79403	-0.0032	
2011	8	0.60905	0.19417	0	0.80322	0.00919	
2011	9	0.55242	0.19417	0	0.74659	-0.05663	
2011	10	0.52999	0.19417	0	0.72416	-0.02243	
2011	11	0.58051	0.19417	0	0.77468	0.05052	
2011	12	0.56398	0.19417	0	0.75815	-0.01653	
2012	1	0.54858	0.19417	0	0.74275	-0.0154	
2012	2	0.51386	0.19417	0	0.70803	-0.03472	
2012	3	0.51831	0.19417	0	0.71248	0.00445	
2012	4	0.50284	0.19417	0	0.69701	-0.01547	
2012	5	0.45246	0.19417	0	0.64663	-0.05038	
2012	6	0.44295	0.19417	0	0.63712	-0.00951	
2012	7	0.45564	0.19417	0	0.64981	0.01269	
2012	8	0.49261	0.19417	0	0.68678	0.03697	
2012	9	0.49561	0.19417	0	0.68978	0.003	
2012	10	0.52252	0.19417	0	0.71669	0.02691	
2012	11	0.56071	0.19417	0	0.75488	0.03819	
2012	12	0.57632	0.19417	0	0.77049	0.01561	
2013	1	0.53889	0.19754	0	0.73643	-0.03406	Docket No. G007,011/GR-10-977
2013	2	0.53387	0.19754	0	0.73141	-0.00502	
2013	3	0.54726	0.19754	0	0.7448	0.01339	
2013	4	0.59179	0.19754	0	0.78933	0.04453	
2013	5	0.63074	0.19754	0	0.82828	0.03895	
2013	6	0.63549	0.19754	0	0.83303	0.00475	

Viking Residential							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.72751	0.17746	0	0.90497		Docket No. G007,011/GR-08-836
2011	2	0.72581	0.19417	0	0.91998	0.01501	Docket No. G007,011/GR-10-977
2011	3	0.71621	0.19417	0	0.91038	-0.0096	
2011	4	0.71034	0.19417	0	0.90451	-0.00587	
2011	5	0.72539	0.19417	0	0.91956	0.01505	
2011	6	0.72059	0.19417	0	0.91476	-0.0048	
2011	7	0.71968	0.19417	0	0.91385	-0.00091	
2011	8	0.71965	0.19417	0	0.91382	-0.00003	
2011	9	0.48206	0.19417	0	0.67623	-0.23759	
2011	10	0.47587	0.19417	0	0.67004	-0.00619	
2011	11	0.49874	0.19417	0	0.69291	0.02287	
2011	12	0.47693	0.19417	0	0.6711	-0.02181	
2012	1	0.47608	0.19417	0	0.67025	-0.00085	
2012	2	0.44358	0.19417	0	0.63775	-0.0325	
2012	3	0.44479	0.19417	0	0.63896	0.00121	
2012	4	0.39274	0.19417	0	0.58691	-0.05205	
2012	5	0.31198	0.19417	0	0.50615	-0.08076	
2012	6	0.3477	0.19417	0	0.54187	0.03572	
2012	7	0.37755	0.19417	0	0.57172	0.02985	
2012	8	0.40648	0.19417	0	0.60065	0.02893	
2012	9	0.36158	0.19417	0	0.55575	-0.0449	
2012	10	0.40473	0.19417	0	0.5989	0.04315	
2012	11	0.4053	0.19417	0	0.59947	0.00057	
2012	12	0.40513	0.19417	0	0.5993	-0.00017	
2013	1	0.41168	0.19754	0	0.60922	0.00992	Docket No. G007,011/GR-10-977
2013	2	0.40574	0.19754	0	0.60328	-0.00594	
2013	3	0.42631	0.19754	0	0.62385	0.02057	
2013	4	0.44587	0.19754	0	0.64341	0.01956	
2013	5	0.50692	0.19754	0	0.70446	0.06105	
2013	6	0.50602	0.19754	0	0.70356	-0.0009	

Great Lakes Residential							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.66055	0.17746	0	0.83801		Docket No. G007,011/GR-08-836
2011	2	0.65844	0.19417	0	0.85261	0.0146	Docket No. G007,011/GR-10-977
2011	3	0.64956	0.19417	0	0.84373	-0.00888	
2011	4	0.64851	0.19417	0	0.84268	-0.00105	
2011	5	0.66334	0.19417	0	0.85751	0.01483	
2011	6	0.65836	0.19417	0	0.85253	-0.00498	
2011	7	0.65731	0.19417	0	0.85148	-0.00105	
2011	8	0.65714	0.19417	0	0.85131	-0.00017	
2011	9	0.4832	0.19417	0	0.67737	-0.17394	
2011	10	0.46896	0.19417	0	0.66313	-0.01424	
2011	11	0.49067	0.19417	0	0.68484	0.02171	
2011	12	0.46933	0.19417	0	0.6635	-0.02134	
2012	1	0.46835	0.19417	0	0.66252	-0.00098	
2012	2	0.43631	0.19417	0	0.63048	-0.03204	
2012	3	0.43755	0.19417	0	0.63172	0.00124	
2012	4	0.38947	0.19417	0	0.58364	-0.04808	
2012	5	0.30925	0.19417	0	0.50342	-0.08022	
2012	6	0.34485	0.19417	0	0.53902	0.0356	
2012	7	0.37451	0.19417	0	0.56868	0.02966	
2012	8	0.40326	0.19417	0	0.59743	0.02875	
2012	9	0.34347	0.19417	0	0.53764	-0.05979	
2012	10	0.38626	0.19417	0	0.58043	0.04279	
2012	11	0.39815	0.19417	0	0.59232	0.01189	
2012	12	0.39661	0.19417	0	0.59078	-0.00154	
2013	1	0.39717	0.19754	0	0.59471	0.00393	Docket No. G007,011/GR-10-977
2013	2	0.39135	0.19754	0	0.58889	-0.00582	
2013	3	0.41188	0.19754	0	0.60942	0.02053	
2013	4	0.43443	0.19754	0	0.63197	0.02255	
2013	5	0.49587	0.19754	0	0.69341	0.06144	
2013	6	0.49791	0.19754	0	0.69545	0.00204	

NMU Residential							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.56922	0.21759	0	0.78681		Docket No. G007,011/GR-08-836
2011	2	0.57058	0.24189	0	0.81247	0.02566	Docket No. G007,011/GR-10-977
2011	3	0.55991	0.24189	0	0.8018	-0.01067	
2011	4	0.56039	0.24189	0	0.80228	0.00048	
2011	5	0.56855	0.24189	0	0.81044	0.00816	
2011	6	0.5642	0.24189	0	0.80609	-0.00435	
2011	7	0.56242	0.24189	0	0.80431	-0.00178	
2011	8	0.56584	0.24189	0	0.80773	0.00342	
2011	9	0.50203	0.24189	0	0.74392	-0.06381	
2011	10	0.48083	0.24189	0	0.72272	-0.0212	
2011	11	0.52233	0.24189	0	0.76422	0.0415	
2011	12	0.50278	0.24189	0	0.74467	-0.01955	
2012	1	0.49651	0.24189	0	0.7384	-0.00627	
2012	2	0.46326	0.24189	0	0.70515	-0.03325	
2012	3	0.46564	0.24189	0	0.70753	0.00238	
2012	4	0.4259	0.24189	0	0.66779	-0.03974	
2012	5	0.35681	0.24189	0	0.5987	-0.06909	
2012	6	0.37545	0.24189	0	0.61734	0.01864	
2012	7	0.39877	0.24189	0	0.64066	0.02332	
2012	8	0.43064	0.24189	0	0.67253	0.03187	
2012	9	0.41902	0.24189	0	0.66091	-0.01162	
2012	10	0.45593	0.24189	0	0.69782	0.03691	
2012	11	0.48126	0.24189	0	0.72315	0.02533	
2012	12	0.48654	0.24189	0	0.72843	0.00528	
2013	1	0.4894	0.19754	0	0.68694	-0.04149	Docket No. G007,011/GR-10-977
2013	2	0.48386	0.19754	0	0.6814	-0.00554	
2013	3	0.50154	0.19754	0	0.69908	0.01768	
2013	4	0.53216	0.19754	0	0.7297	0.03062	
2013	5	0.58453	0.19754	0	0.78207	0.05237	
2013	6	0.5866	0.19754	0	0.78414	0.00207	

NNG Residential								
		GAS	DIST	ACA	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	Factor	RATE	Delivered Rate	Notes
2013	7	0.55793	0.19754	0		0.75547		PGA Consolidation
2013	8	0.55893	0.19754	0		0.75647	0.001	
2013	9	0.54269	0.19754	-0.0004		0.73983	-0.01664	
2013	10	0.5432	0.19754	-0.0004		0.74034	0.00051	
2013	11	0.57612	0.19754	-0.0004		0.77326	0.03292	
2013	12	0.57301	0.19754	-0.0004		0.77015	-0.00311	
2014	1	0.64047	0.2229	-0.0004		0.86297	0.09282	Docket No. G011/GR-13-617 Interim
2014	2	0.69673	0.2229	-0.0004		0.91923	0.05626	
2014	3	0.76921	0.2229	-0.0004		0.99171	0.07248	
2014	4	0.67216	0.2229	-0.0004	-0.01247	0.88219	-0.10952	Implementation of 2013 Decoupling
2014	5	0.67007	0.2229	-0.0004	-0.01247	0.8801	-0.00209	
2014	6	0.65221	0.2229	-0.0004	-0.01247	0.86224	-0.01786	
2014	7	0.6605	0.2229	-0.0004	-0.01247	0.87053	0.00829	
2014	8	0.58232	0.2229	-0.0004	-0.01247	0.79235	-0.07818	
2014	9	0.64579	0.2229	0.04714	-0.01247	0.90336	0.11101	
2014	10	0.64134	0.2229	0.04714	-0.01247	0.89891	-0.00445	
2014	11	0.64747	0.2229	0.04714	-0.01247	0.90504	0.00613	
2014	12	0.72288	0.2229	0.04714	-0.01247	0.98045	0.07541	
2015	1	0.62236	0.2229	0.04714	-0.01247	0.87993	-0.10052	
2015	2	0.62962	0.2229	0.04714	-0.01247	0.88719	0.00726	
2015	3	0.63408	0.2229	0.04714	-0.01247	0.89165	0.00446	
2015	4	0.56685	0.21806	0.04714	-0.01936	0.81269	-0.07896	Implementation of 2014 Decoupling
2015	5	0.51476	0.21806	0.04714	-0.01936	0.7606	-0.05209	
2015	6	0.51911	0.21806	0.04714	-0.01936	0.76495	0.00435	
2015	7	0.51081	0.21806	0.04714	-0.01936	0.75665	-0.0083	
2015	8	0.51071	0.21806	0.04714	-0.01936	0.75655	-0.0001	
2015	9	0.43438	0.21806	-0.01703	-0.01936	0.61605	-0.1405	
2015	10	0.4313	0.21806	-0.01703	-0.01936	0.61297	-0.00308	
2015	11	0.41179	0.21806	-0.01703	-0.01936	0.59346	-0.01951	

Consolidated Residential								
		GAS	DIST	ACA	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	Factor	RATE	Delivered Rate	Notes
2013	7	0.47661	0.19754	0		0.67415		PGA Consolidation
2013	8	0.47303	0.19754	0		0.67057	-0.00358	
2013	9	0.44388	0.19754	-0.03086		0.61056	-0.06001	
2013	10	0.4476	0.19754	-0.03086		0.61428	0.00372	
2013	11	0.43626	0.19754	-0.03086		0.60294	-0.01134	
2013	12	0.45976	0.19754	-0.03086		0.62644	0.0235	
2014	1	0.483	0.2229	-0.03086		0.67504	0.0486	Docket No. G011/GR-13-617 Interim
2014	2	0.62107	0.2229	-0.03086		0.81311	0.13807	
2014	3	0.71717	0.2229	-0.03086		0.90921	0.0961	
2014	4	0.55121	0.2229	-0.03086	-0.01247	0.73078	-0.17843	Implementation of 2013 Decoupling
2014	5	0.55653	0.2229	-0.03086	-0.01247	0.7361	0.00532	
2014	6	0.5256	0.2229	-0.03086	-0.01247	0.70517	-0.03093	
2014	7	0.52248	0.2229	-0.03086	-0.01247	0.70205	-0.00312	
2014	8	0.45761	0.2229	-0.03086	-0.01247	0.63718	-0.06487	
2014	9	0.59028	0.2229	0.08726	-0.01247	0.88797	0.25079	
2014	10	0.60022	0.2229	0.08726	-0.01247	0.89791	0.00994	
2014	11	0.66064	0.2229	0.08726	-0.01247	0.95833	0.06042	
2014	12	0.68246	0.2229	0.08726	-0.01247	0.98015	0.02182	
2015	1	0.61241	0.2229	0.08726	-0.01247	0.9101	-0.07005	
2015	2	0.56248	0.2229	0.08726	-0.01247	0.86017	-0.04993	
2015	3	0.6099	0.2229	0.08726	-0.01247	0.90759	0.04742	
2015	4	0.51938	0.21806	0.08726	-0.01936	0.80534	-0.10225	Implementation of 2014 Decoupling
2015	5	0.47671	0.21806	0.08726	-0.01936	0.76267	-0.04267	
2015	6	0.49401	0.21806	0.08726	-0.01936	0.77997	0.0173	
2015	7	0.4835	0.21806	0.08726	-0.01936	0.76946	-0.01051	
2015	8	0.49335	0.21806	0.08726	-0.01936	0.77931	0.00985	
2015	9	0.41349	0.21806	0.01468	-0.01936	0.62687	-0.15244	
2015	10	0.41384	0.21806	0.01468	-0.01936	0.62722	0.00035	
2015	11	0.40768	0.21806	0.01468	-0.01936	0.62106	-0.00616	
2015	12	0.40286	0.21806	0.01468	-0.01936	0.61624	-0.00482	

Albert Lea Residential								
		GAS	DIST	ACA	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	Factor	RATE	Delivered Rate	Notes
2015	4					0	0	Acquisition of MERC-AL customers from IPL Docket No PA-14-107
2015	5	0.3932	0.21806	0	0	0.61126	0.61126	
2015	6	0.42673	0.21806	0	0	0.64479	0.03353	
2015	7	0.41821	0.21806	0	0	0.63627	-0.00852	
2015	8	0.42253	0.21806	0	0	0.64059	0.00432	
2015	9	0.41596	0.21806	-0.00054	0	0.63348	-0.00711	
2015	10	0.41151	0.21806	-0.00054	0	0.62903	-0.00445	

NNG Small C/I							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.60675	0.15022	0	0.75697		Docket No. G007,011/GR-08-836
2011	2	0.61366	0.16437	0	0.77803	0.02106	Docket No. G007,011/GR-10-977
2011	3	0.60068	0.16437	0	0.76505	-0.01298	
2011	4	0.60902	0.16437	0	0.77339	0.00834	
2011	5	0.60584	0.16437	0	0.77021	-0.00318	
2011	6	0.60306	0.16437	0	0.76743	-0.00278	
2011	7	0.59986	0.16437	0	0.76423	-0.0032	
2011	8	0.60905	0.16437	0	0.77342	0.00919	
2011	9	0.55242	0.16437	0	0.71679	-0.05663	
2011	10	0.52999	0.16437	0	0.69436	-0.02243	
2011	11	0.58051	0.16437	0	0.74488	0.05052	
2011	12	0.56398	0.16437	0	0.72835	-0.01653	
2012	1	0.54858	0.16437	0	0.71295	-0.0154	
2012	2	0.51386	0.16437	0	0.67823	-0.03472	
2012	3	0.51831	0.16437	0	0.68268	0.00445	
2012	4	0.50284	0.16437	0	0.66721	-0.01547	
2012	5	0.45246	0.16437	0	0.61683	-0.05038	
2012	6	0.44295	0.16437	0	0.60732	-0.00951	
2012	7	0.45564	0.16437	0	0.62001	0.01269	
2012	8	0.49261	0.16437	0	0.65698	0.03697	
2012	9	0.49561	0.16437	0	0.65998	0.003	
2012	10	0.52252	0.16437	0	0.68689	0.02691	
2012	11	0.56071	0.16437	0	0.72508	0.03819	
2012	12	0.57632	0.16437	0	0.74069	0.01561	
2013	1	0.53889	0.18525	0	0.72414	-0.01655	Docket No. G007,011/GR-10-977
2013	2	0.53387	0.18525	0	0.71912	-0.00502	
2013	3	0.54726	0.18525	0	0.73251	0.01339	
2013	4	0.59179	0.18525	0	0.77704	0.04453	
2013	5	0.63074	0.18525	0	0.81599	0.03895	
2013	6	0.63549	0.18525	0	0.82074	0.00475	

Viking Small C/I							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.72751	0.15022	0	0.87773		Docket No. G007,011/GR-08-836
2011	2	0.72581	0.16437	0	0.89018	0.01245	Docket No. G007,011/GR-10-977
2011	3	0.71621	0.16437	0	0.88058	-0.0096	
2011	4	0.71034	0.16437	0	0.87471	-0.00587	
2011	5	0.72539	0.16437	0	0.88976	0.01505	
2011	6	0.72059	0.16437	0	0.88496	-0.0048	
2011	7	0.71968	0.16437	0	0.88405	-0.00091	
2011	8	0.71965	0.16437	0	0.88402	-0.00003	
2011	9	0.48206	0.16437	0	0.64643	-0.23759	
2011	10	0.47587	0.16437	0	0.64024	-0.00619	
2011	11	0.49874	0.16437	0	0.66311	0.02287	
2011	12	0.47693	0.16437	0	0.6413	-0.02181	
2012	1	0.47608	0.16437	0	0.64045	-0.00085	
2012	2	0.44358	0.16437	0	0.60795	-0.0325	
2012	3	0.44479	0.16437	0	0.60916	0.00121	
2012	4	0.39274	0.16437	0	0.55711	-0.05205	
2012	5	0.31198	0.16437	0	0.47635	-0.08076	
2012	6	0.3477	0.16437	0	0.51207	0.03572	
2012	7	0.37755	0.16437	0	0.54192	0.02985	
2012	8	0.40648	0.16437	0	0.57085	0.02893	
2012	9	0.36158	0.16437	0	0.52595	-0.0449	
2012	10	0.40473	0.16437	0	0.5691	0.04315	
2012	11	0.4053	0.16437	0	0.56967	0.00057	
2012	12	0.40513	0.16437	0	0.5695	-0.00017	
2013	1	0.41168	0.18525	0	0.59693	0.02743	Docket No. G007,011/GR-10-977
2013	2	0.40574	0.18525	0	0.59099	-0.00594	
2013	3	0.42631	0.18525	0	0.61156	0.02057	
2013	4	0.44587	0.18525	0	0.63112	0.01956	
2013	5	0.50692	0.18525	0	0.69217	0.06105	
2013	6	0.50602	0.18525	0	0.69127	-0.0009	

Great Lakes Small C/I							
		Gas Cost	Dist Margin	Decoupling	Delivered	$/therm Change in	
Year	Month	Factor	Factor	Factor	Factor	Delivered Rate	Notes
2011	1	0.66055	0.15022	0	0.81077		Docket No. G007,011/GR-08-836
2011	2	0.65844	0.16437	0	0.82281	0.01204	Docket No. G007,011/GR-10-977
2011	3	0.64956	0.16437	0	0.81393	-0.00888	
2011	4	0.64851	0.16437	0	0.81288	-0.00105	
2011	5	0.66334	0.16437	0	0.82771	0.01483	
2011	6	0.65836	0.16437	0	0.82273	-0.00498	
2011	7	0.65731	0.16437	0	0.82168	-0.00105	
2011	8	0.65714	0.16437	0	0.82151	-0.00017	
2011	9	0.4832	0.16437	0	0.64757	-0.17394	
2011	10	0.46896	0.16437	0	0.63333	-0.01424	
2011	11	0.49067	0.16437	0	0.65504	0.02171	
2011	12	0.46933	0.16437	0	0.6337	-0.02134	
2012	1	0.46835	0.16437	0	0.63272	-0.00098	
2012	2	0.43631	0.16437	0	0.60068	-0.03204	
2012	3	0.43755	0.16437	0	0.60192	0.00124	
2012	4	0.38947	0.16437	0	0.55384	-0.04808	
2012	5	0.30925	0.16437	0	0.47362	-0.08022	
2012	6	0.34485	0.16437	0	0.50922	0.0356	
2012	7	0.37451	0.16437	0	0.53888	0.02966	
2012	8	0.40326	0.16437	0	0.56763	0.02875	
2012	9	0.34347	0.16437	0	0.50784	-0.05979	
2012	10	0.38626	0.16437	0	0.55063	0.04279	
2012	11	0.39815	0.16437	0	0.56252	0.01189	
2012	12	0.39661	0.16437	0	0.56098	-0.00154	
2013	1	0.39717	0.18525	0	0.58242	0.02144	Docket No. G007,011/GR-10-977
2013	2	0.39135	0.18525	0	0.5766	-0.00582	
2013	3	0.41188	0.18525	0	0.59713	0.02053	
2013	4	0.43443	0.18525	0	0.61968	0.02255	
2013	5	0.49587	0.18525	0	0.68112	0.06144	
2013	6	0.49791	0.18525	0	0.68316	0.00204	

NMU Small C/I							
Year	Month	Gas Cost Factor	Dist Margin Factor	Decoupling Factor	Delivered Factor	$/therm Change in Delivered Rate	Notes
2011	1	0.56922	0.18564	0	0.75486		Docket No. G007,011/GR-08-836
2011	2	0.57058	0.20637	0	0.77695	0.02209	Docket No. G007,011/GR-10-977
2011	3	0.55991	0.20637	0	0.76628	-0.01067	
2011	4	0.56039	0.20637	0	0.76676	0.00048	
2011	5	0.56855	0.20637	0	0.77492	0.00816	
2011	6	0.5642	0.20637	0	0.77057	-0.00435	
2011	7	0.56242	0.20637	0	0.76879	-0.00178	
2011	8	0.56584	0.20637	0	0.77221	0.00342	
2011	9	0.50203	0.20637	0	0.7084	-0.06381	
2011	10	0.48083	0.20637	0	0.6872	-0.0212	
2011	11	0.52233	0.20637	0	0.7287	0.0415	
2011	12	0.50278	0.20637	0	0.70915	-0.01955	
2012	1	0.49651	0.20637	0	0.70288	-0.00627	
2012	2	0.46326	0.20637	0	0.66963	-0.03325	
2012	3	0.46564	0.20637	0	0.67201	0.00238	
2012	4	0.4259	0.20637	0	0.63227	-0.03974	
2012	5	0.35681	0.20637	0	0.56318	-0.06909	
2012	6	0.37545	0.20637	0	0.58182	0.01864	
2012	7	0.39877	0.20637	0	0.60514	0.02332	
2012	8	0.43064	0.20637	0	0.63701	0.03187	
2012	9	0.41902	0.20637	0	0.62539	-0.01162	
2012	10	0.45593	0.20637	0	0.6623	0.03691	
2012	11	0.48126	0.20637	0	0.68763	0.02533	
2012	12	0.48654	0.20637	0	0.69291	0.00528	
2013	1	0.4894	0.18525	0	0.67465	-0.01826	Docket No. G007,011/GR-10-977
2013	2	0.48386	0.18525	0	0.66911	-0.00554	
2013	3	0.50154	0.18525	0	0.68679	0.01768	
2013	4	0.53216	0.18525	0	0.71741	0.03062	
2013	5	0.58453	0.18525	0	0.76978	0.05237	
2013	6	0.5866	0.18525	0	0.77185	0.00207	

NNG Small C&I							
		GAS	DIST	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	RATE	Delivered Rate	Notes
2013	7	0.55793	0.18525		0.74318		PGA Consolidation
2013	8	0.55893	0.18525		0.74418	0.001	
2013	9	0.54269	0.18525		0.72754	-0.01664	
2013	10	0.5432	0.18525		0.72805	0.00051	
2013	11	0.57612	0.18525		0.76097	0.03292	
2013	12	0.57301	0.18525		0.75786	-0.00311	
2014	1	0.64047	0.20904		0.84911	0.09125	Docket No. G011/GR-13-617 Interim
2014	2	0.69673	0.20904		0.90537	0.05626	
2014	3	0.76921	0.20904		0.97785	0.07248	
2014	4	0.67216	0.20904	-0.01701	0.86379	-0.11406	Implementation of 2013 Decoupling
2014	5	0.67007	0.20904	-0.01701	0.8617	-0.00209	
2014	6	0.65221	0.20904	-0.01701	0.84384	-0.01786	
2014	7	0.6605	0.20904	-0.01701	0.85213	0.00829	
2014	8	0.58232	0.20904	-0.01701	0.77395	-0.07818	
2014	9	0.64579	0.20904	-0.01701	0.88496	0.11101	
2014	10	0.64134	0.20904	-0.01701	0.88051	-0.00445	
2014	11	0.64747	0.20904	-0.01701	0.88664	0.00613	
2014	12	0.72288	0.20904	-0.01701	0.96205	0.07541	
2015	1	0.62236	0.20904	-0.01701	0.86153	-0.10052	
2015	2	0.62962	0.20904	-0.01701	0.86879	0.00726	
2015	3	0.63408	0.20904	-0.01701	0.87325	0.00446	
2015	4	0.56685	0.18116	-0.01567	0.77948	-0.09377	Implementation of 2014 Decoupling
2015	5	0.51476	0.18116	-0.01567	0.72739	-0.05209	
2015	6	0.51911	0.18116	-0.01567	0.73174	0.00435	
2015	7	0.51081	0.18116	-0.01567	0.72344	-0.0083	
2015	8	0.51071	0.18116	-0.01567	0.72334	-0.0001	
2015	9	0.43438	0.18116	-0.01567	0.58284	-0.1405	
2015	10	0.4313	0.18116	-0.01567	0.57976	-0.00308	
2015	11	0.41179	0.18116	-0.01567	0.56025	-0.01951	
2015	12	0.41944	0.18116	-0.01567	0.5679	0.00765	

Consolidated Small C&I							
		GAS	DIST	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	RATE	Delivered Rate	Notes
2013	7	0.47661	0.18525		0.66186		PGA Consolidation
2013	8	0.47303	0.18525		0.65828	-0.00358	
2013	9	0.44388	0.18525		0.59827	-0.06001	
2013	10	0.4476	0.18525		0.60199	0.00372	
2013	11	0.43626	0.18525		0.59065	-0.01134	
2013	12	0.45976	0.18525		0.61415	0.0235	
2014	1	0.483	0.20904		0.66118	0.04703	Docket No. G011/GR-13-617 Interim
2014	2	0.62107	0.20904		0.79925	0.13807	
2014	3	0.71717	0.20904		0.89535	0.0961	
2014	4	0.55121	0.20904	-0.01701	0.71238	-0.18297	Implementation of 2013 Decoupling
2014	5	0.55653	0.20904	-0.01701	0.7177	0.00532	
2014	6	0.5256	0.20904	-0.01701	0.68677	-0.03093	
2014	7	0.52248	0.20904	-0.01701	0.68365	-0.00312	
2014	8	0.45761	0.20904	-0.01701	0.61878	-0.06487	
2014	9	0.59028	0.20904	-0.01701	0.86957	0.25079	
2014	10	0.60022	0.20904	-0.01701	0.87951	0.00994	
2014	11	0.66064	0.20904	-0.01701	0.93993	0.06042	
2014	12	0.68246	0.20904	-0.01701	0.96175	0.02182	
2015	1	0.61241	0.20904	-0.01701	0.8917	-0.07005	
2015	2	0.56248	0.20904	-0.01701	0.84177	-0.04993	
2015	3	0.6099	0.20904	-0.01701	0.88919	0.04742	
2015	4	0.51938	0.18116	-0.01567	0.77213	-0.11706	Implementation of 2014 Decoupling
2015	5	0.47671	0.18116	-0.01567	0.72946	-0.04267	
2015	6	0.49401	0.18116	-0.01567	0.74676	0.0173	
2015	7	0.4835	0.18116	-0.01567	0.73625	-0.01051	
2015	8	0.49335	0.18116	-0.01567	0.7461	0.00985	
2015	9	0.41349	0.18116	-0.01567	0.59366	-0.15244	
2015	10	0.41384	0.18116	-0.01567	0.59401	0.00035	
2015	11	0.40768	0.18116	-0.01567	0.58785	-0.00616	
2015	12	0.40286	0.18116	-0.01567	0.58303	-0.00482	

Albert Lea Small C&I							
		GAS	DIST	Decoupling	EFFECTIVE	$/therm Change in	
Year	Month	COSTS	MARGIN	Factor	RATE	Delivered Rate	Notes
2015	4				0	0	Acquisition of MERC-AL customers from IPL Docket No PA-14-107
2015	5	0.3932	0.18116	0	0.57436	0.57436	
2015	6	0.42673	0.18116	0	0.60789	0.03353	
2015	7	0.41821	0.18116	0	0.59937	-0.00852	
2015	8	0.42253	0.18116	0	0.60369	0.00432	
2015	9	0.41596	0.18116	0	0.59658	-0.00711	
2015	10	0.41151	0.18116	0	0.59213	-0.00445	
2015	11	0.37203	0.18116	0	0.55265	-0.03948	
2015	12	0.38269	0.18116	0	0.56331	0.01066	

G.7. What has been the natural gas commodity cost embedded in the average monthly price per therm values by rate schedule in the previous question and how did margin revenues (excluding recovery of gas commodity cost) change during 2011 through the period being evaluated? Provide a detailed incremental chronological listing (including Docket No.) and impact of all commodity adjustments during the 2011 through the period being evaluated. What was the total impact factoring in all adjustments from the beginning of 2011 through the period being evaluated?

The data has been split into two time frames, pre- and post-consolidation.

NNG Residential

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.60675	$5,193,548
2011	2	0.61366	$4,714,185
2011	3	0.60068	$3,391,061
2011	4	0.60902	$1,911,850
2011	5	0.60584	$1,003,226
2011	6	0.60306	-$19,554
2011	7	0.59986	$278,402
2011	8	0.60905	$384,170
2011	9	0.55242	$463,786
2011	10	0.52999	$801,292
2011	11	0.58051	$1,880,409
2011	12	0.56398	$3,832,648
2012	1	0.54858	$4,163,182
2012	2	0.51386	$4,009,436
2012	3	0.51831	$2,789,361
2012	4	0.50284	$100,490
2012	5	0.45246	$939,924
2012	6	0.44295	$98,837
2012	7	0.45564	$377,511
2012	8	0.49261	$401,463
2012	9	0.49561	$451,711
2012	10	0.52252	$980,690
2012	11	0.56071	$2,261,933
2012	12	0.57632	$3,423,687
2013	1	0.53889	$4,515,141
2013	2	0.53387	$5,635,357

2013	3	0.54726	$3,824,256
2013	4	0.59179	$2,754,359
2013	5	0.63074	$1,500,597
2013	6	0.63549	-$361,209

Viking Residential

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.72751	$134,582
2011	2	0.72581	$123,362
2011	3	0.71621	$96,217
2011	4	0.71034	$54,171
2011	5	0.72539	$21,786
2011	6	0.72059	-$5,334
2011	7	0.71968	$912
2011	8	0.71965	$5,451
2011	9	0.48206	$7,472
2011	10	0.47587	$23,885
2011	11	0.49874	$49,222
2011	12	0.47693	$108,474
2012	1	0.47608	$103,978
2012	2	0.44358	$113,431
2012	3	0.44479	$80,943
2012	4	0.39274	$9,607
2012	5	0.31198	$19,438
2012	6	0.34770	-$1,951
2012	7	0.37755	$4,524
2012	8	0.40648	$6,234
2012	9	0.36158	$7,389
2012	10	0.40473	$31,549
2012	11	0.40530	$67,797
2012	12	0.40513	$105,484
2013	1	0.41168	$120,158
2013	2	0.40574	$139,315
2013	3	0.42631	$113,693
2013	4	0.44587	$55,821
2013	5	0.50692	$71,303
2013	6	0.50602	-$28,353

Great Lakes Residential

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.66055	$170,883
2011	2	0.65844	$149,564
2011	3	0.64956	$132,559
2011	4	0.64851	$65,641
2011	5	0.66334	$23,478
2011	6	0.65836	-$7,889
2011	7	0.65731	-$977
2011	8	0.65714	$6,069
2011	9	0.48320	$9,096
2011	10	0.46896	$28,020
2011	11	0.49067	$70,029
2011	12	0.46933	$141,660
2012	1	0.46835	$134,147
2012	2	0.43631	$144,637
2012	3	0.43755	$98,805
2012	4	0.38947	$22,140
2012	5	0.30925	$29,307
2012	6	0.34485	-$6,479
2012	7	0.37451	$2,126
2012	8	0.40326	$5,795
2012	9	0.34347	$9,581
2012	10	0.38626	$42,624
2012	11	0.39815	$84,457
2012	12	0.39661	$138,870
2013	1	0.39717	$163,646
2013	2	0.39135	$180,072
2013	3	0.41188	$118,950
2013	4	0.43443	$93,627
2013	5	0.49587	$81,538
2013	6	0.49791	-$23,261

NMU Residential

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.56922	$1,476,451
2011	2	0.57058	$1,424,182
2011	3	0.55991	$1,051,814

2011	4	0.56039	$690,876
2011	5	0.56855	$315,036
2011	6	0.56420	-$21,885
2011	7	0.56242	$72,309
2011	8	0.56584	$41,711
2011	9	0.50203	$97,851
2011	10	0.48083	$266,325
2011	11	0.52233	$699,060
2011	12	0.50278	$1,290,398
2012	1	0.49651	$1,319,370
2012	2	0.46326	$1,276,601
2012	3	0.46564	$829,505
2012	4	0.42590	$356,144
2012	5	0.35681	$320,643
2012	6	0.37545	-$39,527
2012	7	0.39877	$43,150
2012	8	0.43064	$74,322
2012	9	0.41902	$95,819
2012	10	0.45593	$374,212
2012	11	0.48126	$795,148
2012	12	0.48654	$1,247,845
2013	1	0.48940	$1,150,915
2013	2	0.48386	$1,405,649
2013	3	0.50154	$829,715
2013	4	0.53216	$555,765
2013	5	0.58453	$629,111
2013	6	0.58660	$111,993

NNG Residential

Year	Month	Commodity Cost $/therm		Margin Revenue
2013	7	0.55793	$	237,519
2013	8	0.55893	$	435,771
2013	9	0.54269	$	499,354
2013	10	0.54320	$	769,591
2013	11	0.57612	$	3,000,545
2013	12	0.57301	$	5,565,923
2014	1	0.64047	$	8,619,437
2014	2	0.69673	$	6,904,807
2014	3	0.76921	$	5,642,037
2014	4	0.67216	$	3,419,462
2014	5	0.67007	$	972,197
2014	6	0.65221	$	(82,648)
2014	7	0.66050	$	163,246

2014	8	0.58232	$	547,583
2014	9	0.64579	$	591,757
2014	10	0.64134	$	1,251,490
2014	11	0.64747	$	2,998,781
2014	12	0.72288	$	7,193,917
2015	1	0.62236	$	5,910,516
2015	2	0.62962	$	5,642,159
2015	3	0.63408	$	6,399,870
2015	4	0.56685	$	1,164,510
2015	5	0.51476	$	694,662
2015	6	0.51911	$	259,323
2015	7	0.51081	$	261,910
2015	8	0.51071	$	523,625
2015	9	0.43438	$	562,973
2015	10	0.43130	$	918,998
2015	11	0.41179	$	1,812,128
2015	12	0.41944	$	4,414,768

Consolidated Residential

		Commodity Cost		**Margin**
Year	**Month**	**$/therm**		**Revenue**
2013	7	0.47661	$	(53,246)
2013	8	0.47303	$	(44,024)
2013	9	0.44388	$	89,906
2013	10	0.44760	$	281,289
2013	11	0.43626	$	1,101,590
2013	12	0.45976	$	1,957,365
2014	1	0.48300	$	1,516,389
2014	2	0.62107	$	1,238,674
2014	3	0.71717	$	1,004,186
2014	4	0.55121	$	551,446
2014	5	0.55653	$	253,029
2014	6	0.52560	$	(50,956)
2014	7	0.52248	$	(57,321)
2014	8	0.45761	$	39,754
2014	9	0.59028	$	69,448
2014	10	0.60022	$	218,769
2014	11	0.66064	$	590,910
2014	12	0.68246	$	1,293,095
2015	1	0.61241	$	1,052,921
2015	2	0.56248	$	991,242
2015	3	0.60990	$	1,141,948
2015	4	0.51938	$	230,997
2015	5	0.47671	$	137,386
2015	6	0.49401	$	17,903
2015	7	0.48350	$	(28,686)
2015	8	0.49335	$	48,285
2015	9	0.41349	$	62,110
2015	10	0.41384	$	168,343
2015	11	0.40768	$	385,256
2015	12	0.40286	$	809,662

Albert Lea Residential

Commodity Cost **Margin**

Year	Month	$/therm	Revenue
2015	5	0.39320	$ 27,176
2015	6	0.42673	$ 100,732
2015	7	0.41821	$ 7,787
2015	8	0.42253	$ 26,766
2015	9	0.41596	$ 31,954
2015	10	0.41151	$ 47,679
2015	11	0.37203	$ 103,832
2015	12	0.38269	$ 261,590

NNG Small C&I

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.60675	$260,878
2011	2	0.61366	$228,393
2011	3	0.60068	$157,892
2011	4	0.60902	$76,942
2011	5	0.60584	-$13,217
2011	6	0.60306	-$11,948
2011	7	0.59986	$3,650
2011	8	0.60905	$8,469
2011	9	0.55242	$15,218
2011	10	0.52999	$19,387
2011	11	0.58051	$54,421
2011	12	0.56398	$128,167
2012	1	0.54858	$164,016
2012	2	0.51386	$162,252
2012	3	0.51831	$105,012
2012	4	0.50284	-$17,247
2012	5	0.45246	$23,248
2012	6	0.44295	-$1,258
2012	7	0.45564	$5,621
2012	8	0.49261	$10,295
2012	9	0.49561	$13,565
2012	10	0.52252	$43,608
2012	11	0.56071	$79,274
2012	12	0.57632	$159,598
2013	1	0.53889	$252,592
2013	2	0.53387	$376,418
2013	3	0.54726	$220,088
2013	4	0.59179	$159,065
2013	5	0.63074	$50,324
2013	6	0.63549	-$52,759

Viking Small C&I

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.72751	$10,022
2011	2	0.72581	$9,098
2011	3	0.71621	$7,607
2011	4	0.71034	$2,539
2011	5	0.72539	$256
2011	6	0.72059	-$265
2011	7	0.71968	$153
2011	8	0.71965	$545
2011	9	0.48206	$476
2011	10	0.47587	$1,508
2011	11	0.49874	$2,440
2011	12	0.47693	$7,739
2012	1	0.47608	$7,022
2012	2	0.44358	$9,535
2012	3	0.44479	$5,602
2012	4	0.39274	-$230
2012	5	0.31198	$1,181
2012	6	0.34770	$146
2012	7	0.37755	$313
2012	8	0.40648	$420
2012	9	0.36158	$624
2012	10	0.40473	$2,035
2012	11	0.40530	$5,242
2012	12	0.40513	$10,492
2013	1	0.41168	$13,811
2013	2	0.40574	$18,745
2013	3	0.42631	$11,630
2013	4	0.44587	$8,191
2013	5	0.50692	$6,777
2013	6	0.50602	-$2,387

Great Lakes Small C&I

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.66055	$22,915
2011	2	0.65844	$15,307
2011	3	0.64956	$13,632

2011	4	0.64851	$5,056
2011	5	0.66334	-$2,535
2011	6	0.65836	-$935
2011	7	0.65731	-$179
2011	8	0.65714	$223
2011	9	0.48320	$379
2011	10	0.46896	$1,346
2011	11	0.49067	$3,670
2011	12	0.46933	$11,516
2012	1	0.46835	$10,266
2012	2	0.43631	$13,459
2012	3	0.43755	$7,843
2012	4	0.38947	$1,021
2012	5	0.30925	$1,278
2012	6	0.34485	-$812
2012	7	0.37451	$241
2012	8	0.40326	$481
2012	9	0.34347	$660
2012	10	0.38626	$2,545
2012	11	0.39815	$8,253
2012	12	0.39661	$14,512
2013	1	0.39717	$24,340
2013	2	0.39135	$27,682
2013	3	0.41188	$17,653
2013	4	0.43443	$14,229
2013	5	0.49587	$9,563
2013	6	0.49791	-$3,644

NMU Small C&I

Year	Month	Gas Cost Factor	Margin Revenue
2011	1	0.56922	$106,958
2011	2	0.57058	$64,508
2011	3	0.55991	$80,890
2011	4	0.56039	$35,029
2011	5	0.56855	$2,070
2011	6	0.56420	-$6,535
2011	7	0.56242	$3,347
2011	8	0.56584	$1,984
2011	9	0.50203	$3,802
2011	10	0.48083	$8,119

2011	11	0.52233	$29,195
2011	12	0.50278	$67,461
2012	1	0.49651	$71,219
2012	2	0.46326	$79,630
2012	3	0.46564	$45,465
2012	4	0.42590	$12,789
2012	5	0.35681	$16,545
2012	6	0.37545	-$5,075
2012	7	0.39877	$1,257
2012	8	0.43064	$4,032
2012	9	0.41902	$4,468
2012	10	0.45593	$15,227
2012	11	0.48126	$41,301
2012	12	0.48654	$97,612
2013	1	0.48940	$81,245
2013	2	0.48386	$114,977
2013	3	0.50154	$62,373
2013	4	0.53216	$47,062
2013	5	0.58453	$46,200
2013	6	0.58660	-$16,533

NNG Small C/I

Year	Month	Commodity Cost $/therm	Margin Revenue
2013	7	0.55793	$ 3,345
2013	8	0.55893	$ 15,573
2013	9	0.54269	$ 17,228
2013	10	0.54320	$ 148,092
2013	11	0.57612	$ 129,069
2013	12	0.57301	$ 326,616
2014	1	0.64047	$ 583,804
2014	2	0.69673	$ 491,316
2014	3	0.76921	$ 370,117
2014	4	0.67216	$ 182,445
2014	5	0.67007	$ 8,344
2014	6	0.65221	$ (31,521)
2014	7	0.66050	$ (5,742)
2014	8	0.58232	$ 16,477
2014	9	0.64579	$ 20,991
2014	10	0.64134	$ 73,595
2014	11	0.64747	$ 197,614
2014	12	0.72288	$ 501,087
2015	1	0.61241	$ 1,052,921
2015	2	0.56248	$ 991,242
2015	3	0.60990	$ 1,141,948
2015	4	0.51938	$ 230,997

2015	5	0.47671	$	137,386
2015	6	0.49401	$	17,903
2015	7	0.48350	$	(28,686)
2015	8	0.49335	$	48,285
2015	9	0.41349	$	62,110
2015	10	0.41384	$	168,343
2015	11	0.40768	$	385,256
2015	12	0.40286	$	809,662

Consolidated Small C/I

		Commodity Cost		Margin
Year	**Month**	**$/therm**		**Revenue**
2013	7	0.47661	$	(6,904)
2013	8	0.47303	$	7,139
2013	9	0.44388	$	8,449
2013	10	0.44760	$	18,588
2013	11	0.43626	$	139,959
2013	12	0.45976	$	168,936
2014	1	0.48300	$	175,597
2014	2	0.62107	$	139,998
2014	3	0.71717	$	121,066
2014	4	0.55121	$	47,037
2014	5	0.55653	$	13,251
2014	6	0.52560	$	(4,389)
2014	7	0.52248	$	(4,601)
2014	8	0.45761	$	5,447
2014	9	0.59028	$	5,872
2014	10	0.60022	$	19,174
2014	11	0.66064	$	52,915
2014	12	0.68246	$	145,460
2015	1	0.61241	$	131,228
2015	2	0.56248	$	114,252
2015	3	0.60990	$	138,386
2015	4	0.51938	$	12,435
2015	5	0.47671	$	4,725
2015	6	0.49401	$	(9,092)
2015	7	0.48350	$	(916)
2015	8	0.49335	$	3,816
2015	9	0.41349	$	3,180
2015	10	0.41384	$	7,377
2015	11	0.40768	$	17,127
2015	12	0.40286	$	45,070

Albert Lea Small C/I

		Commodity Cost		Margin
Year	**Month**	**$/therm**		**Revenue**
2015	5	0.39320	$	1,384
2015	6	0.42673	$	1,158
2015	7	0.41821	$	(178)
2015	8	0.42253	$	(972)
2015	9	0.41596	$	6,823
2015	10	0.41151	$	(1,700)

2015	11	0.37203	$	11,401
2015	12	0.38269	$	6,074

G.8. What is the Company's most recently available three-year forecast for (a) natural gas rates/prices; (b) numbers of customers by rate schedule; (c) usage per customer by rate schedule; and (d) overall therm volumes and margin revenues by rate schedule in each available projected future period?

NNG Residential

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.38967	0.2398	0.62947
2016	4	0.38708	0.2398	0.62688
2016	5	0.38764	0.2398	0.62744
2016	6	0.38906	0.2398	0.62886
2016	7	0.39668	0.2398	0.63648
2016	8	0.39891	0.2398	0.63871
2016	9	0.39944	0.2398	0.63924
2016	10	0.40446	0.2398	0.64426
2016	11	0.43527	0.2398	0.67507
2016	12	0.45578	0.2398	0.69558
2017	1	0.48324	0.2398	0.72304
2017	2	0.47934	0.2398	0.71914
2017	3	0.45497	0.2398	0.69477
2017	4	0.42213	0.2398	0.66193
2017	5	0.41284	0.2398	0.65264
2017	6	0.41152	0.2398	0.65132
2017	7	0.42192	0.2398	0.66172
2017	8	0.42314	0.2398	0.66294
2017	9	0.42248	0.2398	0.66228
2017	10	0.42010	0.2398	0.65990
2017	11	0.46543	0.2398	0.70523
2017	12	0.48142	0.2398	0.72122
2018	1	0.50375	0.2398	0.74355
2018	2	0.49964	0.2398	0.73944
2018	3	0.47426	0.2398	0.71406
2018	4	0.43543	0.2398	0.67523
2018	5	0.42543	0.2398	0.66523
2018	6	0.42380	0.2398	0.66360
2018	7	0.43411	0.2398	0.67391
2018	8	0.43563	0.2398	0.67543
2018	9	0.43487	0.2398	0.67467
2018	10	0.43279	0.2398	0.67259
2018	11	0.47873	0.2398	0.71853
2018	12	0.49472	0.2398	0.73452

Consolidated Residential

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.36906	0.2398	0.60886

2016	4	0.33373	0.2398	0.57353
2016	5	0.34012	0.2398	0.57992
2016	6	0.34662	0.2398	0.58642
2016	7	0.35322	0.2398	0.59302
2016	8	0.35545	0.2398	0.59525
2016	9	0.34088	0.2398	0.58068
2016	10	0.34362	0.2398	0.58342
2016	11	0.38940	0.2398	0.62920
2016	12	0.40585	0.2398	0.64565
2017	1	0.41783	0.2398	0.65763
2017	2	0.41722	0.2398	0.65702
2017	3	0.41316	0.2398	0.65296
2017	4	0.35824	0.2398	0.59804
2017	5	0.35885	0.2398	0.59865
2017	6	0.36260	0.2398	0.60240
2017	7	0.36666	0.2398	0.60646
2017	8	0.36788	0.2398	0.60768
2017	9	0.36748	0.2398	0.60728
2017	10	0.36991	0.2398	0.60971
2017	11	0.39773	0.2398	0.63753
2017	12	0.41245	0.2398	0.65225
2018	1	0.43834	0.2398	0.67814
2018	2	0.43753	0.2398	0.67733
2018	3	0.43245	0.2398	0.67225
2018	4	0.37154	0.2398	0.61134
2018	5	0.37143	0.2398	0.61123
2018	6	0.37489	0.2398	0.61469
2018	7	0.37885	0.2398	0.61865
2018	8	0.38037	0.2398	0.62017
2018	9	0.37986	0.2398	0.61966
2018	10	0.38260	0.2398	0.62240
2018	11	0.41103	0.2398	0.65083
2018	12	0.42575	0.2398	0.66555

Albert Lea Residential

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.34703	0.2398	0.58683
2016	4	0.34444	0.2398	0.58424
2016	5	0.34500	0.2398	0.58480
2016	6	0.34642	0.2398	0.58622
2016	7	0.35404	0.2398	0.59384
2016	8	0.35627	0.2398	0.59607
2016	9	0.35717	0.2398	0.59697
2016	10	0.36219	0.2398	0.60199
2016	11	0.39300	0.2398	0.63280
2016	12	0.41351	0.2398	0.65331
2017	1	0.44097	0.2398	0.68077
2017	2	0.43707	0.2398	0.67687
2017	3	0.41270	0.2398	0.65250
2017	4	0.37986	0.2398	0.61966
2017	5	0.37057	0.2398	0.61037
2017	6	0.36925	0.2398	0.60905
2017	7	0.37965	0.2398	0.61945
2017	8	0.38087	0.2398	0.62067
2017	9	0.38021	0.2398	0.62001

2017	10	0.37783	0.2398	0.61763
2017	11	0.42316	0.2398	0.66296
2017	12	0.43915	0.2398	0.67895
2018	1	0.46148	0.2398	0.70128
2018	2	0.45737	0.2398	0.69717
2018	3	0.43199	0.2398	0.67179
2018	4	0.39316	0.2398	0.63296
2018	5	0.38316	0.2398	0.62296
2018	6	0.38153	0.2398	0.62133
2018	7	0.39184	0.2398	0.63164
2018	8	0.39336	0.2398	0.63316
2018	9	0.39260	0.2398	0.63240
2018	10	0.39052	0.2398	0.63032
2018	11	0.43646	0.2398	0.67626
2018	12	0.45245	0.2398	0.69225

NNG Small C/I

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.38967	0.19922	0.58889
2016	4	0.38708	0.19922	0.58630
2016	5	0.38764	0.19922	0.58686
2016	6	0.38906	0.19922	0.58828
2016	7	0.39668	0.19922	0.59590
2016	8	0.39891	0.19922	0.59813
2016	9	0.39944	0.19922	0.59866
2016	10	0.40446	0.19922	0.60368
2016	11	0.43527	0.19922	0.63449
2016	12	0.45578	0.19922	0.65500
2017	1	0.48324	0.19922	0.68246
2017	2	0.47934	0.19922	0.67856
2017	3	0.45497	0.19922	0.65419
2017	4	0.42213	0.19922	0.62135
2017	5	0.41284	0.19922	0.61206
2017	6	0.41152	0.19922	0.61074
2017	7	0.42192	0.19922	0.62114
2017	8	0.42314	0.19922	0.62236
2017	9	0.42248	0.19922	0.62170
2017	10	0.42010	0.19922	0.61932
2017	11	0.46543	0.19922	0.66465
2017	12	0.48142	0.19922	0.68064
2018	1	0.50375	0.19922	0.70297
2018	2	0.49964	0.19922	0.69886
2018	3	0.47426	0.19922	0.67348
2018	4	0.43543	0.19922	0.63465
2018	5	0.42543	0.19922	0.62465
2018	6	0.42380	0.19922	0.62302
2018	7	0.43411	0.19922	0.63333
2018	8	0.43563	0.19922	0.63485
2018	9	0.43487	0.19922	0.63409
2018	10	0.43279	0.19922	0.63201
2018	11	0.47873	0.19922	0.67795
2018	12	0.49472	0.19922	0.69394

Consolidated Small C/I

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.36906	0.19922	0.56828
2016	4	0.33373	0.19922	0.53295
2016	5	0.34012	0.19922	0.53934
2016	6	0.34662	0.19922	0.54584
2016	7	0.35322	0.19922	0.55244
2016	8	0.35545	0.19922	0.55467
2016	9	0.34088	0.19922	0.54010
2016	10	0.34362	0.19922	0.54284
2016	11	0.38940	0.19922	0.58862
2016	12	0.40585	0.19922	0.60507
2017	1	0.41783	0.19922	0.61705
2017	2	0.41722	0.19922	0.61644
2017	3	0.41316	0.19922	0.61238
2017	4	0.35824	0.19922	0.55746
2017	5	0.35885	0.19922	0.55807
2017	6	0.36260	0.19922	0.56182
2017	7	0.36666	0.19922	0.56588
2017	8	0.36788	0.19922	0.56710
2017	9	0.36748	0.19922	0.56670
2017	10	0.36991	0.19922	0.56913
2017	11	0.39773	0.19922	0.59695
2017	12	0.41245	0.19922	0.61167
2018	1	0.43834	0.19922	0.63756
2018	2	0.43753	0.19922	0.63675
2018	3	0.43245	0.19922	0.63167
2018	4	0.37154	0.19922	0.57076
2018	5	0.37143	0.19922	0.57065
2018	6	0.37489	0.19922	0.57411
2018	7	0.37885	0.19922	0.57807
2018	8	0.38037	0.19922	0.57959
2018	9	0.37986	0.19922	0.57908
2018	10	0.38260	0.19922	0.58182
2018	11	0.41103	0.19922	0.61025
2018	12	0.42575	0.19922	0.62497

Albert Lea Small C/I

Year	Month	Commodity Cost* $/therm	DIST* MARGIN	EFFECTIVE RATE
2016	3	0.34703	0.19922	0.54625
2016	4	0.34444	0.19922	0.54366
2016	5	0.34500	0.19922	0.54422
2016	6	0.34642	0.19922	0.54564
2016	7	0.35404	0.19922	0.55326
2016	8	0.35627	0.19922	0.55549
2016	9	0.35717	0.19922	0.55639
2016	10	0.36219	0.19922	0.56141
2016	11	0.39300	0.19922	0.59222
2016	12	0.41351	0.19922	0.61273
2017	1	0.44097	0.19922	0.64019
2017	2	0.43707	0.19922	0.63629

2017	3	0.41270	0.19922	0.61192
2017	4	0.37986	0.19922	0.57908
2017	5	0.37057	0.19922	0.56979
2017	6	0.36925	0.19922	0.56847
2017	7	0.37965	0.19922	0.57887
2017	8	0.38087	0.19922	0.58009
2017	9	0.38021	0.19922	0.57943
2017	10	0.37783	0.19922	0.57705
2017	11	0.42316	0.19922	0.62238
2017	12	0.43915	0.19922	0.63837
2018	1	0.46148	0.19922	0.66070
2018	2	0.45737	0.19922	0.65659
2018	3	0.43199	0.19922	0.63121
2018	4	0.39316	0.19922	0.59238
2018	5	0.38316	0.19922	0.58238
2018	6	0.38153	0.19922	0.58075
2018	7	0.39184	0.19922	0.59106
2018	8	0.39336	0.19922	0.59258
2018	9	0.39260	0.19922	0.59182
2018	10	0.39052	0.19922	0.58974
2018	11	0.43646	0.19922	0.63568
2018	12	0.45245	0.19922	0.65167

OVERALL **THERM VOLUMES**: MERC FORECAST 2016-2018.

SERVICECLASS	2016	2017	2018
SC_INTERR	38,428,717	38,267,278	38,430,853
SC_JOINT	438,454	438,871	440,591
SC_LCI	95,865,413	95,559,748	95,531,624
SC_RES	182,947,111	183,217,417	184,381,848
SC_SCI	12,443,298	12,343,054	12,354,622
SC_TRNSP	536,238,898	537,049,238	537,615,283
Grand Total	866,361,891	866,875,606	868,754,821

ANNUAL AVERAGE FIXED CHARGE/CUSTOMER COUNTS: MERC FORECAST 2016-2018.

SERVICECLASS	Annual Ave. Fix Chg Cts. 2016	Annual Ave Fix Chg Cts. 2017	Annual Ave. Fix Chg Cts. 2018
SC_INTERR	503	500	497
SC_JOINT	8	8	8
SC_LCI	11,117	11,127	11,137
SC_RES	207,687	210,086	212,622
SC_SCI	11,648	11,709	11,776
SC_TRNSP	179	179	179
Grand Total	231,143	233,610	236,218

USE PER ANNUAL AVERAGE FIXED CHARGE COUNT: MERC FORECAST 2016-2018.

SERVICECLASS	2016	2017	2018
SC_INTERR	76,348	76,573	77,274
SC_JOINT	54,242	54,293	54,506
SC_LCI	8,623	8,588	8,578
SC_RES	881	872	867
SC_SCI	1,068	1,054	1,049
SC_TRNSP	2,995,748	3,000,275	3,003,437
Grand Total	3,138,926	3,143,672	3,147,730

OVERALL **THERM VOLUMES**: {GS RATE SCHEDULES}: MERC FORECAST 2016-2018.

SERVICECLASS	2016	2017	2018
SC_INTERR			
SC_JOINT			
SC_LCI	95,865,413	95,559,748	95,531,624
SC_RES	182,947,111	183,217,417	184,381,848
SC_SCI	12,443,298	12,343,054	12,354,622
SC_TRNSP			
Grand Total	291,255,822	291,120,219	292,268,094

OVERALL **DISTRIBUTION RATES FOR FORECAST**: {GS RATE SCHEDULES}: MERC FORECAST 2016-2018.

SERVICECLASS	2016	2017	2018
SC_INTERR			
SC_JOINT			
SC_LCI	0.18232	0.18232	0.18232
SC_RES	0.23980	0.23980	0.23980
SC_SCI	0.19922	0.19922	0.19922
SC_TRNSP			
Grand Total			

OVERALL **MARGIN REVENUES BY RATE SCHEDULE**: {GS RATE SCHEDULES}: MERC FORECAST 2016-2018.

SERVICECLASS	2016	2017	2018
SC_INTERR			
SC_JOINT			
SC_LCI	$17,478,182	$17,422,453	$17,417,326
SC_RES	$43,870,717	$43,935,537	$44,214,767
SC_SCI	$2,478,954	$2,458,983	$2,461,288
SC_TRNSP			
Grand Total	$63,827,853	$63,816,973	$64,093,381

H.

H. Impact on MERC Low-Income and LIHEAP Customers

H. Impact on MERC Low-Income and LIHEAP Customers

MERC currently provides an annual CIP Status Report to the Minnesota Department of Commerce, Division of Energy Resources that includes a discussion of the Company's low-income CIP programs and participation.

The information that is provided for each CIP project includes:

- The approved participation goal and the actual number of participants served;
- The estimate of low-income and renter residential customer participation levels anticipated in the CIP plan and an estimate of low-income and renter participation levels actually achieved, if applicable;
- The approved budget and actual expenditures;
- The approved energy and demand savings goals and the actual energy and demand savings achieved; and
- The cost effectiveness of the projects based upon actual results from the utility, participant, ratepayer, and societal perspectives.

H.1. Did the Company change its natural gas therm savings through Company sponsored low-income programs for the post-decoupling implementation time period, as compared with the pre-decoupling time period? What were the annual audited low-income CIP savings (completed project basis) for the post-decoupling implementation time period for Company sponsored low-income projects?

The Company's savings through Company sponsored low-income programs for the post-decoupling implementation time period increased as compared with the pre-decoupling time period primarily due to the increasing success of the 4U2 Project and its inclusion in the Low-Income Sector. Savings decreased slightly, however, from 2014 to 2015. This decrease was due in large part to continued impacts from the American Recovery and Reinvestment Act funding and increased requirements for health and safety measures that do not provide savings.

Table H1 - Low Income CIP Savings

	2010	2011	2012	2013	2014	2015
LI Weatherization - PNG	7,959	5,851	2,862			
LI Weatherization - NMU	2,231	1,228	308			
LI Weatherization - Total	10,190	7,079	3,169	3,644	2,733	2,855
4U2 - PNG	378	158	2,848			
4U2 - NMU	0	6	1,646			
4U2 - Total	378	164	4,495	7,563	5,406	5,259
LI Total - PNG	8,337	6,009	5,710			
LI Total - NMU	2,231	1,235	1,954			
LI Total	**10,567**	**7,244**	**7,664**	**11,207**	**8,139**	**8,114**

H.2. What were the associated lost margins from Company sponsored low-income CIP programs?

Lost margins from low-income programs are detailed in Table H2. Lost margins have decreased as the savings decreased.

Table H2 - Low Income Lost Margins

	2010	2011	2012	2013	2014	2015
LI Weatherization - PNG	$14,124	$11,361	$5,557			
LI Weatherization - NMU	$4,854	$2,970	$745			
LI Weatherization - Total	**$18,978**	**$14,331**	**$6,302**	$7,198	$5,960	$6,226
4U2 - PNG	$671	$307	$5,530			
4U2 - NMU	$0	$15	$3,982			
4U2 - Total	**$671**	**$321**	**$9,511**	$14,940	$11,788	$11,468
LI Total - PNG	$14,795	$11,668	$11,087			
LI Total - NMU	$4,854	$2,985	$4,727			
LI Total	**$19,649**	**$14,653**	**$15,814**	$22,138	$17,748	$17,693

H.3. Did MERC make any commitments to program funding, or program changes or expansions as part of any rate cases or other regulatory proceedings during 2010-2012 (pre-decoupling)? Identify the regulatory proceeding, and provide the program funding, or program changes or expansions MERC made in response.

MERC did not make any commitments to program funding, changes, or expansions as part of the rate case or any other regulatory proceeding, with the exception of the agreement made to increase its commitment to CIP if the decoupling mechanism was approved and to obtain input from interested parties regarding how that would be accomplished.

H.4. What program funding or program changes or expansions were implemented during 2013 or 2014 (post-decoupling implementation time period) for natural gas low-income CIP programs as compared with the 2010-2012 pre-decoupling time period? Identify each new, revised, or expanded programmatic change including scope and funding.

The 4U2 project was initially approved as a pilot in southern Minnesota (PNG service territory). The project was then implemented on a permanent basis, but with little participation from Community Action Partnership ("CAP") agencies. Therefore, MERC sent out an RFP and selected a different implementation contractor. The contractor has made great strides in marketing the project and now has a pipeline of potential participants.

In 2013, the 4U2 project costs were over its budget. Because the Low Income Weatherization project was under budget, MERC did not stop any activity and continued its commitment to

supporting energy-efficiency services for low- to targeted-income customers. No major program changes or expansions were made in 2014 or 2015.

H.5. Identify any other factors that may have contributed to an increase in limited-income CIP savings and/or new or expanded limited-income CIP program offerings.

The major factor that contributed to an increase in participation in the 4U2 project is improved marketing strategies and tactics.

H.6. What low-income CIP customer educational, informational, and outreach programs were implemented by the Company during the decoupling pilot period being evaluated? What were the primary messages, including dates of publication or broadcast, and estimated costs of each of these programs? Were any therm savings attributed to such programs referenced above in Section A, and if so, how much, and using what assumptions or studies?

MERC worked with Community Action of Minneapolis ("CAM") to perform direct mail marketing for Low Income Weatherization during the Base Years. CAM tried to obtain information on those who were denied Low Income Home Energy Assistance Program ("LIHEAP") assistance because they exceeded the income guidelines, and market information to them. CAM held quarterly meetings with CAP agencies and reminded them to refer customers ineligible for Low Income Weatherization to 4U2. In the fall of 2014, the contract with CAM to oversee our Low Income Weatherization program was terminated. On a temporary basis, each CAP agency that was engaged with MERC customers dealt directly with MERC's implementation contract administrator. In 2015, with the Sustainable Resources Center to replaced CAM as contract administrator for Low Income Weatherization.

For the 4U2 project, MERC marketed the project through bill inserts, MERC's website, and brochures with application forms. These brochures were passed out to customers at events such as the State Fair and other local events in which MERC participates. MERC has also developed and disseminated flyers through Senior Centers, libraries, Meals on Wheels, etc. The best tactic so far has been to drop off flyers about the 4U2 project in neighborhoods where we have served customers. We do not conduct door-to-door solicitations for the 4U2 project. However, our agents are available to provide project information.

H.7. What information is captured and retained by MERC to track service provided to low-income customers in the normal course of business, including monitoring of participation in CIP and rate assistance programs?

As indicated in this report and in the annual CIP Status Report, low-income and limited-income participants are tracked separately (from other residential customers) through specific programs -- Low Income Weatherization and the 4U2 program.

All LIHEAP recipient households are tracked in the State of Minnesota's eHeat system, which MERC personnel have access to and can run participation reports for a number of low-income strategies and tactics, and which benefit the CIP programs and other customer assistance efforts. MERC regularly uses this data to attempt to increase awareness of and promote customer participation in Minnesota's Energy Assistance Program.

MERC also uses the eHeat system to track low-income households who apply for Cold Weather Rule ("CWR") protection, enabling these households to enter into a low-income payment agreement, without having to provide any household income verification. MERC also does some direct promotion of the CWR protections to households who have applied in the past. CWR data is tracked and reported to the Commission via the monthly CWR compliance Questionnaire.

MERC has a very successful Gas Affordability Program ("GAP") as well, which has greatly influenced many low-income customers' ability to eliminate large account arrearages over a two-year participation period. MERC's program has been one of the most successful programs in the State of Minnesota, with an approximately 85% retention rate. MERC's GAP funding is generated from a surcharge on MERC's firm customers' monthly gas bills and annual funding has been approximately one-million-dollars.[1] All participation and the financial impacts are reported through an annual GAP report filing.

Besides the CIP Weatherization Program, MERC also promotes Minnesota's Weatherization Assistance Program ("WAP"). Households that participate in WAP and the jobs completed are tracked in the eHeat system and that data is used to increase awareness and promote CIP programs to various regions of the service territory during the year. In 2013, 93 MERC households were weatherized through this federally-funded program. Completed jobs totaled more than $73,000 in benefits.

[1] By order dated September 25, 2015, in Docket No. G011/M-15-539, effective October 1, 2015, the Commission ordered MERC's GAP surcharge set to $0.00 per therm until further review.

H.8. Identify and summarize any further information or data available that would assist in the determination of whether or not decoupling has a disproportionate impact on low-income customers?

MERC is unaware of any further information or data that is available that would assist in the determination of whether or not decoupling has a disproportionate impact on low-income customers.

H.9. What were the total low-income CIP expenditures for the period being evaluated? Did MERC make any commitments regarding funding levels as part of any rate cases or other regulatory proceedings? What is MERC's best estimate of the proportion of low-income participation in each of its conservation programs and how were such estimates derived?

The total expenditures for the Low-Income Sector by project are detailed below.

Table H9(A) - Low Income Project Expenditures

	2010	2011	2012	2013	2014	2015
LI Weatherization - PNG	$543,644	$400,130	$218,945			
LI Weatherization - NMU	$173,617	$89,705	$24,184			
LI Weatherization - Total	$717,261	$489,834	$243,129	$276,522	$288,493	$369,137
4U2 - PNG	$51,801	$67,248	$345,858			
4U2 - NMU	$0	$16,119	$169,123			
4U2 - NMU	$51,801	$83,367	$514,980	$767,901	$662,259	$667,377
LI Total - PNG	$595,445	$467,377	$564,803			
LI Total - NMU	$173,617	$105,824	$193,307			
LI Total	**$769,062**	**$573,201**	**$758,110**	**$1,044,422**	**$950,752**	**$1,036,515**

It is a challenge for MERC and all utilities to estimate the proportion of low-income customers who participate in its conservation programs, similar to the state's challenge in estimating what percentage of income-eligible households apply for and receive assistance from its Energy Assistance Program. As indicated in chart H10 below, 13,731 eligible MERC customers received grants from Minnesota's Energy Assistance Program in 2015. During the same time, only 404 low- and limited-income customers participated in MERC's Weatherization and 4U2 programs. Of those 404 customers, only 158 were eligible for Energy Assistance. Therefore, only 1.15% of MERC's LIHEAP recipients participated in the CIP Low-Income Weatherization project in 2015. Based on Minnesota Department of Commerce data, in 2015, approximately 28% of the estimated income-eligible Minnesota households received energy assistance benefits. The implication is that Minnesota utilities have not reached a saturation point with the low-income customer sector programs.

In the past, MERC's CIP Program application forms requested customers to indicate if their actual income level fell within specific the Federal Poverty Guideline ranges . Through this request, MERC was able to get improved metrics tracking the income level of customers participating in its energy efficiency programs. A chart of low income participation in MERC energy efficiency programs based on customer provided data is provided below. When the above discussed income information is not provided or available (such as for the Home Energy Reports), we use census statistics and extrapolate the data. Based on DER's decision that customers' self-reported income information would no longer be considered as qualifying toward meeting the low-income spending requirement, the request for information regarding their income on every application form was discontinued as of 2015.

Table H9(B) - Low Income Participation in All Projects Without Residential Behavior

Project	2010	2011	2012	2013	2014	2015
LI Weatherization - PNG	278	240	118			
LI Weatherization - NMU	87	32	10			
LI Weatherization - Total	**365**	**272**	**128**	131	124	158
4U2 - PNG	10	0	13			
4U2 - Total	0	0	34			
4U2 - NMU	**10**	**0**	**47**	270	219	246
Res Sector Support - PNG	31	82	109			
Res Sector Support - NMU	7	3	2			
Res Sector Support - Total	**38**	**85**	**111**	198	232	n/a
Res Rebates - PNG	1,747	2,694	1,483			
Res Rebates - NMU	643	749	342			
Res Rebates - Total	**2,390**	**3,443**	**1,825**	1,854	1,692	n/a
Multifamily Project	0	0	0	197	3,809	3,811
All Projects - Total	**2,803**	**3,800**	**2,111**	**2,650**	**6,076**	**4,215**

Note the 2015 CIP Status Report is not approved yet; therefore, the 2015 data in Table H9(A) and H9(B) should be considered preliminary. It should also be noted that low income status data will no longer be collected through self-reporting from application forms starting 2015 for Residential Sector Support or Residential Rebates.

H.10. What was the total distribution of LIHEAP funds to low-income customers for the period being evaluated?

The following chart provides the total number of MERC customers who received Energy Assistance funds from the Minnesota Energy Assistance Program (funded by Federal LIHEAP dollars):

Table H10 - Low Income Energy Assistance (LIHEAP) Recipients

Federal Fiscal Year	2010	2011	2012	2013	2014	2015
Primary Heat Received	$6,679,917	$4,764,886	$3,800,469	$4,229,929	$4,347,618	$4,310,273
Crisis Received	$553,701	$699,473	$223,455	$329,027	$594,148	$296,737
PH & Crisis Total	$7,233,618	$5,464,359	$4,023,924	$4,558,956	$4,941,766	$4,607,010
# of Households Served	14,414	14,727	13,610	12,717	13,204	13,731

I. Other Information

I.1. Was the decoupling pilot program in Minnesota recognized in any public reports issued by credit rating agencies or financial analysts? If so, provide a copy of the report.

Credit Rating Agencies

MERC's parent, Integrys Holding, Inc., is rated by Standard & Poor's ("S&P"), Moody's, and Fitch. The 2015 analysis reports published by S&P and Fitch made no mention of Minnesota's decoupling pilot program. The Moody's analysis noted that MERC, along with its sibling-regulated LDC utilities, have been granted decoupling to offset the impact of declining usage. Please see Attachment A to this Report for copies of the Moody's reports.

Financial Analysts

There has been no mention of MERC's decoupling pilot program within financial analyst reports during 2015.

I.2. Is there any other information that would be helpful to the Commission in the evaluation of the decoupling pilot program?

a. A comparison of how revenues under traditional regulation would have differed from those collected under the decoupling pilot program;

Under the RDM, MERC created a revenue adjustment (increase to revenue) and a regulatory asset to account for the surcharge to customers that commenced March 1, 2016. Had the RDM not been in place in 2015, MERC would have recognized lower revenues of $3,283,235 for Residential and $59,398 for General Service Small C/I. In addition to the 2015 regulatory asset, the over-refund amount of $217,085.32 for the 2013 RDM customer credit refunded to customers April 1, 2014, through March 31, 2015, was added to the surcharge rate calculation.

b. An evaluation of if the pilot stabilized revenues for the classes under the pilot and how has such stabilization impacted the utility's overall risk profile;

The decoupling deferral for 2015 was $3.3 million, or about 1.33% of total revenue. Thus, the program had little impact on total revenue.

c. An evaluation of any problems encountered and improvements/ suggestions for the future;

In accordance with the Commission's August 11, 2015 Order, MERC submitted testimony in its currently pending rate case in Docket No. G011/GR-15-736 regarding the possible extension of revenue decoupling to all customer classes. Whether MERC's revenue decoupling should be modified or terminated will be evaluated in MERC's pending rate case docket and MERC, the Department of Commerce, Division of Energy Resource, and the Minnesota Office of the

Attorney General, Residential Utilities and Antitrust Division have submitted testimony related to the program.

d. MERC will continue to provide annual service quality reports which currently measure and report:

1) Call center response times;

2) Meter reading performance data;

3) Reference to service disconnection data submitted under Minn. Stat. §§ 216B.091 and 216B.096;

4) Service extension request response time data;

5) Customer deposit data;

6) Customer complaint data;

7) Telephone answer times for gas emergency phone line;

8) Mislocate data;

9) Damaged gas lines;

10) Service interruptions;

11) Summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety and summaries of all service interruptions caused by system integrity pressure issues;

12) Gas emergency response times; and

13) Customer-service related operations and maintenance expenses.

MERC agrees that it will continue to provide the annual service quality reports with the currently reported data. These reports are typically filed on May 1 of each year.

e. As part of its initial Evaluation Report Filing, MERC will also provide recent historical information on the above metrics in subsection d, which it has available in order to assist the Commission in determining a "baseline" service quality level prior to implementation of the pilot program, and will fully comply with any other service quality reporting obligations established in other dockets.

Attachment B is MERC's 2012 Annual Gas Service Quality Report to serve as the "baseline" service quality level prior to implementation of the pilot program.

f. Any other information that can provide assistance to the Commission in its evaluation.

2015 experienced warmer than normal weather, and, because of that, customers will be surcharged an under-collection of revenues. The rates for the surcharge will be $0.02022 for Residential customers and $0.01234 for Small C/I customers. These surcharge rates are calculated by dividing the balance of the under-collection and the over-refunded amount from MERC's 2013 decoupling refund by the sales forecast approved in Docket No. G011/GR-13-617. In addition, it should be noted that the 10% cap on distribution revenue was exceeded by Residential customers.

In its September 26, 2014, Order accepting MERC's 2013 revenue decoupling evaluation report, the Commission required MERC to include in its 2014 annual decoupling report an estimate of each class' revenues under the following decoupling scenarios:

- No Decoupling
- Partial Decoupling
- Full Decoupling

As explained in MERC's Reply Comments filed in this Docket on June 30, 2014, based on conversations with the Department of Commerce, MERC understands that the Department of Commerce intended the term "full decoupling" to mean MERC's currently approved pilot decoupling program. MERC notes that its approved decoupling mechanism applies only to Residential and Small Commercial & Industrial customer classes. Moreover, MERC's decoupling mechanism includes a symmetrical 10% cap. For purposes of the information required to be provided, MERC will assume decoupling applies to all rate classes. Additionally, MERC understands partial decoupling to be a revenue-per-customer decoupling mechanism that removes the effect of weather from decoupling deferrals (i.e., Weather Normalized Decoupling). Included as Attachment C is a spreadsheet estimating each class' revenues with no decoupling, under full decoupling (both with and without a 10% cap), and under a Weather Normalized Decoupling (both with and without a 10% cap).

Attachment A

MOODY'S
INVESTORS SERVICE

Credit Opinion: Integrys Energy Group, Inc.

Global Credit Research - 26 May 2015

Chicago, Illinois, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Senior Unsecured	A3
Jr Subordinate	Baa1
Commercial Paper	P-2
Wisconsin Public Service Corporation	
Outlook	Stable
Issuer Rating	A1
First Mortgage Bonds	Aa2
Senior Secured	Aa2
Pref. Stock	A3
Commercial Paper	P-1
Peoples Gas Light and Coke Company	
Outlook	Stable
Issuer Rating	A2
First Mortgage Bonds	Aa3
Senior Secured MTN	(P)Aa3
Commercial Paper	P-1
North Shore Gas Company	
Outlook	Stable
Issuer Rating	A2
Senior Secured MTN	(P)Aa3

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Key Indicators

[1]**Integrys Energy Group, Inc.**

	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010
CFO pre-WC + Interest / Interest	**6.0x**	**7.1x**	**5.7x**	**6.6x**	**6.0x**
CFO pre-WC / Debt	**21.7%**	**23.9%**	**20.4%**	**28.2%**	**27.5%**
CFO pre-WC - Dividends / Debt	**15.2%**	**17.5%**	**13.5%**	**20.7%**	**21.0%**
Debt / Capitalization	**41.0%**	**41.1%**	**42.2%**	**40.9%**	**43.5%**

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Source: Moody's Financial Metrics

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

WEC's acquisition of Integrys is marginally positive for Integrys debtholders

Utility subsidiaries operate in diverse and relatively supportive regulatory environments

Historically strong financial performance

Significant holding company debt remains a rating constraint

Sale of retail energy services segment has reduced company's overall business risk profile

Corporate Profile

Integrys Energy Group, Inc. (Integrys, A3 senior unsecured, stable) is a utility holding company headquartered in Chicago, Illinois. In June 2014, Wisconsin Energy Corporation (WEC, A3 senior unsecured, stable) entered into an definitive agreement to acquire Integrys for $9.1 billion, including the assumption of approximately $3.3 billion of existing debt. The transaction is expected to close by summer 2015.

Integrys currently owns five regulated utilities: Wisconsin Public Service Corporation (WPS, A1 Issuer Rating, stable), The Peoples Gas, Light and Coke Company (PGL, A2 Issuer Rating, stable), North Shore Gas Company (NSG, A2 Issuer Rating, stable), Minnesota Energy Resources Corporation (MERC, not rated), and Michigan Gas Utilities Corporation (MGU, not rated). In the aggregate, these utilities serve approximately 1.7 million gas and 450,000 electric customers across Wisconsin, Illinois, Michigan, and Minnesota. Integrys' largest utility subsidiaries are WPS, a vertically integrated electric and natural gas utility headquartered in Green Bay, Wisconsin, (51% of consolidated regulated rate base) and PGL, a local gas distribution company (LDC) that operates in and around the city of Chicago (37% of consolidated regulated rate base). The company also has a 34% ownership stake in American Transmission Company (ATC, A1 senior unsecured, stable).

In November 2014, Integrys completed the sale of its retail energy marketing business to Exelon Generation Company (Baa2, stable)resulting in its remaining unregulated segment becoming de minimis. Consequently, we now view Integrys as a utility holding company rather than a diversified energy holding company. Moody's upgraded Integrys' senior unsecured rating to A3 from Baa1 as a result of the company's announced divestiture of the retail energy marketing business in September 2014.

Rating Rationale

Integrys is well position within the A3 rating category. The company's rating is supported by the underlying operating cash flow stability provided by its regulated utility subsidiaries, a diverse, multi-state service territory that provides generally sound regulatory support, and a strong historical financial performance. The rating is tempered by the high degree of debt held at the holding company and a temporary weakening in credit metrics largely resulting from elevated environmental capital expenditure levels. The rating also reflects our expectation that the merger with WEC will not result in any deterioration in the company's overall credit quality.

DETAILED RATING CONSIDERATIONS

WEC'S ACQUISITION OF INTEGRYS IS MARGINALLY POSITIVE FOR INTEGRYS' DEBTHOLDERS

WEC's acquisition of Integrys is not expected to increase its credit risk profile or that of its subsidiary companies. Rather, WEC's ownership of Integrys adds a well-capitalized parent on top of the company, and alleviates some of the pressure on Integrys' dividends during a time when its subsidiaries are completing significant capital investments. As a privately held company, Integrys will have a more flexible corporate finance structure and no longer be required to seek to meet public investors' demand for a continually growing dividend.

Although merger approval conditions have yet to be fully disclosed, those granted to date by the Michigan and Wisconsin state regulators are not overly restrictive from a credit standpoint. We expect that the Illinois and Minnesota regulatory commissions, representing 41% and 4% of consolidated rate base, respectively, will similarly approve the merger in timely fashion and refrain from imposing overly punitive merger conditions that would erode the credit quality of the parent or its subsidiaries.

DIVERSE AND REASONABLY SUPPORTIVE REGULATORY JURISDICTIONS

Integrys has a fairly diversified footprint, with a presence in four states, and operations that include a vertically integrated utility whose electric segment accounts for about 40% of regulated utility margins, and a natural gas segment that accounts for about 60% of regulated utility margins. The company also derived about 19% of its 2014 net income from its 34% ownership stake in the FERC-regulated ATC.

We view WPS' regulatory relationship with the Public Service Commission of Wisconsin (PSCW), its primary regulator, as constructive. Rate cases yield consistent and fairly predictable outcomes that allow for timely recovery of costs and investments, and grant above average authorized equity returns, based on an equity strong capital structure.

On average, Integrys' LDCs operate in relatively supportive regulatory jurisdictions that provide each company with rate mechanisms to pass gas costs directly to their customers and recover bad debt expenses. Furthermore, PGL, NSG, MGU and MERC have been granted decoupling mechanisms to offset the financial impact of declining usage, a credit positive. These supportive rate constructs are balanced against below industry average allowed and earned returns on equity at its largest LDC (which represents about 75% of the overall LDC rate base).

The company's exposure to FERC regulation is another credit positive. Despite some concerns surrounding the MISO Transmission complaint, which a group of MISO industrial customers filed with the FERC in November 2013, regarding the level of FERC-allowed ROEs, we nonetheless believe that the FERC' rate-making construct is best-in-class providing for transparent and stable cost recovery. FERC rates are set off of a formulaic forward-looking cost of service model that adjusts for changes in network load impacting demand which ensures the utility's ability to earn the allowed ROE and enhances the stability and predictability of its transmission operating cash flow.

Please refer to the credit opinions for WPS, PGL and NSG for further information.

HISTORICALLY STRONG FINANCIAL METRICS

Integrys' consolidated historical financial metrics have firmly positioned the company in the A3 rating category. Over the past three year period, those metrics averaged 22.0%, 6.3x. and 41.4%, respectively, driven in part by the positive impact of bonus depreciation.

Pro forma, metrics will largely depend on the conditions of the merger approvals, including the length of any imposed rate freeze at its Illinois-based LDCs and their impact on future capital expenditures. Still we would not expect to see material credit metric erosion based on WEC's record of conservative financial policies and O&M cost management approach.

ABOVE AVERAGE HOLDING COMPANY DEBT

The two notch rating difference between Integrys and WPS, its largest subsidiary, primarily results from both the subordination and the amount of the debt held at the holding company level as well as dividend distribution limitations imposed by the PSCW on WPS. As of 31 December, 2014, total holding company debt was about $1 billion (which includes $670 million of hybrid securities that receive 25% equity and 75% debt treatment for financial leverage purposes by Moody's) or approximately 31% of consolidated long-term balance sheet debt. Most of Moody's peer universe of rated utility companies have less than 20% consolidated debt at the holding company level.

SALE OF RETAIL ENERGY SERVICES BUSINESS IMPROVED INTEGRYS' CREDIT PROFILE

The sale of Integrys' retail electric and natural gas marketing business in 2014 markedly improved the company's overall business risk profile. The divestiture reduced the organization's liquidity requirements and increased the proportion of its business that is regulated, resulting in greater operating cash flow stability and predictability, a credit positive.

Liquidity Profile

Integrys proactively manages its liquidity profile to ensure access to funds in an amount comfortably in excess of potential requirements, which has declined with the sale of its retail business.

Integrys parent's current external sources of liquidity include $550 million of unsecured revolving credit facilities ($285 million due June 2017 and $265 million due May 2019). Integrys reduced the size of its committed bank facilities by $550 million through April 2015 as a result of the divestiture of its retail marketing business. The

committed facilities support the issuance of letters of credit, meet short-term funding requirements and provide backup for Integrys' commercial paper program. Terms of the syndicated revolving credit facilities include a representation that no material adverse change has occurred on the facilities' effective date but not at any other time through the facility's term. The sole financial covenant is a 65% limitation on the debt component of Integrys' capital structure. The company has substantial headroom under the capital structure covenant.

At 31 March, 2015, Integrys had $86 million of cash on hand, $1.1 billion available under its revolver net of approximately $133 million of commercial paper outstanding, and $0.7 million in letters of credit. Integrys' most near-term parent-level debt maturity is $55 million due in June 2016.

Separately, WPS and PGL have access to their own liquidity facilities to support their respective business requirements.

For the last twelve months ended 31 December, 2014, Integrys on a consolidated basis generated about $601 million in cash from operations, invested approximately $865 million in capital expenditures, and paid $216 million in common stock dividends and $3.1 in preferred stock dividends, yielding negative cash flow of $483 million which the company financed primarily through proceeds from the sale of its retail marketing business and its small Michigan utility company. On a pro forma basis, we expect the company to remain free cash flow negative with any cash shortfall being met by a balanced mix of equity and debt.

Rating Outlook

The stable rating outlook reflects a reduced business risk profile, our expectation that holding company debt will not exceed current levels, and that the consolidated ratio of CFO pre-WC to debt will continue to top 20% for the near to medium term. The outlook also reflects Moody's expectation that the Illinois and Minnesota regulatory commissions will approve the WEC merger and refrain from imposing overly restrictive conditions that would dampen the company's overall credit profile or metrics.

What Could Change the Rating - Up

An upgrade is not expected in the near to medium-term. Longer term, we would likely need to see Integrys' consolidated ratio of CFO pre-W/C to debt exceed 25% on a sustained basis, without the benefit of any temporary items such as bonus depreciation, as well as a reduction in holdco debt, to consider an upgrade.

What Could Change the Rating - Down

Adverse changes in regulatory supportiveness, or an unexpected increase in leverage or decline in cash flow such that its ratio of CFO pre-W/C to debt falls below 20% on a sustained basis could lead to a downgrade. A further increase in Integrys' holdco debt, or the imposition of restrictive merger conditions would place downward rating pressure on the company as well.

Rating Factors

Integrys Energy Group, Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]	**Current FY 12/31/2014**		[3]**Moody's 12-18 Month Forward ViewAs of 5/8/2015**	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Aa	Aa	Aa	Aa
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Baa	Baa	Baa	Baa

Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.2x	Aa	5.8x - 6.3x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	22.0%	A	19% - 24%	Baa
c) CFO pre-WC - Dividends / Debt (3 Year Avg)	15.4%	Baa	13% - 18%	Baa
d) Debt / Capitalization (3 Year Avg)	41.4%	A	42% - 47%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching	-2	-2	-2	-2
a) Indicated Rating from Grid		Baa1		Baa1
b) Actual Rating Assigned		A3		A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 12/31/2014; Source: Moody's Financial Metrics [3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on http://www.moodys.com for the most updated credit rating action information and rating history.

MOODY'S
INVESTORS SERVICE

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MOODY'S
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Credit Opinion: Integrys Holding, Inc.

Global Credit Research - 02 Jul 2015

United States

Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	A3
Commercial Paper	P-2

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Opinion

Rating Drivers

-WEC's acquisition of Integrys is marginally positive for Integrys debtholders

-Utility subsidiaries operate in diverse and relatively supportive regulatory environments

-Historically strong financial performance

-Significant holding company debt remains a rating constraint

-November 2014 sale of retail energy services segment has reduced company's overall business risk profile

Corporate Profile

Integrys Holding, Inc. (Integrys, A3 senior unsecured, stable) is a utility holding company headquartered in Chicago, Illinois.

On June 29, 2015, the merger transaction between WEC Energy Group (A3 stable; formerly Wisconsin Energy Corporation) and Integrys Energy Group was completed and the Following changes in the corporate structure were implemented to reflect the terms of the Merger Agreement dated June 22, 2014. Integrys Energy Group was merged with a newly-formed wholly-owned subsidiary created by WEC Energy Group with Integrys Energy Group being the surviving entity in this initial merger. Immediately thereafter, Integrys Energy Group was merged into a second newly-formed wholly-owned WEC Energy Group subsidiary, Integrys Holding, Inc. which is the surviving entity.

Integrys has assumed all of Integrys Energy Group, Inc.'s outstanding indebtedness and also holds all the subsidiaries previously owned by Integrys Energy Group, Inc. These include the five regulated utilities: Wisconsin Public Service Corporation (WPS, A1 Issuer Rating, stable), The Peoples Gas, Light and Coke Company (PGL, A2 Issuer Rating, stable), North Shore Gas Company (NSG, A2 Issuer Rating, stable), Minnesota Energy Resources Corporation (MERC, not rated), and Michigan Gas Utilities Corporation (MGU, not rated).

In the aggregate, these utilities serve approximately 1.7 million gas and 450,000 electric customers across Wisconsin, Illinois, Michigan, and Minnesota. Integrys' largest utility subsidiaries are WPS, a vertically integrated electric and natural gas utility headquartered in Green Bay, Wisconsin, (51% of consolidated regulated rate base) and PGL, a local gas distribution company (LDC) that operates in and around the city of Chicago (37% of

consolidated regulated rate base). The company also has a 34% ownership stake in American Transmission Company (ATC, A1 Issuer Rating, stable).

In November 2014, Integrys completed the sale of its retail energy marketing business to Exelon Generation Company (Baa2, stable)resulting in its remaining unregulated segment becoming de minimis. Consequently, we now view Integrys as a utility holding company rather than a diversified energy holding company. Moody's upgraded Integrys' senior unsecured rating to A3 from Baa1 as a result of the company's announced divestiture of the retail energy marketing business in September 2014.

Rating Rationale

Integrys is well position within the A3 rating category. The company's rating is supported by the underlying operating cash flow stability provided by its regulated utility subsidiaries, a diverse, multi-state service territory that provides generally sound regulatory support, and a strong historical financial performance. The rating is tempered by the high degree of debt held at the holding company and a temporary weakening in credit metrics largely resulting from elevated environmental capital expenditure levels. The rating also reflects our expectation that the merger with WEC will not result in any deterioration in the company's overall credit quality.

DETAILED RATING CONSIDERATIONS

WEC'S ACQUISITION OF INTEGRYS IS MARGINALLY POSITIVE FOR INTEGRYS' DEBTHOLDERS

We do not view the merger approval conditions imposed by the state regulators in Wisconsin, Michigan, Minnesota and Illinois as overly restrictive from a credit standpoint, a credit positive.

WEC's acquisition of Integrys is not expected to increase its credit risk profile or that of its subsidiary companies. Rather, WEC's ownership of Integrys adds a well-capitalized parent on top of the company, and alleviates some of the pressure on Integrys' dividends during a time when its subsidiaries are completing significant capital investments. As a privately held company, Integrys will have a more flexible corporate finance structure and no longer be required to seek to meet public investors' demand for a continually growing dividend.

DIVERSE AND REASONABLY SUPPORTIVE REGULATORY JURISDICTIONS

Integrys has a fairly diversified footprint, with a presence in four states, and operations that include a vertically integrated utility whose electric segment accounts for about 40% of regulated utility margins, and a natural gas segment that accounts for about 60% of regulated utility margins. The company also derived about 19% of its 2014 net income from its 34% ownership stake in the FERC-regulated ATC.

We view WPS' regulatory relationship with the Public Service Commission of Wisconsin (PSCW), its primary regulator, as constructive. Rate cases yield consistent and fairly predictable outcomes that allow for timely recovery of costs and investments, and grant above average authorized equity returns, based on an equity strong capital structure.

On average, Integrys' LDCs operate in relatively supportive regulatory jurisdictions that provide each company with rate mechanisms to pass gas costs directly to their customers and recover bad debt expenses. Furthermore, PGL, NSG, MGU and MERC have been granted decoupling mechanisms to offset the financial impact of declining usage, a credit positive. These supportive rate constructs are balanced against below industry average allowed and earned returns on equity at its largest LDC (which represents about 75% of the overall LDC rate base).

The company's exposure to FERC regulation is another credit positive. Despite some concerns surrounding the MISO Transmission complaint, which a group of MISO industrial customers filed with the FERC in November 2013, regarding the level of FERC-allowed ROEs, we nonetheless believe that the FERC' rate-making construct is best-in-class providing for transparent and stable cost recovery. FERC rates are set off of a formulaic forward-looking cost of service model that adjusts for changes in network load impacting demand which ensures the utility's ability to earn the allowed ROE and enhances the stability and predictability of its transmission operating cash flow.

Please refer to the credit opinions for WPS, PGL and NSG for further information.

HISTORICALLY STRONG FINANCIAL METRICS

Integrys' consolidated historical financial metrics have firmly positioned the company in the A3 rating category. Over the past three year period, those metrics averaged 22.0%, 6.3x. and 41.4%, respectively, driven in part by

the positive impact of bonus depreciation.

Going forward, we expect its financial performance will remain commensurate with its rating despite a temporary weakening in consolidated credit metrics largely resulting from elevated capital expenditures being undertaken by its subsidiaries. That said, we believe the financial metrics will remain commensurate with the rating category aided by the reduced pressure to distribute significant dividends given its new status as privately held entity coupled with WEC's overall record of prudent financial policies.

ABOVE AVERAGE HOLDING COMPANY DEBT

The two notch rating difference between Integrys and WPS, its largest subsidiary, primarily results from both the subordination and the amount of the debt held at the holding company level as well as dividend distribution limitations imposed by the PSCW on WPS. As of 31 December, 2014, total holding company debt was about $1 billion (which includes $670 million of hybrid securities that receive 25% equity and 75% debt treatment for financial leverage purposes by Moody's) or approximately 31% of consolidated long-term balance sheet debt. Most of Moody's peer universe of rated utility companies have less than 20% consolidated debt at the holding company level.

NOVEMBER 2014 SALE OF RETAIL ENERGY SERVICES BUSINESS IMPROVED INTEGRYS' CREDIT PROFILE

The sale of Integrys' retail electric and natural gas marketing business in 2014 markedly improved the company's overall business risk profile. The divestiture reduced the organization's liquidity requirements and increased the proportion of its business that is regulated, resulting in greater operating cash flow stability and predictability, a credit positive.

Liquidity Profile

Integrys proactively manages its liquidity profile to ensure access to funds in an amount comfortably in excess of potential requirements, which has declined with the sale of its retail business.

Integrys parent's current external sources of liquidity include $550 million of unsecured revolving credit facilities ($285 million due June 2017 and $265 million due May 2019). Integrys reduced the size of its committed bank facilities by $550 million through April 2015 as a result of the divestiture of its retail marketing business. The committed facilities support the issuance of letters of credit, meet short-term funding requirements and provide backup for Integrys' commercial paper program. Terms of the syndicated revolving credit facilities include a representation that no material adverse change has occurred on the facilities' effective date but not at any other time through the facility's term. The sole financial covenant is a 65% limitation on the debt component of Integrys' capital structure. The company has substantial headroom under the capital structure covenant.

At 31 March, 2015, Integrys had $86 million of cash on hand, $1.1 billion available under its revolver net of approximately $133 million of commercial paper outstanding, and $0.7 million in letters of credit. Integrys' most near-term parent-level debt maturity is $55 million due in June 2016.

Separately, WPS and PGL have access to their own liquidity facilities to support their respective business requirements.

For the last twelve months ended 31 December, 2014, Integrys on a consolidated basis generated about $601 million in cash from operations, invested approximately $865 million in capital expenditures, and paid $216 million in common stock dividends and $3.1 in preferred stock dividends, yielding negative cash flow of $483 million which the company financed primarily through proceeds from the sale of its retail marketing business and its small Michigan utility company. On a pro forma basis, we expect the company to remain free cash flow negative with any cash shortfall being met by a balanced mix of equity and debt.

Rating Outlook

The stable rating outlook reflects a reduced business risk profile following the sale of the retail business end of last year, our expectation that holding company debt will not exceed current levels, and that the consolidated ratio of CFO pre-WC to debt will continue to top 20% for the near to medium term. The outlook also reflects Moody's expectation that the regulatory environments under which Integrys operates will remain credit supportive as a whole.

What Could Change the Rating - Up

An upgrade is not expected in the near to medium-term. Longer term, we would likely need to see Integrys' consolidated ratio of CFO pre-W/C to debt exceed 25% on a sustained basis, without the benefit of any temporary items such as bonus depreciation, as well as a reduction in holdco debt, to consider an upgrade.

What Could Change the Rating - Down

Adverse changes in regulatory supportiveness, or an unexpected increase in leverage or decline in cash flow such that its ratio of CFO pre-W/C to debt falls below 20% on a sustained basis could lead to a downgrade. A further increase in Integrys' holdco debt, a downgrade of Integrys key utility subsidiaries and/or a deterioration in the credit supportiveness of the regulatory environments where its utilities operate would also likely place downward rating pressure on its ratings.

Rating Factors

Integrys Holding, Inc.

Regulated Electric and Gas Utilities Industry Grid [1][2]	**Current LTM 3/31/2015**		[3]**Moody's 12-18 Month Forward View As of 6/30/2015**	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Aa	Aa	Aa	Aa
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	A	A	A	A
b) Generation and Fuel Diversity	Baa	Baa	Baa	Baa
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.6x	Aa	5.8x - 6.3x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	23.2%	A	19% - 24%	Baa
c) CFO pre-WC - Dividends / Debt (3 Year Avg)	16.7%	Baa	13% - 18%	Baa
d) Debt / Capitalization (3 Year Avg)	40.7%	A	42% - 47%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching	-2	-2	-2	-2
a) Indicated Rating from Grid		Baa1		Baa1
b) Actual Rating Assigned		A3		A3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 3/31/2015(L); Source: Moody's Financial Metrics [3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

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Attachment B

MERC's 2012 Annual Gas Service Quality Report

DORSEY
DORSEY & WHITNEY LLP

MICHAEL J. AHERN
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May 1, 2013

VIA ELECTRONIC FILING

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: Minnesota Energy Resources Corporation Gas Service Quality Standards Report
Docket No. G007,011/M-13-__

Dear Dr. Haar:

Enclosed for filing is Minnesota Energy Resources Corporation's (MERC's) Annual Gas Service Quality Standards Report for 2012.

Please feel free to contact me at (612) 340-2881 if you have any questions regarding this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
J. Dennis O'Brien	Commissioner
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Annual Service Quality Report for Minnesota Energy Resources Corporation for 2012	Docket No. G007,011/M-13-__

ANNUAL SERVICE QUALITY REPORT

Minnesota Energy Resources Corporation ("MERC" or the "Company") submits this Annual Report for 2012 in compliance with the Minnesota Public Utilities Commission's August 26, 2010 Order Setting Reporting Requirements in Docket No. G-999/CI-09-409 and March 6, 2012, Order Accepting Reports and Setting Further Requirements in Docket No. G-007,011/M-10-374.

A. Call Center Response Time

Each utility is required to report call center response time in terms of the percentage of calls answered within 20 seconds.

MERC Response: The required information is provided in Attachment A.

B. Meter Reading Performance Data

Each utility is required to report the meter reading performance data contained in Minn. Rules, part 7826.1400.

7826.1400 REPORTING METER-READING PERFORMANCE.

The annual service quality report must include a detailed report on the utility's meter-reading performance, including, for each customer class and for each calendar month:

A. the number and percentage of customer meters read by utility personnel;
B. the number and percentage of customer meters self-read by customers;
C. the number and percentage of customer meters that have not been read by utility personnel for periods of six to 12 months and for periods of longer than 12 months, and an explanation as to why they have not been read; and
D. data on monthly meter-reading staffing levels, by work center or geographical area.

MERC Response: The required information is provided in Attachment B. The data for self reads includes both estimates and customer self reads.

In its March 6, 2012, Order Setting Further Reporting Requirements, the Commission also requested utilities to explain in their annual reports whether the difference between the total percentage of meters (100%) and the percentage of meters read (by both the utility and the customers) is equal to the percentage of estimated meter reads.

MERC Response: MERC's system does not differentiate between an estimate and a customer read so the customer read numbers include both estimates and customer self reads.

C. Involuntary Service Disconnections

In lieu of reporting data on involuntary service disconnections as contained in Minn. Rules, part 7826.1500, each utility shall reference the data that it submits under Minn. Stat. §§ 216B.091 and 216B.096.

MERC Response: MERC refers to its monthly reports filed with the Commission under Minn. Stat. §§ 216B.091 and 216B.096, and attached to this report as Attachment C. In particular:

1. The number of customers who received disconnection notices is reported in item 20 of MERC's monthly report.

2. The number of customers who sought Cold Weather Rule protection under chapter 7820 is reported in item 3, and the number of customers who sought Cold Weather Rule protection and whose service was disconnected is provided in item 22 of MERC's monthly report.

3. The total number of customers whose service was disconnected involuntarily is provided in item 23 of MERC's monthly report, and the number of customers whose service was disconnected for 24 hours or more is reported in item 34.

4. The number of customer accounts granted a reconnection request are reported in item 6 of MERC's monthly report.

D. Service Extension Requests

Each utility shall report the service extension request response time data contained in Minn. Rules, part 7826.1600, items A and B, except that data reported under Minn. Stat. 216B.091 and 216B.096, subd. 11, is not required.

> **7826.1600 REPORTING SERVICE EXTENSION REQUEST RESPONSE TIMES.**
>
> The annual service quality report must include a report on service extension request response times, including, for each customer class and each calendar month:
>
> A. the number of customers requesting service to a location not previously served by the utility and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service; and

B. the number of customers requesting service to a location previously served by the utility, but not served at the time of the request, and the intervals between the date service was installed and the later of the in-service date requested by the customer or the date the premises were ready for service.

MERC Response: The required information is provided in Attachment E. "New installs" represent new service requests at locations where no gas service exists, either because the location is new construction or because an alternate fuel source has been used there previously. "Existing" installs represent any building that has previously had natural gas service, where the service has previously been disconnected.

In its March 6, 2012, Order Setting Further Reporting Requirements, the Commission also requested utilities to explain the types of extension requests included in the data on service extension request response times for locations previously served and not previously served.

MERC Response: For locations not previously served, new service requests are for service where no gas exists, usually for new construction or an existing customer who requests new service to convert to natural gas. For locations previously served, new service requests consist of requests to turn on service after the service was disconnected at the previous customer's request. Disconnections for non-payment are not included in MERC's response.

E. Customer Deposits

Each utility shall report the customer deposit data contained in Minn. Rules, part 7826.1900.

7826.1900 REPORTING CUSTOMER DEPOSITS.

The annual service quality report must include the number of customers who were required to make a deposit as a condition of receiving service.

MERC Response: Twenty-three customers were required to make deposits in 2012, all due to diversion (theft).

In its March 6, 2012, Order Setting Further Reporting Requirements, the Commission also requested utilities to explain the types of deposits included in the reported number of "required customer deposits."

MERC Response: MERC had twenty-three new deposits in 2012 and all were required from customers because of theft of service. In total, MERC holds 695 deposits, 672 of which were required before 2012.

F. Customer Complaints

Each utility shall report the customer complaint data contained in Minn. Rules, part 7826.2000.

7826.2000 REPORTING CUSTOMER COMPLAINTS.

The annual service quality report must include a detailed report on complaints by customer class and calendar month, including at least the following information:

A. the number of complaints received;

B. the number and percentage of complaints alleging billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, and the number involving service-extension intervals, service-restoration intervals, and any other identifiable subject matter involved in five percent or more of customer complaints;

C. the number and percentage of complaints resolved upon initial inquiry, within ten days, and longer than ten days;

D. the number and percentage of all complaints resolved by taking any of the following actions:

(1) taking the action the customer requested;

(2) taking an action the customer and the utility agree is an acceptable compromise;

(3) providing the customer with information that demonstrates that the situation complained of is not reasonably within the control of the utility; or

(4) refusing to take the action the customer requested; and

E. the number of complaints forwarded to the utility by the commission's Consumer Affairs Office for further investigation and action.

MERC Response: The required information is provided in Attachment G.

G. Telephone Answer Times

Each utility shall report data on telephone answer times to its gas emergency phone line calls.

MERC Response: The required information is provided in Attachment H.

H. Mislocates

Each utility shall report data on mislocates, including the number of times a line is damaged due to a mismarked line or failure to mark a line.

MERC Response: The required information is provided in Attachment I. All of the mislocates noted in Attachment I resulted in a damaged line.

I. Damaged Gas Lines

Each utility shall report data on the number of gas lines damaged. The damage shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

MERC Response: The required information is provided in Attachment J.

J. Service Interruptions

Each utility shall report data on service interruptions. Each interruption shall be categorized according to whether it was caused by the utility's employees or contractors, or whether it was due to any other unplanned cause.

MERC Response: The required information is provided in Attachment K.

K. MOPS Reportable Events

Each utility shall report summaries of major events that are immediately reportable to the Minnesota Office of Pipeline Safety (MOPS) according to the criteria used by MOPS to identify reportable events. Each utility shall also provide summaries of all service interruptions caused by system integrity pressure issues. Each summary shall include the following ten items:

- the location;
- when the incident occurred;
- how many customers were affected;
- how the company was made aware of the incident;
- the root cause of the incident;
- the actions taken to fix the problem;
- what actions were taken to contact customers;
- any public relations or media issues;
- whether the customer or the company relighted; and
- the longest any customer was without gas service during the incident.

MERC Response: The required information is provided in Attachment L.

L. Notification of Reportable Events

Each utility shall provide the Commission and the OES with notification of reportable events as they are defined by MOPS, contemporaneous with the utility's notification of the event to MOPS. The notice should be sent to the Commission's Consumer Affairs Office at consumer.puc@state.mn.us and shall describe the location and cause of the event, the number of customers affected, the expected duration of the event, and the utility's best estimate of when service will be restored.

MERC Response: MERC is currently providing the Commission and the OES with notification of reportable events contemporaneous with the utility's notification of the event to MOPS through reporting to the Commission's Consumer Affairs Office.

M. Gas Emergency Response Times

Each utility shall report data on gas emergency response times and include the percentage of emergencies responded to within one hour and within more than one hour. CenterPoint, IPL, and MERC shall also report the average number of minutes it takes to respond to an emergency.

MERC Response: The required information is provided in Attachment H. The gas emergency call response times include all calls reporting a suspected gas leak, as well as all line hits.

In its March 6, 2012, Order Setting Further Reporting Requirements, the Commission also requested utilities to describe the types of gas emergency calls included in their gas emergency response times, as well as the types of emergency calls included in their reports to the Minnesota Office of Pipeline Safety (MOPS). Further, utilities must explain any difference between the reports provided to the Commission and MOPS.

MERC Response: The information provided in Attachment H includes response time for all calls reporting a suspected gas leak and line hits. The information in Attachment H is the same information provided to MOPS.

N. Customer-Service Related Operations and Maintenance Expenses

Each utility shall report customer-service related operations and maintenance expenses. The reports shall include only Minnesota-regulated, customer-service expenses and shall be based on the costs each utility records in its FERC accounts 901 and 903, plus payroll taxes and benefits.

MERC Response: The required information is provided in Attachment O.

Calls answered within 20 seconds

2012	January	February	March	April	May	June	July	August	September	October	November	December
Total calls	27,186	26,062	27,281	27,336	29,152	25,052	25,125	25,125	25,867	34,098	27,905	27,662
Average speed of answer	19	20	21	22	21	17	16	19	19	23	18	18
% answered in 20 seconds	80.14%	81.19%	80.03%	80.30%	80.72%	83.69%	84.15%	83.19%	81.95%	79.13%	82.32%	81.87%

Answer time for gas emergency phone lines

2012

	January	February	March	April	May	June	July	August	September	October	November	December	AVERAGE	TOTAL
Total calls	1,628	1,312	1,235	1,244	1,339	1,279	1,337	1,317	1,401	1,720	1,912	1,617	1,445	17,341
Average speed of answer	7	7	7	6	7	7	7	7	5	6	9	7	7	
% answered in 15 seconds	90.57%	91.39%	91.41%	92.96%	92.33%	92.81%	93.78%	92.71%	94.28%	95.20%	89.07%	91.46%	92.33%	

***note: increase in Nov due to propane plant release resulting in over 300 leak calls**

Meter Reading

2012

2012	Total meters	# company read	% company read	# self-read	% of self-read	# not read in 6-12 months	% not read in 6-12 months	# not read > 12 months	% not read > 12 months	Comments
w/o farm taps										
January	212,620	207,986	97.82%	4,634	2.18%	0	0.0000%	0	0.0000%	accessibility and dogs
February	212,655	208,643	98.11%	4,012	1.89%	0	0.0000%	0	0.0000%	accessibility and dogs
March	212,395	207,809	97.84%	4,586	2.16%	0	0.0000%	0	0.0000%	accessibility and dogs
April	212,652	209,949	98.73%	2,703	1.27%	0	0.0000%	0	0.0000%	accessibility and dogs
May	212,669	210,502	98.98%	2,167	1.02%	1	0.0005%	0	0.0000%	accessibility and dogs
June	212,728	207,384	97.49%	5,344	2.51%	1	0.0005%	0	0.0000%	accessibility and dogs
July	212,592	207,680	97.69%	4,912	2.31%	1	0.0005%	0	0.0000%	accessibility and dogs
August	212,787	207,871	97.69%	4,916	2.31%	1	0.0005%	0	0.0000%	accessibility and dogs
September	212,918	209,932	98.60%	2,986	1.40%	3	0.0014%	0	0.0000%	accessibility and dogs
October	213,145	209,339	98.21%	3,806	1.79%	3	0.0014%	0	0.0000%	accessibility and dogs
November	213,419	207,756	97.35%	5,663	2.65%	3	0.0014%	0	0.0000%	accessibility and dogs
December	213,723	209,799	98.16%	3,924	1.84%	3	0.0014%	0	0.0000%	accessibility and dogs
Total	2,554,303	2,504,650	98.06%	49653	1.94%	16	0.0006%	0	0.0000%	
with farm taps										
January	214,527	209,893	97.84%	6541	3.05%	8	0.0037%	9	0.0042%	
February	214,562	210,550	98.13%	5919	2.76%	12	0.0056%	9	0.0042%	
March	214,302	209,716	97.86%	6493	3.03%	12	0.0056%	9	0.0042%	
April	214,559	211,856	98.74%	4610	2.15%	17	0.0079%	9	0.0042%	
May	214,576	212,409	98.99%	4074	1.90%	22	0.0103%	15	0.0070%	
June	214,635	209,291	97.51%	7251	3.38%	23	0.0107%	20	0.0093%	
July	214,499	209,587	97.71%	6819	3.18%	24	0.0112%	28	0.0131%	
August	214,694	209,778	97.71%	6823	3.18%	26	0.0121%	28	0.0130%	
September	214,825	211,839	98.61%	4893	2.28%	131	0.0610%	31	0.0144%	
October	215,052	211,246	98.23%	5713	2.66%	409	0.1902%	32	0.0149%	
November	215,326	209,663	97.37%	7570	3.52%	664	0.3084%	37	0.0172%	
December	215,630	211,706	98.18%	5831	2.70%	749	0.3474%	43	0.0199%	
Total	2,577,187	2,527,534	98.07%	72,537	2.81%	2,097	0.0814%	270	0.0105%	

	January	February	March	April	May	June	July	August	September	October	November	December
Meter reading staffing*	32.54	33.34	31.88	39.19	26.15	23.38	24.07	25.32	24.29	36.56	23.92	28.5

* approximate FTEs based on labor reports

Attachment C

Minnesota Energy Resources
Service Quality Report

Minnesota Cold Weather Rule Compliance Questionnaire
Utility Monthly Reports (216B.091) Docket #12-02

Company: Minnesota Energy Resources for report period ending:

		Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012
1	Number of Residential Customer Accounts:	190,743	190,925	190,816	190,895	190,980	191,221	190,719	190,924	190,340	191,264	191,497	191,963
2	Number of Past Due Residential Customer Accounts:	26,780	28,578	31,857	34,455	32,851	31,570	26,948	22,051	21,207	18,428	19,781	20,338
3	Number of Cold Weather Protection Requests:	675	654	334							2,639	629	476
RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS													
4	Number of "Right to Appeal" notices mailed to customers:	0	0	0	0	0	0	0	0	0	0	1	0
5	*Intentionally Blank*												
6	Number of customer accounts granted reconnection request:	86	127	183							1,218	289	96

INABILITY TO PAY (ITP)

10% PLAN (TPP)

Minnesota Energy Resources
Service Quality Report

Minnesota Cold Weather Rule Compliance Questionnaire
Utility Monthly Reports (216B.091) Docket #12-02

Company: Minnesota Energy Resources for report period ending:

		Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012
PAYMENT SCHEDULE (PS)													
16	Number of "Right to Appeal" notices mailed to customers:	0	0	0							0	1	0
a)	Number of PS requests received	675	654	334							2,639	629	476
17	*Intentionally Blank*												
18	Number of PS negotiations mutually agreed upon:	675	654	334							2,639	629	476
19	*Intentionally Blank*												
DISCONNECTIONS													
20	Number of disconnection notices mailed to customers:	6,834	6,808	10,370	8,386	7,433	4,648	2,356	1,416	961	1,114	1,419	3,866
21	Number of customer accounts disconnected who did not seek protection:												
	Duplicate columns for use in April and October												
	April 1-15 and October 1-15 in 1st column												
	All other months, use 1st column only												
a)	# Electric - heat affected												
b)	# Electric - heat not affected												
c)	# Gas - heat affected	65	159	354	159	1,529	1,371	1,314	514	269	152	15	14
d)	# Gas - heat not affected												
e)	**Total** # disconnected	65	159	354	159	1,529	1,371	1,314	514	269	152	15	14
	April 16-30 and October 16-31 in 2nd column												
	All other months, use 1st column only												
a)	# Electric - heat affected												
b)	# Electric - heat not affected												
c)	# Gas - heat affected				463						14		
d)	# Gas - heat not affected												
e)	**Total** # disconnected	0	0	0	463	0	0	0	0	0	14	0	0
22	Number of customer accounts disconnected seeking protection:												
a)	# Electric - heat affected												
b)	# Electric - heat not affected												
c)	# Gas - heat affected												
d)	# Gas - heat not affected												
e)	Total # disconnected (See Note)	0	0	0	0	0	0	0	0	0	0	0	0
	NOTE: Please report immediately the names and addresses of customers whose service has been disconnected more than 24 hours.												
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	65	159	354	588	1,529	1,371	1,314	514	269	166	15	14

Minnesota Energy Resources
Service Quality Report

Minnesota Cold Weather Rule Compliance Questionnaire
Utility Monthly Reports (216B.091) Docket #12-02

Company: Minnesota Energy Resources for report period ending:

		Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012
DOLLAR VALUE													
24	**Total** dollars past due on all residential accounts:	$3,250,133	$3,812,235	$4,573,213	$4,956,371	$3,987,257	$3,454,707	$2,732,589	$2,178,140	$1,959	$1,679,811	$1,823,628	$2,130,546
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$121	$133	$144	$144	$121	$109	$101	$99	$92	$91	$92	$105
26	**Total** dollars received from energy assistance programs:	$783,937	$850,960	$463,831	$387,489	$268,727	$119,153	$14,781	$169	$0	$0	$399,578	$562,213
27	**Total** dollars received from other sources (private organizations):	$0	$0	$0	$0	$0	$0	$1,931	$0	$0	$0	$0	$0
28	**Total** Revenue from sales to residential accounts:	$22,927,081	$21,494,738	$14,691,251	$2,948,298	$5,776,912	$1,315,315	$2,939,455	$3,271,495	$3,514,489	$6,481,289	$13,255,927	$20,067,497
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$120	$113	$77	$15	$30	$7	$15	$17	$18	$34	$69	$105
30	*Intentionally Blank*												
30	**Average** annual residential bill:												
31	**Total** residential account write-offs due to uncollectible:	$116,686	$86,385	$74,299	$161,146	$158,702	$212,391	$148,935	$133,246	$134,318	$77,856	$70,034	$71,818
DISCONNECTION DURATION													
32	Number of customer accounts disconnected 24 hours or more:												
	a) # Electric - heat affected												
	b) # Electric - heat not affected												
	c) # Gas - heat affected	34	139	289							131	8	8
	d) # Gas - heat not affected												
	e) **Total** # disconnected	34	139	289									
33	*Intentionally Blank*												
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	34	139	289							131	8	8
35	*Intentionally Blank*												
36	*Intentionally Blank*												
RECONNECTION DATA													
37	# Accounts reconnected	86	127	183	270	423	590	673	503	577	1,218	289	96
38	# Accounts remaining disconnected	452	385	419	534	1,572	2,322	2,754	2,671	2,191	950	563	422
	a) 1-30 days	18	58	185	289	1,098	826	649	142	46	32	3	3
	b) 31-60 days	4	17	56	179	281	1,037	792	507	110	41	30	2
	c) 61+ days	430	310	178	66	193	459	1,313	2,022	2,035	877	530	417

Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	January	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: January, 2012

1	Number of Residential Customer Accounts:	190,743
2	Number of Past Due Residential Customer Accounts:	26,780
3	Number of Cold Weather Protection Requests:	675

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	0
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	86

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: January, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	0		
a)	Number of PS requests received	675		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	675		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:			*Required*
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	65		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	65	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	65	65	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: January, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$3,250,133	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$121	
26	**Total** dollars received from energy assistance programs:	$783,937	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$22,927,081	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$120	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$116,686	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
	a) # Electric - heat affected		*CWR period only*
	b) # Electric - heat not affected		*CWR period only*
	c) # Gas - heat affected	34	
	d) # Gas - heat not affected		*CWR period only*
	e) Total # disconnected	34	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	34	
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	86	
38	# Accounts remaining disconnected	452	
	a) 1-30 days	18	
	b) 31-60 days	4	
	c) 61+ days	430	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	February	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: February, 2012

1	Number of Residential Customer Accounts:	190,925
2	Number of Past Due Residential Customer Accounts:	28,578
3	Number of Cold Weather Protection Requests:	654

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	0
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	127

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: February, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	0		
a)	Number of PS requests received	654		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	654		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	6,808		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	159		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	159	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	159	159	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: February, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$3,812,235
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$133
26	**Total** dollars received from energy assistance programs:	$850,960
27	**Total** dollars received from other sources (private organizations):	$0
28	**Total** Revenue from sales to residential accounts:	$21,494,738
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$113
30	*Intentionally Blank*	
31	**Total** residential account write-offs due to uncollectible:	$86,385

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
	a) # Electric - heat affected		*CWR period only*
	b) # Electric - heat not affected		*CWR period only*
	c) # Gas - heat affected	139	
	d) # Gas - heat not affected		*CWR period only*
	e) Total # disconnected	139	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	139	
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	127
38	# Accounts remaining disconnected	385
	a) 1-30 days	58
	b) 31-60 days	17
	c) 61+ days	310

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	March	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: March, 2012

1	Number of Residential Customer Accounts:	190,816
2	Number of Past Due Residential Customer Accounts:	31,857
3	Number of Cold Weather Protection Requests:	334

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	0
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	183

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: March, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	0		
a)	Number of PS requests received	334		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	334		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	10,370		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	354		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	354	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	354	354	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: March, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$4,573,213	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$144	
26	**Total** dollars received from energy assistance programs:	$463,831	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$14,691,251	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$77	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$74,299	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected	289	
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	289	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	289	
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	183	
38	# Accounts remaining disconnected	419	
a)	1-30 days	185	
b)	31-60 days	56	
c)	61+ days	178	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	April	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: April, 2012

1	Number of Residential Customer Accounts:	190,895	
2	Number of Past Due Residential Customer Accounts:	34,455	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*<< Invalid Number*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:		*CWR period only*

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: April, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	8,386		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	588		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	588	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	588	588	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: April, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$4,956,371	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$144	
26	**Total** dollars received from energy assistance programs:	$387,489	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$2,948,298	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$15	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$161,146	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected		*CWR period only*
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	0	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	270	
38	# Accounts remaining disconnected	534	
a)	1-30 days	289	
b)	31-60 days	179	
c)	61+ days	66	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	May	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: May, 2012

1	Number of Residential Customer Accounts:	190,980	
2	Number of Past Due Residential Customer Accounts:	32,851	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*CWR period only*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:	423	

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: May, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	7,433		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	1,529		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	1,529	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	1,529	1,529	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: May, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$3,987,257	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$121	
26	**Total** dollars received from energy assistance programs:	$268,727	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$5,776,912	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$30	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$158,702	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected		*CWR period only*
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	0	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	423	
38	# Accounts remaining disconnected	1,572	
a)	1-30 days	1,098	
b)	31-60 days	281	
c)	61+ days	193	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	June	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: June, 2012

1	Number of Residential Customer Accounts:	191,221	
2	Number of Past Due Residential Customer Accounts:	31,570	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*CWR period only*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:		*CWR period only*

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: June, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	4,648		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	1,371		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	1,371	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	1,371	1,371	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: June, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$3,454,707	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$109	
26	**Total** dollars received from energy assistance programs:	$119,153	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$1,315,315	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$7	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$212,391	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected		*CWR period only*
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	0	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	590	
38	# Accounts remaining disconnected	2,322	
a)	1-30 days	826	
b)	31-60 days	1,037	
c)	61+ days	459	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	July	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: July, 2012

1	Number of Residential Customer Accounts:	190,719	
2	Number of Past Due Residential Customer Accounts:	26,948	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*CWR period only*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:		*CWR period only*

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: July, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	2,356		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	1,314		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	1,314	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	1,314	1,314	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: July, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$2,732,589	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$101	
26	**Total** dollars received from energy assistance programs:	$14,781	
27	**Total** dollars received from other sources (private organizations):	$1,931	
28	**Total** Revenue from sales to residential accounts:	$2,939,455	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$15	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$148,935	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected		*CWR period only*
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	0	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	673	
38	# Accounts remaining disconnected	2,754	
a)	1-30 days	649	
b)	31-60 days	792	
c)	61+ days	1,313	

[END]

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Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	August	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: August, 2012

1	Number of Residential Customer Accounts:	190,924	
2	Number of Past Due Residential Customer Accounts:	22,051	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*CWR period only*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:		*CWR period only*

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: August, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	1,416		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	514		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	514	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	514	514	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: August, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$2,178,140	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$99	
26	**Total** dollars received from energy assistance programs:	$169	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$3,271,495	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$17	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$133,246	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected		*CWR period only*
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	0	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	503	
38	# Accounts remaining disconnected	2,671	
a)	1-30 days	142	
b)	31-60 days	507	
c)	61+ days	2,022	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	September	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: September, 2012

1	Number of Residential Customer Accounts:	190,340	
2	Number of Past Due Residential Customer Accounts:	21,207	
3	Number of Cold Weather Protection Requests:		*CWR period only*

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:		*CWR period only*
5	*Intentionally Blank*		
6	Number of customer accounts granted reconnection request:		*CWR period only*

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: September, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:			*CWR period only*
a)	Number of PS requests received			*CWR period only*
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:			*CWR period only*
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	961		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	269		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	269	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	269	269	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: September, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$1,958,867	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$92	
26	**Total** dollars received from energy assistance programs:	$0	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$3,514,489	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$18	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$134,318	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
a)	# Electric - heat affected		*CWR period only*
b)	# Electric - heat not affected		*CWR period only*
c)	# Gas - heat affected	215	
d)	# Gas - heat not affected		*CWR period only*
e)	**Total** # disconnected	215	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	577
38	# Accounts remaining disconnected	2,191
a)	1-30 days	46
b)	31-60 days	110
c)	61+ days	2,035

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	October	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: October, 2012

1	Number of Residential Customer Accounts:	191,264
2	Number of Past Due Residential Customer Accounts:	18,428
3	Number of Cold Weather Protection Requests:	2,639

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	0
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	1,218

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: October, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	0		
a)	Number of PS requests received	2,639		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	2,639		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	1,114		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	152	14	
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	152	14	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	152	166	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: October, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$1,679,811	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$91	
26	**Total** dollars received from energy assistance programs:	$0	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$6,481,289	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$34	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$77,856	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
	a) # Electric - heat affected		*CWR period only*
	b) # Electric - heat not affected		*CWR period only*
	c) # Gas - heat affected	131	
	d) # Gas - heat not affected		*CWR period only*
	e) Total # disconnected	131	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	131	
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	1,218	
38	# Accounts remaining disconnected	950	
	a) 1-30 days	32	
	b) 31-60 days	41	
	c) 61+ days	877	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	November	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: November, 2012

1	Number of Residential Customer Accounts:	191,497
2	Number of Past Due Residential Customer Accounts:	19,781
3	Number of Cold Weather Protection Requests:	629

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	1
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	289

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: November, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	1		
a)	Number of PS requests received	629		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	629		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	1,419		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	15		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	15	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	15	15	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: November, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$1,823,628	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$92	
26	**Total** dollars received from energy assistance programs:	$399,578	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$13,255,927	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$69	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$70,034	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
	a) # Electric - heat affected		*CWR period only*
	b) # Electric - heat not affected		*CWR period only*
	c) # Gas - heat affected	8	
	d) # Gas - heat not affected		*CWR period only*
	e) Total # disconnected	8	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).	8	
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	289	
38	# Accounts remaining disconnected	563	
	a) 1-30 days	3	
	b) 31-60 days	30	
	c) 61+ days	530	

[END]

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Minnesota Public Utilities Commission

Minnesota Cold Weather Rule Compliance Questionnaire ***Version 3***

Company Submitting Reply:	Minnesota Energy Resources People's Natural Gas	*Required*
Reporting Year:	2012	*Required*
Reporting Period:	December	*Required*

Utility Monthly Reports (216B.091)

Company: Minnesota Energy Resources People's Natural Gas for report period ending: December, 2012

1	Number of Residential Customer Accounts:	191,963
2	Number of Past Due Residential Customer Accounts:	20,338
3	Number of Cold Weather Protection Requests:	476

RECONNECTION AT BEGINNING OF COLD WEATHER MONTHS

4	Number of "Right to Appeal" notices mailed to customers:	0
5	*Intentionally Blank*	
6	Number of customer accounts granted reconnection request:	96

INABILITY TO PAY (ITP) *This entire section intentionally left blank*

10% PLAN (TPP) *This entire section intentionally left blank*

Company: Minnesota Energy Resources People's Natural Gas for report period ending: December, 2012

PAYMENT SCHEDULE (PS)

16	Number of "Right to Appeal" notices mailed to customers:	0		
a)	Number of PS requests received	476		
17	*Intentionally Blank*			
18	Number of PS negotiations mutually agreed upon:	476		
19	*Intentionally Blank*			

DISCONNECTIONS

20	Number of disconnection notices mailed to customers:	3,866		
21	Number of customer accounts disconnected who did not seek protection:			
	Duplicate columns for use in April and October			
	April 1-15 and October 1-15 in 1st column			
	April 16-30 and October 16-31 in 2nd column			
	All other months, use 1st column only			
a)	# Electric - heat affected			*Required*
b)	# Electric - heat not affected			*Required*
c)	# Gas - heat affected	14		
d)	# Gas - heat not affected			*Required*
e)	**Total** # disconnected	14	0	
22	Number of customer accounts disconnected seeking protection:			
a)	# Electric - heat affected			*CWR period only*
b)	# Electric - heat not affected			*CWR period only*
c)	# Gas - heat affected			*CWR period only*
d)	# Gas - heat not affected			*CWR period only*
e)	Total # disconnected (See Note)	0		
23	Number of customer accounts disconnected for nonpayment (auto-calculation of #21e+ #22e):	14	14	

Company: Minnesota Energy Resources People's Natural Gas for report period ending: December, 2012

DOLLAR VALUE

24	**Total** dollars past due on all residential accounts:	$2,130,546	
25	**Average** past due dollar amount per past due account (auto-calculation of #24 ÷ #2):	$105	
26	**Total** dollars received from energy assistance programs:	$562,213	
27	**Total** dollars received from other sources (private organizations):	$0	
28	**Total** Revenue from sales to residential accounts:	$20,067,497	
29	**Average** monthly residential bill: (auto-calculation of #28 ÷ #1)	$105	
30	*Intentionally Blank*		
31	**Total** residential account write-offs due to uncollectible:	$71,818	

DISCONNECTION DURATION

32	Number of customer accounts disconnected 24 hours or more:		
	a) # Electric - heat affected		*CWR period only*
	b) # Electric - heat not affected		*CWR period only*
	c) # Gas - heat affected	8	
	d) # Gas - heat not affected		*CWR period only*
	e) Total # disconnected	8	
33	*Intentionally Blank*		
34	Number occupied heat-affected accounts disconnected 24 hours or more (to include customers who did and did not seek protection).		*CWR period only*
35	*Intentionally Blank*		
36	*Intentionally Blank*		

RECONNECTION DATA

37	# Accounts reconnected	96	
38	# Accounts remaining disconnected	422	
	a) 1-30 days	3	
	b) 31-60 days	2	
	c) 61+ days	417	

[END]

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Service extension requests

2012	**Residential**		**Commercial**		**Existing**					
	new Installs	Avg time between requested date and install	New Installs	Avg time between requested date and install	# of existing residential requested	# residential completed as requested	residential average days between request and completion	# of existing commercial requested	# commercial completed as requested	commercial average days between request and completion
January	26	7	12	17	422	418	1	39	38	1
February	16	27	1	78	393	392	1	28	28	0
March	61	26	2	35	365	364	1	20	20	0
April	123	20	8	61	465	461	1	22	22	0
May	133	23	16	29	572	571	1	27	27	0
June	164	21	9	21	637	633	1	23	23	0
July	164	18	12	52	625	624	1	26	26	0
August	237	24	14	37	831	829	1	35	35	0
September	275	19	29	27	1087	1084	1	61	61	0
October	272	18	16	36	1469	1460	1	149	149	0
November	170	9	14	11	831	821	1	113	113	0
December	37	2	7	0	538	534	1	64	64	0

	JANUARY				FEBRUARY			
# OF COMPLAINTS	54				369			
	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue			3	5.55%	2	0.54%	12	3.25%
Billing / Meter Read Issue			11	20.37%	4	1.08%	41	11.11%
Collection / Disconnection Issue			4	7.41%	4	1.08%	60	16.26%
Service Quality			11	20.37%	2	0.54%	69	18.70%
Meter Adjustment			2					
Outage								
My bill is too high			9	16.67%	9	2.44%	75	20.33%
Service Restoration Intervals							1	0.27%
Service Extension Intervals								
Others	2	3.70%	12	22.22%	6	1.63%	84	22.76%
TIME TO RESOLVE COMPLAINT								
Initially	48				313			
Within 10 days	2				48			
> 10 days	4				8			
Complaint Resolution	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Taking action as customer request	16		29.63%		160		43.36%	
Agreeable Compromise	26		48.15%		128		34.69%	
Not within the control of the Utility	7		12.96%		17		4.61%	
Refuse	5		9.26%		64		17.34%	
PUC COMPLAINTS			7				3	

	MARCH				APRIL			
# OF COMPLAINTS	251				219			
	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue	1	0.40%	13	5.18%			7	3.20%
Billing / Meter Read Issue	2	0.80%	41	16.33%	6	2.74%	21	9.59%
Collection / Disconnection Issue	3	1.20%	27	10.76%	2	0.91%	25	11.42%
Service Quality	2	0.80%	43	17.13%			30	13.70%
Meter Adjustment								
Outage			1	0.40%				
My bill is too high	4	1.60%	48	19.12%	2	0.91%	45	20.55%
Service Restoration Intervals							1	0.46%
Service Extension Intervals								
Others	4	1.60%	62	24.70%	3	1.37%	77	35.16%
TIME TO RESOLVE COMPLAINT								
Initially	220				208			
Within 10 days	30				6			
> 10 days	1				5			
	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Complaint Resolution								
Taking action as customer request	101		40.23%		100		45.66%	
Agreeable Compromise	104		41.43%		91		41.55%	
Not within the control of the Utility	4		1.59%		2		0.91%	
Refuse	42		16.73%		26		11.87%	
PUC COMPLAINTS			3				2	

	MAY				JUNE			
# OF COMPLAINTS	122				113			
	# of complaints for Comercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue							6	5.31%
Billing / Meter Read Issue	2	1.64%	10	8.19%			10	8.85%
Collection / Disconnection Issue	1	0.82%	22	18.03%	1	0.88%	21	18.58%
Service Quality			26	21.31%			33	29.20%
Meter Adjustment								
Outage								
My bill is too high	3	2.46%	14	11.48%	2	1.77%	7	6.19%
Service Restoration Intervals								
Service Extension Intervals								
Others	1	0.82%	43	35.25%			33	29.20%
TIME TO RESOLVE COMPLAINT				5				2
Initially	108				107			
Within 10 days	13				4			
> 10 days	1				2			
	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Complaint Resolution								
Taking action as customer request	47		38.52%		33		29.20%	
Agreeable Compromise	48		39.34%		35		30.97%	
Not within the control of the Utility	2		1.64%		4		3.54%	
Refuse	25		24.49%		41		36.28%	
PUC COMPLAINTS								

	JULY				AUGUST			
# OF COMPLAINTS	126				144			
	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue			1	0.79%			4	2.78%
Billing / Meter Read Issue			8	6.34%	2	1.39%	9	6.25%
Collection / Disconnection Issue			20	15.87%	4	2.78%	26	18.06%
Service Quality	2	1.59%	48	38.09%	2	1.39%	33	22.92%
Meter Adjustment			4					
Outage								
My bill is too high	1	0.0.79%	8	6.34%	2	1.39%	7	4.86%
Service Restoration Intervals							2	1.39%
Service Extension Intervals					1	0.69%		
Others	1	0.79%	33	26.19%	1	0.69%	51	35.42%
TIME TO RESOLVE COMPLAINT				7				2
Initially	112				135			
Within 10 days	13				7			
> 10 days	1				2			
	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Complaint Resolution								
Taking action as customer request	30		23.81%		40		27.78%	
Agreeable Compromise	49		38.89%		50		34.72%	
Not within the control of the Utility	4		3.17%		8		5.56%	
Refuse	43		34.13%		46		31.94%	
PUC COMPLAINTS								

	SEPTEMBER				OCTOBER			
# OF COMPLAINTS	149				139			
	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue			3	2.01%			3	2.16%
Billing / Meter Read Issue	3	2.01%	20	13.42%	1	0.72%	14	10.07%
Collection / Disconnection Issue	3	2.01%	29	19.46%	3	2.16%	13	9.35%
Service Quality	1	0.67%	35	23.49%			56	40.29%
Meter Adjustment								
Outage								
My bill is too high	1	0.67%	5	3.36%	1	0.72%	4	2.88%
Service Restoration Intervals			1	0.67%				
Service Extension Intervals							1	0.72%
Others	2	1.34%	46	30.87%	3	2.16%	40	28.78%
TIME TO RESOLVE COMPLAINT				2				2
Initially	139				130			
Within 10 days	7				6			
> 10 days	3				3			
	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Complaint Resolution								
Taking action as customer request	54		36.24%		52		37.41%	
Agreeable Compromise	57		38.26%		56		40.29%	
Not within the control of the Utility								
Refuse	38		25.50%		31		22.30%	
PUC COMPLAINTS								

	NOVEMBER				DECEMBER			
# OF COMPLAINTS	99				119			
	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class	# of complaints for Commercial Class	% of complaints for Commercial Class	# of complaints for Residential Class	% of complaints for Residential Class
Employee Action / Behavior Issue			3	3.03%			2	1.68%
Billing / Meter Read Issue			10	10.10%			18	15.13%
Collection / Disconnection Issue			12	12.12%			29	24.40%
Service Quality	1	1.01%	28	28.28%	2	1.68%	20	16.81%
Meter Adjustment								
Outage								
My bill is too high	1	1.01%	3	3.03%	3	2.52%	4	3.36%
Service Restoration Intervals			1	1.01%				
Service Extension Intervals							1	0.84%
Others	5	5.05%	35	35.35%	7	5.88%	33	27.73%
TIME TO RESOLVE COMPLAINT				3				2
Initially	91				83			
Within 10 days	6				1			
> 10 days	2				35			
Complaint Resolution	# resolved by taking listed action		% resolved by taking listed action		# resolved by taking listed action		% resolved by taking listed action	
Taking action as customer request	37		37.37%		37		31.09%	
Agreeable Compromise	45		45.45%		60		50.42%	
Not within the control of the Utility								
Refuse	17		17.17%		22		18.49%	
PUC COMPLAINTS								

Answer time for gas emergency phone lines

2012

	January	February	March	April	May	June	July	August	September	October	November	December	AVERAGE	TOTAL
Total calls	1,628	1,312	1,235	1,244	1,339	1,279	1,337	1,317	1,401	1,720	1,912	1,617	1445	17,341
Average speed of answer	7	7	7	6	7	7	7	7	5	6	9	7	6.8	
% answered in 15 seconds	90.57%	91.39%	91.41%	92.96%	92.33%	92.81%	93.78%	92.71%	94.28%	95.20%	89.07%	91.46%	92.3%	

Tech Response Time From Time of Call to Arrival

	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**	**Total**
Calls responded to in Under 1 hour	491	387	404	401	433	409	426	448	572	610	676	503	5760
Calls responded to in Over 1 hour	29	17	20	23	26	25	23	31	17	23	204	23	461
Total Calls	**520**	**404**	**424**	**424**	**459**	**434**	**449**	**479**	**589**	**633**	**880**	**526**	6221

Calls responded to in Under 1 hour

	NW region	**NE region**	**CN region**	**SE region**	**SW region**	**Total**
January	48	85	110	179	69	**491**
February	52	70	85	136	44	**387**
March	55	70	93	141	45	**404**
April	36	83	88	145	49	**401**
May	53	84	126	129	41	**433**
June	33	114	85	127	50	**409**
July	47	95	80	157	47	**426**
August	52	85	109	157	45	**448**
September	76	116	127	167	86	**572**
October	79	111	134	207	79	**610**
November	54	105	239	205	73	**676**
December	45	82	171	153	52	**503**
Totals	630	1100	1447	1903	680	5760

MERC Average emergency response time in minutes	Month
January	0.28.33
February	0.26.58
March	0.27.48
April	0.27.46
May	0.29.28
June	0.28.44
July	0.28.22
August	0.28.32
September	0.28.12
October	0.26.37
November	0.49.59
December	0.29.07
YTD Average 2012	0:30:00

Calls responded to in Over 1 hour

	NW region	**NE region**	**CN region**	**SE region**	**SW region**	**Total**
January	7	4	10	3	5	**29**
February	6	1	1	4	5	**17**
March	7	0	2	5	6	**20**
April	7	0	8	4	4	**23**
May	7	2	9	2	6	**26**
June	5	6	2	7	5	**25**
July	14	1	4	0	4	**23**
August	9	3	6	7	6	**31**
September	6	4	1	1	5	**17**
October	7	5	3	2	6	**23**
November	7	4	182	8	3	**204**
December	7	2	6	1	7	**23**
Totals	89	32	234	44	62	461

MERC's emergency response time target is 30 minutes

***note: Central increase in Nov due to propane plant release resulting in over 300 leak calls**

Emergency reponse time													
2012													
	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total calls	520	404	424	424	459	434	449	479	589	633	880	526	6221
# responded to in < 1 hour	491	387	404	401	433	409	426	448	572	610	676	503	5760
% responded to in < 1 hour	94.4%	95.8%	95.3%	94.6%	94.3%	94.2%	94.9%	93.5%	97.1%	96.4%	76.8%	95.6%	92.6%
# responded to in > 1 hour	29	17	20	23	26	25	23	31	17	23	204	23	461
% responded to in > 1 hour	5.9%	4.4%	5.0%	5.7%	6.0%	6.1%	5.4%	6.9%	3.0%	3.8%	30.2%	4.6%	7.4%
Average minutes to respond	29	27	28	28	29	29	28	29	28	27	50	29	30

***note: Central increase in Nov due to propane plant release resulting in over 300 leak calls**

Mislocates

2012	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Total locates	1561	856	2080	5624	9090	9480	8383	9579	4242	7976	9294	2831	70996
Mislocates	0	0	0	0	1	3	4	5	4	2	3	2	24
% mislocated	0.000%	0.000%	0.000%	0.000%	0.011%	0.032%	0.048%	0.052%	0.094%	0.025%	0.032%	0.071%	0.034%

Gas lines damaged

2012	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total	1	0	4	18	8	12	31	26	30	18	15	11	174
Fault of Company employee or company contractor	0	0	1	2	1	3	5	8	3	2	3	4	32
damage by others	1	0	3	16	7	9	26	18	27	16	12	7	142
System issue	0	0	0	0	0	0	0	0	0	0	0	0	0
Miles of Pipe as of 12/31/12	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453	4,453
Damage per 100 miles of pipe													
Under the control of MERC Employees													0.71
Caused by all others													3.19

Gas lines damaged

2012

DATE	Address	Outage caused by system issue	outage caused by MERC employee or MERC contractor	outage caused by other	Number of customer affected	outage duration/minutes	Lost Gas Billed/Mcf
JANUARY							
1/5/2012	133 2nd Ave Worthington	N	N	Y	2	15	0.00
1/7/2012	120 N Dugan Welcome	N	N	Y	1	1200	8.19
1/19/2012	125 Center St Oronoco	N	N	Y	1	549	24.60
FEBRUARY							
MARCH							
3/20/2012	4916 Whispering Way Eagan	N	N	Y	1	15	9.06
3/27/2012	3355 Discovery Rd Eagan	N	N	Y	1	20	0.00
3/8/2012	13 South St Dodge Center	N	N	Y	1	96	4.97
3/19/2012	913 17th Ave NE Rochester	N	N	Y	1	60	0.57
3/29/2012	301 2nd St NW Kasson	N	N	Y	2	80	0.00
APRIL							
4/1/2012	428 Superior Ave Crosby	N	N	Y	1	300	0.16
4/2/2012	105 S Main Dover	N	N	Y	1	20	0.00
4/9/2012	221 7th St NW Rochester	N	N	Y	1	120	0.18
4/20/2012	1201 S Broadway Rochester	N	N	Y	3	60	0.72
4/11/2012	432 N Rebecca Ivanhow	N	N	Y	1	780	0.06
4/26/2012	15 W Front St Cottonwoood	N	N	Y	1	35	0.51
4/30/2012	310 Brown St Jackson	N	N	Y	1	1311	32.78
4/16/2012	39545 Government Rd Hinckley	N	N	Y	1	45	4.34
4/24/2012	850 Hwy 65 S Mora	N	N	Y	1	30	2.07
4/5/2012	21547 Harvest Hills Prior Lake	N	N	Y	1	90	4.65
4/24/2012	20195 Holyoke Ave Lakeville	N	N	Y	1	60	74.40
4/26/2012	123 NE 7th St Grand Rapids	N	N	Y	1	20	0.19
4/30/2012	50940Miller Highway Hermantown	N	N	Y	100	540	1.24
MAY							
5/15/2012	215 Highway 56 Hayfield	N	N	Y	1	93	2.46
5/26/2012	1619 Wishire Ct NE Rochester	N	N	Y	1	150	0.72

5/25/2012	418 E Eyota St Dover	N	N	Y	6	120	0.00
5/7/2012	350 S Edquist Appleton	N	N	Y	1	15	0.26
5/30/2012	507 S Hwy Jackson	N	Y	N	1	30	0.72
5/18/2012	940 W 4th St Rush City	N	N	Y	1	60	0.00
5/5/2012	1301 Trapp Rd Eagan	N	N	Y	1	15	7.57
5/30/2012	15100 Cty Rd 23 Verndale	N	N	Y	1	160	0.46
5/2/2012	1237 Lake Ave Detroit Lakes	N	N	Y	1	60	2.15
5/16/2012	719 19th St NW Bemidji	N	N	Y	1	10	2.87
JUNE							
6/1/2012	312 N 4th Ave Biwabik	N	N	Y	1	30	0.27
6/28/2012	100 Block E Main Ada	N	N	Y	1	20	0.00
6/25/2012	3259 Terminal Dr Eagan	N	N	Y	1	135	144.85
6/28/2012	5204 Oriole Dr Farmington	N	N	Y	1	15	4.65
6/26/2012	27920 Danville Ave Castle Rock	N	N	Y	1	190	148.80
6/24/2012	1654 Hickory Ln Eagan	N	N	Y	4	180	29.52
6/5/2012	2700 Schaeffer Ln NE Rochester	N	N	Y	1	60	5.36
6/4/2012	626 Chalet Dr Rochester	N	Y	N	1	60	1.12
6/12/2012	532 Willow Bend Ln SW Rochester	N	N	Y	2	40	24.16
6/20/2012	1104 6th Ave NW Rochester	N	Y	N	1	60	8.58
6/16/2012	6810 Chester Heights Rochester	N	N	Y	1	30	1.12
6/12/2012	705 3rd Ave Windom	N	N	Y	1	20	8.96
6/26/2012	857 Hwy 12 Ortonville	N	N	Y	1	30	0.00
6/12/2012	205 3rd St E Canby	N	N	Y	1	50	16.40
JULY							
7/9/2012	992 Gary St Calumet	N	N	Y	1	30	0.21
7/1/2012	5668 Miller Hwy Pike Lake	N	N	Y	1	90	0.31
7/13/2012	3113 Cty Rd 112 International Falls	N	N	Y	1	15	3.10
7/14/2012	4846 Morris Thomas Rd Hermantown	N	N	Y	1	5	0.00
7/16/2012	19563 Gama Beach Rd Grand Rapids	N	N	Y	2	150	6.70
7/18/2012	18394 520th St Deer River	N	N	Y	1	30	8.04
7/18/2012	1531 E 3rd Ave International Falls	N	N	Y	1	27	6.20
7/26/2012	1407 E Hwy 2 Grand Rapids	N	N	Y	1	40	10.72
7/9/2012	123 Carlton Dr SW Rochester	N	N	Y	1	90	21.00
7/19/2012	300 3rd Ave NW Pine Island	N	N	Y	1	120	0.00
7/31/2012	25510 625th St Kasson	N	N	Y	1	5	1.34
7/25/2012	120 E Main west Concord	N	N	Y	1	240	5.25
7/9/2012	14155 Abbeyfield Ct Rosemount	N	N	Y	1	60	18.60
7/23/2012	3805 Windcrest Ct Eagan	N	N	Y	2	120	2.46

7/12/2012	3430 200th St W Farmington	N	N	Y	1	60	19.38
7/10/2012	37887 Lincoln Trail North Branch	N	N	Y	1	60	4.34
7/17/2012	5400 Oriole Dr Farmington	N	N	Y	1	15	4.02
7/18/2012	5417 Oriole Dr Farmington	N	N	Y	1	20	1.95
7/2/2012	2038 Knollwodd Dr Fairmont	N	N	Y	1	90	0.93
7/5/2012	1378 Springfield Pkwy Jackson	N	N	Y	1	143	32.75
7/3/2012	Weave & Cleveland Welcome	N	N	Y	7	60	14.58
7/9/2012	418 Weaver St Welcome	N	N	Y	9	1020	3.60
7/23/2012	216 1/2 Cleveland St Welcome	N	N	Y	1	60	0.80
7/24/2012	1208 River Rd Windom	N	N	Y	2	1020	45.80
7/12/2012	1156 River Rd Windom	N	N	Y	1	1200	0.24
7/24/2012	101 Shady Ln Jackson	N	N	Y	1	60	0.69
7/2/2012	111 Benjamin Jackson	N	N	Y	3	1140	111.90
7/20/2012	300 Block Hwy 9 Ada	N	N	Y	1	0	0.00
7/22/2012	1332 E Shore Dr Detroit Lakes	N	N	Y	2	20	4.65
7/23/2012	500 8th Ave Ironton	N	N	Y	1	0	0.00
7/31/2012	506 SE 7th Ave Roseau	N	N	Y	1	120	0.00
AUGUST		N	N	Y			
8/12/2012	609 18th St Cloquet	N	N	Y	1	120	8.67
8/16/2012	2014 Town Rd 416 Ranier	N	N	Y	1	5	1.55
8/17/2012	607 18th St Cloquet	N	N	Y	1	60	8.67
8/24/2012	Golf Course and Horseshoe Rd Cloquet	N	N	Y	74	245	30.20
8/8/2012	627 5th St SW Rochester	N	Y	N	1	60	4.29
8/8/2012	1408 Pahama Ct Rochester	N	Y	N	14	240	29.22
8/14/2012	7130 SE 30th St Rochester	N	N	Y	1	349	0.14
8/14/2012	1213 S Broadway Rochester	N	N	Y	1	90	0.10
8/21/2012	801 S Broadway Rochester	1	N	Y	1	180	0.46
8/15/2012	726 3rd St NW Rochester	N	N	Y	1	90	2.15
8/27/2012	30 Civic Center Dr Rochester	N	Y	N	1	30	17.19
8/30/2012	25055 608th St Mantorville	N	Y	N	1	20	5.36
8/1/2012	723 NW 2nd St Rochester	N	N	Y	1	360	2.86
8/9/2012	110 Center Ave S Hayfield	N	N	Y	2	345	160.08
8/2/2012	1392 Cleome Ln Eagan	N	Y	N	1	10	2.46
8/26/2012	350 Johnson Ave Pine City	N	N	Y	1	10	0.47
8/29/2012	1692 Covington Ln Eagan	N	N	Y	2	120	7.38
8/24/2012	669 Coventry Pkwy Eagan	N	N	Y	1	60	9.84
8/6/2012	14640 Diamond Path Rosemount	N	N	Y	1	120	22.92
8/15/2012	419 6th St Pine City	N	Y	N	2	150	6.76

8/7/2012	10005 205th St W Rosmeount	N	Y	N	1	30	1.17	
8/20/2012	1609 6th Ave Mountain Lake	N	N	Y	1	60	2.73	
8/6/2012	511 Main St Lamberton	N	N	Y	1	5	22.32	
8/27/2012	1429 6th Ave Mountain Lake	N	N	Y	1	60	3.20	
8/28/2012	1403 6th Ave Mountain Lake	N	N	Y	1	260	3.20	
SEPTEMBER								
9/4/2011	1108 Ugstad Rd Proctor	N	N	Y	3	35	173.60	
9/10/2012	715 17th St Int Falls	N	N	Y	1	120	7.75	
9/11/2012	1721 1st Ave E Int Falls	N	N	Y	1	30	9.30	
9/11/2012	1571 Airport Rd Cloquet	N	N	Y	1	240	0.00	
9/11/2012	609 18th St Cloquet	N	N	Y	1	90	0.00	
9/14/2012	106 Sharon St Buhl	N	N	Y	1	60	4.02	
9/20/2012	444 3rd St Int Falls	N	N	Y	2	115	0.29	
9/5/2012	10 9 1/2 St SE Rochester	N	Y	N	3	42	6.01	
9/8/2012	218 N Chatfield St Dover	N	N	Y	267	390	39.60	
9/14/2012	100 9th St SE Kasson	N	N	Y	1	96	5.78	
9/14/2012	1355 East Ln LaCrescent	N	N	Y	3	90	33.21	
9/14/2012	2nd St & 9Th Ave Rochester	N	N	Y	19	45	11.46	
9/8/2012	955 21st SE Rochester	N	N	Y	1	120	1.08	
9/11/2012	723 2nd St NW Rochester	N	N	Y	1	60	0.54	
9/28/2012	1117 E Caledonia St Caledonia	N	N	Y	1	510	5.54	
9/4/2012	17280 Sunset Trail Pine City	N	N	Y	1	5	0.00	
9/8/2012	8896 197th St Lakeville	N	N	Y	1	60	4.65	
9/9/2012	11300 235th St E Lakeville	N	N	Y	1	105	7.75	
9/12/2012	313 Walnut St Farmington	N	N	Y	1	60	10.20	
9/6/2012	1696 Woodgate Ln Eagan	N	Y	N	2	60	2.46	
9/19/2012	213 Cleveland Welcome	N	N	Y	1	45	0.40	
9/25/2012	1317 2nd Ave Mountain Lake	N	N	Y	1	60	24.40	
9/27/2012	908 Milwaukee Lakefield	N	N	Y	1	1080	77.50	
9/15/2012	213 Elm St Tracy	N	N	N	1			House destroyed
OCTOBER								
10/11/2012	315 SE 1st St Grand Rapids	N	N	Y	1	15	0.29	
10/22/2012	301 3rd St Nashwauk	N	Y	N	1	60	0.00	
10/31/2012	34336 Chestnut Cir Moos Lake	N	N	Y	1	30	0.27	
10/3/2012	61057 252nd Ave Mnatorville	N	N	Y	1	90	7.44	
10/24/2012	200 2nd St Claremont	N	N	Y	1	75	0.06	
10/19/2012	2003 NE Parkwood Hills Dr Rochester	N	N	Y	1	240	1.08	
10/17/2012	116 E Main Hayfield	N	N	Y	1	65	17.18	

10/2/2012	1317 2nd Ave Mt Lake	N	N	Y	1	15	2.70
10/4/2012	1313 2nd Ave Mt Lake	N	N	Y	1	15	2.70
10/9/2012	401 Milwaukee Lakefield	N	N	Y	1	60	1.10
10/22/2012	262 State St Jackson	N	N	Y	1	420	0.51
10/6/2012	9596 Main St Elko	N	N	Y	1	60	1.17
10/13/2012	14429 565th St West Concord	N	N	Y	1	10	0.47
10/9/2012	3500 Dodd Rd Eagan	N	Y	N	1	90	128.76
10/12/2012	190 Shorewood Detroit Lakes	N	N	Y	1	15	4.65
10/2/2012	23402 Cross Dr Deerwood	N	N	Y	1	68	18.22
NOVEMBER							
11/1/2012	87 Outer Dr Silver Bay	N	Y	N	1	20	0.00
11/13/2012	702 NE 9th Ave Grand Rapids	N	N	Y	1	100	2.68
11/30/2012	1504 Edge Dr Cloquet	N	N	Y	1	150	0.78
11/6/2012	839 5th Ave SE Rochester	N	Y	N	1	60	0.14
11/13/2012	2138 Gemini Dr SW Rochester	N	N	Y	1	90	1.55
11/27/2012	416 State St West Concord	N	N	Y	1	315	22.03
11/1/2012	235 State St Jackson	N	N	Y	1	960	109.89
11/23/2012	37303 600th Ave Mt Lake	N	N	Y	1	60	39.41
11/8/2012	132 2nd St NE Crosby	N	Y	N	1	90	0.00
DECEMBER							
12/5/2012	1308 Hwy 33 Cloquet	N	N	Y	1	480	515.04
12/4/2012	2930 146th St W Rosemount	N	N	Y	1	120	0.00
12/4/2012	4462 Dodd Rd Eagan	N	N	Y	1	15	0.00
12/4/2012	24232 Pillsbury Lakeville	N	N	Y	1	150	304.50

Service interruptions

2012	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total	3	0	5	13	10	14	31	25	23	16	9	4	153
System Integrity	0	0	0	0	0	0	0	0	0	0	0	0	0
Company employee or company contractor damage	0	0	0	0	1	2	0	7	2	2	3	0	17
caused by other	3	0	5	13	9	12	31	18	21	14	6	4	136

2012

DATE	Address	Outage caused by system issue	outage caused by MERC employee or MERC contractor	outage caused by other	Number of customers affected	outage duration	comments
1/19/2012	125 E Center Oronoco	N	N	Y	1	9.15 hours	vehicle ran off the road and hit a residential meter
5/18/2012	Cloquet	N	N	Y	2	0	Transmission pipeline experienced low pressure. Only 2 customers affected had alernate fuel source.
6/26/2012	27920 Danville Ave Castle Rock	N	N	Y	1	3.16	Service line severed, excavator had not requested a locate.
7/3/2012	Rochester International Airport	N	N	N	0	0	The service to the airport has it's own odorizer. During low load periods "slugging" can occur. Slugging is where odorant pools and eventually passes through the line. The liquid odorant can be easily detected through any of the gas burners. This is what occurred resulting in the the fire department evacuating the airport.
8/13/2012	1771 Yankee Doodle Rd Eagan	Y	N	N	0	0	Measurement Tech was testing large volume meter. When tech went to trun the inlet valve on the valve failed (broke). 2 buildings were evacuated while the valve was being replaced.
9/10/2012	218 N Chatfield St Dover	N	N	Y	267	390	Contractor severed main feed serving Dover, requiring turning gas off to the town. The contractor was determined to be at fault.
9/11/2012	1571 Airport Rd Cloquet	N	N	Y	1	240	Contractor severed service line to nursing home, resulting in the nursing home being evacuated. The contractor was determined to be at fault.
9/15/2012	213 Elm St Tracy	N	N	N	1		Home destroyed due to explosion. Investigation on-going.
12/6/2012	20802 Kensington Blvd Lakeville	N	N	N	0	0	200 people evacuated from commercial building by business management. No gas in building, only 3 small leaks were found.

O&M expenses FERC Account 901 and 903 plus payroll taxes and benefits

2012

January	February	March	April	May	June	July	August	September	October	November	December	Total
$ 550,986	$ 454,909	$ 642,276	$ 549,033	$ 513,547	$ 522,441	$ 485,439	$ 488,944	$ 474,394	$ 753,406	$ 393,197	$ 580,755	$ 6,409,328

	901000	903000	
Jan-13	$ 38,652	$ 512,335	
Feb-13	$ 54,616	$ 400,293	
Mar-13	$ 50,879	$ 591,397	
Apr-13	$ 16,416	$ 532,618	
May-13	$ 35,304	$ 478,243	
Jun-13	$ 33,300	$ 489,141	
Jul-13	$ 33,505	$ 451,934	
Aug-13	$ 38,405	$ 450,538	
Sep-13	$ 53,248	$ 421,147	
Oct-13	$ 59,593	$ 693,813	
Nov-13	$ 43,001	$ 350,196	
12-Dec	$ 48,223	$ 532,532	
	$ 505,142	$ 5,904,186	$ 6,409,328

DORSEY
DORSEY & WHITNEY LLP

MICHAEL J. AHERN
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July 8, 2013

VIA ELECTRONIC FILING
Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: Minnesota Energy Resources Corporation's (MERC's) 2012 Annual Service Quality Report (Report)
Docket No. G007, 011/M-13-355
Reply Comments

Dear Dr. Haar:

On June 27, 2013, the Department of Commerce, Division of Energy Resources filed Comments recommending that the Minnesota Public Utilities Commission (Commission) accept MERC's Report pending the provision of additional information in MERC's Reply Comments. The specific information the Department requested is provided in detail in the following pages.

Thank you for your attention to this matter.

Sincerely yours,

/s/ Michael J. Ahern

Michael J. Ahern

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
J. Dennis O'Brien	Commissioner
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Review of Minnesota Energy Resources Corporation's (MERC's) 2012 Annual Service Quality Report	Docket No. G007, 011/M-13-355

REPLY COMMENTS OF MINNESOTA ENERGY RESOURCES CORPORATION

Minnesota Energy Resources Corporation (MERC) submits the attached Reply Comments in response to the June 27, 2013, Minnesota Department of Commerce, Division of Energy Resources (Department) Comments in this docket. In its Comments, the Department recommended that MERC provide additional information in its Reply Comments, specifically:

A. an explanation for the large increase in meters not read for 6-12 months at the end of 2012;

B. an explanation detailing why the average commercial installation time increased from 2011 to 2012 and why April's average commercial response time was significantly longer than other months in 2012;

C. a full explanation of why meter adjustment and service quality complaints increased between 2011 and 2012. Specifically, MERC should address whether the increase in complaints, in particular service quality, resulted from additional changes in how the Company classifies complaints or whether those complaints are due to operational or other issues;

D. a full explanation as to why the percentage of complaints resolved upon initial inquiry decreased from 2011 to 2012. Specifically, MERC should address whether the decrease

in complaints resolved upon initial inquiry was due changes in the way the Company processes disputes or whether the increase was due to some other issue;

E. a copy of MERC's May 1, 2012 customer complaint report required by Minnesota Rule 7820.0500

F. a detailed explanation of each unusual service interruption, as defined in the Department's comments on the Company's 2011 Service Quality Report; including, what caused the service interruption and why the event impacted several customers or lasted for an extended period of time;

G. further information regarding the residential explosion that occurred on September 15, 2012 and updates on the status and findings of the investigation;

H. an explanation detailing why monthly O&M expenses in October 2012 were noticeably different than the monthly average.

Below, MERC discusses the additional information requested by the Department.

A. The large increase in meters not read for 6-12 months at the end of 2012

With the warmer than normal weather in 2012, MERC was able to perform the annual farm tap inspections earlier in the year, with the annual readings taken at the time of the inspection. Typically, these inspections are performed throughout the summer. With the readings being done earlier in the year, MERC experienced more accounts having 6-12 month reads. Farm tap accounts provide their own monthly readings with MERC being required to perform an annual read.

B. Why the average commercial installation time increased from 2011 to 2012 and why April's average commercial response time was significantly longer than other months in 2012

In reviewing these applications, it appears several of these requests — while ready for service — decided to wait until there was not a winter construction charge. The date was not updated which resulted in the appearance of service extensions being delayed.

C. Why meter adjustment and service quality complaints increased between 2011 and 2012. Specifically, whether the increase in complaints, in particular service quality, resulted from additional changes in how the Company classifies complaints or whether those complaints are due to operational or other issues

MERC initiated a new customer complaint tracking system late in 2011. Prior to that time, complaints to the Call Center were manually tracked and MERC felt not as accurate as a more automated process. Now the customer service representative needs to complete a pop up window before moving in the system. This consists of indicating whether the call is regarding a complaint and if so, what type of complaint. There is also an automated follow up that requires the customer service representative to provide the required reporting information. MERC does not believe there were any more particular types of complaints in 2012, but rather more accurate reporting.

D. Why the percentage of complaints resolved upon initial inquiry decreased from 2011 to 2012. Specifically, whether the decrease in complaints resolved upon initial inquiry was due changes in the way the Company processes disputes or whether the increase was due to some other issue

As explained above, MERC believes the complaint reporting is now more accurate than in the past and it would be difficult to compare with previous years.

E. A copy of MERC's May 1, 2012 customer complaint report required by Minnesota Rule 7820.0500

A copy of MERC's May 1, 2012 customer complaint report is attached (Attachment A).

F. Explanation of each unusual service interruption, as defined in the Department's comments on the Company's 2011 Service Quality Report; including, what caused the service interruption and why the event impacted several customers or lasted for an extended period of time

Attachment B to these reply comments provides additional information regarding the twelve "unusual service interruptions" identified, including what caused the service interruption (where known), and why the event impacted several customers or lasted for an extended period of time.

G. Further information regarding the residential explosion that occurred on September 15, 2012 and updates on the status and findings of the investigation

The investigation of the incident of September 15, 2012 at 213 Elm Street, Tracy, MN is not complete. Post-incident inspections and testing show that there were no natural gas leaks from jurisdictional piping or equipment.

H. Why monthly O&M expenses in October 2012 were noticeably different than the monthly average

In September 2012, MERC booked the performance incentive payout to its third party billing and call center vendor, Vertex. This resulted in an accrual being booked in October which overstated the October O&M. There was a reversal done in November which resulted in that month's O&M being less than other months. When averaging October and November you will note the amounts are similar to the other months.

DATED this 8th day of July, 2013.

Respectfully submitted,
DORSEY & WHITNEY LLP

/s/ Michael J. Ahern
Michael J. Ahern
50 South Sixth Street
Minneapolis, MN 55402
(612) 340-2881

Attorney for Minnesota Energy Resources Corporation

Attachment A

Attachment A

Minnesota Public Utilities Commission

Consumer Affairs Office
121 7th Place East #350
St. Paul, MN 55101-2147

ANNUAL SUMMARY OF CUSTOMER COMPLAINTS
For Year End 2012 Due May 1st Docket 377
In accordance with MINN. Reg. PSC 284

Name of Utility: Minnesota Energy Resources
Address: 2665 145TH STREET WEST, ROSEMOUNT, MN
Prepared By: Nancy Lilienthal Phone: 651-322-8902

* *

	Residential			Commercial/Industrial			Interruptible		
	Number Received	*Number Resolved*	*Number Unresolved*	*Number Received*	*Number Resolved*	*Number Unresolved*	*Number Received*	*Number Resolved*	*Number Unresolved*
I. Complaint Type									
A. Service	1040	1040		51	51				
B. Billing	199	199		20	20				
C. Rates	280	280		21	21				
D. Rules	224	224		29	29				
TOTAL COMPLAINTS	1743	1743	0	121	121	0	0	0	0

* *

	Residential	**Commercial/ Industrial**	**Interruptible**
II. A. Number of Disconnections for Nonpayment	7,029	377	0
B. Number of Escrow Forms Filed (per PSC Rule 302G)	0	0	0
III. A. Total Number of Customers (year end)	191,448	21,331	461
B. Number of Customer's Added During Year	965	-29	-47

NUMBER OF DISCONNECTS
FOR NON-PAYMENT
(By Month)

	1	2	3
JAN	73	17	
FEB	181	15	
MAR	383	44	
APR	632	78	
MAY	1688	70	
JUNE	1536	71	
JULY	1477	30	
AUG	594	18	
SEPT	270	7	
OCT	169	16	
NOV	13	3	
DEC	13	8	
TOTAL	7,029	377	0

1. Residential
2 Commercial/Industrial
3. Interruptible

Attachment B

Attachment B—Unusual Service Interruptions

Date	Address	Cause (System issue, MERC employee/contractor, or other)	Number of customers affected	Outage Duration	Cause of unusual service interruption; explanation of length and number of customers affected
1/7/2012	120 N Dugan Welcome	Other	1	1200	An individual hit a meter set with his car, causing damage and a leak. The service interruption occurred on a Saturday night. The business affected was closed over the weekend and a crew repaired it the next business day.
4/30/2012	310 Brown St Jackson	Other	1	1311	A third party-contractor was using a boring machine, pulling back pipe. Contactor did not verify the depth of the boring machine reamer and struck the underside of a service line, forcing the pipe upward and breaking the pipe at the threaded connection. The service interruption occurred at approximately 9pm. The area was made safe and a repair crew repaired the following day.
4/30/2012	50940 Miller Highway Hermantown	Other	100	540	On April 30, 2012 a contractor working on a sewer project hit a service tee on a 2 inch PE main breaking the service tee off the main and allowing gas to blow. The main was squeezed off upstream of the damage, resulting in an interruption of natural gas service to one hundred customers. After repairs were completed the main was placed back in-service and service restored to the impacted customers.
7/2/2012	111 Benjamin Jackson	Other	3	1140	An unknown service line was hit during third party contractor boring. The service line was not on maps and the meter inside the home had not been in service for years. The service interruption occurred at

					approximately 4pm. The area was evacuated and made safe by 9pm and a repair crew restored service the following morning.
7/9/2012	418 Weaver St Welcome	Other	9	1020	A contractor was installing sewer and water north of a gas main and service tee. As the contractor was completing work for the day, he smelled gas and notified the fire department and MERC. It was discovered there was a leak from the service tee. The service interruption occurred around 7 pm. A construction crew made the area safe and completed repairs to the tee and services the next day.
7/12/2012	1156 River Rd Windom	Other	1	1200	A service line was pulled out because it was not supported during installation of a water line. The service interruption occurred at approximately 4pm. The area was made safe and repairs were made the next day.
7/24/2012	1208 River Rd Windom	Other	2	1020	A service line was pulled while a new water main was being installed. The root cause was determined to be a failure to hand dig while excavating the area. The service interruption occurred at approximately 4pm. The area was made safe and repairs were made the next day.
8/8/2012	1408 Pahama Ct Rochester	Other	14	240	Contractor severed dead end main resulting in service being lost to 14 customers.
8/24/2012	Golf Course and Horseshoe Rd Cloquet	Other	74	245	On August 21, 2012 a contractor working on a road rebuild project hit a 2 inch PE main. In order to safely repair the damage, the main was squeezed off. Seventy-four customers downstream of the squeeze

					point were impacted by a natural gas service interruption. Service to impacted customers was restored after repairs were completed on the damaged main.
9/8/2012	218 N Chatfield St Dover	Other	267	390	Contractor severed main feed serving Dover, requiring turning gas off to the town. The contractor was determined to be at fault.
9/14/2012	2nd St & 9th Ave Rochester	Other	19	45	Contractor severed dead end main resulting in service being lost to 19 customers.
9/27/2012	908 Milwaukee Lakefield	Other	1	1080	Operator for GM Contracting pulled the service line from the main while digging in sewer lines. Service interruption occurred at approximately 3pm. Temporary repairs were made on September 27 and service line and main repair was completed on September 28.

Attachment C

MS Excel File Submitted Seperately

In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota

Docket No. G-007,011/GR-10-977

CERTIFICATE OF SERVICE

I, Kristin M. Stastny, hereby certify that on the 29th day of April, 2016, on behalf of Minnesota Energy Resources Corporation (MERC), I electronically filed a true and correct copy of the enclosed Decoupling Evaluation Report on www.edockets.state.mn.us. Said documents were also served via U.S. mail and electronic service as designated on the attached service list.

Dated this 29th day of April, 2016.

/s/ Kristin M. Stastny
Kristin M. Stastny

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	50 S 6th St Ste 1500 Minneapolis, MN 554021498	Electronic Service	No	OFF_SL_10-977_Official
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_10-977_Official
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	Yes	OFF_SL_10-977_Official
Michael	Auger	mauger@usenergyservices.com	U S Energy Services, Inc.	Suite 1200 605 Highway 169 N Minneaplis, MN 554416531	Electronic Service	No	OFF_SL_10-977_Official
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_10-977_Official
Kathleen M.	Brennan	kmb@mcgrannshea.com	McGrann Shea Carnival, Straughn & Lamb, Chartered	N/A	Electronic Service	No	OFF_SL_10-977_Official
Seth	DeMerritt	ssdemerritt@integrysgroup.com	MERC (Holding)	700 North Adams P.O. Box 19001 Green Bay, WI 543079001	Electronic Service	No	OFF_SL_10-977_Official
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, 1400 BRM Tower St. Paul, MN 55101	Electronic Service	No	OFF_SL_10-977_Official
Richard	Eichstadt	richard.eichstadt@poet.com	Poet Biorefining - Preston	701 Industrial Dr N PO Box 440 Preston, MN 55965	Electronic Service	No	OFF_SL_10-977_Official
Darcy	Fabrizius	Darcy.fabrizius@constellation.com	Constellation Energy	N21 W23340 Ridgeview Pkwy Waukesha, WI 53188	Electronic Service	No	OFF_SL_10-977_Official

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Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	OFF_SL_10-977_Official
Eric	Johnson	Eric.Johnson@ever-greenenergy.com	Ever-Green Energy	1350 Landmark Towers 345 St. Peter Street St. Paul, MN 55102	Electronic Service	No	OFF_SL_10-977_Official
David G.	Kult	dgkult@minnesotaenergyresources.com	Minnesota Energy Resources Corporation	2665 145th St. NW Rosemount, MN 55068	Electronic Service	No	OFF_SL_10-977_Official
David	Kyto	djkyto@integrysgroup.com	Integrys Business Support	700 North Adams PO Box 19001 Green Bay, WI 543079001	Electronic Service	No	OFF_SL_10-977_Official
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