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November 1, 2008

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

**PUBLIC DOCUMENT – TRADE SECRET  
DATA HAS BEEN EXCISED**

Re: In the Matter of the Petition of Minnesota Energy Resources Corporation – PNG  
for Approval of a Change in Demand Entitlement for its Great Lakes Gas  
Transmission System; Docket No. \_\_\_\_\_

Dear Dr. Haar:

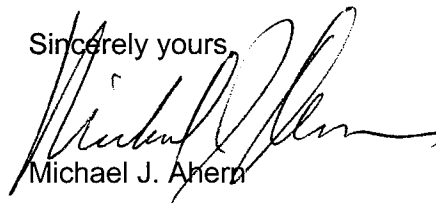
In accordance with Minnesota Rule 7825.2910, subpart 2, please find the public and nonpublic versions of Minnesota Energy Resources Corporation's (MERC) request to change demand entitlement. In particular, MERC proposes to change demand levels by type on the Great Lakes Gas Transmission (GLGT) system for customers served by MERC-PNG effective November 1, 2008.

Please note that page 16 of the Petition and Attachments 5 and 9 contain financial information with independent economic value that is not generally known to, and not readily ascertainable by, competitors of MERC, who could obtain economic value from its disclosure. MERC maintains this information as secret. Accordingly this data qualifies as trade secret data as defined in Minn. Stat. § 13.37, subd. 1(b), and MERC requests that the data be treated as trade secret information.

In accordance with Minnesota Rule 7825.2910, subpart 3, a Notice of Availability has been sent to all intervenors in Aquila Networks-PNG's previous two rate cases.

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

Sincerely yours,

  
Michael J. Ahern

Enclosures  
cc: Service List

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David C. Boyd	Chair
J. Dennis O'Brien	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner
Betsy Wergin	Commissioner

In the Matter of the Petition of Minnesota )  
Energy Resources Corporation – PNG )  
for Approval of a Change in Demand ) Docket No. \_\_\_\_\_  
Entitlement for its Great Lakes Gas )  
Transmission System )

**FILING UPON CHANGE IN DEMAND**

Pursuant to Minnesota Rule 7825.2910, subpart 2 (Filing Upon Change in Demand), Minnesota Energy Resources Corporation - PNG (MERC or the Company), hereby petitions the Minnesota Public Utilities Commission (Commission) for approval of changes in demand entitlements for MERC's Minnesota customers served off of the Great Lakes Gas Transmission (GLGT or Great Lakes) system. MERC requests that the Commission approve the requested changes to be recovered in the Purchased Gas Adjustment (PGA) effective on November 1, 2008.

This filing includes the following attachments:

- |                      |   |
|----------------------|---|
| <b>Attachment 1:</b> | Notice of Availability.   |
| <b>Attachment 2:</b> | One paragraph summary of the filing in accordance with Minn. R. 7829.1300, subp. 1. |
| <b>Attachment 3:</b> | Petition for Change in Demand with Attachments.                                     |

**Attachment 4:**

**Affidavit of Service and Service List.**

The following information is provided in accordance with Minn. R. 7829.1300:

**1. Summary of Filing**

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing is attached.

**2. Service**

Pursuant to Minn. R. 7829.1300, subp. 2, MERC has served a copy of this filing on the Department of Commerce and the Office of the Attorney General – Residential Utilities Division. The summary of the filing has been served on all parties on the attached service list. Additionally, pursuant to Minn. R. 7825.2910, subp. 3, a Notice of Availability has been sent to all intervenors in Aquila Networks – PNG’s previous two rate cases.

**3. General Filing Information**

**A. Name, Address, and Telephone Number of the Utility**

Minnesota Energy Resources Corporation  
2665 145th Street West  
Box 455  
Rosemount, MN 55068-0455  
(651) 322-8901

**B. Name, Address, and Telephone Number of Attorney for the Utility**

Michael J. Ahern  
Dorsey & Whitney LLP  
50 S. Sixth Street, Suite 1500  
Minneapolis, MN 55402-1498  
(612) 340-2881

**C. Date of the Filing and Proposed Effective Date**

Date of filing: November 3, 2008  
Proposed Effective Date: November 1, 2008

**D. Statute Controlling Schedule for Processing the Filing**

Minnesota Statutes and related rules do not provide an explicit time frame for action by the Commission.

**E. Utility Employee Responsible for the Filing**

Gregory J. Walters  
519 First Avenue SW  
P.O. Box 6538  
Rochester, MN 55903-6538  
(507) 529-5100

If additional information is required, please contact Michael J. Ahern at: (612) 340-2881.

DATED: November 3, 2008

Respectfully Submitted,

DORSEY & WHITNEY LLP

By 

Michael J. Ahern

Suite 1500, 50 South Sixth Street  
Minneapolis, MN 55402-1498  
Telephone: (612) 340-2600

Attorney for Minnesota Energy  
Resources Corporation

November 3, 2008

All Intervenors

**Notice of Availability**

Please take notice that Minnesota Energy Resources Corporation-PNG has filed a petition with the Minnesota Public Utilities Commission for approval of a change in demand entitlements.

To obtain copies, or if you have any questions, please contact:

Gregory J. Walters  
Minnesota Energy Resources Corporation  
519 1st Ave SW  
Rochester, MN 55902  
507-529-5100.

Please note that this filing is also available through the eDockets system maintained by the Minnesota Department of Commerce and the Minnesota Public Utilities Commission. You can access this document by going to eDockets through the websites of the Department of Commerce or the Public Utilities Commission or going to the eDockets homepage at:

<https://www.edockets.state.mn.us/EFiling/home.jsp>

Once on the eDockets homepage, this document can be accessed through the Search Documents link and by entering the date of the filing.

STATE OF MINNESOTA  
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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In the Matter of the Petition of Minnesota )  
Energy Resources Corporation – PNG )  
for Approval of a Change in Demand ) Docket No. \_\_\_\_\_  
Entitlement for its Great Lakes Gas )  
Transmission System )

**SUMMARY OF FILING**

Pursuant to Minnesota Rule 7825.2910, subpart 2 (Filing Upon Change in Demand), Minnesota Energy Resources Corporation - PNG (MERC or the Company), hereby petitions the Minnesota Public Utilities Commission (Commission) for approval of changes in demand entitlements for MERC's Minnesota customers served off of the Great Lakes Gas Transmission (GLGT or Great Lakes) system. MERC requests that the Commission approve the requested changes to be recovered in the Purchased Gas Adjustment (PGA) effective on November 1, 2008.

**PUBLIC DOCUMENT – TRADE SECRET DATA EXCISED**

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

David C. Boyd  
J. Dennis O'Brien  
Thomas Pugh  
Phyllis A. Reha  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Petition of )  
Minnesota Energy Resources )  
Corporation – PNG For Approval )  
of a Change in Demand Entitlement )

FILING UPON CHANGE IN DEMAND

DOCKET NO. \_\_\_\_\_

PETITION FOR CHANGE IN DEMAND

I. INTRODUCTION

Pursuant to Minnesota Rule 7825.2910, subpart 2 (Filing Upon Change in Demand), Minnesota Energy Resources Corporation - PNG (MERC or the Company), a division of Integrys Energy Group, Inc. (TEG), hereby petitions the Minnesota Public Utilities Commission (Commission) for approval of changes in demand entitlements for MERC's Minnesota customers served off of the Great Lakes Gas Transmission (GLGT or Great Lakes) system. MERC requests that the Commission approve the requested changes to be recovered in the Purchased Gas Adjustment (PGA) effective on November 1, 2008.

II. DISCUSSION

A. MERC's PNG-GLGT Design Day Requirements

MERC's 2008-2009 PNG-GLGT design day requirements increased 749 Mcf (or approximately 7.84 percent) from 9,550 Mcf to 10,299 Mcf.

**Table 1: MERC's Proposed Reserve Margins  
For the 2007-2008 Heating Season  
GLGT PNG**

	Reserve Margin 2008-2009 Heating Season	Reserve Margin 2007-2008 Heating Season	Change
GLGT-PNG	1.95%	4.71%	-2.76%

As shown in Table 1 and Attachment 3, MERC's proposed system wide reserve margin for PNG-GLGT for the 2008-2009 heating season is positive.

For the Demand Entitlement filing effective November 1, 2008, the total Design Day requirement for Great Lakes Gas Transmission (GLGT), is 10,299 Dth as calculated in Attachment 1, Page 2 and Attachment 3.

For the Demand Entitlement filing effective November 1, 2008, the total Design Day capacity on GLGT, is 10,500 Dth as calculated in Attachment 3.

The difference between the total Design Day requirement and total Design Day capacity results in a 1.95% positive reserve margin.

B. Forecast Methodology for MERC Demand Entitlement Nov. 1, 2008

**Peakday**



**Purpose**

Gather data and perform analysis used in the “Petition for Change in Demand” for Minnesota Energy Resources Corporation – PNG and Minnesota Energy Resources Corporation – NMU for “Approval of a Change in Demand Entitlement” to be sent to the Minnesota Public Utilities Commission, otherwise known as the “MERC Demand Entitlement Filings”.

**Background**

MERC is composed of two service areas:

1. PNG - Peoples Natural Gas (company – approximately 170,000 customers)
2. NMU - Northern Minn Utility (company – approximately 40,000 customers)

Which are served by four pipelines:

3. VGT - Viking Gas Transmission system (serves both PNG and NMU)
4. NNG- Northern Natural Gas pipeline (serves both PNG and NMU)
5. GLGT - Great Lakes Gas Transmission pipeline (serves both PNG and NMU)
6. Centra - Centra pipeline (serves NMU)

Four Petitions for Change in Demand are filed (one for each of PGAC):

- A. PNG customers served off of VGT = PNG – VGT
- B. PNG customers served off of GLGT = PNG - GLGT
- C. PNG customers served off of NNG = PNG - NNG
- D. All NMU customers - served off NNG, GLGT, VGT & Centra = NMU

Weather data is obtained from six weather stations:

1. International Falls
2. Bemidji
3. Cloquet

4. Fargo
5. Minneapolis
  
6. Rochester

For analytical purposes, data is subdivided, analyzed and regressed by the following eight demand areas:

	<b>Demand Area (Service Area / Pipeline)</b>	<b>PGAC</b>	<b>Weather Station(s)</b>
1	NMU-Centra	NMU	International Falls
2	NMU-GLGT *	NMU	Bemidji & Cloquet
3	NMU-NNG	NMU	Cloquet
4	NMU-VGT *	NMU	Bemidji & Fargo
5	NMU-GLGT&VGT*	NMU	Bemidji & Fargo
6	PNG-GLGT	PNG-GLGT	Bemidji & Cloquet
7	PNG-NNG	PNG-NNG	Minneapolis, Rochester & Cloquet
8	PNG-VGT	PNG-VGT	Bemidji & Fargo

\* Thief River Falls is included only in NMU-GLGT&VGT

## **2008 Analytical Approach**

### **Summary**

1. Obtain daily weather data for each weather station as shown in Attachment 13
2. Obtain daily total throughput volumes by pipeline
3. Perform total throughput peak day regressions
4. Subtract interruptible, transport, and joint interruptible expected peak day load volumes based on monthly billing data
5. Add back Daily Firm Capacity (DFC) customer selections
6. Apply sales forecast growth rates

### **Detail**

The Peak Day Forecasting Team (the Team) followed a data-driven approach for the MERC 2008/09 Peak Day Forecast. Since the forecast is for a peak day, the best daily data available is required to provide the best estimate. Theoretically, the peak day regression should

be performed using daily net firm load by service area, pipeline, and weather station. A review of the data available indicated that the two best daily data sources are the daily weather data by weather station and the daily throughput data by Town Border Station (TBS) and pipeline meter. (Some pipeline meters are dedicated to a TBS, and some are dedicated to individual customers.)

Most of the interruptible, transportation, and joint interruptible data available is from monthly billing record excerpts provided by ADS/Vertex, an external vendor that has been providing billing services to MERC-PNG and MERC-NMU.

The Team proposed an approach different from the one used last year that would:

- Make the best use of the best available data.
- Isolate the effects the monthly billing cycle data has on the Peak Day forecast so that the new process can be easily updated as better data is available.
- Provide a basis for future risk adjustment to the forecast.

The MERC 2009 Peak Day Process consisted of:

- I. Data Preparation
- II. Regression Generation of Net Daily Metered Volumes
- III. Adjusting the Regression Results to a Firm peak day estimate

I. The **Data Preparation** Steps consisted of:

- Identify the coldest Adjusted Heating Degree Day (AHDD) in the last 20 years for each weather station.
- Determine the most recent three, four, and five years of December through February daily total metered throughput for the eight demand areas by weather station.

- Subtract the daily pipeline meter readings for all non-firm customers with daily pipeline meter readings available for all three, four, or five December through February years from the total throughput for each demand area and weather station. Use the resulting net daily metered volumes for regressions. Examples of non-firm customer meter readings subtracted from the demand area total daily throughputs are paper mills, direct-connects, taconites, and off-system end users. (see “Adjusting the Regression Results to a Firm Peak Day Estimate” below)

- Determine how to map the monthly billing data to the eight demand areas.

Each daily weather station data file was searched to find the coldest Adjusted Heating Degree Day (AHDD) in the last 20 years. This 1-in-20 approach is consistent with prior years. The results are provided in the following table:

<u>Station</u>	<u>Date</u>	<u>Avg. Temp</u>	<u>Avg. Wind</u>	<u>HDD</u>	<u>AHDD</u>
Bemidji	2/1/1996	-34	8	99	107
Cloquet	2/2/1996	-31	7	96	103
Fargo	1/18/1996	-16	34	81	109
International Falls	2/2/1996	-34	8	99	107
Minneapolis	2/2/1996	-25	8	90	97
Rochester	2/2/1996	-27	10	92	101

The daily throughput data was provided by pipeline and meter, with each meter on each pipeline mapped to one of the weather stations shown in the above chart. Each meter was also designated as either PNG or NMU. As noted above, some of the meters represented a TBS. Some meters were dedicated to a customer who is not a firm service customer of either PNG or NMU. For example, certain transportation, interruptible, direct-connect, and taconite customers have their own meter, but are not counted as firm service customers.

In a more nearly ideal world, the Team would have also had daily telemetered data from each interruptible, transportation, and joint interruptible customer mapped to each of the eight demand areas and related weather stations. This was the case for a handful of paper mills, direct-connects, taconites, and off-system end users. The rest of the interruptible, transportation, and joint interruptible data was available based on monthly billing cycle data that introduces billing lag, meter read lag (not all meters were read every month resulted in billing cycle estimates and reversals), and other potential errors into their volumes.

The Team was faced with the choice of either:

1. Trying to “invent” daily meter readings from this monthly data and subtract the estimated daily meter readings from the actual metered daily throughput to arrive at a daily firm load estimate, or
2. Generate regressions of the daily throughput data available less the known daily meter readings for non-firm customers and adjust those regressions for the estimated peak day impact of the other non-firm customers who do not have daily readings.

The Team’s consensus was that the second approach introduced much less error into the data and regressions than trying to guess how to allocate monthly billing cycle data to daily when the load factors and relative temperature sensitivity of the non-daily-metered customers was not known. Using only the daily metered data for the regressions makes the best use of the best data available and provides insights into the total daily metered load that could be active on a peak day even if supply access at the non-firm pipeline meters were shut off.

II. The **Regression Generation of Net Daily Metered Volumes** consisted of:

- For each of the eight Demand Areas (Service Area / Pipeline):
  1. Gather the net daily metered volumes and weather station AHDD<sup>1</sup>.
  2. If more than one weather station is represented in a given demand area, weight each weather station's AHDD by the total December through February metered volumes attributable to that weather station. This weighting is computed separately for the five-year, four-year, and three-year regressions as the relative load attributed to the different weather stations changes based on factors such as customer growth (or loss) and conservation.
  3. Add indicator variables for day-type and month. Day-type variables are used to isolate load that changes by day of the week, such as commercial or industrial customers who may change their consumption on weekends when they run fewer shifts. Month indicator variables are used to isolate load that changes based on winter month, such as businesses that are open extra hours in December and resume normal operating hours in January.
  4. Perform three ordinary least squares linear regressions for each of the 5-year, 4-year, and 3-year time frames:
    - All: Use the weighted AHDD and all indicator variables to determine which are statistically significant.

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<sup>2</sup> Temperature and weather data was obtained from Weather Bank/DTN via TherMaxx then converted to HDD and AHDD in an Excel spreadsheet by MERC – Gas Supply. Temperature and wind data is from midnight to midnight.

- Significant or S: Use only the independent variables that the “All” run showed to be statistically significant, i.e. those having T-Stats higher than 2.0 or less than minus 2.0.
  - AHDD: Use only the AHDD variable.
5. Summarize the Baseload and Use/AHDD from each regression.
  6. Calculate a point estimate from each regression based on the baseload value plus the Use/AHDD coefficient times the coldest AHDD in 20 years (weighted if using more than one weather station).

After reviewing the results of the above regressions internally, the 3-year regressions using statistically significant independent variables were selected as being the most representative of the current system customers. The results of the 3-Year Significant, or “3-Yr S” regressions were then checked for reasonableness by comparing the point estimate against every day of the original five years of data, adding the estimated heat load required to weather-adjust the actual data to design AHDD conditions. For a perfectly normal distribution based on a perfectly homogeneous population, the point estimate would have 50% of the adjusted data above it, and 50% of the adjusted data below it. In practice, perfectly normal distributions and perfectly homogeneous populations are rare. For instance, over a five year time period, customers may be added or lost, and the customers that are present for all five years may change their preferences for usage (such as setting the thermostat higher or lower or by adding insulation or adopting other conservation measures). Taking those factors into consideration, the results of the reasonableness test were reasonable, with the AHDD-adjusted actual daily metered volumes exceeding the “3-

Yr S” point estimates an average of 46% of the time (PNG-GLGT was lowest with 34.7% and NMU-VGT was highest with 59.1%).

**III. Adjusting the Regression Results to a Firm Peak Day Estimate** consisted of:

**A. Subtract interruptible, transport, and joint interruptible expected peak day load volumes based on monthly billing data**

In order to determine firm peak day load, volumes contained in the daily pipeline meter readings for interruptible, joint interruptible and transportation customers needed to be isolated and removed. While it would have been ideal to have daily billing data for all customers, most of the interruptible, transportation, and joint interruptible data was, in most cases, only available from monthly billing records<sup>2</sup>. An unfortunate, but unavoidable consequence was that this data was based on monthly billing cycles that introduce billing lag, meter read lag (not all meters were read every month resulted in billing cycle estimates and reversals), and other potential errors into their volumes.

A database of volumes billed for all customers from July 2006 through February 2008 was obtained. The database contained detail by customer class<sup>3</sup>, calendar month, (service) area, city, location, zip code and responsibility center. The billing database was provided by ADS/Vertex, an outside firm that has been providing billing services to MERC. Sales and Revenue Forecasting had previously adjusted the billing data to properly fit the appropriate calendar month of consumption by apportioning billed volumes, i.e. for a bill covering February 15 to March 15, volumes were split evenly between February and March.

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<sup>2</sup> Individual daily volumes were available for a handful of paper mills, direct-connects, taconites, and off-system end users.

<sup>3</sup> Transportation, Interruptible, Joint Interruptible, Residential, Large Commercial & Industrial and Small Commercial & Industrial



Volumes for the interruptible, transportation and joint interruptible customer classes (INTER, TRANS and JINTER classes) needed to be mapped to the appropriate regression demand area, and were then summed. This billing data included consumption that was billed, but not included in the daily metered volumes for several large specific customers (paper mills, direct-connects, taconites, and off-system end users), and therefore needed to be removed from the gross interruptible, transportation and joint interruptible totals. Such customers were identified, mapped to the demand areas, summed and subtracted from the interruptible, transportation and joint interruptible customer classes totals. The following peak demand estimation method based on the highest monthly total from the winter of 2008 was then used to calculate the amount to subtract from the results of the data regressions for each demand area:

*The MERC-PNG and MERC-NMU tariff General Rules, Regulations, Terms, and Conditions Section 1.N “Maximum Daily Quantity (MDQ)” on Original Sheet No. 8.04:*

*N. Maximum Daily Quantity (MDQ):*

*The amount calculated by dividing the volumes consumed by a particular customer during the highest historical peak month of usage for that customer by twenty (20).*

*Company will estimate a peak month for new customers. A Maximum Daily Quantity may also be established through direct measurement or other means (i.e. estimating the peak day requirements after installation of new processing equipment or more energy efficient heating systems) if approved by [the] Company.*

**B. Add back Daily Firm Capacity (DFC) customer selections**

While interruptible, joint interruptible and transportation customer volumes were removed (as described above), in order to determine firm peak day load, daily firm capacity selections needed to be added back. The Sales and Revenue Forecasting department provided historical monthly DFC data for 59 “joint interruptible” customers from January 2007 through May 2008 that showed the volume that each customer has selected to receive as firm service from MERC each month. Assistance was required from MERC Gas Supply to properly assign these 59 customers to the appropriate regression demand area. Once assigned, the daily firm capacity volumes were summed by month for each demand area. The total volumes for January 2008 were then added back to the adjusted regression results.

### **C. Apply Sales Forecast Growth Rates**

The throughput volumes used in the data regressions were from 2008 and needed to be adjusted to properly forecast 2009. The sales forecast “MERC Fcst 200806”, as approved by the Gas Planning Committee, was used to determine a growth rate for each demand area. Because the Peak Day Forecast is based on firm load, General Service volumes (GS - residential, commercial and industrial firm) were used as a proxy to calculate growth rates. These growth rates were then applied to the adjusted regression results.

### **Major Differences from 2007 Approach to the 2008 Approach**

1. In 2007, estimates of the daily transport and interruptible volumes were removed from the total metered daily throughput to get estimated daily firm load before any regressions were performed. This was done by dividing monthly billing data by the number of days in the month, then subtracting these daily estimated volumes for transport and interruptible customers from total daily metered throughput. This method assumed

transport and interruptible loads are not weather sensitive, but more process load. In 2008, no attempt was made to convert monthly volumes to daily amounts. Transport and interruptible volumes were backed out after regressions were performed on measured daily throughput volumes.

2. In 2007, changes in customer counts were used to calculate growth rates. In 2008, forecasted changes in volumes were used
3. In 2007, Farm Taps were handled uniquely, whereas in 2008, they were not treated different from any other customer.

#### **Demand Area / (Service Area / Pipeline) Regression Notes**

##### NMU-GLGT

Paper Mills = Ainsworth and Blandon in Bemidji, and Sappi and USG in Cloquet

##### NMU-GLGT

Direct Connects = U.S Gypsum

##### NMU-VGT

Note: Discussions were held regarding how best to handle Lamb Weston (RDO) and the decision was to include these volumes in the regression analysis. If 3 years of daily usage were available, consideration would have been given to excluding from the regression and then consistently removing comparable volumes along with the interruptible and transportation volumes.

##### PNG-NNG

Taconites / Direct Connects =

- CCI EMPIRE IND DEL PT 2 TILDEN
- CCI NORTSHORE

- EVELETH TACONITE
- HIBBING TACONITE CO.
- U.S. STEEL
- NATIONAL STEEL PELLET
- COTTAGE GROVE TBS LS POWER
- INLAND STEEL
- HANNA MINING

PNG-NNG

OSEU (EndUsers) =

- CORRECTIONAL CTR
- GRAND CASINO HINCKLEY
- KEMPS LLC
- KERRY BIO-SCIENCE
- LAKESIDE
- LAND OF LAKES
- PRO-CORN
- SWIFT

**Daily Design Day Estimate to Actual Comparison**

In the 2007 demand entitlement dockets, MERC agreed to include a daily estimate utilizing the design day model which is calculated in Attachment 10. The daily estimate is compared to actual consumption. The actual volumes is total through-put which includes interruptible and transportation volumes that are located behind MERC citygates. This does not include any transportation volumes that are directly connected with NNG pipeline. The Design

Day model only calculates firm volumes. MERC does not forecast on a daily/monthly basis utilizing the Design Day model. The Design Day model is utilized to calculate the theoretical peak day.

### **Average Customer Counts**

In the 2007 demand entitlement dockets, MERC agreed to include average customer counts which is provided in Attachment 11.

#### **C. MERC's Specific GLGT Proposed Demand-Related Changes**

There are two types of demand entitlement changes. The first type is design day deliverability, which, in this case, there is no change in the amount of firm transportation capacity actually available to MERC's PNG-GLGT customers during winter peak periods. The second type does not affect design day deliverability levels, but alters the capacity portfolio and the PGA costs recovered from customers.

##### **1. Design Day Deliverability Changes**

As shown in PNG-GLGT Attachment 6 , MERC PNG-GLGT proposes an increase in design day deliverability for the upcoming heating season.

##### **2. Other Demand Entitlement Changes**

As shown in the Attachment 6, MERC PNG-GLGT proposes a decrease of FT0011 capacity in other pipeline entitlements that are not included in peak day deliverability. This agreement was terminated.

**PUBLIC DOCUMENT – TRADE SECRET DATA EXCISED**

D. Financial Option Units and Premiums

- i. MERC entered into New York Mercantile Exchange (NYMEX) financial Call Options for the upcoming 2008/2009 winter (November through March). Please see Attachment 5.
- ii. Total premium cost to enter into the financial Call Options on behalf of MERC's firm customers amounted to \$237,239 for the 2008/2009 winter. Please see Attachment 5.
- iii. MERC entered into [TRADE SECRET DATA BEGINS  
**TRADE SECRET DATA ENDS]** Total premium per contract is approximately [TRADE SECRET DATA BEGINS  
**TRADE SECRET DATA ENDS]** Please see Attachment 5.
- iv. Please see Attachment 5 for the various contract dates.
- v. Please see Attachment 5 for the various contract prices.
- vi. MERC believes a diversified portfolio approach towards hedging is in the best interest of MERC's firm customers. MERC implemented a 40% fixed price (storage and physical fixed price purchases), 30% financial call options and 30% market based prices, assuming normal weather. A dollar-cost-averaging approach is utilized in purchasing the hedging portfolio. Although this hedging strategy will most likely not provide the lowest priced supply, it does meet MERC's stated objectives of providing

reliable and reasonably priced natural gas and mitigates natural gas price volatility. Please see Attachment 9, Page 1 of 2.

E. Gas Supply.

The PNG-GLGT 2008-2009 Winter Portfolio Plan - Minnesota Energy Resources Corporation for GLGT gas supply purchases for the Hedging Plan is in Attachment 9, page 2.

F. PGA Cost Recovery

MERC proposes to begin recovering the costs associated with the change in demand-related costs in its monthly PGA effective November 1, 2008. Rate impacts can be found on Attachment 4 and Attachment 7.

II. CONCLUSION

Based upon the foregoing, MERC respectfully requests the Minnesota Public Utilities Commission grant the demand changes requested herein effective November 1, 2008. If any further information, clarification, or substantiation is required to support this filing please advise.

DATED: November 3, 2008

Respectfully Submitted,

DORSEY & WHITNEY LLP

By

  
Michael J. Ahern

Suite 1500, 50 South Sixth Street  
Minneapolis, MN 55402-1498  
Telephone: (612) 340-2600

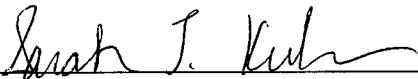
Attorney for Minnesota Energy  
Resources Corporation



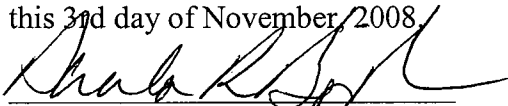
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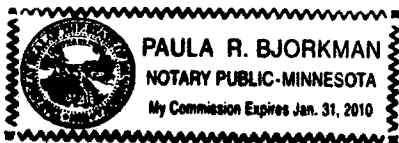
STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF HENNEPIN        )

Sarah J. Kerbeshian, being first duly sworn on oath, deposes and states that on the 3rd day of November, 2008, the Petition of Minnesota Energy Resources Corporation-PNG for Approval of a Change in Demand Entitlement was electronically filed with the Minnesota Public Utilities Commission and the Minnesota Department of Commerce, the Petition was provided via United States first class mail to the individuals on the attached service list at the Office of the Attorney General, and a Summary of the Filing was provided via United States first class mail to the remaining individuals on the attached service list. Additionally, a Notice of Availability was provided via United States First Class Mail to all intervenors in Aquila Networks-PNG's previous two rate cases.

  
\_\_\_\_\_

Subscribed and sworn to before me  
this 3rd day of November, 2008.

  
\_\_\_\_\_  
Notary Public, State of Minnesota



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# MINNESOTA ENERGY RESOURCES

## DESIGN-DAY DEMAND SUMMARY

NOVEMBER 1, 2008

GLGT

Design Day Requirement	10,299
Total Entitlement on Peak Day(excl. Peak Shaving)	10,500
Firm Peak Day Actual Sendout -Non Coincidental (Jan. 29)	5,063
Firm Annual Throughput - Minnesota	924,464
No. of Firm Customers	5,874
DPS Load Factor Calculation	50.03%

**MINNESOTA ENERGY RESOURCES - PNG**

**MINNESOTA DESIGN DAY REQUIREMENTS**

**NOVEMBER 1, 2008**

**GLGT**

Pipeline Group	Nov07-Mar 08 Avg. Customer Count	1/20 Design DDD	Regression Factors		Regression Total Footnote 1	Regression Adjustment Footnote 2	1/20 Requirements Regression Load Footnote 3	Nov07-Mar 08 Avg. Customer Growth	Total
			Intercept	Slope					

PEAK									
	5,874	107	499	109	12,159	1,787	10,372	-0.7%	10,299
<b>Total</b>	5,874								10,299

OFF PEAK									
	5,874	57	499	109	6,710	1,041	5,669	-0.7%	5,629
<b>Total</b>	5,874								5,629

**Footnote** Regression Total is based on total through-put data.

**Footnote** Regression Adjustment subtracts out Interruptible, Transportation and Joint Interruptible volumes and adds Firm Joint volumes.

**Footnote** Total equals Regression Total minus Regression Adjustment.

\*All the requirements are adjusted by customer growth

**MINNESOTA ENERGY RESOURCES**

**DESIGN-DAY DEMAND PER CUSTOMER**

**NOVEMBER 1, 2008**

**GLGT**

<b><u>Heating Season</u></b>	<b><u>No. of Firm Customers</u></b>	<b><u>Design Day Requirements</u></b>	<b><u>MMBtus /Customer /Day</u></b>
08/09	5,874	10,299	1.75
07/08	5,816	9,550	1.64
06/07	5,747	9,543	1.66
05/06	5,679	9,510	1.67
04/05	5,514	9,449	1.71
03/04	5,411	9,647	1.78
02/03	5,278	7,988	1.51

# MINNESOTA ENERGY RESOURCES

SUMMER/WINTER USAGE - Mcf  
PROJECTED 12 MONTHS ENDING JUNE 2008  
GLGT

<u>Class</u>	<u>Summer Apr-Oct</u>	<u>Winter Nov-Mar</u>	<u>Total</u>
GS	226,711	666,239	892,950
SVI	4,271	14,671	18,942
SVJ	<u>11,321</u>	<u>20,193</u>	<u>31,514</u>
<b>Total</b>	<u>242,303</u>	<u>701,103</u>	<u>943,406</u>

**MINNESOTA ENERGY RESOURCES**

**ENTITLEMENT LEVELS**

**PROPOSED TO BE EFFECTIVE NOVEMBER 1, 2008**

**GLGT**

<u>Type of Capacity or Entitlement</u>	<u>Current Amount Mcf or MMBtu</u>	<u>Proposed Change Mcf or MMBtu</u>	<u>Proposed Amount Mcf or MMBtu</u>
FT0017	4,105	0	4,105
FT0075	1,973	0	1,973
FT0155(12)	2,422	0	2,422
FT0155(5)	1,500	0	1,500
FT8466	0	500	500
T-11	423	0	423
Heating Season Total	10,000		10,500
Non-Heating Season Total	8,923		8,923
<b>Total Entitlement</b>	<b>10,000</b>	<b>500</b>	<b>10,500</b>
Heating Season Forecasted Design Day	9,550		10,299
Non-Heating Season Forecasted Design Day	5,627		5,629
Heating Season Capacity Surplus/Shortage	450		201
Non-Heating Season Capacity Surplus/Shortage	3,296		3,294

## MINNESOTA ENERGY RESOURCES - PNG

### RATE IMPACT OF THE PROPOSED DEMAND CHANGE

NOVEMBER 1, 2008

All costs in \$/MMBtu	Last Rate Case G011 GR-92-132	Last Demand Change G011/ M06-XXXX Nov. 06	Last Demand Change G011/ M07-XXXX Nov. 07	GLGT Most Recent PGA Oct. 08	Current Proposal Effective Nov. 1, 2008	Result of Proposed Change			
						Change from Last Rate Case	Change from Last Demand Change	Change from Last PGA	Change from Last PGA \$

1) General Service: Avg. Annual Use:						167	Mcf			
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564	
Demand Cost	\$0.2068	\$0.9106	\$0.8835	\$0.8000	\$0.8491	310.60%	-6.75%	6.15%	\$0.0492	
Commodity Margin	\$1.1771	\$1.1771	\$1.1771	\$0.1626	\$0.1626	-86.18%	-86.18%	0.00%	\$0.0000	
Total Cost of Gas	\$4.2216	\$9.4375	\$9.0229	\$7.9062	\$8.0118	89.78%	-15.11%	1.34%	\$0.1056	
Avg Annual Cost	\$705.01	\$1,576.06	\$1,506.82	\$1,320.33	\$1,337.96	89.78%	-15.11%	1.34%	\$17.63	
Effect of proposed commodity change on average annual bills:									\$9.42	
Effect of proposed demand change on average annual bills:									\$8.21	

2) Small Vol. Interruptible: Avg. Annual Use:						3,063	Mcf			
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564	
Demand Cost										
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$0.1243	\$0.1243	-86.18%	-86.18%	0.00%	\$0.0000	
Total Cost of Gas	\$3.7377	\$8.2498	\$7.8623	\$7.0679	\$7.1243	90.61%	-13.64%	0.80%	\$0.0564	
Avg Annual Cost	\$11,448.58	\$25,269.14	\$24,082.22	\$21,649.10	\$21,821.85	90.61%	-13.64%	0.80%	\$172.75	
Effect of proposed commodity change on average annual bills:									\$172.75	
Effect of proposed demand change on average annual bills:									\$0.00	

3) Small Vol. Firm: Avg. Annual Use:						5,148	Mcf			
Avg. Annual GD units:						51				
Commodity Cost	\$2.8377	\$7.3498	\$6.9623	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564	
Demand Cost	\$1.6270	\$3.4580	\$3.4580	\$3.4580	\$3.4580	112.54%	0.00%	0.00%	\$0.0000	
Commodity Margin	\$0.9000	\$0.9000	\$0.9000	\$0.1243	\$0.1243	-86.18%	-86.18%	0.00%	\$0.0000	
Demand Margin	\$1.5000	\$1.5000	\$1.5000	\$2.0724	\$2.0724	38.16%	38.16%	0.00%	\$0.0000	
Total Cost of Gas	\$3.7377	\$8.2498	\$7.8623	\$7.0679	\$7.1243	90.61%	-13.64%	0.80%	\$0.0564	
Total Demand Cost	\$3.1270	\$4.9580	\$4.9580	\$5.5304	\$5.5304	76.86%	11.54%	0.00%	\$0.0000	
Avg Annual Cost	\$19,401.16	\$42,722.83	\$40,727.98	\$36,667.81	\$36,958.15	90.49%	-13.49%	0.79%	\$290.35	
Effect of proposed commodity change on average annual bills:									\$290.35	
Effect of proposed demand change on average annual bills:									\$0.00	

Note: Average Annual Average based on PNG Annual Automatic Adjustment Report in Docket No. E, G999/AA-05-1403





**MINNESOTA ENERGY RESOURCES - PNG-GLGT**

**Financial Options**  
Heating Season 2008-2009

[TRADE SECRET DATA BEGINS

Units - Gas Daily Packages

No Gas Daily Peakers were purchased

Units - Call Option (Daily Volume)

<u>November</u>		<u>December</u>		<u>January</u>		<u>February</u>		<u>March</u>		<u>Daily Total</u>	<u>Term Total</u>
<u>Contract Date</u>	<u>Daily Volume</u>	<u>Contract Date</u>	<u>Daily Volume</u>	<u>Contract Date</u>	<u>Daily Volume</u>	<u>Contract Date</u>	<u>Daily Volume</u>	<u>Contract Date</u>	<u>Daily Volume</u>		

Total	<u>1,000</u>	<u>1,613</u>	<u>1,613</u>	<u>1,429</u>	<u>1,290</u>	<u>6,945</u>	<u>210,000</u>
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Premium - Call Option (Monthly Cost)

<u>November</u>		<u>December</u>		<u>January</u>		<u>February</u>		<u>March</u>		<u>Total</u>	
<u>Option Premium</u>	<u>Cost</u>	<u>Option Premium</u>	<u>Cost</u>	<u>Option Premium</u>	<u>Cost</u>	<u>Option Premium</u>	<u>Cost</u>	<u>Option Premium</u>	<u>Cost</u>	<u>Option Premium</u>	<u>Cost</u>

Total	<u>\$ 0.9405</u>	<u>\$ 28,216</u>	<u>\$ 0.9620</u>	<u>\$ 48,099</u>	<u>\$ 1.1427</u>	<u>\$ 57,136</u>	<u>\$ 1.3178</u>	<u>\$ 54,596</u>	<u>\$ 1.2298</u>	<u>\$ 49,192</u>	<u>\$ 1.1297</u>	<u>\$ 237,239</u>
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Units - Collar Floor (put)

No Puts were purchased.

TRADE SECRET DATA ENDS]

Attachment 6  
Peoples' Great Lakes Area Demand Entitlements Historical and Current Proposal

**MINNESOTA ENERGY RESOURCES - PNG**

Attachment 6

GLGT

1999-00		2006-07	
G011/M-99-1552	Quantity (Mcf)	G011/M-06-	Quantity (Mcf)
T-17	4,105	T-17	4,105
FT-075 Res fee	1,973	FT-075 Res fee	1,973
FT-155 (12)	2,422	FT-155 (12)	2,422
		FT-155 (5)	1,500
Total Design Day Capacity	8,500	Total Design Day Capacity	10,000
Total GL Transportation	8,500	Total GL Transportation	10,000
Total Transportation	8,500	Total Transportation	10,000
Total Seasonal Transport	0	Total Seasonal Transport	1,500
Percent Seasonal on GL	0.0%	Percent Seasonal on GL	15.0%
2007-08		2008-09	
G011/M-07-	Quantity (Mcf)	G011/M-07-	Quantity (Mcf)
FT0017	4,105	FT0017	4,105
		Change in	Quantity
			0

# MINNESOTA ENERGY RESOURCES - PNG

## Attachment 7

### GLGT

	Last Rate	Last Demand	Most Recent	October PGA with Current	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
	Case GR-92-132	Change M-06-XXXX	PGA as Filed-October	Demand Entitlement Change	Case	Demand Change	PGA	Recent PGA
<b>General Service</b>								
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564
Demand Cost of Gas	\$0.2068	\$0.9106	\$0.8000	\$0.8491	310.60%	-6.75%	6.15%	\$0.0492
Commodity Margin	\$1.1771	\$1.1771	\$0.1626	\$0.1626	-86.18%	-86.18%	0.00%	\$0.0000
Total Recovery	\$4.2216	\$9.4375	\$7.9062	\$8.0118	89.78%	-15.11%	1.34%	\$0.1056
Average Annual Usage (Mcf)	167	167	167	167				
Average Annual Bill^	\$705.01	\$1,576.06	\$1,320.33	\$1,337.96	89.78%	-15.11%	1.34%	\$17.63
<b>Small Volume Interruptible</b>								
	Last Rate	Last Demand	Most Recent	Current	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
	Case GR-92-132	Change M-99-1552	PGA	Proposal	Case	Demand Change	PGA	Recent PGA
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564
Demand Cost of Gas					0.00%	0.00%	0.00%	\$0.0000
Commodity Margin	\$0.9000	\$0.9000	\$0.1243	\$0.1243	-86.18%	-86.18%	0.00%	\$0.0000
Total Recovery	\$3.7377	\$8.2498	\$7.0679	\$7.1243	90.61%	-13.64%	0.80%	\$0.0564
Average Annual Usage (Mcf)	3,063	3,063	3,063	3,063				
Average Annual Bill^	\$11,448.58	\$25,269.14	\$21,649.10	\$21,821.85	90.61%	-13.64%	0.80%	\$172.75
<b>Small/Large Volume Firm</b>								
	Last Rate	Last Demand	Most Recent	Current	Change From Last Rate	Change From Last Demand	Change From Most Recent	\$ Change From Most Recent
	Case GR-92-132	Change M-99-1552	PGA	Proposal	Case	Demand Change	PGA	Recent PGA
Commodity Cost of Gas (WACOG)	\$2.8377	\$7.3498	\$6.9436	\$7.0000	146.68%	-4.76%	0.81%	\$0.0564
Demand Cost of Gas	\$1.6270	\$3.4580	\$3.4580	\$3.4580	112.54%	0.00%	0.00%	\$0.0000
Commodity Margin	\$0.9000	\$0.9000	\$0.1243	\$0.1243	-86.18%	-86.18%	0.00%	\$0.0000
Demand Margin	\$1.5000	\$1.5000	\$2.0724	\$2.0724	38.16%	38.16%	0.00%	\$0.0000
Total Commodity Cost	\$3.7377	\$8.2498	\$7.0679	\$7.1243	90.61%	-13.64%	0.80%	\$0.0564
Total Demand Cost	\$3.1270	\$4.9580	\$5.5304	\$5.5304	76.86%	11.54%	0.00%	\$0.0000
Total Recovery	\$13.7294	\$26.4156	\$25.1967	\$25.3095	84.35%	-4.19%	0.45%	\$0.1128
Average Annual Usage (Mcf)	5,148	5,148	5,148	5,148				
Average Annual CD units (Mcf)	51	51	51	51				
Average Annual Commodity Bill^	\$19,401	\$42,722.83	\$36,668	\$36,958	90.49%	-13.49%	0.79%	\$290.35
<b>Summary</b>								
	Commodity Change (\$/Mcf)	Commodity Change (%)	Demand Change (\$/Mcf)	Demand Change (%)	Total Change (\$/Mcf)	Total Change (%)		
General Service	\$0.0564	0.81%	\$0.0492	6.15%	\$0.1056	1.34%		
Small Volume Interruptible	\$0.0564	0.81%	\$0.0000	0.00%	\$0.0564	0.80%		
Small/Large Volume Firm	\$0.0564	0.00%	\$0.0000	0.00%	\$0.1128	0.45%		

^ Does not include Customer Charges.

## MINNESOTA ENERGY RESOURCES - PNG

Attachment 8

GLGT

### Peoples Great Lakes -- Current Cost of Gas Effective

	Oct. 2008 Entitlements	Nov. 2008 Entitlements	Entitlement Change	Months	Oct. 2008 Rate	Oct. 2008 Total Annual Cost	Nov. 2008 Total Annual Cost	Total Annual Cost Change
T-17 Demand	4,105	4,105	0	12	\$3,4580	\$170,341	\$170,341	\$0
FT-075- Res Fee	1,973	1,973	0	12	\$3,4580	\$81,872	\$81,872	\$0
FT-155 (12)	2,422	2,422	0	12	\$3,4580	\$100,503	\$100,503	\$0
FT-155 (5)	1,500	1,500	0	5	\$3,4580	\$25,935	\$25,935	\$0
T-11	423	0	-423	7	\$10,2780	\$30,433	\$0	(\$30,433)
Nexen PSO	17579	162,508	-13,251	1	1,7700	\$311,093	\$ 287,639	(\$23,454)
Tenaska PSO	\$0	\$0	\$0		\$1,0500	\$0	\$0	\$0
						<u>\$720,178</u>	<u>\$666,290</u>	<u>(\$53,887)</u>



**MINNESOTA ENERGY RESOURCES**

GLGT WINTER PLAN (PNG)  
NOVEMBER, 2008 THROUGH MARCH, 2009

[TRADE SECRET DATA BEGINS

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TRADE SECRET DATA ENDS]

# MINNESOTA ENERGY RESOURCES - PNG

Attachment 10

Daily Total Throughput Data - July 1, 2007 through June 30, 2008

GLGT

Base	1,057
Variable	79

Date	78.00% Bemidji Adjusted HDD	22.00% Cloquet Adjusted HDD	100.00% Weighted Adjusted HDD	Actual Total Through- Put *	Estimated Through- Put
7/1/07	0	11	2	834	1,246
7/2/07	0	9	2	1,091	1,221
7/3/07	0	1	0	917	1,075
7/4/07	0	0	0	868	1,057
7/5/07	0	0	0	911	1,057
7/6/07	0	0	0	841	1,057
7/7/07	0	0	0	875	1,057
7/8/07	0	0	0	798	1,057
7/9/07	1	0	1	1,024	1,123
7/10/07	5	9	6	688	1,502
7/11/07	4	7	5	1,109	1,447
7/12/07	3	7	4	887	1,382
7/13/07	3	12	5	915	1,461
7/14/07	0	1	0	951	1,076
7/15/07	1	4	2	1,481	1,195
7/16/07	0	2	0	1,577	1,093
7/17/07	0	0	0	1,539	1,057
7/18/07	0	0	0	1,370	1,057
7/19/07	0	3	1	860	1,112
7/20/07	1	8	3	843	1,266
7/21/07	0	1	0	1,176	1,075
7/22/07	0	2	0	1,557	1,093
7/23/07	0	0	0	1,476	1,057
7/24/07	0	0	0	1,630	1,057
7/25/07	0	0	0	1,495	1,057
7/26/07	0	0	0	832	1,057
7/27/07	0	0	0	844	1,057
7/28/07	0	0	0	801	1,057
7/29/07	0	0	0	850	1,057
7/30/07	0	0	0	789	1,057
7/31/07	0	0	0	866	1,057
8/1/07	0	0	0	1,059	1,057
8/2/07	0	0	0	842	1,057
8/3/07	1	0	1	817	1,121
8/4/07	0	0	0	779	1,057
8/5/07	0	1	0	967	1,075
8/6/07	4	1	3	799	1,331
8/7/07	0	0	0	806	1,057
8/8/07	0	0	0	859	1,057
8/9/07	0	0	0	808	1,057
8/10/07	0	0	0	830	1,057
8/11/07	0	0	0	881	1,057
8/12/07	7	2	6	870	1,551
8/13/07	6	6	6	857	1,566
8/14/07	0	0	0	1,119	1,057
8/15/07	0	0	0	1,136	1,057
8/16/07	9	5	8	949	1,683
8/17/07	8	7	8	909	1,710
8/18/07	12	13	12	891	2,017
8/19/07	3	8	4	882	1,405
8/20/07	7	8	7	945	1,607
8/21/07	0	0	0	1,169	1,057
8/22/07	0	0	0	871	1,057
8/23/07	1	0	1	932	1,122
8/24/07	7	6	7	983	1,615
8/25/07	5	4	5	1,046	1,442
8/26/07	0	1	0	1,962	1,076
8/27/07	0	0	0	2,185	1,057
8/28/07	9	0	7	2,092	1,589
8/29/07	8	7	8	2,076	1,710
8/30/07	7	9	8	2,274	1,678
8/31/07	0	4	1	1,531	1,131
9/1/07	0	0	0	1,512	1,057
9/2/07	2	0	2	1,526	1,190
9/3/07	0	5	1	1,149	1,149
9/4/07	1	8	3	750	1,256
9/5/07	0	0	0	994	1,057
9/6/07	0	0	0	965	1,057
9/7/07	8	2	7	1,061	1,571
9/8/07	18	14	17	1,909	2,396
9/9/07	18	14	17	2,468	2,399
9/10/07	11	12	11	1,642	1,946
9/11/07	23	21	23	1,567	2,859
9/12/07	21	23	21	1,251	2,735
9/13/07	21	13	19	2,177	2,573
9/14/07	29	29	29	2,836	3,363
9/15/07	19	25	20	1,501	2,641
9/16/07	9	8	9	1,677	1,737
9/17/07	6	6	6	1,995	1,562
9/18/07	7	2	6	2,011	1,546
9/19/07	17	15	17	1,942	2,397
9/20/07	17	19	17	1,523	2,424
9/21/07	7	3	6	1,622	1,529
9/22/07	8	6	7	1,232	1,640

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9/23/07	0	0	0	868	1,057
9/24/07	1	0	1	1,239	1,124
9/25/07	21	12	19	2,209	2,567
9/26/07	16	18	16	1,854	2,356
9/27/07	12	10	12	1,721	1,970
9/28/07	17	16	17	1,387	2,398
9/29/07	2	11	4	1,022	1,388
9/30/07	8	4	7	2,039	1,604
10/1/07	16	9	14	1,881	2,201
10/2/07	7	5	6	2,053	1,565
10/3/07	11	9	10	1,744	1,862
10/4/07	11	2	9	1,927	1,747
10/5/07	17	15	16	1,635	2,350
10/6/07	6	18	8	1,122	1,705
10/7/07	9	5	8	1,548	1,674
10/8/07	21	11	19	2,365	2,534
10/9/07	33	26	32	3,302	3,570
10/10/07	27	27	27	3,023	3,203
10/11/07	24	30	25	2,481	3,050
10/12/07	24	28	25	2,468	3,022
10/13/07	17	24	19	2,117	2,547
10/14/07	22	27	23	2,985	2,864
10/15/07	22	24	22	2,903	2,816
10/16/07	23	24	23	3,218	2,896
10/17/07	17	17	17	2,432	2,426
10/18/07	17	15	16	2,138	2,360
10/19/07	21	18	21	2,570	2,691
10/20/07	21	16	20	1,965	2,642
10/21/07	21	18	20	2,713	2,667
10/22/07	26	25	26	2,641	3,082
10/23/07	21	22	22	2,854	2,766
10/24/07	25	27	25	2,734	3,070
10/25/07	14	20	15	2,071	2,253
10/26/07	26	24	25	2,880	3,059
10/27/07	30	29	30	3,393	3,417
10/28/07	29	34	30	3,442	3,438
10/29/07	18	17	17	2,770	2,436
10/30/07	13	15	13	2,827	2,104
10/31/07	32	22	30	3,910	3,390
11/1/07	28	29	28	2,757	3,289
11/2/07	29	24	27	3,205	3,226
11/3/07	30	29	29	3,382	3,383
11/4/07	30	27	29	3,288	3,360
11/5/07	39	35	38	4,458	4,076
11/6/07	40	38	39	4,947	4,153
11/7/07	37	38	37	4,254	3,982
11/8/07	35	38	36	3,913	3,877
11/9/07	34	36	35	3,753	3,799
11/10/07	30	34	31	3,574	3,484
11/11/07	25	26	25	3,230	3,040
11/12/07	24	23	24	3,031	2,946
11/13/07	19	23	20	3,696	2,607
11/14/07	35	34	35	5,059	3,822
11/15/07	40	39	40	4,880	4,201
11/16/07	36	36	36	4,624	3,920
11/17/07	41	39	40	4,793	4,255
11/18/07	40	39	40	4,020	4,211
11/19/07	29	31	30	3,698	3,401
11/20/07	39	36	38	4,719	4,062
11/21/07	47	46	47	6,523	4,775
11/22/07	48	55	50	6,667	4,989
11/23/07	43	49	44	6,732	4,542
11/24/07	41	42	41	5,162	4,314
11/25/07	35	37	36	5,620	3,863
11/26/07	55	43	53	6,066	5,220
11/27/07	71	63	69	7,291	6,524
11/28/07	61	57	60	7,075	5,813
11/29/07	67	65	67	7,881	6,336
11/30/07	68	68	68	7,178	6,442
12/1/07	55	57	55	6,263	5,437
12/2/07	63	51	60	6,951	5,811
12/3/07	65	61	64	7,323	6,125
12/4/07	57	54	56	7,394	5,489
12/5/07	68	70	68	8,039	6,455
12/6/07	62	63	62	7,795	5,945
12/7/07	73	68	72	8,649	6,740
12/8/07	75	72	74	8,840	6,930
12/9/07	73	73	73	8,944	6,808
12/10/07	59	62	60	8,100	5,791
12/11/07	64	58	62	8,183	5,987
12/12/07	56	59	56	6,417	5,508
12/13/07	61	59	61	8,459	5,876
12/14/07	74	68	73	8,178	6,814
12/15/07	56	66	58	6,495	5,658
12/16/07	55	54	54	7,596	5,351
12/17/07	47	52	48	6,706	4,879
12/18/07	49	47	48	6,174	4,887
12/19/07	54	43	52	5,741	5,129
12/20/07	43	39	42	4,879	4,358
12/21/07	39	35	38	4,699	4,076
12/22/07	55	49	54	6,853	5,286
12/23/07	66	64	66	6,693	6,240
12/24/07	57	55	56	5,186	5,500
12/25/07	45	51	46	5,224	4,695
12/26/07	47	42	46	5,339	4,671
12/27/07	47	57	49	5,792	4,943
12/28/07	53	57	54	5,674	5,288

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12/29/07	48	50	48	5,351	4,888
12/30/07	49	48	49	5,490	4,893
12/31/07	63	54	61	6,911	5,850
1/1/08	75	71	74	8,385	6,918
1/2/08	70	69	70	7,239	6,593
1/3/08	50	58	52	5,906	5,166
1/4/08	51	48	51	5,470	5,063
1/5/08	44	41	44	4,716	4,504
1/6/08	35	34	35	3,987	3,828
1/7/08	36	35	36	4,328	3,887
1/8/08	44	40	43	5,128	4,486
1/9/08	50	47	49	5,546	4,938
1/10/08	44	42	44	5,318	4,511
1/11/08	48	46	48	5,687	4,831
1/12/08	58	47	55	6,219	5,434
1/13/08	60	52	58	7,349	5,644
1/14/08	75	63	73	8,674	6,794
1/15/08	68	60	66	7,010	6,300
1/16/08	63	57	62	8,741	5,941
1/17/08	69	68	69	8,104	6,517
1/18/08	83	78	82	10,229	7,514
1/19/08	85	83	85	10,231	7,736
1/20/08	83	79	82	10,371	7,528
1/21/08	73	72	73	9,838	6,823
1/22/08	77	69	75	9,605	7,020
1/23/08	83	80	83	10,105	7,589
1/24/08	70	76	72	8,342	6,712
1/25/08	63	60	62	7,151	5,987
1/26/08	50	49	50	7,153	4,986
1/27/08	49	50	49	5,897	4,937
1/28/08	39	35	38	6,414	4,039
1/29/08	81	68	78	11,070	7,238
1/30/08	92	88	91	10,529	8,248
1/31/08	73	70	73	8,464	6,800
2/1/08	55	57	55	6,070	5,440
2/2/08	49	42	48	5,903	4,835
2/3/08	48	42	47	5,595	4,747
2/4/08	42	44	43	5,257	4,436
2/5/08	59	45	56	7,040	5,503
2/6/08	62	54	60	7,048	5,830
2/7/08	48	55	49	5,744	4,963
2/8/08	47	49	48	5,479	4,837
2/9/08	75	71	74	9,532	6,903
2/10/08	97	89	95	10,571	8,562
2/11/08	81	78	80	8,907	7,399
2/12/08	60	59	60	7,487	5,814
2/13/08	66	62	65	8,215	6,210
2/14/08	78	73	77	9,086	7,110
2/15/08	80	81	80	8,257	7,379
2/16/08	52	56	53	5,193	5,248
2/17/08	57	49	55	6,748	5,387
2/18/08	78	69	76	8,482	7,061
2/19/08	84	78	83	9,754	7,599
2/20/08	81	78	81	9,161	7,422
2/21/08	72	75	73	7,005	6,794
2/22/08	57	58	57	6,358	5,553
2/23/08	52	52	52	5,174	5,166
2/24/08	44	47	44	4,561	4,570
2/25/08	49	48	49	5,703	4,913
2/26/08	53	56	54	6,211	5,315
2/27/08	57	56	57	6,291	5,528
2/28/08	54	58	55	5,506	5,391
2/29/08	56	53	55	6,457	5,406
3/1/08	54	57	55	5,203	5,373
3/2/08	52	46	51	7,030	5,056
3/3/08	69	62	68	7,587	6,416
3/4/08	54	60	55	6,557	5,427
3/5/08	62	57	61	7,896	5,882
3/6/08	76	70	75	9,266	6,971
3/7/08	74	73	73	7,488	6,851
3/8/08	60	65	61	7,012	5,874
3/9/08	56	58	57	7,900	5,526
3/10/08	48	56	50	4,022	4,972
3/11/08	31	33	32	4,488	3,560
3/12/08	35	36	36	4,746	3,865
3/13/08	35	31	34	5,110	3,765
3/14/08	47	41	45	6,115	4,651
3/15/08	48	46	48	6,085	4,836
3/16/08	46	47	46	5,147	4,679
3/17/08	37	42	38	5,501	4,064
3/18/08	36	34	35	5,587	3,844
3/19/08	37	39	38	5,717	4,025
3/20/08	44	47	45	4,972	4,596
3/21/08	38	45	39	5,127	4,165
3/22/08	36	38	37	5,199	3,961
3/23/08	47	46	47	5,693	4,750
3/24/08	47	48	47	5,316	4,789
3/25/08	40	37	39	5,311	4,136
3/26/08	44	41	44	5,550	4,507
3/27/08	43	46	44	5,325	4,528
3/28/08	39	44	40	4,491	4,213
3/29/08	34	34	34	4,554	3,725
3/30/08	35	30	34	5,001	3,718
3/31/08	37	39	38	5,109	4,031
4/1/08	37	36	37	4,888	3,996
4/2/08	36	40	37	4,213	3,962
4/3/08	27	27	27	3,117	3,190

MERC

4/4/08	26	29	27	2,742	3,166
4/5/08	31	28	30	3,588	3,466
4/6/08	41	37	40	4,460	4,234
4/7/08	34	37	35	4,080	3,809
4/8/08	38	37	38	3,511	4,073
4/9/08	34	30	33	3,747	3,657
4/10/08	34	40	36	3,936	3,868
4/11/08	40	45	41	4,527	4,318
4/12/08	36	38	36	4,752	3,909
4/13/08	36	35	36	4,220	3,871
4/14/08	32	36	33	3,790	3,667
4/15/08	17	19	17	2,802	2,400
4/16/08	21	20	21	3,384	2,695
4/17/08	25	24	25	3,364	3,011
4/18/08	23	29	24	3,181	2,955
4/19/08	23	28	24	2,806	2,973
4/20/08	20	29	22	3,201	2,794
4/21/08	21	22	21	3,392	2,754
4/22/08	23	20	23	2,403	2,838
4/23/08	24	16	22	4,321	2,786
4/24/08	24	19	23	5,241	2,838
4/25/08	40	28	37	4,598	3,998
4/26/08	45	41	44	5,294	4,535
4/27/08	40	37	40	4,600	4,179
4/28/08	41	36	40	3,630	4,222
4/29/08	29	31	30	2,911	3,403
4/30/08	27	24	27	2,894	3,160
5/1/08	21	28	23	2,621	2,848
5/2/08	23	30	25	3,244	2,994
5/3/08	27	29	28	3,196	3,243
5/4/08	21	22	21	3,432	2,726
5/5/08	27	24	26	3,896	3,115
5/6/08	12	18	13	3,155	2,083
5/7/08	22	18	21	2,789	2,731
5/8/08	26	24	25	2,314	3,040
5/9/08	20	23	20	2,148	2,661
5/10/08	29	27	29	3,439	3,312
5/11/08	25	27	26	2,206	3,088
5/12/08	23	29	24	2,632	2,973
5/13/08	26	23	26	2,811	3,078
5/14/08	17	18	17	1,884	2,408
5/15/08	9	16	10	1,465	1,868
5/16/08	9	8	9	1,199	1,744
5/17/08	13	16	13	1,624	2,102
5/18/08	22	22	22	1,572	2,808
5/19/08	23	25	23	2,017	2,896
5/20/08	19	16	18	1,782	2,503
5/21/08	21	16	20	1,650	2,600
5/22/08	15	18	16	1,325	2,296
5/23/08	9	18	11	1,401	1,918
5/24/08	8	16	10	992	1,829
5/25/08	0	9	2	1,009	1,220
5/26/08	18	17	18	1,788	2,449
5/27/08	21	23	21	1,722	2,720
5/28/08	14	17	14	1,339	2,182
5/29/08	7	13	8	1,247	1,679
5/30/08	7	11	8	1,307	1,698
5/31/08	8	10	9	1,214	1,729
6/1/08	2	5	3	1,645	1,281
6/2/08	9	14	10	1,827	1,819
6/3/08	16	17	16	2,035	2,319
6/4/08	16	19	16	1,856	2,347
6/5/08	10	15	11	1,429	1,935
6/6/08	8	12	9	1,026	1,766
6/7/08	1	0	1	875	1,125
6/8/08	6	5	6	1,073	1,534
6/9/08	8	6	8	933	1,691
6/10/08	14	16	14	1,377	2,188
6/11/08	20	25	21	2,000	2,708
6/12/08	4	12	6	941	1,534
6/13/08	10	11	10	1,151	1,862
6/14/08	3	4	4	1,631	1,336
6/15/08	13	8	12	2,073	2,004
6/16/08	8	11	9	1,259	1,736
6/17/08	7	7	7	1,072	1,624
6/18/08	5	7	6	815	1,502
6/19/08	0	8	2	892	1,200
6/20/08	0	0	0	977	1,057
6/21/08	1	2	1	765	1,164
6/22/08	3	7	4	784	1,387
6/23/08	2	3	2	928	1,237
6/24/08	0	0	0	856	1,057
6/25/08	0	0	0	922	1,057
6/26/08	0	0	0	922	1,057
6/27/08	0	2	0	833	1,093
6/28/08	9	2	7	982	1,642
6/29/08	0	1	0	774	1,077
6/30/08	0	4	1	849	1,131
Totals	10,845	10,748	10,824	1,379,017	1,241,955

\* Volumes include interruptible and transportation volumes except for transportation volumes that are not located behind MERC citygates.

MERC

\*\* Design Model numbers are used to calculate firm volumes only

# MINNESOTA ENERGY RESOURCES - PNG

Attachment 11

Customer Counts by PGAC Class - July 1, 2007 through June 30, 2008  
GLGT

Rate Class	Tariff Rate Designation	Jul-07 Average Customers	Aug-07 Average Customers	Sep-07 Average Customers	Oct-07 Average Customers	Nov-07 Average Customers	Dec-07 Average Customers	Jan-08 Average Customers	Feb-08 Average Customers	Mar-08 Average Customers	Apr-08 Average Customers	May-08 Average Customers	Jun-08 Average Customers
Residential w/ Heat	MN006	4,859	4,722	4,687	4,752	4,823	4,887	4,912	4,931	4,928	4,933	5,015	4,885
Residential w/o Heat	MN005	37	38	35	33	36	37	36	35	39	35	35	37
Commercial-SV	MN052/074	416	419	413	423	431	423	429	429	429	428	426	416
Commercial-LV	MN062/075	511	499	504	495	509	514	526	509	507	504	513	512
SV-Joint	MN106	4	6	5	6	5	5	5	5	5	5	5	5
SV-Interruptible	MN127	5	5	5	6	5	5	5	5	5	5	5	5
Transport	MN509/83L	4	4	4	4	3	12	15	20	20	16	20	12
<b>Total</b>		<b>5,836</b>	<b>5,693</b>	<b>5,653</b>	<b>5,719</b>	<b>5,812</b>	<b>5,883</b>	<b>5,928</b>	<b>5,934</b>	<b>5,933</b>	<b>5,926</b>	<b>6,019</b>	<b>5,872</b>