January 29, 2025

Will Seuffert
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce
Docket No. G011/M-24-270

Dear Mr. Seuffert:

Attached are the supplemental comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of Minnesota Energy Resources Corp.'s Petition for Approval of a Change in Demand Entitlement for its NNG System

The Petition was filed by the Minnesota Energy Resources Corporation on August 1, 2024, and was updated on November 1, 2024.

The Department recommends that the Commission accept the Company's proposed level of demand entitlement and allow MERC to recover associated demand costs through the monthly Purchased Gas Adjustment effective November 1, 2024. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Peter Wyckoff, Ph.D.
Deputy Commissioner, Division of Energy Resources

AZ/SS/ad
Attachment

COMMERCE DEPARTMENT

Before the Minnesota Public Utilities Commission

Supplemental Comments of the Minnesota Department of Commerce

Docket No. G011/M-24-270

I. INTRODUCTION

The Minnesota Department of Commerce, Division of Energy Resources (Department) provides its supplemental comments on the Demand Entitlement Filing (Petition) of Minnesota Energy Resources Corporation (MERC or the Company) for its Consolidated System in Docket No. G011/M-24-270.[1] Pursuant to Minnesota Rules part 7825.2910, subpart 2, MERC filed a petition to request a change in demand on August 1, 2023, with the Minnesota Public Utilities Commission (Commission or PUC), to change the levels of demand for natural gas pipeline capacity (Petition) for is customers served off the Northern Natural Gas (NNG or Northern) System. The Petition is the eighth in which the Company's NNG and Albert Lea systems were combined based on the ruling in Docket No. G011/GR-15-736., MERC requested that the Commission approve changes in the Company's recovery of the overall level of contracted capacity.

On November 1, 2024, MERC filed its *November Update* (Update)[2] detailing final entitlement levels for the 2024-2025 heating season. The *November 1 Update* includes final updated demand rates and commodity pricing. The Department recommends accepting the Company's proposed level of demand entitlement and allowing MERC to recover the associated demand costs through the monthly Purchased Gas Adjustment (PGA) effective November 1, 2024. These comments address the remainder of the MERC Petition and Update.

II. PROCEDURAL BACKGROUND

The Department outlines the relevant procedural history as follows.

	The Commission issued its Order in Docket Nos. G011/M-12-1192, G011/M-12-1193, G011/M-12-1194, G011/M-12-1195, the Commission stated in part the following: "Required MERC to check its regression models for autocorrelation and correct the model if autocorrelation is present by removing the autocorrelation from the model."
April 28, 2016	The Commission issued its Order in Docket Nos. G011/M-15-722, G011/M-15-723, G011/M-15-724, the Commission stated in part the following: "Required MERC to verify its regression analysis results in

[1] Minnesota Energy Resources Corporation, Petition, August 1, 2024, (eDockets) 20248-209171-01, (hereinafter "Petition").
[2] Minnesota Energy Resources Corporation, Update of Petition, November 1, 2024, (eDockets) 202411-211525-01, (hereinafter "Update").

	future demand entitlement filings to ensure the results are consistent with the underlying theory the analysis attempts to explain."[3]
May 8, 2018	The Commission issued its Order in Docket No. G011/M-15-895, which: 1. Required MERC to provide semiannual updates in this docket explaining what, if any, capacity-release-related activity occurred during the previous 6 months (e.g., when capacity release was offered, amount accepted, prices); 3. Required MERC to provide a detailed discussion of each capacity substitution in its annual demand entitlement filings on a going-forward basis.[4]
February 17, 2023	The Commission issued its *Order Requiring Actions to Mitigate Impacts From Future Natural Gas Price Spikes, Setting Filing Requirements, and Initiating a Proceeding to Establish Gas Resource Planning Requirements* in Docket Nos. G999/CI-21-135, G008/M-21-138, G004/M-21- 235, G002/CI-21-610, and G011/CI-21-611. Ordering Paragraphs 9 and 10 stated the following: 9. In future contract demand entitlement filings, the gas utilities in this docket shall discuss how changes to their pipeline capacity affect their supply diversity and, if pipeline capacity comes at a cost premium but increases supply diversity, provide a meaningful cost/benefit discussion of the tradeoff, including a comparison with the least-cost capacity option. 10. Each gas utility in this docket shall include in its relevant annual, forward-looking gas planning or hedging filings: A. Its expected supply mixes across different load and weather conditions throughout each month of the upcoming winter season; B. The forecasted minimum, average, and maximum day load requirements; and

[3] *In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-Consolidated, MERC -Northern Natural Gas (NNG), and MERC-Albert Lea) for Approval of Changes in Contract Demand Entitlements for the 2015-2016 Heating Season Supply Plan effective November 1, 2015*, Minnesota Public Utilities Commission, Order, April 28, 2016, Docket Nos. G 011/M-15-722; G-011/M-15-723; G-011/M-15-724, (eDockets) 20164-120779-03 at 2, (hereinafter "April 28, 2016 Order").
[4] In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC) for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project, Minnesota Public Utilities Commission, Order, May 8, 2018, Docket No. G-011/M-15-895, (eDockets) 20185-142843-01 at 1, (hereinafter "May 8, 2018 Order").

	C. The expected mix of baseload, storage and spot supply on those days.
January 17, 2024	In its January 17, 2024 Order in Docket No. G011/M-23-359, the Commission accepted the Company's proposed demand entitlement and allowed the Company to recover associated demand costs through the monthly PGA effective November 1, 2023.[5]
April 3, 2024	MERC filed petition in Docket No. G011/M-24-155, requesting approval to acquire an additional 4,777 Dth capacity for the 2023-2024 heating season.[6]
July 16, 2024	The Commission accepted the Company's proposed demand entitlement in Docket No. G011/M-24-155 and allowed the Company to recover associated demand costs through the monthly PGA effective April 1, 2024.[7]
August 1, 2024	The Company submits its Petition in the current proceeding, requesting a change to the Company's demand entitlements pursuant to Minn. R. 7829.2910, Subp. 2.[8]
October 3, 2024	The Department files its Initial Comments in the current proceeding.[9] The Department recommended approval of the Company's Design-Day Analysis.
October 14, 2024	MERC files its Reply Comments, and requests that the Commission approve its Design-Day Analysis.[10]
November 1, 2024	The Company files its Update in the current proceeding, detailing the final entitlement levels for the 2024-2025 heating season, as well as updated demand rates and commodity pricing.

[5] *In the Matter of Minnesota Energy Resources Corporation's (MERC) Petition for Approval of a Change in Demand Entitlement for its NNG System*, Minnesota Public Utilities Commission, Order, January 17, 2024, Docket No. G-011/M-23-358, (eDockets) 20241-202257-01, (hereinafter "January 17, 2024 Order").
[6] *In the Matter of the Minnesota Energy Resources Corporation (MERC) Petition for Approval of a Change in Demand Entitlement for its NNG System*, Minnesota Energy Resources Corporation, Petition, April 3, 2024, Docket No. G011/M-24-155, (eDockets) 20244-204978-01, (hereinafter "MERC 2023-2024 Heating Season Capacity Update Petition").
[7] *In the Matter of Minnesota Energy Resources Corporation's Petition for Approval of a Change in Demand Entitlement for its NNG System*, Minnesota Public Utilities Commission, Order, July 16, 2024, Docket No. G-011/M-24-155, (eDockets) 20247-208672-01.
[8] Minn. R. 7825.2910, Subp. 2
[9] Minnesota Department of Commerce, Initial Comments, October 3, 2024, (eDockets) 202410-210699-01.
[10] Minnesota Energy Resources Corporation, Reply Comments, October 14, 2024, (eDockets) 202410-210951-01.

III. DEPARTMENT ANALYSIS

The Department provides an analysis for the Company's Petition and Update that includes the following areas:

- Summary of proposed changes;
- Changes to Capacity and non-capacity items;
- The design-day requirements;
- The reserve margin;
- The PGA cost recovery proposal;
- NNG's future capacity outlook;
- Rochester Project Compliance; and
- Compliance with the Commission's January 17, 2024 Order.

A. SUMMARY OF PROPOSED CHANGES

In its initial comments the Department stated the following:

> MERC proposes to decrease its total design-day requirement by 765 dekatherms (Dth) to 290,169 Dth/day. The Company currently has design-day capacity of 320,042 Dth/day on its MERC-NNG system and proposes no change for the 2024-2025 heating season. The Company proposes a reserve margin of 11.59 percent, an increase of 0.29 percent from the 10.07 percent reserve margin for the 2023-2024 heating season. MERC also proposes changes to its non-design-day deliverable contracts.[11] [citations omitted]

MERC's proposed entitlement changes results in an estimated increase in demand costs for residential customers of $0.0273 per Dth, 2.17 percent, or approximately $2.34 per year compared to the rates included in the Company's October 2024 PGA.[12] MERC also includes commodity costs in this Petition. Commodity costs are unusual for demand entitlement filings; however, the Commission's May 8, 2018 Order requires the Company to include Rochester Project-related capacity costs in the commodity portion of the monthly PGA.[13] MERC's estimated change to the commodity cost for residential customers is an increase of $0.4020 per Dth, resulting in an annual increase of $34.41 for an average customer's bill, or approximately 13.90 percent.[14]

MERC also requests that the Commission allow recovery of the associated demand costs in the Company's monthly PGA effective November 1, 2024.[15]

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[11] Department Initial Comments at 3.
[12] Update Attachment 4.
[13] See May 8, 2018 Order at 1.
[14] *Id*.
[15] *Id*. at 1.

B. *CHANGES TO CAPACITY AND NON-CAPACITY ITEMS*

B.1. *Capacity Contracts*

As an initial matter, the Department confirms that, as required by the Commission's Order Point 9[16] of its April 28, 2016 Order that MERC provided separate data on its summer and winter demand entitlements.[17]

As noted in Table 1, and indicated in Department Attachment 1, the Company does not propose changes to its overall entitlement level in its Petition. However, capacity levels have changed since the Company's November 1, 2023 Update, as the Company submitted the MERC 2023-2024 Heating Season Capacity Update Petition on April, 2024, wherein the Company purchased an additional 4,777 Dth/day capacity under the TFX (Max Rate) with a term of April 2024 to March 2026.[18]

Table 1: MERC's NNG Total Entitlement Levels

Filing	Previous Entitlement (Dth)	Proposed Entitlement (Dth)	Entitlement Changes (Dth)	Change From Previous Filing (%)
November 1, 2023	313,756	315,465	1,709	0.54 %
March 28, 2024	315,465	320,242	4,777	1.51%
Aug 1, 2024	320,242	320,242	0	0.00%
November 1, 2024	320,242	320,242	0	0.00%

The Company explains its rationale for acquiring the capacity and the resulting cost impact:

> MERC has been awarded and acquired an additional 4,777 dth of capacity on the NNG system via two NNG Open Seasons held in March 2024. As explained by MERC in the Company's November 1, 2023 updated Demand Entitlement filing in the above-referenced docket, while MERC-NNG has surplus capacity at a Total System level through 2023-2024, there are operating areas of MERC-NNG that are very short on capacity. The 4,777 dth in increased capacity is needed to provide adequate capacity, plus a 5 percent reserve margin, in those areas that are forecasted to be short of design day needs over the forecast horizon.
>
> The 4,777 dth of additional capacity that MERC acquired is priced at NNG's tariffed TFX (Max Rate) rate, and has a term of April 2024 – March 2026, which, in comparison to an expansion project, has a much smaller impact on customer rates while aiding capacity shortages in the near-term time period. The impact to customers in the context of the 2023-2024 Demand

[16] Order Point 9 states, "Required MERC to separate its summer and winter demand entitlements as reflected in Attachment 4 of its petitions, rather than combining the data as reflected on Attachment 3 of its petitions." April 28, 2016 Order at 2.
[17] Update Attachment 3.
[18] MERC 2023-2024 Heating Season Capacity Update Petition at 2.

> Entitlement filing will be an increase to demand costs of $323,556 on an annualized basis, as shown on the attached updated Attachment 4, page 2. This results in an increased demand cost of $0.00125 per therm for the period April 1, 2024 – October 31, 2024 as shown in Attachment 4, pages 1 and 2.[19] [citations omitted]

MERC states that the acquired capacity is favorable in comparison to a pipeline expansion, which the Company states would cost $250 million with a 20-year contract, and would increase NNG demand costs by $12 million annually.[20]

Regarding NNG capacity, NNG's reallocation of TF-12B and TF-12V services are not known until the Update, and MERC indicated some changes. The changes are in accordance with NNG's tariff approved by the Federal Energy Regulatory Commission (FERC). Usually there is no deliverability difference between TF-12B and TF-12V services, but TF-12B service is less expensive than TF-12V service. The TF-12B decreased by 2,939 Dth/day with a corresponding increase in the same amount to the TF-12V service.

Regarding Northern Border Pipeline (NBPL) capacity, the company noted a decrease in annual costs of approximately $10,802 due to the lack of an additional day and leap year.[21] The Petition and Update outline changes to contract costs,[22] but do not result in changes to the overall entitlement levels. The contract changes result in an additional $1,030,755 costs compared to the 2023-2024 heating season.

B.2. Changes to Non-Capacity Items

MERC does not propose any new additions to its non-capacity items in this demand entitlement filing.

C. PROPOSED RESERVE MARGIN

As indicated in Department Attachment 1 and shown in Table 5, the proposed reserve margin is 30,073 Dth, or 10.36%, as follows:

Table 5: MERC-NNG Reserve Margin

Filing	Total Entitlement (Dth)	Design-day Estimate (Dth)	Difference (Dth)	Reserve Margin %	Percentage Point Change From Previous Year
November 1, 2024	320,242	290,169	30,073	10.36%	1.93%

The proposed reserve margin of 10.36% represents an increase of 1.93 percentage points as compared to last year's reserve margin of 8.43%.[23] The Company's proposed reserve margin is higher than the Commission typically approves; in this case, the higher reserve margin is driven by the Rochester Project and the nature of large natural gas projects. The Commission was aware of these facts when it

[19] *Id*.
[20] *Id*. Also mentioned in the Petition at 10-11.
[21] Petition at 6.
[22] Petition Attachment 8.
[23] Petition Attachment 3.

approved the Rochester Project and required MERC, as discussed in Section III.F below, to explore methods such as capacity release to mitigate higher reserve margins.

Based on the Department's review of MERC's historic design-day data, regression results, and the nature of the Rochester Project and associated capacity expansions, the Department concludes that MERC's reserve margin is acceptable. The Department will continue to monitor the reserve margin in future demand entitlement filings and capacity release compliance filings.

D. THE COMPANY'S PGA COST RECOVERY PROPOSAL

In its Attachment 4 of the Update, MERC compares its October 2024 PGA to MERC's projected November 2024 PGA rates to highlight the changes in demand costs. According to MERC's calculations, the Company's demand entitlement proposal would result in the following annual demand cost impacts:

- annual bill increase of $2.34 related to demand costs, or approximately 2.17%, for the average General Service customer consuming 86 Dth annually;
- annual bill increase of $21.32 related to demand costs, or approximately 2.17%, for the average Small Volume Firm customer Class 2 consuming 781 Dth annually;
- annual bill increase of $436.43 related to demand costs, or approximately 2.17%, for the average Large Volume Firm customer consuming 15,986 Dth annually; and
- no demand cost impacts related to MERC-NNG's interruptible rate classes.

The Department notes that MERC appropriately included Rochester Project related demand costs in the commodity portion of the PGA, as required by the Commission's May 8, 2018 Order. For this reason, the Department shows the commodity related bill impacts that include the Rochester Project in MERC's calculations in Table 6.[24]

Table 6: Comparison of October 2024 PGA Commodity Cost to November 2024 PGA Proposal by Customer Class

Customer Class	Annual Difference ($/yr/customer)	Percentage Change
Residential	$34.41	13.90%
Small Commercial	$313.96	13.90%
Large Commercial	$6,426.49	13.90%
Small Interruptible	$1,652.10	13.90%
Large Interruptible	$8,880.70	13.90%

Based on its analysis, the Department recommends that the Commission approve the proposed demand costs with an effective date of November 1, 2024.

E. MERC-NNG'S FUTURE CAPACITY OUTLOOK

In its Petition the Company states that while it has a surplus of 15,565 dth/day at a total system level, there are operating areas of MERC-NNG that have excess capacity, such as in the Rochester area (and as

[24] October 2024 Northern PGA and November 2024 Northern PGA, Docket No. G011/AA-24-59.

previously discussed above); elsewhere on MERC-NNG, there are operating areas, such as the Farmington area, that are short on capacity. MERC states the following:

> The Rochester and NNG Farmington area have different laterals on the NNG system and are therefore not integrated. Since they are not served by the same NNG lateral, utilizing the excess Rochester capacity to serve the NNG Farmington area is not an operationally viable solution, nor allowed by NNG, for serving the Farmington area.
>
> MERC's 10-year forecasted Peak (and Reserve) for the MERC-NNG Total System level as well as the operating area and gate station level, indicates system capacity shortages, with the NNG Farmington region being the bulk of the system shortage. On both an operating area and gate station level, and a MERC-NNG Total System level, MERC becomes short of its Peak + Reserve within the next 10 years.[25]

However, elsewhere the Company has stated that its precedent agreement allowed firm growth capacity rights to other MERC markets and the ability to divert up to 20 percent of the Rochester entitlement to serve its other markets as described in the Commission's justification for approval of its Petition.[26]
In addition, MERC states the following:[27]

> Given MERC's focused efforts on ensuring reliability, MERC is looking at potential ways to meet the upcoming demand needs in the Farmington and Worthington areas. NNG has informed MERC that they do not have either discounted capacity, or the ability to realign capacity from other areas of the MERC system to the Farmington or Worthington areas. MERC expressed interest in NNG's 2025 Northern Lights Open Season, which would go in service November 1, 2025. As part of the 2025 Northern Lights Open Season process, NNG provided MERC a non-binding cost estimate to expand its system to meet the Company's needs in the NNG Farmington area. NNG's cost estimate was a $250 million commitment for a 20 year contract, which equates to an annual increase of $12 million to the MERC-NNG demand costs.
>
> As an alternative to an NNG expansion, MERC has investigated connections with another pipeline but there are no other interstate pipeline alternatives that are locationally viable, or that have open capacity to deliver to MERC's system in the Farmington or Worthington area. MERC is

[25] Petition at 10.
[26] *In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project*, Minnesota Public Utilities Commission, Order Approving Rochester Project And Granting Rider Recovery With Conditions, May 5, 2017, Docket No. G-011/M-15-895, G-011/M-16-315, (eDockets) 20175-131604-01,at 9-10.
[27] Petition at 10-11.

> also analyzing the potential ability for Liquefied Natural Gas (LNG) peaking service in the Farmington area as well. MERC will continue to provide the Commission with updates on its efforts.

In addition, the Department has previously discussed MERC-NNG's future capacity outlook and will not repeat that discussion here.[28] While MERC must plan for its design day, MERC is also responsible for providing service in a safe and reliable manner. Thus, any future proposals made by MERC will be evaluated at that time.

F. MERC'S ROCHESTER PROJECT COMPLIANCE

In the May 8, 2018 Order,[29] the Commission required MERC to provide semi-annual updates regarding capacity release associated with the Rochester Project and a discussion of each capacity substitution in its annual demand entitlement filing on a going-forward basis.

MERC provided information regarding this compliance requirement in its Petition.[30] The Company explained that the second phase of capacity associated with the Rochester Project entered service on November 1, 2019. MERC stated that it will continue to submit bi-annual compliance filings regarding capacity releases. The Company also stated that it has used Rochester Project capacity as a capacity substitution for several previous projects (*i.e.,* Balaton, Esko, Pengilly) and, although no capacity substitutions have occurred recently, MERC will continue to provide updates on future capacity substitutions in future demand entitlement filings.[31]

The Department concludes that MERC complied with the Commission's Rochester Project compliance requirement.

G. COMMISSION ORDERS IN DOCKET NO G999/CI-21-135 AND G011/CI-21-611

Ordering Paragraphs 9 and 10 of the Commission's February 17, 2023 Order state the following:

> 9. In future contract demand entitlement filings, the gas utilities in this docket shall discuss how changes to their pipeline capacity affect their supply diversity and, if pipeline capacity comes at a cost premium but increases supply diversity, provide a meaningful cost/benefit discussion of the tradeoff, including a comparison with the least-cost capacity option.
>
> 10. Each gas utility in this docket shall include in its relevant annual, forward-looking gas planning or hedging filings:
>
> A. Its expected supply mixes across different load and weather conditions throughout each month of the upcoming winter season;

[28] In the Matter of Minnesota Energy Resources' Petition for Approval of a Change in Demand Entitlement for its NNG System, Minnesota Department of Commerce, Comments, November 22, 2023, Docket No. G011/M-23-359, (eDockets) 202311-200724-01 at 11-13.
[29] Order Point 1. May 8, 2018 Order at 1.
[30] Petition at 8-9.
[31] *Id.* at 9.

B. The forecasted minimum, average, and maximum day load requirements; and

C. The expected mix of baseload, storage, and spot supply on those days.[32]

In its Update, the Company provides the required information.[33] MERC states:

> As mentioned above, MERC does not have any change to net design-day deliverability for 2024-2025 as compared to 2023-2024; therefore additional pipeline capacity was not required. Historically, ~~T~~the NNG Ventura North Generally Available Open Season has only allowed for Ventura as the receipt location, while the NNG West Leg Generally Available Open Season has historically only allowed for NBPL/NNG Welcome as the receipt location~~, therefore there were no other available options presented when bidding into the Open Season~~.[34]

Regarding compliance with paragraph 10, the Company states that it provided the requested information in its Attachment 6 using the three prior years data. MERC states the following:

> Attachment 6, page 3, provides this information for the November 2024 through March 2025 period. All load estimates are based on the previous three years observed data, except for the December through February months, in which the Design Day (i.e. Peak Day) was used to represent the maximum load. While three years of historical data provide a reasonable estimate, conditions can deviate and provide load requirements different from those in the past.[35]

The Department concludes that MERC complied with the February 17, 2023 Order. The Department also concludes that MERC's explanations regarding its compliance with the Ordering paragraphs 9 and 10 are acceptable. However, the prudency of the natural gas costs inferred above, and actions taken by MERC to minimize those costs will be evaluated in a future proceeding when MERC files its annual automatic adjustment report and true up filing on September 1, 2025.

IV. DEPARTMENT RECOMMENDATIONS

Based on analysis of MERC's Petition, and the information in the record, the Department recommends that the Commission

- Accept the Company's proposed level of demand entitlement; and
- Allow MERC to recover associated demand costs through the monthly PGA effective November 1, 2024.

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[32] February 17, 2023 Order at 23.
[33] Petition at 5 and 7-8 and Attachment 6 at 3.
[34] Update at 5. Updated text shown in red.
[35] Petition at 5.

Department Attachment 1
Docket No. G011/M-23-359
MERC NNG Demand Entitlement Analysis**

	Number of Firm Customers			Design-Day Requirement			Total Entitlement Plus Peak Shaving			Reserve Margin	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Heating Season	Number of Customers	Change from Previous Year	% Change From Previous Year	Design Day (Dth)	Change from Previous Year	% Change From Previous Year	Total Design-Day Capacity (Dth)	Change from Previous Year	% Change From Previous Year	Reserve (7) - (4)	% Reserve [(7)-(4)]/(4)
2024-2025	212,522	3,160	1.51%	290,169	(765)	-0.26%	320,242	4,777	1.51%	30,073	10.36%
2023-2024*	209,362	957	0.46%	290,934	(316)	-0.11%	315,465	1,709	0.54%	24,531	8.43%
2022-2023	208,405	2,054	1.00%	291,250	8,540	3.02%	313,756	0	0.00%	22,506	7.73%
2021-2022	206,351	1,570	0.77%	282,710	1,914	0.68%	313,756	(593)	-0.19%	31,046	10.98%
2020-2021	204,781	3,591	1.78%	280,796	3,420	1.23%	314,349	0	0.00%	33,553	11.95%
2019-2020	201,190	2,562	1.29%	277,376	3,534	1.29%	314,349	37,093	13.38%	36,973	13.33%
2018-2019	198,628	637	0.32%	273,842	6,059	2.26%	277,256	10,939	4.11%	3,414	1.25%
2017-2018	197,991	2,680	1.37%	267,783	5,459	2.08%	266,317	0	0.00%	(1,466)	-0.55%
2016-2017	195,311	3,295	1.72%	262,324	3,248	1.25%	266,317	0	0.00%	3,993	1.52%
2015-2016	192,016	2,938	1.55%	259,076	(14,841)	-5.42%	266,317	(14,287)	-5.09%	7,241	2.79%
2014-2015	189,078	(176)	-0.09%	273,917	15,004	5.79%	280,604	10,000	3.70%	6,687	2.44%
2013-2014	189,254	1,709	0.91%	258,913	19,588	8.18%	270,604	22,900	9.24%	11,691	4.52%
2012-2013	187,545	1,655	0.89%	239,325	(8,657)	-3.49%	247,704	(15,771)	-5.99%	8,379	3.50%
2011-2012	185,890	(720)	-0.39%	247,982	13,075	5.57%	263,475	(15,690)	-5.62%	15,493	6.25%
2010-2011	186,610	799	0.43%	234,907	(9,694)	-3.96%	279,165	7,000	2.57%	44,258	18.84%
2009-2010	185,811	1,243	0.67%	244,601	(19,298)	-7.31%	272,165	4,227	1.58%	27,564	11.27%
2008-2009	184,568	1,854	1.01%	263,899	23,416	9.74%	267,938	0	0.00%	4,039	1.53%
2007-2008	182,714	7,073	4.03%	240,483	1,729	0.72%	267,938	2,036	0.77%	27,455	11.42%
2006-2007	175,641			238,754			265,902			27,148	11.37%
Average			1.04%			1.27%			1.12%		7.14%

	Firm Peak-Day Sendout***			Per Customer Metrics			
	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Heating Season	Firm Peak-Day Sendout (Dth)	Change from Previous Year	% Change From Previous Year	Excess per Customer [(7) - (4)]/(1)	Design Day per Customer (4)/(1)	Entitlement per Customer (7)/(1)	Peak-Day Send per Customer (12)/(1)
2024-2025	unknown			0.1415	1.3654	1.5069	unknown
2023-2024*	230,551	(15,896)	-6.45%	0.1172	1.3896	1.5068	1.1012
2022-2023	246,447	11,590	4.93%	0.1080	1.3975	1.5055	1.1825
2021-2022	234,857	(11,398)	-4.63%	0.1505	1.3700	1.5205	1.1381
2020-2021	246,255	25,917	11.76%	0.1638	1.3712	1.5350	1.2025
2019-2020	220,338	(48,510)	-18.04%	0.1838	1.3787	1.5624	1.0952
2018-2019	268,848	34,903	14.92%	0.0172	1.3787	1.3959	1.3535
2017-2018	233,945	21,292	10.01%	-0.0074	1.3525	1.3451	1.1816
2016-2017	212,653	(2,524)	-1.17%	0.0204	1.3431	1.3636	1.0888
2015-2016	215,177	10,612	5.19%	0.0377	1.3492	1.3870	1.1206
2014-2015	204,565	(19,471)	-8.69%	0.0354	1.4487	1.4841	1.0819
2013-2014	224,036			0.0618	1.3681	1.4298	1.1838
2012-2013				0.0447	1.2761	1.3208	
2011-2012				0.0833	1.3340	1.4174	
2010-2011				0.2372	1.2588	1.4960	
2009-2010				0.1483	1.3164	1.4647	
2008-2009				0.0219	1.4298	1.4517	
2007-2008				0.1503	1.3162	1.4664	
2006-2007				0.1546	1.3593	1.5139	
Average			1.59%	0.0960	1.3577	1.4537	1.1629

*Entitlement Level based on November 1, 2023 Update

**Design-Day, and Total Entitlement were largley attributed the Albert Lea PGA however MERC did not increase its 2017-2018 Firm Customers to incoporate the Albert Lea PGA numbers

***Effective 7/1/13 MERC PGAs were consolidated from four down to two (NNG and Consolidated). Prior to 2013, no Peak-Day was calculated for only the NNG PGA.

Source: MERC's Attachments - November 1, 2024 Update

Prepared by the Minnesota Department of Commerce

CERTIFICATE OF SERVICE

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

Minnesota Department of Commerce
Supplemental Comments

Docket No. G011/M-24-270

Dated this **29th** day of **January 2025**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
1	Michael	Ahern	ahern.michael@dorsey.com	Dorsey & Whitney, LLP		50 S 6th St Ste 1500 Minneapolis MN, 55402-1498 United States	Electronic Service		No	24-270M-24-270
2	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	24-270M-24-270
3	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-270M-24-270
4	Daryll	Fuentes	energy@usg.com	USG Corporation		550 W Adams St Chicago IL, 60661 United States	Electronic Service		No	24-270M-24-270
5	Joylyn C	Hoffman Malueg	joylyn.hoffmanmalueg@wecenergygroup.com	Minnesota Energy Resources		2685 145th St W Rosemount MN, 55068 United States	Electronic Service		Yes	24-270M-24-270
6	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	24-270M-24-270
7	Catherine	Phillips	catherine.phillips@wecenergygroup.com	Minnesota Energy Resources		231 West Michigan St Milwaukee WI, 53203 United States	Electronic Service		Yes	24-270M-24-270
8	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-270M-24-270
9	Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.		225 South Sixth Street Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	24-270M-24-270
10	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	24-270M-24-270
11	Richard	Stasik	richard.stasik@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)		231 West Michigan St - P321 Milwaukee WI, 53203	Electronic Service		No	24-270M-24-270

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
						United States				
12	Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	24-270M-24-270
13	Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine		225 S 6th St Ste 3500 Capella Tower Minneapolis MN, 55402-4629 United States	Electronic Service		No	24-270M-24-270
14	Tina E	Wuyts	tina.wuyts@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)		PO Box 19001 700 N Adams St Green Bay WI, 54307-9001 United States	Electronic Service		Yes	24-270M-24-270